

**AGENDA
REGULAR SESSION
HIGHLAND CITY COUNCIL
HIGHLAND AREA SENIOR CENTER
187 WOODCREST DRIVE
TUESDAY, FEBRUARY 20, 2024
6:30 PM**

NOTE: This is an in person meeting. However, anyone wishing to monitor the meeting via phone may do so by following the instructions on [page 3](#) of this agenda.

CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE:

MINUTES:

- A. **MOTION** – Approve Minutes of February 5, 2024 Regular Session (attached)

MAYORAL RECOGNITION:

Mayor Hemann will recognize the Highland Middle School 7th Grade Boys' Basketball Team for a great season (21-7), their first state tournament appearance and for taking 2nd place for Class 4A for the IESA, the largest class in the state.

PUBLIC FORUM:

A. Citizens' Requests and Comments:

1. Rusty Rodz Car Club – 2024 Car Cruises on the Square -- Special Event Application – Russel Huelsmann, Representative (attached)
2. Lisa Sauer State Farm Agency – 2024 Easter Egg Hunt – Special Event Application – Gay Bentlage, Representative (attached)
3. Highland Fire Department – 2024 City of Highland Fire Fighters Picnic – Special Event Application – Fire Chief Chris Straub (attached)
4. Make A Wish – 2024 Hot Chocolate Walk – Special Event Application – Sue Messerli, Representative (attached)

Anyone wishing to address the Council on any subject may do so at this time. Please come forward to the podium and state your name. Per Ordinance No. 3299, please limit your comments to 4 minutes or less.

B. Requests of Council:

C. Staff Reports:

1. Scheffel Boyle – Presentation of Combined Annual Financial Report – Mark Korte
2. Moran Economic Development -- Presentation of TIF #3 Feasibility/Plan Study – Jared Kanallakan (attached)

NEW BUSINESS:

- A. **MOTION** – Accept Combined Annual Financial Report (attached)

- B. **MOTION** – Approve 2023 Treasurer's Report (attached)

- C. **MOTION** – Bill #24-25/ORDINANCE Abating Taxes Levied for the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest for the 2023 Taxes Payable in 2024 (attached)

Continued

- D. **MOTION** – Bill #24-26/ORDINANCE Abating Taxes Levied for the General Obligation Refunding Bonds (Alternate Revenue Source) Series 2020 Bond and Interest for the 2023 Taxes Payable in 2024 (attached)
- E. **MOTION** – Bill #24-27/ORDINANCE Abating Taxes Levied for the 2010 General Obligation Street Bond Alternate Revenue Bond and Interest for the 2023 Taxes Payable in 2024 (attached)
- F. **MOTION** – Bill #24-28/ORDINANCE Authorizing the Establishment of Tax Increment Financing “Interested Parties” Registries and Adopting Registration Rules for These Registries (attached)
- G. **MOTION** – Bill #24-29/RESOLUTION Providing for a Feasibility Study on the Designation of Areas as Redevelopment Project Areas (attached)
- H. **MOTION** – Approve Mayor’s Reappointment of Ben Eberwein to the Cemetery Board of Managers (attached)
- I. **MOTION** – Approve Mayor’s Reappointments of William Blechenger, and Craig Korte and the Appointment of Russ Perfetti to the Silver Lake Commission (attached)
- J. **MOTION** – Bill #24-30/RESOLUTION Approving Change Orders for the City Hall Renovation and Construction Project (attached)
- K. **MOTION** – Bill #24-31/RESOLUTION Waiving Competitive Bidding Requirement And Authorizing Purchase of Meter Communication Modules with Associated Licenses from Tantalus Systems, Inc. (attached)
- L. **MOTION** – Bill #24-32/RESOLUTION Waiving Competitive Bidding Requirement and Authorizing Purchase of Itron Electric Meters from Anixter Power Solutions, LLC (attached)

REPORTS:

- A. **MOTION** – Accepting Expenditures Report #1260 for Feb. 3, 2024 through Feb. 16, 2024 (attached)

EXECUTIVE SESSION:

The City Council will conduct an Executive Session pursuant to the Illinois Open Meetings Act, citing the following exemption(s) allowing such meeting: **5 ILCS 120/2(c)(1) to discuss the performance and compensation of a specific employee.**

ADJOURNMENT:

Continued



Anyone requiring accommodations, provided for in the Americans with Disabilities Act (ADA), to attend this public meeting, please contact Jackie Heimbürger, ADA Coordinator, by 9:00 AM on Tuesday, February 20, 2024.

BE ADVISED this is a public meeting conducted in accordance with Illinois state law and may be recorded for audio and video content. City reserves the right to broadcast or re-broadcast the content of this meeting at City's sole discretion. City is not responsible for the content, video quality, or audio quality of any City meeting broadcast or re-broadcast.

Directions for Public Monitoring of Highland City Council Meetings:

The City of Highland is providing the following phone number for use by citizens to call in just before the start of this meeting:

618-882-5625

Once connected, you will be prompted to enter a conference ID number.

Conference ID #: 867900

This will allow a member of the public to hear the city council meeting.

Note: This is for audio monitoring of the meeting, only. Anyone dialing in will not be able make comments.

Anyone wishing to address the city council on any subject during the Public Forum portion of the meeting may submit their questions/comments in advance via email to lhediger@highlandil.gov or, by using the citizens' portal on the city's website found here: https://www.highlandil.gov/citizen_request_center_app/index.php.

Any comments received prior to 3:00 PM on the day of the meeting, will be read into the record.

CITY OF HIGHLAND



SPECIAL EVENT APPLICATION

Authorized under City Ordinance Sec. 64-3-1

PURPOSE: The City of Highland supports various community activities and festivals throughout the year. Establishing public safety and coordinating needs between the events and the city are the overall goals of this process. It is the responsibility of the specific event Sponsors to obtain, complete, and follow through the application process for city approval.

DEFINITIONS and FEES:

Special event: A "Special Event" is defined as: (1) any event, race, gathering, demonstration, or service; (2) that occurs partially or completely within the jurisdiction of the City of Highland; (3) is expected to draw crowds in excess of one hundred fifty (150) attendees; and (4) is expected to or could disrupt normal daily functions within the City of Highland including but not limited to traffic congestion and excess noise; or could create a public health/safety concern without proper precautions or prior planning. Specific examples would include (but are not limited to): The Kirchenfest, Schweizerfest, 5K runs, parades, Art in the Park, Fourth of July Festivities, Madison County Fair, etc. The City Manager will make the final determination as to whether an event qualifies. This will be based upon the totality of the circumstances presented.

Ongoing Event: An "Ongoing Event" is defined as any event that occurs partially or completely within the jurisdiction of the City of Highland consecutively for a period of time that exceeds more than two times monthly. Specific examples would include (but are not limited to): automobile races, re-occurring sporting events not affiliated with HUSD5, weekly music festivals, and other weekly reoccurring events). The City Manager will make the final determination as to whether an event qualifies. This will be based on the totality of the circumstances presented and will require approval depending on requests of individual departments by their Directors.

Highland Public Safety Fees for Special Events:

Police Department: The Highland Police Department will be paid at a rate of \$50.00 per officer per race event (runs or bicycle) when required for traffic control.

The Highland Police Department will be paid at a rate of \$100.00 per officer per day, per event when officers are requested outside of the normal day-to-day operation.

Emergency Medical Services Department: No additional fees for Special Events unless organizers require service outside of the normal day-to-day operation.

Fire Department:

No additional fees for Special Events unless organizers require service outside of the normal day-to-day operation.

Highland Public Safety Fees for On-Going Events:

Police Department: The Highland Police Department will be reimbursed at a rate of 1 ½ times the rate of the officer working the ongoing event. Scheduling will be arranged and agreed upon by the organizer, the Chief of Police or his/her designee.

Emergency Medical Services Department:

The Highland Emergency Medical Services Department will be paid at a rate of \$75.00 per half hour when requested for an ongoing event. Scheduling will be arranged and agreed upon by the organizer and the EMS Chief or his/her designee. The following are details of provided additional service:

- Two crew members to provide medical services throughout the event.
- Fuel charges consistent with leaded mile rate.
- Medical supplies used during the event
- Wear and tear on the truck for idle state

Trucks must remain in an idle state throughout the course of the event for patient comfort and to maintain moderate temperatures for medications and I.V. fluids. Scheduling will be arranged and agreed upon by the organizer and the Emergency Services Chief or his/her designee.

Fire Department:

The Highland Fire Department will be reimbursed at a rate of \$21.00 per firefighter per hour working the ongoing event. Scheduling will be arranged and agreed upon by the organizer and the Fire Chief or his/her designee.

PROCEDURE:

1. All Requests will be directed to Highland City Hall, to the attention of the Director of Support Services.
2. Applications will be available at Highland City Hall, Monday-Friday, 8:00 am to 5:00 pm or online through the City's web site.
3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Director of Support Services. Failure to provide information will result in denial of application.
4. The Director of Support Services will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Rusty Rodz CAR CRUISE

Type of Event: Festival Race Other Fundraiser Service Parade
 Other (please specify): CAR CRUISE

Description of Event: CAR CRUISE

Location of Event: HIGHLAND SQUARE

Sponsoring Organization/Individual: RUSTY RODZ CAR CLUB

Event Responsible Party: Russel Huelsmann
Address: P.O Box 302 Ariston HI 62216
Phone(s): 618-304-3560
Email: Russelhuelsmann@yahoo.com

Date(s) of Set-up: 5-25 - 6-29 - 7-27 - 8-31 - 9-28 - 10-26

Event Date(s) / Times: 5:00 - 8:00 PM

Date(s) of Tear-down: SAME NIGHT

Expected Attendance: _____

Alcohol License Required: Yes No
If yes, application submitted: Yes No

Sound Amplification System utilized: Yes No (Only available for the Square)
If yes, hours of operation: _____

Funding request of the Council: Yes No
Amount requested: \$ _____
Purpose for Funding: _____

Street Dept: Signage, ~~Barricades~~, ~~Street Closures~~ (Specify):
LAUREL ST. MAIN ST. WASHINGTON ST.

Electric Dept: Electrical Service, Lighting (Specify):
NONE

Public Safety: If anything needed in addition to below (Specify):

None

HCS Services: Wi-Fi or other technological needs (Specify):

None

Other City Services: Restrooms, City Officials, Refuse Dumpsters-Charges Apply (Specify):

None

Signs: Per the City of Highland's Municipal Code, signs are disallowed on public right-of-way. If you wish to display signs on right-of-way, please indicate the requested location of signs:

None

If approval is granted, signs must not be displayed within roundabouts or within any area that is difficult for vehicles to see around and creates a traffic safety issue. All signs within right-of-way must be displayed no more than two weeks prior to the event unless specifically requested and removed within two days after the event.

Specify Special Event or Ongoing Event (as defined above) CAR CRUISE

Specify Route Option # 1 (listed on attached Maps)

Route must be approved by Public Safety director before application can be brought to council for approval.

Check the boxes below for what Services apply and number of each service needed
(See Page 1&2 and Race Option/Maps provided for more information)

- Police – Number of officers needed for Event None
- EMS – Number of Emergency Medics needed for Event None
- Fire – Number of Firefighters needed for Event None

Application Checklist (Attachments):

- Council Meeting Scheduled for approval
- Certificate of Insurance: (Must attached for approval)
 - Must be General liability
 - \$1 Million per occurrence/\$2 million aggregate
 - City named as "additional insured" If Event is on city property.
- Site Plan Rendering
- Evacuation Plan
- Fire Plan
- Parking Plan

City Services Requested: – Please attach additional documents such as maps, flyers or any other detailed information.

Russel Heilsman
Event Sponsor Responsible Party

Date

City Manager

Date

[Handwritten mark]

CITY OF HIGHLAND



SPECIAL EVENT APPLICATION

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Highland Public Safety Fees for Special Events:

Police Department: The Highland Police Department will be paid at a rate of \$50.00 per officer per race event (runs or bicycle) when required for traffic control. The Highland Police Department will be paid at a rate of \$100.00 per officer per day, per event when officers are requested outside of the normal day-to-day operation.

Emergency Medical Services Department: No additional fees for Special Events unless organizers require service outside of the normal day-to-day operation.

Fire Department:

No additional fees for Special Events unless organizers require service outside of the normal day-to-day operation.

Highland Public Safety Fees for On-Going Events:

Police Department: The Highland Police Department will be reimbursed at a rate of 1 ½ times the rate of the officer working the ongoing event. Scheduling will be arranged and agreed upon by the organizer, the Chief of Police or his/her designee.

Emergency Medical Services Department:

The Highland Emergency Medical Services Department will be paid at a rate of \$75.00 per half hour when requested for an ongoing event. Scheduling will be arranged and agreed upon by the organizer and the EMS Chief or his/her designee. The following are details of provided additional service:

- Two crew members to provide medical services throughout the event.
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- Medical supplies used during the event
- Wear and tear on the truck for idle state

Trucks must remain in an idle state throughout the course of the event for patient comfort and to maintain moderate temperatures for medications and I.V. fluids. Scheduling will be arranged and agreed upon by the organizer and the Emergency Services Chief or his/her designee.

Fire Department:

The Highland Fire Department will be reimbursed at a rate of \$21.00 per firefighter per hour working the ongoing event. Scheduling will be arranged and agreed upon by the organizer and the Fire Chief or his/her designee.

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3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Director of Support Services. Failure to provide information will result in denial of application.
4. The Director of Support Services will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: Easter Egg Hunt

Type of Event: Festival Race Other Fundraiser Service Parade
 Other (please specify): annual event

Description of Event: Easter Egg Hunt on Downtown Square

Location of Event: Highland IL Downtown Square

Sponsoring Organization/Individual: Lisa Sauer State Farm Insurance Agency

Event Responsible Party: Gay Bentlage or Olivia Freeman

Address: 2670 Plaza Dr, Highland, IL 62249

Phone(s): office 618-654-7402

Email: gay@lisasauer.com or olivia@lisasauer.com

Date(s) of Set-up: 12 noon March 23, 2024

Event Date(s) / Times: Saturday, March 23, 2024 2-3:30 p.m.

Date(s) of Tear-down: Saturday, March 23, 2024 after event ends

Expected Attendance: 300

Alcohol License Required: Yes No

If yes, application submitted: Yes No

Sound Amplification System utilized: Yes No (*Only available for the Square*)

If yes, hours of operation: 1-3 p.m. - March 23, 2024

Funding request of the Council: Yes No

Amount requested: \$ _____

Purpose for Funding: _____

Street Dept: Signage, Barricades, Street Closures (Specify): none

Electric Dept: Electrical Service, Lighting (Specify):

none

Public Safety: If anything needed in addition to below (Specify):

patrol at the event if available - crowd may be walking around square streets

HCS Services: Wi-Fi or other technological needs (Specify):

none

Other City Services: Restrooms, City Officials, Refuse Dumpsters-Charges Apply (Specify):
restrooms please

Signs: Per the City of Highland's Municipal Code, signs are disallowed on public right-of-way. If you wish to display signs on right-of-way, please indicate the requested location of signs: none

If approval is granted, signs must not be displayed within roundabouts or within any area that is difficult for vehicles to see around and creates a traffic safety issue. All signs within right-of-way must be displayed no more than two weeks prior to the event unless specifically requested and removed within two days after the event.

Specify Special Event or Ongoing Event (as defined above) Easter Egg Hunt

Specify Route Option # _____ (listed on attached Maps)

Route must be approved by Public Safety director before application can be brought to council for approval.

Check the boxes below for what Services apply and number of each service needed
(See Page 1&2 and Race Option/Maps provided for more information)

- Police** – Number of officers needed for Event at your discession
- EMS** – Number of Emergency Medics needed for Event _____
- Fire** – Number of Firefighters needed for Event _____

Application Checklist (Attachments):

- Council Meeting Scheduled for approval
- Certificate of Insurance: (Must attached for approval)
 - Must be General liability
 - \$1 Million per occurrence/\$2 million aggregate
 - City named as “additional insured” If Event is on city property.
- Site Plan Rendering
- Evacuation Plan
- Fire Plan
- Parking Plan

City Services Requested: – Please attach additional documents such as maps, flyers or any other detailed information.

Gay Bentlage
Event Sponsor/Responsible Party

2/7/24
Date

City Manager

Date




CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/07/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  Lisa Sauer 2670 Plaza Dr. Suite A Highland IL 62249	CONTACT NAME: Lisa Sauer PHONE (A/C, No, Ext): 618-654-7402 E-MAIL ADDRESS: lisa.sauer.ggve@statefarm.com	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE INSURER A: State Farm Fire and Casualty Company	
INSURED Sauer, Melissa 13 RACHAEL CT TROY IL 622944010	INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

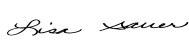
COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD INSD	SUB WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	N	N	93-KG-S810-7	08/01/2023	08/01/2024	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			PER STATUTE OTH-ER \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

City of Highland 1115 Broadway Highland IL 62249	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  This form was system-generated on 02/07/2024
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CITY OF HIGHLAND



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CITY OF HIGHLAND-SPECIAL EVENT APPLICATION

Name of Event: City of Highland Fire Fighters Picnic

Type of Event: Festival Race Other Fundraiser Service Parade
Other (please specify):

Description of Event: Similar to other events on the Highland Square, this event will have live music/entertainment as well as food and beverages for purchase.

Location of Event: Highland City Square

Sponsoring Organization/Individual: Highland Fire Department

Event Responsible Party: Highland Fire Department
Address: 12990 Troxler Ave
Phone(s): 228-243-9154
Email: Christopher.M.Freimann@gmail.com

Date(s) of Set-up: 27 Sept 2024

Event Date(s) / Times: 28 Sept 2024

Date(s) of Tear-down: 28/29 Sept 2024

Expected Attendance: 1500

Alcohol License Required: Yes No
If yes, application submitted: Yes No Will utilize Highland Jaycees license

Sound Amplification System utilized: Yes No (*Only available for the Square*)
If yes, hours of operation: 1600-2300

Funding request of the Council: Yes No
Amount requested: \$ 1,000
Purpose for Funding: Avertising and Marketing

Street Dept: Signage, Barricades, Street Closures (Specify): _____
Barricades will be required for the Rusty Rods car show

Electric Dept: Electrical Service, Lighting (Specify): _____
Yes, Power setup for food trailers on the noth side of the square

Public Safety: If anything needed in addition to below (Specify):

NA

HCS Services: Wi-Fi or other technological needs (Specify):

Wi-Fi

Other City Services: Restrooms, City Officials (Specify):

Restrooms

Refuse Dumpsters (Charges Apply): Contact Republic Services at 618-656-6883 to request a temporary dumpster.

Signs: Per the City of Highland’s Municipal Code, signs are disallowed on public right-of-way.

If you wish to display signs on right-of-way, please indicate the requested location of

signs: Signs will be posted in accordance with city ordinance and with prior approval- further information to be provided

If approval is granted, signs must not be displayed within roundabouts or within any area that is difficult for vehicles to see around and creates a traffic safety issue. All signs within right-of-way must be displayed no more than two weeks prior to the event unless specifically requested and removed within two days after the event.

Specify Special Event or Ongoing Event (as defined above) Ongoing

Specify Route Option # N/A (listed on attached Maps)

Route must be approved by Public Safety director before application can be brought to council for approval.

Check the boxes below for what Services apply and number of each service needed

(See Page 1&2 and Race Option/Maps provided for more information)

- Police** – Number of officers needed for Event N/A
- EMS** – Number of Emergency Medics needed for Event N/A
- Fire** – Number of Firefighters needed for Event N/A

Application Checklist (Attachments):

- Council Meeting Scheduled for approval
- Certificate of Insurance: (Must attached for approval)
 - Must be General liability
 - \$1 Million per occurrence/\$2 million aggregate
 - City named as “additional insured” If Event is on city property.
- Site Plan Rendering
- Evacuation Plan
- Fire Plan
- Parking Plan

City Services Requested: – Please attach additional documents such as maps, flyers or any other detailed information.

Ch M F.

Event Sponsor Responsible Party

6 FEB 2024

Date

City Manager

Date

CITY OF HIGHLAND



SPECIAL EVENT APPLICATION

Authorized under City Ordinance Sec. 64-3-1

PURPOSE: The City of Highland supports various community activities and festivals throughout the year. Establishing public safety and coordinating needs between the events and the city are the overall goals of this process. It is the responsibility of the specific event Sponsors to obtain, complete, and follow through the application process for city approval.

DEFINITIONS and FEES:

Special event: A "Special Event" is defined as: (1) any event, race, gathering, demonstration, or service; (2) that occurs partially or completely within the jurisdiction of the City of Highland; (3) is expected to draw crowds in excess of one hundred fifty (150) attendees; and (4) is expected to or could disrupt normal daily functions within the City of Highland including but not limited to traffic congestion and excess noise; or could create a public health/safety concern without proper precautions or prior planning. Specific examples would include (but are not limited to): The Kirchenfest, Schweizerfest, 5K runs, parades, Art in the Park, Fourth of July Festivities, Madison County Fair, etc. The City Manager will make the final determination as to whether an event qualifies. This will be based upon the totality of the circumstances presented.

Ongoing Event: An "Ongoing Event" is defined as any event that occurs partially or completely within the jurisdiction of the City of Highland consecutively for a period of time that exceeds more than two times monthly. Specific examples would include (but are not limited to): automobile races, re-occurring sporting events not affiliated with HUSD5, weekly music festivals, and other weekly reoccurring events). The City Manager will make the final determination as to whether an event qualifies. This will be based on the totality of the circumstances presented and will require approval depending on requests of individual departments by their Directors.

Highland Public Safety Fees for Special Events:

Police Department: The Highland Police Department will be paid at a rate of \$50.00 per officer per race event (runs or bicycle) when required for traffic control. The Highland Police Department will be paid at a rate of \$100.00 per officer per day, per event when officers are requested outside of the normal day-to-day operation.

Emergency Medical Services Department: No additional fees for Special Events unless organizers require service outside of the normal day-to-day operation.

Fire Department:

No additional fees for Special Events unless organizers require service outside of the normal day-to-day operation.

Highland Public Safety Fees for On-Going Events:

Police Department: The Highland Police Department will be reimbursed at a rate of 1 ½ times the rate of the officer working the ongoing event. Scheduling will be arranged and agreed upon by the organizer, the Chief of Police or his/her designee.

Emergency Medical Services Department:

The Highland Emergency Medical Services Department will be paid at a rate of \$75.00 per half hour when requested for an ongoing event. Scheduling will be arranged and agreed upon by the organizer and the EMS Chief or his/her designee. The following are details of provided additional service:

- Two crew members to provide medical services throughout the event.
- Fuel charges consistent with leaded mile rate.
- Medical supplies used during the event
- Wear and tear on the truck for idle state

Trucks must remain in an idle state throughout the course of the event for patient comfort and to maintain moderate temperatures for medications and I.V. fluids. Scheduling will be arranged and agreed upon by the organizer and the Emergency Services Chief or his/her designee.

Fire Department:

The Highland Fire Department will be reimbursed at a rate of \$21.00 per firefighter per hour working the ongoing event. Scheduling will be arranged and agreed upon by the organizer and the Fire Chief or his/her designee.

PROCEDURE:

1. All Requests will be directed to Highland City Hall, to the attention of the Director of Support Services.
2. Applications will be available at Highland City Hall, Monday-Friday, 8:00 am to 5:00 pm or online through the City's web site.
3. Applications will be completed by the Event Sponsor and submitted at least 60 days prior to the event. The application must be signed by the Event Sponsor Responsible Party. Incomplete applications will not be accepted. If an application is accepted and later determined to be incomplete, the applicant will be notified by the Director of Support Services. Failure to provide information will result in denial of application.
4. The Director of Support Services will forward the application to all city departments that have responsibilities relating to the event. If necessary, a committee meeting involving the event Sponsor and city stakeholders may take place to clarify questions, determine specific needs, and address concerns.
5. The event Sponsor is required to obtain final approval for the special event from the City Manager. The City Council may announce the special event to the public at a scheduled Council meeting.

Public Safety: If anything needed in addition to below (Specify):

First aid kids on site

HCS Services: Wi-Fi or other technological needs (Specify):

Not applicable

Other City Services: Restrooms, City Officials, Refuse Dumpsters-Charges Apply (Specify):

Access to restrooms in the area

Signs: Per the City of Highland’s Municipal Code, signs are disallowed on public right-of-way. If you wish to display signs on right-of-way, please indicate the requested location of signs: Not sure of this request yet

If approval is granted, signs must not be displayed within roundabouts or within any area that is difficult for vehicles to see around and creates a traffic safety issue. All signs within right-of-way must be displayed no more than two weeks prior to the event unless specifically requested and removed within two days after the event.

Specify Special Event or Ongoing Event (as defined above) _____

Specify Route Option # _____ (listed on attached Maps)

Route must be approved by Public Safety director before application can be brought to council for approval.

Check the boxes below for what Services apply and number of each service needed

(See Page 1&2 and Race Option/Maps provided for more information)

- Police** – Number of officers needed for Event _____
- EMS** – Number of Emergency Medics needed for Event _____
- Fire** – Number of Firefighters needed for Event _____

Application Checklist (Attachments):

- Council Meeting Scheduled for approval
- Certificate of Insurance: (Must attached for approval)
 - Must be General liability
 - \$1 Million per occurrence/\$2 million aggregate
 - City named as “additional insured” If Event is on city property.
- Site Plan Rendering
- Evacuation Plan
- Fire Plan
- Parking Plan

City Services Requested: – Please attach additional documents such as maps, flyers or any other detailed information.

Heather Simpson —

2/9/2024

Event Sponsor Responsible Party

Date

City Manager

Date

Memo

To: City of Highland
From: Moran Economic Development
CC:
Date: February 16, 2024
Re: Highland TIF III Redevelopment Project Area

Ordinances & Resolutions to be passed on February 20, 2024:
NOTE: Please have your attorney or designated staff review and change as necessary.

1. **Ordinance Establishing the Interested Parties Registry & Rules-** This ordinance, which the City is required to pass under the TIF Statute, establishes the Interested Parties Registry. The Interested Parties Registry allows all individuals who reside, or have places of business, within the City to receive all necessary information regarding the TIF District. As you know, establishing a TIF is a process. This Registry allows those persons on it to receive certain items. (ie. Eligibility/Feasibility Study, TIF Plan etc.) NOTE: Taxing Districts are automatically on the IP. Having passed this Ordinance, the City will publish, in the local paper, a copy of the Notice of the Registry's availability for those who wish to register (see below; #6.).
2. **Interested Parties Rules-** This is **Exhibit A** of the above Ordinance.
3. Attached also is the **Interested Parties Registration Form**. (Also part of the Ordinance) Copies need to be made available to the public at City Hall. Essentially this is the form that the public can complete to get their names on the Interested Parties Registry. (NOTE: again, the taxing districts are automatically on this list) Keep this in a separate TIF folder notated as "Interested Parties". In this folder will be kept:
 - 1) The signed Ordinance establishing the IP Registry,
 - 2) The IP Registry Rules,
 - 3) Copy of the IP Registry Publication Notice,
 - 4) Completed copies of this form and,
 - 5) A running list of those on the IP list.

4. **Feasibility Resolution:** This resolution basically lets the taxing districts know that you are in the process of reviewing Eligibility/Feasibility Factors of the TIF Area.

These items will be done after the February 20th meeting:

5. **Early Warning Letter:** We'll send along a sample letter next week, which should be typed on Municipal Letterhead and signed by the Mayor. **Send this letter along with a copy of the Feasibility Resolution** (which I've attached as an example) (the Feasibility Resolution will be passed on February 20, 2024.) Make copies of the passed Feasibility Resolution along with the Early Warning Letter and send it to each Taxing District. District names and addresses will be forwarded next week. This can be in one envelope.
6. **Interested Parties Registry Publication Notice:** This notice should be posted in the local newspaper sometime after the February 20, 2024 meeting. We'll also send this along next week.

Please do not hesitate to call or email me with questions.

Moran Economic Development
holly@morandevelopment.com
618-307-9100

CITY OF HIGHLAND, ILLINOIS
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
APRIL 30, 2023

CITY OF HIGHLAND, ILLINOIS
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CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

CITY OF HIGHLAND, ILLINOIS
Council/Manager - Form of Government
April 30, 2023

MAYOR

Kevin B Hemann

CITY MANAGER

Christopher Conrad

CITY COUNCIL MEMBERS

Rick Frey

Peg Bellm

William Napper

Sarah Sloan

CITY CLERK

Barbara Bellm

CITY TREASURER

Neill Nicolaides

DEPARTMENT DIRECTORS

Daniel Cook

Reanna Ohren

Jacklyn Heimburger

Angela Kim

Mark Rosen

Carole Presson

Joe Gillespie

Angela Imming

Mallord Hubbard

Electric

Finance

Support Services

Library

Parks & Recreation

Public Safety

Public Works

Technology & Innovation

Economic Development

CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

This section of the City of Highland's annual financial report presents discussion and analysis from City management regarding the City's financial performance during the fiscal year that ended on April 30, 2023 with comparative information for the fiscal year ended April 30, 2022.

FINANCIAL HIGHLIGHTS

- Total assets exceeded liabilities at the close of the fiscal year by approximately \$86.7 million (net position). Of this amount, the unrestricted amount of \$16.2 million may be used to meet the City's ongoing obligations to citizens and creditors.
- City-wide net position increased 5.8% during the fiscal year. Governmental activities increased 8.03% and a 3.17% increase occurred within enterprise activities.
- The City of Highland is compliant with the GASB 34 reporting model, which requires accounting for depreciation of fixed assets within governmental activities. Shown within the Statement of Net Position, the fixed assets year-end balance for fiscal year 2023 is \$95.1 million (net of depreciation). This is comprised of \$48.3 million for governmental activities plus \$46.8 million for business-type activities.
- Receipts of the traditional sales tax, shown within the "Intergovernmental" revenue line item, increased 4.49% during FY 2023. According to City estimates, with the change in the collection method for online purchases and increased local retail offerings, this number should continue to increase in future years.
- FY 2023 was the sixteenth full year of receipts from the 2006 Non-Home Rule Sales Tax Referendum. This 1% NHR sales tax was estimated to bring in an additional \$1.3 - \$1.5 million annually to the City for street projects. Receipts for the year equaled \$1.9 million. This collection will also see a small increase based on the updated collection method for online purchases.
- FY 2023 was the fourth full year for the newly created Business Districts generating \$840,662 for eligible projects within these Districts. As with the traditional and NHR, this tax collection is predicted to be increased based on the updated collection method for online purchases as well as the tax rate increase that began in July 2023.
- Building permit activity was better than estimated and the growth rate of the City's equalized assessed value (EAV), which is an important component in property tax calculations, also continues to improve as developments continue and improvements are made to existing properties. Total EAV is seeing an increasing threat from unfavorable Board of Revenue decisions concerning our largest commercial properties.

CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

- The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances.
- For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.
- The Enterprise fund statements display the results of the utility funds for each fiscal year.
- The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**Reporting the City as a Whole –
The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Reporting the City's Most Significant Funds -
Fund Financial Statements**

Some funds are required to be established by State law and bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (such as the bonds for Infrastructure Improvements) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The City's three types of funds use different accounting approaches:

- *Governmental Funds* – Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow into and out of these funds and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations within exhibits #4 and #6 of the "Basic Financial Statements" section.

CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

- *Enterprise Funds* – Services for which the City charges customers for the full cost of the services it provides are generally reported in enterprise funds. These business-type activities, like the government-wide statements, provide both long- and short-term financial information. Business-type activities are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.
- *Fiduciary Funds* – The City has fiduciary responsibility for other assets that – because of trust arrangements – can be used only for the trust beneficiaries. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

In the supplemental information section, the City has provided detailed schedules of revenues, expenditures, and changes in fund balances for the required major funds. The capital projects funds that have been presented in prior years are not required and therefore have not been included. The City has also included information on its various pension plans in accordance with GASB statutes. In addition, detailed historical data can be found regarding tax levies, building permits, and property values. Information regarding miscellaneous statistics about the City of Highland are also included. The reports are intended to provide the user with information beyond the realm of the traditional auditing requirements.

CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison between the activities for FY '23 and the activities for FY '22 under the GASB Statement No. 34 model. The city-wide total for revenues increased \$2.6 million and expenditures increased \$3.4 million compared to the previous fiscal year. Governmental type revenues exceeded expenditures for the current and prior fiscal year. Business Type Revenues also exceeded expenditures for the current year as well. The surplus is utilized by the City of Highland to meet the City's fiscal policy in relation to reserves for operations, maintenance, and capital projects and any deficits are covered by surplus created in prior years.

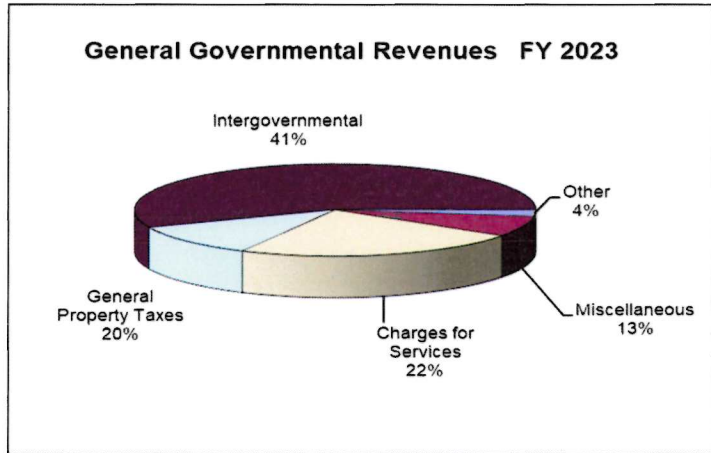
Changes in the City of Highland's Activities
(in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	Fiscal Year 2023	2022	Fiscal Year 2023	2022	Fiscal Year 2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 5.2	\$ 4.5	\$ 25.0	\$ 24.9	\$ 30.2	\$ 29.4
Operating Grants and Contributions	0.6	0.1			0.6	0.1
Capital Grants and Contributions	0.3	0.4			0.3	0.4
General Revenues						
Property Taxes, General Purposes	4.3	4.2			4.3	4.2
Intergovernmental	9.6	9.2			9.6	9.2
Miscellaneous	1.9	1.3	0.6	0.3	2.5	1.6
Interfund Transfers					0.0	0.0
Total Revenues	\$ 21.9	\$ 19.7	\$ 25.6	\$ 25.2	\$ 47.5	\$ 44.9
Expenditures						
General Government	\$ 2.1	\$ 1.7			\$ 2.1	\$ 1.7
Public Safety	7.7	6.1			7.7	6.1
Highways and Streets	3.2	3.0			3.2	3.0
Culture and Recreation	3.5	2.8			3.5	2.8
Economic Development	0.6	0.5			0.6	0.5
Employer's Cont. to Retirement Fund	0.8	0.9			0.8	0.9
Interest on Long-Term Debt	0.4	0.4			0.4	0.4
Electric			\$ 17.6	\$ 17.4	17.6	17.4
Water			2.9	2.6	2.9	2.6
Sewer			2.1	2.0	2.1	2.0
Solid Waste			1.8	1.9	1.8	1.9
Interfund Transfer					0.0	0.0
Total Expenditures	\$ 18.3	\$ 15.4	\$ 24.4	\$ 23.9	\$ 42.7	\$ 39.3
Change In Net Position	3.6	4.3	1.2	1.3	4.8	5.6
Beginning Net Position	44.3	40.0	37.6	36.3	81.9	76.3
Ending Net Position	\$ 47.9	\$ 44.3	\$ 38.8	\$ 37.6	\$ 86.7	\$ 81.9

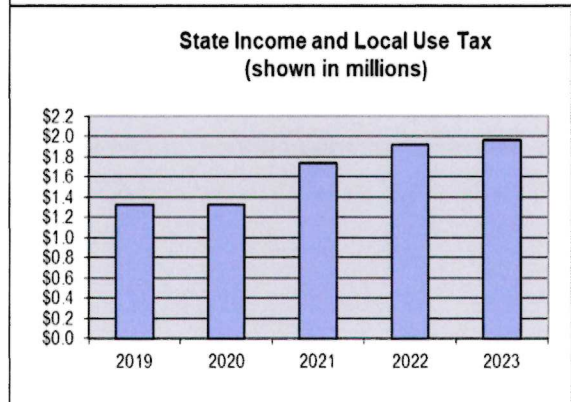
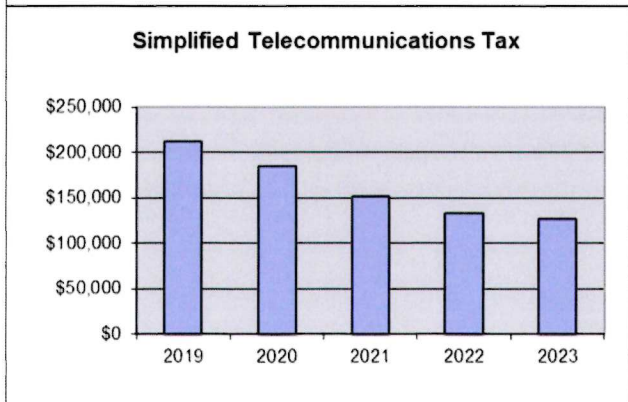
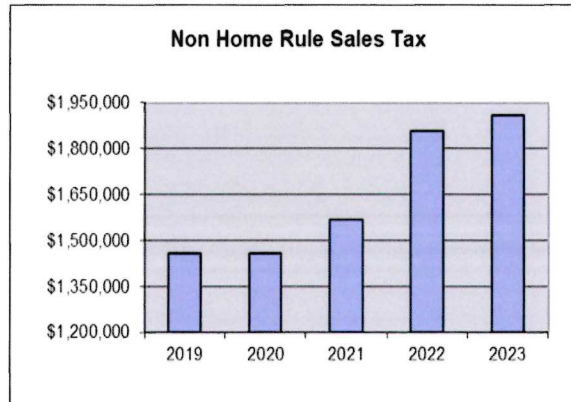
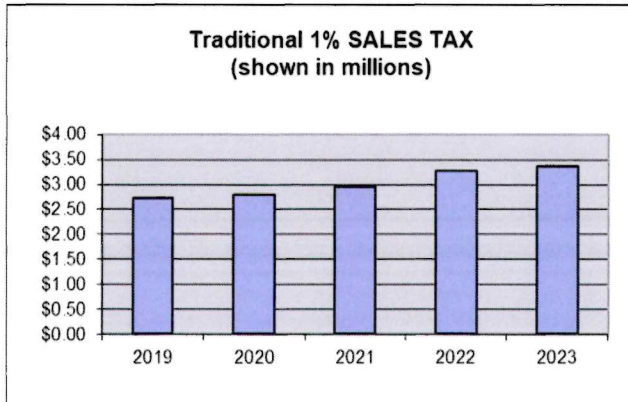
CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

Governmental Activities

Governmental Activities include all funds except Business-Type Activities and the Police Pension Fiduciary Fund. Examples include the following: General Fund (which includes the Police Dept, Fire Dept, Building and Zoning, General Administration, and PW Admin / Street Dept. among others), Ambulance Fund, Parks and Recreation, and the various Library Funds.

