



FY 2020

City of Rolling Meadows Comprehensive Annual Financial Report

For the Year Ended December 31, 2020



*A New Rolling Meadows
Business Website*



CITY OF ROLLING MEADOWS, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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

**List of Principal Officials
December 31, 2020**

LEGISLATIVE

Mayor: Joe Gallo

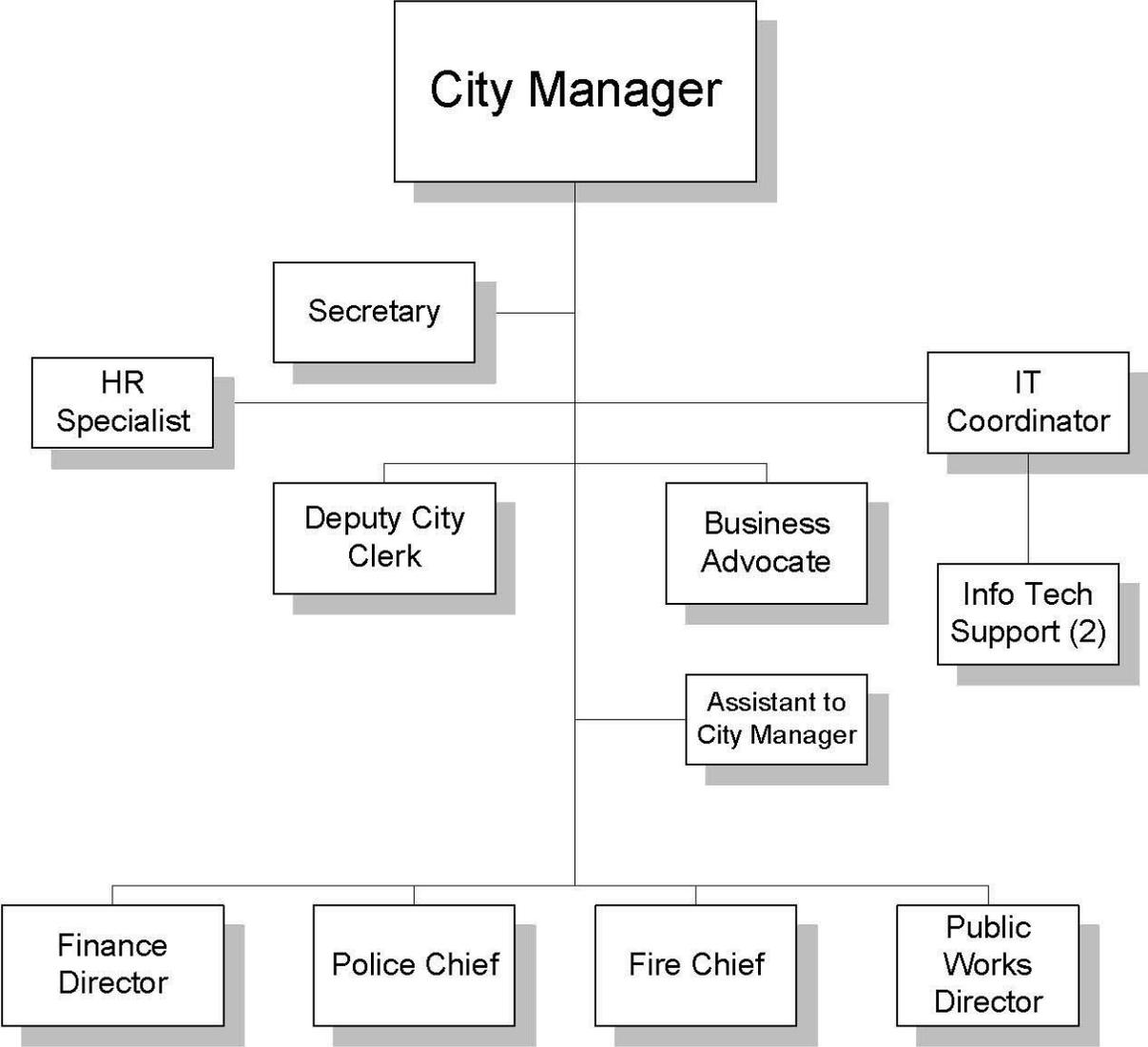
Deputy City Clerk: Judy Brose

Ward 1:	Karen McHale, Alderman
Ward 2:	Nick Budmats, Alderman
Ward 3:	Kevin O'Brien, Alderman
Ward 4:	Jennifer Vinezeano, Alderman
Ward 5:	Jon 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:	Jeff Moxley

City Departments





June 15, 2021

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, 2020, 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, 2020, 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 approximately 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.

COVID-19 Impact

The City of Rolling Meadows has been "open" for business ever since Governor J.B. Pritzker first announced state-wide guidelines in the spring of 2020 intended to slow the spread of COVID-19. Keys to success have been a combination of effective social distancing strategies that protected customers and employees at City buildings and expanded remote technology services.

Rolling Meadows' long-term commitment to fiscal discipline and prudent stewardship of City finances have been integral to ensuring delivery of high-quality services to more than 24,000 residents and hundreds of businesses amid the COVID-19 pandemic. The City's financial resiliency was on full display throughout 2020, as leaders successfully offset a severe projected revenue decline. Actions included a transfer of reserves from the General Fund's committed funds; transfers from the Liability Insurance and Health Insurance Funds; not filling vacant position and delaying new Staff hires; rescheduling certain capital projects originally planned for the year; and applying for/receiving more than \$325,000 in count, state and federal COVID-19 relief grants.

Rolling Meadows employees have demonstrated outstanding professionalism and commitment to high-level service during a difficult and uneasy time. The City communicated information to residents and businesses throughout 2020 in a variety of ways. The City's website became a hub for information such as updates from the State of Illinois on the COVID-19 virus to hours of operation on essential businesses to help for small businesses. The City's Newsletter provided COVID-19 related information to residents and business alike.

The City's Police Department responded to increased domestic calls and provided additional social services in FY 2020. Increases in IDES fraud calls/investigations; general fraud cases; major case investigations; traffic and trespass calls were noticeable in FY 2020. The City's Fire Department created a COVID-19 Task Force to filter information from the Center for Disease Control (CDC), the Illinois Department of Public Health and well as Northwest Community Hospital. All aspects of Fire Department response were redeveloped with the goal of limiting COVID-19 exposure as they pivoted to providing enhanced safety for patients.

The City's IT Division also stepped up to expand access for local businesses needing to connect with City Departments. The Finance Department offered new web-based capabilities to allow for businesses and residents access to make online payments. Ensuring the continuation of refuse and water operations, and other critical functions, led Public Works to implement staggered work shifts and expanded cleaning procedures for all facilities and vehicles. The Public Works' Community Development Division adopted new ways to process permits submitted by developers and businesses.

The City of Rolling Meadows delivered high-quality essential services and maintained full staff levels in FY 2020. To help businesses and the community, the City provided emergency assistance to businesses and a grant to the Salvation Army for residents. The City continues to respond and provide information to the community as reopening takes place in FY 2021.

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.

Building for the future, the City continues to re-invest in capital infrastructure projects such as water main replacements (bond-funded projects) and local road reconstruction projects.

The City's fire stations bond-funded project was completed launching the Fire Department into a new era. The location of each station was a result of a multi-year effort to identify suitable sites that would improve response times to all areas of Rolling Meadows.

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

In FY 2020, highlights on the City's current economic development activities include:

- Thirty-seven (37) new businesses opened in the City. Eight (8) businesses were home occupation-based businesses and twenty-nine (29) were non-home occupation-based businesses. Some businesses, such as restaurants, took advantage of the COVID-19 closure requirements to build out or renovate.
- Notable restaurants that chose to open in 2020 include Burrito Parrilla Mexicana (2101 Plum Grove Road); K-BBQ Korean Restaurant (1973 Plum Grove Road); Sally's Place Restaurant (1973 Plum Grove Road); Tacos Jerez (1401 Golf Road); Tropical Smoothie Café (1456 Golf Road).
- The City welcomed additional new businesses which included Knock Out Prints (4007 Algonquin Road); DiCarlo Construction (4000 Industrial Drive); Patients Choice Medical (3601 Edison Place); Phoenix HVAC (1051 Rohlwing Road); SEA Limited (engineering legal services (5600 Apollo Drive – School Health building); Busse's Flowers & Gifts – flower shop (3445 Kirchoff Road); and Los 2 Amigos (Mexican restaurant / under new ownership); Pizza Ready (pizza parlor – carryout / under new ownership).
- **Continental Towers** (<https://continental-towers.com/>) undertook a major interior and outdoor renovation at 1701 Golf Road. The office complex renovation is promoted as a 910,000 square foot ultra-modern amenity work space with tenant access to a luxury health club, lounge, game room, café and other conveniences.
- **Nature's Care Company** - Cannabis Dispensary (<https://naturescarecompany.com/>) located at 974 Rohlwing Road updated its interior space and increased online purchase options.
- 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. The Business Messenger promoted businesses to share their experiences with each other with articles such as the "Rolling Meadows Small Business Page".
- 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.

Plans for 2021

It is very clear that the COVID-19 pandemic had an immediate impact on municipal revenues in FY 2020. However, the City took early action to mitigate revenue losses with the use of reserves. The City's strong fund balances are important to the City's recovery and resiliency plan. The City's balance sheet continues to remain strong with solid cash reserves. The City continues to maintain an investment grade credit rating.

As the COVID-19 restrictions are lifted, Fiscal Year 2021 is expected to result in economic recovery and activity across the City, hopefully leading to greater economic activity and growth. The City has resources in place to assist businesses as they look to move into the City or expand within the City. As the City's recent Market Summary indicates, Rolling Meadows' daytime employment is estimated at 16,514. Even though remote work continues for some businesses, some major employers expect to return in-person.

- For **2021**, the City will enhance its economic development activities and local initiatives:
- **“Shop, Dine, Visit”** is a tagline of a City-sponsored multimedia content marketing initiative that supports local businesses by encouraging residents to shop locally. The initiative includes “Online Resources” and a comprehensive Dining Guide; “Print Features” in monthly Newsletters and a newly created website called “RM Business Buzz Website”.
- The **“RM Business Buzz”** (rmbusinessbuzz.org) promotes business-to-customer (B2C) relationships by offering a platform for local companies to post high-value offers, activities, and coupons that are not available anywhere else. As a response to the COVID-19 pandemic and to promoting local businesses, the RM Business Buzz is a creative way for the City to reach out to residents and expand its reach beyond its borders.
- The City is planning its annual local business expo called the “Business & Community Showcase” to encourage business-to-business networking and help residents learn more about companies will take place September 24, 2021. (Due to COVID-19, the FY 2020 “Business & Community Showcase” was rescheduled for 2021.)
- The City will be actively engaged with the regional collaboration, Next Level Northwest (NLNW), a community-based business accelerator. In FY 2020, the City hosted its first Rolling Meadows Pitch Panel application and review for Rolling Meadows-based Lakeshore Title Agency to enter into a professional coaching engagement on behalf of NLNW. 2021 will be an even more productive year with two Rolling Meadows businesses to take advantage of this innovative, non-profit program. Knock Out Prints at 4007 Algonquin Road will be the first business in 2021.
- 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. (This effort was delayed due to COVID-19.) (More than 50% sold.)
- Continued efforts to further improve traffic flow and accessibility will take place in FY 2021 for the Golf Road corporate campus and other areas in the City with additional traffic studies. Pedestrian and bike pathways are also being evaluated as part of the City's Comprehensive Plan.
- 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.

- Restaurants in the process of opening include Rosati's Pizza (2631 Kirchoff Road); Kung Fu Tea (1643 Algonquin Road); Shelbi's Café (2164 Plum Grove Road); Lulu's Café (2633 Kirchoff Road); and Teriyaki Madness (1319 Golf Road).
- Hyper Microsystems (900 & 980 Carnegie Street) (computer reseller) is set to open their doors in 2021.
- The Illinois Environmental Protection Agency awarded \$83,500 in Green Infrastructure Grant Opportunity (GIGO) funding to implement the Park Street Storm Sewer Improvements project to construct a bioswale and expand a wetland along a corridor of public parkland adjacent to the Kimball Hill Elementary School.
- The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 and provides \$350 billion in additional funding for state and local governments. The City of Rolling Meadows is scheduled to receive \$2.9 million from the ARPA (federal funds). Until all of the rules and paperwork are completed, the City believes that the best use for the funding, following the outlined guidance and direction, will be to allocate it to future water and sewer infrastructure projects. This prudent investment keeps an eye towards the long-term financial stability and sustainable operating performance in the City's Utilities Fund.

In 208, the City Council approved a nearly \$1 million multi-year 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. In FY 2020, the City successfully implemented the utility billing online payment system and new billing software.

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.

During COVID-19, similar to surrounding communities, events were canceled. However, the City followed COVID-19 protocols and held the Farmers Markets in 2020. The City is looking forward to 2021 to continue the success of the City's Community Events Program. Following federal and state guidelines, the City will hold a full-line up of community events with live music, markets and other activities. The City will hold an expanded lineup of City Markets, a summer block party along Central Road; Friday Rocks! Nights and events such as 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 displays commemorative street banners which were customized for residents and businesses who sponsored the banners.

The City's 2020 National Night celebration was canceled due to COVID-19. In FY 2021, National Night Out will be sponsored to honor Rolling Meadows police officers and celebrate community pride. The evening of fun and activities ends with 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-eight 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. As an example, New landscaping, upgraded parking and interior/exterior improvements were among the investments made by DiCarlo Construction at 4000 Industrial Avenue.

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

In FY 2020, following the Center for Disease Control (CDC) guidelines, the City held a few ribbon cutting ceremonies and also attended in-person EDC meetings. EDC members reach out to new businesses by calling to greet and welcome them to the community. Looking ahead to FY 2021, the EDC will be reviewing ideas for an updated restaurant and "new" business incentive plan as a response to COVID-19 and overall business development.

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.

In FY 2020, the City updated its Zoning Code which will offer greater flexibility for business owners and developers seeking to invest or expand this year. The focus with the update included identifying alternative uses for vacant properties; offering guidelines for newer uses (such as brewpubs, for example); and creating a more user-friendly code by incorporating modern terminology and expanding the use of graphics.

In FY 2021, the EDC is looking to leverage the branding power of the new Rolling Meadows Chamber (a Co-op of multiple chambers) for new streetscape ideas across the City and to review the Comprehensive Plan for potential revitalization activities.

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). The TIF will become positive in FY 2025.

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 of Rolling Meadows is home to more than 24,000 residents across seven square miles in the northwest suburbs. Rolling Meadows is a residential community with parks, schools, retail, office and small commercial/ industrial parks. The City has a small-town community sense and is minutes away from interstate highways and public transportation. The City has high-quality and affordable homes and a median household income of approximately \$66,000. The median home value is approximately \$257,000 comparable to income levels in the seven county metropolitan area. The City has a diverse community with 27% of its population born in another country and 36% of residents speak a language other than English at home.

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 diversified revenue base for the City’s revenues and relatively low tax rates help the City offer high-quality services to its residents and businesses. The City’s revenue diversification helped provide a level of resiliency while all communities experienced the effects of the COVID-19 pandemic. In addition, the City has strong property values and the real estate market continues to make gains. The City’s total equalized assessed value, as reported by Cook County, increased by 19% in the last year to \$936 million.

The Unemployment data from the Illinois Department of Employment Security showed the wide fluctuation in FY 2020. In January 2020 the unemployment rate was 3.6% and in December 2020 the rate was 8.7%. In FY 2020, the unemployment rate for the City's metropolitan statistical area was as high as 17.5%. The City's population as of the 2010 U.S. Census is 24,099. Family households make up approximately 67% of Rolling Meadows households. Homeownership is predominant in Rolling Meadows as 70% of households are owner-occupied. The strong homeownership base contributes to the City's solid equalized assessed value and property values.

The U.S. Census Complete Count Committee worked in 2020 to help reach out to hard-to-count communities across the City. The City received a \$25,000 grant which helped with these efforts. Census results have wide-ranging implications at the national and local levels. (Census activities were held across the City following COVID protocols.)

In FY 2019, 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. 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 2020:

- Issued a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- The Capital Projects 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 FY 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 fund at a shortened amortization period of a range between 15 to 17 years and a funding target of 100%. The Firefighters' and Police Pension Funds are fully funded through an annual property tax levy per an actuarial recommendation for each fund. The City has made significant progress towards funding its pension plans.

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, 2020, the Net Position as a Percentage of the Total Pension Liability for the Police Pension Fund is 64.1% (FY 2019 was 60.0%) and for the Fire Pension Fund is 58.0% (FY 2019 was 51.1%).

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, 2020 is 98.6% (FY 2019 was 90.9%).

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, 2019. This was the thirty-fourth 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 2019 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 Shelley Dulmage, Utility Billing Accountant Debbie Rybarczyk, 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 high-quality services for the entire community and we appreciate their efforts.

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, 2019

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 15, 2021

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF ROLLING MEADOWS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020**

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, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal (in the introductory section of this report) and the City's financial statements (in the basic financial statement section of this report).

Financial Highlights

The following are a few highlights to be discussed in greater detail in this Management's Discussion and Analysis and within the 2020 Comprehensive Annual Financial Report:

Net Position and Performance in Total: The City's total net position as of December 31, 2020 was \$99,915,513 an increase of \$7,850,152 or by 8.5% from FY 2019. The City's total net position is comprised of \$151,169,117 for net investment in capital assets; \$1,769,571 for Public Safety; \$1,174,494 for Highways and Streets; \$17,040 for Debt Service; and a negative \$54,214,709 for Unrestricted Deficit. The overall change of the Unrestricted Deficit for the net position was an increase of \$2.2 million (from a negative \$56.4 million for FY 2019). 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 Other Post-Employment Benefits (OPEB) liability is reflected in the financials with an increase of \$852.4 thousand. For Compensated Absences, the short-term liability is \$1.3 million and the long-term liability is \$2.7 million for an increase of approximately \$185 thousand from FY 2019. In addition, there are deferred items recognized.

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 2020, the net pension liabilities for these retirement plans are as follows: the Illinois Municipal Retirement Fund (IMRF) is \$860.7 thousand; Firefighters' Pension Fund is \$34.7 million; and the Police Pension Fund is \$31.1 million. The total OPEB liability is \$7.5 million.

Governmental Activity Summary: The net position for governmental activities ended at \$77.2 million, an increase of \$6.2 million from FY 2019. The City's fire stations project accounted for the majority of capital outlay of \$4.4 million for the year. 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 increased by \$252,420 and there was an overall 10.6 million to the net pension liabilities of \$10.6 million (IMRF, Police Pension and Fire Pension). There was an increase of \$0.2 million for OPEB. The City retired \$1.4 million in general obligation bonds in FY 2020 and did not issue any new debt. 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 \$22.8 million, an increase of \$1.6 million from FY 2019. The primary reason for this increase is that there are capital projects that are still in process as well as the bond-funded capital projects.

General Fund Summary: At December 31, 2020, the total fund balance for the General Fund was \$11.0 million or 33.3% of General Fund operating expenditures excluding transfers in or out of the General Fund. In FY 2020, the City Council committed \$400,000 in the General Fund to be used for funding labor negotiations and other labor-related items for the FY 2021 Budget. Of the total fund balance, \$10,606,672 (or 31.9% of the General Fund's FY 2020 operating expenditures) is unassigned fund balance (available fund balance for about three to four months of activities in the General Fund) and is available to meet the City's ongoing obligations to its residents, businesses and creditors.

For FY 2020, the City's total cash position decreased from \$30.5 million to \$27.2 million or by \$3.3 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 \$21.0 million to \$19.6 million (due to the use of bond proceeds for the fire stations project). For business activities the cash position decreased from \$9.6 million to \$7.7 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 \$7,798,584 – a decrease of approximately \$0.4 million from FY 2019. The General Fund's cash increase was primarily a due to 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 Comprehensive Annual Financial Report.

TABLE (1)

Description	Fund Financial Statements			
	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
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.

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.

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.

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.

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.

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. 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.

Infrastructure Assets

The City depreciates its assets (infrastructure – buildings, roads, sidewalks bridges, watermain, 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 2016 the City's total net position was \$71.0 million and in FY 2020 the City's total net position was \$99.9 million. The change in net position for the current year is primarily due the reduction in the City's net pension liability for the City's IMRF, Fire and Police Pension Funds which are reflected on the Financials; capital improvements; and the maturity (payment) of general obligation bonds. When comparing the last two fiscal years, the overall change is an increase of 8.5% in the City's total net position of \$7.9 million. The following table and graph displays the City's net position for the past five years.

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

Net Position	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Governmental Activities (in thousands)	\$ 55,919	70,420	71,871	70,915	77,161
Business-Type Activities (in thousands)	15,117	16,886	19,292	21,150	22,754
Total City Net Position	71,036	87,306	91,163	92,065	99,915
\$ Change from Previous Year	(3,892)	16,270	3,857	901	7,850
% Change from Previous Year	(5.2%)	22.9%	4.4%	1.0%	8.5%

The next table, Table 3, reflects the condensed Statement of Net Position compared between FY 2019 and FY 2020.

**TABLE 3. City of Rolling Meadows
Statement of Net Position
As of December 31, 2019 and December 31, 2020
(in millions)**

	Governmental		Business-Type		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Current and Other Assets	\$ 45.4	42.7	11.4	10.1	56.8	52.8
Capital Assets	146.2	148.3	19.2	22.5	165.4	170.8
Total Assets	191.6	191.0	30.6	32.6	222.2	223.6
Deferred Outflows of Resources	14.4	11.8	0.3	0.2	14.7	12.0
Total Assets & Deferred Outflows of Resources	206.0	202.8	30.9	32.8	236.9	235.6
Current Liabilities	5.9	4.4	1.8	1.9	7.7	6.3
Noncurrent Liabilities	101.8	90.3	8.0	7.1	109.8	97.4
Total Liabilities	107.7	94.7	9.8	9.0	117.5	103.7
Deferred Inflows of Resources	27.4	30.9	0.6	1.3	28.0	32.2
Total Liabilities & Deferred Inflows of Resources	135.1	125.6	10.4	10.3	145.5	135.9
Net Position						
Net Investment In						
Capital Assets	134.0	135.0	12.5	16.2	146.5	151.2
Restricted	2.0	3.0	—	—	2.0	3.0
Unrestricted (Deficit)	(65.1)	(60.8)	8.7	6.6	(56.4)	(54.2)
Total Net Position	70.9	77.2	21.2	22.8	92.1	100.0

* Note: Rounding difference will occur between Comprehensive Annual Financial Report, this Table and other Tables.

Current Year Financial Impacts

The City's total net position across governmental and business-type activities is \$99.9 million (which is considered the City's bottom line). The City's net position reported an increase of \$7.9 million from FY 2019. This was a result of governmental activities reporting an increase of \$6.2 million and business-type activities reporting an increase of approximately \$1.6 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, \$151.2 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 \$3.0 million) represents resources that are subject to external restrictions as to how they may be used. These restrictions include \$1.8 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 \$1.2 million for the fund balance in the Motor Fuel Tax Fund; and for debt service which equals \$17.0 thousand for FY 2020.

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 \$54.2 million which is an increase of \$2.2 million from FY 2019. For governmental activities and business-type activities, the increase is attributed to changes in long-term liabilities such as OPEB. Additional information on the Statement of Net Position may be found on page 47 and 48 of this report.

Change in Net Position in the Statement of Activities

The fiscal year 2020 activities of the City of Rolling Meadows caused total net position to increase by \$6.2 million for governmental activities and to increase by approximately \$1.6 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 2020 is \$99.9 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, 2019 and December 31, 2020
(in millions)**

	Governmental		Business-Type		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Revenues						
Program Revenues						
Charges for Services	\$ 5.8	5.6	13.8	13.9	19.6	19.5
Operating & Capital Grants	1.3	2.4	—	—	1.3	2.4
General Revenues						
Property Taxes	18.5	17.4	—	—	18.5	17.4
Other Taxes	15.1	14.5	—	—	15.1	14.5
Other Revenues	1.2	0.8	0.2	(0.4)	1.4	0.4
Total Revenues	41.9	40.7	14.0	13.5	55.9	54.2
Expenses						
Governmental Activities						
General Government	2.1	1.3	—	—	2.1	1.3
Public Safety	25.5	23.9	—	—	25.5	23.9
Highway & Streets	1.8	0.4	—	—	1.8	0.4
Public Works	5.9	6.2	—	—	5.9	6.2
Health & Welfare	—	—	—	—	—	0.0
Economic Development	6.8	2.1	—	—	6.8	2.1
Interest	0.7	0.6	—	—	0.7	0.6
Business Type Activities:						
Refuse	—	—	9.8	9.3	9.8	9.3
Utilities	—	—	2.3	2.6	2.3	2.6
Total Expenses	42.8	34.5	12.1	11.9	54.9	46.4
Change in Net Position	(0.9)	6.2	1.9	1.6	1.0	7.8
Net Position Ending	70.9	77.2	21.2	22.8	92.1	100.0

* Note: Rounding difference will occur in this Table.

For FY 2020 program revenues (all governmental revenues combined) compared to FY 2019 – Charges for Services decreased by approximately \$154,833 due to COVID-19.

Operating grants/contributions for public safety consisted of a total of approximately \$386,676 for FY 2020 which are police-reimbursable expenses and the COVID-19 CARES Act. For capital grants/contributions, this consists of a total of \$2.0 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 decreased by approximately \$8.4 million from FY 2019 to FY 2020. For General Government, the overall change from FY 2019 to FY 2020 is due reduction in expenditures.

For Public Safety, expenses decreased by approximately \$1.7 million from FY 2019 to FY 2020 (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 decreased by approximately \$1.4 million due to reductions in expenses per the budget and changes in depreciation of capital assets.

For Public Works, expenses increased approximately by \$290,810 due to planned expenses per the budget and changes in depreciation of capital assets.

For Health & Welfare the expenses decreased by approximately \$9.1 thousand due to less activities for Fire and Police Commission items.

For Economic Development, the decrease of \$4.7 million is due to the fact that in FY 2019 the City made the annual required payment of \$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 decreased from \$666,724 in FY 2019 to \$624,443 in FY 2020 for planned expenses for repayment of debt.

For FY 2020 business-type activities in terms of charges for services, for the Refuse Fund, there was no rate increase (the last rate increase was in FY 2014). For the Utilities Fund, due to rate stabilization and the issuance of bonds, the City did not increase the Water, Sewer or Stormwater Rates from FY 2019.

For FY 2020, the overall revenues to the Utilities Fund and the Refuse Fund increased year-over-year (less than \$120,000 for both Funds).

For FY 2020 business-type activities in terms of expenses, for the City's Statement of Activities, the Utilities Fund and the Refuse Fund recognize non-cash items such as OPEB and IMRF expenses. The Utilities Fund's expenses decreased year-over-year by \$519.4 thousand from FY 2019 due to some capital items improvement items in process and some capital items that were deferred. For the Refuse Fund, there is an increase of \$325,106 due to the non-cash items. The expenses are more notable in the Refuse Fund due to its smaller Fund size.

Governmental Activities

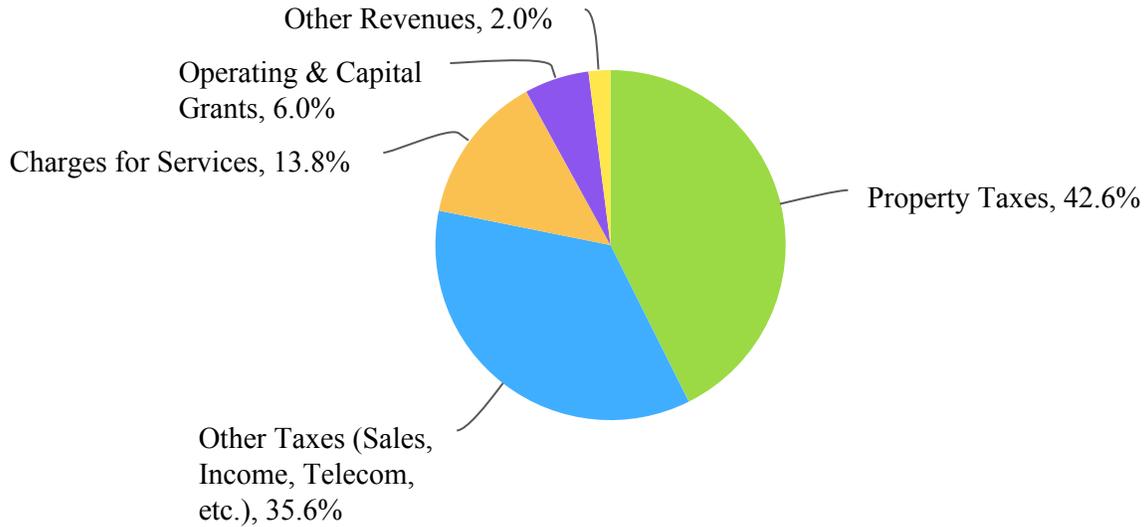
Revenues:

Total revenues for the City's Governmental Activities for FY 2020 were \$40.7 million which shows a decrease of \$1.2 million from FY 2019. Charges for Services were \$5.6 million, Operating and Capital Grants were approximately \$2.4 million; Property Taxes (includes the TIF revenues – with increases in EAV) were \$17.4 million, Other Taxes were approximately \$14.5 million and Other Revenues comprise the remainder of total revenues.

Due to COVID-19, businesses directly impacted by closures such as restaurants and hotels experienced a significant economic impact. Year-over-year Food and Beverage receipts declined by approximately \$361,494 (or 24.98%) and Hotel Taxes declined by \$184,072 (or 56.17%). It should be noted that approximately half of the decline in Hotel Taxes is due to one hotel being offline renovation. However, when looking at State Sales & Home Rule Sales Tax – there is much less of a decline of approximately 3.65% or approximately \$222,220 from FY 2019. The City's diversified sales tax base with small and larger retail establishments help support the overall economic picture.

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 a share at approximately 35.56% of total governmental activity revenue. Property Taxes are the largest share at 42.62% or \$17.4 million (this includes the TIF revenue), Charges for Services at 13.84%, Operating and Capital Grants at 5.96% and Other Revenues at 2.02%. The City has a balanced and diversified revenue stream to help with the City's overall fiscal strength and sustainability.

2020 Governmental Activities Revenues

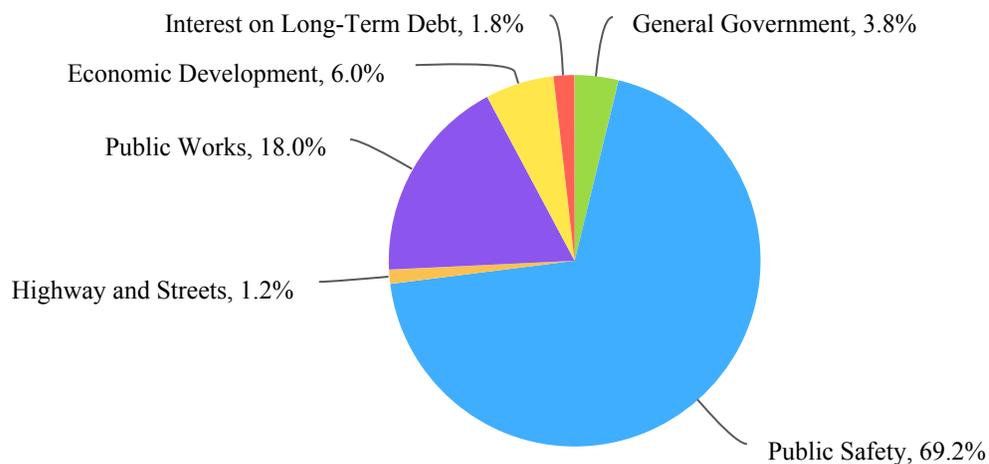


Expenses:

Total expenses for the City’s governmental activities for FY 2020 were approximately \$34.5 million – an approximate decrease of \$8.4 million from FY 2019. 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.

2020 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 69.20% or \$23.9 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 3.80%, Highways and Streets (State Motor Fuel Tax Fund and Local Road Fund – contractual/supply items) is approximately 1.25%, Public Works (across various funds) is 17.96%, Economic Development is at 5.96% (includes bonds) and Health/Welfare is less than 1%, and interest on long-term debt is 1.81%.

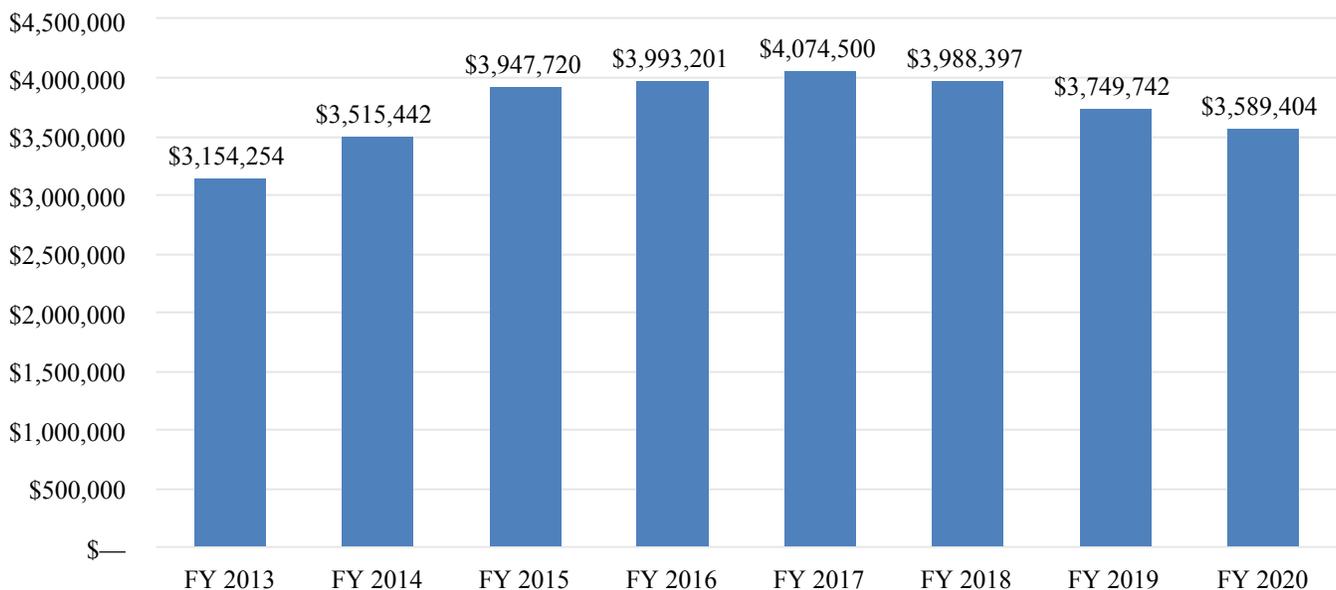
Business-Type Activities

Total revenues or charges for services for the City’s business-type activities for FY 2020 were \$13.9 million, of which is comprised of \$11.7 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 2020 were \$11.9 million, a slight decrease from FY 2019.

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 2020, the City paid \$3,589,404 to the Northwest Suburban Municipal Joint Action Water Agency (JAWA) for the City’s water supply, a decrease of 4.28% or \$160,338 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, 2020 was \$308,797.

JAWA Water Costs Annually - FY 2013 to FY 2020



Refuse expenses are accounted for separately in the Refuse Collection Fund. The City has not increased the monthly refuse rate since FY 2014. 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 2020, the net position (when excluding non-cash items) is in range of the Refuse Fund's fund balance policy, but is at the low end of the 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, 2020, the governmental funds reported a combined fund balance of \$13.8 million, a decrease of \$182,387 from FY 2019 due the use of bond proceeds and planned use of reserves.

The General Fund ended with a \$11.0 million total fund balance for FY 2020. The General Fund is above the fund balance range of 15% to 30% for total fund balance. For FY 2020, the City's Unassigned General Fund Balance is \$10.6 million which is 31.9% of expenses to fund balance.

There were some other changes to note – the Motor Fuel Tax Fund's fund balance increased from \$367,755 in FY 2019 to \$1,174,494 for FY 2020 (additional State Motor Fuel taxes received from the State of Illinois). The 911 Fund increased its fund balance from \$1,349,130 in FY 2019 to \$1,496,365 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 \$355,783 in FY 2019 to \$115,648 with a planned use of fund balance to pay for the City's roadways.

The Debt Service Fund decreased its fund balance from \$17,515 in FY 10,606,672 to \$17,040 as the fund pays for debt service and its associated administration. The TIF #2 (Kirchoff & Owl) increased its position from a negative \$1,157,011 in FY 10,606,672 to a negative \$834,328 in FY 2020 (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 \$0.5 million due to general obligation bonds issued in December 2018 and in March 2019. The project came in under budget. Additional capital was completed in the Utilities Fund.

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 2020 per the Redevelopment Agreement to A.J. Gallagher Insurance of approximately \$6.0 million. The FY 2020 fund balance is \$38. FY 2020 is the 5th 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 2020, the Foreign Fire Tax Fund paid for \$33,475 and the Police Asset Seizure Fund paid for \$44,504 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). For FY 2020, the City developed its adopted budget with a planned using reserves in the General Fund. The planned use of reserves totaled approximately \$1.4 million and is shown in the General Fund Budgetary Highlights under “Original Budget”. Due to COVID-19, the City took action to anticipate possible revenue losses with use of reserves from other funds and opened up Committed Funds in the General Fund. The initial revenue estimate losses were approximately \$2.9 million as compared with the actual General Fund revenue loss of approximately \$1.1 million due to COVID-19 (overall budget).

The City’s General Fund’s revenues came in 3.2% below budget (or by \$1.1 million) and expenditures came in 2.6% under budget (or \$891,395). However, due to the uncertainties and continued economic recovery, there are some revenue line items that may take some time to stabilize. The chart shows the detail for the FY 2020 Original/Final Budget and the FY 2020 Actual results. The chart also shows the percentage of the Actual results to the Original/Final Budget.

General Fund Budgetary Highlights Detail				
	Original	Final	Actual	% of Actual to Final
Revenues				
Taxes	\$ 23,320,894	23,320,894	22,015,251	94.4%
Intergovernmental	3,607,250	3,949,175	4,388,328	111.1%
Licenses and Permits	1,066,500	1,066,500	1,147,215	107.6%
Charges for Services	3,418,463	3,418,463	3,222,284	94.3%
Fines and Forfeitures	1,152,100	1,152,100	1,257,268	109.1%
Interest	350,000	350,000	122,927	35.1%
Miscellaneous	495,550	495,550	528,952	106.7%
Total Revenues	33,410,757	33,752,682	32,682,225	96.8%
Expenditures				
General Government	3,386,197	3,431,197	3,078,077	89.7%
Public Safety	26,436,870	26,436,870	26,058,888	98.6%
Public Works	4,186,750	4,186,750	4,051,994	96.8%
Health/Welfare and Culture	11,720	11,720	4,377	37.3%
Economic Development	48,500	48,500	30,306	62.5%
Total Expenditures	34,070,037	34,115,037	33,223,642	97.4%
Excess of Revenues Over (Under) Expenditures	(659,280)	(362,355)	(541,417)	149.4%
Other Financing Sources (Uses)				
Transfers In	150,000	1,650,000	1,650,000	100.0%
Transfers Out	(851,713)	(851,713)	(851,713)	100.0%
	(701,713)	798,287	798,287	100.0%
Net Change in Fund Balance	(1,360,993)	435,932	256,870	
Fund Balance - Beginning - FY 2020			10,790,450	
Fund Balance - Ending - FY 2020			11,047,320	

The City Council approved both revenue and expenditure budget amendments for FY 2020. In January 2020, the City accepted a \$25,000 grant from Cook County for Census 2020 activities with a focus on the hard-to-count communities.

In March of 2020, when the COVID-19 pandemic began to impact the community, the City took early action to mitigate potential revenue losses. The initial estimates showed a revenue loss of \$2.9 million to the General Fund. Proactive measures released funds to the General Fund's overall fund balance (Unassigned Fund Balance). The City released the Committed fund Balance of \$1.4 million to the Unassigned Fund Balance (funds set aside to fund Compensated Absences). The City amended the budget to transfer \$500,000 from the Liability Insurance Fund and \$1.0 million from the Health Insurance Fund (due to the overall reserve growth and health of these Funds).

Another revenue budget amendment related to COVID-19 is the CARES Act (federal funding) (also known as the Coronavirus Aid, Relief and Economic Security Act). After an application and acceptance process, Cook County awarded approximately \$325,000 in federal funding to the City of Rolling Meadows.

There were three expenditure-related budget amendments for FY 2020. First, the City awarded an additional \$5,000 to the City's Temporary Family Assistance Program to respond to COVID-19. With a second budget amendment, the City provided \$5,000 in Business Assistance due to COVID-19. Lastly, specifically to reach out to Rolling Meadows families in need due to COVID-19, the City awarded \$25,000 to the Salvation Army for Temporary Family Assistance.

While the City is maintaining an accurate tracking of costs for the duration of the response to COVID-19, the City did not record a receivable for other COVID-19 reimbursable items from the federal government (FEMA items). Potentially, the City may see potential reimbursement in 2021.

In FY 2020, the City's final/amended budget shows \$33.8 million for revenues and actual revenues received were \$32.7 million or \$1,070,457 less than the final/amended budget. Actual FY 2020 revenues came in lower at 3.2% of the FY 2020 Budget. COVID-19 created a financial strain on local government budgets. The COVID-19 emergency increased the City's high-quality services, yet the City's revenues declined (Sales Taxes, Hotel Taxes, Telecommunication Taxes, and Electric Utility Taxes). And due to COVID-19 restrictions, there were losses in Food & Beverage Taxes, Video Gaming Revenues and Hotel Taxes. In addition, the City faced income losses due to declining returns on short and long-term investments.

The City's final/amended budget shows \$34.1 million and actual expenditures came in lower at \$33.2 million or \$891,395 under budget. Expenditures came in at 2.6% lower than the FY 2020 Budget (due savings across all City Departments).

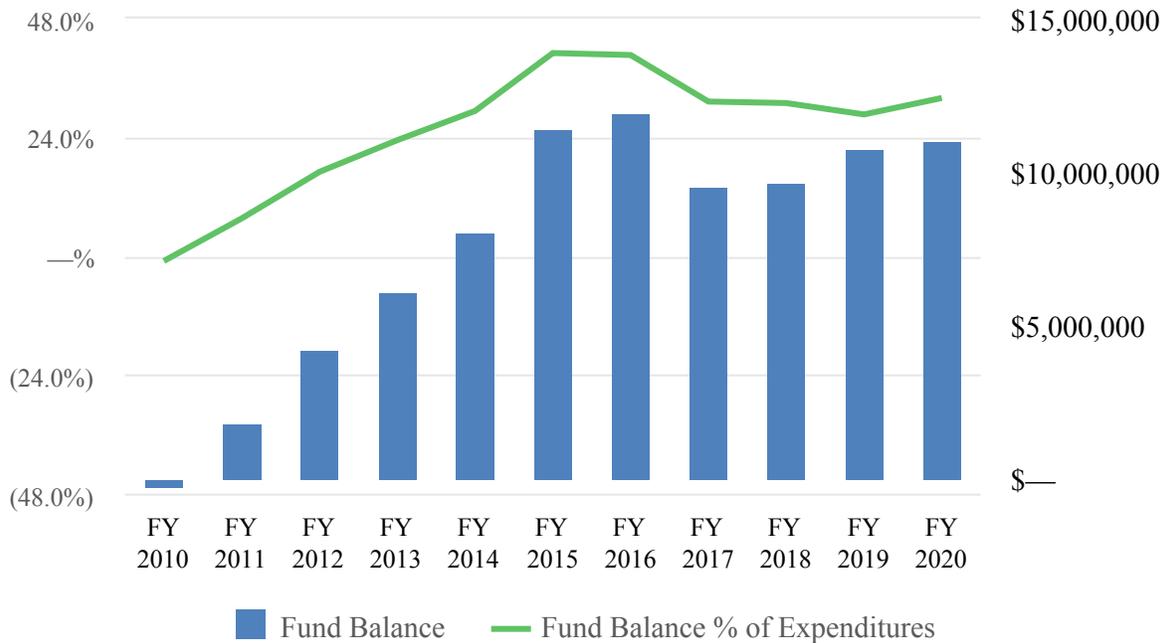
The other financing uses included a budgeted transfers of \$100,000 to the Vehicle & Equipment Replacement Fund (for the purpose of repaying a prior interfund loan) and \$751,713 to the Debt Service Fund (this general obligation bond matures in FY 2023). There were transfers in of \$1.0 million from the Health Insurance Fund (budget amendment); \$500,000 from the Liability Insurance Fund (budget amendment) and a budgeted transfer from the Liability Insurance Fund of \$150,000 (in the original/adopted FY 2020 Budget).

As of December 31, 2020, the total fund balance for the General Fund was \$11,047,320 or 33.3% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$10.6 million (or 31.9% of FY 2020 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 \$11.0 million include the committed amount of \$400,000 for in the General Fund to be used for funding labor negotiations and other labor-related items for the FY 2021 Budget and \$40,648 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 (Unassigned Fund Balance).

General Fund - Fund Balance History - FY 2010 to FY 2020



General Fund - Revenues

General Fund revenues ended for the fiscal year with approximately \$1,070,457 less than the FY 2020 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 85% of total General Fund Revenues). The FY 2020 actual to the FY 2020 Budget shows a decrease of 2.2% in these major line items or a loss of \$609,138 from the FY 2020 Budget.

Not one single line item contributes to the entire change in revenues. As discussed, COVID-19 impacted the State and the Community throughout the year with reductions in capacity in retail and restaurants; in-person dining restrictions; reopening with limited capacity; and remote work for businesses. Restaurants pivoted to curbside pick-up; use of food delivery apps; creative food/drink options; and outside dining options. The City supported curbside and delivery pick-up of alcohol during COVID-19 closures and worked with restaurants to ensure outside seating options.

With businesses protecting workers, remote work for many resulted in some lower revenues such as Electric Utility taxes reduced by 8% due to larger office locations not open. Food and Beverage Taxes were down about 27% due to COVID-19 restrictions. Food delivery apps such as Uber Eats, Grub Hub and Door Dash were in place for many restaurants which helped mitigate further revenue losses for Food & Beverage and Sales Taxes.

Per State Statute, the City began collecting legal marijuana sales taxes in July 2020. However, due to an Illinois Department of Revenue Rule – municipalities may not identify marijuana taxes in individual line items (these line items are grouped in State Sales Taxes). The revenues are considered confidential so as to not identify the retail establishment (similar to Sales Taxes).