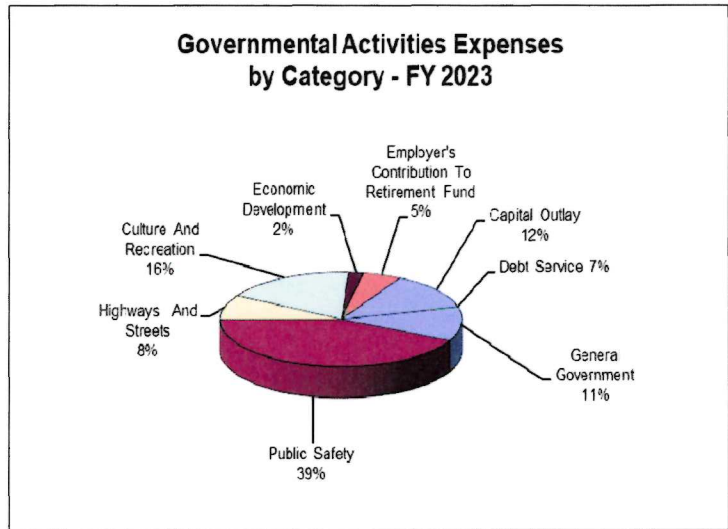


Intergovernmental revenues include revenues due to the City of Highland that pass through the State of Illinois. These include, but are not limited to, sales tax, income tax, and the simplified telecommunications tax. Corporate replacement tax, motor fuel tax, as well as fines and forfeitures are included within the “other” category. The “miscellaneous” category includes interest income. “Charges for Services” includes billings from the City’s Ambulance service and user fees from Parks & Recreation.

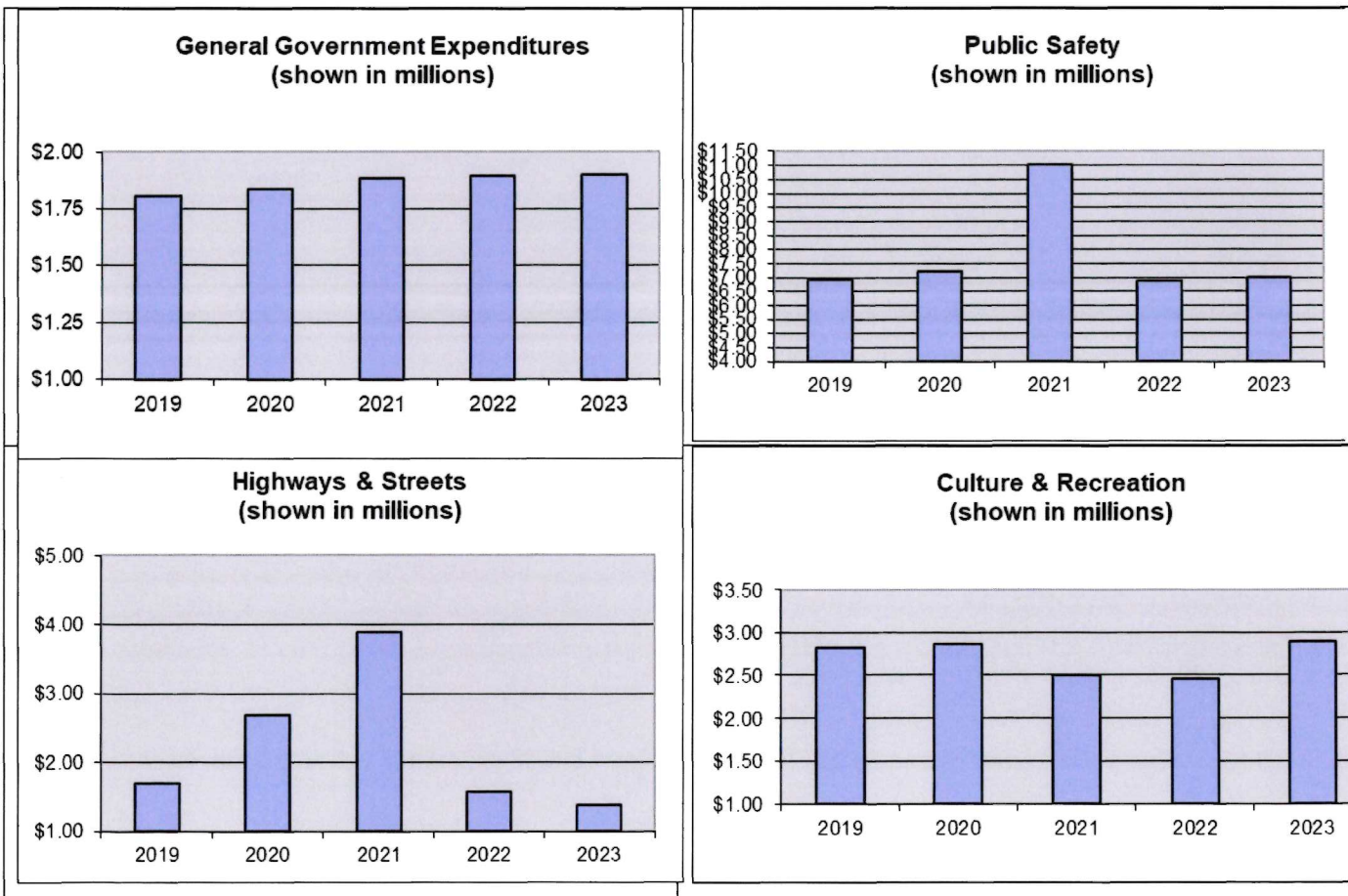


CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

Expenditures of Governmental Activities are spread among a wide variety of functions. Among these are public safety functions of police, fire, and EMS. Also included are the activities of highways and streets as well as culture and recreation (parks & recreation / library). These areas are funded with the above mentioned revenues such as property taxes and intergovernmental revenues. The charts included on this page depict the governmental activities expense amounts for the various functions.



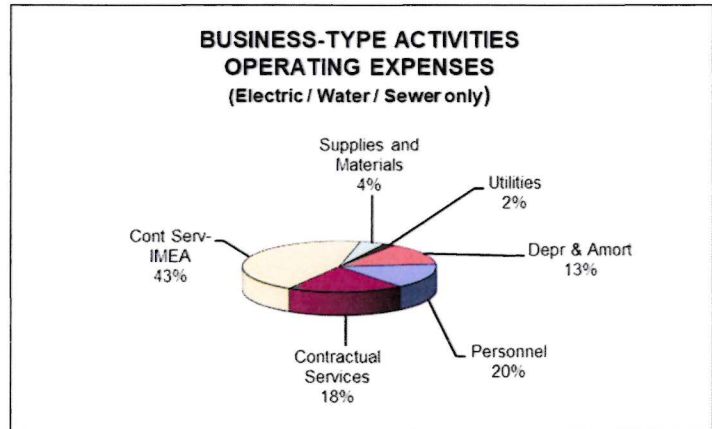
The increase in public safety is due to the debt payment of the new Public Safety Facility and the downtown Fire Station renovations. Highways and Streets continue to grow as the City continues to make investment in our City streets.



CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

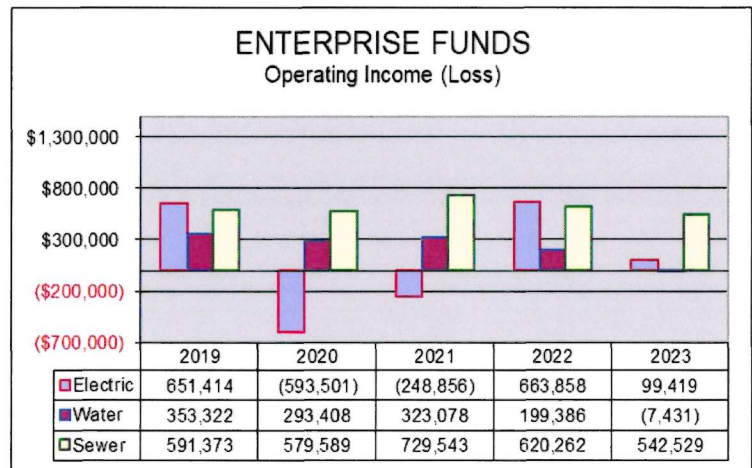
Business-Type Activities

Business-type activities include revenues and expenditures related to the Electric, Water, Sewer, and Solid Waste funds. Business-type activities do not receive property or intergovernmental taxes. Each enterprise fund operates as an independent entity, relying solely on user fees for operations. The water and sewer funds had incremental rate increases over the past few years. The

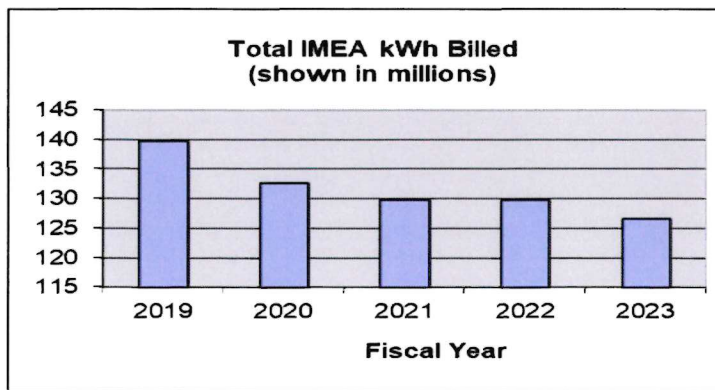


The most recent electrical rate increase was effective in April of 2023 and fiber rate increases will continue to be evaluated and implemented as needed. The electric fund also includes revenues billed and expenditures for installation of the new fiber infrastructure and operations.

Operational expenses for the electric (including fiber) increased by 2.0% while the revenues decreased by 1.3%. These costs include depreciation which is not a budgetary item. The rate increase effective in April 2023 and further increases for fiber services will continue to be investigated in the upcoming fiscal years to avoid operational losses in the future along with efforts aimed at controlling operational costs for each department.



The total kilowatt hours billed decreased during Fiscal year 2023. The cost per kilowatt hour will again be used to determine if additional rate increases beyond the power cost adjustment are warranted in the upcoming year.



CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

STATUS OF CITY RESERVES

The governmental funds reported a *combined* fund balance of \$22.7 million. The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in a prior fiscal year. This created five new classifications for fund balance reporting including non-spendable, restricted, committed, assigned and unassigned. The classifications are important in determining the order of use for fund balances remaining at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2023, the City had \$95.1 million (net of depreciation) invested in a range of capital assets that include equipment, building and structures, and infrastructure. Infrastructure is valued based on the composite cost. The straight-line depreciation method is used, with a salvage value always being zero. More detailed information about the City's capital assets can be found in Note 5 of the Notes to the Financial Statements.

City of Highland's Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	Fiscal Year		Fiscal Year			
	2023	2022	2023	2022	2023	2022
Land	\$ 8.9	\$ 8.5	\$ 1.9	\$ 1.9	\$ 10.8	\$ 10.4
Construction in Progress	0.6	0.4	0.3	0.2	0.9	0.6
Bldgs & Improvements	11.2	11.6	12.1	12.4	23.3	24.0
Other Improvements	5.6	6.2	7.0	5.0	12.6	11.2
Equipment	1.8	1.3	0.8	0.8	2.6	2.1
Infrastructure	20.2	21.6			20.2	21.6
Lines			21.4	22.1	21.4	22.1
Interconnect			3.3	3.5	3.3	3.5
Totals	\$ 48.3	\$ 49.6	\$ 46.8	\$ 45.9	\$ 95.1	\$ 95.5

The City of Highland transfers amounts between funds for the main purpose of saving for future capital expenditures. Each fund transfers excess funds at year-end to the City Property Replacement Fund where it remains, until needed, to be transferred back for eligible capital purchases. Transfers also exist among funds in order to allocate the general administrative expenses among the appropriate fund. For more information on these interfund transfers see Note 9 in the Notes to the Financial Statements.

CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

Debt Administration

The City of Highland only recently issued general obligation debt counting against its legal debt limit. Debt repayment is accomplished primarily with sales tax revenue and utility sales. The City of Highland's legal debt limit of \$11.2 million is available for general obligation debts. Total City debt per capita is approximately \$3,193. More detailed information about the City's debt can be located in Note 6 of the Notes to Financial Statements.

	Governmental		Business-type		Totals	
	Activities		Activities			
	Fiscal Year		Fiscal Year			
	2023	2022	2023	2022	2023	2022
Revenue Bonds	\$ 3.8	\$ 4.3	\$ 9.3	\$ 10.3	\$ 13.1	\$ 14.6
Debt Certificates Payable	7.5	7.9			7.5	7.9
Notes Payable	0.2		10.9	9.8	11.1	9.8
Lease Payable	0.2	0.3			0.2	0.3
Maintenance Agreements Payable						0.0
Totals	\$ 11.7	\$ 12.5	\$ 20.2	\$ 20.1	\$ 31.9	\$ 32.6

CURRENT EVENTS AND NEXT YEAR'S BUDGET

The City of Highland has taken an aggressive approach towards managing the growth of the community. The following is a brief description of some of the actions taken in FY '23, with a brief look ahead into FY '24.

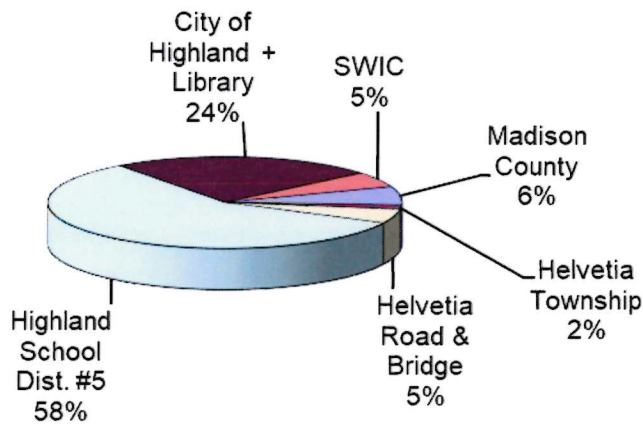
The City operations have remained constant due mainly to solid reserves policies and our diverse revenue streams. Even with changes in revenue collections, both positive and negative, we have weathered the financial impacts brought upon us from inflationary impacts on operations while being able to maintain a solid financial position. Our overall revenues returned to pre pandemic levels with minor growth. We anticipate governmental revenues to remain relatively stagnant in the upcoming year. Inflation impacts on city activities, EAV growth and substantially rising health insurance costs are the largest threats to city finances that we foresee. Staff continue to adjust projects, purchases and operations as needed in order to continue to provide the level of services our citizens have come to expect from the City of Highland.

The Fiber-to-the-Premise (FTTP) project continues to gain customers in the available service areas. FTTP continues to provide incredible value to our citizens in comparison to rates paid by those who do not have access to our service and are subject to monopoly pricing from providers. The Public Works Department has continued with sewer trunk main improvements which has proven valuable with reduced claims related to sewer backups, as well as, continued improvements to streets and alley ways. Construction improvements to City Hall are underway and we are looking forward to getting back into our new and improved home. The Parks and Recreation department continues to improve their facilities and parks with new and improved playground equipment. A joint project between Public Works and Parks on the reservoir spillway has been completed, a long delayed necessary infrastructure projects. Electrical system upgrades and maintenance operations are still being done to sustain the electrical systems reliability

CITY OF HIGHLAND, ILLINOIS
April 30, 2023
Management's Discussion & Analysis

including aggressive vegetation management to reduce animal/varmint intrusion, and the replacement of the SCADA system.

Steps have been taken to improve daily operations and help the City become more efficient. The City uses various performance management tools for budgeting and trend analysis. Under the direction of the City Manager, various committees have been established to review policies and procedures and to take an active role in assisting the City with its management. One of the recommendations of these committees was the purchase of the Tyler Technologies ERP Municipal Management software platform which is currently in implementation. We have implemented the first module (financial) and are working through additional modules now, the process of implementation will likely take 2-3 years to complete. We have also taken advantage of attrition among staff to mitigate operational increases across the city without impacting city services. While this is not a long-term solution, it has put the City in a solid position to weather the stagnating revenues we are seeing in our governmental revenues.



As of April 2023, the City's Equalized Assessed Value increased 8.36% to a total of \$231.2 million. The EAV is used in conjunction with the 2022 Property Tax Levy for the collection of property taxes during FY 2023-2024. The City of Highland's (including the Library portion) property tax rate for 2022 represents 24% of the total property tax rate in Helvetia Township (Saline Township is nearly identical). The City's portion of the total property tax rate for Highland

residents has remained relatively the same for the past few years. The City strives to maintain its property tax rate at the lowest amount possible while providing the highest quality of service.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Highland, PO Box 218, Highland, IL 62249.

General information relating to the City of Highland may be found at www.highlandil.gov.



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Highland
Highland, IL 62249

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, Illinois, as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Highland, IL's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, Illinois, as of April 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Highland, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Highland, Illinois's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Reporting on Prior Period Information

The prior year partial comparative information has been derived from the City of Highland's 2022 financial statements, and in our report dated November 21, 2022, we expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024, on our consideration of the City of Highland, Illinois's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Highland, Illinois's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Highland, Illinois internal control over financial reporting and compliance.

Schaffel Boyle
Highland, IL
January 19, 2024



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

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

To the City Council
City of Highland, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, Illinois as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Highland, Illinois's basic financial statements and have issued our report thereon dated January 19, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-1 and 2023-2 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City of Highland, Illinois's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Highland, Illinois's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Highland, Illinois's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Schuyler Boyle

Highland, IL
January 19, 2024



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Highland, IL

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Highland, Illinois's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Highland, Illinois's major federal programs for the year ended April 30, 2023. City of Highland, Illinois's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Highland, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Highland, Illinois and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Highland, Illinois's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Highland, Illinois's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Highland, Illinois's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Highland, Illinois's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Highland, Illinois's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Highland, Illinois's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Highland, Illinois's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Scheffel Boyle

Highland, IL

January 19, 2024

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION

ASSETS	PRIMARY GOVERNMENT						COMPONENT UNIT INDUSTRIAL DEVELOPMENT COMMISSION
	GOVERNMENTAL ACTIVITIES APRIL 30,		BUSINESS-TYPE ACTIVITIES APRIL 30,		TOTAL APRIL 30,		
	2023	2022	2023	2022	2023	2022	
Current Assets:							
Cash and Investments	\$ 20,409,112	\$ 16,704,156	\$ 10,684,562	\$ 9,803,866	\$ 31,093,674	\$ 26,508,022	\$ 52,520
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	4,569,427	4,202,414			4,569,427	4,202,414	
Replacement Tax Receivable	113,040	126,355			113,040	126,355	
Accounts Receivable	1,136,589	696,101	922,727	779,186	2,059,316	1,475,287	
Income Tax Receivable	419,104	473,518			419,104	473,518	
Sales Tax Receivable	962,968	882,869			962,968	882,869	
Unbilled Receivable			1,564,515	1,609,313	1,564,515	1,609,313	
Other	132,949	128,099	31,875	34,351	164,824	162,450	
Prepaid Expenses	299,046	282,628	225,438	232,730	524,484	515,358	
Restricted Assets:							
Cash and Investments	478,992	339,491	1,599,122	1,584,701	2,078,114	1,924,192	
Long-Term Assets:							
Capital Assets (Net of Accumulated Depreciation)	38,772,394	40,738,274	44,579,475	43,850,055	83,351,869	84,588,329	
Land	8,873,554	8,467,862	1,935,355	1,935,355	10,808,909	10,403,217	
Construction in Progress	624,313	357,935	318,919	211,572	943,232	569,507	
Right of Use Assets (Net of Accumulated Amortization)	334,440				334,440		
Net Pension Asset - IMRF and SLEP		2,922,472		1,862,912		4,785,384	
Total Assets	77,125,928	76,322,174	61,861,988	61,904,041	138,987,916	138,226,215	52,520
DEFERRED OUTFLOWS OF RESOURCES							
Related to OPEB	305,906	323,699	152,953	163,553	458,859	487,252	
Related to Pensions - IMRF and SLEP	4,639,326	1,223,730	3,237,924	832,865	7,877,250	2,056,595	
Related to Pensions - Police Pension	2,858,858	1,634,324			2,858,858	1,634,324	
Total Deferred Outflows of Resources	7,804,090	3,181,753	3,390,877	996,418	11,194,967	4,178,171	0
Total Assets and Deferred Outflows of Resources	\$ 84,930,018	\$ 79,503,927	\$ 65,252,865	\$ 62,900,459	\$ 150,182,883	\$ 142,404,386	\$ 52,520
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 305,555	\$ 404,020	\$ 1,140,797	\$ 980,683	\$ 1,446,352	\$ 1,384,703	
Accrued Salaries and Benefits	155,453	146,521	80,305	76,391	235,758	222,912	
Deferred Revenues	820,059	623,316			820,059	623,316	
Accrued Interest	128,448	129,399	64,698	67,163	193,146	196,562	
Customer Deposits			87,526	86,842	87,526	86,842	
Long-Term Liabilities:							
Portion Due or Payable Within One Year:							
Bonds Payable	511,261	524,478	935,000	910,000	1,446,261	1,434,478	
General Obligation Debt Certificates Payable	345,000	330,000			345,000	330,000	
Lease Liabilities	23,429	30,000			23,429	30,000	
Notes Payable	36,828	50,278	290,228	206,153	327,056	256,431	
General Obligation Notes Payable			166,000	160,000	166,000	160,000	
Premium on Debt	42,217	42,217	7,656	7,656	49,873	49,873	
Maintenance Agreement Payable							
Portion Due or Payable After One Year:							
Compensated Absences	654,692	688,066	306,110	344,617	960,802	1,032,683	
Net Pension Liability - IMRF and SLEP	2,281,727		1,588,914		3,870,641		
Net Pension Liability - Police Pension	7,578,118	5,507,089			7,578,118	5,507,089	
Other Post Employment Benefits Payable	1,527,387	1,526,945	763,693	771,510	2,291,080	2,298,455	
Premium on Debt	516,349	558,566	72,099	79,755	588,448	638,321	
Bonds Payable	3,312,883	3,824,144	8,410,000	9,345,000	11,722,883	13,169,144	
General Obligation Debt Certificates Payable	7,175,000	7,520,000			7,175,000	7,520,000	
Lease Liabilities	212,515	240,000			212,515	240,000	
Notes Payable	157,637		9,658,163	8,449,823	9,815,800	8,449,823	
General Obligation Notes Payable			821,000	987,000	821,000	987,000	
Long-Term Accrued Interest	1,026,767	1,089,802			1,026,767	1,089,802	
Total Liabilities	26,811,325	23,234,841	24,392,189	22,472,593	51,203,514	45,707,434	0
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes	4,569,427	4,202,414			4,569,427	4,202,414	
Related to OPEB	518,217	449,568	259,108	227,149	777,325	676,717	
Related to Pensions - IMRF and SLEP	2,546,077	4,006,681	1,798,428	2,590,048	4,344,505	6,596,729	
Related to Pensions - Police Pension	2,632,070	3,312,726			2,632,070	3,312,726	
Total Deferred Inflows of Resources	10,265,791	11,971,389	2,057,536	2,817,197	12,323,327	14,788,586	0
NET POSITION							
Invested in Capital Assets, Net of Related Debt	36,830,148	37,045,171	26,553,358	25,939,006	63,383,506	62,984,177	
Restricted for:							
Special Revenue Purposes	3,650,070	2,986,690			3,650,070	2,986,690	52,520
Capital Projects Purposes	956,257	718,524			956,257	718,524	
Other Purposes	336,709	324,573			336,709	324,573	
Long-Term Debt	494,515	310,619	1,599,122	1,584,701	2,093,637	1,895,320	
Unrestricted	5,585,203	2,912,120	10,650,660	10,086,962	16,235,863	12,999,082	
Total Net Position	47,852,902	44,297,697	38,803,140	37,610,669	86,656,042	81,908,366	52,520
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 84,930,018	\$ 79,503,927	\$ 65,252,865	\$ 62,900,459	\$ 150,182,883	\$ 142,404,386	\$ 52,520

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 2,131,249	\$ 1,572,926			\$ (558,323)		\$ (558,323)	
Public Safety	7,654,628	2,625,772	\$ 458,586		(4,570,270)		(4,570,270)	
Highways and Streets	3,221,759	7,200		\$ 300,000	(2,914,559)		(2,914,559)	
Culture and Recreation	3,445,265	1,014,338	116,348	6,320	(2,308,259)		(2,308,259)	
Economic Development	633,957				(633,957)		(633,957)	
Employer's Contribution to Retirement Fund	833,933				(833,933)		(833,933)	
Interest on Long-Term Debt	409,381				(409,381)		(409,381)	
Total Governmental Activities	18,330,172	5,220,236	574,934	306,320	(12,228,682)	\$ 0	(12,228,682)	\$ 0
Business-Type Activities:								
Electric	17,624,532	17,547,431				(77,101)	(77,101)	
Water	2,902,828	2,855,241				(47,587)	(47,587)	
Sewer	2,110,035	2,499,571		336,916		726,452	726,452	
Solid Waste	1,847,114	2,061,275				214,161	214,161	
Total Business-Type Activities	24,484,509	24,963,518	0	336,916	0	815,925	815,925	0
Total Primary Government	\$ 42,814,681	\$ 30,183,754	\$ 574,934	\$ 643,236	(12,228,682)	815,925	(11,412,757)	0
Component Unit:								
Industrial Development								(4,025)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					4,300,234		4,300,234	
Intergovernmental					9,564,859		9,564,859	
Motor Fuel Taxes					515,795		515,795	
Gain on Disposal of Capital Assets					103,614	85,000	188,614	
Unrealized Depreciation of Investments					(655)		(655)	
Interest and Miscellaneous Income					1,300,040	291,546	1,591,586	
Total General Revenues					15,783,887	376,546	16,160,433	0
Change in Net Position					3,555,205	1,192,471	4,747,676	(4,025)
Net Position Beginning - Restated					44,297,697	37,610,669	81,908,366	56,545
Net Position Ending					\$ 47,852,902	\$ 38,803,140	\$ 86,656,042	\$ 52,520

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 1,696,622	\$ 1,856,360			\$ 159,738		\$ 159,738	
Public Safety	6,080,225	1,783,408	\$ 73,562		(4,223,255)		(4,223,255)	
Highways and Streets	2,987,824	7,200		\$ 367,618	(2,613,006)		(2,613,006)	
Culture and Recreation	2,763,616	875,598	73,901	20,081	(1,794,036)		(1,794,036)	
Economic Development	523,320				(523,320)		(523,320)	
Employer's Contribution to Retirement Fund	903,393				(903,393)		(903,393)	
Interest on Long-Term Debt	437,074				(437,074)		(437,074)	
Total Governmental Activities	15,392,074	4,522,566	147,463	387,699	(10,334,346)	\$ 0	(10,334,346)	\$ 0
Business-Type Activities:								
Electric	17,305,096	17,776,018				470,922	470,922	
Water	2,624,263	2,777,768				153,505	153,505	
Sewer	2,021,169	2,478,461				457,292	457,292	
Solid Waste	1,924,023	1,908,079				(15,944)	(15,944)	
Total Business-Type Activities	23,874,551	24,940,326	0	0	0	1,065,775	1,065,775	0
Total Primary Government	\$ 39,266,625	\$ 29,462,892	\$ 147,463	\$ 387,699	(10,334,346)	1,065,775	(9,268,571)	0
Component Unit								
Industrial Development								(1,000)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					4,215,846		4,215,846	
Intergovernmental					9,167,431		9,167,431	
Motor Fuel Taxes					412,171		412,171	
Gain (Loss) on Disposal of Capital Assets					(92,622)	28,175	(64,447)	
Unrealized Depreciation of Investments					(39,669)		(39,669)	
Interest and Miscellaneous Income					913,859	293,982	1,207,841	
Transfers					78,000	(78,000)		
Total General Revenues					14,655,016	244,157	14,899,173	0
Change in Net Position					4,320,670	1,309,932	5,630,602	(1,000)
Net Position Beginning - Restated					39,977,027	36,300,737	76,277,764	57,545
Net Position Ending					\$ 44,297,697	\$ 37,610,669	\$ 81,908,366	\$ 56,545

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
GOVERNMENTAL FUNDS
APRIL 30, 2023

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
<u>ASSETS</u>							
Cash and Investments	\$ 2,853,649	\$ 8,364,981	\$ 496,492	\$ 831,555	\$ 7,862,435	\$ 20,409,112	\$ 52,520
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,577,584		558,848		2,432,995	4,569,427	
Replacement Tax Receivable	80,609		11,971		20,460	113,040	
Accounts Receivable	53,376		1,083,213			1,136,589	
Income Tax Receivable	419,104					419,104	
Sales Tax Receivable	544,624			124,702	293,642	962,968	
Other	56,472	23,525	1,396		51,556	132,949	
Due from Other Fund	8,887	620,000				628,887	
Prepaid Expenses	74,548		5,014		219,484	299,046	
Restricted Cash					478,992	478,992	
Total Assets	\$ 5,668,853	\$ 9,008,506	\$ 2,156,934	\$ 956,257	\$ 11,359,564	\$ 29,150,114	\$ 52,520
<u>LIABILITIES</u>							
Accounts Payable	\$ 193,475		\$ 8,957		\$ 103,123	\$ 305,555	
Accrued Salaries and Benefits	110,227		26,424		18,802	155,453	
Deferred Revenues					820,059	820,059	
Due to Other Fund	355,000				273,887	628,887	
Total Liabilities	658,702	\$ 0	35,381	\$ 0	1,215,871	1,909,954	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	1,577,584	0	558,848	0	2,432,995	4,569,427	0
<u>FUND BALANCES</u>							
Nonspendable	74,548		5,014		219,484	299,046	
Restricted	262,161			956,257	3,920,087	5,138,505	52,520
Assigned		9,008,506	1,557,691		3,642,457	14,208,654	
Unassigned	3,095,858				(71,330)	3,024,528	
Total Fund Balances	3,432,567	9,008,506	1,562,705	956,257	7,710,698	22,670,733	52,520
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 5,668,853	\$ 9,008,506	\$ 2,156,934	\$ 956,257	\$ 11,359,564	\$ 29,150,114	\$ 52,520

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
GOVERNMENTAL FUNDS
APRIL 30, 2022

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
<u>ASSETS</u>							
Cash and Investments	\$ 2,399,069	\$ 7,101,951	\$ 523,605	\$ 608,844	\$ 6,070,687	\$ 16,704,156	\$ 56,545
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,473,306		523,605		2,205,503	4,202,414	
Replacement Tax Receivable	90,100		13,382		22,873	126,355	
Accounts Receivable	35,775		660,326			696,101	
Income Tax Receivable	473,518					473,518	
Sales Tax Receivable	494,703			117,478	270,688	882,869	
Other	61,077	21,128	1,393		44,501	128,099	
Due from Other Fund	7,231	627,500				634,731	
Prepaid Expenses	80,176		4,598		197,854	282,628	
Restricted Cash					339,491	339,491	
Total Assets	\$ 5,114,955	\$ 7,750,579	\$ 1,726,909	\$ 726,322	\$ 9,151,597	\$ 24,470,362	\$ 56,545
<u>LIABILITIES</u>							
Accounts Payable	\$ 190,332		\$ 113,057	\$ 7,798	\$ 92,833	\$ 404,020	
Accrued Salaries and Benefits	99,157		28,601		18,763	146,521	
Deferred Revenues					623,316	623,316	
Due to Other Fund	355,000				279,731	634,731	
Total Liabilities	644,489	\$ 0	141,658	7,798	1,014,643	1,808,588	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	1,473,306	0	523,605	0	2,205,503	4,202,414	0
<u>FUND BALANCES</u>							
Nonspendable	80,176		4,598		197,854	282,628	
Restricted	244,397			718,524	3,094,857	4,057,778	56,545
Assigned		7,750,579	1,057,048		2,702,977	11,510,604	
Unassigned	2,672,587				(64,237)	2,608,350	
Total Fund Balances	2,997,160	7,750,579	1,061,646	718,524	5,931,451	18,459,360	56,545
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 5,114,955	\$ 7,750,579	\$ 1,726,909	\$ 726,322	\$ 9,151,597	\$ 24,470,362	\$ 56,545

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
RECONCILIATIONS OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION
APRIL 30, 2023
WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2022

	2023	2022
Total fund balances for governmental funds	\$ 22,670,733	\$ 18,459,360
Total net position reported for governmental activities in the statements of net position is different because:		
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 8,873,554	\$ 8,467,862
Construction in progress	624,313	357,935
Infrastructure, net of accumulated depreciation	20,166,639	21,567,038
Buildings and improvements, net of accumulated depreciation	11,179,781	11,613,099
Other improvements, net of accumulated depreciation	5,621,505	6,241,094
Equipment, net of accumulated depreciation	1,804,469	1,317,043
	48,270,261	49,564,071
Right of Use Assets, net of accumulated amortization used in governmental activities are not financial resources and therefore are not reported in the funds.	334,440	-
Deferred outflows and inflows of resources related to defined benefit pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	7,498,184	2,858,054
Deferred inflows of resources related to pensions	(5,178,147)	(7,319,407)
Deferred outflows and inflows of resources related to defined benefit OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to OPEB	305,906	323,699
Deferred inflows of resources related to OPEB	(518,217)	(449,568)
Certain liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (both current and long-term) are reported in the statement of net position. Those liabilities consist of:		
Accrued interest	\$ (1,155,215)	\$ (1,219,201)
Bonds and Notes Payable	(4,018,609)	(4,398,900)
Lease Liabilities	(235,944)	(270,000)
Debt Certificates Payable	(7,520,000)	(7,850,000)
Debt premium, net of accumulated amortization	(558,566)	(600,783)
Net pension asset	-	2,922,472
Net pension liability	(9,859,845)	(5,507,089)
Other post employment benefits	(1,527,387)	(1,526,945)
Compensated absences	(654,692)	(688,066)
	(25,530,258)	(19,138,512)
Total net position of governmental activities	\$ 47,852,902	\$ 44,297,697

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	PRIMARY GOVERNMENT					TOTAL GOVERNMENTAL FUNDS	COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS		INDUSTRIAL DEVELOPMENT COMMISSION
Revenues:							
General Property Taxes	\$ 1,578,840		\$ 521,704		\$ 2,199,690	\$ 4,300,234	
Corporate Personal Property Replacement Taxes	423,868		59,724		110,351	593,943	
Intergovernmental	5,808,151		373,449	\$ 839,321	1,949,995	8,970,916	
Motor Fuel Taxes					515,795	515,795	
Charges for Services	2,274,977		2,545,625		29,157	4,849,759	
Licenses, Permits and Other Taxes	248,515					248,515	
Fines and Forfeitures	15,753				702	16,455	
Revenue from Use of Property	105,507					105,507	
Grants and Contributions	133,868				747,386	881,254	
Miscellaneous and Interest Income	1,035,948	\$ 50,927	26,669	3,315	183,181	1,300,040	
Total Revenues	<u>11,625,427</u>	<u>50,927</u>	<u>3,527,171</u>	<u>842,636</u>	<u>5,736,257</u>	<u>21,782,418</u>	<u>\$ 0</u>
Expenditures:							
Current-							
General Government	1,560,264				341,855	1,902,119	
Public Safety	4,003,950		2,994,596			6,998,546	
Highways and Streets	1,072,865				310,217	1,383,082	
Culture and Recreation	2,379,043				508,601	2,887,644	
Economic Development	274,914			16,468	21,298	312,680	4,025
Employer's Contribution to Retirement Fund					833,933	833,933	
Capital Outlay	742,610		204,421	20,710	1,146,600	2,114,341	
Debt Service Expenditures-							
Debt Issue Costs and Fees					100	100	
Principal Retirement	22,794		50,278	330,000	524,478	927,550	
Interest and Fixed Charges	7,206		1,282	237,725	269,273	515,486	
Total Expenditures	<u>10,063,646</u>	<u>0</u>	<u>3,250,577</u>	<u>604,903</u>	<u>3,956,355</u>	<u>17,875,481</u>	<u>4,025</u>
Excess of Revenues Over Expenditures	<u>1,561,781</u>	<u>50,927</u>	<u>276,594</u>	<u>237,733</u>	<u>1,779,902</u>	<u>3,906,937</u>	<u>(4,025)</u>
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets	80,626		30,000			110,626	
Debt Proceeds			194,465			194,465	
Unrealized Depreciation of Investments					(655)	(655)	
Operating Transfers In	21,000	1,228,000				1,249,000	
Operating Transfers Out	(1,228,000)	(21,000)				(1,249,000)	
Total Other Financing Sources (Uses)	<u>(1,126,374)</u>	<u>1,207,000</u>	<u>224,465</u>	<u>0</u>	<u>(655)</u>	<u>304,436</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>435,407</u>	<u>1,257,927</u>	<u>501,059</u>	<u>237,733</u>	<u>1,779,247</u>	<u>4,211,373</u>	<u>(4,025)</u>
Fund Balance, Beginning of Year	<u>2,997,160</u>	<u>7,750,579</u>	<u>1,061,646</u>	<u>718,524</u>	<u>5,931,451</u>	<u>18,459,360</u>	<u>56,545</u>
Fund Balance, End of Year	<u>\$ 3,432,567</u>	<u>\$ 9,008,506</u>	<u>\$ 1,562,705</u>	<u>\$ 956,257</u>	<u>\$ 7,710,698</u>	<u>\$ 22,670,733</u>	<u>\$ 52,520</u>

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	PRIMARY GOVERNMENT					COMPONENT UNIT	
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
Revenues:							
General Property Taxes	\$ 1,542,062		\$ 510,088		\$ 2,163,696	\$ 4,215,846	
Corporate Personal Property Replacement Taxes	375,990		52,654		98,268	526,912	
Intergovernmental	5,601,429		357,493	\$ 807,376	1,874,221	8,640,519	
Motor Fuel Taxes					412,171	412,171	
Charges for Services	2,384,612		1,717,718		27,748	4,130,078	
Licenses, Permits and Other Taxes	277,883					277,883	
Fines and Forfeitures	20,452				1,330	21,782	
Revenue from Use of Property	92,823					92,823	
Grants and Contributions	63,316				471,846	535,162	
Miscellaneous and Interest Income	439,233	\$ 93,871	27,923	16,685	336,147	913,859	
Total Revenues	<u>10,797,800</u>	<u>93,871</u>	<u>2,665,876</u>	<u>824,061</u>	<u>5,385,427</u>	<u>19,767,035</u>	<u>\$ 0</u>
Expenditures:							
Current-							
General Government	1,435,156				339,418	1,774,574	
Public Safety	3,641,775		2,632,058			6,273,833	
Highways and Streets	1,122,579				289,213	1,411,792	
Culture and Recreation	2,079,412				372,862	2,452,274	
Economic Development	207,116			14,598	92,514	314,228	1,000
Employer's Contribution to Retirement Fund					903,393	903,393	
Capital Outlay	1,208,958			3,253,980	593,996	5,056,934	
Debt Service Expenditures-							
Principal Retirement	72,421		49,027	320,000	566,035	1,007,483	
Interest and Fixed Charges	521		2,498	250,525	257,315	510,859	
Total Expenditures	<u>9,767,938</u>	<u>0</u>	<u>2,683,583</u>	<u>3,839,103</u>	<u>3,414,746</u>	<u>19,705,370</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,029,862</u>	<u>93,871</u>	<u>(17,707)</u>	<u>(3,015,042)</u>	<u>1,970,681</u>	<u>61,665</u>	<u>(1,000)</u>
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets	4,855					4,855	
Unrealized Depreciation of Investments					(39,669)	(39,669)	
Operating Transfers In	461,905	1,024,000	97,000	370,615	15,000	1,968,520	
Operating Transfers Out	(1,409,615)	(392,000)			(88,905)	(1,890,520)	
Total Other Financing Sources (Uses)	<u>(942,855)</u>	<u>632,000</u>	<u>97,000</u>	<u>370,615</u>	<u>(113,574)</u>	<u>43,186</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>87,007</u>	<u>725,871</u>	<u>79,293</u>	<u>(2,644,427)</u>	<u>1,857,107</u>	<u>104,851</u>	<u>(1,000)</u>
Fund Balance, Beginning of Year	<u>2,910,153</u>	<u>7,024,708</u>	<u>982,353</u>	<u>3,362,951</u>	<u>4,074,344</u>	<u>18,354,509</u>	<u>57,545</u>
Fund Balance, End of Year	<u>\$ 2,997,160</u>	<u>\$ 7,750,579</u>	<u>\$ 1,061,646</u>	<u>\$ 718,524</u>	<u>\$ 5,931,451</u>	<u>\$ 18,459,360</u>	<u>\$ 56,545</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
 RECONCILIATIONS OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2023
 WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2022