In 2018, the City started to collect video gaming revenues. For FY 2020, video gaming revenues are about the same amount as FY 2019. The City did not realize the full revenue due to multiple months of gaming machines shutdown due to COVID-19.

Local Use Tax (internet sales) exceeded the budget for FY 2020. Consumers were purchasing more online due to COVID-19. However, the City experienced about a 3.6% reduction year-over-year in State and Home Rule Sales Taxes (residents were still shopping locally in the City).

Real Estate purchases across the City (commercial and residential) had a positive impact for revenues. The City's Real Estate Transfer Taxes were up approximately \$98,000 from the FY 2020 Budgeted amount of \$300,000. In addition, the City noticed an increase in building permit activity which includes the new 106-townhome community called M/I Homes on Kirchoff Road.

Income Taxes did not show a decline. In fact, Income Tax showed a gain of 6.2% or \$153,791 from the budgeted amount of \$2.5 million despite unemployment ranging primarily from 4% to 8% in FY 2020.

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 means some returns of property taxes through appeals. Property Taxes continue to remain a reliable and consistent source of revenue for the City even during economic downturns.

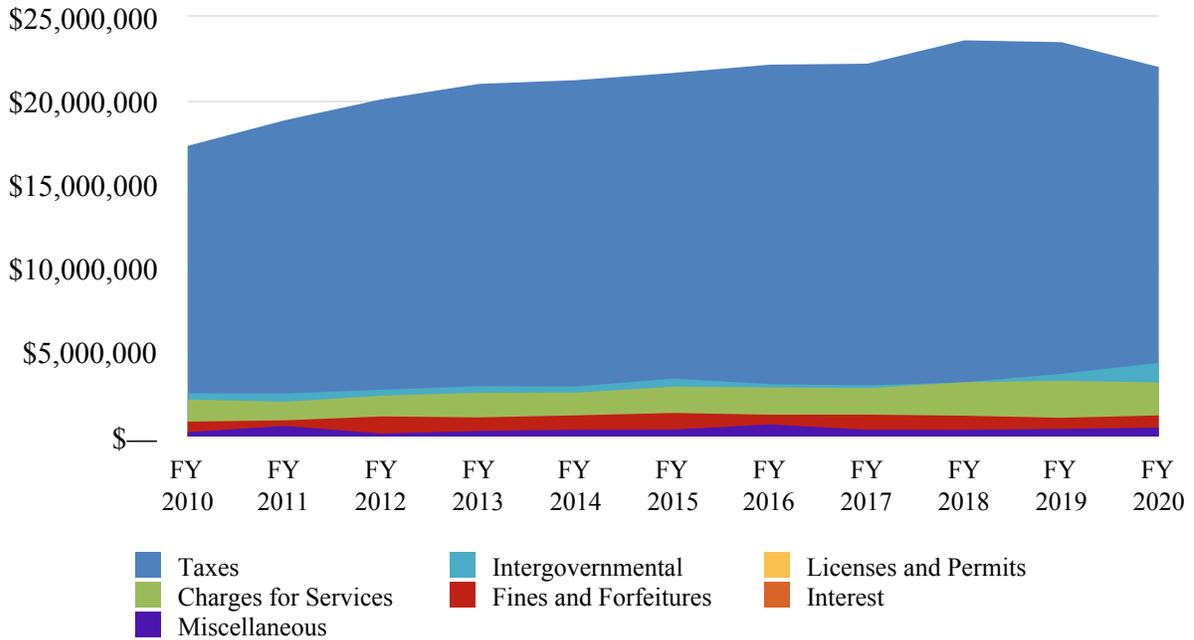
The following chart summarizes approximately 85% of the General Fund's key revenue line items.

Major Revenue Sources - Budget to Actual (Approximately 85% of General Fund Revenues)

	Budget	Actual	\$ Change	% Change
Property Taxes - Prior Years' Taxes	\$ —	\$ (71,894)	\$ (71,894)	—%
Property Taxes - Current Levy	4,110,894	4,173,784	62,890	1.5%
Property Taxes - Police Pension	3,600,000	3,610,730	10,730	0.3%
Property Taxes - Fire Pension	4,380,000	4,400,366	20,366	0.5%
Municipal Sales Tax	3,600,000	3,698,072	98,072	2.7%
Home Rule Sales Tax	2,750,000	2,172,673	(577,327)	(21.0%)
Telecommunications Tax	1,200,000	913,759	(286,241)	(23.9%)
Electric Utility Tax	1,300,000	1,195,810	(104,190)	(8.0%)
Hotel Tax	250,000	143,637	(106,363)	(42.5%)
Food and Beverage Tax	1,500,000	1,085,841	(414,159)	(27.6%)
Real Estate Transfer Tax	300,000	398,773	98,773	32.9%
Cable Franchise Fees	330,000	293,700	(36,300)	(11.0%)
State Income Tax	2,500,000	2,653,791	153,791	6.2%
Local Use Tax	750,000	1,076,099	326,099	43.5%
Replacement Tax	224,000	201,287	(22,713)	(10.1%)
Building Permits	500,000	542,308	42,308	8.5%
Red Light Enforcement Fines	900,000	1,097,020	197,020	21.9%
	28,194,894	27,585,756	(609,138)	(26.1%)

The next chart shows trend data for General Fund revenues from FY 2009 to FY 2020. 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.

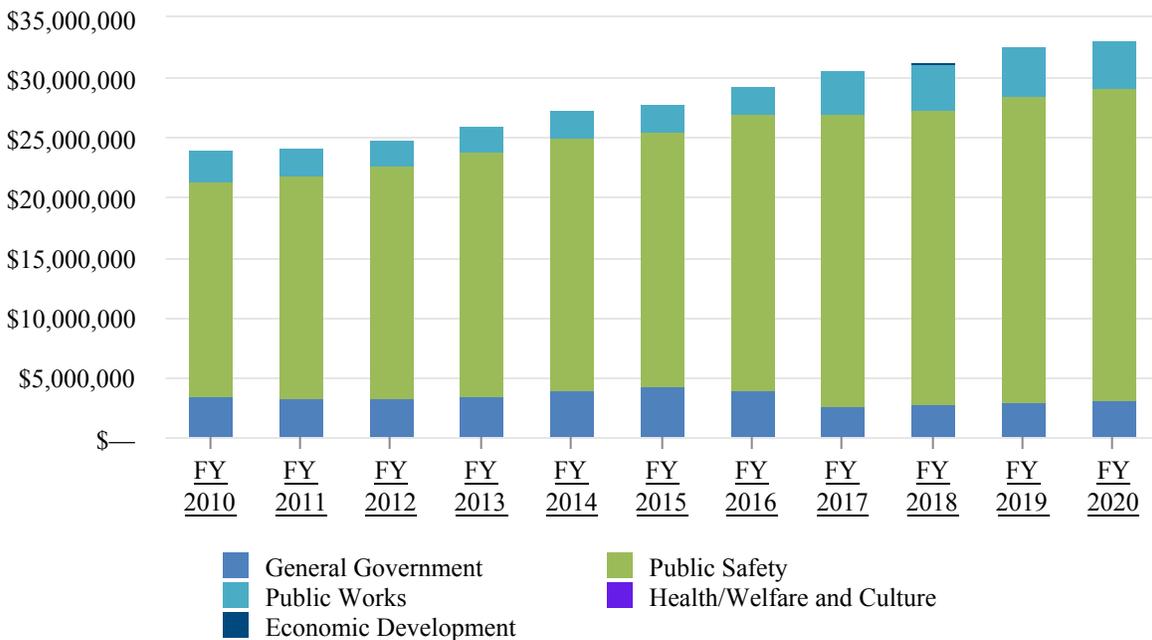
General Fund Revenues - FY 2010 to FY 2020



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 2010 to FY 2020



The General Fund expenditures chart shows expenditures from FY 2010 to FY 2020 with the most significant increase in the City’s pension obligations for Police, Fire and Non-Union (IMRF) Pension Funds. For FY 2020, year-end results show that the General Fund’s total expenditures came in at \$33.2 million which is \$891.4 thousand, or 2.6% under budget. The City’s past experience shows that expenditures typically fall below the budgeted amount each year.

General Government ended with 89.7% of the FY 2020 Budget or \$353,120 under budget; Public Safety ended at 98.6% or \$377,982 under budget; Public Works ended at 96.8% or \$134,756 under budget; Health/Welfare and Culture ended at 37.3% or \$7,343 under budget; and Economic Development ended at 62.5% or \$18,194 under budget.

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 \$22.8 million - increased by \$1.6 million from FY 2019. The Utilities Fund increased its net position from \$20.4 million in FY 2019 to \$22.4 million in FY 2020. The Refuse Fund decreased its net position from \$728,033 in FY 2019 to \$358,452 in FY 2020. There were changes in the IMRF results and the calculation of the total liability for OPEB. There were no rate increases for the Utilities Fund or the Refuse Fund in FY 2020.

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, 2020 amounts to \$151.2 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 \$2.1 million due to the addition of new capital assets and the depreciation of existing assets (mostly the fire stations project completion). The business-type activities net capital assets increased by \$2.1 million with the addition of new capital assets and the depreciation of existing assets (mostly the bond-funded underground utilities projects).

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Land	\$ 101.7	101.7	—	—	101.7	101.7
Land Improvements	13.1	2.2	3.1	6.6	16.2	8.8
Construction in Progress	0.5	0.4	0.1	0.2	0.6	0.6
Buildings	4.5	17.5	1.1	1.1	5.6	18.6
Machinery & Equipment	20.3	20.9	14.7	14.6	35.0	35.5
Infrastructure	1.6	1.7	0.1	—	1.7	1.7
Vehicles	4.6	4.0	—	—	4.6	4.0
Total	146.3	148.4	19.1	22.5	165.4	170.9

* 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 2020 Budget, the City invested approximately \$10 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 in Note 3 of this report.

DEBT OUTSTANDING

At the end of the fiscal year 2020, the City of Rolling Meadows had total bonded debt outstanding of \$19.1 million and 100% comprises debt backed by the full faith and credit of the government. No short term debt was issued during 2020. The City retired \$1.4 million in general obligation bonds in FY 2020 and did not issue any new debt.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
General Obligation Bonds	\$ 16.1	15.0	4.4	4.1	20.5	19.1

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 at December 31, 2020 for the Waterworks Improvements is \$904,642. The IEPA Sewer Loan Payable at December 31, 2020 is \$988,040. 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.

Additional information on the City of Rolling Meadows’ long-term debt may be found in Note 3 of this report.

Economic Factors and Next Year’s Budget

It is very clear that the COVID-19 pandemic, which started after the close of 2019, had an immediate impact on municipal revenues. However, the City took early action to mitigate revenue losses with the use of reserves. The City’s strong fund balances are important to the City’s recovery and resiliency plan. 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.

The State of Illinois also continues to threaten cutting major revenue sources such as funds from the Local Distributive Fund. New unfunded mandates continue to put strain on municipal budgets such as police body cameras. Capital projects remain intact and continue to be done (some delayed and some moved). Fund balance policies are within parameters (for those Funds who have established Fund Balance policies). Funds are holding their own even with declines in revenues. The City continues to monitor these items to ensure high quality services are delivered to residents and businesses.

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 which helped the City weather the COVID-19 impacts and revenues losses. However, the City will need to rebuild the fund balance reserves and look to other funds to establish Fund Balance policies.

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.

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 began to receive revenues from legal marijuana in the General Fund. The City’s balance sheet is strong with approximately \$27 million in its overall cash position and has capacity to meet the City’s demands for high-quality services.

The City receives continual updates from partners such as the Illinois Municipal League and the Northwest Municipal Conference. Looking ahead to reopening Illinois and its communities fully in FY 2021 will be the next step to bridging to economic recovery. However, this recovery will take time and planning for FY 2022 and the years ahead. In June of 2020, the Illinois Municipal League released community survey results showing 87% responding communities expect to realize a revenue shortfall due to the COVID-19 pandemic.

Providing essential and quality services to our community during this difficult time continues. The overall financial impact, while uncertain, was 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 and the years to come.

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, 2020

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Net Position
December 31, 2020**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 19,558,422	7,673,607	27,232,029	3,000,124
Receivables - Net of Allowances	18,871,999	2,303,613	21,175,612	3,827,507
Prepays/Inventories	4,263,003	117,542	4,380,545	—
Total Current Assets	42,693,424	10,094,762	52,788,186	6,827,631
Noncurrent Assets				
Capital Assets				
Nondepreciable	103,842,532	6,586,762	110,429,294	608,893
Depreciable	108,098,501	34,103,084	142,201,585	9,444,195
Accumulated Depreciation	(63,676,441)	(18,214,777)	(81,891,218)	(5,763,031)
	148,264,592	22,475,069	170,739,661	4,290,057
Other Assets				
Equity Interest in Joint Venture	—	308,797	308,797	—
Total Noncurrent Assets	148,264,592	22,783,866	171,048,458	4,290,057
Total Assets	190,958,016	32,878,628	223,836,644	11,117,688
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	106,823	35,208	142,031	38,929
Deferred Items - Police Pension	5,666,522	—	5,666,522	—
Deferred Items - Firefighters' Pension	4,314,167	—	4,314,167	—
Deferred Items - RBP	1,657,990	196,365	1,854,355	136,315
Loss on Refunding	67,458	—	67,458	—
Total Deferred Outflows of Resources	11,812,960	231,573	12,044,533	175,244
Total Assets and Deferred Outflows of Resources	202,770,976	33,110,201	235,881,177	11,292,932

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	\$ 1,304,606	927,809	2,232,415	172,086
Accrued Payroll	—	—	—	51,099
Deposits Payable	677,121	515,948	1,193,069	—
Interest Payable	21,616	16,060	37,676	—
Other Payables	112,880	—	112,880	—
Current Portion of Long-Term Liabilities				
Compensated Absences Payable	1,158,086	167,531	1,325,617	15,943
IEPA Loans Payable	—	125,192	125,192	—
General Obligation Bonds Payable - Net	1,166,448	162,159	1,328,607	—
Total Current Liabilities	4,440,757	1,914,699	6,355,456	239,128
Noncurrent Liabilities				
Compensated Absences Payable	2,593,677	135,133	2,728,810	63,774
Net Pension Liability - IMRF	647,365	213,365	860,730	235,916
Net Pension Liability - Police Pension	31,143,458	—	31,143,458	—
Net Pension Liability - Firefighters' Pension	34,652,571	—	34,652,571	—
Total OPEB Liability - RBP	6,733,308	797,462	7,530,770	553,591
IEPA Loans Payable	—	1,767,490	1,767,490	—
General Obligation Bonds Payable - Net	14,537,218	4,220,112	18,757,330	—
Total Noncurrent Liabilities	90,307,597	7,133,562	97,441,159	853,281
Total Liabilities	94,748,354	9,048,261	103,796,615	1,092,409
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	14,739,227	—	14,739,227	3,827,507
Deferred Items - IMRF	3,859,428	1,272,029	5,131,457	1,406,474
Deferred Items - Police Pension	6,096,251	—	6,096,251	—
Deferred Items - Firefighters' Pension	5,864,226	—	5,864,226	—
Deferred Items - RBP	302,107	35,781	337,888	24,838
Total Deferred Inflows of Resources	30,861,239	1,307,810	32,169,049	5,258,819
Total Liabilities and Deferred Inflows of Resources	125,609,593	10,356,071	135,965,664	6,351,228
NET POSITION				
Net Investment in Capital Assets	134,969,001	16,200,116	151,169,117	4,290,057
Restricted - Public Safety	1,769,571	—	1,769,571	—
Restricted - Highways and Streets	1,174,494	—	1,174,494	—
Restricted - Debt Service	17,040	—	17,040	—
Restricted - Public Library	—	—	—	336,623
Unrestricted (Deficit)	(60,768,723)	6,554,014	(54,214,709)	315,024
Total Net Position	77,161,383	22,754,130	99,915,513	4,941,704

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, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 1,311,913	3,157,328	—	—
Public Safety	23,863,185	2,481,909	386,676	—
Highways and Streets	431,123	—	—	2,041,022
Public Works	6,194,260	—	—	—
Health and Welfare	4,377	—	—	—
Economic Development	2,056,757	—	—	—
Interest on Long-Term Debt	624,443	—	—	—
Total Governmental Activities	34,486,058	5,639,237	386,676	2,041,022
Business-Type Activities				
Utilities	9,295,732	11,651,752	—	—
Refuse Collection	2,613,205	2,241,441	—	—
Total Business-Type Activities	11,908,937	13,893,193	—	—
Total Primary Government	46,394,995	19,532,430	386,676	2,041,022
Component Unit - Public Library	3,757,592	8,522	34,933	—

- 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				Component
Governmental Activities	Primary Government		Totals	Unit
	Business-Type Activities			Public Library
1,845,415	—		1,845,415	—
(20,994,600)	—		(20,994,600)	—
1,609,899	—		1,609,899	—
(6,194,260)	—		(6,194,260)	—
(4,377)	—		(4,377)	—
(2,056,757)	—		(2,056,757)	—
(624,443)	—		(624,443)	—
(26,419,123)	—		(26,419,123)	—
—	2,356,020		2,356,020	—
—	(371,764)		(371,764)	—
—	1,984,256		1,984,256	—
(26,419,123)	1,984,256		(24,434,867)	—
—	—		—	(3,714,137)
17,359,533	—		17,359,533	3,882,811
5,870,745	—		5,870,745	—
913,759	—		913,759	—
1,195,810	—		1,195,810	—
527,644	—		527,644	—
143,637	—		143,637	—
1,085,841	—		1,085,841	—
398,773	—		398,773	—
345,540	—		345,540	—
2,653,791	—		2,653,791	—
1,076,099	—		1,076,099	—
201,287	—		201,287	69,142
70,475	—		70,475	—
200,407	(380,464)		(180,057)	4,077
622,142	—		622,142	1,501
32,665,483	(380,464)		32,285,019	3,957,531
6,246,360	1,603,792		7,850,152	243,394
70,915,023	21,150,338		92,065,361	4,698,310
77,161,383	22,754,130		99,915,513	4,941,704

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

CITY OF ROLLING MEADOWS, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2020

	General	Motor Fuel Tax
ASSETS		
Cash and Investments	\$ 7,798,584	1,094,494
Receivables - Net of Allowances		—
Property Taxes	12,089,811	—
Other Taxes	2,805,822	80,000
Accounts	445,525	—
Due from Other Funds	1,214,031	—
Prepays	40,648	—
	<u>24,394,421</u>	<u>1,174,494</u>
Total Assets	<u>24,394,421</u>	<u>1,174,494</u>
LIABILITIES		
Accounts Payable	464,928	—
Deposits Payable	677,121	—
Due to Other Funds	1,278	—
Other Payables	112,880	—
Total Liabilities	<u>1,256,207</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	12,090,894	—
Total Liabilities and Deferred Inflows of Resources	<u>13,347,101</u>	<u>—</u>
FUND BALANCES		
Nonspendable	40,648	—
Restricted	—	1,174,494
Committed	400,000	—
Assigned	—	—
Unassigned	10,606,672	—
Total Fund Balances	<u>11,047,320</u>	<u>1,174,494</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>24,394,421</u>	<u>1,174,494</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
16,948	—	477,204	688	1,804,305	11,192,223
92	1,000,920	949,085	—	703,273	14,743,181
—	91,902	—	—	—	2,977,724
—	543,330	—	—	—	988,855
—	—	—	—	—	1,214,031
—	—	—	—	—	40,648
17,040	1,636,152	1,426,289	688	2,507,578	31,156,662
—	143,517	—	650	35,291	644,386
—	—	—	—	—	677,121
—	376,987	—	—	837,044	1,215,309
—	—	—	—	—	112,880
—	520,504	—	650	872,335	2,649,696
—	1,000,000	948,333	—	700,000	14,739,227
—	1,520,504	948,333	650	1,572,335	17,388,923
—	—	—	—	—	40,648
17,040	—	—	—	1,769,571	2,961,105
—	—	—	—	—	400,000
—	115,648	—	38	—	115,686
—	—	477,956	—	(834,328)	10,250,300
17,040	115,648	477,956	38	935,243	13,767,739
17,040	1,636,152	1,426,289	688	2,507,578	31,156,662

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, 2020

Total Governmental Fund Balances \$ 13,767,739

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. 148,264,592
Less; Internal Service Funds (12,615,892)

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.
Deferred Items - IMRF (3,752,605)
Deferred Items - Police Pension (429,729)
Deferred Items - Firefighters' Pension (1,550,059)
Deferred Items - RBP 1,355,883

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. 24,626,536

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.
Compensated Absences Payable (3,670,556)
Net Pension Liability - IMRF (647,365)
Net Pension Liability - Police Pension (31,143,458)
Net Pension Liability - Firefighters' Pension (34,652,571)
Total OPEB Liability - RBP (6,733,308)
General Obligation Bonds Payable - Net (15,703,666)
Unamortized Loss on Refunding 67,458
Accrued Interest Payable (21,616)

Net Position of Governmental Activities 77,161,383

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2020**

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, 2020**

	General	Motor Fuel Tax
Revenues		
Taxes	\$ 22,015,251	—
Intergovernmental	4,388,328	1,406,401
Licenses and Permits	1,147,215	—
Charges for Services	3,222,284	—
Fines and Forfeitures	1,257,268	—
Interest	122,927	338
Miscellaneous	528,952	—
Total Revenues	<u>32,682,225</u>	<u>1,406,739</u>
Expenditures		
Current		
General Government	3,078,077	—
Public Safety	26,058,888	—
Highways and Streets	—	—
Public Works	4,051,994	—
Health/Welfare and Culture	4,377	—
Economic Development	30,306	—
Capital Outlay	—	600,000
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	—	—
Total Expenditures	<u>33,223,642</u>	<u>600,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(541,417)</u>	<u>806,739</u>
Other Financing Sources (Uses)		
Transfers In	1,650,000	—
Transfers Out	(851,713)	—
	<u>798,287</u>	<u>—</u>
Net Change in Fund Balances	256,870	806,739
Fund Balances - Beginning	<u>10,790,450</u>	<u>367,755</u>
Fund Balances - Ending	<u><u>11,047,320</u></u>	<u><u>1,174,494</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
—	1,756,006	961,593	1,964,583	1,143,849	27,841,282
—	634,621	—	—	—	6,429,350
—	—	—	—	—	1,147,215
—	—	—	—	—	3,222,284
—	—	—	—	12,470	1,269,738
—	6,180	59,449	251	191	189,336
—	88,540	—	—	4,650	622,142
—	2,485,347	1,021,042	1,964,834	1,161,160	40,721,347
—	—	—	—	—	3,078,077
—	—	—	—	607,820	26,666,708
—	1,003,317	—	—	—	1,003,317
—	—	—	—	—	4,051,994
—	—	—	—	—	4,377
—	—	—	1,967,985	58,466	2,056,757
—	1,722,165	1,473,755	—	33,821	3,829,741
675,000	—	472,910	—	—	1,147,910
77,188	—	537,665	—	—	614,853
752,188	2,725,482	2,484,330	1,967,985	700,107	42,453,734
(752,188)	(240,135)	(1,463,288)	(3,151)	461,053	(1,732,387)
751,713	—	—	—	—	2,401,713
—	—	—	—	—	(851,713)
751,713	—	—	—	—	1,550,000
(475)	(240,135)	(1,463,288)	(3,151)	461,053	(182,387)
17,515	355,783	1,941,244	3,189	474,190	13,950,126
17,040	115,648	477,956	38	935,243	13,767,739

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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (182,387)

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	4,368,114
Depreciation Expense	(2,142,266)

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

Change in Deferred Items - IMRF	(2,564,223)
Change in Deferred Items - Police Pension	(845,446)
Change in Deferred Items - Firefighters' Pension	(3,488,413)
Change in Deferred Items - RBP	554,119

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.

Change in Compensated Absences Payable	(295,271)
Change in Net Pension Liability - IMRF	3,456,235
Change in Net Pension Liability - Police Pension	2,376,136
Change in Net Pension Liability - Firefighters' Pension	4,795,067
Change in Total OPEB Liability - RBP	(178,831)
Retirement of Debt	1,147,910
Amortization of Bond Premium	23,351
Amortization of Loss of Refunding	(33,729)
Change in Accrued Interest Payable	788

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. (744,794)

Changes in Net Position of Governmental Activities 6,246,360

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2020

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2020**

	Business-Type Activities - Enterprise			Governmental
				Activities
	Utilities	Refuse Collection	Totals	Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 6,995,433	678,174	7,673,607	8,366,199
Receivables - Net of Allowances - Accounts	1,891,142	412,471	2,303,613	162,239
Prepays	467	—	467	4,222,355
Inventories	117,075	—	117,075	—
Total Current Assets	9,004,117	1,090,645	10,094,762	12,750,793
Noncurrent Assets				
Capital Assets				
Nondepreciable	6,586,762	—	6,586,762	2,554,992
Depreciable	33,504,471	598,613	34,103,084	28,950,762
Accumulated Depreciation	(17,666,629)	(548,148)	(18,214,777)	(18,889,862)
	22,424,604	50,465	22,475,069	12,615,892
Other Assets				
Equity Interest in Joint Venture	308,797	—	308,797	—
Total Noncurrent Assets	22,733,401	50,465	22,783,866	12,615,892
Total Assets	31,737,518	1,141,110	32,878,628	25,366,685
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	22,656	12,552	35,208	—
Deferred Items - RBP	145,065	51,300	196,365	—
Total Deferred Outflows of Resources	167,721	63,852	231,573	—
Total Assets and Deferred Outflows of Resources	31,905,239	1,204,962	33,110,201	25,366,685

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	\$ 845,982	81,827	927,809	658,942
Accrued Interest Payable	16,060	—	16,060	—
Compensated Absences Payable	161,857	5,674	167,531	11,390
IEPA Loans Payable	125,192	—	125,192	—
General Obligation Bonds Payable	162,159	—	162,159	—
Total Current Liabilities	1,311,250	87,501	1,398,751	670,332
Noncurrent Liabilities				
Deposits Payable	515,648	300	515,948	—
Compensated Absences Payable	123,660	11,473	135,133	69,817
Net Pension Liability - IMRF	137,299	76,066	213,365	—
Total OPEB Liability - RBP	589,126	208,336	797,462	—
IEPA Loans Payable	1,767,490	—	1,767,490	—
General Obligation Bonds Payable	4,220,112	—	4,220,112	—
Total Noncurrent Liabilities	7,353,335	296,175	7,649,510	69,817
Total Liabilities	8,664,585	383,676	9,048,261	740,149
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	818,543	453,486	1,272,029	—
Deferred Items - RBP	26,433	9,348	35,781	—
Total Deferred Inflows of Resources	844,976	462,834	1,307,810	—
Total Liabilities and Deferred Inflows of Resources	9,509,561	846,510	10,356,071	740,149
NET POSITION				
Net Investment in Capital Assets	16,149,651	50,465	16,200,116	12,615,892
Unrestricted	6,246,027	307,987	6,554,014	12,010,644
Total Net Position	22,395,678	358,452	22,754,130	24,626,536

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

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2020**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 11,654,564	2,238,744	13,893,308	—
Miscellaneous	(2,812)	2,697	(115)	1,023,949
Interfund Services	—	—	—	8,054,429
Total Operating Revenues	11,651,752	2,241,441	13,893,193	9,078,378
Operating Expenses				
Administration	1,250,205	1,023,477	2,273,682	6,253,919
Public Safety	—	—	—	220,854
Public Works	775,000	—	775,000	433,874
Operations	6,128,825	1,585,846	7,714,671	—
Depreciation and Amortization	927,669	3,882	931,551	1,394,084
Total Operating Expenses	9,081,699	2,613,205	11,694,904	8,302,731
Operating Income (Loss)	2,570,053	(371,764)	2,198,289	775,647
Nonoperating Revenues (Expenses)				
Disposal of Capital Assets	—	—	—	18,488
Interest Income	(382,647)	2,183	(380,464)	11,071
Interest Expense	(214,033)	—	(214,033)	—
	(596,680)	2,183	(594,497)	29,559
Income (Loss) before Transfers	1,973,373	(369,581)	1,603,792	805,206
Transfers In	—	—	—	300,000
Transfers Out	—	—	—	(1,850,000)
	—	—	—	(1,550,000)
Change in Net Position	1,973,373	(369,581)	1,603,792	(744,794)
Net Position - Beginning	20,422,305	728,033	21,150,338	25,371,330
Net Position - Ending	22,395,678	358,452	22,754,130	24,626,536

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, 2020**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 11,668,599	2,117,272	13,785,871	—
Interfund Services Provided	—	—	—	10,556,984
Payments to Suppliers	(6,904,135)	(1,977,024)	(8,881,159)	(6,580,932)
Payments to Employees	(1,271,773)	(266,422)	(1,538,195)	(313,751)
	<u>3,492,691</u>	<u>(126,174)</u>	<u>3,366,517</u>	<u>3,662,301</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	—	—	—	300,000
Transfers Out	—	—	—	(1,850,000)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,550,000)</u>
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	—	—	—	18,488
Purchase of Capital Assets	(4,261,257)	—	(4,261,257)	(1,224,273)
Principal Paid on Debt	(394,686)	—	(394,686)	—
Interest Paid on Debt	(214,033)	—	(214,033)	—
	<u>(4,869,976)</u>	<u>—</u>	<u>(4,869,976)</u>	<u>(1,205,785)</u>
Cash Flows from Investing Activities				
Interest Received	(382,647)	2,183	(380,464)	11,071
Net Change in Cash and Cash Equivalents	(1,759,932)	(123,991)	(1,883,923)	917,587
Cash and Cash Equivalents - Beginning	8,755,365	802,165	9,557,530	7,448,612
Cash and Cash Equivalents - Ending	<u>6,995,433</u>	<u>678,174</u>	<u>7,673,607</u>	<u>8,366,199</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	2,570,053	(371,764)	2,198,289	775,647
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	927,669	3,882	931,551	1,394,084
(Increase) Decrease in Current Assets	16,847	(124,169)	(107,322)	1,478,606
Increase (Decrease) in Current Liabilities	(21,878)	365,877	343,999	13,964
Net Cash Provided by Operating Activities	<u>3,492,691</u>	<u>(126,174)</u>	<u>3,366,517</u>	<u>3,662,301</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, 2020

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,527,437
Investments	
U.S. Government Obligations	13,533,327
U.S. Agency Obligations	2,143,988
Corporate Bonds	14,388,386
Mutual Funds	58,541,992
Common Stock	5,462,084
Insurance Contracts	4,508,450
Certificates of Deposits	181,986
Receivables	
Accrued Interest	147,688
Due From Other Funds	1,278
Prepays	<u>1,619</u>
Total Assets	103,438,235
LIABILITIES	
Accounts Payable	<u>23,200</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>103,415,035</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, 2020**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 8,011,097
Contributions - Plan Members	<u>1,031,949</u>
Total Contributions	<u>9,043,046</u>
Investment Income	
Interest Earned	2,720,295
Net Change in Fair Value	<u>8,982,037</u>
	11,702,332
Less Investment Expenses	<u>(173,333)</u>
Net Investment Income	<u>11,528,999</u>
Total Additions	<u>20,572,045</u>
Deductions	
Administration	159,232
Benefits and Refunds	<u>8,326,589</u>
Total Deductions	<u>8,485,821</u>
Change in Fiduciary Net Position	12,086,224
Net Position Restricted for Pensions	
Beginning	<u>91,328,811</u>
Ending	<u><u>103,415,035</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, 2020

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, 2020

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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.

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.).

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 prepays/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 prepays in both the government-wide and fund financial statements.

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."

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, 2020

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
Infrastructure	5 - 15 Years
Machinery and Equipment	15 - 60 Years
Vehicles	8 - 20 Years
Waterworks and Sewage System	5 - 20 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, 2020

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, 2020

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
Refuse Collection (16)	\$ 286,692
Liability Insurance (23)	37,235

The Refuse Fund (16) is an enterprise fund and activities are 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 Refuse Fund recognized the Pension/OPEB expenses (non-cash) items totaling \$333,134. This recognition of these noncash/non-budgeted items show the Refuse Fund's actual expenditures expenses in excess of the budget.

For the Liability Insurance Fund (23), the overage of \$37,235 is due to additional liability insurance claims which were reimbursed by IRMA.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

DEFICIT FUND EQUITY

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

Fund	Deficit
TIF #2 Kirchoff/Owl (37)	\$ 834,328

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.

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, the Illinois Metropolitan Investment Fund, and the Illinois Public Reserves Investment Management Trust.

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, 2020

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 \$8,150,323 and the bank balances totaled \$8,329,533. Additionally, the City has \$210,104 invested in the Illinois Funds, \$6,310,787 invested in the IMET Fund, and \$12,560,815 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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

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, 2020, 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).

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$2,201,666 and the bank balances totaled \$2,201,666.

Investments. The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 7,708,362	942,785	5,017,239	1,748,338	—
U.S. Agency Obligations	494,870	—	165,939	80,892	248,039
Corporate Bonds	7,635,030	178,139	4,546,167	2,833,596	77,128
Certificates of Deposit	181,986	—	181,986	—	—
Totals	16,020,248	1,120,924	9,911,331	4,662,826	325,167

The Fund has the following recurring fair value measurements as of December 31, 2020:

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	\$ 7,708,362	7,708,362	—	—
U.S. Agency Obligations	494,870	—	494,870	—
Corporate Bonds	7,635,030	—	7,635,030	—
Equity Securities				
Mutual Funds	29,396,170	29,396,170	—	—
Common Stock	5,462,084	5,462,084	—	—
Insurance Contracts	2,423,639	2,423,639	—	—
Certificate of Deposits	181,986	181,986	—	—
Total Investments Measured at Fair Value	53,302,141	45,172,241	8,129,900	—

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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. 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, 2020, the credit ratings of the Fund's U.S. Agency Obligations are rated AA+, the corporate debt securities are rated Aaa-Baa3 by Moody's, and certificate of deposits are rated BBB- by Standard & Poor's.

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, 2020, 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 \$29,396,170 invested in mutual funds, \$5,462,084 invested in common stock, and \$2,423,639 invested in insurance contracts. At December 31, 2020, 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	\$ 4,950,382
Vanguard Institutional Index Fund	12,216,479
Vanguard Institutional Income	5,257,814

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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:

Asset Class	Target	Long-Term Expected Real Return
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 2021 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.21%. 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, 2020**

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 \$2,325,771 and the bank balances totaled \$2,329,646.

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 \$	5,824,965	1,104,285	2,433,859	1,235,948	1,050,873
U.S. Agency Obligations	1,649,118	—	201,007	858,909	589,202
Corporate Bonds	6,753,356	120,095	2,158,443	2,304,344	2,170,474
Totals	14,227,439	1,224,380	4,793,309	4,399,201	3,810,549

The Fund has the following recurring fair value measurements as of December 31, 2020:

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	\$ 5,824,965	5,824,965	—	—
U.S. Agency Obligations	1,649,118	—	1,649,118	—
Corporate Bonds	6,753,356	—	6,753,356	—
Equity Securities				
Insurance Contracts	2,084,811	2,084,811	—	—
Mutual Funds	29,145,822	29,145,822	—	—
Total Investments Measured at Fair Value	45,458,072	37,055,598	8,402,474	—

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, 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, 2020, 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, 2020, 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 \$29,145,822 invested in mutual funds and \$2,084,811 invested in insurance contracts. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2020, the Fund does not have any 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).

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 Return
Fixed Income	42.0%	0.70% - 3.20%
Domestic Equities	45.0%	3.60% - 7.20%
International Equities	5.0%	5.20%
Commodities	0.0%	0.50%
REITS	5.0%	4.00%
Cash and Cash Equivalents	3.0%	(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 2021 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.22%. 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, 2020**

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	13,116,165	768,353	11,692,175	2,192,343
	<u>114,766,354</u>	<u>768,353</u>	<u>11,692,175</u>	<u>103,842,532</u>
Depreciable Capital Assets				
Land Improvements	1,367,862	—	—	1,367,862
Buildings	14,935,433	13,614,347	—	28,549,780
Infrastructure	60,675,816	2,438,114	—	63,113,930
Machinery and Equipment	5,484,175	414,681	—	5,898,856
Vehicles	9,155,906	49,067	36,900	9,168,073
	<u>91,619,192</u>	<u>16,516,209</u>	<u>36,900</u>	<u>108,098,501</u>
Less Accumulated Depreciation				
Land Improvements	915,852	46,748	—	962,600
Buildings	10,419,880	673,075	—	11,092,955
Infrastructure	40,409,333	1,836,449	—	42,245,782
Machinery and Equipment	3,901,381	288,976	—	4,190,357
Vehicles	4,530,545	691,102	36,900	5,184,747
	<u>60,176,991</u>	<u>3,536,350</u>	<u>36,900</u>	<u>63,676,441</u>
Total Net Depreciable Capital Assets	<u>31,442,201</u>	<u>12,979,859</u>	<u>—</u>	<u>44,422,060</u>
Total Net Capital Assets	<u>146,208,555</u>	<u>13,748,212</u>	<u>11,692,175</u>	<u>148,264,592</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	\$ 2,142,266
Internal Service	<u>1,394,084</u>
	<u><u>3,536,350</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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	\$ 3,140,314	3,446,448	—	6,586,762
Depreciable Capital Assets				
Land Improvements	400,336	60,000	—	460,336
Building	3,801,290	—	—	3,801,290
Machinery and Equipment	1,978,564	—	—	1,978,564
Waterworks System	12,246,572	248,000	—	12,494,572
Sewerage System	14,821,694	506,809	—	15,328,503
Garage	39,819	—	—	39,819
	<u>33,288,275</u>	<u>814,809</u>	<u>—</u>	<u>34,103,084</u>
Less Accumulated Depreciation				
Land Improvements	268,443	14,863	—	283,306
Building	2,676,063	69,987	—	2,746,050
Machinery and Equipment	1,913,631	18,910	—	1,932,541
Waterworks System	4,843,379	279,126	—	5,122,505
Sewerage System	7,526,807	563,749	—	8,090,556
Garage	39,819	—	—	39,819
	<u>17,268,142</u>	<u>946,635</u>	<u>—</u>	<u>18,214,777</u>
Total Other Capital Assets	<u>16,020,133</u>	<u>(131,826)</u>	<u>—</u>	<u>15,888,307</u>
Total Capital Assets	<u>19,160,447</u>	<u>3,314,622</u>	<u>—</u>	<u>22,475,069</u>

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

Utilities	\$ 942,753
Refuse Collection	<u>3,882</u>
	<u>946,635</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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	5,794,632	—	—	5,794,632
Furniture and Equipment	635,438	97,948	167,095	566,291
Books and Other Library Materials	2,519,482	211,300	230,289	2,500,493
Audio Visual Materials	576,424	32,634	26,279	582,779
	<u>9,525,976</u>	<u>341,882</u>	<u>423,663</u>	<u>9,444,195</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,059,472	131,226	—	3,190,698
Furniture and Equipment	584,506	16,522	167,095	433,933
Books and Other Library Materials	1,654,753	249,582	230,289	1,674,046
Audio Visual Materials	433,980	56,653	26,279	464,354
	<u>5,732,711</u>	<u>453,983</u>	<u>423,663</u>	<u>5,763,031</u>
Total Other Capital Assets	<u>3,793,265</u>	<u>(112,101)</u>	<u>—</u>	<u>3,681,164</u>
Total Capital Assets	<u>4,402,158</u>	<u>(112,101)</u>	<u>—</u>	<u>4,290,057</u>

PROPERTY TAXES

Property taxes for 2020 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, 2020**

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	\$ 1,650,000 (1)
Debt Service	General	751,713 (2)
Internal Service	General	100,000 (3)
Internal Service	Internal Service	<u>200,000 (1)</u>
		<u><u>2,701,713</u></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	Local Roads	\$ 376,987
General	Nonmajor Governmental	837,044
Police Pension	General	338
Firefighters' Pension	General	<u>940</u>
		<u><u>1,215,309</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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)	\$ 2,700,000	—	675,000	2,025,000
	Utilities	130,000	—	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	9,180,000	—	330,000	8,850,000
	Debt Service (Property Tax)	4,262,240	—	142,910	4,119,330
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.	Utilities	4,237,760	—	142,090	4,095,670
		20,510,000	—	1,420,000	19,090,000

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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	\$ 963,741	—	59,099	904,642
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	1,051,537	—	63,497	988,040
		<u>2,015,278</u>	<u>—</u>	<u>122,596</u>	<u>1,892,682</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, 2020**

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	\$ 3,375,285	590,542	295,271	3,670,556	1,146,696
Internal Services	124,058	42,851	85,702	81,207	11,390
Net Pension Liability					
IMRF	4,103,600	—	3,456,235	647,365	—
Police Pension	33,519,594	—	2,376,136	31,143,458	—
Firefighters' Pension	39,447,638	—	4,795,067	34,652,571	—
Total OPEB Liability - RBP	6,554,477	178,831	—	6,733,308	—
General Obligation Bonds	16,142,240	—	1,147,910	14,994,330	1,127,925
Unamortized Premium	732,687	—	23,351	709,336	38,523
	<u>103,999,579</u>	<u>812,224</u>	<u>12,179,672</u>	<u>92,632,131</u>	<u>2,324,534</u>
Business-Type Activities					
Compensated Absences	370,049	67,387	134,772	302,664	167,531
Net Pension Liability - IMRF	1,240,280	—	1,026,915	213,365	—
Total OPEB Liability - RBP	123,874	673,588	—	797,462	—
IEPA Loans Payable	2,015,278	—	122,596	1,892,682	125,192
General Obligation Bonds	4,367,760	—	272,090	4,095,670	147,075
Unamortized Premium	301,685	—	15,084	286,601	15,084
	<u>8,117,241</u>	<u>740,975</u>	<u>1,556,373</u>	<u>7,301,843</u>	<u>439,798</u>
Component Unit - Public Library					
Compensated Absences	77,780	3,874	1,937	79,717	15,943
Net Pension Liability - IMRF	1,366,719	—	1,130,803	235,916	—
Total OPEB Liability - RBP	322,187	231,404	—	553,591	—
	<u>1,766,686</u>	<u>235,278</u>	<u>1,132,740</u>	<u>869,224</u>	<u>15,943</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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
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	161,014	3,352	236,816	74,884
2034	823,213	190,188	41,345	399	246,787	65,412
2035	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	14,994,330	5,691,768	1,892,682	285,820	4,095,670	1,829,320

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 148,264,592
Plus:	
Unamortized Refunding Loss	67,458
Unspent Bond Proceeds	2,340,617
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2012	(2,025,000)
General Obligation Bonds of 2018	(8,850,000)
General Obligation Bonds of 2019	(4,119,330)
Premium on Debt Issuance	<u>(709,336)</u>
Net Investment in Capital Assets	<u>134,969,001</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	22,475,069
Less Capital Related Debt:	
IEPA Loan Payable of 2012	(904,642)
IEPA Loan Payable of 2013	(988,040)
General Obligation Bonds of 2019	(4,095,670)
Premium on Debt Issuance	<u>(286,601)</u>
Net Investment in Capital Assets	<u>16,200,116</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, 2020**

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:

	Special Revenue			Capital Projects			Nonmajor	Totals
	General	Motor Fuel Tax	Debt Service	Local Road	Fire Stations	TIF #4 Golf Road		
Fund Balances								
Nonspendable								
Prepays	\$ 40,648	—	—	—	—	—	—	40,648
Restricted								
Public Safety								
Police	—	—	—	—	—	—	1,679,052	1,679,052
Fire	—	—	—	—	—	—	90,519	90,519
Highways and Streets	—	1,174,494	—	—	—	—	—	1,174,494
Debt Service	—	—	17,040	—	—	—	—	17,040
	—	1,174,494	17,040	—	—	—	1,769,571	2,961,105
Assigned								
Labor Negotiations	400,000	—	—	—	—	—	—	400,000
Capital Projects	—	—	—	115,648	—	38	—	115,686
	400,000	—	—	115,648	—	38	—	515,686
Unassigned	10,606,672	—	—	—	477,956	—	(834,328)	10,250,300
Total Fund Balances	11,047,320	1,174,494	17,040	115,648	477,956	38	935,243	13,767,739

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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.

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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Intergovernmental Risk Management Agency (IRMA) - Continued

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.

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.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. Early April 2020, the City took early action to review fund balances and estimate balances going forward. To mitigate potential revenue losses, the City took action to release funds to the General Fund Balance overall fund balance. As of the date of this report, the City provided high-quality services to the community; kept capital projects intact (some were deferred); and maintained fund balance reserves.

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

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
2021	<u>\$ 425,000</u>

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, 2020 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	<u>13.59</u>
	<u>100.00 %</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

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

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.

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 Revised Water Supply Agreements with the seven-member municipalities, extending to December 31, 2032. 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 2032.

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 \$3,589,404 to JAWA for the year ended December 31, 2020. All payments were paid from the Utilities Fund. Deposits with JAWA in the amount of \$308,797 represent amounts held for security of debt service.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 \$409,051 to SWANCC for the year ended December 31, 2020, 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 online 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, 2020**

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	\$ 107,867	860,730	142,031	5,131,457
Library	155,915	235,916	38,929	1,406,474
Police Pension	2,080,040	31,143,458	5,666,522	(6,096,251)
Firefighters' Pension	3,093,713	34,652,571	4,314,167	(5,864,226)
	<u>5,437,535</u>	<u>66,892,675</u>	<u>10,161,649</u>	<u>(5,422,546)</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, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	190
Inactive Plan Members Entitled to but not yet Receiving Benefits	89
Active Plan Members	<u>105</u>
Total	<u><u>384</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, 2020, the City's contribution was 17.53% of covered payroll.