	2023	2022
Net change in fund balances - total governmental funds	\$ 4,211,373	\$ 104,851
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation expense.	(914,496)	2,071,667
Governmental funds report lease payments as expenditures while governmental activities report amortization expense on Right of Use Assets and interest expense on the lease liability to allocate those expenditures over the term of the lease. This is the amount by which the amortization and interest expense exceeds the lease payments in the current period.	(26,598)	-
In the governmental funds, debt premiums are amortized over the life of the debt and this amortization reduces the amount of interest expense recorded on the debt. This is the amount by which the amortization of debt premiums were over (under) debt premiums.	42,217	42,217
In the statement of activities, only the gain on the disposal of the capital assets is reported, whereas, in the governmental funds, the proceeds from the sale increase the financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.	(7,012)	(97,480)
Proceeds from new notes payable and debt certificates payable are recorded as revenues in the governmental funds but increase liabilities in the statement of net position.	(194,465)	-
Some expenses, including accrued interest, OPEB, and compensated absences, reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	10,476	(32,337)
Governmental funds report defined benefit pension contributions as expenditures. However in the Statement of Activities, the cost of defined benefit pension benefits earned net of employee contributions is reported as pension expense.	(493,840)	1,224,269
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	927,550	1,007,483
Change in net position of governmental activities	\$ 3,555,205	\$ 4,320,670

CITY OF HIGHLAND, ILLINOIS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
APRIL 30, 2023

<u>ASSETS</u>	<u>LIGHT AND POWER</u>	<u>WATER</u>	<u>SEWER</u>	<u>SOLID WASTE</u>	<u>TOTALS</u>
Current Assets:					
Cash and Investments	\$ 736,282	\$ 4,676,383	\$ 4,588,091	\$ 683,806	\$ 10,684,562
Receivables:					
Accounts, Net	598,989	98,955	94,364	130,419	922,727
Unbilled Receivable	979,731	234,563	193,234	156,987	1,564,515
Other Receivable	2,354	13,151	14,447	1,923	31,875
Prepaid Expenses	153,854	37,849	33,735		225,438
Total Current Assets	<u>2,471,210</u>	<u>5,060,901</u>	<u>4,923,871</u>	<u>973,135</u>	<u>13,429,117</u>
Restricted Assets:					
Cash and Investments	1,053,497		545,625		1,599,122
Long-Term Assets:					
Capital Assets (Net of Accumulated Depreciation)	21,470,734	7,099,092	16,009,649		44,579,475
Land	1,477,504	407,708	50,143		1,935,355
Construction in Progress	256,995		61,924		318,919
Total Long-Term Assets	<u>23,205,233</u>	<u>7,506,800</u>	<u>16,121,716</u>	<u>0</u>	<u>46,833,749</u>
Total Assets	<u>26,729,940</u>	<u>12,567,701</u>	<u>21,591,212</u>	<u>973,135</u>	<u>61,861,988</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to OPEB	93,858	38,238	20,857		152,953
Related to Pensions - IMRF	2,033,285	752,329	452,310		3,237,924
Total Deferred Outflows of Resources	<u>2,127,143</u>	<u>790,567</u>	<u>473,167</u>	<u>0</u>	<u>3,390,877</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 28,857,083</u>	<u>\$ 13,358,268</u>	<u>\$ 22,064,379</u>	<u>\$ 973,135</u>	<u>\$ 65,252,865</u>
<u>LIABILITIES</u>					
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 722,235	\$ 102,221	\$ 259,092	\$ 57,249	\$ 1,140,797
Accrued Interest Payable		3,019	6,635		9,654
Current Portion Notes Payable			290,228		290,228
Current Portion General Obligation Notes Payable		166,000			166,000
Accrued Salaries and Benefits	47,605	20,429	12,271		80,305
Premium on Revenue Bonds			7,656		7,656
Total Current Liabilities (Payable from Current Assets)	<u>769,840</u>	<u>291,669</u>	<u>575,882</u>	<u>57,249</u>	<u>1,694,640</u>
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	87,526				87,526
Current Portion Revenue Bonds	790,000		145,000		935,000
Accrued Interest on Revenue Bonds	55,044				55,044
Total Current Liabilities (Payable from Restricted Assets)	<u>932,570</u>	<u>0</u>	<u>145,000</u>	<u>0</u>	<u>1,077,570</u>
Long-Term Liabilities:					
Premium on Revenue Bonds			72,099		72,099
Revenue Bonds (Net of Current Portion)	6,855,000		1,555,000		8,410,000
Notes Payable (Net of Current Portion)			9,658,163		9,658,163
General Obligation Notes Payable (Net of Current Portion)		821,000			821,000
Compensated Absences	177,231	82,084	46,795		306,110
Net Pension Liability	997,773	369,183	221,958		1,588,914
Other Post Employment Benefits Payable	468,630	190,923	104,140		763,693
Total Long-Term Liabilities	<u>8,498,634</u>	<u>1,463,190</u>	<u>11,658,155</u>	<u>0</u>	<u>21,619,979</u>
Total Liabilities	<u>10,201,044</u>	<u>1,754,859</u>	<u>12,379,037</u>	<u>57,249</u>	<u>24,392,189</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to OPEB	158,998	64,777	35,333		259,108
Related to Pensions - IMRF	1,129,340	417,863	251,225		1,798,428
Total Deferred Inflows of Resources	<u>1,288,338</u>	<u>482,640</u>	<u>286,558</u>	<u>0</u>	<u>2,057,536</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets, Net of Related Debt	15,560,233	6,519,800	4,473,325		26,553,358
Restricted For Long Term Debt	1,053,497		545,625		1,599,122
Unrestricted	753,971	4,600,969	4,379,834	915,886	10,650,660
Total Net Position	<u>17,367,701</u>	<u>11,120,769</u>	<u>9,398,784</u>	<u>915,886</u>	<u>38,803,140</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 28,857,083</u>	<u>\$ 13,358,268</u>	<u>\$ 22,064,379</u>	<u>\$ 973,135</u>	<u>\$ 65,252,865</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
APRIL 30, 2022

<u>ASSETS</u>	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Current Assets:					
Cash and Investments	\$ 809,304	\$ 4,224,136	\$ 4,194,229	\$ 576,197	\$ 9,803,866
Receivables:					
Accounts, Net	491,108	89,857	88,565	109,656	779,186
Unbilled Receivable	1,020,636	230,269	202,888	155,520	1,609,313
Other Receivable	3,146	13,835	15,488	1,882	34,351
Prepaid Expenses	157,583	39,622	35,525		232,730
Total Current Assets	2,481,777	4,597,719	4,536,695	843,255	12,459,446
Restricted Assets:					
Cash and Investments	1,043,012		541,689		1,584,701
Long-Term Assets:					
Capital Assets (Net of Accumulated Depreciation)	22,084,019	7,514,615	14,251,421		43,850,055
Land	1,477,504	407,708	50,143		1,935,355
Construction in Progress	159,391	-	52,181		211,572
Net Pension Assets - IMRF	1,167,791	599,051	96,070		1,862,912
Total Long-Term Assets	24,888,705	8,521,374	14,449,815	0	47,859,894
Total Assets	28,413,494	13,119,093	19,528,199	843,255	61,904,041
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to OPEB	102,221	37,481	23,851		163,553
Related to Pensions - IMRF	532,907	274,815	25,143		832,865
Total Deferred Outflows of Resources	635,128	312,296	48,994	0	996,418
Total Assets and Deferred Outflows of Resources	\$ 29,048,622	\$ 13,431,389	\$ 19,577,193	\$ 843,255	\$ 62,900,459
<u>LIABILITIES</u>					
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 759,687	\$ 33,606	\$ 36,079	\$ 151,311	\$ 980,683
Accrued Interest Payable		3,508	3,067		6,575
Current Portion Note Payable			206,153		206,153
Current Portion General Obligation Note Payable		160,000			160,000
Accrued Salaries and Benefits	45,746	18,831	11,814		76,391
Premium on Revenue Bonds			7,656		7,656
Total Current Liabilities (Payable from Current Assets)	805,433	215,945	264,769	151,311	1,437,458
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	86,842				86,842
Current Portion Revenue Bonds			140,000		140,000
Accrued Interest on Revenue Bonds	60,588				60,588
Total Current Liabilities (Payable from Restricted Assets)	917,430	0	140,000	0	1,057,430
Long-Term Liabilities:					
Premium on Revenue Bonds			79,755		79,755
Revenue Bonds (Net of Current Portion)	7,645,000		1,700,000		9,345,000
Note Payable (Net of Current Portion)			8,449,823		8,449,823
General Obligation Note Payable (Net of Current Portion)		987,000			987,000
Compensated Absences	189,879	86,881	67,857		344,617
Other Post Employment Benefits Payable	482,194	176,804	112,512		771,510
Total Long-Term Liabilities	8,317,073	1,250,685	10,409,947	0	19,977,705
Total Liabilities	10,039,936	1,466,630	10,814,716	151,311	22,472,593
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to OPEB	141,968	52,055	33,126		227,149
Related to Pensions - IMRF	1,623,605	832,874	133,569		2,590,048
Total Deferred Inflows of Resources	1,765,573	884,929	166,695	0	2,817,197
<u>NET POSITION</u>					
Net Investment in Capital Assets, Net of Related Debt	15,305,914	6,775,323	3,857,769		25,939,006
Restricted for Long Term Debt	1,043,012		541,689		1,584,701
Unrestricted	894,187	4,304,507	4,196,324	691,944	10,086,962
Total Net Position	17,243,113	11,079,830	8,595,782	691,944	37,610,669
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 29,048,622	\$ 13,431,389	\$ 19,577,193	\$ 843,255	\$ 62,900,459

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 17,535,656	\$ 2,833,681	\$ 2,463,857	\$ 2,061,275	\$ 24,894,469
Connection Fees	11,775	21,560	35,714		69,049
Total Operating Revenues	<u>17,547,431</u>	<u>2,855,241</u>	<u>2,499,571</u>	<u>2,061,275</u>	<u>24,963,518</u>
Operating Expenses:					
Personnel Services	2,721,388	1,162,657	663,070		4,547,115
Contractual Services	3,222,760	384,493	406,291	1,844,564	5,858,108
Purchase Power (Less Generating Capacity Credit)	9,502,401				9,502,401
Supplies and Materials	412,538	397,240	162,626	2,550	974,954
Utilities	113,652	161,040	142,287		416,979
Depreciation and Amortization	1,475,273	757,242	582,768		2,815,283
Total Operating Expenses	<u>17,448,012</u>	<u>2,862,672</u>	<u>1,957,042</u>	<u>1,847,114</u>	<u>24,114,840</u>
Operating Income (Loss)	<u>99,419</u>	<u>(7,431)</u>	<u>542,529</u>	<u>214,161</u>	<u>848,678</u>
Non-Operating Revenues (Expenses):					
Interest Income	19,804	31,377	33,018	4,397	88,596
Grant Revenue			336,916		336,916
Miscellaneous Revenues	121,885	57,149	18,532	5,384	202,950
Gain on Sale of Assets	60,000		25,000		85,000
Interest Expense	(176,220)	(40,156)	(152,743)		(369,119)
Service Charges	(300)		(250)		(550)
Total Non-Operating Revenues (Expenses)	<u>25,169</u>	<u>48,370</u>	<u>260,473</u>	<u>9,781</u>	<u>343,793</u>
Increase in Net Position	124,588	40,939	803,002	223,942	1,192,471
Total Net Position, Beginning of Year	<u>17,243,113</u>	<u>11,079,830</u>	<u>8,595,782</u>	<u>691,944</u>	<u>37,610,669</u>
Total Net Position, End of Year	<u>\$ 17,367,701</u>	<u>\$ 11,120,769</u>	<u>\$ 9,398,784</u>	<u>\$ 915,886</u>	<u>\$ 38,803,140</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 17,762,433	\$ 2,752,718	\$ 2,424,890	\$ 1,908,079	\$ 24,848,120
Connection Fees	13,585	25,050	53,571		92,206
Total Operating Revenues	<u>17,776,018</u>	<u>2,777,768</u>	<u>2,478,461</u>	<u>1,908,079</u>	<u>24,940,326</u>
Operating Expenses:					
Personnel Services	1,980,547	867,717	513,623		3,361,887
Contractual Services	3,225,486	487,315	475,052	1,899,134	6,086,987
Purchase Power (Less Generating Capacity Credit)	9,664,398				9,664,398
Supplies and Materials	443,714	324,289	125,473	24,889	918,365
Utilities	115,140	158,734	142,242		416,116
Depreciation and Amortization	1,682,875	740,327	601,809		3,025,011
Total Operating Expenses	<u>17,112,160</u>	<u>2,578,382</u>	<u>1,858,199</u>	<u>1,924,023</u>	<u>23,472,764</u>
Operating Income (Loss)	<u>663,858</u>	<u>199,386</u>	<u>620,262</u>	<u>(15,944)</u>	<u>1,467,562</u>
Non-Operating Revenues (Expenses):					
Interest Income	11,165	64,077	69,359	6,789	151,390
Miscellaneous Revenues	90,465	42,659	8,000	1,468	142,592
Gain (Loss) on Sale of Assets	32,010		(3,835)		28,175
Interest Expense	(192,636)	(45,881)	(162,970)		(401,487)
Service Charges	(300)				(300)
Total Non-Operating Revenues (Expenses)	<u>(59,296)</u>	<u>60,855</u>	<u>(89,446)</u>	<u>8,257</u>	<u>(79,630)</u>
Income (Loss) Before Operating Transfers	604,562	260,241	530,816	(7,687)	1,387,932
Operating Transfers:					
Transfers Out	(61,245)	(9,622)	(7,133)		(78,000)
Total Operating Transfers	<u>(61,245)</u>	<u>(9,622)</u>	<u>(7,133)</u>	<u>0</u>	<u>(78,000)</u>
Increase (Decrease) in Net Position	543,317	250,619	523,683	(7,687)	1,309,932
Total Net Position, Beginning of Year	<u>16,699,796</u>	<u>10,829,211</u>	<u>8,072,099</u>	<u>699,631</u>	<u>36,300,737</u>
Total Net Position, End of Year	<u>\$ 17,243,113</u>	<u>\$ 11,079,830</u>	<u>\$ 8,595,782</u>	<u>\$ 691,944</u>	<u>\$ 37,610,669</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 17,606,753	\$ 2,900,771	\$ 2,523,748	\$ 2,044,429	\$ 25,075,701
Cash Payments for Goods and Services	(13,289,103)	(874,158)	(496,097)	(1,941,176)	(16,600,534)
Cash Payments to Employees	(2,549,427)	(1,064,063)	(678,329)		(4,291,819)
Net Cash Provided by Operating Activities	<u>1,768,223</u>	<u>962,550</u>	<u>1,349,322</u>	<u>103,253</u>	<u>4,183,348</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Paid	(181,764)	(40,645)	(149,175)		(371,584)
Proceeds Received from Grants			336,916		336,916
Cash Paid for Capital Assets	(959,592)	(341,719)	(2,350,739)		(3,652,050)
Proceeds from Sale of Capital Assets	60,000		25,000		85,000
Proceeds from Loans			1,706,143		1,706,143
Repayments of Loans	(770,000)	(160,000)	(553,728)		(1,483,728)
Net Cash Used by Capital and Related Financing Activities	<u>(1,851,356)</u>	<u>(542,364)</u>	<u>(985,583)</u>	<u>0</u>	<u>(3,379,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Receipts of Interest	<u>20,596</u>	<u>32,061</u>	<u>34,059</u>	<u>4,356</u>	<u>91,072</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(62,537)	452,247	397,798	107,609	895,117
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,852,316	4,224,136	4,735,918	576,197	11,388,567
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,789,779</u>	<u>\$ 4,676,383</u>	<u>\$ 5,133,716</u>	<u>\$ 683,806</u>	<u>\$ 12,283,684</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	<u>\$ 99,419</u>	<u>\$ (7,431)</u>	<u>\$ 542,529</u>	<u>\$ 214,161</u>	<u>\$ 848,678</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation and Amortization Expense	1,475,273	757,242	582,768		2,815,283
Miscellaneous Revenues	121,885	57,149	18,532	5,384	202,950
Service Charges	(300)		(250)		(550)
Amortization of Bond Premium			(7,656)		(7,656)
Increase in Accounts Receivables	(107,881)	(9,098)	(5,799)	(20,763)	(143,541)
(Increase) Decrease in Unbilled Receivables	40,905	(4,294)	9,654	(1,467)	44,798
Decrease in Other Current Assets	3,729	1,773	1,790		7,292
Decrease in Net Pension Asset	1,167,791	599,051	96,070		1,862,912
(Increase) Decrease in Deferred Outflows Related to OPEB	8,363	(757)	2,994		10,600
Increase in Deferred Outflows Related to Pensions	(1,500,378)	(477,514)	(427,167)		(2,405,059)
Increase (Decrease) in Accounts Payable	(37,452)	68,615	223,013	(94,062)	160,114
Increase in Accrued Salaries and Benefits	1,859	1,598	457		3,914
Decrease in Compensated Absences	(12,648)	(4,797)	(21,062)		(38,507)
Increase in Customer Deposits	684				684
Increase (Decrease) in Other Post Employment Benefits	(13,564)	14,119	(8,372)		(7,817)
Increase in Net Pension Liability	997,773	369,183	221,958		1,588,914
Increase in Deferred Inflows Related to OPEB	17,030	12,722	2,207		31,959
Increase (Decrease) in Deferred Inflows Related to Pensions	(494,265)	(415,011)	117,656		(791,620)
Total Adjustments	<u>1,668,804</u>	<u>969,981</u>	<u>806,793</u>	<u>(110,908)</u>	<u>3,334,670</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,768,223</u>	<u>\$ 962,550</u>	<u>\$ 1,349,322</u>	<u>\$ 103,253</u>	<u>\$ 4,183,348</u>

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2022

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 18,045,897	\$ 2,838,469	\$ 2,497,908	\$ 1,882,399	\$ 25,264,673
Cash Payments for Goods and Services	(13,577,514)	(1,008,824)	(760,128)	(1,924,023)	(17,270,489)
Cash Payments to Employees	(2,403,810)	(1,036,664)	(640,372)		(4,080,846)
Net Cash Provided (Used) by Operating Activities	<u>2,064,573</u>	<u>792,981</u>	<u>1,097,408</u>	<u>(41,624)</u>	<u>3,913,338</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfer from Other Funds	(61,245)	(9,622)	(7,133)		(78,000)
Net Cash Used by Non-Capital Financing Activities	<u>(61,245)</u>	<u>(9,622)</u>	<u>(7,133)</u>	<u>0</u>	<u>(78,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Paid	(198,072)	(46,352)	(165,918)		(410,342)
Cash Paid for Capital Assets	(537,445)	(694,757)	(72,850)		(1,305,052)
Proceeds from the Sale of Capital Assets	32,010				32,010
Proceeds from Loans			1,987,000		1,987,000
Cash Paid for Bond Premium			(15,924)		(15,924)
Proceeds from Bond Premium			91,878		91,878
Repayments of Loans	(755,000)	(154,000)	(2,540,079)		(3,449,079)
Net Cash Used by Capital and Related Financing Activities	<u>(1,458,507)</u>	<u>(895,109)</u>	<u>(715,893)</u>	<u>0</u>	<u>(3,069,509)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Receipts of Interest	9,197	64,918	68,623	7,006	149,744
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	554,018	(46,832)	443,005	(34,618)	915,573
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,298,298	4,270,968	4,292,913	610,815	10,472,994
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,852,316</u>	<u>\$ 4,224,136</u>	<u>\$ 4,735,918</u>	<u>\$ 576,197</u>	<u>\$ 11,388,567</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 663,858	\$ 199,386	\$ 620,262	\$ (15,944)	\$ 1,467,562
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization Expense	1,682,875	740,327	601,809		3,025,011
Miscellaneous Revenues	90,465	42,659	8,000	1,468	142,592
Service Charges	(300)		0		(300)
Amortization of Bond Premium			(5,016)		(5,016)
(Increase) Decrease in Accounts Receivables	118,333	24,330	27,803	(6,867)	163,599
(Increase) Decrease in Unbilled Receivables	43,060	(7,658)	(17,570)	(27,938)	(10,106)
Decrease in Other Current Assets	18,021	1,370	1,214		20,605
Increase in Net Pension Asset	(937,907)	(514,868)	(24,739)		(1,477,514)
Decrease in Deferred Outflows Related to OPEB	15,161	5,559	3,538		24,258
(Increase) Decrease in Deferred Outflows Related to Pensions	163,769	(14,501)	166,512		315,780
Increase (Decrease) in Accounts Payable	(124,921)	(38,486)	(12,345)	7,657	(168,095)
Increase in Accrued Salaries and Benefits	1,405	1,409	552		3,366
Increase in Compensated Absences	27,583	2,814	3,206		33,603
Decrease in Customer Deposits	(3,555)				(3,555)
Decrease in Other Post Employment Benefits	(50,980)	(18,693)	(11,895)		(81,568)
Increase in Deferred Inflows Related to OPEB	60,968	22,355	14,226		97,549
Increase (Decrease) in Deferred Inflows Related to Pensions	296,738	346,978	(278,149)		365,567
Total Adjustments	<u>1,400,715</u>	<u>593,595</u>	<u>477,146</u>	<u>(25,680)</u>	<u>2,445,776</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,064,573</u>	<u>\$ 792,981</u>	<u>\$ 1,097,408</u>	<u>\$ (41,624)</u>	<u>\$ 3,913,338</u>

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION
FIDUCIARY FUND

		POLICEMEN'S PENSION TRUST FUND APRIL 30,	
<u>ASSETS</u>	2023	2022	
Cash		\$	397,239
Receivables:			
Property Taxes, Current Year Levy	\$	658,039	657,387
Interest Receivable		10,533	48,105
Total Receivables		<u>668,572</u>	<u>705,492</u>
Investments:			
Illinois Statewide Pension Investment Fund		12,863,606	
Certificates of Deposit and Interest Bearing Accounts		900,928	221,659
Municipal Bonds			4,700,540
Mutual Funds			8,410,410
Total Investments		<u>13,764,534</u>	<u>13,332,609</u>
Total Assets		<u>\$</u>	<u>14,433,106</u>
			<u>\$</u>
			<u>14,435,340</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Property Taxes		\$	658,039
			\$
			657,387
<u>NET POSITION</u>			
Net Position Held in Trust for Pension Benefits and Other Purposes		<u>13,775,067</u>	<u>13,777,953</u>
Total Liabilities, Deferred Inflows of Resources and Net Position		<u>\$</u>	<u>14,433,106</u>
			<u>\$</u>
			<u>14,435,340</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF CHANGES IN NET POSITION
FIDUCIARY FUND

	POLICEMEN'S PENSION TRUST FUND YEARS ENDED APRIL 30,	
	2023	2022
Additions:		
General Property Taxes:		
Real Estate	\$ 655,001	\$ 727,384
Intergovernmental:		
Corporate Personal Property Replacement Tax	6,900	6,900
Miscellaneous:		
Interest and Dividend Income	97,813	255,554
Employee Contributions	160,641	155,928
Realized/Unrealized Gain (Loss) on Investments	54,403	(1,237,440)
Total Additions (Reductions)	974,758	(91,674)
Deductions:		
Benefit Payments	924,007	838,140
Administration	53,637	42,865
Total Deductions	977,644	881,005
Decrease in Net Position	(2,886)	(972,679)
Net Position, Beginning of Year	13,777,953	14,750,632
Net Position, End of Year	\$ 13,775,067	\$ 13,777,953

The accompanying notes are an integral part of the financial statements.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The City of Highland, Illinois, was incorporated April 4, 1884. The City is a non-home rule unit and operates under a managerial council form of government. Under this form of government, the City council is legislative, except that it is empowered to approve all expenses and liabilities, and the manager is the administrative and executive head of government.

The accounting policies of the City of Highland conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

(A) PRINCIPLES USED TO DETERMINE SCOPE OF ENTITY

The City's reporting entity includes the City's governing board and all related organizations for which the City exercises significant influence.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the City exercises significant influence (which includes financial benefit or burden, appoints a voting majority, ability to significantly impose its will, and fiscal independence).

The City has determined that a component unit exists as of April 30, 2013. The Industrial Development Commission (IDC) was established by the City Council pursuant to the authority conferred by Section 11-74-4(8) of the Industrial Project Revenue Act (65 ILCS 5/11-74-4(8)) by Ordinance #2365 adopted and approved on July 6, 2009. The IDC meets monthly and makes recommendations about economic development decisions to the City Council. The IDC is a discretely presented component unit.

(B) BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are grouped into three broad fund categories and six generic fund types for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City also has one fiduciary custodial fund.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the City and the primary government, as a whole, excluding fiduciary activities such as employee pension plans. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on the net position's use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on its net position use.

(ii) FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

General Fund - The government's primary operating fund. This fund is used to account for and report all financial resources not accounted for or reported in another fund.

Special Revenue - Ambulance - The fund that accounts for proceeds of specific revenue sources (other than those for major capital projects) that are restricted or committed to expenditure for the specified purposes of providing ambulance services.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects - City Property Replacement - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds).

Capital Projects - Business District A - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for economic development, including the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds).

The City reports the following major proprietary funds:

Light and Power Fund - This fund operates the electrical distribution system and includes the fiber-optic system that provides high-speed internet, television, and telephone services to customers in Highland.

Water Fund - This fund operates the water distribution system.

Sewer Fund - This fund operates the sewer treatment plant, sewage pumping stations, and collection systems.

Solid Waste Fund - This fund operates the collection of solid waste pickup.

(iii) GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. The length of time to define available is 60 days or less. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

(a) REVENUE RECOGNITION

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available. This concept includes investment earnings, fines and forfeitures, and state-levied locally shared taxes (including motor vehicle fees).

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and offset with a deferred inflow of resources until they become available.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) EXPENDITURE RECOGNITION

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, is recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

(iv) PROPRIETARY FUNDS

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. They report charges for services and connection fees as operating revenues, and items such as interest income, grants, and other miscellaneous items as non-operating revenues. The economic resource focus determines costs as a means of maintaining capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds, and unbilled utility receivables are recorded at each year end.

(v) FIDUCIARY FUNDS

The City currently has one fiduciary fund. The Policemen's Pension Trust Fund is used to account for pension assets held by the City in a trustee capacity. This fund is accounted for and reported in a manner similar to proprietary funds since capital maintenance is critical.

(C) VACATION AND SICK LEAVE

Vacation leave is accrued for full time employees of the City at the rate of one average work week per year upon completion of the first year of continuous service. These employees are granted two average work weeks per year following completion of the second year of continuous service through the sixth year. For the seventh through the eleventh year, three average work weeks are earned per year. From the twelfth through the twentieth year, four average work weeks are earned per year and five average work weeks per year are earned following the twentieth year and thereafter.

Sick leave is accrued for full time City employees at a rate of 13 days a year. Most employees can accumulate up to 30 days of vested sick pay and an additional 60 days of non-vested sick pay. Employees in the Sergeants Union can accumulate up to 90 days of vested sick pay. Employees in the Patrol Officer Union can accumulate up to 45 days of vested sick pay and an additional 45 days of non-vested sick pay. Employees in the IOUE and IAFF Unions can accumulate up to 30 days of vested sick pay and an additional 60 days of non-vested sick pay. Employees in the IBEW Union can accumulate up to 90 days of vested sick pay and an additional 60 days of non-vested sick pay. Terminated employees are compensated for all vested sick days. The City does not accrue the additional non-vested sick days totaling \$692,144. However, for the accrued vacation and vested sick days, the City is liable in the approximate amount of \$654,692 for payments to qualified employees of the governmental activities and \$306,110 for payments to qualified employees of the business-type activities as of April 30, 2023.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) CASH AND INVESTMENTS

The City maintains an investment pool that is available for use by all funds, except those of certain special revenue and agency funds. The City maintains a separate accounting of each fund's balance in the pool. Additionally, the City participates in the Illinois Fund and Illinois Police Officers Pension Investment Fund. Investment income earned on pooled investments is distributed to the appropriate funds based on the average daily balance of the investments in each fund.

Investments are stated at fair value. Fair value for investments is determined by closing market prices at year-end as reported by the investment custodian.

All cash and investments of the proprietary funds are considered highly liquid, as these funds participate in the City's investment pool. Consequently, these are considered to be cash and cash equivalents for cash flow purposes.

Restricted cash on the financial statements represents cash for customer deposits, fiber bonds, sewer reserves, and TIF bonds.

(E) GOVERNMENTAL RECEIVABLES

Long-term receivables due to governmental funds are reported on the balance sheets, in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. The City has determined that an allowance for uncollectible receivables is not needed based on prior years' collections.

(F) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(G) DEBT PREMIUMS, DISCOUNTS, AND ISSUANCE COSTS

On the government-wide statement of net position and the proprietary fund statement of net position, debt premiums and discounts are shown separately from debt payable, and debt issuance costs are recognized as an outflow of resources in the period incurred. In addition, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as inflows or outflows of resources in the period incurred.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) NET POSITION

Net position is calculated by taking assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The portion of net position that is titled “Invested in Capital Assets, Net of Related Debt” is capital assets less accumulated depreciation and outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on its use by City legislation or external restrictions by other governments, creditors, or grantors. The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

(I) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period, and therefore, will not be recognized as an outflow of resources until that time. The government-wide statements report deferred outflows of resources related to the pension and OPEB plans. This deferred outflow represents the combination of changes in assumptions and the difference between projected and actual earnings on pension plan investments to be recognized in a future period.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The government-wide statements report unavailable revenues from property taxes and amounts related to pension and OPEB plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(J) CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in government-wide statements. Infrastructure such as streets, traffic signals and signs are capitalized in the government-wide statements. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated fixed assets are reported at their fair value as of the date received. The City maintains a capitalization threshold of \$15,000.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 20 to 50 years; improvements/infrastructure - 5 to 50 years; equipment - 3 to 25 years.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) GOVERNMENTAL FUND BALANCES

The City elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fiscal year ended April 30, 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. The City had no committed fund balances on April 30, 2023.

Assigned – Amounts that are constrained by an intent to be used for specific purposes but are neither restricted nor committed. The City Council has designated the City Manager and Finance Director the authority to make assignments.

Unassigned – All amounts not included in other spendable classifications.

For the classification of fund balance, the City requires restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balances, followed by assigned fund balances and then unassigned fund balances when more than one classification for unrestricted fund balances are available.

(L) COMPARATIVE DATA

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative notes to the financial statements have not been presented since their inclusion would make the notes to the financial statements unduly complex and difficult to read.

(M) FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96, *Subscription based Information Technology Arrangements (SBITAs)* will be effective for the City for the fiscal year ending April 30, 2024. SBITAs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 96 established a single approach to accounting for and reporting SBITAs by state and local governments.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) NEW ACCOUNTING PRONOUCEMENTS

Effective May 1, 2022, the City adopted the provisions of GASB Statement No. 87, *Leases*. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 established a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee’s right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements) and leases with related parties.

NOTE 1. CASH AND INVESTMENTS

Cash and investments as of April 30, 2023 including fiduciary funds, are classified in the accompanying financial statements as follows:

	Primary Government	Component Unit
Total Cash	\$ 16,546,101	\$ 52,520
Illinois Funds	9,157,201	
Total Investments	21,233,020	
Total	\$ 46,936,322	\$ 52,520

Cash includes \$1,000 of cash on-hand and \$16,545,101 of deposits with financial institutions for the primary government and \$52,520 deposited in a financial institution for the component unit.

The City may invest in any type of security allowed by Illinois Law (Public Funds Investment Act of the State of Illinois: 30 ILCS 235/1 et. Seq. as amended). The summary of the allowable instruments are: Passbook Savings Account; NOW, Super NOW, and Money Market Accounts; Commercial Paper – issuer must be a U.S. corporation with more than \$500,000,000 in assets, rating must be within 3 highest qualifications by 2 standard rating services, must mature within 180 days of purchase, and such purchase cannot exceed 10% of the corporation’s outstanding obligations, State treasurer’s investment pool; Money Market Mutual Funds – registered under the Investment Company Act of 1940, provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the federal government as to principal or interest; Repurchase Agreement – collateralized by full faith in credit U.S. Treasury securities; Certificates of deposit and time deposits, constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the FDIC, legally issuable by savings and loan associates incorporated under the laws of the State of Illinois or any other state or under the laws of the United States and only in those savings and loan associations insured by SAIF, bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, obligations of United States government agencies which are guaranteed by the full faith and credit of the United States government, short-term discount obligations of the Federal National Mortgage Association, insured account of credit unions whose principal office is in Illinois, various tax-exempt securities, and Illinois liquid assets.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The City's Police Pension Fund is regulated by the state of Illinois. As of April 30, 2023, the Policemen's Pension Funds are no longer authorized to invest in securities individually, as all investments are now controlled through their respective pension investment funds, managed by the state of Illinois.

When permitted by law, the City will pool cash from several different funds that are accounted for in the City's annual financial report to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

The primary objectives, in priority order, of investment activity shall be safety, liquidity, and yield. Investments shall be made with judgment and care, under circumstances then prevailing, with persons of prudence, discretion, and intelligence who exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. City officials and employees shall disclose to the City any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the City's portfolio. The City Treasurer, financial officers and others employed in a similar capacity shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

Authority to manage the investment program is granted to the Director of Finance and derived from the following: 65 ILCS 5/3.1-35-50 and the City of Highland Code by Resolution No. 99-12-1304.

Third party safekeeping is required for all collateral and for all securities. Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement, or custody agreement.

Any financial institution selected by the City shall provide normal banking services, including, but not limited to: checking accounts, wire transfers, purchase and sale of United States Treasury securities, and safekeeping services.

The City will not maintain funds in any financial institution that is not a member of the FDIC or SAIF system. In addition, the City will not maintain funds in any institution not willing to or capable of posting required collateral for funds in excess of FDIC or SAIF insurable limits.

Fees for banking services shall be mutually agreed to by an authorized representative of the depository bank and the Director of Finance in consultation with the City Manager and shall not be agreed to for any period exceeding three (3) years. Fees for services shall be substantiated by a monthly account analysis and shall be reimbursed by means of compensating balances.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

All financial institutions acting as a depository for the City must enter into a "Depository Agreement". All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the following upon request by the Director of Finance or an agent of the Director of Finance: audited financial statements, proof of National Association of Securities Dealers (NASD) certification, proof of state registration, completed broker/dealer questionnaire, and certification of having read the City's investment policy.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value hierarchy for the balances of the investments of the City's Governmental Funds measured at fair value on a recurring basis as of April 30, 2023:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit - Negotiable	\$ 2,433,903			\$ 2,433,903
Mutual Funds	1,434,035			1,434,035
	<u>\$ 3,867,938</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,867,938</u>

There is no fair value hierarchy for the Policemen's Pension as the City's share of the state-ran pension funds are measured at net asset value and are not classified within the fair value hierarchy.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The assets measured at fair value for the Governmental Funds are valued at the closing price reported on the active market on which the individual securities are traded.

(A) INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date will have a greater sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flow from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided in the following table. As of April 30, 2023, the City, including fiduciary funds, had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Months)			
		12 Months or Less	13-36 Months	37-60 Months	> 60 Months
Illinois Police Officers' Pension Investment Fund	\$ 12,863,606	\$ 12,863,606			
Certificates of Deposit -Negotiable	2,433,903	1,312,759	\$ 1,121,144		
Certificates of Deposit -Non-Negotiable	3,931,742	1,654,319	1,345,985	\$ 931,438	
Short Term Cash Equivalent	569,734	569,734			
Mutual Funds	1,434,035	1,434,035			
Total	<u>\$ 21,233,020</u>	<u>\$ 17,834,453</u>	<u>\$ 2,467,129</u>	<u>\$ 931,438</u>	<u>\$ -</u>

(B) CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's state investment pool has earned Fitch's rating (AAAmmf). The Policemen's Pension did not hold any investments that were required to be measured for credit risk.

(C) CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All deposits are carried at cost plus accrued interest.

The City's balance in the state investment pool is fully collateralized. The City maintains a separate investment account representing a proportionate share of the pool assets and respective collateral; therefore, no collateral is identified with each individual participant's account. As of April 30, 2023, the balance in the City's state investment pool was \$9,157,201.

The City's cash deposits, including the fiduciary fund, at April 30, 2023 consisted of the following:

<u>Depository Account</u>	<u>Primary Government Bank Balance</u>	<u>Component Unit Bank Balance</u>
Insured	\$ 15,473,794	\$ 52,520
Collateralized:		
Held by pledging bank's trust department in the City's name	16,852,238	
Total Deposits	<u>\$ 32,326,032</u>	<u>\$ 52,520</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

(D) CONCENTRATIONS OF CREDIT RISK

The City's investment policy limits the amount of funds deposited and/or invested in a financial institution. Deposits/investments shall not exceed 65% of a capital stock and surplus of such institution unless collateral security has been pledged, in which case the amount of such deposits and/or investments shall not exceed 75%.

There are no investments in any one financial institution or issuer that represent 5% or more of the total City investments.

NOTE 3. RISK MANAGEMENT

The City of Highland is exposed to risks of loss from normal items typically applicable to all municipalities. These include liability, worker's injury, property damage, and other risks that are too numerous to mention. To reduce the City's risk of loss from damages and claims, the City has purchased commercial insurance from the Illinois Municipal League, which provides insurance coverage for property and liability claims for over 600 Illinois municipalities. Settlement claims have not exceeded insurance coverage for each of the past three fiscal years.

NOTE 4. PROPERTY TAXES

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The 2022 levy was passed by the Council on December 20, 2022. Property taxes attach as an enforceable lien on property as of January 1, and are payable in four installments for 2023: July 6, September 6, October 6, and December 6. The County has not mailed tax bills as of April 30, 2023. The City receives significant distributions of tax receipts approximately one month after the bills are mailed by the County. In conjunction with NCGA Interpretation #3, revenue is accrued in the year of the levy to the extent that it is due to be paid by the taxpayer by April 30, 2023 and is expected to be collected soon enough after April 30, 2023 to be used to pay liabilities by June 30, 2023 (60 days or less) and has been budgeted for the current year.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 4. PROPERTY TAXES (CONTINUED)

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	MAXIMUM						
	LEVY	2022	2021	2020	2019	2018	2017
General Government	.3330	0.3219	0.3269	0.3304	0.3249	0.3291	0.3298
Police Protection	.0750	0.0725	0.0737	0.0750	0.0732	0.0742	0.0743
Fire Protection	.0750	0.0725	0.0737	0.0750	0.0732	0.0742	0.0743
Playground & Rec	.0900	0.0870	0.0884	0.0900	0.0878	0.0890	0.0892
Band	.0400	0.0173	0.0188	0.0196	0.0202	0.0211	0.0250
Social Security		0.2163	0.2344	0.2105	0.2165	0.2317	0.2446
Retirement		0.1536	0.1664	0.2105	0.2165	0.2291	0.2446
Liability Insurance		0.1384	0.1407	0.1591	0.1637	0.1712	0.1783
Crossing Guards	.0200	0.0039	0.0043	0.0045	0.0046	0.0048	0.0055
Audit		0.0126	0.0118	0.0123	0.0101	0.0106	0.0087
Municipal Ambulance	.2500	0.2417	0.2454	0.2500	0.2439	0.2471	0.2476
Community Building	.0750	0.0725	0.0737	0.0750	0.0732	0.0742	0.0743
Police Pension		0.2846	0.3081	0.3565	0.3323	0.3342	0.3125
Library	.1500	0.1450	0.1473	0.1500	0.1464	0.1483	0.1486
Library Liability Ins.		0.0151	0.0165	0.0172	0.0182	0.0187	0.0191
Lease		0.0130	0.0141	0.0147	0.0152		
Public Comfort Station	.0333	0.0217	0.0169	0.0177	0.0182	0.0000	0.0109
TOTAL		<u>1.8896</u>	<u>1.9611</u>	<u>2.0680</u>	<u>2.0381</u>	<u>2.0575</u>	<u>2.0873</u>

The City has established two tax increment financing (TIF) districts to encourage development within the redevelopment project areas and to enhance the value of those properties. In connection with the agreements of the redevelopment project areas, the real estate taxes, which relate to the incremental increase in property values within the redevelopment project areas, are paid directly to the TIF districts for investing in redevelopment projects within the TIF districts.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 5. CAPITAL ASSETS

Summary of capital assets for governmental activities for the year ended April 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 8,467,862	\$ 405,692		\$ 8,873,554
Construction in Progress	357,935	453,509	\$ (187,131)	624,313
Subtotal	<u>8,825,797</u>	<u>859,201</u>	<u>(187,131)</u>	<u>9,497,867</u>
Other Capital Assets:				
Buildings and				
Improvements	19,619,941		(813,298)	18,806,643
Improvements	11,242,992	266,042	(438,000)	11,071,034
Equipment	7,010,957	873,734	(256,716)	7,627,975
Infrastructure	68,740,205	295,482		69,035,687
Subtotal	<u>106,614,095</u>	<u>1,435,258</u>	<u>(1,508,014)</u>	<u>106,541,339</u>
Accumulated Depreciation:				
Buildings and				
Improvements	8,006,842	433,318	(813,298)	7,626,862
Improvements	5,001,898	513,331	(65,700)	5,449,529
Equipment	5,693,914	386,308	(256,716)	5,823,506
Infrastructure	47,173,167	1,695,881		48,869,048
Subtotal	<u>65,875,821</u>	<u>3,028,838</u>	<u>(1,135,714)</u>	<u>67,768,945</u>
Net Other Capital Assets	<u>40,738,274</u>	<u>(1,593,580)</u>	<u>(372,300)</u>	<u>38,772,394</u>
Net Capital Assets	<u>\$ 49,564,071</u>	<u>\$ (734,379)</u>	<u>\$ (559,431)</u>	<u>\$ 48,270,261</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 173,740
Public Safety	537,510
Highways and Streets	1,791,256
Culture and Recreation	474,079
Economic Development	52,253
Total Governmental Activities Depreciation Expense	<u>\$ 3,028,838</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 5. CAPITAL ASSETS (CONTINUED)

Summary of capital assets for business-type activities for the year ended April 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Not Being Depreciated				
Land	\$ 1,935,355			\$ 1,935,355
Construction in Progress	211,572	\$ 427,762	\$ (320,415)	318,919
Subtotal	2,146,927	427,762	(320,415)	2,254,274
Other Capital Assets:				
Buildings	30,887,277	13,236		30,900,513
Lines	48,879,492	3,024,382		51,903,874
Equipment	13,667,647	308,112	(133,894)	13,841,865
Other Improvements	18,960,715	198,973		19,159,688
Interconnect	6,917,374			6,917,374
Subtotal	119,312,505	3,544,703	(133,894)	122,723,314
Accumulated Depreciation:				
Buildings	18,463,611	401,227		18,864,838
Lines	29,260,615	1,231,952		30,492,567
Equipment	12,912,509	251,064	(133,894)	13,029,679
Other Improvements	11,457,618	682,457		12,140,075
Interconnect	3,368,097	248,583		3,616,680
Subtotal	75,462,450	2,815,283	(133,894)	78,143,839
Net Other Capital Assets	43,850,055	729,420	0	44,579,475
Net Capital Assets	\$ 45,996,982	\$ 1,157,182	\$ (320,415)	\$ 46,833,749

Depreciation was charged to functions as follows:

Business-Type Activities:

Light and Power	\$ 1,475,273
Water	757,242
Sewer	582,768
	<u>\$ 2,815,283</u>

Right-to-use leased asset activity for the year ended April 30, 2023, was as follows:

	Balance May 1, 2022	Additions	Deletions	Balance April 30, 2023
Governmental Activities:				
Right-To-Use Leased				
Equipment	\$ -	\$ 396,738	\$ -	\$ 396,738
Accumulated Amortization:				
Right-To-Use Leased				
Equipment	\$ -	\$ 62,298	\$ -	\$ 62,298
Net Right-To-Use-Assets	\$ -	\$ 334,440	\$ -	\$ 334,440

Amortization expense charged to governmental activities was \$62,298 for the year ended April 30, 2023.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS

The following is a summary of transactions for long-term liabilities of the City for the year ended April 30, 2023:

	April 30, 2022	Additions	Reductions	April 30, 2023	Due Within One Year
Governmental Activities:					
Premium on Debt	\$ 600,783		\$ (42,217)	\$ 558,566	\$ 42,217
Direct Placement Bonds	2,235,000		(200,000)	2,035,000	205,000
Public Offering Bonds	2,113,622		(324,478)	1,789,144	306,261
GO Direct Borrowings Debt Certificates Payable	7,850,000		(330,000)	7,520,000	345,000
Direct Borrowings Notes Payable	50,278	\$ 194,465	(50,278)	194,465	36,828
Compensated Absences	688,066		(33,374)	654,692	
Net Pension Liability - IMRF	0	2,281,727		2,281,727	
Net Pension Liability - Police Pension	5,507,089	2,071,029		7,578,118	
Other Post Employment Benefits	1,526,945	442		1,527,387	
Accrued Interest	1,219,201	65,413	(129,399)	1,155,215	128,448
Long-Term Liabilities	<u>\$ 21,790,984</u>	<u>\$ 4,613,076</u>	<u>\$ (1,109,746)</u>	<u>\$ 25,294,314</u>	<u>\$ 1,063,754</u>
Business-Type Activities:					
Premium on Debt	\$ 87,411		\$ (7,656)	\$ 79,755	\$ 7,656
Public Offering Bonds	1,840,000		(140,000)	1,700,000	145,000
Direct Placement Bonds	8,415,000		(770,000)	7,645,000	790,000
GO Direct Borrowings Notes Payable	1,147,000		(160,000)	987,000	166,000
Direct Borrowings Notes Payable	8,655,976	\$ 1,706,143	(413,728)	9,948,391	290,228
Compensated Absences	344,617		(38,507)	306,110	
Net Pension Liability - IMRF	0	1,588,914		1,588,914	
Other Post Employment Benefits	771,510		(7,817)	763,693	
Accrued Interest	67,163	64,698	(67,163)	64,698	64,698
Long-Term Liabilities	<u>\$ 21,328,677</u>	<u>\$ 3,359,755</u>	<u>\$ (1,537,708)</u>	<u>\$ 23,083,561</u>	<u>\$ 1,463,582</u>

The General Obligation (GO) debt are shown separately in the above table

Default Provisions

The City's GO debt certificates from direct borrowings related to governmental activities of \$7,520,000 contain a provision that in the event of a default, the Seller or Certificate holder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due. The City's outstanding notes from direct borrowings related to governmental activities of \$194,465 contains a provision that in an event of default, the Lender can exercise one or more of the following: accelerate indebtedness, assemble collateral, sell the collateral, be placed as a mortgagee in possession, collect revenues and apply accounts, obtain deficiency for any remaining indebtedness, and other rights and remedies under the Uniform Commercial Code. This note is collateralized by a 2014 and 2016 Ford F450 Ambulance.

The City's direct placement bonds related to business-type activities of \$7,645,000 contain a provision that in the event of default, registered owners of at least 25% may accelerate indebtedness. In the event of default on the City's outstanding GO notes payable related to business-type activities of \$987,000, the Bank may take any relief as permitted by law including suit and any rights and remedies. The City's outstanding notes from direct borrowings related to business-type activities of \$9,948,391 has the following delinquent loan provisions. The City must contact the Agency in writing within 15 days of payment due date. The Agency will then confirm in writing the acceptability of the City's response or take appropriate action. If the City doesn't comply with the above, the Agency shall promptly issue a notice of delinquency which requires a written response within 15 days. Failure to take appropriate action will result in the Agency pursuing the collection of the amounts past due, the outstanding loan balance and the costs incurred.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements for long-term debt on April 30, 2023 were as follows:

YEAR ENDING APRIL 30	Governmental Activities				Business-Type Activities			
	Bonds		Notes from Direct Borrowings		Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 511,261	\$ 283,489	\$ 381,828	\$ 229,875	\$ 935,000	\$ 197,682	\$ 456,228	\$ 103,060
2025	496,337	299,313	392,770	215,062	950,000	177,718	672,650	151,300
2026	485,764	310,687	408,881	199,821	970,000	157,380	685,158	138,461
2027	468,627	323,523	424,950	183,952	995,000	136,618	698,752	125,316
2028	462,775	332,925	441,036	167,466	1,010,000	115,374	712,435	111,826
2029-2033	1,399,380	713,820	2,135,000	703,138	4,345,000	245,012	2,808,558	413,136
2034-2038			2,445,000	400,150	140,000	1,400	2,891,459	230,436
2039-2043			1,085,000	49,050			2,010,151	48,225
Total	<u>\$ 3,824,144</u>	<u>\$ 2,263,757</u>	<u>\$ 7,714,465</u>	<u>\$ 2,148,514</u>	<u>\$ 9,345,000</u>	<u>\$ 1,031,184</u>	<u>10,935,391</u>	<u>\$ 1,321,760</u>

There are a number of limitations and restrictions contained in the various bond indentures.
The City was in compliance with all significant limitations and restrictions.

Details of long-term obligations are as follows:

Public Offerings and Direct Placement Bonds

Governmental Activities:

2010 street alternate bonds are due in annual installments beginning January 2020 through January 2030. Beginning in fiscal year 2011, the bond starts compounding interest at 3.70% to 4.95%. Revenue bonds were issued for future improvements to the City's streets. Total interest due on remaining balance is \$1,960,857.

\$ 1,789,144

The 2012 revenue bonds were refinanced on August 24, 2020. The bonds are being repaid in semi-annual installments at interest rates ranging from 2% to 3% with a final maturity date of 1/1/2032. These bonds were originally issued to fund infrastructure improvements and reimburse certain development costs for the new hospital built in the City's Tif District #2.

Total interest due on the remaining balance is \$302,900.

2,035,000

Total Public Offerings and Direct Placement Bonds - Governmental Activities

\$ 3,824,144

Public Offerings and Direct Placement Bonds

Business-Type Activities:

The 2010 and 2012 Electric system revenue bonds were refinanced on October 16, 2019. The bonds are being repaid in semi-annual installments at 2.16% interest with a final maturity date of 1/1/2032. This debt was issued to raise funding for the City's Fiber to the Premises Project. Total interest due on the remaining balance is \$842,184.

\$ 7,645,000

2021 Sewerage system revenue bonds due in various semi-annual installments. These bonds have an interest rate of 2.00%. Revenue bonds were issued to secure a better interest rate for the City on existing bonds for improvements to the sewer system. The total principal amount of the bonds is \$1,987,000, of which \$43,859 is attributable to bond issue costs. The maturity date of the bonds is October 1, 2033. The total interest due on the remaining balance is \$189,000.

1,700,000

Total Public Offerings and Direct Placement Bonds - Business-Type Activities

\$ 9,345,000

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

Direct Borrowings GO Debt Certificates Payable and Notes Payable

Governmental Activities:

In 2020, the City borrowed funds from BOK Financial with financing assistance from Commerce Bank in order to complete public safety facility improvements. The total amount borrowed was \$8,475,000 and is being repaid in semi-annual installments with an interest rate ranging from 2.0%-4.0%. The maturity date of this borrowing is February 1, 2040 and the total interest due on the remaining balance is \$2,132,162. \$ 7,520,000

In 2022, the City purchased 2 Cardiac Monitors, a Re-chassis Ambulance and 4 computers with financing provided by First Collinsville Bank in Highland, Illinois. The total loan amount was \$194,465 and is being repaid in annual installments over a 5 year period at 2.75% interest. Total interest due on the remaining balance is \$16,352. 194,465

Total Direct Borrowings GO Debt Certificates Payable and Notes Payable - Governmental Activities \$ 7,714,465

Direct Borrowings GO Notes Payable and Notes Payable

Business-Type Activities:

In 2018, the City borrowed funds from the State Bank of Bern with financing assistance from Sterns Brothers in order to complete water main improvements in the City of Highland. The total loan amount was \$1,665,000 and is being repaid in various semi-annual installments at an interest rate of 3.670%. The maturity date of this loan is October 1, 2028 and total interest due on the remaining balance is \$111,898. \$ 987,000

In 2019, the City secured a low interest (1.38%) loan with the Illinois Environmental Protection Agency which will fund the rehabilitation of the Water Reclamation Facility. The total amount borrowed was \$9,240,944 with \$1,650,000 approved to be forgiven by the IEPA. The maturity of this loan is November 11, 2040 and is being repaid in semi-annual installments. Total interest due on the remaining balance is \$1,063,538. 8,242,247

In 2022, the City secured a low interest (.83%) loan with the Illinois Environmental Protection Agency which will fund the rehabilitation of the Sewer Trunk. The total amount borrowed was \$2,043,060 with \$336,916 approved to be forgiven by the IEPA. The maturity of this loan is November 22, 2042 and is being repaid in semi-annual installments. Total interest due on the remaining balance is \$146,324. 1,706,144

Total Direct Borrowings GO Notes Payable and Notes Payable - Business-Type Activities \$ 10,935,391

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 7. LEASES

City as Lessee

In October 2019, the City signed a finance lease agreement to lease a Senior Center building. The lease term is 10 years with a balloon payment of \$138,000 due at signing and annual payments in the amount of \$30,000 beginning one year following the lease date. At April 30 2023, the City has recognized a lease liability of \$235,944. See Note 5 for information related to the right-to-use assets accounted for through these leases. During the fiscal year, the City recorded \$39,346 in amortization expense and \$7,206 in interest expense for this arrangement.

At April 30, 2023, the City recognized the following lease liability:

	<u>Payable</u> <u>May 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Payable</u> <u>April 30, 2023</u>	<u>Payable Within</u> <u>One Year</u>
Governmental Activities:					
Lease Liability	\$ 270,000		\$ 34,056	\$ 235,944	\$ 23,429

Remaining principal and interest payments on leases are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 30,			
2024	\$ 23,429	\$ 6,571	\$ 30,000
2025	24,082	5,918	30,000
2026	24,752	5,248	30,000
2027	25,442	4,558	30,000
2028-2031	138,239	11,761	150,000
	<u>\$ 235,944</u>	<u>\$ 34,056</u>	<u>\$ 270,000</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS

(A) ILLINOIS MUNICIPAL RETIREMENT FUND – REGULAR AND SLEP EMPLOYEES

(i) PLAN DESCRIPTION

The City of Highland’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City of Highland’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. This report is available for download at www.imrf.org.

(ii) 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).

All three IMRF benefit plans have two tiers. 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.

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.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(iii) EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2022, the following employees were covered by the benefit terms:

	REGULAR PLAN	SLEP PLAN
Retirees and Beneficiaries currently receiving benefits	97	0
Inactive Plan Members entitled to but not yet receiving benefits	67	1
Active Plan Members	99	1
Total	263	2

(iv) CONTRIBUTIONS

(a) REGULAR PLAN

As set by statute, the City’s Regular plan members are required to contribute 4.50% 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. The City’s annual required contribution rate for calendar year 2022 was 8%. For the fiscal year ended April 30, 2023, the City contributed \$563,610 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(b) SLEP PLAN

As set by statute, the City’s Regular plan members are required to contribute 7.50% 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. The City’s annual required contribution rate for calendar year 2022 was 12.43%. For the fiscal year ended April 30, 2023, the City contributed \$17,966 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(v) NET PENSION LIABILITY

The City of Highland’s net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vi) ACTUARIAL ASSUMPTIONS

The following are the methods and assumptions used to determine total pension liability at December 31, 2022.

Actuarial Cost Method	Entry Age Normal	
Asset Valuation Method	Market Value of Assets	
Price Inflation	2.25%	
Salary Increases	2.85% to 13.75%	
Investment Rate of Return ¹ :	Regular	7.25%
	SLEP	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.	
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.	

Other Information:

Notes There were no benefit changes during the year.

¹ *There were no changes in the investment rate of return since the December 31, 2021 valuation. There were no other changes to the methods and assumptions used to determine the Total Pension Liability.*

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2022 Illinois Municipal Retirement Fund annual actuarial valuation report.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

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 as of December 31, 2022:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36%	6.50%
International Equity	18%	7.90%
Fixed Income	26%	4.90%
Real Estate	11%	6.20%
Alternative Investments	10%	6.25 - 9.90%
Cash Equivalents	1%	4.00%
Total	<u>100%</u>	

(vii) SINGLE DISCOUNT RATE

A Single Discount Rate of 7.25% for both the regular plan and the SLEP plan was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(viii) CHANGES IN THE NET PENSION LIABILITY (ASSET)

(a) REGULAR PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2021	\$ 41,073,507	\$ 45,770,444	\$ (4,696,937)
Changes for the year:			
Service Cost	654,737		654,737
Interest on the Total Pension Liability	2,925,008		2,925,008
Difference Between Expected and Actual Experience of the Total Pension Liability	41,523		41,523
Contributions - Employer		592,222	(592,222)
Contributions - Employees		333,125	(333,125)
Net Investment Income		(5,629,301)	5,629,301
Benefit Payments, Including Refunds of Employee Contributions	(2,111,874)	(2,111,874)	0
Other (Net Transfer)		(170,647)	170,647
Net Changes	<u>1,509,394</u>	<u>(6,986,475)</u>	<u>8,495,869</u>
Balance, December 31, 2022	<u>\$ 42,582,901</u>	<u>\$ 38,783,969</u>	<u>\$ 3,798,932</u>

(b) SLEP PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2021	\$ 174,338	\$ 262,785	\$ (88,447)
Changes for the year:			
Service Cost	18,978		18,978
Contributions - Employer		15,052	(15,052)
Contributions - Employee		9,082	(9,082)
Interest on the Total Pension Liability	13,327		13,327
Difference Between Expected and Actual Experience of the Total Pension Liability	9,115		9,115
Net Investment Income		(141,603)	141,603
Other (Net Transfer)		(1,267)	1,267
Net Changes	<u>41,420</u>	<u>(118,736)</u>	<u>160,156</u>
Balance, December 31, 2022	<u>\$ 215,758</u>	<u>\$ 144,049</u>	<u>\$ 71,709</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(ix) SENSITIVITY IN THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	REGULAR PLAN		SLEP PLAN	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% Decrease	6.25%	\$ 8,696,267	6.25%	\$ 100,569
Current Discount Rate	7.25%	3,798,932	7.25%	71,709
1% Increase	8.25%	(41,454)	8.25%	47,649

(x) PENSION BENEFIT, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended April 30, 2023, the City of Highland recognized pension expense of \$1,112,805 for the Regular plan and a pension expense of \$18,507 for the SLEP plan. At April 30, 2023, the City of Highland recognized deferred outflows and inflows of resources related to pensions from the following sources:

	Regular Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 433,617	\$ 129,129	\$ 304,488
Changes of Assumptions	22,372	137,025	(114,653)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,118,769	4,033,708	3,085,061
Pension Contributions Made Subsequent to the Measurement Date	166,794		166,794
Total Deferred Amounts Related to Pensions	\$ 7,741,552	\$ 4,299,862	\$ 3,441,690
	SLEP Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,511		\$ 6,511
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	129,187	\$ 44,643	84,544
	\$ 135,698	\$ 44,643	\$ 91,055

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

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

Year Ending December 31,	Net Deferred Inflows of Resources Regular Plan	Net Deferred Inflows of Resources SLEP Plan
2023	\$ 38,981	\$ 13,069
2024	538,143	20,724
2025	1,080,026	24,965
2026	1,784,540	32,297
Total	\$ 3,441,690	\$ 91,055

(B) POLICE PENSION

(i) PLAN ADMINISTRATION

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contributions level are governed by Illinois Compiled Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois Legislature. The City accounts for the plan as a pension trust fund. The City does not separately issue a financial report for the police pension plan.

The plan is governed by a five-member Board of Trustees. Two members of the board are appointed by the City, two are active members of the police department elected by the membership, and one is a retired member of the police department elected by the membership.

At April 30, 2022, the Police Pension Plan membership consisted of:

Inactive Plan Members and Beneficiaries Currently Receiving Benefits	14
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	19
Total	36

(ii) BENEFITS PROVIDED

The Plan provides retirement, disability, death, and termination benefits. The Police Pension Plan has two tiers. Police officers hired prior to January 1, 2011 are eligible for Tier 1. Police officers hired on or after January 1, 2011 are eligible for Tier 2.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

Under Tier 1, a police officer age 50 or more with 20 or more years of creditable service shall receive a pension of one-half of the salary attached to the rank held by the officer at the date of retirement. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary. The minimum monthly benefit is \$1,000 per month. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter. Those that retire prior to age 55 receive an increase of 1/12 of 3% for each full month from benefit commencement until age 55 is reached.

Under Tier 2, a police officer age 55 or more with 10 or more years of creditable service shall receive a pension of 2.5% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary. An annual cost-of-living adjustment is calculated each January 1st. The increase is equal to 3% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1st, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension state date, whichever is later.

Officers totally and permanently disabled as determined by the Board of Trustees are eligible to receive a disability benefit. Officers disabled in the performance of an act of duty are entitled to 65% of the salary attached to the rank held on the date of service and the monthly retirement pension that the member is entitled to receive if he or she retired immediately. If the disability occurs while the officer is not in performance of an act of duty, the officer is entitled to a disability benefit of 50% of the salary attached to the rank on the last day of service.

If an officer dies in the line of service, the named beneficiary is entitled to a death benefit equal to 100% of the officer's salary attached to the rank held by the officer on the last day of service. For a non-service death, the beneficiary would receive a maximum of 50% of the salary attached to the rank held by the officer on the last day of service, and the monthly retirement pension earned by the deceased officer at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

After termination of service, an officer with less than 10 years of service will receive a refund of their contributions. If the officer has 10 or more years of service, the officer will receive either a refund of their contributions, or the termination benefit, payable upon reaching age 60 provided contributions are not withdrawn. The termination benefit is 2.50% of the annual salary held in the year prior to termination times years of creditable service.

(iii) CONTRIBUTIONS

Plan members are required to contribute 9.91% of their base salary to the Police Pension Plan. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(iv) INVESTMENT POLICY

Pursuant to Chapter 40 ILCS 5/22B, the investments are held by the Police Officers' Pension Investment Fund ("IPOPIF"). IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

For the year ended April 30, 2022, the annual money-weighted rate of return on plan investments, net of pension plan investment expense, was (6.83)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on 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 expenses 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 by the target asset allocation percentage and by adding expected inflation.

The following was the Board's adopted asset allocation policy and best estimate of geometric real rates of return as of April 30, 2022:

Asset Class	Target Allocation	10-year Forecast Return %
Growth	65%	
US Large	23%	6.07%
US Small	5%	5.59%
International Developed	18%	7.28%
International Developed Small	5%	7.93%
Emerging Markets	7%	7.42%
Private Equity	7%	11.40%
Income	14%	
Bank Loans	3%	3.51%
High Yield Corporate Credit	3%	4.89%
Emerging Market Debt	3%	6.93%
Emerging Market Debt Local	N/A	4.56%
Private Credit	5%	6.80%
Inflation Protection	11%	
US TIPS	3%	2.84%
REITs	0%	6.29%
Real Estate/Infrastructure	8%	6.29%
Value Add Real Estate	N/A	8.29%
Risk Mitigation	10%	
Cash	1%	0.98%
Short-Term Govt/Credit	3%	3.02%
US Treasury	3%	2.93%
Core Fixed Income	0%	3.44%
Core Plus Fixed Income	3%	3.68%
Total	100%	

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(v) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	<u> </u>	<u> </u>	<u> </u>
Balance, April 30, 2021	\$ 20,257,722	\$ 14,750,633	\$ 5,507,089
Changes for the year:			
Service Cost	431,187		431,187
Interest on the Total Pension Liability	1,317,585		1,317,585
Difference Between Expected and Actual Experience of the Total Pension Liability	(115,329)		(115,329)
Changes of Assumptions	301,631		301,631
Contributions - Employer		734,284	(734,284)
Contributions - Employees		155,928	(155,928)
Net Investment Income		(1,008,126)	1,008,126
Benefit Payments, Including Refunds of Employee Contributions	(836,726)	(836,726)	0
Administrative Expenses		(18,041)	18,041
Net Changes	<u>1,098,348</u>	<u>(972,681)</u>	<u>2,071,029</u>
Balance, April 30, 2022	<u>\$ 21,356,070</u>	<u>\$ 13,777,952</u>	<u>\$ 7,578,118</u>

(vi) ACTUARIAL ASSUMPTIONS

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022 using the following actuarial assumptions:

Inflation	2.50%
Salary Increase	Service-related table with rates grading from 10.0% to 2.5% at 30 years of service
Discount Rate	6.50%
Investment Rate Of Return	6.50%
Mortality	Healthy (pre-commencement): Pub-2010 Public Safety Employee Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010. Healthy (post-commencement): Pub-2010 Public Safety Employee Mortality Table with 1.15 adjustment for males, with generational improvement scale MP-2021 applied from 2010. The Pub-2010 Public Safety Survivor Mortality Table with 1.15 adjustment for females, with generational improvement scale MP-2021 applied from 2010 is used for survivors. Disabled: Pub-2010 Public Safety Disabled Retiree Mortality Table with 1.08 adjustment for males, with generational improvement scale MP-2021 applied from 2010.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vii) DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(viii) SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Net Pension Liability	\$ 11,031,411	\$ 7,578,118	\$ 4,818,301

(ix) DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At April 30, 2023, the City of Highland recognized deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 104,991	\$ (919,545)
Changes of Assumptions	810,488	(119,380)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,943,379</u>	<u>(1,593,145)</u>
Total Deferred Amounts Related to Pensions	<u>\$ 2,858,858</u>	<u>\$ (2,632,070)</u>

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

Amounts realized as deferred outflows of resources related to pensions will be realized in pension expense in future periods as follows:

Year Ending April 30,	Net Deferred Inflows of Resources
2023	\$ 215,655
2024	(48,355)
2025	(127,684)
2026	272,166
2027	(111,612)
Thereafter	26,618
Total	\$ 226,788

NOTE 9. INTERFUND ACTIVITY

Interfund balances exist on the governmental and proprietary fund financial statements and represents amounts loaned among the funds that are expected to be repaid within the next year. Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated in the government-wide statement of net position. Interfund balances at April 30, 2023, consisted of the following:

Due To	Due From	Amount
General Corporate	Other Governmental Funds	\$ 8,887
City Property Replacement Fund	General Corporate Fund	355,000
City Property Replacement Fund	Other Governmental Funds	265,000

Interfund transfers exist due to the allocation of general administrative expenses among the funds and to provide funding for the economic development fund. The transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Interfund transfers for the year ended April 30, 2023, consisted of the following:

		Transfer From:		
		General Corporate	City Property Replacement	Total
Transfer To:	General Corporate		\$ 21,000	\$ 21,000
	City Property Replacement	\$ 1,228,000		1,228,000
	Total	\$ 1,228,000	\$ 21,000	\$ 1,249,000

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 10. OTHER POST EMPLOYMENT BENEFITS

The City of Highland’s Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the City. The City allows for retired employees to purchase medical, pharmacy, and dental insurance through the City’s single employer group plans. This constitutes an other post employment benefit (OPEB) provided to the employees. These benefits are governed by the City Council and can be amended through the City’s personnel manual and union contracts. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust and does not issue a stand-alone financial report.

(i) Employees Covered by Benefit Terms

At April 30, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	116
	128

(ii) BENEFITS PROVIDED

Retirees and their spouses or surviving spouses are eligible to purchase medical, pharmacy and dental benefits at the City’s group rates. Although retirees pay 100% for dental and vision coverage, and the majority of the cost for medical coverage, the City in effect also subsidizes a portion of the insurance costs by allowing them to remain on the group plan. Eligible employees must be at least 55 years of age with 20 years of service or 60 years of age with 8 years of service for all departments other than the police. Police department retirees must be 50 years of age with 20 years of service or 60 years of age with 8 years of service. Retirees and their spouses may only receive these benefits until reaching the age of 65.

(iii) NET OPEB LIABILITY

The measurement period for the OPEB expense was May 1, 2022 to April 30, 2023. The reporting period is May 1, 2022 through April 30, 2023. The City’s Total OPEB Liability was measured as of April 30, 2023.

The components of the net OPEB liability of the plan at April 30, 2023, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 2,291,080
Plan Fiduciary Net Position	0
Net OPEB Liability	\$ 2,291,080

Plan fiduciary net position as a percentage of the total OPEB liability is 0%.

See the schedule of changes in total OPEB liability and related ratios in the required supplementary information for additional information related to the funded status of the plan.

For the year ended April 30, 2023, the City will recognize OPEB expense of \$121,626.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(iv) ACTUARIAL ASSUMPTIONS

The Total OPEB Liability was determined by an actuarial valuation as of April 30, 2023 using the following actuarial assumptions:

Price Inflation	2.50%
Annual Wage Increases	2.75%
Discount Rate	4.16%
Immediate Trend Rate	7.50%
Ultimate Trend Rate	4.50%

For healthy pre-retirement lives: Pub-2010, amount-weighted, below-median income, general, employee, male and female tables. For healthy post-retirement lives: Pub-2010, amount-weighted, below-median income, general, retiree, male (adjusted 106%) and female (adjusted 105%) tables. For disabled retirement lives: Pub-2010, amount-weighted, general, disabled retiree, male and female tables.

(v) DISCOUNT RATE

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.16%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA/Aa by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

(vi) CHANGES IN TOTAL OPEB LIABILITY

	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending April 30, 2022	\$ 2,298,455
Changes for the Year:	
Service Cost	85,999
Interest	90,990
Changes of Assumptions	48,826
Differences Between Expected and Actual Experience	(215,005)
Benefit Payments	(18,185)
Net Changes	(7,375)
Reporting Period Ending April 30, 2023	\$ 2,291,080

Changes of assumptions reflect a change in the discount rate from 3.98% for the fiscal year ending April 30, 2022 to 4.16% for the fiscal year ending April 30, 2023.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(vii) SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3.16%	Current Discount Rate 4.16%	1% Increase 5.16%
Total OPEB Liability	\$ 2,530,816	\$ 2,291,080	\$ 2,075,710

(viii) SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.50% - 6.50%	Healthcare Cost Trend Rates 4.50% - 7.50%	1% Increase 5.50% - 8.50%
Total OPEB Liability	\$ 2,007,762	\$ 2,291,080	\$ 2,629,433

(ix) DEFERRED OUTFLOWS OF RESOURCES RELATED TO OPEB

At April 30, 2023, the City of Highland recognized deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences Between Expected and Actual Experience		\$	492,126
Changes in Assumptions	\$ 458,859		285,199
Total Deferred Amounts Related to OPEB	<u>\$ 458,859</u>	<u>\$</u>	<u>777,325</u>

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Amounts realized as deferred inflows of resources related to OPEB will be realized in OPEB expense in future periods as follows:

	Net Deferred Inflows of Resources
2024 \$	(37,177)
2025	(37,177)
2026	(37,177)
2027	(37,177)
2028	(40,029)
Thereafter	(129,729)
Total \$	<u>(318,466)</u>

NOTE 11. TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under the Illinois Tax Increment Allocation Redevelopment Act. Under this act, localities may grant property tax abatements for the purpose of rehabilitation of blighted or conservation areas. The abatements may be granted to any business located within the TIF District boundaries which incur qualified redevelopment costs. A typical agreement will reimburse a developer's qualified costs up to 100% of the annual property tax increment. For the fiscal year ended April 30, 2023, the City abated property taxes totaling \$18,278 under this program.

The City entered into sales tax rebate agreements with multiple businesses within the City's business district as an incentive for the businesses to complete improvements to their businesses. These businesses receive sales tax rebates of up to 100% of the 1% city sales tax increment, to be paid annually. For the fiscal year ended April 30, 2023, the City abated sales taxes totaling \$21,523 under these agreements.

The City entered into property tax abatement agreements with multiple businesses within the City's business district as an incentive for the businesses to complete improvements to the buildings within the district. These agreements reimburse the businesses up to 100% of the City's portion of the ad valorem tax increment generated on the increase in equalized assessed value for the improved property. For the fiscal year ended April 30, 2023, the City abated property taxes totaling \$18,886 under these agreements.

CITY OF HIGHLAND, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED APRIL 30, 2023

NOTE 12. LEGAL DEBT MARGIN

The legal debt margin for the City of Highland was \$11,199,397 for general obligation debts. The computation was as follows:

Assessed Valuation as of April 30, 2023	\$	231,215,544
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$	19,942,341
Less: Debt Counting Against Limit		(8,742,944)
Legal Debt Margin	\$	11,199,397

The total debt counting against the legal debt margin for the City of Highland at April 30, 2023 was \$8,742,944.

NOTE 13. DEFICIT FUND BALANCES

The following individual nonmajor funds reported deficit fund balances on April 30, 2023:

Fund	Deficit Fund Balance	
Library Special Projects	\$	12,860
Library Endowment		58,470
Total Deficit Fund Balance	\$	71,330

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 19, 2024, which is the date the financial statements were available to be issued. Management concluded that the following were subsequent events:

In August of 2023, the City entered into a debt certificate agreement for the City Hall remodel and Spillway Project. The closing date was August 30, 2023 with principal to be repaid totaling \$2,035,000.

In December of 2023, the City entered into a loan agreement for the purchase of a fire truck. The closing date was December 5, 2023 with principal to be repaid totaling \$393,522.

The City held investments relating to the police pension fund totaling \$13,412,736 as of April 30, 2023. Due to market conditions, the investments in the police pension have decreased in value.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023

NOTE 15. GOVERNMENTAL FUND BALANCES

As of April 30, 2023, governmental fund balances are classified as follows:

	General Corporate Fund	City Property Replacement Fund	Ambulance Fund	Business District A	Other Governmental Funds	Totals
Nonspendable:						
Prepaid Expenses	\$ 74,548		\$ 5,014		\$ 219,484	\$ 299,046
Total Nonspendable	<u>74,548</u>	<u>\$ 0</u>	<u>5,014</u>	<u>\$ 0</u>	<u>219,484</u>	<u>299,046</u>
Restricted for:						
Cemetery Operations and Maintenance					752,563	752,563
Economic Development				956,257	826,423	1,782,680
Fire Protection	77,519					77,519
Tourism and Conventions	8,192					8,192
Highways and Streets					1,791,257	1,791,257
IMRF					36,387	36,387
Debt Service					494,515	494,515
American Plan Rescue Act						0
Library Insurance					18,942	18,942
Municipal Band	28,127					28,127
Senior Community Center	29,987					29,987
Public Comfort Station	100,541					100,541
School Crossing Guard	17,795					17,795
Total Restricted	<u>262,161</u>	<u>0</u>	<u>0</u>	<u>956,257</u>	<u>3,920,087</u>	<u>5,138,505</u>
Assigned, Reported in:						
Special Revenue Funds			1,557,691		1,256,364	2,814,055
Debt Service Funds					2,386,093	2,386,093
Capital Projects Funds		9,008,506				9,008,506
Total Assigned	<u>0</u>	<u>9,008,506</u>	<u>1,557,691</u>	<u>0</u>	<u>3,642,457</u>	<u>14,208,654</u>
Unassigned	<u>3,095,858</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(71,330)</u>	<u>3,024,528</u>
TOTAL FUND BALANCES	<u><u>\$ 3,432,567</u></u>	<u><u>\$ 9,008,506</u></u>	<u><u>\$ 1,562,705</u></u>	<u><u>\$ 956,257</u></u>	<u><u>\$ 7,710,698</u></u>	<u><u>\$ 22,670,733</u></u>

The Business District A fund balance is restricted for economic development capital projects.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

	GENERAL CORPORATE FUND					APRIL 30, 2022	
	APRIL 30, 2023		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis		Actual Amounts GAAP Basis
	Budgeted Amounts Original Budget	Final Budget					
Revenues:							
General Property Taxes	\$ 1,597,178	\$ 1,597,178	\$ 1,578,840		\$ 1,578,840	\$ 1,542,062	
Corporate Personal Property Taxes	222,442	387,817	423,868		423,868	375,990	
Intergovernmental	5,267,341	5,443,874	5,808,151		5,808,151	5,601,429	
Charges for Services	1,912,800	2,238,780	2,274,977		2,274,977	2,384,612	
Licenses, Permits, and Other Taxes	285,000	279,230	248,515		248,515	277,883	
Fines and Forfeitures	13,500	13,500	15,753		15,753	20,452	
Revenue from Use of Property	87,200	87,200	105,507		105,507	92,823	
Grants and Contributions			133,868		133,868	63,316	
Miscellaneous and Interest Income	766,282	1,114,653	1,035,948		1,035,948	439,233	
Total Revenues	<u>10,151,743</u>	<u>11,162,232</u>	<u>11,625,427</u>	<u>\$ 0</u>	<u>11,625,427</u>	<u>10,797,800</u>	
Expenditures:							
General Government	1,473,915	1,529,238	1,519,558	40,706	1,560,264	1,435,156	
Public Safety	3,806,718	3,918,486	4,029,858	(25,908)	4,003,950	3,641,775	
Highways and Streets	1,107,410	1,157,460	1,080,440	(7,575)	1,072,865	1,122,579	
Culture and Recreation	2,127,294	2,377,810	2,367,033	12,010	2,379,043	2,079,412	
Economic Development	290,268	349,900	274,914		274,914	207,116	
Capital Outlay	815,500	753,332	742,610		742,610	1,208,958	
Principal Debt Retirement			22,794		22,794	72,421	
Interest and Fixed Charges on Debt			7,206		7,206	521	
Total Expenditures	<u>9,621,105</u>	<u>10,086,226</u>	<u>10,044,413</u>	<u>19,233</u>	<u>10,063,646</u>	<u>9,767,938</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>530,638</u>	<u>1,076,006</u>	<u>1,581,014</u>	<u>(19,233)</u>	<u>1,561,781</u>	<u>1,029,862</u>	
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets			80,626		80,626	4,855	
Operating Transfers In	251,203	251,203	21,000		21,000	461,905	
Operating Transfers Out	(698,000)	(698,000)	(1,228,000)		(1,228,000)	(1,409,615)	
Total Other Financing Uses	<u>(446,797)</u>	<u>(446,797)</u>	<u>(1,126,374)</u>	<u>0</u>	<u>(1,126,374)</u>	<u>(942,855)</u>	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ 83,841</u>	<u>\$ 629,209</u>	<u>\$ 454,640</u>	<u>\$ (19,233)</u>	<u>435,407</u>	<u>87,007</u>	
Fund Balance, Beginning of Year					<u>2,997,160</u>	<u>2,910,153</u>	
Fund Balance, End of Year					<u>\$ 3,432,567</u>	<u>\$ 2,997,160</u>	
The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ (11,931)	\$ (19,901)	
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					20,194	(63,629)	
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					10,970	4,815	
					<u>\$ 19,233</u>	<u>\$ (78,715)</u>	

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

	AMBULANCE FUND					
	APRIL 30, 2023			APRIL 30, 2022		
	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis
Original Budget	Final Budget	Differences Over (Under)				
Revenues:						
General Property Taxes	\$ 523,602	\$ 523,602	\$ 521,704		\$ 521,704	\$ 510,088
Corporate Personal Property Replacement Taxes	27,515	55,360	59,724		59,724	52,654
Intergovernmental	373,451	373,451	373,449		373,449	357,493
Charges for Services	1,715,000	1,715,000	2,545,625		2,545,625	1,717,718
Miscellaneous and Interest Income	8,000	29,110	26,669		26,669	27,923
Total Revenues	<u>2,647,568</u>	<u>2,696,523</u>	<u>3,527,171</u>	<u>\$ 0</u>	<u>3,527,171</u>	<u>2,665,876</u>
Expenditures						
Public Safety	2,490,924	2,561,774	3,123,975	(129,379)	2,994,596	2,632,058
Capital Outlay	86,560	238,978	204,421		204,421	
Principal Reirement			50,278		50,278	49,027
Interest and Fixed Charges			1,282		1,282	2,498
Total Expenditures	<u>2,577,484</u>	<u>2,800,752</u>	<u>3,379,956</u>	<u>(129,379)</u>	<u>3,250,577</u>	<u>2,683,583</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70,084</u>	<u>(104,229)</u>	<u>147,215</u>	<u>129,379</u>	<u>276,594</u>	<u>(17,707)</u>
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets					30,000	
Note Payable Proceeds					194,465	
Operating Transfers In						97,000
Operating Transfers Out	(62,000)	(62,000)				
Total Other Financing Sources (Uses)	<u>(62,000)</u>	<u>(62,000)</u>			<u>224,465</u>	<u>97,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ 8,084</u>	<u>\$ (166,229)</u>	<u>\$ 147,215</u>	<u>\$ 129,379</u>	<u>501,059</u>	<u>79,293</u>
Fund Balance, Beginning of Year					<u>1,061,646</u>	<u>982,353</u>
Fund Balance, End of Year					<u>\$ 1,562,705</u>	<u>\$ 1,061,646</u>
(1) The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ (23,102)	\$ 9,925
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(104,100)	68,374
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(2,177)	7,051
					<u>\$ (129,379)</u>	<u>\$ 85,350</u>

CITY OF HIGHLAND, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE "1"
 APRIL 30, 2023

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the first quarter of the calendar year, the City Manager submits to the City Council a proposed budget for the year commencing May 1 of that year. Expenditures, interest, payroll, claims, and compensated absences are budgeted to the extent anticipated to be paid in cash.
2. Public hearings are conducted to obtain taxpayer comments.
3. On April 18, 2022, the budget ordinance was legally enacted. The budget ordinance was legally amended on December 19, 2022 and April 17, 2023.
4. The operating budget for the major governmental and special revenue funds is reflected in the financial statements.
5. The formal budget is adopted and used as a management control device during the year for the general fund, special revenue funds, capital project funds, debt service funds, enterprise funds and pension and nonexpendable trust funds. Budgetary control is at the total individual fund level and is alternatively achieved through bond indenture provisions for the debt service funds. This allows the City Manager and the finance department to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures/expenses of any individual fund, by more than 10% must be approved by the City Council.
6. The City files with the county an annual budget ordinance which is the legally required document that levies a tax on the owners of property located in the City. The City budgets for expenditures to the extent anticipated to be paid in cash. All appropriations lapse at year end. The budget is the legal document that limits the spending capacity by fund of the City for its services and operations.