Net Pension Liability/(Asset). The City's net pension liability/(asset) was measured as of December 31, 2020. 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, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

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

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, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

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 net 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	\$ 7,569,237	860,730	(4,569,838)
Library	2,074,641	235,916	(1,252,541)
Net Pension Liability/(Asset)	9,643,878	1,096,646	(5,822,379)

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	City	Library	Totals
Total Pension Liability			
Service Cost	\$ 639,434	175,261	814,695
Interest	4,115,531	1,225,998	5,341,529
Differences Between Expected and Actual Experience	172,972	47,410	220,382
Change of Assumptions	(288,218)	(78,997)	(367,215)
Benefit Payments, Including Refunds of Member Contributions	(3,361,089)	(921,236)	(4,282,325)
Net Change in Total Pension Liability	1,278,630	448,436	1,727,066
Total Pension Liability - Beginning	58,766,253	16,643,824	75,410,077
Total Pension Liability - Ending	60,044,883	17,092,260	77,137,143
Plan Fiduciary Net Position			
Contributions - Employer	1,149,152	314,970	1,464,122
Contributions - Members	307,008	84,148	391,156
Net Investment Income	7,831,476	2,146,518	9,977,994
Benefit Payments, Including Refunds of Member Contributions	(3,361,089)	(921,236)	(4,282,325)
Other (Net Transfer)	(164,767)	(45,161)	(209,928)
Position	5,761,780	1,579,239	7,341,019
Plan Net Position - Beginning	53,422,373	15,277,105	68,699,478
Plan Net Position - Ending	59,184,153	16,856,344	76,040,497
Employer's Net Pension Liability	860,730	235,916	1,096,646

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2020, the City recognized pension expense of \$107,867 and the Library recognized pension expense of \$155,915. At December 31, 2020, the City and the Library 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	\$ 142,031	—	38,929	—	180,960
Change in Assumptions	—	(185,470)	—	(50,835)	(236,305)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(4,945,987)	—	(1,355,639)	(6,301,626)
Total Deferred Amounts Related to IMRF	<u>142,031</u>	<u>(5,131,457)</u>	<u>38,929</u>	<u>(1,406,474)</u>	<u>(6,356,971)</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
2021	\$ (1,589,597)	(435,690)	(2,025,287)
2022	(645,321)	(176,875)	(822,196)
2023	(1,955,054)	(535,858)	(2,490,912)
2024	(799,454)	(219,122)	(1,018,576)
2025	—	—	—
Thereafter	—	—	—
Totals	<u>(4,989,426)</u>	<u>(1,367,545)</u>	<u>(6,356,971)</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>50</u>
Total	<u><u>111</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 $\frac{1}{2}$ 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, 2020

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 48 consecutive months of service within the last 60 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 of ½ of the change in the Consumer Price Index for the preceding 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, 2020, the City's contribution was 67.31% 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	\$ 4,950,382
Vanguard Institutional Index Fund	12,216,479
Vanguard Institutional Income	5,257,814

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Graded by years of service
Adjustments	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 othe 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, 2020**

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 \$	43,705,429	31,143,458	20,951,844

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 83,700,835	50,181,241	33,519,594
Changes for the Year:			
Service Cost	1,441,621	—	1,441,621
Interest on the Total Pension Liability	5,696,678	—	5,696,678
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Liability	731,994	—	731,994
Changes of Assumptions	(492,871)	—	(492,871)
Contributions - Employer	—	3,610,730	(3,610,730)
Contributions - Employees	—	546,585	(546,585)
Net Investment Income	—	5,596,243	(5,596,243)
Benefit Payments, Including Refunds of Employee Contributions	(4,291,945)	(4,291,945)	—
Other (Net Transfer)	(80,952)	(80,952)	—
Net Changes	3,004,525	5,380,661	(2,376,136)
Balances at December 31, 2020	86,705,360	55,561,902	31,143,458

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the City recognized pension expense of \$2,080,040. At December 31, 2020, 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	\$ 1,094,229	(1,972,735)	(878,506)
Change in Assumptions	4,572,293	(1,145,876)	3,426,417
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,977,640)	(2,977,640)
Total Deferred Amounts Related to Police Pension	<u>5,666,522</u>	<u>(6,096,251)</u>	<u>(429,729)</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
2021	\$ (683,670)
2022	170,246
2023	(636,034)
2024	259,140
2025	268,198
Thereafter	<u>192,391</u>
Total	<u>(429,729)</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	51
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>44</u>
Total	<u><u>97</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, 2020

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 48 consecutive months of service within the last 60 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 $\frac{1}{2}$ 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., $\frac{1}{2}$ 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 $\frac{1}{2}$ 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, 2020, the City's contribution was 89.69% 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, 2020

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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Graded by years of service
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates follow the PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate.

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, 2020**

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	\$ 46,357,297	34,652,571	25,115,076

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 80,595,208	41,147,570	39,447,638
Changes for the Year:			
Service Cost	1,316,062	—	1,316,062
Interest on the Total Pension Liability	5,488,684	—	5,488,684
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Liability	(294,656)	—	(294,656)
Changes of Assumptions	(486,670)	—	(486,670)
Contributions - Employer	—	4,400,367	(4,400,367)
Contributions - Employees	—	485,364	(485,364)
Net Investment Income	—	5,932,756	(5,932,756)
Benefit Payments, Including Refunds of Employee Contributions	(4,034,644)	(4,034,644)	—
Other (Net Transfer)	(78,280)	(78,280)	—
Net Changes	1,910,496	6,705,563	(4,795,067)
Balances at December 31, 2020	82,505,704	47,853,133	34,652,571

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the City recognized pension expense of \$3,093,713. At December 31, 2020, 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	\$ 1,124,127	(248,910)	875,217
Change in Assumptions	3,190,040	(1,400,168)	1,789,872
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(4,215,148)	(4,215,148)
Total Deferred Amounts Related to Firefighters' Pension	<u>4,314,167</u>	<u>(5,864,226)</u>	<u>(1,550,059)</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
2021	\$ (1,018,707)
2022	(281,053)
2023	(871,430)
2024	184,614
2025	475,870
Thereafter	<u>(39,353)</u>
Total	<u><u>(1,550,059)</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, 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, 2020, and was determined by an actuarial valuation as December 31, 2019.

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

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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	1.93%
Healthcare Cost Trend Rates	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, 2020.

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, 2019	\$ 6,678,351	322,187	7,000,538
Changes for the Year:			
Service Cost	202,626	14,895	217,521
Interest on the Total OPEB Liability	49,381	172,373	221,754
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience	—	—	—
Changes of Assumptions or Other Inputs	969,790	71,289	1,041,079
Benefit Payments	(369,378)	(27,153)	(396,531)
Net Changes	852,419	231,404	1,083,823
Balance at December 31, 2020	7,530,770	553,591	8,084,361

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 1.93%, while the prior valuation used 3.26%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
City	\$ 8,433,277	7,530,770	6,781,433
Library	619,935	553,591	498,507
Total OPEB Liability	9,053,212	8,084,361	7,279,940

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	\$ 6,636,856	7,530,770	8,632,104
Library	487,879	553,591	634,551
Total OPEB Liability	7,124,735	8,084,361	9,266,655

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2020**

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, 2020, the City recognized OPEB expense of \$855,194 and the Library recognized OPEB expense of \$132,185. At December 31, 2020, the City and the Library 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	\$ 526,074	—	38,672	—	564,746
Change in Assumptions	1,328,281	(337,888)	97,643	(24,838)	1,063,198
Net Difference Between Projected and Actual Earnings	—	—	—	—	—
Total Deferred Amounts Related to OPEB	<u>1,854,355</u>	<u>(337,888)</u>	<u>136,315</u>	<u>(24,838)</u>	<u>1,627,944</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 of Resources		
	City	Library	Totals
2021	\$ 251,011	18,452	269,463
2022	251,011	18,452	269,463
2023	251,011	18,452	269,463
2024	251,011	18,452	269,463
2025	251,011	18,452	269,463
Thereafter	261,412	19,217	280,629
Totals	<u>1,516,467</u>	<u>111,477</u>	<u>1,627,944</u>

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The City has been allocated \$2,900,000 to be received in two installments. As of the date of these financial statements, the City has not received their first installment.

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, 2020**

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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	Totals	1,006,573	1,114,698	108,125	8,084,925	13.79%
2020	City	1,061,090	1,149,152	88,062	6,554,457	17.53%
	Library	290,833	314,970	24,137	1,796,502	17.53%
	Totals	1,351,923	1,464,122	112,199	8,350,959	17.53%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
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, 2020**

Fiscal 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%
2020	3,597,226	3,610,730	13,504	5,364,126	67.31%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	15 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.75% - 13.61%
Investment Rate of Return	7.00%
Retirement Age	100% of the Independent Actuary Assumption Study for Police 2020 Cap Age 65.
Mortality	Active Mortality follows 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.

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, 2020**

Fiscal 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%
2020	4,346,203	4,400,367	54,164	4,905,971	89.69%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	15 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.75% - 13.61%
Investment Rate of Return	7.00%
Retirement Age	100% of the Independent Actuary Study for Firefighters 2020 Cap Age 65.
Mortality	Active Mortality follows 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.

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, 2020**

	12/31/2015 <u>Totals</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.

12/31/2016 Totals	12/31/2017 Totals	12/31/2018 Totals	12/31/2019 Totals	12/31/2020		
				City	Library	Totals
764,608	769,374	732,079	789,699	639,434	175,261	814,695
4,796,080	4,959,320	4,968,572	5,204,828	4,115,531	1,225,998	5,341,529
70,604	79,030	1,906,001	124,031	172,972	47,410	220,382
(305,973)	(1,952,922)	1,926,418	0	(288,218)	(78,997)	(367,215)
(3,391,363)	(3,596,746)	(3,828,837)	(4,208,721)	(3,361,089)	(921,236)	(4,282,325)
1,933,956	258,056	5,704,233	1,909,837	1,278,630	448,436	1,727,066
65,603,995	67,537,951	67,796,007	73,500,240	58,766,253	16,643,824	75,410,077
67,537,951	67,796,007	73,500,240	75,410,077	60,044,883	17,092,260	77,137,143
1,201,445	1,159,896	1,212,876	1,114,698	1,149,152	314,970	1,464,122
348,298	346,110	366,259	363,822	307,008	84,148	391,156
3,774,049	10,348,710	(3,749,148)	11,603,061	7,831,476	2,146,518	9,977,994
(3,391,363)	(3,596,746)	(3,828,837)	(4,208,721)	(3,361,089)	(921,236)	(4,282,325)
702,941	(1,339,459)	1,424,942	(80,412)	(164,767)	(45,161)	(209,928)
2,635,370	6,918,511	(4,573,908)	8,792,448	5,761,780	1,579,239	7,341,019
54,927,057	57,562,427	64,480,938	59,907,030	53,422,373	15,277,105	68,699,478
57,562,427	64,480,938	59,907,030	68,699,478	59,184,153	16,856,344	76,040,497
9,975,524	3,315,069	13,593,210	6,710,599	860,730	235,916	1,096,646
85.23%	95.11%	81.51%	91.10%	98.57%	98.62%	98.58%
7,376,594	7,546,491	8,085,842	8,084,925	6,553,986	1,796,373	8,350,359
135.23%	43.93%	168.11%	83.00%	13.13%	13.13%	13.13%

CITY OF ROLLING MEADOWS, ILLINOIS

**Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020**

	<u>12/31/2014</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	(2,632,396)
Other (Net Transfer)	—
Net Change in Total Pension Liability	<u>6,127,425</u>
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	(2,632,396)
Administrative Expenses	(55,519)
Net Change in Plan Fiduciary Net Position	<u>1,882,394</u>
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.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
1,139,586	1,171,229	1,168,217	1,079,503	1,097,117	1,441,621
4,649,406	5,082,602	5,135,650	5,152,332	5,381,873	5,696,678
—	—	—	—	469,226	—
(1,820,391)	181,793	(192,715)	(2,201,325)	624,605	731,994
5,292,677	(2,389,766)	(2,442,434)	2,926,844	1,171,048	(492,871)
(2,927,628)	(3,217,902)	(3,358,167)	(3,502,585)	(3,853,858)	(4,291,945)
—	—	—	—	—	(80,952)
6,333,650	827,956	310,551	3,454,769	4,890,011	3,004,525
67,883,898	74,217,548	75,045,504	75,356,055	78,810,824	83,700,835
74,217,548	75,045,504	75,356,055	78,810,824	83,700,835	86,705,360
2,547,497	3,104,921	3,607,352	3,480,637	3,910,789	3,610,730
469,521	472,132	482,643	505,917	566,608	546,585
142,603	2,381,161	5,047,122	(1,949,568)	7,675,033	5,596,243
(2,927,628)	(3,217,902)	(3,358,167)	(3,502,585)	(3,853,858)	(4,291,945)
(54,640)	(57,478)	(59,187)	(57,448)	(63,914)	(80,952)
177,353	2,682,834	5,719,763	(1,523,047)	8,234,658	5,380,661
34,889,680	35,067,033	37,749,867	43,469,630	41,946,583	50,181,241
35,067,033	37,749,867	43,469,630	41,946,583	50,181,241	55,561,902
39,150,515	37,295,637	31,886,425	36,864,241	33,519,594	31,143,458
47.25%	50.30%	57.69%	53.22%	59.95%	64.08%
4,628,740	4,741,621	4,942,478	5,103,111	5,196,556	5,364,126
845.81%	786.56%	645.15%	722.39%	645.03%	580.59%

CITY OF ROLLING MEADOWS, ILLINOIS

**Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020**

	<u>12/31/2014</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	(3,020,345)
Administrative Expenses	—
Net Change in Total Pension Liability	<u>5,013,600</u>
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	(3,020,345)
Administrative Expenses	(41,149)
Net Change in Plan Fiduciary Net Position	<u>1,397,639</u>
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.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
1,204,872	1,291,068	1,212,059	1,073,974	1,159,904	1,316,062
4,130,260	4,626,392	4,663,118	4,704,541	5,168,179	5,488,684
—	—	—	—	432,145	—
(354,477)	347,104	15,822	577,218	1,003,648	(294,656)
5,331,911	(2,345,758)	(1,683,291)	4,129,948	994,082	(486,670)
(3,156,692)	(3,293,238)	(3,495,079)	(3,736,785)	(3,987,774)	(4,034,644)
—	—	—	—	—	(78,280)
7,155,874	625,568	712,629	6,748,896	4,770,184	1,910,496
60,582,057	67,737,931	68,363,499	69,076,128	75,825,024	80,595,208
67,737,931	68,363,499	69,076,128	75,825,024	80,595,208	82,505,704
2,755,511	3,245,390	4,080,981	3,788,593	4,210,983	4,400,367
397,740	407,278	417,337	421,856	469,435	485,364
221,351	2,011,769	4,243,937	(1,310,139)	7,119,367	5,932,756
(3,156,692)	(3,293,238)	(3,495,079)	(3,736,785)	(3,987,774)	(4,034,644)
(43,840)	(40,939)	(56,824)	(73,346)	(71,408)	(78,280)
174,070	2,330,260	5,190,352	(909,821)	7,740,603	6,705,563
26,622,106	26,796,176	29,126,436	34,316,788	33,406,967	41,147,570
26,796,176	29,126,436	34,316,788	33,406,967	41,147,570	47,853,133
40,941,755	39,237,063	34,759,340	42,418,057	39,447,638	34,652,571
39.56%	42.61%	49.68%	44.06%	51.05%	58.00%
4,139,289	4,095,760	4,338,255	4,563,723	4,656,367	4,905,971
989.10%	957.99%	801.23%	929.46%	847.18%	706.33%

CITY OF ROLLING MEADOWS, ILLINOIS

**Police Pension Fund
Schedule of Investment Returns
December 31, 2020**

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%
2020	11.21%

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, 2020**

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%
2020	11.22%

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, 2020

	12/31/2018	12/31/2019
	Totals	Totals
Total OPEB Liability		
Service Cost	\$ 351,060	188,331
Interest	192,306	207,033
Changes in Benefit Terms	—	757,774
Differences Between Expected and Actual Experience	5,305	349,658
Change of Assumptions or Other Inputs	(268,381)	(399,308)
Benefit Payments	(264,586)	117,000
Net Change in Total OPEB Liability	15,704	1,220,488
Total OPEB Liability - Beginning	5,764,346	5,780,050
Total OPEB Liability - Ending	5,780,050	7,000,538
Covered Payroll	\$ 16,395,718	16,395,718
Total OPEB Liability as a Percentage of Covered Payroll	35.25%	42.70%

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018, 2019 and 2020.

12/31/2020		
City	Library	Totals
202,626	14,895	217,521
49,381	172,373	221,754
—	—	—
—	—	—
969,790	71,289	1,041,079
(369,378)	(27,153)	(396,531)
852,419	231,404	1,083,823
6,678,351	322,187	7,000,538
7,530,770	553,591	8,084,361
N/A	N/A	N/A
N/A	N/A	N/A

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, 2020

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Taxes	\$ 23,320,894	23,320,894	22,015,251
Intergovernmental	3,607,250	3,949,175	4,388,328
Licenses and Permits	1,066,500	1,066,500	1,147,215
Charges for Services	3,418,463	3,418,463	3,222,284
Fines and Forfeitures	1,152,100	1,152,100	1,257,268
Interest	350,000	350,000	122,927
Miscellaneous	495,550	495,550	528,952
Total Revenues	<u>33,410,757</u>	<u>33,752,682</u>	<u>32,682,225</u>
Expenditures			
General Government	3,386,197	3,431,197	3,078,077
Public Safety	26,436,870	26,436,870	26,058,888
Public Works	4,186,750	4,186,750	4,051,994
Health/Welfare and Culture	11,720	11,720	4,377
Economic Development	48,500	48,500	30,306
Total Expenditures	<u>34,070,037</u>	<u>34,115,037</u>	<u>33,223,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(659,280)</u>	<u>(362,355)</u>	<u>(541,417)</u>
Other Financing Sources (Uses)			
Transfers In	150,000	1,650,000	1,650,000
Transfers Out	(851,713)	(851,713)	(851,713)
	<u>(701,713)</u>	<u>798,287</u>	<u>798,287</u>
Net Change In Fund Balance	<u>(1,360,993)</u>	<u>435,932</u>	256,870
Fund Balance - Beginning			<u>10,790,450</u>
Fund Balance - Ending			<u><u>11,047,320</u></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, 2020

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 625,000	625,000	1,406,401
Interest	2,500	2,500	338
Total Revenues	<u>627,500</u>	<u>627,500</u>	<u>1,406,739</u>
Expenditures			
Capital Outlay	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Net Change in Fund Balance	<u>27,500</u>	<u>27,500</u>	806,739
Fund Balance - Beginning			<u>367,755</u>
Fund Balance - Ending			<u><u>1,174,494</u></u>

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, 2020

	Budgeted Amounts		Actual
	Original	Final	
Taxes			
Property Taxes			
Prior Years' Taxes	\$ —	—	(71,894)
Current Levy	4,110,894	4,110,894	4,173,784
Police Pension	3,600,000	3,600,000	3,610,730
Fire Pension	4,380,000	4,380,000	4,400,366
Municipal Sales Tax	3,600,000	3,600,000	3,698,072
Home Rule Sales Tax	2,750,000	2,750,000	2,172,673
Simplified Telecommunications Tax	1,200,000	1,200,000	913,759
Electric Utility Tax	1,300,000	1,300,000	1,195,810
Hotel Tax	250,000	250,000	143,637
Food and Beverage Tax	1,500,000	1,500,000	1,085,841
Real Estate Transfer Tax	300,000	300,000	398,773
Cable Franchise Fees	330,000	330,000	293,700
Total Taxes	23,320,894	23,320,894	22,015,251
Intergovernmental			
State Income Tax	2,500,000	2,500,000	2,653,791
Local Use Tax	750,000	750,000	1,076,099
Replacement Tax	224,000	224,000	201,287
Video Gaming	75,000	75,000	70,475
Other Grants	58,250	400,175	386,676
Total Intergovernmental	3,607,250	3,949,175	4,388,328
Licenses and Permits			
Business Licenses	260,000	260,000	273,824
Liquor Licenses	150,000	150,000	155,425
Video Gaming Licenses	48,750	48,750	46,840
Other Licenses	250	250	—
Building Permits	500,000	500,000	542,308
Rental Unit Permits	95,000	95,000	93,805
Other Permits	12,500	12,500	35,013
Total Licenses and Permits	1,066,500	1,066,500	1,147,215

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Charges for Services			
Police Special Details	\$ 40,000	40,000	10,061
School Liaison Charges	291,000	291,000	301,014
Ambulance Fees	725,000	725,000	846,096
Overhead Charges			
Garage	235,000	235,000	235,000
E911	55,000	55,000	55,000
TIF #2	57,941	57,941	57,941
TIF #4	56,275	56,275	56,275
Refuse	435,000	435,000	435,000
Utilities	775,000	775,000	775,000
Library	45,947	45,947	45,947
Other Inspection Fees	134,300	134,300	68,106
Other Charges for Services	568,000	568,000	336,844
Total Charges for Services	3,418,463	3,418,463	3,222,284
Fines and Forfeitures			
Circuit Court Fines	60,000	60,000	39,478
Traffic and Compliance Fines	50,100	50,100	35,592
DUI Fines	10,000	10,000	2,017
Red Light Enforcement Fines	900,000	900,000	1,097,020
Adjudication	50,000	50,000	24,116
Other Fines	82,000	82,000	59,045
Total Fines and Forfeitures	1,152,100	1,152,100	1,257,268
Interest	350,000	350,000	122,927
Miscellaneous			
Rental Income	332,000	332,000	335,960
Other	163,550	163,550	192,992
Total Miscellaneous	495,550	495,550	528,952
Total Revenues	33,410,757	33,752,682	32,682,225

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	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	200
Supplies	450	450	—
Total Mayor	14,061	14,061	10,911
City Council			
Salaries and Wages	28,001	28,001	27,667
Benefits	2,142	2,142	2,117
Contracted Services	67,500	67,500	36,040
Supplies	1,100	1,100	297
Total City Council	98,743	98,743	66,121
City Manager			
Salaries and Wages	562,059	562,059	570,143
Benefits	242,143	242,143	245,777
Contracted Services	79,975	79,975	42,792
Supplies	13,000	13,000	1,193
Total City Manager	897,177	897,177	859,905
City Clerk			
Salaries and Wages	85,861	85,861	87,032
Benefits	30,852	30,852	32,572
Contracted Services	15,800	15,800	12,622
Supplies	4,000	4,000	1,762
Total City Clerk	136,513	136,513	133,988
Public Relations			
Contracted Services	84,500	84,500	72,292
Supplies	2,500	2,500	—
Total Public Relations	87,000	87,000	72,292

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	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	17,644
Supplies	2,200	2,200	—
Total Video Production	24,582	24,582	17,644
Adjudication			
Contracted Services	75,000	75,000	23,839
Supplies	1,500	1,500	223
Total Adjudication	76,500	76,500	24,062
Community Events			
Contracted Services	4,450	4,450	—
Supplies	168,000	168,000	41,430
Total Community Events	172,450	172,450	41,430
Finance			
Salaries and Wages	369,429	369,429	376,795
Benefits	142,677	142,677	144,343
Contracted Services	56,075	56,075	38,095
Supplies	1,550	1,550	1,142
Total Finance	569,731	569,731	560,375
Administrative Services			
Legal Contracted Services	404,000	404,000	568,049
Engineering Contracted Services	28,000	28,000	30,000
Police Special Detail			
Salaries and Wages	50,000	50,000	17,139
Benefits	—	—	(42)
Other Contracted Services	235,450	280,450	187,642
Other Supplies	9,500	9,500	9,399
Total Administrative Services	726,950	771,950	812,187

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	
General Government - Continued			
Administration - Continued			
Information Technology			
Salaries and Wages	\$ 297,885	297,885	240,137
Benefits	100,805	100,805	99,711
Contracted Services	152,775	152,775	112,613
Supplies	29,500	29,500	25,522
Total Information Technology	580,965	580,965	477,983
Total Administration	3,384,672	3,429,672	3,076,898
Community Development			
Plan Commission			
Contracted Services	1,525	1,525	1,179
Total General Government	3,386,197	3,431,197	3,078,077
Public Safety			
Police Department			
Administration			
Salaries and Wages	532,492	532,492	551,363
Benefits	155,978	155,978	127,261
Employer Pension Contribution	3,600,000	3,600,000	3,610,730
Contracted Services	794,070	794,070	743,733
Supplies and Materials	194,565	194,565	300,012
Total Administration	5,277,105	5,277,105	5,333,099
Patrol			
Salaries and Wages	5,247,431	5,247,431	5,342,015
Benefits	1,105,833	1,105,833	1,141,690
Contracted Services	139,410	139,410	64,109
Supplies	83,475	83,475	71,943
Total Patrol	6,576,149	6,576,149	6,619,757

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Investigation			
Salaries and Wages	\$ 1,087,233	1,087,233	935,654
Benefits	217,754	217,754	207,965
Contracted Services	35,820	35,820	18,602
Supplies and Materials	9,950	9,950	10,956
Total Investigation	<u>1,350,757</u>	<u>1,350,757</u>	<u>1,173,177</u>
Total Police Department	<u>13,204,011</u>	<u>13,204,011</u>	<u>13,126,033</u>
Fire Department			
Administration			
Salaries and Wages	440,282	440,282	462,833
Benefits	101,301	101,301	90,265
Employer Pension Contribution	4,380,000	4,380,000	4,400,366
Contracted Services	1,100,605	1,100,605	1,093,719
Supplies and Materials	4,300	4,300	3,538
Total Administration	<u>6,026,488</u>	<u>6,026,488</u>	<u>6,050,721</u>
Fire Operations			
Salaries and Wages	5,526,908	5,526,908	5,345,406
Benefits	1,269,629	1,269,629	1,252,394
Contracted Services	161,505	161,505	82,953
Supplies and Materials	133,060	133,060	119,719
Total Fire Operations	<u>7,091,102</u>	<u>7,091,102</u>	<u>6,800,472</u>
Special Rescue Teams			
Salaries and Wages	40,000	40,000	32,902
Benefits	786	786	(12)
Contracted Services	20,613	20,613	14,805
Supplies and Materials	12,650	12,650	12,733
Total Special Rescue Teams	<u>74,049</u>	<u>74,049</u>	<u>60,428</u>
Total Fire Department	<u>13,191,639</u>	<u>13,191,639</u>	<u>12,911,621</u>

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	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	21,173
Supplies and Materials	770	770	61
Total Board of Police and Fire Commission	41,220	41,220	21,234
Total Public Safety	26,436,870	26,436,870	26,058,888
Public Works			
Administration			
Salaries and Wages	754,797	754,797	799,407
Benefits	325,814	325,814	315,379
Contracted Services	277,000	277,000	249,095
Supplies and Materials	9,100	9,100	7,652
Total Administration	1,366,711	1,366,711	1,371,533
Community Development			
Administration			
Salaries and Wages	685,337	685,337	640,422
Benefits	318,735	318,735	304,019
Contracted Services	355,205	355,205	362,277
Supplies and Materials	7,900	7,900	5,506
Total Community Development	1,367,177	1,367,177	1,312,224
Forestry Program			
Salaries and Wages	880,720	880,720	844,637
Benefits	476,867	476,867	457,698
Contracted Services	83,075	83,075	58,556
Supplies and Materials	12,200	12,200	7,346
Total Forestry Program	1,452,862	1,452,862	1,368,237
Total Public Works	4,186,750	4,186,750	4,051,994

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual
	Original	Final	
Health/Welfare and Culture			
Museum			
Contracted Services	\$ 4,220	4,220	2,663
ESDA			
Supplies and Materials	2,500	2,500	67
Safety Committee			
Supplies and Materials	2,000	2,000	1,221
Employee Wellness			
Contracted Services	1,000	1,000	94
Supplies and Materials	1,000	1,000	332
Total Employee Wellness	2,000	2,000	426
Urban Affairs			
Supplies	1,000	1,000	—
Total Health/Welfare and Culture	11,720	11,720	4,377
Economic Development			
Community Development			
Contracted Services	45,500	45,500	29,801
Supplies and Materials	3,000	3,000	505
Total Economic Development	48,500	48,500	30,306
Total Expenditures	34,070,037	34,115,037	33,223,642

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, 2020

	Budgeted Amounts		Amounts
	Original	Final	
Revenues	\$ —	—	—
Expenditures			
Debt Service			
Principal Retirement	675,000	675,000	675,000
Interest and Fiscal Charges	77,213	77,213	77,188
Total Expenditures	752,213	752,213	752,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(752,213)	(752,213)	(752,188)
Other Financing Sources			
Transfers In	751,713	751,713	751,713
Net Change in Fund Balance	<u>(500)</u>	<u>(500)</u>	(475)
Fund Balance - Beginning			<u>17,515</u>
Fund Balance - Ending			<u><u>17,040</u></u>

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, 2020

	Budgeted Amounts		Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,220,000	1,220,000	1,228,362
Natural Gas Tax	525,000	525,000	527,644
Intergovernmental	1,850,000	1,850,000	634,621
Interest	52,500	52,500	6,180
Miscellaneous	350,000	350,000	88,540
Total Revenues	<u>3,997,500</u>	<u>3,997,500</u>	<u>2,485,347</u>
Expenditures			
Highways and Streets			
Contracted Services	877,500	877,500	808,153
Supplies			
Operating Supplies	239,800	239,800	179,430
Repairs and Maintenance Supplies	21,000	21,000	15,734
Capital Outlay			
Street Improvements	3,525,000	3,525,000	1,722,165
Total Expenditures	<u>4,663,300</u>	<u>4,663,300</u>	<u>2,725,482</u>
Net Change in Fund Balance	<u>(665,800)</u>	<u>(665,800)</u>	(240,135)
Fund Balance - Beginning			<u>355,783</u>
Fund Balance - Ending			<u><u>115,648</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, 2020

	Budgeted Amounts		Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 946,166	946,166	961,593
Interest	50,000	50,000	59,449
Total Revenues	<u>996,166</u>	<u>996,166</u>	<u>1,021,042</u>
Expenditures			
Capital Outlay	4,425,736	4,425,736	1,473,755
Debt Service			
Principal Retirement	472,910	472,910	472,910
Interest and Fiscal Charges	537,665	537,665	537,665
Total Expenditures	<u>5,436,311</u>	<u>5,436,311</u>	<u>2,484,330</u>
Net Change in Fund Balance	<u>(4,440,145)</u>	<u>(4,440,145)</u>	(1,463,288)
Fund Balance - Beginning			<u>1,941,244</u>
Fund Balance - Ending			<u><u>477,956</u></u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,000,000	3,000,000	1,964,583
Interest	250	250	251
Total Revenues	<u>3,000,250</u>	<u>3,000,250</u>	<u>1,964,834</u>
Expenditures			
Economic Development			
Contracted Services	<u>5,877,157</u>	<u>5,877,157</u>	<u>1,967,985</u>
Net Change in Fund Balance	<u>(2,876,907)</u>	<u>(2,876,907)</u>	(3,151)
Fund Balance - Beginning			<u>3,189</u>
Fund Balance - Ending			<u><u>38</u></u>

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROLLING MEADOWS, ILLINOIS

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020**

	Special Revenue	Capital Projects TIF #2 Kirchoff/Owl	Totals
ASSETS			
Cash and Investments	\$ 1,804,305	—	1,804,305
Receivables - Net of Allowances			
Property Taxes	700,557	2,716	703,273
Total Assets	2,504,862	2,716	2,507,578
LIABILITES			
Accounts Payable	35,291	—	35,291
Due to Other Funds	—	837,044	837,044
Total Liabilities	35,291	837,044	872,335
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	700,000	—	700,000
Total Liabilities and Deferred Inflows of Resources	735,291	837,044	1,572,335
FUND BALANCES			
Restricted	1,769,571	—	1,769,571
Unassigned	—	(834,328)	(834,328)
Total Fund Balances	1,769,571	(834,328)	935,243
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,504,862	2,716	2,507,578

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, 2020

	Special Revenue	Capital Projects TIF #2 Kirchoff/Owl	Totals
Revenues			
Taxes	\$ 762,735	381,114	1,143,849
Fines and Forfeitures	12,470	—	12,470
Interest	156	35	191
Miscellaneous	4,650	—	4,650
Total Revenues	<u>780,011</u>	<u>381,149</u>	<u>1,161,160</u>
Expenditures			
Public Safety	607,820	—	607,820
Economic Development	—	58,466	58,466
Capital Outlay	33,821	—	33,821
Total Expenditures	<u>641,641</u>	<u>58,466</u>	<u>700,107</u>
Net Change in Fund Balances	138,370	322,683	461,053
Fund Balances - Beginning	<u>1,631,201</u>	<u>(1,157,011)</u>	<u>474,190</u>
Fund Balances - Ending	<u><u>1,769,571</u></u>	<u><u>(834,328)</u></u>	<u><u>935,243</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 Balance Sheet

December 31, 2020

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
ASSETS				
Cash and Investments	\$ 1,523,759	97,737	182,809	1,804,305
Receivables - Net of Allowances				
Property Taxes	700,557	—	—	700,557
 Total Assets	 2,224,316	 97,737	 182,809	 2,504,862
LIABILITIES				
Accounts Payable	27,951	7,218	122	35,291
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	700,000	—	—	700,000
Total Liabilities and Deferred Inflows of Resources	727,951	7,218	122	735,291
FUND BALANCES				
Restricted	1,496,365	90,519	182,687	1,769,571
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,224,316	97,737	182,809	2,504,862

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2020

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
Revenues				
Taxes	\$ 710,895	51,840	—	762,735
Fines and Forfeitures	—	—	12,470	12,470
Interest	2	—	154	156
Miscellaneous	—	—	4,650	4,650
Total Revenues	<u>710,897</u>	<u>51,840</u>	<u>17,274</u>	<u>780,011</u>
Expenditures				
Public Safety	529,841	33,475	44,504	607,820
Capital Outlay	33,821	—	—	33,821
Total Expenditures	<u>563,662</u>	<u>33,475</u>	<u>44,504</u>	<u>641,641</u>
Net Change in Fund Balances	147,235	18,365	(27,230)	138,370
Fund Balances - Beginning	<u>1,349,130</u>	<u>72,154</u>	<u>209,917</u>	<u>1,631,201</u>
Fund Balances - Ending	<u><u>1,496,365</u></u>	<u><u>90,519</u></u>	<u><u>182,687</u></u>	<u><u>1,769,571</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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 700,000	700,000	710,895
Interest	500	500	2
Total Revenues	<u>700,500</u>	<u>700,500</u>	<u>710,897</u>
Expenditures			
Public Safety			
Contracted Services	729,500	729,500	529,296
Supplies	2,500	2,500	545
Capital Outlay	353,000	353,000	33,821
Total Expenditures	<u>1,085,000</u>	<u>1,085,000</u>	<u>563,662</u>
Net Change in Fund Balance	<u>(384,500)</u>	<u>(384,500)</u>	147,235
Fund Balance - Beginning			<u>1,349,130</u>
Fund Balance - Ending			<u>1,496,365</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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 300,000	300,000	381,114
Interest	100	100	35
Total Revenues	300,100	300,100	381,149
Expenditures			
Economic Development			
Contracted Services	60,441	60,441	58,466
Net Change in Fund Balance	239,659	239,659	322,683
Fund Balance - Beginning			(1,157,011)
Fund Balance - Ending			(834,328)

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, 2020

	Budgeted Amounts		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 12,169,500	12,169,500	11,654,564
Miscellaneous	81,000	81,000	(2,812)
Total Operating Revenues	<u>12,250,500</u>	<u>12,250,500</u>	<u>11,651,752</u>
Operating Expenses			
Administration	1,380,936	1,380,936	1,250,205
Public Works	775,000	775,000	775,000
Operations	13,373,688	13,373,688	6,128,825
Depreciation and Amortization	—	—	927,669
Total Operating Expenses	<u>15,529,624</u>	<u>15,529,624</u>	<u>9,081,699</u>
Operating Income (Loss)	<u>(3,279,124)</u>	<u>(3,279,124)</u>	<u>2,570,053</u>
Nonoperating Revenues (Expenses)			
Interest Income	50,000	50,000	(382,647)
Interest Expense	(609,564)	(609,564)	(214,033)
	<u>(559,564)</u>	<u>(559,564)</u>	<u>(596,680)</u>
Change in Net Position	<u>(3,838,688)</u>	<u>(3,838,688)</u>	1,973,373
Net Position - Beginning			<u>20,422,305</u>
Net Position - Ending			<u>22,395,678</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Utilities - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Administration			
Salaries and Wages	\$ 221,964	221,964	155,847
Benefits	93,887	93,887	87,674
IMRF Pension Expense	—	—	(54,097)
Contracted Services	1,064,585	1,064,585	1,060,781
Supplies	500	500	—
Total Administration	1,380,936	1,380,936	1,250,205
Public Works			
Contracted Services	775,000	775,000	775,000
Operations			
Water			
Salaries and Wages	764,919	764,919	618,722
Benefits	345,272	345,272	281,829
IMRF Pension Expense	—	—	(159,459)
Contracted Services	437,300	437,300	359,051
Supplies	149,600	149,600	133,187
Lake Michigan Water	4,300,000	4,300,000	3,589,404
Machinery & Equipment	4,010,000	4,010,000	—
Total Water	10,007,091	10,007,091	4,822,734
Sewer			
Salaries and Wages	510,425	510,425	393,849
Benefits	233,050	233,050	192,637
IMRF Pension Expense	—	—	(107,410)
Contracted Services	144,700	144,700	107,952
Supplies	78,650	78,650	51,659
Machinery & Equipment	1,370,000	1,370,000	—
Total Sewer	2,336,825	2,336,825	638,687

CITY OF ROLLING MEADOWS, ILLINOIS

Utilities - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Budget		Actual
	Original	Final	
Operations - Continued			
Stormwater			
Salaries and Wages	\$ 83,098	83,098	103,355
Benefits	24,649	24,649	51,829
IMRF Pension Expense	—	—	(18,134)
OPEB Expense	—	—	384,850
Contracted Services	222,250	222,250	123,285
Supplies	39,775	39,775	21,915
Machinery & Equipment	660,000	660,000	304
Total Stormwater	1,029,772	1,029,772	667,404
Total Operations	13,373,688	13,373,688	6,128,825
Depreciation and Amortization	—	—	927,669
Total Operating Expenses	15,529,624	15,529,624	9,081,699

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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,164,924	2,164,924	2,238,744
Miscellaneous	25,500	25,500	2,697
Total Operating Revenues	<u>2,190,424</u>	<u>2,190,424</u>	<u>2,241,441</u>
Operating Expenses			
Administration	1,035,100	1,035,100	1,023,477
Operations	1,287,531	1,287,531	1,585,846
Depreciation	—	—	3,882
Total Operating Expenses	<u>2,322,631</u>	<u>2,322,631</u>	<u>2,613,205</u>
Operating (Loss)	(132,207)	(132,207)	(371,764)
Nonoperating Revenues			
Interest Income	1,500	1,500	2,183
Change in Net Position	<u>(130,707)</u>	<u>(130,707)</u>	(369,581)
Net Position - Beginning			<u>728,033</u>
Net Position - Ending			<u><u>358,452</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, 2020**

	Budget		Actual
	Original	Final	
Administration			
Contracted Services	\$ 1,035,100	1,035,100	1,023,477
Operations			
Salaries and Wages	290,538	290,538	266,422
Benefits	152,193	152,193	156,057
IMRF Pension Expense	—	—	189,827
OPEB Expense	—	—	143,307
Contracted Services	832,950	832,950	823,358
Supplies	11,850	11,850	6,875
Total Operations	1,287,531	1,287,531	1,585,846
Depreciation	—	—	3,882
Total Operating Expenses	2,322,631	2,322,631	2,613,205

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, 2020

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Internal Service Funds
Combining Statement of Net Position
December 31, 2020**

	<u>Municipal Garage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,588,935
Receivables - Net of Allowances - Accounts	8,098
Prepays	—
Total Current Assets	<u>1,597,033</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	—
Depreciable	9,247
Accumulated Depreciation	<u>(9,247)</u>
Total Capital Assets	<u>—</u>
Total Assets	<u>1,597,033</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	41,505
Compensated Absences Payable	<u>11,390</u>
Total Current Liabilities	52,895
Noncurrent Liabilities	
Compensated Absences Payable	<u>69,817</u>
Total Liabilities	<u>122,712</u>
NET POSITION	
Investment in Capital Assets	—
Unrestricted	<u>1,474,321</u>
Total Net Position	<u><u>1,474,321</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
2,225,551	1,430,111	919,993	2,201,609	8,366,199
—	154,141	—	—	162,239
72,135	—	2,250,650	1,899,570	4,222,355
2,297,686	1,584,252	3,170,643	4,101,179	12,750,793
2,267,651	287,341	—	—	2,554,992
23,064,830	5,876,685	—	—	28,950,762
(15,851,879)	(3,028,736)	—	—	(18,889,862)
9,480,602	3,135,290	—	—	12,615,892
11,778,288	4,719,542	3,170,643	4,101,179	25,366,685
148,172	228,172	5,117	235,976	658,942
—	—	—	—	11,390
148,172	228,172	5,117	235,976	670,332
—	—	—	—	69,817
148,172	228,172	5,117	235,976	740,149
9,480,602	3,135,290	—	—	12,615,892
2,149,514	1,356,080	3,165,526	3,865,203	12,010,644
11,630,116	4,491,370	3,165,526	3,865,203	24,626,536

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, 2020

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 1,543,042
Miscellaneous	5,030
Total Operating Revenues	<u>1,548,072</u>
Operating Expenses	
Administration	1,258,785
Public Safety	—
Public Works	—
Depreciation	—
Total Operating Expenses	<u>1,258,785</u>
Operating Income (Loss)	<u>289,287</u>
Nonoperating Revenues	
Disposal of Capital Assets	—
Interest Income	4
	<u>4</u>
Income (Loss) before Transfers	<u>289,291</u>
Transfers In	—
Transfers Out	—
	<u>—</u>
Change in Net Position	289,291
Net Position - Beginning	<u>1,185,030</u>
Net Position - Ending	<u><u>1,474,321</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,534,700	750,487	829,317	3,396,883	8,054,429
—	—	751,862	267,057	1,023,949
1,534,700	750,487	1,581,179	3,663,940	9,078,378
—	—	832,235	4,162,899	6,253,919
220,854	—	—	—	220,854
—	433,874	—	—	433,874
1,166,664	227,420	—	—	1,394,084
1,387,518	661,294	832,235	4,162,899	8,302,731
147,182	89,193	748,944	(498,959)	775,647
18,488	—	—	—	18,488
—	6,156	543	4,368	11,071
18,488	6,156	543	4,368	29,559
165,670	95,349	749,487	(494,591)	805,206
100,000	200,000	—	—	300,000
—	—	(700,000)	(1,150,000)	(1,850,000)
100,000	200,000	(700,000)	(1,150,000)	(1,550,000)
265,670	295,349	49,487	(1,644,591)	(744,794)
11,364,446	4,196,021	3,116,039	5,509,794	25,371,330
11,630,116	4,491,370	3,165,526	3,865,203	24,626,536

CITY OF ROLLING MEADOWS, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2020

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ 1,550,568
Payments to Suppliers	(1,018,181)
Payments to Employees	(313,751)
	<u>218,636</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	4
	<u>4</u>
Net Change in Cash and Cash Equivalents	218,640
Cash and Cash Equivalents - Beginning	<u>1,370,295</u>
Cash and Cash Equivalents - Ending	<u><u>1,588,935</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	289,287
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)	
Operating Activities	
Depreciation and Amortization	—
(Increase) Decrease in Current Assets	2,496
Increase (Decrease) in Current Liabilities	(73,147)
	<u>218,636</u>
Net Cash Provided by Operating Activities	<u><u>218,636</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,505,192	670,984	1,143,189	5,687,051	10,556,984
(163,766)	(352,705)	(863,964)	(4,182,316)	(6,580,932)
—	—	—	—	(313,751)
1,341,426	318,279	279,225	1,504,735	3,662,301
100,000	200,000	—	—	300,000
—	—	(700,000)	(1,150,000)	(1,850,000)
100,000	200,000	(700,000)	(1,150,000)	(1,550,000)
18,488	—	—	—	18,488
(625,668)	(598,605)	—	—	(1,224,273)
(607,180)	(598,605)	—	—	(1,205,785)
—	6,156	543	4,368	11,071
834,246	(74,170)	(420,232)	359,103	917,587
1,391,305	1,504,281	1,340,225	1,842,506	7,448,612
2,225,551	1,430,111	919,993	2,201,609	8,366,199
147,182	89,193	748,944	(498,959)	775,647
1,166,664	227,420	—	—	1,394,084
(29,508)	(79,503)	(437,990)	2,023,111	1,478,606
57,088	81,169	(31,729)	(19,417)	13,964
1,341,426	318,279	279,225	1,504,735	3,662,301

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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,543,000	1,543,000	1,543,042
Miscellaneous	5,500	5,500	5,030
Total Operating Revenues	<u>1,548,500</u>	<u>1,548,500</u>	<u>1,548,072</u>
Operating Expenses			
Administration			
Motor Pool			
Salaries and Wages	380,940	380,940	313,751
Benefits	175,039	175,039	151,895
Contracted Services	534,100	534,100	474,446
Supplies	491,100	491,100	318,693
Total Operating Expenses	<u>1,581,179</u>	<u>1,581,179</u>	<u>1,258,785</u>
Operating Income (Loss)	(32,679)	(32,679)	289,287
Nonoperating Revenues			
Interest Income	<u>1,000</u>	<u>1,000</u>	<u>4</u>
Change in Net Position	<u>(31,679)</u>	<u>(31,679)</u>	289,291
Net Position - Beginning			<u>1,185,030</u>
Net Position - Ending			<u><u>1,474,321</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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,534,700	1,534,700	1,534,700
Operating Expenses			
Public Safety	2,098,500	2,098,500	220,854
Depreciation and Amortization	—	—	1,166,664
Total Operating Expenses	2,098,500	2,098,500	1,387,518
Operating Income (Loss)	(563,800)	(563,800)	147,182
Nonoperating Revenues			
Disposal of Capital Assets	10,000	10,000	18,488
Interest Income	250	250	—
	10,250	10,250	18,488
Income (Loss) before Transfers	(553,550)	(553,550)	165,670
Transfer In	100,000	100,000	100,000
Change in Net Position	(453,550)	(453,550)	265,670
Net Position - Beginning			11,364,446
Net Position - Ending			11,630,116

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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 590,600	590,600	750,487
Operating Expenses			
Public Works	1,536,900	1,536,900	433,874
Depreciation	—	—	227,420
Total Operating Expenses	1,536,900	1,536,900	661,294
Operating Income (Loss)	(946,300)	(946,300)	89,193
Nonoperating Revenues			
Interest Income	15,200	15,200	6,156
Income (Loss) before Transfers	(931,100)	(931,100)	95,349
Transfers In	200,000	200,000	200,000
Change in Net Position	<u>(731,100)</u>	<u>(731,100)</u>	295,349
Net Position - Beginning			<u>4,196,021</u>
Net Position - Ending			<u><u>4,491,370</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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 829,317	829,317	829,317
Miscellaneous			
Insurance Rebate	80,000	80,000	34,546
Other	—	—	717,316
Total Operating Revenues	<u>909,317</u>	<u>909,317</u>	<u>1,581,179</u>
Operating Expenses			
Administration			
Liability Insurance	750,000	750,000	810,341
Unemployment	5,000	5,000	1,862
Reimbursable Repairs	40,000	40,000	20,032
Total Operating Expenses	<u>795,000</u>	<u>795,000</u>	<u>832,235</u>
Operating Income	114,317	114,317	748,944
Nonoperating Revenues			
Interest Income	100	100	543
Income before Transfers	114,417	114,417	749,487
Transfers Out	<u>(200,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>
Change in Net Position	<u>(85,583)</u>	<u>(585,583)</u>	49,487
Net Position - Beginning			<u>3,116,039</u>
Net Position - Ending			<u><u>3,165,526</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, 2020