As of April 30, 2023, the City's expenses exceeded budget in the following fund. The amount does account for the change in accruals, debt proceeds, and the transfers to other funds or reserve accounts.

Ambulance	\$ 579,204
Library Tax	34,804
Library Endowment	32,543
Library Special Projects	140
Children's Library	31,224
ARPA	447,386
Police Pension	47,944

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year Ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY								
Service Cost	\$ 654,737	\$ 618,563	\$ 693,865	\$ 673,683	\$ 621,283	\$ 641,150	\$ 673,608	\$ 665,293
Interest on the Total Pension Liability	2,925,008	2,780,413	2,730,036	2,608,858	2,447,068	2,415,253	2,360,617	2,187,028
Difference Between Expected and Actual Experience of the Total Pension Liability	41,523	616,601	(352,395)	243,036	938,637	64,339	(818,131)	778,452
Changes of Assumptions			(373,941)		1,032,887	(1,086,422)	(81,602)	40,606
Benefit Payments, Including Refunds of Employee Contributions	(2,111,874)	(1,966,620)	(1,963,513)	(1,764,985)	(1,653,797)	(1,546,587)	(1,401,283)	(1,230,296)
Net Change in Total Pension Liability	1,509,394	2,048,957	734,052	1,760,592	3,386,078	487,733	733,209	2,441,083
Total Pension Liability - Beginning	41,073,507	39,024,550	38,290,498	36,529,906	33,143,828	32,656,095	31,922,886	29,481,803
Total Pension Liability - Ending (a)	<u>\$ 42,582,901</u>	<u>\$ 41,073,507</u>	<u>\$ 39,024,550</u>	<u>\$ 38,290,498</u>	<u>\$ 36,529,906</u>	<u>\$ 33,143,828</u>	<u>\$ 32,656,095</u>	<u>\$ 31,922,886</u>
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 592,222	\$ 758,702	\$ 780,493	\$ 585,077	\$ 701,482	\$ 729,699	\$ 699,617	\$ 732,050
Contributions - Employees	333,125	327,282	327,341	316,998	301,376	304,900	283,885	290,735
Net Investment Income	(5,629,301)	6,718,116	5,099,324	5,763,176	(1,696,987)	4,947,037	1,874,891	134,946
Benefit Payments, Including Refunds of Employee Contributions	(2,111,874)	(1,966,620)	(1,963,513)	(1,764,985)	(1,653,797)	(1,546,587)	(1,401,283)	(1,230,296)
Other (Net Transfer)	(170,647)	(77,889)	(157,854)	114,913	689,364	(465,726)	70,952	50,581
Net Change in Plan Fiduciary Net Position	(6,986,475)	5,759,591	4,085,791	5,015,179	(1,658,562)	3,969,323	1,528,062	(21,984)
Plan Fiduciary Net Position - Beginning	45,770,444	40,010,853	35,925,062	30,909,883	32,568,445	28,599,122	27,071,060	27,093,044
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,783,969</u>	<u>\$ 45,770,444</u>	<u>\$ 40,010,853</u>	<u>\$ 35,925,062</u>	<u>\$ 30,909,883</u>	<u>\$ 32,568,445</u>	<u>\$ 28,599,122</u>	<u>\$ 27,071,060</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 3,798,932</u>	<u>\$ (4,696,937)</u>	<u>\$ (986,303)</u>	<u>\$ 2,365,436</u>	<u>\$ 5,620,023</u>	<u>\$ 575,383</u>	<u>\$ 4,056,973</u>	<u>\$ 4,851,826</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.08%	111.44%	102.53%	93.82%	84.62%	98.26%	87.58%	84.80%
Covered Employee Payroll	\$ 7,402,786	\$ 7,272,940	\$ 7,267,173	\$ 6,948,660	\$ 6,611,522	\$ 6,599,116	\$ 6,308,543	\$ 6,460,770
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	51.32%	-64.58%	-13.57%	34.04%	85.00%	8.72%	64.31%	75.10%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - REGULAR PLAN
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 721,668	\$ 732,050	\$ (10,382)	\$ 6,460,770	11.33%
2016	699,617	699,617	0	6,308,543	11.09%
2017	724,583	729,699	(5,116)	6,599,116	11.06%
2018	701,482	701,482	0	6,611,522	10.61%
2019	585,077	585,077	0	6,948,660	8.42%
2020	780,494	780,493	1	7,267,173	10.74%
2021	742,567	758,702	(16,135)	7,272,940	10.43%
2022	592,223 *	592,222	1	7,402,786	8.00%

* Estimated based on contribution rate of 8.00% and covered valuation payroll of \$7,402,786.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2022 CONTRIBUTION RATE*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2022 CONTRIBUTION RATES:

Actuarial Cost Method: Aggregate Entry Age Normal
 Amortization Method: Level Percentage of Payroll, Closed
 Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP and ECO groups): 21-year closed period
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed 26 years and one employer was financed over 27 years).
 Asset Valuation Method: 5-Year smoothed market; 20% corridor
 Wage Growth: 2.75%
 Price Inflation: 2.25%
 Salary Increases: 2.85% to 13.75% including inflation
 Investment Rate of Return: 7.25%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
 Mortality: For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar Year Ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY								
Service Cost	\$ 18,978							
Interest on the Total Pension Liability	13,327	\$ 10,285	\$ 9,025	\$ 8,316	\$ 8,284	\$ 7,921	\$ 7,928	\$ 8,814
Difference between Expected and Actual Experience of the Total Pension Liability	9,115	22,193	4,699	1,465	(7,608)	(4,684)	(8,011)	(20,631)
Changes of Assumptions			3,652		3,568	1,603		
Net Change in Total Pension Liability	41,420	32,478	17,376	9,781	4,244	4,840	(83)	(11,817)
Total Pension Liability - Beginning	174,338	141,860	124,484	114,703	110,459	105,619	105,702	117,519
Total Pension Liability - Ending (a)	<u>\$ 215,758</u>	<u>\$ 174,338</u>	<u>\$ 141,860</u>	<u>\$ 124,484</u>	<u>\$ 114,703</u>	<u>\$ 110,459</u>	<u>\$ 105,619</u>	<u>\$ 105,702</u>
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 15,052	\$ 2,440					\$ 2,067	\$ 4,901
Contributions - Employee	9,082	1,212						
Net Investment Income	(141,603)	57,934	\$ 39,492	\$ 46,666	\$ (65,794)	\$ 44,062	6,414	632
Other (Net Transfer)	(1,267)	(1,124)	542	(213)	334	(297)	7,157	(7,633)
Net Change in Plan Fiduciary Net Position	(118,736)	60,462	40,034	46,453	(65,460)	43,765	15,638	(2,100)
Plan Fiduciary Net Position - Beginning	262,785	202,323	162,289	115,836	181,296	137,531	121,893	123,993
Plan Fiduciary Net Position - Ending (b)	<u>\$ 144,049</u>	<u>\$ 262,785</u>	<u>\$ 202,323</u>	<u>\$ 162,289</u>	<u>\$ 115,836</u>	<u>\$ 181,296</u>	<u>\$ 137,531</u>	<u>\$ 121,893</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 71,709</u>	<u>\$ (88,447)</u>	<u>\$ (60,463)</u>	<u>\$ (37,805)</u>	<u>\$ (1,133)</u>	<u>\$ (70,837)</u>	<u>\$ (31,912)</u>	<u>\$ (16,191)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.76%	150.73%	142.62%	130.37%	100.99%	164.13%	130.21%	115.32%
Covered Employee Payroll	\$ 121,088	\$ 16,156	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	59.22%	-547.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - SLEP
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 0	\$ 4,901	\$ (4,901)	\$ 0	0.00%
2016	0	2,067	(2,067)	0	0.00%
2017	0	0	0	0	0.00%
2018	0	0	0	0	0.00%
2019	0	0	0	0	0.00%
2020	0	0	0	0	0.00%
2021	2,278	2,440	(162)	16,156	15.10%
2022	15,051 *	15,052	(1)	121,088	12.43%

* Estimated based on contribution rate of 12.43% and covered valuation payroll of \$121,088.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2022 CONTRIBUTION RATE*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2022 CONTRIBUTION RATES:

Actuarial Cost Method: Aggregate Entry Age Normal
 Amortization Method: Level Percentage of Payroll, Closed
 Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period.
 Taxing bodies (Regular, SLEP and ECO groups): 21-year closed period
 Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).
 Asset Valuation Method: 5-Year smoothed market; 20% corridor
 Wage Growth: 2.75%
 Price Inflation: 2.25%
 Salary Increases: 2.85% to 13.75% including inflation
 Investment Rate of Return: 7.25%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
 Mortality: For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 POLICE PENSION
 MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal Year Ended April 30,	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY								
Service Cost	\$ 431,187	\$ 438,833	\$ 421,128	\$ 434,862	\$ 393,913	\$ 387,630	\$ 393,643	\$ 393,643
Interest on the Total Pension Liability	1,317,585	1,324,606	1,272,202	1,211,789	1,098,989	1,044,467	1,045,672	848,335
Benefit Changes			50,128					
Difference Between Expected and Actual Experience of the Total Pension Liability	(115,329)	(881,673)	(13,517)	159,034	58,476	(112,104)	(824,401)	130,394
Assumption Changes	301,631	(85,909)	(55,310)	(61,622)	879,770	153,120		1,942,512
Benefit Payments, Including Refunds of Employee Contributions	(836,726)	(955,727)	(816,505)	(785,270)	(688,165)	(593,024)	(661,861)	(630,741)
Net Change in Total Pension Liability	1,098,348	(159,870)	858,126	958,793	1,742,983	880,089	(46,947)	2,684,143
Total Pension Liability - Beginning	20,257,722	20,417,592	19,559,466	18,600,673	16,857,690	15,977,601	16,024,548	13,340,405
Total Pension Liability - Ending (a)	<u>\$ 21,356,070</u>	<u>\$ 20,257,722</u>	<u>\$ 20,417,592</u>	<u>\$ 19,559,466</u>	<u>\$ 18,600,673</u>	<u>\$ 16,857,690</u>	<u>\$ 15,977,601</u>	<u>\$ 16,024,548</u>
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 734,284	\$ 663,142	\$ 640,194	\$ 580,144	\$ 559,395	\$ 425,482	\$ 432,136	\$ 413,798
Contributions - Employees	155,928	186,271	160,993	159,751	145,573	150,130	158,168	143,460
Net Investment Income	(1,008,126)	3,397,098	(101,452)	582,650	518,280	695,462	(63,296)	557,433
Benefit Payments, Including Refunds of Employee Contributions	(836,726)	(955,727)	(816,505)	(785,270)	(688,165)	(593,024)	(661,861)	(630,741)
Administrative Expenses	(18,041)	(12,993)	(11,074)	(10,952)	(9,401)	(9,631)	(5,486)	(6,066)
Net Change in Plan Fiduciary Net Position	(972,681)	3,277,791	(127,844)	526,323	525,682	668,419	(140,339)	477,884
Plan Fiduciary Net Position - Beginning	14,750,633	11,472,842	11,600,686	11,074,363	10,548,681	9,880,262	10,020,601	9,542,717
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,777,952</u>	<u>\$ 14,750,633</u>	<u>\$ 11,472,842</u>	<u>\$ 11,600,686</u>	<u>\$ 11,074,363</u>	<u>\$ 10,548,681</u>	<u>\$ 9,880,262</u>	<u>\$ 10,020,601</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 7,578,118</u>	<u>\$ 5,507,089</u>	<u>\$ 8,944,750</u>	<u>\$ 7,958,780</u>	<u>\$ 7,526,310</u>	<u>\$ 6,309,009</u>	<u>\$ 6,097,339</u>	<u>\$ 6,003,947</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.52%	72.81%	56.19%	59.31%	59.54%	62.57%	61.84%	62.53%
Covered Employee Payroll	\$ 1,627,872	\$ 1,721,290	\$ 1,627,308	\$ 1,580,264	\$ 1,582,463	\$ 1,544,154	\$ 1,506,282	\$ 1,372,110
Net Pension Liability as a Percentage of Covered Employee Payroll	465.52%	319.94%	549.67%	503.64%	475.61%	408.57%	404.79%	437.57%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
MULTIYEAR SCHEDULE OF PENSION CONTRIBUTIONS - POLICE PENSION
Last 10 Calendar Years

Calendar Year Ending April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 412,622	\$ 413,798	\$ (1,176)	\$ 1,372,110	30.16%
2016	763,756	432,136	331,620	1,506,282	28.69%
2017	825,186	425,482	399,704	1,544,154	27.55%
2018	633,618	559,395	74,223	1,582,463	35.35%
2019	641,539	580,144	61,395	1,580,264	36.71%
2020	678,541	640,194	38,347	1,627,308	39.34%
2021	735,342	663,142	72,200	1,721,290	38.53%
2022	664,090	734,284	(70,194)	1,627,872	45.11%

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2022 CONTRIBUTION RATE*

VALUATION DATE

Notes: Actuarially determined contribution rates are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2022 CONTRIBUTION RATES

Actuarial Cost Method: Entry Age Normal Cost Method
 Amortization Method: Closed level percentage of payroll amortization of 90% of the Unfunded Actuarial Accrued Liability using a 3.00% payroll growth assumption over the period ending on April 30, 2040 (19-year amortization in 2021)
 Asset Method: 5 year smoothing of asset gains and losses
 Salary Increases: Service-related table with rates grading from 10.5% to 3.0% at 30 years of service.
 Cost-of-living Increases: 3.0% (1.25% for those hired on or after 1/1/2011)
 Investment Rate of Return: 6.50%, net of investment expenses
 Retirement Rates:

Tier I		Tier II	
Age	Rate of Retirement	Age	Rate of Retirement
50-51	15%	50-54	5%
52-54	20%	55	40%
55-64	25%	56-64	25%
65-69	40%	65-69	40%
70+	100%	70+	100%

Mortality: Active Lives
 RP-2014 Mortality Table with blue collar adjustment, projected generationally using scale MP-2020 from 2013.
Disabled Lives
 115% of the healthy mortality table, projected generationally using improvement scale MP-2020 from 2013
 10% of deaths are assumed to be in the line of service.

OTHER INFORMATION

Notes: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS - POLICE PENSION
Last 10 Calendar Years

Fiscal Year Ended April 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	-6.83%	29.77%	-0.88%	5.28%	4.91%	7.05%	1.72%	4.54%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
 MULTIYEAR OPEB SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Fiscal Year Ending April 30,	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY					
Service Cost	\$ 85,999	\$ 110,819	\$ 86,310	\$ 105,806	\$ 94,216
Interest on the Total OPEB Liability	90,990	48,363	65,476	60,351	62,463
Difference Between Expected And Actual Experience	(215,005)	(86,906)	(349,988)		
Postemployment Benefit Changes			379,403		
Assumption Changes	48,826	(296,302)	576,080	(95,429)	70,351
Benefit Payments	(18,185)	(18,979)	(21,774)	(78,151)	(80,352)
Net Change in Total OPEB Liability	(7,375)	(243,005)	735,507	(7,423)	146,678
Total OPEB Liability - Beginning	2,298,455	2,541,460	1,805,953	1,813,376	1,666,698
Total OPEB Liability - Ending	<u>\$ 2,291,080</u>	<u>\$ 2,298,455</u>	<u>\$ 2,541,460</u>	<u>\$ 1,805,953</u>	<u>\$ 1,813,376</u>
PLAN FIDUCIARY NET POSITION					
Employer Contributions	\$ 18,185	\$ 18,979	\$ 21,774	\$ 78,151	\$ 80,352
Total Benefits Paid	(18,185)	(18,979)	(21,774)	(78,151)	(80,352)
Net Change in Plan Fiduciary Net Position	0	0	0	0	0
Total Plan Fiduciary Net Position - Beginning	0	0	0	0	0
Total Plan Fiduciary Net Position - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 8,979,433	\$ 9,515,440	\$ 8,229,287	\$ 7,725,231	\$ 7,157,460
Net OPEB Liability As A Percentage Of Covered Employee Payroll	25.51%	24.16%	30.88%	23.38%	25.34%

Notes to Schedule:

Changes of assumptions:

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

Fiscal Year Ending April 30, 2023:	4.16%
Fiscal Year Ending April 30, 2022:	3.98%
Fiscal Year Ending April 30, 2021:	1.83%
Fiscal Year Ending April 30, 2020:	2.85%
Fiscal Year Ending April 30, 2019:	3.21%
Fiscal Year Ending April 30, 2018:	3.63%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT HEALTHCARE BENEFIT PROGRAM
MULTIYEAR SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Fiscal Year Ended April 30,	Actuarially Determined Contribution (a)	Historical Contribution (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b) / (c)
4/30/2019	\$ 80,352	\$ 80,352	-	\$ 7,157,460	1.12%
4/30/2020	78,151	78,151	-	7,725,231	1.01%
4/30/2021	21,774	21,774	-	8,229,287	0.26%
4/30/2022	18,979	18,979	-	9,515,440	0.20%
4/30/2023	18,185	18,185	-	8,979,433	0.20%

Notes to Schedule:

Beginning Fiscal Year Ending 2021, the ADC is calculated in accordance with the Employer's substantive 'pay-as-you-go' funding policy. Prior to Fiscal Year Ending 2021, the ADC is equal to the Annual Required Contribution (ARC) as calculated under GASB No. 45.

Italicized amounts are yet to be determined

Historical contributions prior to year-ended April 30, 2022, include implicit subsidy. Beginning year-ended April 30, 2023, historical contributions include only the explicit premium subsidy paid by the City.

CITY OF HIGHLAND, ILLINOIS
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2023 OPEB LIABILITY

Methods and Assumptions Used to Determine Contribution Rates:

Valuation and Measurement Date: May 1, 2022
 Actuarial Cost Method: Individual Entry Age Normal as a level percentage of payroll
 Discount Rate: 3.98% at valuation date.
 4.16% as of measurement period ending April 30, 2023
 Annual Wage Increases: 2.75%
 Price Inflation: 2.50%

Annual Healthcare Trend:

Years after Valuation	Gross Claims	Retiree Contributions
1	7.50%	5.00%
2	7.25%	5.00%
3	7.00%	5.00%
4	6.75%	5.00%
5	6.50%	5.00%
6	6.25%	5.00%
7	6.00%	5.00%
8	5.75%	5.00%
9	5.50%	5.00%
10	5.25%	5.00%
11	5.00%	5.00%
12	4.75%	5.00%
13+	4.50%	5.00%

Annual Per-Capita Claims Costs:

Age	Plan			Future Retirees
	Base	Buy-Up	H.S.A.	
40	\$ 7,427	\$ 7,269	\$ 6,005	\$ 6,953
45	8,821	8,634	7,132	8,258
50	10,476	10,254	8,470	9,808
55	12,443	12,179	10,060	11,649
60	14,778	14,464	11,948	13,835
64	16,958	16,598	13,711	15,876

Healthcare Reform: Per the *Setting Every Community Up for Retirement Engagement Act* ("SECURE"), signed into law on December 20, 2019, the excise tax on high-cost healthcare plans ("Cadillac" tax) has been repealed. As a result the liability for future excise taxes is zero.

Other legislative changes related to the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

Participation: *Future Retirees* : 80% of future retirees are assumed to elect coverage at retirement. 40% of participating retirees are assumed to elect the Base plan, 30% the Buy-Up plan, and 30% the H.S.A. plan. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

Current Retirees : Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

Spousal Participation: *Future Retirees* : 50% of participating retirees are assumed to be married and cover their spouse.

Current Retirees : Based on current coverage election.

Spouse Age: Male spouses are assumed to be 3 years older, and female spouses are assumed to be 3 years younger. Actual age is used for spouses of current retirees, if provided.

Mortality Rate: *Healthy Pre-Retirement*: Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female tables

Healthy Post-Retirement: Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables.

Disabled Retirement: Pub-2010, Amount-Weighted, General, Disabled Retiree, Male and Female tables

Margin for mortality improvements: Scale MP-2021

CITY OF HIGHLAND, ILLINOIS
NOTES TO THE SCHEDULE OF CHANGES IN TOTAL OPEB
LIABILITY AND RELATED RATIOS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2023 OPEB LIABILITY

Retirement:

Participants are assumed to retire in accordance with annual rates varying by age, gender, and group. The following table illustrates the assumed rate of such retirements per year:

Age	Police Tier 1		Police Tier 2		All Others		
	<32 YOS	32+ YOS	<32 YOS	32+ YOS	Age	Male	Female
50	30.00%	32.60%	0.00%	0.00%	55	33.00%	29.50%
51	30.00%	32.60%	0.00%	0.00%	56	26.50%	20.25%
52	27.00%	32.60%	0.00%	0.00%	57	18.50%	15.50%
53	22.00%	32.60%	0.00%	0.00%	58	22.50%	16.50%
54	26.50%	32.60%	0.00%	0.00%	59	22.00%	17.50%
55	25.00%	32.60%	60%	80%	60	13.00%	11.50%
56	24.50%	32.60%	18%	55%	61	12.50%	10.50%
57	27.00%	32.60%	23%	55%	62	21.50%	17.50%
58	27.50%	32.60%	33%	55%	63	20.00%	17.50%
59	28.50%	32.60%	13%	55%	64	18.00%	16.00%
60	21.00%	32.60%	8%	55%	65	26.00%	27.00%
61	24.00%	32.60%	8%	55%	66	32.00%	32.00%
62	28.00%	32.60%	23%	55%	67	26.00%	28.50%
63	22.50%	32.60%	18%	55%	68	23.00%	23.00%
64	24.50%	32.60%	18%	55%	69	22.50%	25.00%
65	21.00%	32.60%	23%	55%	70	26.00%	25.50%
66	23.00%	32.60%	23%	55%	71	24.00%	23.00%
67	28.00%	32.60%	23%	55%	72	17.50%	22.50%
68	36.50%	32.60%	23%	55%	73	22.00%	21.00%
69	29.50%	32.60%	23%	55%	74	20.00%	22.50%
70+	100%	100%	100%	100%	75-79	23.00%	24.00%
					80+	100%	100%

Disability:

Participants are assumed to become disabled in accordance with annual rates varying by age, gender, and group. The following table illustrates a sample of the assumed rate of such disablements per year:

Age	Police		All Others	
	Male	Female	Male	Female
20	0.00%	0.01%	0.00%	0.00%
25	0.01%	0.01%	0.00%	0.00%
30	0.01%	0.02%	0.00%	0.00%
35	0.01%	0.03%	0.01%	0.00%
40	0.02%	0.05%	0.01%	0.01%
45	0.03%	0.07%	0.02%	0.01%
50	0.04%	0.10%	0.03%	0.01%
55	0.06%	0.14%	0.05%	0.02%
60	0.05%	0.13%	0.06%	0.03%
65	0.04%	0.08%	0.06%	0.04%
70	0.02%	0.05%	0.05%	0.03%
75	0.01%	0.01%	0.04%	0.02%
80	0.00%	0.00%	0.03%	0.02%

Termination:

Participants are assumed to terminate employment for reasons other than death, disability, or retirement in accordance with annual rates varying by age, service, gender, and group. The following table illustrates a sample of the assumed rate of such terminations per year:

Age	Service	Police	All Others	
			Male	Female
All	0	18.3%	24.8%	27.7%
	1	11.0%	19.8%	22.0%
	2	8.0%	15.3%	17.8%
	3	8.0%	13.3%	14.5%
	4	6.5%	10.7%	12.0%
	5	5.7%	8.8%	10.5%
	6	4.1%	7.7%	9.2%
	7	N/A	7.7%	8.8%
30		3.7%	4.8%	7.7%
35		2.5%	3.8%	5.9%
40	8+	1.6%	3.0%	4.6%
45		1.5%	2.5%	3.8%
50		1.5%	2.1%	3.2%

CITY OF HIGHLAND, ILLINOIS
FOR THE YEAR ENDED APRIL 30, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/Program Title</u>	<u>ALN</u>	<u>Pass-through Grantor</u>	<u>Federal Expenditures</u>
Environmental Protection Agency (EPA):			
Capitalization Grants for Clean Water State Revolving Funds	66,458	Illinois EPA	\$ 1,723,924
Other Programs			
Department of the Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21,027	Illinois Department of Commerce & Economic Opportunity	447,385
National Endowment for the Humanities:			
Grants to States	45,310	Illinois State Library	25,000
Total Expenditures of Federal Awards			<u>2,196,309</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Highland, Illinois, for the year ended April 30, 2023, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Federal awards passed through other governmental agencies are included on the Schedule.

NOTE B – SUBRECIPIENTS

The City did not pass through any federal funds to subrecipients during the year ended April 30, 2023.

NOTE C – NONMONETARY ASSISTANCE

The City did not receive any nonmonetary assistance from federal programs during the year ended April 30, 2023.

NOTE D – FEDERAL INSURANCE

The City had no federal insurance as it relates to federal programs in effect for the year ended April 30, 2023.

NOTE E – DE MINIMIS COST RATE

The City has not elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

CITY OF HIGHLAND, ILLINOIS
FOR THE YEAR ENDED APRIL 30, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results:

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Highland, Illinois.
2. Significant deficiencies were reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Highland, Illinois were disclosed during the audit.

Federal Awards

1. No significant deficiencies or material weaknesses in internal control over major federal programs were reported.
2. The auditor's report on compliance for the major federal award program for the City of Highland, Illinois expresses an unmodified opinion.
3. No audit findings were identified that are required to be reported in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The Capitalization Grants for Clean Water State Revolving Funds, CFDA No. 66.458, was tested as a major program.

The threshold for distinguishing between Types A and B programs was \$750,000.

The City of Highland, IL does not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

Significant Deficiencies:

2023-1:

Condition: The City does not have anyone on staff that is adequately trained or possesses the necessary knowledge that enables the preparation of the City's financial statements, schedule of expenditures of federal awards, and the related disclosures in accordance with Generally Accepted Accounting Principles.

Criteria: Generally accepted accounting principles determine proper presentation of your assets, liabilities, revenues, and expenses and the related disclosures. This is deemed necessary so that misstatements will not occur in the financial statements.

Cause: The City of Highland does not have personnel who are adequately trained to ensure the annual financial statements and schedule of expenditures of federal awards are prepared in accordance with generally accepted accounting principles.

CITY OF HIGHLAND, ILLINOIS
FOR THE YEAR ENDED APRIL 30, 2023

Significant Deficiencies (Continued):

2023-1 (Continued):

Effect: The possibility exists that the financial statements are not properly prepared to accurately report financial activity and the possibility that the schedule of expenditures of federal awards is not accurate or complete.

Recommendation: Management should consider the costs and benefits of hiring additional expertise or training accounting staff to ensure the financial statements, schedule of expenditures of federal awards, and related disclosures are prepared in accordance with generally accepted accounting principles.

Response: Management has considered the recommendation but feels it does not have the necessary resources to expend funds to address this finding. Management will continue to rely on the assistance of the auditor in the preparation of the financial statements, schedule of federal awards, and related disclosures in accordance with generally accepted accounting principles. Management will continue to oversee and approve the financial statements, schedule of federal awards, and related disclosures and take responsibility for them.

2023-2:

Condition: The City did not perform the bank reconciliations during the fiscal year.

Criteria: A reconciliation between the general ledger and the bank balance should be prepared to ensure that the recording of transactions is accurate and proper.

Cause: City personnel did not perform monthly bank reconciliations in a timely manner due to staffing limitations.

Effect: The possibility exists that errors or other problems might not be recognized and resolved in a timely manner.

Recommendation: It is recommended that the City reconcile the general ledger to the bank balance on a monthly basis to ensure that all transactions have been appropriately accounted for and to ensure accurate financial reporting.

Response: Management has considered the recommendation and is looking into adopting procedures to ensure the bank reconciliations are performed in a timely manner.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

PRIOR AUDIT FINDINGS

None



City of Highland

CORRECTIVE ACTION PLAN

The City of Highland, Illinois, respectfully submits the following corrective action plan for the year ending April 30, 2023.

Audit Firm: Scheffel Boyle
P.O. Box 374
Highland, IL 62249

Audit Period: May 1, 2022 to April 30, 2023

A. There were no findings from the April 30, 2023 Schedule of Findings, Questioned Costs, and Recommendations Related to Compliance.

B. Current Findings on the Schedule of Findings, Questioned Costs, and Recommendations – Financial Statement Audit

Finding 2023-1

- a. Comments on the Finding and Each Recommendation: The City of Highland concurs with the finding and recommendation
- b. Action(s) Taken or Planned on the Finding: It is not cost effective for the City of Highland to hire or contract with someone who can prepare financial statements and related disclosures in accordance with generally accepted accounting principles. We will continue to work with our auditors to prepare these statements.

Finding 2023-1

- a. Comments on the Finding and Each Recommendation: The City of Highland concurs with the finding and recommendation
- b. Action(s) Taken or Planned on the Finding: Management has considered the recommendation and is looking into adopting procedures to ensure the bank reconciliations are performed in a timely manner.

If you have any questions regarding this plan, please contact the City at 618-654-9891.

Sincerely,

Chris Conrad, City Manager

Reanna Ohren, Finance Director

TABLE 1

CITY OF HIGHLAND, ILLINOIS
 GENERAL GOVERNMENTAL REVENUES BY SOURCE
 FOR THE LAST TEN FISCAL YEARS
 INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30	GENERAL PROPERTY TAX	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX	INTERGOV- ERNMENTAL	CHARGES FOR SERVICES	LICENSE AND PERMITS	FINES AND FORFEITS	INTEREST	MISC.	TOTAL
2014	\$ 3,316,000	\$ 177,447	\$ 5,878,534	\$ 3,435,972	\$ 234,720	\$ 35,787	\$ 190,000	\$ 4,861,048	\$ 18,129,508
2015	3,356,566	186,556	5,936,918	3,612,417	273,768	30,176	159,996	2,473,835	16,030,232
2016	3,652,264	149,890	6,363,869	3,715,043	249,133	33,691	122,485	1,083,672	15,370,047
2017	3,702,813	211,386	6,051,810	3,559,153	242,861	22,086	140,689	911,035	14,841,833
2018	3,794,954	158,068	6,363,785	3,819,310	251,510	21,098	147,230	838,125	15,394,080
2019	3,898,828	170,962	6,944,823	4,167,512	282,042	22,713	186,243	850,400	16,523,523
2020	3,948,993	190,513	6,936,981	4,177,021	380,890	19,307	240,179	1,021,040	16,914,924
2021	4,071,650	234,164	7,636,737	3,846,332	279,071	19,803	282,034	2,085,705	18,455,496
2022	4,215,846	526,912	8,640,519	4,130,078	277,883	21,782	264,162	1,689,853	19,767,035
2023	4,300,234	593,943	8,970,916	4,849,759	248,515	16,455	405,113	2,397,483	21,782,418

COMMENTS

In fiscal year 2014, 2015, and 2016 there are numerous reimbursements for Street projects included in the Misc revenue amount.

In fiscal year 2020 Motor Fuel Tax revenues are included with Misc revenue as they are now separately stated.

TABLE 2

CITY OF HIGHLAND, ILLINOIS
 INTERGOVERNMENTAL TAX REVENUES BY SOURCE
 FOR THE LAST TEN FISCAL YEARS
 INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30	SALES TAX	NON-HOME RULE SALES TAX	BUSINESS DISTRICT SALES TAX	ILLINOIS INCOME TAX	FOREIGN FIRE INSURANCE	SIMPLIFIED MUNICIPAL TELECOMM. TAX	MOTOR FUEL TAX	FIRE DIST. AMBULANCE REVENUE	MISC. REVENUE	TOTAL
2014	\$ 2,406,532	\$ 1,350,631		\$ 1,140,257	\$ 17,623	\$ 334,627	\$ 337,057	\$ 226,869	\$ 64,938	\$ 5,878,534
2015	2,473,224	1,356,778		1,171,822	19,898	269,460	294,314	260,294	91,128	5,936,918
2016	2,624,354	1,397,348		1,421,357	20,739	293,914	263,985	262,525	79,647	6,363,869
2017	2,687,754	1,409,810		1,046,684	20,728	247,597	261,693	272,956	104,588	6,051,810
2018	2,692,857	1,402,969		1,359,263	23,372	219,336	263,386	281,672	120,930	6,363,785
2019	2,718,178	1,458,085	\$ 493,431	1,327,101	23,674	212,280	261,805	318,966	131,303	6,944,823
2020	2,795,003	1,459,030	685,585	1,322,714	26,121	184,914		318,966	144,648	6,936,981
2021	2,964,817	1,569,326	729,281	1,734,720	30,585	151,181		333,287	123,540	7,636,737
2022	3,278,226	1,856,272	810,694	1,916,199	30,913	132,729		357,493	257,993	8,640,519
2023	3,425,387	1,933,916	840,662	1,966,752	42,347	126,760		373,449	261,643	8,970,916

COMMENTS

Fiscal year 2020 represents a full year's collection of the business district sales tax and MFT is now separately stated.