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 3,639,416	3,639,416	3,396,883
Miscellaneous			
Employee Contributions	438,054	438,054	443,954
Retiree Contributions	840,000	840,000	743,802
Other	(25,000)	(25,000)	(920,699)
Total Operating Revenues	4,892,470	4,892,470	3,663,940
Operating Expenses			
Administration			
Group Health			
PPO White	532,390	532,390	509,871
PPO Blue	660,264	660,264	660,783
HMO	1,155,985	1,155,985	1,206,812
Retirees	559,104	559,104	506,374
PSEBA	39,413	39,413	47,760
PPO Purple	121,021	121,021	132,204
HMO Orange	37,159	37,159	36,815
Dental Insurance			
PPO	80,560	80,560	81,981
Retirees	21,024	21,024	19,847
HMO	31,342	31,342	38,507
Life Insurance	23,551	23,551	23,842
Medical Waivers	1,439	1,439	1,374
Retiree Medicare Reimbursements	260,000	260,000	260,720
Retiree Payouts	600,000	600,000	473,599
Retiree Taxes	45,900	45,900	18,286
Retiree IMRF	75,000	75,000	138,565
Other	5,000	5,000	5,559
Total Operating Expenses	4,249,152	4,249,152	4,162,899
Operating Income (Loss)	643,318	643,318	(498,959)
Nonoperating Revenues			
Interest Income	5,000	5,000	4,368
Income (Loss) before Transfers	648,318	648,318	(494,591)
Transfer Out	(150,000)	(1,150,000)	(1,150,000)
Change in Net Position	498,318	(501,682)	(1,644,591)
Net Position - Beginning			5,509,794
Net Position - Ending			3,865,203

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	\$ 2,201,666	2,325,771	4,527,437
Investments			
U.S. Government Obligations	7,708,362	5,824,965	13,533,327
U.S. Agency Obligations	494,870	1,649,118	2,143,988
Corporate Bonds	7,635,030	6,753,356	14,388,386
Mutual Funds	29,396,170	29,145,822	58,541,992
Common Stock	5,462,084	—	5,462,084
Insurance Contracts	2,423,639	2,084,811	4,508,450
Certificates of Deposits	181,986	—	181,986
Receivables - Net of Allowance			
Accrued Interest	78,611	69,077	147,688
Due from Other Funds	338	940	1,278
Prepays	796	823	1,619
Total Assets	55,583,552	47,854,683	103,438,235
LIABILITIES			
Accounts Payable	21,650	1,550	23,200
NET POSITION			
Net Position Restricted for Pensions	55,561,902	47,853,133	103,415,035

CITY OF ROLLING MEADOWS, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2020

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,610,730	4,400,367	8,011,097
Contributions - Plan Members	546,585	485,364	1,031,949
Total Contributions	<u>4,157,315</u>	<u>4,885,731</u>	<u>9,043,046</u>
Investment Earnings			
Interest Earned	1,229,189	1,491,106	2,720,295
Net Change in Fair Value	4,476,471	4,505,566	8,982,037
	<u>5,705,660</u>	<u>5,996,672</u>	<u>11,702,332</u>
Less Investment Expenses	(109,417)	(63,916)	(173,333)
Net Investment Income	<u>5,596,243</u>	<u>5,932,756</u>	<u>11,528,999</u>
Total Additions	<u>9,753,558</u>	<u>10,818,487</u>	<u>20,572,045</u>
Deductions			
Administration	80,952	78,280	159,232
Benefits and Refunds	4,291,945	4,034,644	8,326,589
Total Deductions	<u>4,372,897</u>	<u>4,112,924</u>	<u>8,485,821</u>
Change in Fiduciary Net Position	5,380,661	6,705,563	12,086,224
Net Position Restricted for Pensions			
Beginning	<u>50,181,241</u>	<u>41,147,570</u>	<u>91,328,811</u>
Ending	<u>55,561,902</u>	<u>47,853,133</u>	<u>103,415,035</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2020**

CSFA #	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 1,613	—	—	1,613
494-00-1488	Motor Fuel Tax	600,000	—	—	600,000
494-10-0343	STEP Grant	11,766	—	—	11,766
	Other Grant Programs and Activities	—	775,904	41,813	817,717
	All Other Costs Not Allocated	—	—	44,963,899	44,963,899
	Totals	613,379	775,904	45,005,712	46,394,995

SUPPLEMENTAL SCHEDULES

CITY OF ROLLING MEADOWS, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2012
December 31, 2020**

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
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>2,025,000</u>	<u>120,288</u>	<u>2,145,288</u>		<u>60,144</u>		<u>60,144</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2018
December 31, 2020**

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
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>8,850,000</u>	<u>3,731,600</u>	<u>12,581,600</u>		<u>1,865,800</u>		<u>1,865,800</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2019
December 31, 2020**

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
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>8,215,000</u>	<u>3,669,200</u>	<u>11,884,200</u>		<u>1,834,600</u>		<u>1,834,600</u>
	4,119,330	Governmental Activities					
	<u>4,095,670</u>	Business-Type Activities					
	<u>8,215,000</u>						

CITY OF ROLLING MEADOWS, ILLINOIS

Long-Term Debt Requirements

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

December 31, 2020

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
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	79,507	1,373	80,880	2033	912	2033	461
	<u>904,642</u>	<u>146,798</u>	<u>1,051,440</u>		<u>75,978</u>		<u>70,820</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Long-Term Debt Requirements

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

December 31, 2020

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 Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
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>988,040</u>	<u>139,022</u>	<u>1,127,062</u>		<u>71,989</u>		<u>67,033</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, 2020 (Unaudited)**

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2011	2012	2013
Governmental Activities			
Net Investment in Capital Assets	\$ 111,771,420	113,811,130	114,849,845
Restricted	2,767,336	1,437,541	1,281,794
Unrestricted	(7,515,610)	(2,230,163)	2,456,900
Total Governmental Activities Net Position	107,023,146	113,018,508	118,588,539
Business-Type Activities			
Net Investment in Capital Assets	8,449,043	8,343,385	8,429,963
Unrestricted	2,942,316	4,417,081	5,255,511
Total Business-Type Activities Net Position	11,391,359	12,760,466	13,685,474
Primary Government			
Net Investment in Capital Assets	120,220,463	122,154,515	123,279,808
Restricted	2,767,336	1,437,541	1,281,794
Unrestricted	(4,573,294)	2,186,918	7,712,411
Total Primary Government Net Position	118,414,505	125,778,974	132,274,013

* Accrual Basis of Accounting

2014	2015	2016	2017	2018	2019	2020
117,346,244	121,051,207	123,131,275	128,751,947	132,346,127	134,024,598	134,969,001
1,226,505	1,084,594	1,388,890	1,670,010	1,797,635	1,965,814	2,961,105
5,192,234	(62,359,303)	(68,600,811)	(57,482,713)	(62,272,079)	(65,075,389)	(60,768,723)
123,764,983	59,776,498	55,919,354	72,939,244	71,871,683	70,915,023	77,161,383
8,847,435	10,554,431	12,601,433	14,095,822	14,530,097	12,475,724	16,200,116
6,089,240	4,637,392	2,515,984	2,911,351	4,762,152	8,674,614	6,554,014
14,936,675	15,191,823	15,117,417	17,007,173	19,292,249	21,150,338	22,754,130
126,193,679	131,605,638	135,732,708	142,847,769	146,876,224	146,500,322	151,169,117
1,226,505	1,084,594	1,388,890	1,670,010	1,797,635	1,965,814	2,961,105
11,281,474	(57,721,911)	(66,084,827)	(54,571,362)	(57,509,927)	(56,400,775)	(54,214,709)
138,701,658	74,968,321	71,036,771	89,946,417	91,163,932	92,065,361	99,915,513

CITY OF ROLLING MEADOWS, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 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	1,311,913
Public Safety	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	23,863,185
Highways and Streets	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	431,123
Public Works	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	6,194,260
Health and Welfare	9,537	9,879	10,481	10,352	4,797	4,370	6,121	4,790	13,526	4,377
Economic Development	42,130	129,036	59,851	65,738	72,945	159,407	160,526	386,195	6,802,153	2,056,757
Interest on Long-Term Debt	752,459	670,105	512,086	412,711	346,695	283,878	221,075	230,817	666,724	624,443
Total Governmental Activities Expenses	<u>29,659,138</u>	<u>28,071,846</u>	<u>28,978,408</u>	<u>29,657,004</u>	<u>41,353,158</u>	<u>40,581,384</u>	<u>19,881,097</u>	<u>38,994,714</u>	<u>42,860,039</u>	<u>34,486,058</u>
Business-Type Activities										
Refuse	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	2,613,205
Utilities	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	9,295,732
Total Business-Type Activities Expenses	<u>9,032,210</u>	<u>9,960,267</u>	<u>10,159,029</u>	<u>10,678,055</u>	<u>11,632,266</u>	<u>12,775,561</u>	<u>11,779,557</u>	<u>11,608,613</u>	<u>12,103,236</u>	<u>11,908,937</u>
Total Primary Government Expenses	<u>38,691,348</u>	<u>38,032,113</u>	<u>39,137,437</u>	<u>40,335,059</u>	<u>52,985,424</u>	<u>53,356,945</u>	<u>31,660,654</u>	<u>50,603,327</u>	<u>54,963,275</u>	<u>46,394,995</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	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	3,157,328
Public Safety	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	2,481,909
Highways and Streets	376,565	440,191	502,194	494,121	492,658	484,226	486,865	427,400	—	—
Operating Grants/Contributions	115,719	89,572	45,133	34,668	131,706	26,655	15,585	35,781	45,476	386,676
Capital Grants/Contributions	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	2,041,022
Total Governmental Activities Program Revenues	<u>5,788,386</u>	<u>7,280,037</u>	<u>7,031,601</u>	<u>7,187,403</u>	<u>9,029,687</u>	<u>7,338,685</u>	<u>6,876,771</u>	<u>7,498,161</u>	<u>7,080,810</u>	<u>8,066,935</u>
Business-Type Activities										
Charges for Services										
Refuse	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	2,241,441
Utilities	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	11,651,752
Total Business-Type Activities Program Revenues	<u>10,241,643</u>	<u>11,416,187</u>	<u>11,083,013</u>	<u>11,927,826</u>	<u>12,157,959</u>	<u>12,799,400</u>	<u>13,607,782</u>	<u>13,968,778</u>	<u>13,771,194</u>	<u>13,893,193</u>
Total Primary Government Program Revenues	<u>16,030,029</u>	<u>18,696,224</u>	<u>18,114,614</u>	<u>19,115,229</u>	<u>21,187,646</u>	<u>20,138,085</u>	<u>20,484,553</u>	<u>21,466,939</u>	<u>20,852,004</u>	<u>21,960,128</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental Activities	\$ (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)	(26,419,123)
Business-Type Activities	1,209,433	1,455,920	923,984	1,249,771	525,693	23,839	1,828,225	2,360,165	1,667,958	1,984,256
Total Primary Government Net Revenue (Expense)	<u>(22,661,319)</u>	<u>(19,335,889)</u>	<u>(21,022,823)</u>	<u>(21,219,830)</u>	<u>(31,797,778)</u>	<u>(33,218,860)</u>	<u>(11,176,101)</u>	<u>(29,136,388)</u>	<u>(34,111,271)</u>	<u>(24,434,867)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	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	17,359,533
Sales and Home Rule	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	5,870,745
Telecommunications Taxes	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	913,759
Electric Utility	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	1,195,810
Hotel	333,374	389,212	399,218	466,914	476,594	459,967	437,536	296,908	327,709	143,637
Food and Beverage	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	1,085,841
Real Estate Transfer	153,688	239,865	638,306	433,172	505,464	599,679	587,918	912,718	327,913	398,773
Income	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	2,653,791
Replacement	181,680	175,462	201,091	194,283	179,585	191,939	221,448	160,928	224,814	201,287
Other Taxes	802,280	840,015	905,187	952,161	1,020,476	943,578	986,795	1,157,347	1,824,693	2,019,758
Interest	8,471	12,070	12,125	(36,478)	17,131	54,407	78,814	212,418	724,000	200,407
Miscellaneous	740,868	664,470	351,276	415,396	713,424	907,785	499,492	403,712	474,165	622,142
Transfers	—	87,195	—	—	—	200,000	—	—	—	—
Total Governmental Activities	<u>25,337,123</u>	<u>26,787,171</u>	<u>27,516,838</u>	<u>27,646,045</u>	<u>28,814,966</u>	<u>29,385,555</u>	<u>30,024,216</u>	<u>32,947,547</u>	<u>34,822,569</u>	<u>32,665,483</u>
Business-Type Activities										
Interest	585	382	1,024	1,430	20,876	101,755	61,531	45,443	190,131	(380,464)
Transfers	—	(87,195)	—	—	—	(200,000)	—	—	—	—
Total Business-Type Activities	<u>585</u>	<u>(86,813)</u>	<u>1,024</u>	<u>1,430</u>	<u>20,876</u>	<u>(98,245)</u>	<u>61,531</u>	<u>45,443</u>	<u>190,131</u>	<u>(380,464)</u>
Total Primary Government	<u>25,337,708</u>	<u>26,700,358</u>	<u>27,517,862</u>	<u>27,647,475</u>	<u>28,835,842</u>	<u>29,287,310</u>	<u>30,085,747</u>	<u>32,992,990</u>	<u>35,012,700</u>	<u>32,285,019</u>
Changes in Net Position										
Governmental Activities	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)	6,246,360
Business-Type Activities	1,210,018	1,369,107	925,008	1,251,201	546,569	(74,406)	1,889,756	2,405,608	1,858,089	1,603,792
Total Primary Government	<u>2,676,389</u>	<u>7,364,469</u>	<u>6,495,039</u>	<u>6,427,645</u>	<u>(2,961,936)</u>	<u>(3,931,550)</u>	<u>18,909,646</u>	<u>3,856,602</u>	<u>901,429</u>	<u>7,850,152</u>

* 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, 2020 (Unaudited)

	2011	2012	2013
General Fund			
Nonspendable	\$ 17,154	42,584	26,407
Restricted	—	—	—
Committed	—	—	—
Assigned	—	—	—
Unassigned	1,835,647	4,203,793	6,076,910
Total General Fund	<u>1,852,801</u>	<u>4,246,377</u>	<u>6,103,317</u>
All Other Governmental Funds			
Nonspendable	43,704	34,615	9,987
Restricted	2,767,336	1,437,541	1,283,172
Assigned	394,257	756,176	1,147,248
Unassigned	<u>(1,577,366)</u>	<u>(1,194,218)</u>	<u>(890,492)</u>
Total All Other Governmental Funds	<u>1,627,931</u>	<u>1,034,114</u>	<u>1,549,915</u>
Total Governmental Funds	<u><u>3,463,578</u></u>	<u><u>5,237,907</u></u>	<u><u>7,626,825</u></u>

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2014	2015	2016	2017	2018	2019	2020
44,792	44,788	41,146	46,467	38,431	26,883	40,648
—	—	52,835	35,178	—	—	—
421,452	521,452	721,452	1,021,452	1,400,000	1,400,000	400,000
—	1,221,683	1,000,000	750,000	—	—	—
7,565,662	9,671,128	10,113,617	7,711,972	9,675,955	9,363,567	10,606,672
8,031,906	11,459,051	11,929,050	9,565,069	11,114,386	10,790,450	11,047,320
2,677	35,126	35,331	41,990	1,198	50,657	—
1,234,222	1,090,277	1,454,780	1,634,832	1,797,635	1,965,814	2,961,105
488,579	313,560	1,112,349	1,285,115	3,636,772	2,300,216	115,686
(1,020,387)	(1,147,851)	(1,416,954)	(1,544,381)	7,359,677	(1,157,011)	(356,372)
705,091	291,112	1,185,506	1,417,556	12,795,282	3,159,676	2,720,419
8,736,997	11,750,163	13,114,556	10,982,625	23,909,668	13,950,126	13,767,739

CITY OF ROLLING MEADOWS, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2011	2012	2013
Revenues			
Taxes	\$ 22,139,213	23,327,064	24,194,556
Intergovernmental	3,632,551	4,767,174	4,645,363
Licenses and Permits	1,337,517	1,504,274	1,387,226
Charges for Services	2,070,328	2,433,701	2,609,891
Fines and Forfeitures	1,196,561	1,271,260	1,348,002
Interest	7,758	11,033	10,590
Miscellaneous	740,868	664,470	351,276
Total Revenues	<u>31,124,796</u>	<u>33,978,976</u>	<u>34,546,904</u>
Expenditures			
General Government	3,357,499	4,042,299	3,564,299
Public Safety	19,269,706	20,259,585	21,237,148
Highways and Streets	1,136,370	1,201,640	1,271,488
Public Works	2,417,384	2,136,425	2,256,611
Health and Welfare	9,537	9,879	10,481
Economic Development	42,130	129,036	59,851
Capital Outlay	2,062,621	1,948,992	1,187,260
Debt Service			
Principal Retirement	2,972,170	1,926,880	2,101,590
Interest	765,130	615,941	457,492
Total Expenditures	<u>32,032,547</u>	<u>32,270,677</u>	<u>32,146,220</u>
Excess of Revenues Over (Under) Expenditures	<u>(907,751)</u>	<u>1,708,299</u>	<u>2,400,684</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	1,672	763	539
Debt Issuance	—	8,265,000	2,055,000
Premium/Discount on Debt Issuance	—	5,791	—
Payment to Escrow Agent	—	(8,267,289)	(2,033,165)
Transfers In	1,412,903	961,494	1,698,570
Transfers Out	(1,412,903)	(874,299)	(1,748,887)
	<u>1,672</u>	<u>91,460</u>	<u>(27,943)</u>
Net Change in Fund Balances	<u>(906,079)</u>	<u>1,799,759</u>	<u>2,372,741</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>12.54%</u>	<u>8.46%</u>	<u>8.41%</u>

* Modified Accrual Basis of Accounting

2014	2015	2016	2017	2018	2019	2020
24,319,808	24,763,044	25,130,858	26,411,720	29,133,926	29,929,856	27,841,282
4,602,096	5,037,617	4,248,431	4,220,749	4,445,925	4,981,288	6,429,350
1,549,965	2,743,938	1,906,181	1,479,815	1,640,953	1,280,705	1,147,215
2,615,701	2,972,949	2,926,258	2,888,994	3,235,235	3,329,586	3,222,284
1,366,960	1,596,550	1,350,320	1,321,403	1,373,539	1,183,779	1,269,738
(37,604)	16,965	53,648	77,986	208,497	695,524	189,336
415,396	713,424	907,785	499,492	403,712	474,165	622,142
34,832,322	37,844,487	36,523,481	36,900,159	40,441,787	41,874,903	40,721,347
4,062,109	4,320,711	4,039,414	2,666,435	2,780,263	2,976,876	3,078,077
21,688,294	21,970,277	23,764,984	24,987,648	25,491,740	26,421,368	26,666,708
993,051	1,019,272	1,013,213	1,108,131	1,082,494	1,135,666	1,003,317
2,400,591	2,336,042	2,287,326	3,649,697	3,938,222	4,086,068	4,051,994
10,352	4,797	4,370	6,121	4,790	13,526	4,377
65,738	72,945	159,407	873,430	386,195	6,802,153	2,056,757
1,986,357	2,666,447	1,661,489	3,540,267	3,144,352	12,431,271	3,829,741
2,166,300	2,230,830	2,275,720	2,360,348	1,020,000	915,000	1,147,910
381,365	315,000	253,165	190,013	197,088	648,356	614,853
33,754,157	34,936,321	35,459,088	39,382,090	38,045,144	55,430,284	42,453,734
1,078,165	2,908,166	1,064,393	(2,481,931)	2,396,643	(13,555,381)	(1,732,387)
600	—	—	—	—	—	—
—	—	—	—	9,500,000	4,262,240	—
—	—	—	—	451,852	318,599	—
—	—	—	—	—	—	—
1,712,967	1,700,724	2,997,575	3,552,075	1,411,623	2,769,934	2,401,713
(1,707,967)	(1,595,724)	(2,697,575)	(3,202,075)	(833,075)	(3,754,934)	(851,713)
5,600	105,000	300,000	350,000	10,530,400	3,595,839	1,550,000
1,083,765	3,013,166	1,364,393	(2,131,931)	12,927,043	(9,959,542)	(182,387)
7.97%	7.87%	7.40%	7.25%	3.49%	3.56%	4.63%

CITY OF ROLLING MEADOWS, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property
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	—
2019	491,536,045	340,213,474	104,656,464	—

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
\$ 1,003,838,180	(0.57%)	\$ 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
936,405,983	18.53%	2,809,217,949	33.33%	2.018

CITY OF ROLLING MEADOWS, ILLINOIS

**Direct and Overlapping Property Tax Rates - Elk Grove Township - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

	2010	2011	2012
City Direct Rates			
General	\$ 0.507	0.649	0.703
Debt Service	0.142	0.157	0.168
Pension Trust			
Police Pension	0.209	0.257	0.295
Firefighters' Pension	0.206	0.254	0.318
Total City Direct Rates	1.064	1.317	1.484
Component Unit - Library Direct Rate	0.352	0.389	0.434
Total City Direct Rate	1.416	1.706	1.918
Overlapping Rates - Elk Grove Township			
Cook County	0.423	0.462	0.531
Forest Preserve District	0.051	0.058	0.063
Suburban Tuberculosis Sanitarium	—	0.025	—
Metropolitan Sanitary District	0.274	0.320	0.370
Northwest Mosquito Abatement	0.009	0.010	0.011
Consolidated Elections	—	—	—
Elk Grove			
Town	0.049	0.056	0.064
Road and Bridge	0.010	0.013	0.014
General Assistance	0.010	0.012	0.014
School Districts			
School District Number 15	2.512	2.943	3.269
High School District Number 214	1.839	2.067	2.324
Community College District Number 512	0.295	0.334	0.373
Rolling Meadows Park District	0.486	0.546	0.607
Total Overlapping Rates - Elk Grove Township	5.958	6.846	7.640
Total Direct and Overlapping Rates	7.374	8.552	9.558

Data Source: Office of the County Clerk

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

2013	2014	2015	2016	2017	2018	2019
0.812	0.790	0.833	0.692	0.802	0.950	0.639
0.193	0.189	0.191	0.169	0.056	—	0.106
0.353	0.355	0.411	0.418	0.445	0.443	0.396
0.379	0.384	0.436	0.460	0.484	0.482	0.482
1.737	1.718	1.870	1.739	1.787	1.876	1.623
0.463	0.469	0.493	0.451	0.460	0.494	0.395
2.200	2.187	2.362	2.190	2.247	2.370	2.018
0.560	0.568	0.552	0.533	0.496	0.489	0.454
0.069	0.069	0.069	0.063	0.062	0.060	0.059
—	—	—	—	—	—	—
0.417	0.430	0.426	0.406	0.402	0.396	0.389
0.013	0.013	0.011	0.010	0.010	0.011	0.010
0.031	0.000	0.034	0.000	0.031	0.000	0.030
0.077	0.076	0.078	0.066	0.650	0.059	0.055
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	0.011
3.849	3.868	4.035	3.543	3.618	3.807	3.486
2.768	2.776	2.881	2.527	2.563	3.044	2.356
0.444	0.451	0.466	0.416	0.425	0.443	0.403
0.709	0.711	0.749	0.677	0.679	0.714	0.650
8.971	8.997	9.336	8.270	8.965	9.110	7.917
11.171	11.184	11.698	10.460	11.212	11.480	9.935

CITY OF ROLLING MEADOWS, ILLINOIS

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

December 31, 2020 (Unaudited)

	2010	2011	2012
City Direct Rates			
General	\$ 0.507	0.648	0.703
Debt Service	0.142	0.157	0.168
Pension Trust			
Police Pension	0.209	0.257	0.295
Firefighters' Pension	0.206	0.254	0.318
Total City Direct Rates	1.064	1.316	1.484
Component Unit - Library Direct Rate	0.352	0.389	0.434
Total City Direct Rate	1.416	1.705	1.918
Overlapping Rates - Palatine Township			
Cook County	0.423	0.462	0.531
Forest Preserve District	0.051	0.058	0.063
Water Reclamation District	0.274	0.320	0.370
Northwest Mosquito Abatement	0.009	0.010	0.011
Consolidated Elections	—	—	—
Palatine			
Town	0.041	0.044	0.049
Road and Bridge	0.070	0.079	0.082
General Assistance	0.009	0.012	0.014
School Districts			
School District Number 15	2.512	2.943	3.269
High School District Number 214	2.200	2.482	2.772
Community College District Number 512	0.295	0.334	0.373
Rolling Meadows Park District	0.486	0.546	0.607
Total Overlapping Rates - Palatine Township	6.370	7.290	8.141
Total Direct and Overlapping Rates	7.786	8.995	10.059

Data Source: Office of the County Clerk

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

2013	2014	2015	2016	2017	2018	2019
0.812	0.790	0.833	0.692	0.802	0.950	0.639
0.193	0.189	0.191	0.169	0.056	—	0.106
0.353	0.355	0.411	0.418	0.445	0.443	0.396
0.379	0.384	0.436	0.460	0.484	0.482	0.482
1.737	1.718	1.870	1.739	1.787	1.876	1.623
0.463	0.469	0.493	0.451	0.460	0.494	0.395
2.200	2.187	2.362	2.190	2.247	2.370	2.018
0.560	0.568	0.552	0.533	0.496	0.489	0.454
0.069	0.069	0.069	0.063	0.062	0.060	0.059
0.417	0.430	0.426	0.406	0.402	0.396	0.389
0.013	0.013	0.011	0.010	0.010	0.011	0.010
0.031	—	0.034	—	0.030	—	0.030
0.058	0.059	0.063	0.054	0.550	0.059	0.055
0.092	0.090	0.092	0.079	0.780	0.080	0.072
0.017	0.017	0.018	0.012	0.100	0.007	0.007
3.849	3.868	4.035	3.543	3.618	3.807	3.486
3.197	3.213	3.309	2.871	2.922	3.044	2.749
0.444	0.451	0.466	0.416	0.425	0.443	0.403
0.709	0.711	0.749	0.677	0.679	0.714	0.605
9.456	9.489	9.824	8.664	10.074	9.110	8.319
11.656	11.676	12.186	10.854	12.321	11.480	10.337

CITY OF ROLLING MEADOWS, ILLINOIS

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

December 31, 2020 (Unaudited)

	2010	2011	2012
City Direct Rates			
General	\$ 0.507	0.648	0.703
Debt Service	0.142	0.157	0.168
Pension Trust			
Police Pension	0.209	0.257	0.295
Firefighters' Pension	0.206	0.254	0.318
Total City Direct Rates	1.065	1.317	1.484
Component Unit - Library Direct Rate	0.352	0.389	0.434
Total City Direct Rate	1.417	1.706	1.918
Overlapping Rates - Palatine Township			
Cook County	0.423	0.462	0.531
Forest Preserve District	0.051	0.028	0.063
Water Reclamation District	0.274	0.320	0.370
Northwest Mosquito Abatement	0.009	0.010	0.011
Consolidated Elections	—	0.025	—
Palatine			
Town	0.041	0.044	0.049
Road and Bridge	0.070	0.079	0.082
General Assistance	0.009	0.012	0.014
School Districts			
School District Number 15	2.512	2.943	3.269
High School District Number 214	1.839	2.067	2.324
Community College District Number 512	0.295	0.334	0.373
Rolling Meadows Park District	0.486	0.546	0.607
Total Overlapping Rates - Palatine Township	6.009	6.870	7.693
Total Direct and Overlapping Rates	7.426	8.576	9.611

Data Source: Office of the County Clerk

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

2013	2014	2015	2016	2017	2018	2019
0.812	0.790	0.833	0.692	0.802	0.950	0.639
0.193	0.189	0.191	0.169	0.056	—	0.106
0.353	0.355	0.411	0.418	0.445	0.443	0.396
0.379	0.384	0.436	0.460	0.484	0.482	0.482
1.737	1.718	1.870	1.739	1.787	1.876	1.623
0.463	0.469	0.493	0.451	0.460	0.494	0.395
2.200	2.187	2.362	2.190	2.247	2.370	2.018
0.560	0.568	0.552	0.533	0.496	0.489	0.454
0.069	0.069	0.069	0.063	0.062	0.060	0.059
0.417	0.430	0.426	0.406	0.402	0.396	0.389
0.013	0.013	0.011	0.010	0.010	0.010	0.010
0.031	—	0.034	—	0.031	—	0.030
0.058	0.059	0.063	0.054	0.550	0.059	0.055
0.092	0.090	0.092	0.079	0.780	0.080	0.072
0.017	0.017	0.018	0.012	0.010	0.007	0.007
3.849	3.868	4.035	3.543	3.618	3.807	3.486
2.768	2.776	2.881	2.527	2.563	2.669	2.356
0.444	0.451	0.466	0.416	0.425	0.443	0.403
0.709	0.711	0.749	0.677	0.679	0.714	0.605
9.027	9.052	9.396	8.320	9.626	8.734	7.926
11.227	11.239	11.758	10.510	11.873	11.104	9.944

CITY OF ROLLING MEADOWS, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Eight Tax Levy Years Ago
December 31, 2020 (Unaudited)**

Taxpayer	2020 Tax Levy Year			2011 Tax Levy Year		
	Taxable Assessed Value	Rank	Percentage of Total City	Taxable Assessed Value	Rank	Percentage of Total City
CT Acquisitions/1701 Golf Rd	\$ 72,540,090	1	7.75%	\$ 40,010,768	1	4.41%
Arthur J Gallagher	31,567,105	2	4.00%			
Atrium Corp. Center LLC	27,774,737	3	3.52%	24,337,480	2	2.68%
Northrop Grumman Systems	21,107,130	4	2.67%	23,814,921	3	2.63%
Marc Realty	16,315,907	5	2.07%	12,857,705	8	1.42%
1600 Corporate Center	14,164,103	6	1.79%	15,126,454	6	1.67%
Meijer Stores	13,054,973	7	1.65%	11,098,900	10	1.22%
Woodfield Crossing/12 Oaks Realty	12,342,516	8	1.56%	12,895,119	7	1.42%
Walmart Stores	11,058,152	9	1.40%	11,175,031	9	1.23%
Ryan, LLC	10,652,209	10	1.35%			
Tower Realty				15,750,062	4	1.74%
Rolling Meadows Delaware				18,097,612	5	2.00%
Totals	<u>230,576,922</u>		<u>27.76%</u>	<u>185,164,052</u>		<u>20.42%</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, 2020 (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
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)	13,960,657	96.71%
2019	2018	14,818,612	14,482,145	97.73%	(71,894)	14,410,251	97.24%
2020	2019	15,207,233	15,085,732	99.20%	—	15,085,732	99.20%

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, 2020 (Unaudited)**

	2011	2012	2013
General Merchandise	\$ 28,167,711	37,623,908	36,328,755
Food	9,785,079	9,011,588	8,723,269
Drinking and Eating Places	43,795,249	51,400,943	49,940,617
Apparel	11,089,518	1,610,968	1,088,969
Furniture and H.H. and Radio	6,649,299	8,020,244	8,972,718
Lumber, Building, Hardware	794,665	710,119	1,128,473
Automobile and Filling Stations	64,965,950	66,092,838	67,697,225
Drugs and Misc. Retail	12,821,333	14,548,096	16,448,533
Agriculture and All Others	24,719,294	21,716,579	20,689,436
Manufacturers	2,831,417	5,460,129	12,305,693
Totals	<u>205,619,515</u>	<u>216,195,412</u>	<u>223,323,688</u>
Local Sales Tax Rate	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Total Sales Tax Rate	<u>9.25%</u>	<u>9.00%</u>	<u>9.00%</u>

Data Source: Illinois Department of Revenue

2014	2015	2016	2017	2018	2019	2020
60,335,714	59,296,321	49,435,476	48,619,619	50,073,648	49,493,472	49,891,152
9,890,112	9,118,952	7,470,631	6,956,669	7,450,416	7,150,112	7,161,216
50,610,022	55,103,777	48,756,038	53,287,474	53,771,112	54,801,008	29,186,112
346,145	46,913	60,881	120,495	248,271	72,064	43,712
9,640,245	8,940,544	4,877,923	5,903,590	4,729,296	3,904,160	3,322,128
1,374,305	2,535,015	2,113,695	1,935,699	1,517,739	1,514,640	2,066,272
39,460,442	41,794,477	32,872,344	28,853,418	24,202,332	25,515,216	51,750,224
17,298,321	18,327,253	15,052,532	14,440,187	13,158,908	12,197,984	17,423,072
31,126,523	37,164,473	40,386,830	36,091,630	37,316,155	35,850,640	29,414,608
23,661,044	11,994,220	28,418,044	27,078,622	26,125,184	25,864,368	25,100,096
<u>243,742,873</u>	<u>244,321,945</u>	<u>229,444,394</u>	<u>223,287,403</u>	<u>218,593,061</u>	<u>216,363,664</u>	<u>215,358,592</u>
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
9.00%	9.00%	10.00%	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, 2020 (Unaudited)**

Fiscal Year	Sales Tax	Sales Tax to City	Home Rule Sales Tax to City	Mass Transit Portion	Cook County Portion	Total Sales Tax Rate
2011	5.25%	1.00%	1.00%	1.00%	1.00%	9.25%
2012	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%
2013	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%
2014	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%
2015	5.25%	1.00%	1.00%	1.00%	0.75%	9.00%
2016	6.25%	1.00%	1.00%	1.00%	0.75%	10.00%
2017	6.25%	1.00%	1.00%	1.00%	0.75%	10.00%
2018	6.25%	1.00%	1.00%	1.00%	0.75%	10.00%
2019	6.25%	1.00%	1.00%	1.00%	0.75%	10.00%
2020	6.25%	1.00%	1.00%	1.00%	0.75%	10.00%

Data Source: Illinois Department of Revenue

CITY OF ROLLING MEADOWS, ILLINOIS

**Local Tax Revenues - Last Ten Fiscal Years
December 31, 2020 (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*
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
2020	3,698,072	2,172,673	913,759	1,195,810	1,085,841	143,637	398,773	527,644	70,475

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, 2020 (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			
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	15,436,232	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
2020	15,703,666	—	4,382,271	1,892,682	21,978,619	N/A	930

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, 2020 (Unaudited)**

Fiscal Year	General Obligation Bonds	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
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
2020	20,085,937	2.15%	850

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, 2020 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City Direct Debt	\$ 15,703,666	100.00%	\$ 15,703,666
Overlapping Debt			
County of Cook	2,803,851,750	0.59%	16,542,725
Cook County Forest Preserve	140,990,000	0.59%	831,841
Metropolitan Water Reclamation District	2,274,859,669	0.60%	13,649,158
Arlington Heights Park District	14,224,000	0.18%	25,603
Palatine Park District	5,685,000	5.97%	339,395
Rolling Meadows Park District	1,178,000	89.27%	1,051,601
Schaumburg Park District	18,213,305	0.20%	36,427
Community Consolidated School District No. 15	33,126,708	20.79%	6,887,043
Community Consolidated School District No. 59	12,385,000	1.76%	217,976
Township High School District 211	—	4.34%	—
Township High School District 214	37,480,000	5.96%	2,233,808
Harper College Comm College District No. 512	103,580,000	6.45%	6,680,910
Total Overlapping Debt	5,445,573,432		48,496,487
Total Direct and Overlapping Debt	5,461,277,098		64,200,153

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, 2020 (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, 2020 (Unaudited)**

Fiscal Year	(1) Population	(4) Personal Income (in Thousands)	(1) Per Capita Personal Income	(3) Median Age	(3) *Percent High School Graduate or Higher %	(4) School Enrollment	(5) Unemployment Rate	(3) Bachelor's Degree or Better Education Level	(1) Median Household Income	(1) Median House Value
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	0.9	5,032	8.90%	N/A	N/A	N/A
2013	24,099	459,981	30,919	35.3	0.9	5,703	9.20%	N/A	N/A	N/A
2014	24,099	482,206	28,813	37.0	0.8	5,646	6.40%	N/A	N/A	N/A
2015	24,099	484,322	29,331	36.6	0.9	5,258	6.70%	N/A	N/A	N/A
2016	24,667	514,662	32,238	37.2	0.9	5,513	5.90%	N/A	N/A	N/A
2017	24,639	529,121	33,722	37.7	0.9	5,486	5.00%	36.00%	65,965	248,361
2018	24,231	555,922	35,094	38.0	0.9	5,183	3.90%	33.90%	67,849	256,218
2019	23,922	555,922	37,008	37.8	0.9	4,351	3.40%	38.00%	73,847	255,340
2020	23,641	N/A	39,307	38.1	0.8	4,202	9.10%	37.50%	76,879	248,379

Data Source:

(1) Illinois Hometown Locator - Data as of 07/01/20; (2) U.S. Bureau of Economic Analysis/Metropolitan Area; (3) Data.census.gov (4) Data provided by School District Adm Offices D214=1993/CCSD15/202; (5) Illinois Dept of Employment Security, Economic Information and Analysis/idea.illinois.gov(LAUS) Metro Areas City-Data.com Census.gov

* 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, 2020 (Unaudited)**

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northrop Grumman Corporation	2,380	1	9.90%	2,400	1	10.40%
Arthur J Gallagher	2,000	2	8.40%			
Verizon Wireless	875	3	3.70%			
Advocate Physician Partners	378	4	1.60%			
Accurate Employment Screening, LLC.	242	5	1.00%			
Walmart	220	6	0.90%	267	7	1.20%
RTC Industries Inc.	206	7	0.90%			
Meijer	205	8	0.90%	245	10	1.10%
Panasonic	205	9	0.90%	250	9	1.10%
A.H. Management Group	187	10	0.80%	268	6	1.20%
Riverside Publishing				410	2	1.80%
Komatsu				310	3	1.30%
Harris Bank				305	4	1.30%
Cook County Courthouse				300	5	1.30%
Research in Motion				250	8	1.10%
	<u>6,898</u>		<u>29.00%</u>	<u>5,005</u>		<u>21.80%</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, 2020 (Unaudited)**

Function/Program	2011	2012	2013
Full-Time			
General Government			
Management	6	7	7
Finance	4	4	4
Community Development	8	8	8
Public Safety			
Police			
Officers	48	49	49
Civilians	8	8	9
Fire			
Firefighters and Officers	44	43	43
Civilians	—	1	1
Public Works			
Administration	4	4	4
Engineering/Inspections	1	—	—
Streets and Grounds	15	14	15
Utilities and Garage	15	15	16
Part-Time			
General Government			
Management	2	2	2
Finance	3	3	3
Community Development	1	1	1
Public Safety			
Police	12	12	10
Public Works			
Streets and Grounds	—	—	—
Utilities	4	2	—

Data Source: City Human Resources and Budget Departments

2014	2015	2016	2017	2018	2019	2020
6	8	8	9	9	9	8
4	5	5	5	5	5	5
7	9	8	7	7	7	8
49	49	50	50	50	50	51
8	6	7	7	7	7	7
44	44	42	44	44	44	44
1	1	1	1	1	1	1
5	5	5	5	4	5	5
—	—	—	—	—	—	—
14	14	15	14	15	16	16
17	14	17	17	16	16	15
1	1	1	—	—	—	—
3	3	3	3	3	2	2
2	—	—	—	—	—	—
13	14	13	13	14	12	13
—	2	1	1	1	1	1
—	1	2	3	—	—	—

CITY OF ROLLING MEADOWS, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Function/Program	2011	2012	2013
Public Safety			
Police			
Physical Arrests	921	812	861
Parking Violations	6,165	6,198	6,494
Traffic Violations	4,665	3,591	3,688
Fire			
Emergency Responses	3,487	3,507	3,589
Fire Calls	1,196	1,070	1,181
Fires Extinguished	41	53	54
Public Works			
Street Resurfacing (Miles)	1.36	0.07	0.75
Snow and Ice Control (Tons of Salt)	678	1,301	2,078
Water			
Number of Water Main Repairs	54	61	69
Water Average Daily Consumption (Millions of Gallons)	1.871	2.173	2.037
Refuse Collection			
Refuse Collected (Tons per Day)	19	18	10
Recyclables Collected (Tons per Day)	10.25	9.00	11.00

Data Source: Various City Departments

2014	2015	2016	2017	2018	2019	2020
871	678	692	513	531	739	264
4,983	2,281	2,220	2,152	1,460	1,216	1,153
3,069	3,999	4,241	2,145	1,979	1,457	1,899
3,535	3,787	3,991	3,955	4,024	3,946	3,541
1,280	1,096	1,141	1,114	1,096	1,209	1,028
54	42	43	52	57	34	50
0.91	1.00	1.52	1.57	1.55	2.44	2.59
1,420	1,408	952	673	1,547	2,276	1,123
52	66	46	66	36	61	39
2,006	1,944	1,928	1,946	1,873	1,750	1,660
18	19	20	19	19	19	20
9.00	8.90	8.90	8.75	8.65	8.61	8.45

CITY OF ROLLING MEADOWS, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Function/Program	2011	2012	2013
Public Safety			
Police			
Stations	1	1	1
Patrol Units	15	15	15
Fire			
Fire Stations	2	2	2
Fire Engines	5	4	4
Public Works			
Streets (Miles)	61.71	61.71	61.71
Streetlights	260	260	260
Traffic Signals	49	49	49
Water			
Water Mains (Miles)	90.12	90.12	90.12
Fire Hydrants	1,356	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

2014	2015	2016	2017	2018	2019	2020
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	61.91	61.91	65.64	65.64
350	350	350	350	350	451	451
49	49	49	49	49	64	61
90.40	91.25	91.58	91.71	91.75	99.28	105.18
1,364	1,373	1,463	1,465	1,469	1,251	1,256
5.50	5.55	5.55	5.50	5.50	5.50	5.50
82.00	93.30	93.60	93.61	93.64	84.98	84.47
3	3	3	3	3	3	3
61	61	126	126	126	121	133

CITY OF ROLLING MEADOWS, ILLINOIS

**Water Sold by Type of Customer - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Type of Customer	2011	2012	2013
Industrial	37,534	40,863	35,689
Residential/Multi-Family	495,298	516,757	472,037
Commercial	155,393	158,171	144,366
School/Government	25,827	27,718	25,511
Totals	714,052	743,509	677,603
Water Rate per 1,000 Gallons of 1st 15,000 Gallons	\$6.35	\$7.40	\$8.11
Water Rate per 1,000 Gallons in Excess of 15,000 Gallons	\$7.43	\$8.60	\$9.37
Sewer Rate per 1,000 Gallons of 1st 15,000 Gallons	\$2.10	\$2.50	\$2.63
Sewer Rate per 1,000 Gallons of 1st 15,000 Gallons	\$2.45	\$2.95	\$3.10

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

2014	2015	2016	2017	2018	2019	2020
35,452	33,139	33,735	34,014	30,678	29,281	23,437
460,017	451,679	453,485	456,871	439,376	417,760	396,897
145,063	138,671	142,611	153,385	149,605	138,312	110,051
24,316	29,674	24,227	27,312	27,275	23,890	17,093
664,848	653,163	654,058	671,582	646,934	609,243	547,478

\$8.76 \$9.42 \$10.08 \$10.79 \$11.55 \$12.36 \$12.36

\$10.12 \$10.78 \$11.53 \$12.34 \$13.20 \$14.12 \$14.12

\$2.84 \$2.98 \$3.13 \$3.29 \$3.45 \$3.62 \$3.62

\$3.35 \$3.52 \$3.70 \$3.89 \$4.08 \$4.28 \$4.28

CITY OF ROLLING MEADOWS, ILLINOIS

**Continuing Bond Disclosures
December 31, 2020 (Unaudited)**

**City of Rolling Meadows, Cook County, Illinois
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

CITY OF ROLLING MEADOWS, ILLINOIS

Continuing Bond Disclosures - Continued

December 31, 2020 (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, 2019. The City has received the award to each of the last 34 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, 2020 (Unaudited)**

Debt Statement			
Issue Date	Bond Issue	Principal Outstanding	Supported by
05/08/2012	General Obligation Refunding Bonds of 2012	\$ 2,025,000	Governmental/ Proprietary
12/18/2018	General Obligation Bonds of 2018	8,850,000	Governmental
03/21/2019	General Obligation Bonds of 2019	<u>8,215,000</u>	Governmental/ Proprietary
		<u><u>19,090,000</u></u>	

The City's overlapping and underlying bonded debt is updated as of December 31, 2020, and can be found on pages 221 - 223 of the audited financial statements.

The City's debt ratios are updated using the 2019 equalized assessed valuation and the 2019 estimated full value of taxable property.

Estimated Full Value of Taxable Property - 2019	\$ 2,809,217,949
Equalized Assessed Valuation - 2019	936,405,983

	Gross Direct Debt	Gross Direct Debt and Overlapping Debt
Per Capita	\$ 807.50	\$ 3,256.08
Percent of Estimated Full Value	0.680%	3.254%
Percent of Equalized Assessed Value	2.039%	9.763%

CITY OF ROLLING MEADOWS, ILLINOIS

Continuing Bond Disclosures - Continued

December 31, 2020 (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
2021	\$ 1,275,000	\$ 1,275,000	6.68%
2022	1,345,000	2,620,000	13.72%
2023	1,410,000	4,030,000	21.11%
2024	725,000	4,755,000	24.91%
2025	755,000	5,510,000	28.86%
2026	780,000	6,290,000	32.95%
2027	810,000	7,100,000	37.19%
2028	845,000	7,945,000	41.62%
2029	875,000	8,820,000	46.20%
2030	915,000	9,735,000	51.00%
2031	950,000	10,685,000	55.97%
2032	985,000	11,670,000	61.13%
2033	1,030,000	12,700,000	66.53%
2034	1,070,000	13,770,000	72.13%
2035	1,115,000	14,885,000	77.97%
2036	1,155,000	16,040,000	84.02%
2037	1,200,000	17,240,000	90.31%
2038	1,250,000	18,490,000	96.86%
2039	600,000	19,090,000	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.