TABLE 3

CITY OF HIGHLAND, ILLINOIS
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
 FOR THE LAST TEN FISCAL YEARS
 INCLUDES ALL GOVERNMENTAL FUND TYPES

<u>YEAR ENDING APRIL 30</u>	<u>GENERAL GOVERN- MENTAL</u>	<u>PUBLIC SAFETY</u>	<u>HIGHWAY AND STREETS</u>	<u>CULTURE AND RECREATION</u>	<u>OTHER</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
2014	\$ 1,476,274	\$ 4,960,364	\$ 4,694,239	\$ 2,281,886	\$ 1,293,407	\$ 1,733,486	\$ 16,439,656
2015	1,650,483	5,568,489	4,845,670	2,590,978	1,145,969	1,698,108	17,499,697
2016	1,687,311	5,549,989	4,225,527	3,213,727	1,181,708	1,906,160	17,764,422
2017	1,572,823	5,458,665	1,821,517	2,657,890	1,246,544	1,931,661	14,689,100
2018	1,679,800	5,990,443	1,609,788	2,489,351	1,155,742	1,973,865	14,898,989
2019	1,807,259	6,911,767	1,706,017	2,808,433	1,389,191	1,520,988	16,143,655
2020	1,835,925	7,220,034	2,687,154	2,861,735	1,337,720	1,497,682	17,440,250
2021	1,882,958	11,042,889	3,887,277	2,493,814	1,370,593	1,975,152	22,652,683
2022	2,055,865	7,004,920	5,081,442	2,827,180	1,217,621	1,518,342	19,705,370
2023	2,443,558	7,294,382	2,148,877	3,165,233	1,380,295	1,443,136	17,875,481

TABLE 4

CITY OF HIGHLAND, ILLINOIS
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,
 PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION, AND TAX EXTENSIONS
 FOR THE LAST TEN YEARS

TAXES LEVIED BY CITY IN	DEC 2013	DEC 2014	DEC 2015	DEC 2016	DEC 2017	DEC 2018	DEC 2019	DEC 2020	DEC 2021	DEC 2022
ESTIMATED TAXABLE VALUE	\$ 529,010,859	\$ 533,481,255	\$ 532,837,035	\$ 541,215,249	\$ 552,063,054	\$ 569,838,918	\$ 595,861,524	\$ 612,997,809	\$ 640,103,757	\$ 693,646,632
ASSESSED VALUATION	176,336,953	177,827,085	177,612,345	180,405,083	184,021,018	189,946,306	198,620,508	204,332,603	213,367,919	231,215,544
TAX RATES:										
GENERAL	0.3330	0.3220	0.3330	0.3279	0.3298	0.3291	0.3249	0.3304	0.3269	0.3219
POLICE	0.0750	0.0726	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750	0.0737	0.0725
FIRE	0.0750	0.0726	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750	0.0737	0.0725
COMMUNITY BUILDING	0.0750	0.0726	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750	0.0737	0.0725
PLAYGROUND & REC	0.0900	0.0871	0.0900	0.0887	0.0892	0.0890	0.0878	0.0900	0.0884	0.0870
BAND	0.0259	0.0259	0.0259	0.0255	0.0250	0.0211	0.0202	0.0196	0.0188	0.0173
POLICE PENSION	0.2324	0.2404	0.2367	0.3059	0.3125	0.3342	0.3323	0.3565	0.3081	0.2846
SOCIAL SECURITY	0.2099	0.2587	0.2619	0.2495	0.2446	0.2317	0.2165	0.2105	0.2344	0.2163
AUDIT	0.0100	0.0096	0.0096	0.0089	0.0087	0.0106	0.0101	0.0123	0.0118	0.0126
RETIREMENT	0.2212	0.2756	0.2787	0.2495	0.2446	0.2291	0.2165	0.1664	0.1664	0.1536
LIABILITY INSURANCE	0.1673	0.1294	0.1295	0.1636	0.1783	0.1712	0.1637	0.1591	0.1407	0.1384
SCHOOL CROSSING GUARD	0.0069	0.0068	0.0070	0.0056	0.0055	0.0048	0.0046	0.0045	0.0043	0.0039
AMBULANCE SERVICE	0.2481	0.2418	0.2500	0.2462	0.2476	0.2471	0.2439	0.2500	0.2454	0.2417
LEASE							0.0152	0.0147	0.0141	0.0130
PUBLIC COMFORT STATION	0.0171	0.0141	0.0141	0.0084	0.0109		0.0182	0.0177	0.0169	0.0217
TOTAL RATE-CITY CORP	1.7868	1.8292	1.8614	1.9014	1.9196	1.8905	1.8735	1.9008	1.7973	1.7295
LIBRARY	0.1500	0.1451	0.1500	0.1477	0.1486	0.1483	0.1464	0.1500	0.1473	0.1450
LIBRARY LIABILITY INSURANCE	0.0176	0.0175	0.0189	0.0183	0.0191	0.0187	0.0182	0.0172	0.0165	0.0151
TOTAL TAX RATE	1.9544	1.9918	2.0303	2.0674	2.0873	2.0575	2.0381	2.0680	1.9611	1.8896
TAX EXTENSIONS:										
GENERAL	\$ 587,202	\$ 572,603	\$ 591,449	\$ 591,549	\$ 606,901	\$ 625,113	\$ 645,318	\$ 675,115	\$ 697,500	\$ 744,283
POLICE	132,253	129,103	133,209	133,319	136,728	140,940	145,390	153,249	157,252	167,631
FIRE	132,253	129,103	133,209	133,319	136,728	140,940	145,390	153,249	157,252	167,631
COMMUNITY BUILDING	132,253	129,103	133,209	133,319	136,728	140,940	145,390	153,249	157,252	167,631
PLAYGROUND & REC	158,703	154,887	159,851	160,019	164,147	169,052	174,389	183,899	188,617	201,158
BAND	45,671	46,057	46,002	46,003	46,005	40,079	40,121	40,049	40,113	40,000
POLICE PENSION	409,807	427,496	420,408	551,859	575,066	634,801	660,016	728,446	657,387	658,039
SOCIAL SECURITY	370,131	460,039	465,167	450,111	450,115	440,106	430,013	430,120	500,134	500,119
AUDIT	17,634	17,071	17,051	16,056	16,010	20,134	20,061	25,133	25,177	29,133
RETIREMENT	390,057	490,091	495,006	450,111	450,115	435,167	430,013	430,120	355,044	355,147
LIABILITY INSURANCE	295,012	230,108	230,008	295,143	328,109	325,188	325,142	325,093	300,209	320,002
SCHOOL CROSSING GUARD	12,167	12,092	12,433	10,103	10,121	9,117	9,137	9,195	9,175	9,017
AMBULANCE SERVICE	437,492	429,986	444,031	444,157	455,636	469,357	484,435	510,832	523,605	558,848
LEASE							30,190	30,037	30,085	30,058
PUBLIC COMFORT STATION	30,154	25,074	25,043	15,154	20,058		36,149	36,168	36,059	50,176
TOTAL RATE-CITY CORP	3,150,789	3,252,813	3,306,076	3,430,222	3,532,467	3,590,934	3,721,154	3,883,954	3,834,861	3,998,873
LIBRARY	264,505	258,027	266,419	266,458	273,455	281,690	290,780	306,499	314,291	335,263
LIBRARY LIABILITY INSURANCE	31,035	31,120	33,569	33,014	35,148	35,520	36,149	35,145	35,206	35,145
TOTAL EXTENSIONS	\$ 3,446,329	\$ 3,541,960	\$ 3,606,064	\$ 3,729,694	\$ 3,841,070	\$ 3,908,144	\$ 4,048,083	\$ 4,225,598	\$ 4,184,358	\$ 4,369,281

TABLE 5

CITY OF HIGHLAND, ILLINOIS
PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS (UNAUDITED)

RESIDENTS LIVING IN THE CITY OF HIGHLAND IN SALINE TOWNSHIP

YEAR LEVIED IN IN	MADISON COUNTY	SALINE TOWNSHIP	SALINE ROAD & BRIDGE	HIGHLAND SCHOOL DIST. #5	CITY OF HIGHLAND + LIBRARY	S.W.I.C. DIST. #522	TOTAL
2013	0.7210	0.1493	0.3161	4.7646	1.9544	0.4048	8.3102
2014	0.7329	0.1470	0.3138	4.7452	1.9918	0.4242	8.3549
2015	0.7073	0.1439	0.3179	4.9043	2.0303	0.4637	8.5674
2016	0.6514	0.1422	0.3231	4.8699	2.0674	0.4743	8.5283
2017	0.6157	0.1198	0.3212	4.8563	2.0873	0.4648	8.4651
2018	0.5953	0.1214	0.3157	4.8075	2.0575	0.4599	8.3573
2019	0.5746	0.0926	0.2845	4.6673	2.0381	0.4544	8.1115
2020	0.5469	0.0779	0.2549	4.6671	2.0680	0.4462	8.0610
2021	0.5215	0.0643	0.2551	4.6550	1.9611	0.4421	7.8991
2022	0.4809	0.0586	0.2345	4.5164	1.8897	0.4186	7.5987

RESIDENTS LIVING IN THE CITY OF HIGHLAND IN HELVETIA TOWNSHIP

YEAR LEVIED IN IN	MADISON COUNTY	HELVETIA TOWNSHIP	HELVETIA ROAD & BRIDGE	HIGHLAND SCHOOL DIST. #5	CITY OF HIGHLAND + LIBRARY	S.W.I.C. DIST. #522	TOTAL
2013	0.7210	0.1560	0.4317	4.7646	1.9544	0.4048	8.4325
2014	0.7329	0.1612	0.4304	4.7452	1.9918	0.4242	8.4857
2015	0.7073	0.1694	0.4479	4.9043	2.0303	0.4637	8.7229
2016	0.6514	0.1669	0.4483	4.8699	2.0674	0.4743	8.6782
2017	0.6157	0.1631	0.447	4.8563	2.0873	0.4648	8.6342
2018	0.5953	0.1589	0.4425	4.8075	2.0575	0.4599	8.5216
2019	0.5746	0.1342	0.4074	4.6673	2.0381	0.4544	8.2760
2020	0.5469	0.1319	0.4059	4.6671	2.0680	0.4462	8.2660
2021	0.5215	0.1238	0.4084	4.6550	1.9611	0.4421	8.1119
2022	0.4809	0.1211	0.4033	4.5164	1.8897	0.4186	7.8300

TABLE 6

CITY OF HIGHLAND, ILLINOIS
 COMPUTATION OF LEGAL DEBT MARGIN
 APRIL 30, 2023

ASSESSED VALUATION FOR 2022	\$ 231,215,544
STATUTORY DEBT LIMITATION: 8.625% of Assessed Valuation	19,942,341
DEBT COUNTING AGAINST LIMIT	* <u>(8,742,944)</u>
LEGAL DEBT MARGIN	<u>\$ 11,199,397</u>

*Includes outstanding promissory notes for water improvements, debt certificates for public safety facility improvements, and senior center lease. All debts are expected to be repaid with designated revenues.

CITY OF HIGHLAND, ILLINOIS
 RATIO OF NET GENERAL DEBT TO ASSESSED VALUE
 AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

<u>YEAR ENDING APRIL 30,</u>	<u>POPULATION</u>	<u>ASSESSED VALUATION</u>	<u>GENERAL BONDED DEBT</u>	<u>RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUATION</u>	<u>BONDED DEBT PER CAPITA</u>
2014	9,919	176,336,953	0	0.000	0.00
2015	9,919	177,827,085	0	0.000	0.00
2016	9,919	177,612,345	0	0.000	0.00
2017	9,919	180,405,083	0	0.000	0.00
2018	9,919	184,021,018	0	0.000	0.00
2019	9,919	189,946,306	* 1,593,000	0.008	160.60
2020	9,919	198,620,508	* 10,225,000	0.051	1030.85
2021	9,991	204,332,603	* 9,771,000	0.048	977.98
2022	9,991	213,367,919	* 9,267,000	0.043	927.53
2023	9,991	231,215,544	* 8,742,944	0.038	875.08

* These amounts reflect the total obligations counting against the City's debt limit.

CITY OF HIGHLAND, ILLINOIS
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT			TOTAL GENERAL GOVERNMENTAL EXPENDITURES	GENERAL BONDED DEBT SERVICE TO GENERAL EXPENDITURES
	PRINCIPAL	INTEREST AND FIXED CHARGES	TOTAL		
2014	\$ 0	\$ 0	\$ 0	\$ 16,439,656	0.0%
2015	0	0	0	17,499,697	0.0%
2016	0	0	0	17,764,422	0.0%
2017	0	0	0	14,689,100	0.0%
2018	0	0	0	14,898,989	0.0%
2019	* 72,000	* 26,988	* 98,988	16,143,684	0.6%
2020	* 143,000	* 57,160	* 200,160	17,440,250	1.1%
2021	* 454,000	* 308,014	* 762,014	22,652,683	3.4%
2022	* 504,000	* 296,878	* 800,878	19,705,370	4.1%
2023	* 524,056	* 285,576	* 809,632	17,875,481	4.5%

* These amounts reflect the annual payments for obligations counting against the City's debt limit.

TABLE 9

CITY OF HIGHLAND, ILLINOIS
REVENUE BOND COVERAGE
2019 FTTP BONDS

YEAR ENDING APRIL 30	GROSS REVENUES	OPERATING EXPENSES LESS DEPRECIATION & GASB 68 PENSION AND OPEB EXPENSE	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE*
				PRINCIPAL	INTEREST	TOTAL	
2020	\$ 16,991,881	\$ 15,338,790	\$ 1,653,091	\$ 470,000	\$ 539,545	\$ 1,009,545	1.64
2021	17,543,906	15,654,407	1,889,499	735,000	213,948	948,948	1.99
2022	17,877,648	15,881,537	1,996,111	755,000	198,072	953,072	2.09
2023	17,689,120	15,789,989	1,899,131	770,000	181,764	951,764	2.00

*The coverage requirement per the 2019 FTTP Bond Ordinance is 1.20.

TABLE 10

CITY OF HIGHLAND, ILLINOIS
PROPERTY VALUE AND CONSTRUCTION INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

YEAR ENDING APRIL 30,	CONSTRUCTION					ASSESSMENT YEAR	PROPERTY VALUE (IN 000'S) **			
	RESIDENTIAL		COMMERCIAL AND INDUSTRIAL		TOTAL		RESIDENTIAL	COMMERCE & INDUSTRY	RAILROAD & FARM	TOTAL
	NO. OF PERMITS	VALUE (in 000's)	NO. OF PERMITS	VALUE (in 000's)						
2014	167	\$ 5,712	49	\$ 7,476	\$ 13,188	2013	\$ 382,193	\$ 146,159	\$ 659	\$ 529,011
2015	181	3,078	50	3,439	6,517	2014	386,486	146,317	678	533,481
2016	255	5,400	40	4,272	9,672	2015	384,168	147,943	726	532,837
2017	243	7,222	38	1,369	8,591	2016	389,057	151,373	785	541,215
2018	184	5,878	32	5,477	11,355	2017	399,706	151,535	822	552,063
2019	343	9,443	58	6,565	16,008	2018	413,891	154,960	988	569,839
2020	277	11,399	47	4,369	15,768	2019	429,766	165,003	1,093	595,862
2021	376	10,398	46	38,368 *	48,766	2020	442,141	169,691	1,166	612,998
2022	323	8,358	41	12,524	20,882	2021	462,869	175,900	1,334	640,103
2023	179	15,795	42	14,810	30,605	2022	502,743	189,346	1,557	693,646

** Source: Property Value based on County Clerk's information on assessed valuation as 33 1/3 % of fair market value.

* Includes \$23,670,323 for a remodeling of Walmart

CITY OF HIGHLAND, ILLINOIS
 LIGHT AND POWER FUND
 COMPARATIVE SUMMARY OF OPERATIONS
 FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	OPERATING REVENUE	OPERATING EXPENSES INCLUDING DEPRECIATION, INTEREST AND GASB 68 PENSION EXPENSE		INCOME (LOSS) EXCLUDING OTHER INCOME	
		AMOUNT	PERCENT OF OPERATING REVENUE	AMOUNT	PERCENT OF OPERATING REVENUE
2014	\$ 15,202,314	\$ 15,361,797	101.05	\$ (159,483)	(1.05)
2015	15,266,278	15,489,666	101.46	(223,388)	(1.46)
2016	15,483,184	15,937,329	102.93	(454,145)	(2.93)
2017	16,038,325	16,499,976	102.88	(461,651)	(2.88)
2018	16,548,836	16,637,576	100.54	(88,740)	(0.54)
2019	17,046,844	16,922,499	99.27	124,345	0.73
2020	16,886,323	17,920,184	106.12	(1,033,861)	(6.12)
2021	17,432,457	17,889,969	102.62	(457,512)	(2.62)
2022	17,776,018	17,304,796	97.35	471,222	2.65
2023	17,547,431	17,624,232	100.44	(76,801)	(0.44)

*The City does not budget for depreciation or pension expense.

CITY OF HIGHLAND, ILLINOIS
WATER FUND
COMPARATIVE SUMMARY OF OPERATIONS
FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	GROSS REVENUE	OPERATING EXPENSES INCLUDING DEPRECIATION, INTEREST AND GASB 68 PENSION EXPENSE		INCOME (LOSS) EXCLUDING OTHER INCOME	
		AMOUNT	PERCENT OF GROSS REVENUE	AMOUNT	PERCENT OF GROSS REVENUE
2014	\$ 2,003,215	\$ 2,252,837	112.46	\$ (249,622)	(12.46)
2015	1,971,690	2,197,558	111.46	(225,868)	(11.46)
2016	2,028,123	2,203,540	108.65	(175,417)	(8.65)
2017	2,309,309	2,137,841	92.57	171,468	7.43
2018	2,628,949	2,236,009	85.05	392,940	14.95
2019	2,688,256	2,366,794	88.04	321,462	11.96
2020	2,717,282	2,480,597	91.29	236,685	8.71
2021	2,808,069	2,536,392	90.33	271,677	9.67
2022	2,777,768	2,624,263	94.47	153,505	5.53
2023	2,855,241	2,902,828	101.67	(47,587)	(1.67)

*The City does not budget for depreciation or pension expense.

CITY OF HIGHLAND, ILLINOIS
SEWER FUND
COMPARATIVE SUMMARY OF OPERATIONS
FOR THE LAST TEN FISCAL YEARS

YEAR ENDING APRIL 30	GROSS REVENUE	OPERATING EXPENSES INCLUDING DEPRECIATION, INTEREST AND GASB 68 PENSION EXPENSE		INCOME (LOSS) EXCLUDING OTHER INCOME	
		AMOUNT	PERCENT OF GROSS REVENUE	AMOUNT	PERCENT OF GROSS REVENUE
2014	\$ 2,044,434	\$ 2,159,013	105.60	\$ (114,579)	(5.60)
2015	2,082,634	2,081,066	99.92	1,568	0.08
2016	2,138,010	2,128,431	99.55	9,579	0.45
2017	2,281,337	2,140,575	93.83	140,762	6.17
2018	2,180,024	2,178,645	99.94	1,379	0.06
2019	2,277,562	1,764,662	77.48	512,900	22.52
2020	2,304,216	1,800,034	78.12	504,182	21.88
2021	2,376,233	1,774,904	74.69	601,329	25.31
2022	2,478,461	2,021,169	81.55	457,292	18.45
2023	2,499,571	2,109,785	84.41	389,786	15.59

*The City does not budget for depreciation or pension expense.

TABLE 14

CITY OF HIGHLAND, ILLINOIS
 MISCELLANEOUS STATISTICS
 APRIL 30, 2023 (UNAUDITED)

Date of Incorporation		1884
Form of Government		Council/Manager
Number of Employees -	(As of 04/30/23)	
Total		344
Full Time		114
Total Area		7.591 square miles
Number of Dwelling Units		4870
Population	(Updated for 2020 Census, remains uncertified)	9991

CITY OF HIGHLAND FACILITIES AND SERVICES

Fire Protection:

Number of Stations		2
Number of Firemen		27 Volunteers
Fire Insurance Rating		4

Police Protection:

Number of Policemen and Officers		21
Number of Police Vehicles	(9 patrol and 5 admin)	14

Ambulance:

Number of Ambulances in Service 24 hours per day		2
Number of Ambulances in Reserve		1
Number of Paramedics and Emergency Medical Technicians		16 Full time

Culture and Recreation:

Public Library (Volume of Books and Audio Visuals)		1 (118,353 items)
Parks		13
Ball Diamonds Available		19
Tennis Courts Available		9
Public Pools		2
Recreation Buildings		2
Senior Citizen Centers		2
Skate Park		1

Electric Service:

Number of Accounts		6,763 customers
Area Served		64.0 square miles

Water Service:

Number of Accounts		4,980 customers
Water Districts		4
Average Daily Demand		1.230 MG/day
Treatment Capacity		4.0 MG/day

Sewer Service:

Number of Accounts		4,584 customers
Present Flow		1.377 MG/day
Treatment Capacity		4.0 MG/day

FACILITIES AND SERVICES NOT INCLUDED IN THE REPORTING ENTITY:

Education: All Schools in District	No. of schools	Teachers	Enrollment
Elementary (K-5)	4	92	1,134
Middle School	2	53	652
High School	1	<u>62</u>	<u>840</u>
		207	2,626

Utilities:

Electric, Water, Sewer, Refuse	City of Highland Utilities
Cable and Satellite TV	HCS, Charter Communications, Dish and Direct TV
Gas	Ameren IP
Telephone	HCS, Frontier, Charter Communications
Hospital	1
Nursing Homes and Assisted Living	4



City of Highland

Finance Department

MEMO TO: Christopher Conrad, City Manager
FROM: Reanna Ohren, Director of Finance
SUBJECT: Treasurer's Report
DATE: February 15, 2024

I am presenting the 2023 Annual Treasurer's Report to Council for approval at the February 19, 2024 meeting. This report will be published in the Troy Times Tribune on Thursday February 22, 2024 and a certified copy will be provided to Madison County as well.

Please let me know if you have any questions regarding this document.

ANNUAL TREASURER'S REPORT
CITY OF HIGHLAND, ILLINOIS
FOR THE FISCAL YEAR ENDING APRIL 30, 2023

REVENUE SUMMARY:

PROPERTY TAXES 4,607,000 - REPLACEMENT TAX 564,870- INTERGOVERNMENTAL 8,970,916 - MOTOR FUEL TAX 404,633 - CHARGES FOR SERVICES 29,744,228 - CONNECTION FEES 69,049 - LICENSES, PERMITS AND OTHER TAXES 248,515 - FINES AND FORFEITURES 16,455 - REVENUE FROM USE OR PROPERTY 105,507 - EMPLOYEE CONTRIBUTIONS(PP)- 160,641 GRANTS AND CONTRIBUTIONS 881,254 - MISCELLANEOUS AND INVESTMENT INCOME 1,591,586

TOTAL REVENUE: \$47,364,654

EXPENDITURE SUMMARY:

4COM Inc: 121702.56, A 1 Security Specialist Inc: 6961.99, AAIM Employers' Association: 2589.00, Ace Hardware: 8289.66, ADAMS CABLE EQUIPMENT, INC.: 3450.00, ADR HIGHLAND, INC.: 4172.00, ADVANTAGE ARCHIVES LLC: 3701.00, Airgas USA,LLC: 5816.89, Aladtec, Inc.: 11040.00, Albers Fire Prot. Equipment Inc.: 2570.67, All American Sportswear: 10282.00, ALLIANT INSURANCE SERVICES, INC.: 5211.00, ALLIED WASTE TRANSPORTATION INC: 1055670.26, Alpine Power Systems: 18801.63, Altec Industries Inc: 187823.52, ALTORFER INC: 2523.56, AM Pyrotechnics Display LLC: 30000.00, AMAZON CAPITAL SERVICES: 92867.96, Ameren Illinois: 46380.48, ANIXTER, INC.: 109951.67, APEX PHYSICAL THERAPY: 66750.00, Aramark Uniform Services: 8288.34, ARELION US INC: 65643.96, ARTHUR J GALLAGHER RISK MANAGEMENT SERVICES LLC: 34671.00, Arthur J Lager Monument Company: 2800.00, ASPHALT SALES AND PRODUCTS INC: 3498.00, AssuredPartners Cornerstone LLC: 4112.50, Auto Sound & Security, Inc.: 9624.00, Aviston Lumber Company: 4982.56, AXON ENTERPRISE, INC.: 7249.44, BALLY SPORTS ST. LOUIS: 117707.83, Banner Fire Equipment Inc: 3186.29, Barco Products Company: 17789.31, BARNETT PEST SOLUTIONS: 3250.00, Barton Electric Inc: 19243.80, BAUMANN, CLAY: 2720.08, BECHERER, CHARLES J: 5000.00, Bedoya, Carlos: 2550.00, Beelman Logistics LLC: 38795.55, BEHRMANN COMPANY: 18500.00, BEST Engineered Systems Technology Group LLC: 152356.04, BEST ONE TIRE & SERVICE OF CLINTON COUNTY: 2962.46, BEST ONE TIRE & SERVICE OF CLINTON COUNTY: 16269.97, BHMG Engineers Inc: 40495.50, Bi State Compressor Inc: 5486.97, BOESER COMMERCIAL SOLUTIONS, LLC: 35826.02, BOKF, N.A.: 1520089.00, Bound Tree Medical, LLC: 8864.92, Breathing Air Systems Div: 22124.06, Broadway Battery & Tire: 11663.02, Brooks & Associates Inc.: 11544.32, BSN SPORTS INC: 7594.94, BUCHER MUNICIPAL NORTH AMERICA INC: 3182.98, BUILDINGSTARS INC: 40945.00, C.A. JONES, INC: 8000.00, CALIX INC.: 165586.73, Champion Barrow & Associates: 3210.00, Capri Pools & Aquatics: 21836.75, CARBON ACTIVATED CORPORATION: 41126.40, CARDINAL PUMP COMPANY: 25677.00, CARDPOINT MERCHANT SERVICES: 21221.55, Carl's Four Wheel Drive & Performance Center LLC: 4719.57, CDW G Inc: 174110.74, Cedarchem: 27613.77, Cellebrite USA, Inc: 4880.00, CENTRAL RUBBER EXTRUSIONS OF IL, INC: 4088.12, Christ Bros Inc: 32115.43, City Of Highland: 284429.73, City Of Highland: 33762.64, City Utilities: 360688.07, CIVICPLUS: 21475.36, CIVIL DESIGN INC: 9980.04, COLE, KIMBERLY A.: 44663.50, COMMERCIAL ELECTRIC MOTORS SERVICE INC: 2715.24, Compass Minerals: 14834.87, COMPUSTITCH SCREEN PRINTING AND EMBROIDERY: 4577.93, COMSTAR SUPPLY INC: 21652.07, CONSOLIDATED ELEC DIST CED9858: 20613.22, CONSOLIDATED ELECT DIST CED9858: 6064.86, Constellation NewEnergy Gas Division, LLC:

28234.25, Cooperative Response Center, Inc: 14638.00, CORE & MAIN LP: 4030.38, CORE DISTINCTION GROUP, LLC: 6250.00, CORPORATE INTERIORS INC: 5441.64, Corsair Controls Inc: 22581.00, COUNTON, TIMOTHY: 70155.25, County of Madison: 173478.07, CRAFCO, INC.: 6157.50, Crawford, Murphy & Tilly Inc: 14539.19, Curry & Associates Engineers Inc: 57715.05, Cygan-Delaney Catering: 5464.87, CYPHERS TRUCK PARTS: 2867.95, DATATRONICS INC: 15174.70, DATATRONICS, INC: 5375.86, Delaurent Const Co Inc: 26680.50, Dell Marketing L P: 175229.11, Diamond Tours, Inc.: 38740.00, DigitalArtz LLC: 8739.03, DINGES FIRE COMPANY: 17584.04, Direct Fitness Solutions: 17772.88, Ditch Witch Sales Inc: 14510.80, DJ Howards & Assoc. Inc.: 3037.50, DLT Solutions LLC: 4998.50, DocuSign: 15824.12, Don Anderson Co: 44215.10, DONOHO, DEREK: 21500.00, Dr. Wood Trees & Landscape: 62972.50, Drive Social Media: 24075.00, Durkin Equipment Co Inc: 5163.60, ED M. FELD EQUIPMENT CO., INC.: 8686.68, EDWARDSVILLE MACHINE & WELDING CO. INC.: 3032.00, EJ EQUIPMENT, INC.: 3815.00, Electrico Inc: 34243.94, ELLIOTT DATA SYSTEMS INC.: 32002.50, ENDRIZZI CONTRACTING INC: 100000.00, Energy Wise: 76487.00, Epic Sports: 4798.86, Essenpreis Plumbing & Htg: 20221.29, FAUST CONSTRUCTION: 8000.00, FCB BANKS: 258750.00, FCB Highland Bank: 51460.30, Feldmann Homes: 8000.00, Ferrellgas: 3592.43, Fletcher Reinhardt Company: 43446.10, FORKLIFT OF ST LOUIS: 3100.00, Frey Properties of Highland LLC: 30000.00, FRONTIER: 4163.03, FS Turf Solutions, St. Clair Service Company: 18323.25, FURNITURE REWARDS LLC: 14129.75, Galls, LLC: 4491.80, Gametime: 158219.10, Gelly Excavating & Construction Inc: 19247.82, GILMORE & BELL, P.C: 4800.00, Global Rental Co Inc: 71380.00, GLOBAL TECHNICAL SYSTEMS, INC: 41537.66, GOGO INC: 7680.00, Grainger: 3091.47, GRAY MEDIA GROUP LLC: 103261.92, Graybar: 101848.54, Graybar: 13505.45, GREAT LAKES DATA SYSTEMS: 30724.56, HACH COMPANY: 18562.35, HAMEL SEED & FARM SUPPLY, INC.: 2502.90, Hawkins Inc: 28361.37, HBO, Home Box Office: 2940.00, Hediger's Backhoe Inc.: 4500.00, Heros In Style: 3789.37, HFS: 2655.95, HFS Bureau of Fiscal Operations- GEMT: 160892.63, HIGHLAND ANIMAL HOSPITAL LLC: 17754.11, Highland Area Christian Servic: 4742.28, Highland Arts Council: 8000.00, Highland Chamber Of Commerce: 10731.00, Highland Communication Services: 36964.12, Highland Community School Dist: 43801.00, Highland Community Title LLC: 405691.65, HIGHLAND COMMUNITY UNIT SCHOOL DISTRICT NO 5: 4000.00, HIGHLAND OPTIMIST CLUB: 4000.00, Highland Printers: 4578.19, Highland Volunteer Fire Department: 2794.00, Hillyard St Louis Inc: 12893.75, Holland Supply Inc.: 4115.18, Home Nursery Inc: 3437.80, Horn, Steven: 8581.53, HORSTMANN, JOSEPH: 3579.98, HOUSE OF TOOLS & ENGINEERING, INC.: 4654.44, HOUSE TURNERS LLC: 3975.00, Huels Oil Co: 202342.34, Hydro-Kinetics Corporation: 16179.00, IL Department Of Revenue: 3088.00, IL Dept Of Revenue: 332237.72, ILLINOIS DEPT OF INSURANCE: 3096.30, ILLINOIS DEPT OF REVENUE: 79651.87, Illinois Electric Inc: 23110.31, Illinois Environmental Protection Agency: 20735.00, Illinois Environmental Protection Agency: 531759.14, ILLINOIS MUNICIPAL LEAGUE RMA: 601586.40, Illinois Municipal Utilities Association: 4525.00, IllinoiSouth Tourism: 3720.00, IMEA: 10085092.31, Insituform Technologies USA,LLC: 2138341.50, INTEGRA OPTICS INC.: 3589.40, INTERSTATE TRS FUND: 3199.64, IRON MOUNTAIN: 3603.97, ITOUCH BIOMETRICS LLC: 9720.00, Itron Inc: 3899.94, JLS Marine Inc: 5290.00, JM TEST SYSTEMS INC: 4773.37, JOHN DEERE FINANCIAL: 54786.30, JOINER SHEET METAL & ROOFING, INC.: 3142.52, JULIE Inc: 2870.40, JWC ENVIRONMENTAL INC.: 58228.00, Kalmer Landscape Supply: 2926.35, KGP Logistics Inc: 10847.23, KIDD'S RESTAURANT INC: 7393.58, Knebel's Auto Body Inc: 10818.52, Kohnen Concrete Products, Inc.: 2519.00, Korte & Luitjohan Contr Inc: 11083.46, Korte Landscaping: 8831.80, Langhauser Sheet Metal Co: 6839.93, LEAPS OF LOVE, INC: 4400.00, LEE'S LOANS JEWELRY & MORE INC: 4050.00, LEWIS BRISBOIS BISGAARD & SMITH LLP: 262049.31, LEXIPOL LLC: 11520.66, London Shoe Shop: 3851.70, LOU FUSZ FORD OF HIGHLAND COMPANY: 36075.20, Loyet, Craig: 4186.50,

LOYET-ARCHITECTS: 35730.00, Luby Equipment Services: 6470.59, M.J. Products Company: 7217.25, M5 MANAGEMENT GROUP: 2812.38, MADISON COUNTY FAIR ASSOCIATION: 10000.00, Madison County Treasurer: 7492.03, Mastercard: 166630.01, Mazzio's Pizza: 9793.00, McConnell & Associates Corporation: 8912.97, McKay Auto Parts Inc: 5472.78, MEREDITH CORPORATION: 7287.84, METRO-AG WASTE INJECTION SYSTEMS, INC.: 78000.00, Mettler Development LLC: 24000.00, Midwest Meter Inc.: 47612.00, Midwest Municipal Supply Inc: 27425.31, MIDWEST OCCUPATIONAL MEDICINE, LTD: 3011.00, Midwest Pool & Court Co: 8606.92, Mike A Maedge Trucking Inc: 15128.28, Missouri Network Alliance LLC: 221466.46, MOMENTUM TELECOM, INC.: 115214.03, Moran Economic Development LLC: 28679.21, MORROW BROTHERS FORD INC: 37595.00, Morton Salt: 37804.15, Motorola Solutions, Inc: 122868.98, MOTOROLA SOLUTIONS, INC: 15312.76, MTI Distributing, Inc.: 48910.45, Mug A Bug: 5261.91, MUNICIPAL EMERGENCY SERVICES, INC.: 10084.72, Munie Outdoor Service Inc: 5407.29, Navy Brand: 4115.36, NEXSTAR BROADCASTING, INC.: 136647.93, NEXTSITE LLC: 7500.00, Northtown Auto & Tractor: 10593.97, Nu Way Concrete Forms Troy LLC: 34538.10, Oates Associates Inc: 294782.87, Odorizzi, Mike: 6570.00, O'Reilly Automotive Inc.: 15776.36, ORSEY, DENNIS: 16083.50, Ortho Tech Sports Medical Equipment Inc: 13191.75, Pace Analytical Services Inc: 10561.80, Pepsi: 18134.36, Pioneer Manufacturing Company: 10892.64, PLAYPOWER LT FARMINGTON: 7292.47, Polydyne, Inc.: 45540.00, PONTEM SOFTWARE: 4890.00, POWER & TELEPHONE: 25039.31, Power Line Supply: 34256.33, PRECISION MARKETING & SALES: 4096.44, PRESTIGE BUSINESS EQUIPMENT, LLC: 22660.20, Productivity Plus Account: 10989.61, PWW MEDIA INC.: 3055.00, QUADMED, INC.: 3796.05, R ENTERPRISES LLC: 121000.00, R P Lumber Co Inc: 2987.37, Ray O'Herron Co Inc: 8663.93, RCS Construction Inc: 16353.00, Red E Mix LLC: 145684.50, Reding Tire & Battery Inc: 12603.75, RENSING PAINT & TREE SERVICE: 4125.00, REVIZE LLC: 3400.00, ROBERT (BOB) SANDERS WASTE SYSTEMS, INC.: 761655.39, Roland Machinery Company: 3700.00, Rotary Club of Highland: 3773.00, S. Horn Construction: 5984.09, SADDLEWOOD DEVELOPMENT INC: 4000.00, Scheffel Boyle: 50680.00, Schulte Supply Inc: 43726.64, SD Myers Inc: 5905.00, SENTINEL EMERGENCY SOLUTIONS: 14455.75, SERVICE LIGHTING & ELECTRICAL SUPPLIES, INC.: 2825.58, Sidener Environmental Services Inc.: 5023.21, Sievers Equipment Co.: 3578.78, SIGNS & DESIGNS BY RONNIE DEIEN, LLC: 11999.20, SINCLAIR TELEVISION GROUP, INC.: 52744.73, Singler, Timothy: 3886.50, Southern Illinois University Edwardsville: 12845.43, SOUTHERN POLICE INSTITUTE DEPT OF CRIMINAL JUSTICE: 6866.00, SOUTHWESTERN CONSTRUCTION SERVICES INC: 13236.85, SOUTHWESTERN ILLINOIS COLLEGE: 11892.40, Southwestern Illinois Law Enforcement Commission: 2540.00, SPARLIN PLUMBING: 3994.92, SPRINGBROOK HOLDING COMPANY LLC: 78810.24, STATE BANK OF BERN: 200645.25, STEVENSON, STEVE: 9965.00, Stryker Sales Corporation: 66060.12, SUMNER ONE, INC.: 7527.29, Sunset Commercial Properties LLC: 7154.81, Sutton, Brad: 2810.47, Switzer Food and Supplies: 6541.01, T.R. MILLER MILL CO. INC.: 52680.39, TANTALUS SYSTEMS INC.: 107384.83, TARGETSOLUTIONS LEARNING LLC: 5493.50, Tech Electronics Inc: 4969.77, TEGNA: 80792.96, Teklab Inc: 24288.10, TELEPHONE SWITCHING INTERNATIONAL INC: 5256.01, The Bank of New York Mellon: 535000.00, THE GLIK COMPANY: 10000.00, THE HOWARD E NYHART CO. INC.: 5800.00, The Korte Company Inc: 24799.02, The Kwik Konnection Printing Inc: 21651.00, The Lifeguard Store: 3105.57, The Pump Shop: 4994.73, The Sherwin Williams Co: 4507.00, Third Millennium Assoc Inc: 23774.36, Thole Fabrication & Welding Inc: 4185.00, THRYV, INC.: 2784.84, TIVO PLATFORM TECHNOLOGIES LLC: 98332.77, TJO HOLDINGS LLC: 7090.31, TK Elevator Corporation: 6503.32, Tri Ford Inc: 4804.74, Truck Centers Inc: 3061.90, TYLER TECHNOLOGIES INC: 276457.76, U S Postal Service: 27292.16, U.S. BANK N.A.: 175400.00, UNITED SYSTEMS & SOFTWARE, INC.: 26870.75, University Of Illinois: 4400.00, UNWIND

SALON SPA LOUNGE: 7798.35, US POSTAL SERVICE: 33980.06, USA Blue Book: 18992.27, USAC BILLING & DISBURSEMENT: 14246.34, USALCO: 69276.90, UTILITRA: 8733.36, Utility Service Co Inc: 114249.12, Vandalia Bus Lines Inc: 13058.22, Vandevanter Engineering Inc: 19271.01, Vantage Point Solutions, Inc: 13235.00, Verizon Wireless - State: 54919.95, Vermont Systems Inc: 4820.40, VISU-SEWER OF MISSOURI LLC: 15005.93, VIVICAST MEDIA, LLC: 642008.79, VOX NETWORKS SOLUTIONS, INC.: 3850.00, WALMART COMMUNITY/ CAPITAL ONE: 20299.16, WARNER COMMUNICATIONS CORP.: 2714.92, Warning Lites of Southern IL, LLC: 15518.45, Washburn, Rodney: 3125.00, Water Solutions Unlimited: 58162.57, Watts Copy Systems Inc: 13848.37, WEBER GRANITE CITY FORD LLC: 35383.63, Weldon Williams & Lick: 2594.60, Wellen Homes Inc: 4000.00, WEX BANK: 141837.01, Wilke Truck Service, Inc.: 19468.56, William F. Brockman Co: 8100.48, Wissehr Electrical Contractors Inc: 2714.33, WOODLAKE MEDICAL MANGEMENT INC: 7970.00, Woody's Municipal Supply: 11604.05, Zobrist Electric Inc: 15052.50, Zoll Data Systems Inc: 19913.34, Zumwalt Corporation: 3787.65, VENDORS PAID UNDER \$2,500: 336011.82
TOTAL OF ALL VENDORS-- \$29,886,953.92

COMPENSATION SUMMARY:

Under \$25,000:

Steven Alier II, Noah Allen, Laila Bailey, Jason Bange, Emily Barth, Logan Barton, Kate Becker, Barbara Bellm, Peggy Bellm, Brian Berberich, Jason Bergkoetter, Garrett Berolatti, Shelton Black, Stacie Black, Marissa Bowman, Dalton Box, Linda Box, Stephanie Boyce, Lauren Brannon, Susan Brauns, Julia Burrow, Shannon Cadagin, Emma Caminiti, Steven Campbell, Summer Carroll, Abigail Chalfant, Travis Clark, Leah Compton, Aiden Conrad, Olivia Conrad, Kaiden Cooksey, Evan Cooper, Dawn Counts, Anna Cramer, Kevin Crask, Connie Crawford, Karli Dant, Kelsi Dant, Michelle Dant, Mackenzie Davis, Leuart Deva, Frederick Donini, Trinity Dresch, Katherine Druke, Ella Drysdale, Ethan Drysdale, Connie Duncan, Joann Elliott, Adeline Embry, Julia English, Robin Ermer, Lilli Evans, Kerry Federer, Shane Field, Christopher Freimann, Rick Frey, Hannah Geest, Nolan Geest, Robert Geppert, Cody Gertz, Gracie Gietl, Larry Gilbert, Brian Gnedinger, Randi Gonzalez, Randall Gregory, Brad Gross, Audrey Habing, Meredith Habing, Lydia Hadowsky, Chapale Haines Jr., Josie Hapack, Brittney Hargis, Jessica Hargis, Mason Haselhorst, Ronald Hawkins, Olivia Heinzmann, Brianna Helm, Joseph Hemann, Jude Hemann, Kevin Hemann, Mary Hemann, Morgan Hempen, Raeghan Henrichs, Kyle Hess, John Hipskind, Emilie Hoepker, Michael Hoffer, Gavin Hollenkamp, Tracy Holtgrave, Carter Holthaus, Quinton Holzinger, Samuel Huelskamp, Tanner Huelsman, Abigail Huelsmann, Erika Huelsmann, Bryce Iberg, Lori Iberg, Abigail Imming, Virginia Kabureck, Anjuli Kampwerth, Tina Kassa, Tarryn Keeney, Taylor Kesner, Elizabeth King, Matthew King, Amy Kloss, Adam Knebel, Travis Knebel, Brian Knobloch, Christian Knobloch, Rachel Koehnemann, Allison Koerkenmeier, Galen Kohlbrecher, Gavin Kohlbrecher, Kealy Korte, Tess Korte, Liam Kurfman, Kyle LaTempt, Joseph Leitschuh, Tara Lentz, Whitney Lightle, William Lindsco, Louise Link, Joshua Loeh, Julia Loeh, Ronald Luber, Dallas Mancinas, JoAnne Marks, Chloe Marti, Tanner Martin, Leann McCaslin, Jinee McDonnell-Stewart, Luke McGranahan, Harrison McLaughlin, Jordan Medina, Nancy Melanson, Bradley Menz, Christian Miller, Sharon Miller, Thomas Mitchell, Hilary Moll, Michael Morris, Jamie Murphy, Hunter Nelson, Dale Netemeyer, Kelsey Newcomb, Daniel Newman, Neil Nicolaides, James Niebur, Christopher Nikonovich, Alyssa Noll, Cynthia Noll, Mary Nonn, Alison North, Parker Nungesser, Elizabeth O'Dell, Lacie Offermann, Collin Oglesby, Grayson Oravec, Kyle Osterbur, Meghan Osterbur, Kayla Pace, Jessica Parker, Donna Plocher, Mia Poe, Travis Porter, Logan Powers, Donitta Prather, Nathaniel Proffer, Tristan Ramirez, Carter Reeves, Riley Reeves, Colby Reilson, Grace Rensing, Delaney Rigney, Allie Rinderer, Adin Roach, Dawn Roeckenhau, Jennifer Rogers, Noah Rose, Easton

Rosen, Tarah Rottmann, Tyler Rottmann, Kayla Rutz, Paige Schaible, Kinsey Schiermeier, Eleanor Schumacher, David Seefeldt, Alyssa Seegers, Alexa Seger, Colin Sexton, Yvonne Shaw, Dominic Sirko, Sarah Sloan, Bryant Smith, Zachary Spengler, Mason Steinbeck, Dawn Steiner, Darby Stever, Finnegan Stever, Ann Stoecklin, Noah Stratton, Benjamin Straub, Joseph Suever, Daniel Tallman, Bryce Tebbe, Paige Terschluse, Zoe Thiems, Sophia Thomas, Dylan Tiernan, Kamryn Toler, Elaina Tompkins, Matthew Torre, Richard Tscherny, Jordan Turner, Madelyn Vogelbacher, Ryan Vogelbacher, Drake Wagner, John Walker, Duane Warnecke, Vincent Watts, Rachel Welch, Austin Werner, Audrey Wilke, Zachary Wilken, Chase Wilson, Patricia Wilson, Davis Wimmer, Tony Winter, Rita Wuebbels, Makenna Wutzler, John Young, Steven Young, Michael Zaloga, Patricia Zurliene

\$25,000 -49,999:

Cheryl Agliano, Stephen Clayton, Nicholas Dugan, Debra Greve, Hillary Held, Teresa Hoffman, Nancy Jackson, Michael Krohn, Heather Kunz, Kathleen Lohman, Scott Manville, Matthew Neier, Lena Oney, Braden Patterson, Lucas Pinsker, Keith Reece, Matthew Sebastian, David Seefeldt, David Sirianni, Lora Tebbe, Kent Thole, Darren Twyford, Logan VonHatten, Kody Welch, Courtney Yearian

\$50,000 -74,999:

Tommie Anglin, Benjamyn Brinker, Brenna Brumley, Kelcey Chadwick, Brian Clarkin, Jaiden Davis, Cindy Emig, Jesse Ferris, Anthony Gaffner, Dustin Gilomen, Andrew Hanford, Michael Hanna, Lana Hediger, Ryan Hellmann, Michael Hollenkamp, Mallord Hubbard, Ryan Hummert, Dale Jr. Jones, Bret Klein, Bradley Koehnemann, Kelsey Krump, Scott Kuhn, Randy Lauer, Karen Leadbetter, Lisa LeJeune, Kelly McCaslin, Nathan Newingham, Stephanie Nicklin, Alexander Ocepek, Steven Price, Devin Randall, Randy Riggs, Michael Russell, Timothy Rusteberg, Austin Scarsdale, Carl Schlarmann, Jared Schroeder, Gary Sellers, Melissa Sellers, Matthew Sinnokrak, Kurtis Skogley, George Stram, Megan VonHatten, Jeffrey Voss, Laura Wilken, Nicholas Winkeler, Dawn Zobrist, Shane Zobrist

\$75,000 -99,999:

William Jr. Aegerter, Ty Barr, Jordan Bauer, Nathan Biggs, Shawn Bland, David Brines, Martin Carlen, Christopher Clewis, Clinton Conrad, David Cripps, Ronald Donoho, Christopher Flake, William Franke, Megan Grotefendt, Keith Haberer, Jacklyn Heimbürger, Troy Hemann, Anthony Hempen, Robert Horner, Angela Kim, Jeremiah Kingery, Mark McKinney, Andrew Mettler, Clayton Moore, Daniel Neier, Reanna Ohren, Lonie Poettker, Gary Pugh II, Marty Rinderer, Randall Rinderer, Torre Rutz, Danielle Schaake, Bradley Sherman, Mathew Sitton, Timothy Steinmann, Christopher Straub, Jacob Streicher, Bradley Sutton, Travis Tebbe, Breann Vazquez, James Wilson, William Zimmer

\$100,000 -124,999:

Scott Athmer, Daniel Cook, Gene Cox, Reid Fahrenholtz, Damian Feeny, Joseph W. Gillespie III, David Grossmann, Brian McClenahan, Kenneth McCoy, Anthony Perez, Carole Presson, Mark Rosen, Christopher Scarborough, Barkley Schlaefer, Kyle Timmermann, Jason Wiegand

\$125,000 and Over:

Christopher Conrad, Angela Imming, Aric Steinbeck

Total Compensation \$10,890,249.33

**SUMMARY STATEMENT OF CONDITION
(Excerpt from Comptroller Report AFR)**

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	DEBT SERVICE	ENTERPRISE	INTER- NAL SERV.	FIDUCIARY	DISCR. PRES. COMP. UNITS
Revenues (*line 240t)	11,625,427	7,305,080	905,435	1,946,476	25,676,980	0	974,758	0
Expenditures (*line 270t)	10,063,646	6,101,685	604,903	1,105,247	24,484,509	0	977,644	4,025
Excess Rev Over Exp (*line 301t)	1,561,781	1,203,395	300,532	841,229	1,192,471	0	(2,886)	(4,025)
Transfers In (*line 302t)	21,000	18,500	1,228,000	0	0	0	0	0
Transfers Out (*line 303t)	(1,228,000)	(18,500)	(21,000)	0	0	0	0	0
Bond Proceeds (*line 304t)	0	0	0	0	0	0	0	0
Other (*line 305t)	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Fund Balance (*line 306t)	354,781	1,397,860	1,507,532	841,229	1,192,471	0	(2,886)	(4,025)
Previous Year Fund Balance (*line 307t)	2,997,160	5,429,950	8,487,386	1,544,864	37,610,669	0	13,777,953	56,545
Other (*line 308t)	80,626	29,345	0	0	0	0	0	0
Current Year Ending Fund Balance (*line 310t)	3,432,567	6,857,155	9,994,918	2,386,093	38,803,140	0	13,775,067	52,520

	OUTSTANDING BEGINNING OF YEAR	ISSUED CURRENT FISCAL YEAR	RETIRED CURRENT FISCAL YEAR	OUTSTANDING END OF YEAR
TOTAL DEBT	32,576,875	1,900,608	2,422,539	32,054,944
	(*Line 405)	(*Line 411)	(*Line 417)	(*Line 423)

***NOTE: Refers to the Line Numbers in the Comptrollers Annual Financial Report.**

Subscribed and sworn to this 20th day of February, 2024.

Neill Nicolaides, Treasurer

I, Barbara Bellm, Clerk of Highland, Madison County, Illinois, do hereby certify that the above is a true copy of the Annual Treasurer's Report for the fiscal year ending April 30, 2023.

Barbara Bellm, Clerk



City of Highland

Finance Department

MEMO TO: Christopher Conrad, City Manager
FROM: Reanna Ohren, Director of Finance
SUBJECT: Tax Abatements for Bonds
DATE: February 20, 2024

I have placed three ordinances on the upcoming council agenda. These Ordinances are needed in order to abate taxes for prior bond issuances for the 2023 taxes payable in 2024. These ordinances are for the 2010 Alternate Revenue Street Bond, the 2020 TIF Alternate Revenue Bonds, and the 2021 Sewerage System Refunding Bonds. I have also included sufficiency reports provided by our audit firm for each of these bonds.

Thank you,
Reanna Ohren

ORDINANCE NO. _____

**AN ORDINANCE ABATING TAXES LEVIED FOR THE
GENERAL OBLIGATION SEWERAGE SYSTEM REFUNDING BONDS
(ALTERNATE REVENUE SOURCE) SERIES 2021 BOND AND INTEREST
FOR THE 2023 TAXES PAYABLE IN 2024**

WHEREAS, the City of Highland has heretofore, under and by virtue of the provisions of Ordinance Number 3115, levied a tax in the sum of \$174,650.00 for the 2023 taxes payable in 2024; and

WHEREAS, the City Council of this said City has determined and found that the said levy is not necessary to be made for the said fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS AS FOLLOWS:

1. That the General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source) Series 2021 Bond and Interest tax of \$177,550.00 levied by Ordinance No. 3115 for the 2023 taxes payable in 2024 be and is hereby abated.
2. That a true copy of this Ordinance shall be certified to the County Clerk of Madison County, Illinois.
3. That this Ordinance shall be known as Ordinance No. _____, and shall be in full force and effect upon adoption.

Passed by the City Council of the City of Highland, Madison County, Illinois and deposited and filed in the office of the City Clerk on this _____ day of _____, 2024 the vote being taken by ayes and noes entered on the legislative record as follows:

AYE:

NAY:

Approved by the Mayor this 20th day of February, 2024.

ATTEST:

Kevin B. Hemann, Mayor of the City of Highland
Madison County, Illinois

Barbara Bellm, City Clerk of the City of Highland
Madison County, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

City Council
City of Highland
Highland, IL 62249

Dear Council,

We have performed the procedures enumerated below on the accompanying Computation of Revenue Sufficiency of the City of Highland, Illinois for the year ended April 30, 2023. The City's management is responsible for the accompanying Computation of Revenue Sufficiency.

The City of Highland has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of computing revenue sufficiency. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

The City of Highland, Illinois, in accordance with Ordinance 3115, which authorized the issuance of the Sewerage System Alternate Revenue Bonds, must complete an analysis that computes that the pledged revenues from the sewer system, as defined by Ordinance 3115, exceeds 125% of the debt service requirements of all outstanding sewer system revenue bonds payable from pledged revenues. If the revenues exceed the 125% level, then the City can forego an increase in the rates charged for the use and services furnished through the City's sewer system. The attached Computation of Revenue Sufficiency indicates that the City has exceeded the 125% requirement stated above.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Computation of Revenue Sufficiency. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Highland, Illinois and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.



Scheffel Boyle
Highland, IL
January 19, 2024

CITY OF HIGHLAND, ILLINOIS
2021 SEWER ALTERNATE REVENUE BONDS
COMPUTATION OF REVENUE SUFFICIENCY
FOR THE YEAR ENDED APRIL 30, 2023

	Amounts Per 4/30/2023 Audit
REVENUES:	
Charges for Services	\$ 2,463,857
Connection Fees	35,714
Interest Income	33,018
Grant Revenue	336,916
Miscellaneous Income	18,532
Total Revenues	2,888,037
 OPERATING EXPENSES:	
Total Operating Expenses (Less: Depreciation, GASB 68 adjustment and GASB 75 adjustment)	1,368,928
Net Operating Revenue Available for Alternate Revenue Bond Debt Service	\$ 1,519,109
Alternate Revenue Bond Debt Service: 2021 Bond Issue	175,400
Percentage of Revenues Over Alternate Revenue Bond Debt Service (\$1,519,109 / \$175,400)	866.08%

ORDINANCE NO. _____

**AN ORDINANCE ABATING TAXES LEVIED FOR THE
GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE),
SERIES 2020 BOND AND INTEREST FOR THE 2023 TAXES PAYABLE IN 2024**

WHEREAS, the City of Highland has heretofore, under and by virtue of the provisions of Ordinance Number 3029, levied a tax in the sum of \$258,550 for the 2023 taxes payable in 2024; and

WHEREAS, the City Council of this said City has determined and found that the said levy is not necessary to be made for the said fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS AS FOLLOWS:

1. That the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020 Bond and Interest tax of \$257,700 levied by Ordinance No. 3029 for the 2023 taxes payable in 2024 be and is hereby abated.
2. That a true copy of this Ordinance shall be certified to the County Clerk of Madison County, Illinois.
3. That this Ordinance shall be known as Ordinance No. _____, and shall be in full force and effect upon adoption.

Passed by the City Council of the City of Highland, Madison County, Illinois and deposited and filed in the office of the City Clerk on this _____ day of _____, 2024, the vote being taken by ayes and noes entered on the legislative record as follows:

AYE:

NAY:

Approved by the Mayor this 20th day of February, 2024.

ATTEST:

Kevin B. Hemann, Mayor of the City of Highland
Madison County, Illinois

Barbara Bellm, City Clerk of the City of Highland
Madison County, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

City Council
City of Highland
Highland, IL 62249

Dear Council,

We have performed the procedures enumerated below on the accompanying Computation of Revenue Sufficiency of the City of Highland, Illinois for the year ended April 30, 2023. The City's management is responsible for the accompanying Computation of Revenue Sufficiency.

The City of Highland has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of computing revenue sufficiency. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

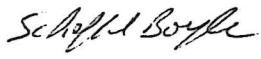
The procedures and associated findings are as follows:

The City of Highland, Illinois, in accordance with Ordinance 3029, which authorized the issuance of the 2020 TIF Alternate Revenue Bonds, must complete an analysis that computes that the pledged revenues, as defined by Ordinance 3029, exceeds 125% of the debt service requirements of all outstanding bonds payable from pledged revenues. If the revenues exceed the 125% level, then the City can abate the assessment of tax on property to pay for the bonds. The attached Computation of Revenue Sufficiency indicates that the City has exceeded the 125% requirement stated above.

We were engaged by the City of Highland to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Computation of Revenue Sufficiency. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Highland, Illinois and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.



Scheffel Boyle
Highland, IL
January 19, 2024

CITY OF HIGHLAND, ILLINOIS
2020 TIF ALTERNATE REVENUE BONDS
COMPUTATION OF REVENUE SUFFICIENCY
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Amounts Per</u> <u>4/30/2023</u> <u>Audit</u>
REVENUES:	
General Property Taxes	\$ 472,762
Miscellaneous and Interest Income	3,460
Total Revenues	<u>476,222</u>
OPERATING EXPENSES:	
Current Economic Development	2,589
Capital Outlay	30,987
	<u>33,576</u>
Net Operating Revenue Available For Alternate Revenue Bond Debt Service	<u>\$ 442,646</u>
Alternate Revenue Bond Debt Service: 2020 Bond Issue	<u>\$ 258,750</u>
Percentage of Revenues Over Alternate Revenue Bond Debt Service (\$442,646 / \$258,750)	<u>171.07%</u>

ORDINANCE NO. _____

**AN ORDINANCE ABATING TAXES LEVIED FOR THE
2010 STREET BOND ALTERNATE REVENUE BOND AND INTEREST
FOR THE 2023 TAXES PAYABLE IN 2024**

WHEREAS, the City of Highland has heretofore, under and by virtue of the provisions of Ordinance Number 2436, levied a tax in the sum of \$535,000 for the 2023 taxes payable in 2024; and

WHEREAS, the City Council of this said City has determined and found that the said levy is not necessary to be made for the said fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS AS FOLLOWS:

1. That the 2010 Street Bond Alternate Revenue Bond and Interest tax of \$535,000.00 levied by Ordinance No. 2436 for the 2023 taxes payable in 2024 be and is hereby abated.
2. That a true copy of this Ordinance shall be certified to the County Clerk of Madison County, Illinois.
3. That this Ordinance shall be known as Ordinance No. _____, and shall be in full force and effect upon adoption.

Passed by the City Council of the City of Highland, Madison County, Illinois and deposited and filed in the office of the City Clerk on this _____ day of _____, 2024, the vote being taken by ayes and noes entered on the legislative record as follows:

AYE:

NAY:

Approved by the Mayor this 20th day of February, 2024.

ATTEST:

Kevin B. Hemann, Mayor of the City of Highland
Madison County, Illinois

Barbara Bellm, City Clerk of the City of Highland
Madison County, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

City Council
City of Highland
Highland, IL 62249

Dear Council,

We have performed the procedures enumerated below on the accompanying Computation of Revenue Sufficiency of the City of Highland, Illinois for the year ended April 30, 2023. The City's management is responsible for the accompanying Computation of Revenue Sufficiency.

The City of Highland has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of computing revenue sufficiency. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

The City of Highland, Illinois, in accordance with Ordinance 2436, which authorized the issuance of the 2010 Street Alternate Revenue Bonds, must complete an analysis that computes that the pledged non-home rule sales tax revenue, as defined by Ordinance 2436, exceeds 125% of the debt service requirements. If the revenues exceed the 125% level, then the City can abate the assessment of tax on property to pay for the bonds. The attached Computation of Revenue Sufficiency indicates that the City has exceeded the 125% requirement stated above.

We were engaged by the City of Highland to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Computation of Revenue Sufficiency. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Highland, Illinois and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.



Scheffel Boyle
Highland, IL
January 19, 2024

CITY OF HIGHLAND, ILLINOIS
2010 ALTERNATE REVENUE STREET BOND
COMPUTATION OF REVENUE SUFFICIENCY
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Amounts Per</u> <u>4/30/2023</u> <u>Audit</u>
REVENUES:	
Non-Home Rule Sales Tax	<u>\$ 1,933,916</u>
Net Operating Revenue Available For Alternate Revenue Bond Debt Service	<u>\$ 1,933,916</u>
Alternate Revenue Bond Debt Service: 2010 Bond Issue	<u>\$ 535,000</u>
Percentage of Revenues Over Alternate Revenue Bond Debt Service (\$1,933,916 / \$535,000)	<u>361.48%</u>

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF HIGHLAND, ILLINOIS
AUTHORIZING THE ESTABLISHMENT OF TAX INCREMENT FINANCING
“INTERESTED PARTIES” REGISTRIES AND
ADOPTING REGISTRATION RULES FOR THESE REGISTRIES**

WHEREAS, pursuant to Section § 11-74.4-4.2 of the Tax Increment Allocation Redevelopment Act, 65 ILCS § 5/11-74.4-1, et seq. (the “TIF Act”), the City is required to establish certain “interested parties” registries and adopt registration rules for such registries;

WHEREAS, the City desires to adopt this Ordinance in order to comply with such requirements of the TIF Act.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, ILLINOIS, THAT:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Clerk or his or her designee, is hereby authorized and directed to create an “interested parties” registry in accordance with Section § 11-74.4-4.2 of the Act for each redevelopment project area created under the Act and not terminated by the City, whether now existing or created after the date of the adoption of this ordinance.

SECTION 3. In accordance with Section § 11-74.4-4.2 of the Act, the City hereby adopts the registration rules attached hereto as Exhibit A as registration rules for each such “interested parties” registry. The City, with the consent of the City Attorney as to form and legality, shall have the authority to amend such registration rules from time to time as may be necessary or desirable to comply with and carry out the purposes intended by the Act.

SECTION 4. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this Ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This Ordinance shall be in full force and effect immediately upon its passage.

Upon motion by Councilman _____, seconded by _____, passed by the City Council of the City of Highland, Illinois, and deposited and filed in the Office of the City Clerk, on the ____ day of _____, 2024, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

ABSENT:

APPROVED:

Kevin B. Hemann, Mayor, City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk, City of Highland
Madison County, Illinois

Exhibit A – TIF Interested Parties Registry Registration Rules

City of Highland, Illinois

TIF INTERESTED PARTIES REGISTRY REGISTRATION RULES

- A. Definitions. As used in these Registration Rules, the following terms shall have the definitions set forth below.

“Act” shall mean the Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.4-1, et seq., as amended from time to time.

“Interested Party(s)” shall mean (a) any organization(s) active within the City, (b) any resident(s) of the City, and (c) any other entity or person otherwise entitled under the Act to register in a specific Registry who has registered in such Registry and whose registration has not been terminated in accordance with these Registration Rules.

“Municipality” shall mean City of Highland, Madison County, Illinois, a non-home rule unit of local government under Section 7 (Counties and Municipalities Other Than Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois.

“Redevelopment Project Area” shall mean a redevelopment project area that (a) is intended to qualify (or has subsequently qualified) as a “redevelopment project area” under the Act, and (ii) is subject to the “interested parties” registry requirements of the Act.

“Registration Form” shall mean the form appended to these Registration Rules or such revised form as may be approved by the City consistent with the requirements of the Act.

“Registry” or “Registries” shall mean each interested parties registry, and all such registries, collectively, established by the City pursuant to Section 5/11-74.4-4.2 of the Act for the Redevelopment Project Area.

- B. Establishment of Registry. The City shall establish a separate interested parties registry for each Redevelopment Project Area, whether existing as of the date of the adoption of these Rules or hereafter established. The City shall establish a new registry whenever it has identified an area for study and possible designation as a Redevelopment Project Area. In any event the process of establishing the new registry must be completed prior to the deadline for sending any of the notices required by Section (J) of these rules or any other notices required by the Act with respect to the proposed Redevelopment Project Area.

- C. Maintenance of Registry. The Registries shall be maintained by the City Clerk or his or her designee. In the event the City determines that someone other than the Clerk should maintain the Registries, the City may transfer the responsibility for maintaining the Registries to such other Department provided that the City (i) gives prior written notice to all Interested Parties not less than thirty (30) days prior to such transfer, and (ii) publishes notice of such transfer in a newspaper of general circulation in the City.
- D. Registration by Residents. An individual seeking to register as an Interested Person with respect to a Redevelopment Project Area must complete and submit a Registration Form to the City Clerk. Such individual must also submit a copy of a current driver's license, lease, utility bill, financial statement or such other evidence as may be acceptable to the Clerk to establish the individual's current City residency.
- E. Registration by Organizations. An organization seeking to register as an Interested Person with respect to a Redevelopment Project Area must complete and submit a Registration Form to the City Clerk. Such organization must also submit a copy of a one-page statement describing the organization's current operations in the City.
- F. Determination of Eligibility. All individuals and organizations whose Registration Form and supporting documentation comply with these Registration Rules shall be registered in the applicable Registry within ten (10) business days of the City Clerk's receipt of all such documents. The Clerk shall provide written notice to the registrant confirming such registration. Upon registration Interested Parties shall be entitled to receive all notices and documents required to be delivered under these Rules or as otherwise required under the Act with respect to the applicable Redevelopment Project Area. If the City Clerk determines that a registrant's Registration Form and/or supporting documentation is incomplete or does not comply with these Registration Rules, the Clerk shall give written notice to the registrant specifying the defect(s). The registrant shall be entitled to correct any defects and resubmit a new Registration Form and supporting documentation.
- G. Renewal and Termination. An Interested Person's registration shall remain effective for a period of three (3) years. At any time after such three (3) year period the City Clerk may provide written notice by regular mail to the Interested Person stating that such registration shall terminate unless the Interested Person renews such registration within thirty (30) days of the Clerk's mailing of written notice. To renew such registration, the Interested Person shall, within such thirty (30) day period, complete and submit the same Registration Form and supporting documentation then required of initial registrants in order to permit the Clerk to confirm such person's residency or such organization's operations in the City. The registration of all individuals and organizations whose Registration Form and supporting documentation is submitted in a timely manner and

complies with these Regulation Rules shall be renewed for an additional, consecutive three (3) year period. If the City Clerk determines that a registrant's renewal Registration Form and/or supporting documentation is incomplete or does not comply with these Registration Rules, the Clerk shall give written notice to the registrant at the address specified in the renewal Registration Form submitted by such registrant, specifying the defect(s). The registrant shall be entitled to correct any defects and resubmit a new Registration Form and supporting documentation within thirty (30) days of receipt of the Clerk's notice. If all defects are not corrected within thirty (30) days of the Interested Person's receipt of the City Clerk's notice, the Interested Person's registration shall be terminated. Any Interested Person whose registration is terminated shall be entitled to register again as if a first-time registrant.

- H. Amendment to Registration. An Interested Party may amend its registration by giving written notice to the City Clerk by certified mail of any of the following: (i) a change in address for notice purposes; (ii) in the case of organizations, a change in the name of the contact person; and (iii) a termination of registration. Upon receipt of such notice, the Clerk shall revise the applicable Registry accordingly.
- I. Registries Available for Public Inspection. Each Registry shall be available for public inspection during normal City business hours. The Registry shall include the name, address and telephone number of each Interested Person and for organizations, the name and phone number of a designated contact person.
- J. Notices to be Sent to Interested Parties. Interested Parties shall be sent the following notices and any other notices required under the Act with respect to the applicable Redevelopment Project Area:
 - (i) pursuant to sub-section 5/11-74.4-5(a) of the Act, notice of the availability of a proposed redevelopment plan and eligibility report, including how to obtain this information, such notice shall be sent by mail within a reasonable period of time after the adoption of the ordinance fixing the public hearing for the proposed redevelopment plan:
 - (ii) pursuant to sub-section 5/11-74.4-5(a) of the Act, notice of changes to proposed redevelopment plans that do not (1) add additional parcels of property to the proposed redevelopment project area, (2) substantially affect the general land uses proposed in the redevelopment plan, (3) substantially change the nature of or extend the life of the redevelopment project, or (4) increase the number of low or very low income households to be displaced from the redevelopment project area, provided that measured from the time of creation of the redevelopment project area the total displacement of households will exceed 10; such notice shall be

sent by mail not later than ten (10) days following the City's adoption by ordinance of such changes.

- (iii) pursuant to sub-section 5/11-74.4-5 (c) of the Act, notice of amendments to previously approved redevelopment plans that do not: (1) add additional parcels of property to the redevelopment project area, (2) substantially affect the general land uses in the redevelopment plan, (3) substantially change the nature of the redevelopment project, (4) increase the total estimated redevelopment project costs set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted, (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan, or (6) increase the number of low or very low income households to be displaced from the redevelopment project area, provided that measured from the time of creation of the redevelopment project area the total displacement of households will exceed 10; such notice shall be sent by mail not later than 10 days following the City's adoption by ordinance of any such amendment.

- (iv) pursuant to sub-section 5/11-74.4-5(d)(9) of the Act for redevelopment plans or projects that would result in the displacement of residents from 10 or more inhabited residential units or that contain 75 or more inhabited residential units, notice of the availability of the annual report described by sub-section 5/11-74.4-5(d), including how to obtain the annual report; such notice shall be sent by mail within a reasonable period of time after completion of the certified audit report.

- (v) pursuant to sub-section 5/11-74.4-6(e) of the Act, notice of the preliminary public meeting required under the Act for a proposed Redevelopment Project Area that will result in the displacement of 10 or more inhabited residential units or which will contain 75 or more inhabited residential units, such notice shall be sent by certified mail not less than 15 days before the date of such preliminary public meeting.

K. Non Interference These Registration Rules shall not be used to prohibit or otherwise interfere with the ability of eligible organizations and individuals to register for receipt of information to which they are entitled under the Act.

- I. Amendment of Registration Rules These Registration Rules may be amended by the City subject to and consistent with the requirements of the Act.

TIF INTERESTED PARTIES REGISTRATION FORM

Registration for City Residents: If you are a City of Highland resident, and would like to register on the Interested Parties Registry for one or more tax increment financing (TIF) redevelopment project areas, please complete **Part A** of this form. Proof of residency is required. Please attach to this form a

photocopy of one of the following: Driver's License, lease, utility bill, financial statement, or such other evidence as may be suitable to establish your current municipal residency.

Registration for Organizations: If your organization is active in the City of Highland, and would like to register on the Interested Parties Registry for one or more tax increment financing (TIF) redevelopment project areas, please complete **Part B** of this form. Please attach a one-page statement which describes the organization's current operations in the municipality. Note: existing organizational documents that provide this information will also be accepted.

PART A: CITY RESIDENT REGISTRATION (Please Print)

Name:

Street Address:

City State Zip:

Home Telephone:

I have attached a copy of _____ as proof that I am a resident of the City of Highland as of the date of this form.

Please list the TIF(s) you are interested in below:

Signature/Title _____ Date _____

Please return this form to:

TIF Interested Parties Registry
City Clerk – City of Highland
1115 Broadway
PO BOX 218
Highland, IL 62249

PART B: ORGANIZATION REGISTRATION (Please Print)

Organization Name:

Contact Name:

Street Address:

City State Zip:

Phone Number:

Check here _____ if a statement describing your organization's current operations in the City of Highland is attached.

Please list the TIF(s) you are interested in below:

Signature/Title _____ Date _____

Please return this form to:

TIF Interested Parties Registry
City Clerk – City of Highland
1115 Broadway
PO BOX 218
Highland, IL 62249

RESOLUTION NO. _____

**A RESOLUTION PROVIDING FOR A FEASIBILITY STUDY ON THE DESIGNATION
OF AREAS AS REDEVELOPMENT PROJECT AREAS**

WHEREAS, the City of Highland (the "City") is a political subdivision, body politic, and municipal corporation of the State of Illinois; and,

WHEREAS, the City, in order to promote and protect the health, safety, morals and welfare of the public, must identify those areas which are blighted, as well as those areas which contain conditions precedent to blight; and,

WHEREAS, the City, in order to determine if such conditions exist, and to determine whether such conditions can be eradicated or ameliorated, may elect to study such areas which may contain such conditions; and,

WHEREAS, the City has determined to study such areas, as specifically provided under 65 ILCS 5/11-74.4, et. seq.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Highland, Illinois, that:

The City hereby authorizes Moran Economic Development, LLC to undertake a feasibility study on the designation of a redevelopment project area. The Area that is proposed for tax increment financing encompasses parcels primarily between US Highway 40 and Troxler Avenue, with a small portion extending north of Koepfli Lane. The proposed boundary continues to Poplar Drive to the east and just past Frank Watson Parkway to the west.

1. The purpose of the proposed redevelopment plan and project within the City of Highland is to provide incentives for multi-use development in an area where development would not occur but for the use of tax increment financing and to provide public infrastructure upgrades throughout the area.
2. A general description of tax increment financing follows:

Tax increment financing was created by the Tax Increment Allocation Redevelopment Act (the "Act"), found at 65 ILCS 5/11-74.4-1 et. seq.

Tax increment financing is a technique intended to be used by municipalities to address and eradicate problems which cause areas to qualify, generally, as "conservation" or "blighted" areas, and to carry out redevelopment projects which serve this end.

The concept behind the tax increment law is relatively straightforward and allows a municipality to carry out redevelopment activities on a locally controlled basis. Redevelopment, which occurs in a designated Redevelopment Project Area, will increase the equalized assessed valuation of the property and, thus, generate increased property tax revenues. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building re-

habilitation, interest subsidy and the construction of public infrastructure within that same Redevelopment Project Area.

3. Submit all comments and suggestions regarding the redevelopment of the areas to be studied to:

Mallord Hubbard
Director of Economic Development
City of Highland
1115 Broadway
PO Box 218
Highland, IL 62249

Passed by the City Council of the City of Highland, Illinois, and deposited and filed in the Office of the City Clerk, on the _____ day of _____, 2024, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

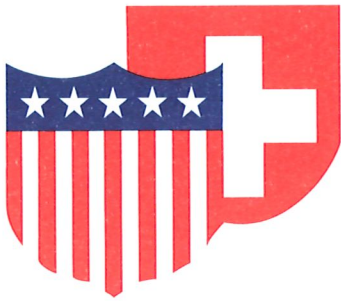
ABSENT:

APPROVED:

Kevin B. Hemann, Mayor
City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk
City of Highland
Madison County, Illinois

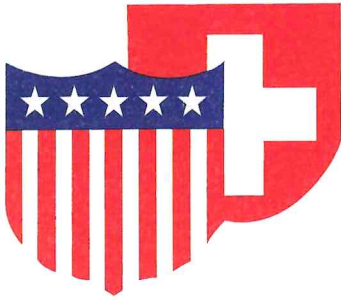


City of Highland

MEMO TO: City Council Members
FROM: Kevin B. Hemann, Mayor
SUBJECT: Reappointment to the Cemetery Board of Managers
DATE: February 16, 2024

The term of Ben Eberwein on the Cemetery Board of Managers is expiring. Mr. Eberwein has agreed to serve an additional two-year term. I am therefore requesting your approval of the reappointment of Ben Eberwein to the Cemetery Board of Managers. If approved, his new term will expire on March 1, 2026.

If you have any questions, please contact me prior to Tuesday evening's council meeting.



City of Highland

MEMO TO: City Council Members

FROM: Kevin B. Hemann, Mayor

SUBJECT: Appointments to Silver Lake Commission

DATE: February 16, 2024

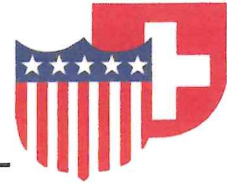
The terms of Silver Lake Commission members William Blechenger, Brad Kohlbrecher and Craig Korte have expired. While Mr. Blechenger and Mr. Korte have each agreed to serve an additional three-year term, Mr. Kohlbrecher has chosen to step down from this Commission.

I have received an application for appointment (*attached*) from Mr. Russ Perfetti and believe he would make a good addition to the Silver Lake Commission.

I am, therefore, requesting the approval of the reappointment of William Blechinger and Craig Korte, and the appointment of Mr. Russ Perfetti to the Silver Lake Commission for terms which, if approved, will expire in March, 2027.

If you have any questions regarding my request, please contact me.

APPLICATION FOR APPOINTMENT TO CITY OF HIGHLAND BOARDS AND COMMISSIONS



Please print or type.

Name RUSS KEITH PERFETTI
First Middle Last

Home Address 130 INDEPENDENCE DR, HIGHLAND, IL 62249
Street City Zip

Date of birth: 02/24/1962 Do you reside within the City limits? Yes No How long? 6 YEARS

Home Telephone 618-578-9855 Daytime Telephone 618-578-9855

Occupation REGION HUMAN RESOURCE MGR Place of Employment INTERNATIONAL PAPER

E-Mail Address(es) _____

Have you ever been convicted of a felony? Yes No

List Board(s) or Commission(s) you're interested in: SILVER LAKE ADVISORY
COMMISSION

What experience do you possess that you believe qualifies you to serve? CURRENTLY A REGION MANAGER FOR A FORTUNE 500 COMPANY. LEAD INTERNATIONAL PAPERS FOUNDATION GRANTS AND ACTIVITIES FOR THE FIVE ST. LOUIS MANUFACTURING PLANTS. CORPORATE COUNCIL MEMBER FOR THE MISSOURI BOTANICAL GARDENS. FORMER BOARD MEMBER FOR COUNTY WORKFORCE INVESTMENT BOARD. PROPERTY OWNER ALONG SILVER LAKE.

Please list your interests/hobbies: OUTDOOR ACTIVITIES - HIKING, DEER HUNTING, BATTLES / KARENINE TRAVEL, FAMILY

You may attach additional information to support this application.

References: MARK ROSEN, 55 LAUREL LN, HIGHLAND, IL 618-651-1386
Name Address Phone
JEFF FOEHWER, 15 TROUT DR, HIGHLAND, IL 618-339-9719
Name Address Phone

I certify that the information given herein is true and complete. By signing this application, I hereby authorize an investigation of all statements contained in this application for appointment as may be necessary in arriving at a decision regarding the possibility of appointment.

Information submitted on this application is public information. A false or misleading statement will be cause for elimination from consideration.

Signature of Applicant  Date 12/22/23

Return completed applications to:
 Lana Hediger, Deputy Clerk
 City Hall, 1115 Broadway
 PO Box 218
 Highland, IL 62249

Or you may fax to: (618.654.4768)



City of Highland
1115 Broadway, PO Box 218
Highland, IL 62249

To: Honorable Mayor Hemann and City Council

From: Chris Conrad-City Manager

Date: February 14, 2024

Re: City Hall Change Orders 8-10

I am submitting for your approval change orders 8, 9 and 10 for the City Hall project.

CO 8: This change order was for new lighting and fixtures inside the lobby area. As you are aware we have made significant changes to the lobby including the addition of an office for HCS and an entirely enclosed front desk area. This necessitated changing out the existing drop lights in the lobby area. When we initially did the design these changes were not contemplated, but once the flooring and space layouts were more visible, these changes made sense for the project. **This change order is an addition of \$4,590.04.**

CO 9: This change order pertains to the window interior trim for the entire building. Initially we had planned on reusing the existing trim that was removed during the demolition and window replacements. We also added 2 windows to the rear of the building on the office side as well that required new trim. The new trim varied greatly from the old trim and the old trim did not line up exactly with the new windows which was going to require additional work. In the interest of conformity, we recommend the purchase of all new window trim for the building. **This change order is an addition of \$1,436.76.**

CO 10: This change order covers the addition of the HCS office in the lobby and the enclosing of the front desk/reception area including an enclosed ceiling and authorizing the construction of the front desk countertops and workspaces since conventional



City of Highland
1115 Broadway, PO Box 218
Highland, IL 62249

desks/furniture do not conveniently fit within the designed spaces.
This change order was a \$12,594.60 addition.

Budget Impact: The previous total of change orders 1-7 reduced the total contract price by \$17,380.89. Change orders 8-10 total \$18,621.40, bringing the total project back to the original contract price and uses \$1,240.51 of the \$30,000.00 contingency that was built in to the original contract price. So there is no net addition to the original contract price. This does not negatively impact the budget for the project and these change orders have added to the overall usefulness of the final product for our citizens and staff.

To remind council, the furniture purchase is a separate purchase (already authorized) that does not fall under this contract; and the contemplated changes to the council chambers will come to council as a separate change order. Work on the council chambers cannot begin until completion of the current work due to space and storage limitations.

We respectfully request the council approve and accept the above mentioned change orders.

RESOLUTION NO. _____

RESOLUTION APPROVING CHANGE ORDERS EIGHT, NINE, AND TEN FOR THE HIGHLAND CITY HALL RENOVATION AND CONSTRUCTION PROJECT

WHEREAS, the City of Highland, Madison County, Illinois (“City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined change orders should be accepted and approved for the Highland City Hall renovation and construction project based on the following:

1. the circumstances necessitating the change were not reasonably foreseeable at the time the contract was signed;
2. the change is germane to the original contract as signed;
3. the change is in the best interest of the City and authorized by law;

and

WHEREAS, City has determined the following change orders shall be approved:

CHANGE ORDER 8: This change order was for new lighting and fixtures inside the lobby area. As you are aware we have made significant changes to the lobby including the addition of an office for HCS and an entirely enclosed front desk area. This necessitated changing out the existing drop lights in the lobby area. When we initially did the design these changes were not contemplated, but once the flooring and space layouts were more visible, these changes made sense for the project. This change order is an addition of \$4,590.04. *See Exhibit A.*

CHANGE ORDER 9: This change order pertains to the window interior trim for the entire building. Initially we had planned on reusing the existing trim that was removed during the demolition and window replacements. We also added 2 windows to the rear of the building on the office side as well that required new trim. The new trim varied greatly from the old trim and the old trim did not line up exactly with the new windows which was going to require additional work. In the interest of conformity, we recommend the purchase of all new window trim for the building. This change order is an addition of \$1,436.76. *See Exhibit B.*

CHANGE ORDER 10: This change order covers the addition of the HCS office in the lobby and the enclosing of the front desk/reception area including an enclosed ceiling and authorizing the construction of the front desk countertops and workspaces since conventional desks/furniture do not conveniently fit within the designed spaces. This change order was a \$12,594.60 addition. *See Exhibit C.*

and

WHEREAS, City has determined that Change Orders 8-10, and discussed herein, total \$18,621.40, bringing the total project back to the original contract price, and will use \$1,240.51 of the \$30,000.00 contingency that was built in to the original contract price; and

WHEREAS, City has determined it is in the best interests of public health, safety, general welfare and economic welfare to approve Change Orders 8-10, as stated herein; and

WHEREAS, City Council finds that the Mayor and/or City Manager should be authorized and directed, on behalf of City, to execute any documents required to approve Change Orders 8-10, as stated herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND, MADISON COUNTY, ILLINOIS:

- Section 1.* The foregoing recitals are incorporated herein as express findings of fact and legislative intent of the City Council of the City of Highland, Illinois.
- Section 2.* Change Orders 8-10, as stated herein, are approved.
- Section 3.* City Council finds that the Mayor and/or City Manager should be authorized and directed, on behalf of City, to execute any documents necessary to give effect to this Resolution, and approve Change Orders 8-10, as stated herein.
- Section 4.* This Resolution will be in full force and effect upon its passage and approval in accordance with the law.

Passed by the City Council of the City of Highland, Illinois, and deposited and filed in the office of the City Clerk on the _____ day of _____, 2024, the roll call vote being taken by ayes and noes and entered upon the legislative record as follows:

AYES:

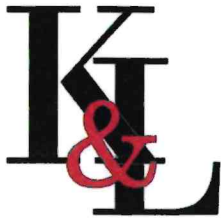
NOES:

APPROVED:

Kevin B. Hemann, Mayor
City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk
City of Highland
Madison County, Illinois



Request For Change Order

KORTE & LUITJOHAN CONTR. INC.
12052 HIGHLAND RD.
HIGHLAND, IL 62249
Phone: (618) 654-9877
Fax: (618) 654-9778

K&L RFC Quote #
2321-008
HIGHLAND-CITY HALL REMODEL

CITY OF HIGHLAND
TO P.O. BOX 218
1115 BROADWAY
HIGHLAND, IL 62249

Table with 4 columns: QUOTE DATE, VALID THRU, FOR, PAGE. Row 1: 12/19/2023, 1/17/2024, Lobby Light Fixtures, 1 of 1

Table with 4 columns: QUANTITY, DESCRIPTION, UNIT PRICE, EXTENDED. Rows include: 1 - Remove nine existing light fixtures... 0.5 K&L Project Manager, 1 K&L Overhead & Profit on Subcontractors, 1 Bond .783%

TOTAL CHANGE ORDER AMOUNT 4,590.04

CONTRACTED BY:
Korte & Luitjohan Contractors, Inc.

Authorized Signature

Title Date

ACCEPTED BY:
CITY OF HIGHLAND

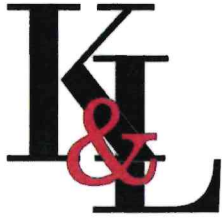
Accepted Signature

Title Date

Total: 4,590.04

Handwritten signature and title 'City Manager' for City of Highland

Handwritten date '1-25-24'



Request For Change Order

K&L RFC Quote #
2321-009
HIGHLAND-CITY HALL REMODEL

KORTE & LUITJOHAN CONTR. INC.
12052 HIGHLAND RD.
HIGHLAND, IL 62249
Phone: (618) 654-9877
Fax: (618) 654-9778

CITY OF HIGHLAND
TO P.O. BOX 218
1115 BROADWAY
HIGHLAND, IL 62249

QUOTE DATE	VALID THRU	FOR	PAGE
1/24/2024	2/22/2024	Window Trim – Replace with New Trim	1 of 1

QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED
12	1 x 12 x 16 Cedar	108.00	1,296.00*
1	Overhead & Profit 10% on Material	129.60	129.60
1	Bond .783%	11.16	11.16

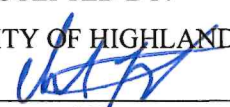
* means item is non-taxable

TOTAL CHANGE ORDER AMOUNT 1,436.76

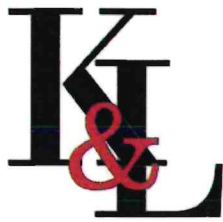
Total: **1,436.76**

CONTRACTED BY:
 Korte & Luitjohan Contractors, Inc.


 Authorized Signature
 Project Manager 1/24/24
 Title Date

ACCEPTED BY:
 CITY OF HIGHLAND


 Accepted Signature
 City Manager 1-25-24
 Title Date



Request For Change Order

K&L RFC Quote #
2321-010
HIGHLAND-CITY HALL REMODEL

KORTE & LUITJOHAN CONTR. INC.
12052 HIGHLAND RD.
HIGHLAND, IL 62249
Phone: (618) 654-9877
Fax: (618) 654-9778

CITY OF HIGHLAND
TO P.O. BOX 218
1115 BROADWAY
HIGHLAND, IL 62249

QUOTE DATE	VALID THRU	FOR	PAGE
1/29/2024	2/27/2024	Lobby Countertops	1 of 1

QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED
1	Lobby: 19 LF of solid surface top with 7 PL Supports - StoneTree	4,050.00	4,050.00
1	HCS Office: 12 LF of solid surface top with 3 PL brackets - StoneTree	3,336.00	3,336.00
1	Overhead & Profit on Material 10%	738.60	738.60
44	K&L Carpenter Includes Demo of installed drywall, Blocking, Re-Finish Drywall and install of new casework.	96.10	4,228.40
1	K&L Project Manager	143.75	143.75
1	Bond .783%	97.85	97.85
1	Plaster is already finished in the Lobby so Von Alst wants to redo the plaster as T&M. It will depend on how much they have to touch up.	0.00	0.00

TOTAL CHANGE ORDER AMOUNT 12,594.60

Total: **12,594.60**

CONTRACTED BY:

Korte & Luitjohan Contractors, Inc.

Authorized Signature

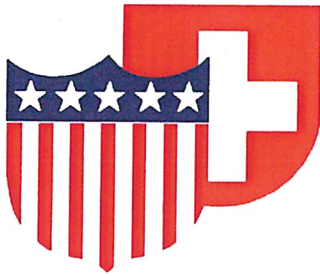
Project Manager 2/2/24
Title Date

ACCEPTED BY:

CITY OF HIGHLAND

Accepted Signature

City Manager 2-19-24
Title Date



City of Highland

Department of Light and Power

Memo to: Chris Conrad, City Manager
From: Dan Cook, Director of Light & Power
Date: February 13, 2024
Subject: Issuance of Purchase Order to Tantalus

RECOMMENDATION

I ask that you seek council approval to waive usual and customary bidding procedures and issue a purchase order to Tantalus in the amount of \$23,582.50 for 250 model #TC-1220-RD meter communication modules with associated endpoint licenses as detailed in the attached quotation.


DISCUSSION

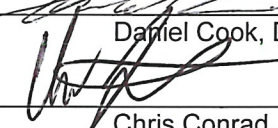
The city has selected Tantalus to be our Smart Meter Network Service Provider. Since Tantalus has defined service territories, there is no possibility for competitive bidding and this product is the only one which will work with our current system. Using this product line allows us to phase in the purchase of replacement meters over several years since it is compatible with the existing metering and will also allow us to read the water meters as installed since there are no current plans to replace them (other systems would strand the water meter investment).

FISCAL IMPACT

This purchase will be funded from money budgeted and approved for the current Fiscal year under GL#101-104-5-530-60.

CONCURRENCE

Recommended by: 
Daniel Cook, Director of Light & Power

Approved by: 
Chris Conrad, City Manager

RESOLUTION NO. _____

WAIVING COMPETITIVE BIDDING REQUIREMENT AND AUTHORIZING PURCHASE OF METER COMMUNICATION MODULES WITH ASSOCIATED LICENSES FROM TANTALUS SYSTEMS, INC.

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined the Light & Power Department has a need for 250 model #TC-1220_RD meter communication modules with associated licenses; and

WHEREAS, City has determined the 250 model #TC-1220_RD meter communication modules with associated licenses should be purchased from Tantalus Systems, Inc. (“Tantalus”) in the amount of \$23,582.50 (Quotation attached hereto as **Exhibit A**); and

WHEREAS, the City Light & Power Department has selected Tantalus to be City’s Smart Meter Network Service Provider; and

WHEREAS, City has determined Tantalus has a defined geographic service territory; and

WHEREAS, City has determined that because Tantalus has a defined geographic service territory, there is no opportunity for competitive bidding for the 250 model #TC-1220_RD meter communication modules with associated licenses; and

WHEREAS, the Director of Light & Power has informed the City Council the model #TC-1220_RD meter communication modules with associated licenses, sold by Tantalus, are the only product that will work with the current City system; and

WHEREAS, the Director of Light & Power has informed the City Council that the purchase of the model #TC-1220_RD meter communication modules with associated licenses, sold by Tantalus, will allow City to phase in the purchase of replacement meters over several years because this product is compatible with the existing metering system; and

WHEREAS, the Director of Light & Power has informed the City Council that the 250 model #TC-1220_RD meter communication modules with associated licenses, sold by Tantalus, will be funded from money budgeted and approved for the current fiscal year under GL#101-104-5-530-60; and

WHEREAS, the City Council finds that the Quotation (**Exhibit A**) for the purchase of 250 model #TC-1220_RD meter communication modules with associated licenses, sold by Tantalus, for the amount of \$23,582.50 should be approved; and

WHEREAS, the City Council deems it to be in the best interests of City to waive the competitive-bidding requirement that would otherwise apply and to purchase the 250 model

#TC-1220_RD meter communication modules with associated licenses, sold by Tantalus, pursuant to the Quotation (**Exhibit A**); and

WHEREAS, the City Council also finds that the City Manager should be authorized and directed, on behalf of the City of Highland, to execute whatever documents are necessary to make the purchase, pursuant to the Quotation (**Exhibit A**).

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Highland, Illinois, as follows:

- Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.
- Section 2.* Purchase of the 250 model #TC-1220_RD meter communication modules with associated licenses, sold by Tantalus, for the amount of \$23,582.50, as set forth in the Quotation (**Exhibit A**), is approved.
- Section 3.* The City Manager is directed and authorized, on behalf of the City of Highland, to execute whatever documents are necessary to make the purchase.
- Section 4.* This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, and deposited and filed in the Office of the City Clerk, on the ____ day of _____, 2024, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Kevin B. Hemann, Mayor
City of Highland, Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk
City of Highland, Madison County, Illinois



February 12, 2024

Dan Cook
+1 618-654-7511
dcook@highlandil.gov

Kim Harrison
kharrison@tantalus.com

Highland Light and Power (IL) ("Customer")
PO Box 218
1115 Broadway
Highland, Illinois 62249-0218
United States

Tantalus Systems Inc.
1130 Situs Ct
Suite 230
Raleigh, North Carolina 27606
United States

SUMMARY

PRODUCT	DESCRIPTION	SALES PRICE	QTY	TOTAL PRICE
TC-1220-RD	C2S Intelligent Endpoint Module - Itron CENTRON C2SXD - 240V	\$90.58	250	\$22,645.00
NSE-201	TUNet Software Endpoint	\$3.75	250	\$937.50
Total:				\$23,582.50

NOTES:

- Prices are in US Dollars.
- Prices do not include shipping. All Network Equipment is shipped FOB Shipping Point.
- Service time does not include installation of meters, collectors, repeaters, or other infrastructure equipment.
- Tantalus service time will be billed at actual. If additional days are necessary, Customer will be billed at the rate of \$1,800.00 per day.
- This quotation may contain allowances, discounts and/or promotional pricing. The prices quoted are valid for 30 days from the date of this quote.
- Additional Network Equipment purchases, and services shall be invoiced at Tantalus' then current list price.
- Annual license and support and maintenance fees apply. Please work with your account representative to determine specific costs for your equipment.

The attached document Tantalus Systems Inc. Terms and Conditions of Sale and its attachments, as applicable, is incorporated into and forms an integral part of this quotation.

**TANTALUS SYSTEMS INC.
TERMS AND CONDITIONS OF SALE
(01232023)**

Purpose/Goal. These Terms and Conditions of Sale (“**Terms**”) record the terms and conditions under which Customer agrees to purchase from Tantalus, and Tantalus will provide to Customer, Network Equipment, Initial Deployment Services and Maintenance and Support Services, as the case may be. Notwithstanding any other provision to the contrary, these Terms become a binding agreement between Tantalus Systems Inc. (“**Tantalus**”) and the Customer when (a) Customer delivers a signed copy of this quotation to Tantalus, which shall be deemed a duly authorized Purchase Order (PO) for the Network Equipment and Services quoted therein; (b) Customer delivers a signed Purchase Order for all or any portion of the Network Equipment and Services or (c) Tantalus ships or provides all or any portion of the Network Equipment or Services covered by this quotation. Except as provided above, any provision in any acceptance or acknowledgment hereof, inconsistent with or in addition to these Terms and Conditions of Sale, are expressly rejected and shall have no force or effect, unless otherwise agreed in writing between the Parties. Notwithstanding the foregoing, acceptance of these Terms indicates Customer’s agreement to execute such additional documents, as required, including, without limitation, the terms, conditions and responsibilities of each party relating to the license and use of the Licensed Software prior to shipment of any Network Equipment to Customer, the provision of Technical Support and the deployment of TUNet. Notwithstanding anything to the contrary herein, Tantalus shall not be responsible for nor have any liability to Customer for any delay or failure to perform its obligations under these Terms to the extent such delay or failure is caused by or results from an Excusing Event. These Terms, including and together with any related quotations, exhibits, schedules, attachments, and appendices, together with the Purchase Orders, constitute the sole and entire agreement of the parties with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

Purchase Orders. Customer may purchase Network Equipment and Services by issuing properly authorized Purchase Orders to Tantalus. Each type of Network Equipment may have an economic order quantity or minimum order quantity, meaning that no Purchase Order may be placed for a quantity of those units of Network Equipment which is less than the minimum number of units specified on the then current Tantalus price list and designated as the “economic order quantity” or “minimum order quantity”. Each Purchase Order issued by Customer shall have a lead-time of at least 90 days. Lead-time means the time extending from the date the Purchase Order is received by Tantalus to the specified delivery date. Each Purchase Order shall reference these Terms and shall state product description, quantity of Network Equipment and Services ordered, part number, desired delivery date and Destination, method of shipment, unit price for each unit ordered and total purchase price. In the event of any inconsistency or conflict between any terms of a Purchase Order, order confirmation, invoice or any other commercial form used by the parties and these Terms, these Terms shall govern. No oral, electronic, or written additional or different provisions proposed by either party in any acceptance, confirmation, or acknowledgment shall apply. Purchase Orders, once accepted, may not be cancelled, except as outlined below.

Acceptance, Rejection or Changes to Purchase Orders. Tantalus will notify Customer of its acceptance or rejection of each Purchase Order as soon as practicable and notice of acceptance shall include confirmation of requested quantities and prices consistent with these Terms. Once a Purchase Order is accepted by Tantalus, the quantities and prices within that acceptance, unless otherwise noted on such acceptance, are committed to and cannot be changed without the consent of both Tantalus and Customer. If the parties agree to changes to a Purchase Order, those changes will be incorporated in a replacement Purchase Order, which will follow the same process outlined above referencing the Purchase Order to be replaced.

Pricing. The prices provided to Customer under the Quotation attached to these Terms may contain promotional or one-time pricing. Future prices shall be as set forth on Tantalus’ then-current price list and do not include taxes. In addition, Tantalus shall bear the costs and charges to ensure that all Network Equipment purchased by Customer is cleared for importation into the United States, if applicable, and delivered to the Shipping Point. Customer will be responsible for and pay all applicable federal, state, municipal or other governmental sales use, excise, value-added taxes, occupational or other taxes, tariffs, duties and surcharges now in force or enacted in the future which are associated with the provision of Network Equipment and Services by Tantalus, excluding taxes on Tantalus’ income generally. The price of Maintenance and Support Services shall be as set forth in Addendum B-2 to that certain Maintenance and Support Agreement dated _____ by and between Tantalus and Customer.

Price Changes. Tantalus reserves the right, in its sole discretion, to revise the prices on thirty (30) days prior written notice to Customer by whichever of the following is greater: (i) the immediately preceding year’s percentage increase in the Consumer Price Index For All Urban Customers, All Cities Average, All Items (“**CPI-U**”), as published by the Bureau of Labor Statistics, U.S. Department of Labor in the “Summary Data from the Consumer Price Index New Release” for the 12- month period ending at December 31st of the calendar year immediately preceding the adjustment date; or (ii) or 3.5% per year. Notwithstanding the foregoing, the original price of any Network Equipment and Services covered by Purchase Orders issued by the Customer, and which Purchase Orders are confirmed and accepted by Tantalus prior to the Effective Date of such price revision, will not be changed for such Purchase Orders issued and accepted as of the Effective Date.

Payment. Customer agrees to pay an advance payment (the “**Deposit**”) equal to twenty-five percent (25%) of the total purchase price of the Network Equipment and Services specified on each Purchase Order. The Deposit will be due and payable, notwithstanding the absence of the applicable Tantalus’ invoice, within ten (10) days of the date of the Tantalus order

acknowledgement issued in connection with an accepted Purchase Order. Failure to pay the Deposit by such due date shall result in the cancellation of the Purchase Order by Tantalus, without requirement for any further action, or notice to Customer, by Tantalus. Notwithstanding the foregoing, if Customer places a single blanket Purchase Order that is at least 12 months in duration and represents greater than thirty percent (30%) of their total customer base, the Deposit amount will be reduced to ten percent (10%) on that Purchase Order and subsequent Purchase Orders that are also at least 12 months in duration and represent greater than thirty percent (30%) of their total customer base.

Payment Terms. Tantalus shall invoice Customer for Network Equipment and Services purchased upon delivery of Services and such Network Equipment to Customer at the Shipping Point. Deposit amounts paid will be reflected as a credit to the total purchase price due and owing upon delivery completion of the total Purchase Order. Payment terms are net thirty (30) days from date of Tantalus’ invoice. All payments shall be in U.S. dollars, unless otherwise agreed to between Tantalus and Customer. In addition to any other remedies Tantalus may have for late payments, Customer will be charged interest at 1½% per month (equivalent to an annual rate of interest of 18%), payable monthly on all overdue amounts. Customer shall also be responsible for collection costs associated with the late payment, if any, including reasonable attorney’s fees. Payments will be applied first to interest payable and then principal owing. Tantalus may modify the preceding payment terms if, in its reasonable opinion, the payment record or financial condition of Customer so justifies. Tantalus shall issue periodic invoices to Customer for all Maintenance and Support Services and Third-Party Products, as applicable, in accordance with the terms set forth in the Maintenance and Support Agreement as fees for such goods and services are incurred.

Delivery and Risk of Loss. Tantalus shall deliver the Network Equipment to Customer at the Shipping Point (cleared for export, if applicable) and title (other than title to Licensed Software which shall remain with Tantalus) and risk of loss of Network Equipment shall pass from Tantalus to Customer at the Shipping Point. If any loss of or damage to the Network Equipment occurs prior to delivery to Customer, regardless of passage of title prior to such delivery, Tantalus shall without cost to the Customer, promptly make all repairs or replacements necessary to place the Network Equipment in the condition required by these Terms. Customer will notify Tantalus within five (5) days of delivery of any damage to Network Equipment and/or within 10 days of shipping should an order not be received. If the Shipping Point and Destination are not the same, Customer shall be responsible for and shall pay all transportation and insurance costs for Network Equipment from the Shipping Point to the Destination, provided however that upon request by Customer, Tantalus shall make the arrangements for such transportation and insurance and will invoice Customer for reimbursement at cost. The payment terms described herein shall apply to such invoices, *mutatis mutandis*. Delivery dates are approximate only. Tantalus shall notify Customer in writing, if Tantalus has knowledge of any event that is reasonably likely to materially delay any specified delivery date or change any specified delivery date.

Third-Party Products. Unless otherwise specifically set forth in writing (and subject to applicable pass-through terms and conditions) upon mutual agreement of all involved parties, Tantalus does not warrant Third- Party Products and disclaims all responsibility and liability for these items, their access to TUNet, including their modification, deletion, disclosure or collection of Customer information.

Insurance. During all times in which Customer has possession of Network Equipment for which Tantalus has not received payment in full, Customer shall ensure that comprehensive general liability insurance with limits at least equal to the total value of all such Network Equipment is obtained and, upon request, provide Tantalus with a certificate evidencing such coverage.

No Resell. Customer acknowledges and agrees that it has no rights to market and resell the Network Equipment. The purchase and sale of Network Equipment hereunder is solely for Customer and its Affiliates’ requirements.

Confidentiality. Each party shall treat as confidential all Confidential Information of the other party, shall not use such Confidential Information except as expressly set forth herein or otherwise authorized in writing, shall implement reasonable procedures to prohibit the disclosure, unauthorized duplication, misuse or removal of the other party’s Confidential Information and shall not disclose such Confidential Information to any third party except as may be necessary and required in connection with the rights and obligations of such party under these Terms, and subject to confidentiality obligations at least as protective as those set forth herein. Without limiting the foregoing, each of the parties shall use at least the same procedures and degree of care which it uses to prevent the disclosure of its own confidential information of like importance to prevent the disclosure of Confidential Information disclosed to it by the other party under these Terms and Conditions, but in no event less than reasonable care. The receiving party will not commingle or mix the other party’s Confidential Information with other information.

Authorized Disclosure. In addition, each party shall be entitled to disclose the other party’s Confidential Information to the extent such disclosure is necessary to comply with reporting requirements for public companies and as requested by the order or requirement of a court, administrative agency, or other governmental body; provided, that the party required to make the disclosure shall: (i) provide prompt, advance notice thereof to enable the other party to seek a protective order or otherwise prevent such disclosure; and (ii) seek treatment of the Confidential Information to the highest level of protection afforded under relevant laws and policies.

Remedies. If either party breaches any of its obligations with respect to confidentiality, or if such a breach is likely to occur, the other party shall be entitled to all relief, remedies and recourses available at law or in equity. In addition to all other remedies available at law and at equity, the other party shall be entitled to seek specific performance or a restraining order, decree or injunction.

Warranty. With respect to new Network Equipment, for a period of one (1) year from the date of shipment of each unit of Network Equipment to Customer from Shipping Point, Tantalus warrants that: (i) each unit of Network Equipment will be free from defects in material, workmanship and manufacture under normal use and service, (ii) title to each unit of Network Equipment shall be free and clear of all liens, financial encumbrances and security interests, (iii) all materials, parts, components and other items initially incorporated in the Network Equipment will be new; and (iv) each unit of Network Equipment shall be compliant with, and perform in accordance with its Specifications. The warranty for replaced or repaired Network Equipment originally warranted under this paragraph shall be thirty (30) days from date of return to Customer or the balance of the original warranty period, whichever is greater. With respect to refurbished equipment, for a period of 30 days from the date of shipment of refurbished Network Equipment to Customer from Shipping Point, Tantalus warrants that: (i) each unit of refurbished Network Equipment will be free from defects in material, workmanship and manufacture under normal use and service, (ii) title to each unit of refurbished Network Equipment shall be free and clear of all liens, financial encumbrances and security interests; and (iii) each unit of refurbished Network Equipment shall be compliant with, and perform in accordance with its Specifications. The aforementioned warranties apply only when all three of the following conditions prevail: (i) the unit of Network Equipment is owned by the original Customer and not by an assignee; (ii) the Customer is not the subject of bankruptcy or comparable proceedings; and (iii) while Tantalus has not invoked a subsisting remedy in respect of Force Majeure. The aforementioned warranties will not apply to Licensed Software which is sold "as is" with no warranty, in accordance with the applicable EULA, will not cover any Third-Party Products provided by Tantalus or Third-Party Products or services provided to Customer by third-party suppliers. Any warranty for such products will be between Customer and the third-party manufacturer or supplier. To the fullest extent allowed, Tantalus will assign all third-party warranties to Customer.

Warranty Returns. For any breach of warranty, Tantalus' sole obligation shall be to, at its sole option and expense, repair or replace defective Network Equipment or refund the purchase price thereof, within 60 days of receipt of such defective Network Equipment at its designated depot, provided that the Customer has returned the defective Network Equipment to Tantalus no later than four weeks after the expiry of the applicable warranty period set forth herein. Customer will be responsible for removing defective Network Equipment from the installation point and returning the defective Network Equipment, transportation charges prepaid by Customer, to Tantalus at its designated depot, together with Tantalus' return material authorization number and completed problem sheet. Tantalus will be responsible for paying all shipping and other costs incidental to the return of repaired or replacement Network Equipment to Customer. Customer will be responsible for re-installing such repaired or replacement Network Equipment. To the extent Tantalus determines that the Network Equipment returned under warranty is not defective (that is, no fault found), Customer will pay for the return of the Network Equipment and will pay Tantalus the fee of US\$150 per no fault found Network Equipment. Tantalus will make available out-of-warranty repairs in accordance with its programs in effect at the relevant time. Services for out-of-warranty repairs will be provided at Tantalus' then current time and materials fees and rates.

No Warranty. The warranties described herein shall not apply to any units of Network Equipment which have been mistreated including without limitation the following: (i) units whose original bar code, copyright notices and proprietary legends, if any, have been altered; (ii) units that were not installed in accordance with the Specifications and Standards or serviced by Tantalus or a person authorized by Tantalus to do so; (iii) units that were the subject of repair, modification or alteration without Tantalus' approval; (iv) units damaged or defective because of reasonable wear and tear; (v) units that were not maintained and operated in accordance with the Specifications and Standards, including, without limitation, units damaged or defective because of problems with electrical power; (vi) units that in Tantalus' reasonable opinion have been misused, altered, abused or subject to abnormal conditions of operation or handling; or (ix) units damaged or defective due to an Excusing Event.

DISCLAIMER. TANTALUS DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF OTHER'S INTELLECTUAL PROPERTY RIGHTS AND DURABILITY.

Relief for patent and copyright matters. Tantalus, at its expense, shall defend any court suit brought against Customer by a third party alleging that units of Network Equipment purchased by Customer infringe US or Canadian patent or copyright. Tantalus' obligation to defend is effective only if Customer is not in breach of any of these Terms and of any other agreement between the parties, and if Tantalus is notified promptly and given complete information, assistance and authority by Customer to conduct the defense. If any unit of Network Equipment: (a) is adjudicated by a court of competent jurisdiction after appeals therefrom are exhausted, as infringing any US or Canadian patent or copyright or has its use enjoined by such court, Tantalus will, at its election: (i) procure for the Customer the right to continue using said unit; (ii) replace it with non-infringing and functional equivalent; (iii) modify it to become non-infringing; or (iv) if none of the aforementioned options are reasonably available, refund to Customer all amounts paid for the infringing Network Equipment, depreciated on a straight line basis over a ten (10) year period. Tantalus' obligation to defend includes the sole right to settle. Tantalus' obligation to defend does not apply to the following: (A) Network Equipment based on a design, specifications or instructions supplied or requested by Customer; (B) use of Network Equipment in combination with any other

hardware or software not provided by Tantalus, if infringement would not have occurred but for such combination; (C) use of any release of Licensed Software or any firmware other than the most current release made available to Customer; (D) use of Network Equipment other than as permitted under these Terms, or as intended by Tantalus, if the infringement would not have occurred but for such use; or (E) modifications made to Network Equipment not made by Tantalus or approved by Tantalus. The foregoing states Tantalus' entire liability with respect to intellectual property infringement by any unit of Network Equipment.

General Indemnity. Tantalus shall defend, indemnify and hold Customer harmless from all loss, expense or damages (including without limitation, reasonable attorney's fees) which may be incurred by Customer as a result of any claims or actions resulting from: (a) damage to tangible personal property owned by Customer and caused by the gross negligence of Tantalus; and (b) death of or bodily injury to a Customer employee or third party to the extent caused by Tantalus' gross negligence. Customer will provide Tantalus with prompt, written notice of any claim covered by this indemnification. Unless Tantalus fails to defend Customer, Customer shall not undertake the defense of any such claim. Tantalus, at its sole expense, shall defend all such claims and actions against Customer, whether brought informally or through court or administrative procedures.

Customer Indemnity. The relationship of Tantalus and Customer established by these Terms are that of independent contractors and neither party is an employee, agent or joint venture of the other. All financial obligations associated with Customer's business are the sole responsibility of Customer. Except for warranty claims under these Terms, Customer shall indemnify, defend and hold harmless Tantalus from and against any and all claims, liabilities, damages, debts, settlements, costs, attorneys' fees, expenses and liabilities of any type whatsoever that may arise on account of Customer's activities, or those of its employees or agents, including, without limitation, (i) all sales and use taxes and similar charges arising in connection with the purchase of Network Equipment and Services hereunder and all other federal, state and municipal taxes, interest, fines and penalties arising in connection with Customer's business activities and (ii) those relating to Customer's use of the Network Equipment or Customer's breach of any term, representation or warranty of these Terms.

Limitations. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, OTHER THAN FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY (I) SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES OR LOSSES INCLUDING, WITHOUT LIMITATION, LOSS OR CORRUPTION OF DATA, LOSS OF REVENUE, SAVINGS OR PROFITS, CLAIMS BY USERS AND THIRD PARTIES, LOSS OF GOODWILL, BUSINESS INTERRUPTION OR OTHER PECUNIARY LOSS WHETHER ARISING FROM BREACH OF WARRANTY OR CONDITION, BASED ON CONTRACT, TORT, RELIANCE, FUNDAMENTAL BREACH, STATUTE, OR ANY OTHER THEORY, AND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; OR (II) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES. NOTWITHSTANDING ANYTHING ELSE IN THESE TERMS AND WITHOUT LIMITING THE FOREGOING, TANTALUS WILL NOT BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THESE TERMS UNDER ANY CONTRACT, NEGLIGENCE, CIVIL LIABILITY, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR: (A) ANY AMOUNTS IN EXCESS OF THE AGGREGATE AMOUNTS PAID TO TANTALUS FOR NETWORK EQUIPMENT AND SERVICES GIVING RISE TO SUCH LIABILITY IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM; (B) ANY FAILURE OR DELAY DUE TO AN EXCUSING EVENT; OR (C) ANY ALLOCATION OF NETWORK EQUIPMENT AND SERVICES AMONG ITS CUSTOMERS IN THE EVENT OF A SHORTAGE. LIMITATIONS OF LIABILITY WILL NOT BE ASSERTED TO THE EXTENT PROHIBITED BY RELEVANT LAWS AND POLICIES. TANTALUS' PRICING REFLECTS THIS ALLOCATION OF RISKS AND THE LIMITATION OF LIABILITY.

Ownership of Intellectual Property. Except for licenses otherwise expressly granted under these Terms, the sale of Network Equipment hereunder does not convey to Customer any Proprietary Rights in the Network Equipment and Customer acknowledges Tantalus' exclusive rights thereto. Neither the sale of Network Equipment nor any provision of these Terms will be construed to grant to Customer, either expressly, by implication or by way of estoppel, any license under any other Proprietary Rights of Tantalus covering or relating to any other product or invention of Tantalus, or any combination of the Network Equipment with any other product of Tantalus.

Term. Unless terminated earlier as provided herein, these Terms shall have an initial term of one (1) year commencing on the execution date of these Terms (Initial Term) and shall automatically renew for successive one (1) year periods thereafter, until terminated in accordance with these Terms.

Termination. Either party may terminate these Terms effective upon the delivery of written notice of such termination to the other party, if the other party: (i) becomes insolvent, is generally not paying its debts as such debts become due, makes an assignment for the benefit of creditors, is the subject of any voluntary or involuntary case commenced under the federal bankruptcy laws, as now constituted or hereafter amended (which, in the case of involuntary bankruptcy, is not dismissed within 30 days), or of any other proceeding under other applicable laws of any jurisdiction regarding bankruptcy, insolvency, reorganization, adjustment of debt or other forms of relief for debtors, has a receiver, trustee, liquidator, assignee, custodian or similar official appointed for it or for any substantial part of its property, or is the subject of any dissolution or liquidation proceeding; (ii) breaches its obligations related to confidentiality; or (iii) is in default in any material respect in the performance of any its obligations under these Terms, provided that the party not at fault has given the other party forty five (45) days prior written notice of such default and such other party has not remedied the default; provided however if the defaulting party is Customer and such default is attributable to or includes Customer's failure to pay any amount when due, then the aforementioned 45-day cure period will be reduced to five (5) days. Either party may terminate

these Terms, at any time and for any reason, on ninety (90) days' prior written notice to the other party, provided however that if terminated by Customer, Tantalus shall take commercially reasonable efforts to cancel any deliveries to Customer which are scheduled to be made after the termination date. Customer shall be responsible for actual costs reasonably incurred in performing before termination, including the cost of Network Equipment released or received by Customer, or that has been shipped within 45 days, prior to the date of the notice. Prior to the effective termination of these Terms, all of the terms and conditions of, and the respective rights and obligations of the parties to, these Terms will remain completely valid and enforceable; provided however that, in the event Tantalus terminates these Terms for cause, then any deliveries of Network Equipment and Services to Customer which are scheduled to be made subsequent to the effective date of termination shall be cancelled. Termination is not the sole remedy available under these Terms and, whether or not termination is effected; all other legal remedies will remain available. Notwithstanding anything to the contrary in these Terms, no expiration or termination of these Terms by either party shall affect (A) any rights or obligations of either party: which are vested pursuant to these as of the effective date of such expiration or termination, and (B) any other provisions intended by the parties to survive such expiration or termination including, but not limited to, Purchase Orders accepted pursuant to these Terms.

Dispute Resolution. Except for Disputes related to nonpayment or as otherwise provided in this Section, neither Party shall resort to formal litigation proceedings until the Parties have attempted to resolve the Dispute through non-binding mediation. The Party raising a Dispute shall submit to the other Party a written notice and supporting material describing all issues and circumstances related to the Dispute (a "Dispute Notice"). A designated senior management representative of each Party shall attempt to resolve the Dispute. If the Parties' Representatives fail to resolve the Dispute within thirty (30) days from receipt of a Dispute Notice, the Dispute shall be referred to a mediator in the jurisdiction provided for in these Terms as mutually agreed between the Parties. The Parties covenant that they will use commercially reasonable efforts in participating in the mediation. The Parties agree that the mediator's fees and expenses and the costs incidental to the mediation will be shared equally between the parties. The Parties further agree that all offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts, and attorneys, and by the mediator and any employees of the mediation service, are confidential, privileged, and inadmissible for any purpose, including impeachment, in any litigation, arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the Parties cannot resolve any Dispute for any reason, including, but not limited to, the failure of either party to agree to enter into mediation or agree to any settlement proposed by the mediator, within thirty (30) days after the later of the referral to a mediator or the mediation proceeding, either Party may file suit in a court of competent jurisdiction in accordance with these Terms. These Terms shall not be construed to prevent a Party from instituting litigation proceedings earlier than as indicated in these Terms to: (a) avoid the expiration of any applicable limitations period, (b) preserve a superior creditor position or (c) seek injunctive relief to prevent irreparable harm, including without limitation, harm caused by a breach of confidentiality obligations.

Notices. All notices under these Terms must be made in writing and shall be deemed properly delivered when: (i) delivered personally, (ii) sent by e-mail to the address below, delivery confirmation required, or (iii) mailed by certified mail, postage prepaid or overnight delivery service to the address of the other Party set forth below or sent by facsimile (provided confirmation of delivery is obtained at the time of transmission). Communications must be addressed to Tantalus as follows: Peter A. Londa, President & CEO Tantalus Systems Inc., 1130 Situs Court, Suite 230, Raleigh, NC 27606; Facsimile: (919) 900-8978; E-mail: legal_dept@tantalus.com and to Customer at the address noted below. Unless expressly set out to the contrary herein, consent or approval that is explicitly required herein of a Party hereto will not be unreasonably delayed, withheld or withdrawn by it. Either Party may change the address for service by giving 15 days' advance written notice to the other Party.

Severability. If any provision or term of these Terms is determined to be invalid or unenforceable, the invalidity or unenforceability of that provision or term will not affect the validity or enforceability of the remaining provisions and terms or the validity or enforceability of that provision or term in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify these Terms so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Amendment and Waiver. No amendment or waiver of any provision of these Terms shall be effective unless it is in writing and signed by the party against which it is sought to be enforced. No waiver by any party or any breach or series of breaches in performance by the other party, and no failure, refusal or neglect to exercise any right, power or option given to either party to insist upon strict compliance with or performance of the obligations hereunder, will constitute a waiver of the provisions hereof with respect to any subsequent breach thereof or a waiver by such party of its right at any time thereafter to require strict compliance with the provisions hereof.

Governing Law. These Terms shall be governed and construed in accordance with the laws of the State of Delaware (without giving effect to its conflict of laws provisions which would lead to the application of the laws of another jurisdiction). If either Party employs attorneys to enforce any rights arising out of or relating to these Terms, the prevailing Party shall be entitled to recover actual, reasonable attorneys' fees. Except to the extent necessary to obtain jurisdiction over a third party, any legal action, suit or proceeding arising out of these Terms shall be brought solely and exclusively in Wake County, North Carolina, and each Party irrevocably accepts and submits to the sole and exclusive jurisdiction of tribunals in Wake County, North Carolina. Tantalus and Customer waive a trial by jury in any such suit, action or proceeding.

Force Majeure. No default, delay or failure to perform on the part of either Party shall be considered a breach of these Terms where such default, delay or failure is due to a Force Majeure. Lack of funds or credit will not constitute a Force Majeure. In the event of a Force Majeure, the Impacted Party shall promptly give notice of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

Compliance with Laws. Each Party shall, at its own cost and expense, comply with all applicable Laws relating to the subject matter of these Terms.

Successors and Assigns. These Terms bind, and inure to the benefit of, the parties and their respective successors. These Terms shall not be assigned by either party without the prior written consent of the other party, except that Customer agrees that Tantalus may assign, without notice to Customer, any account receivable arising under these Terms in connection with a factoring arrangement.

Further Assurance. Each Party undertakes with the other Party that it will execute such documents (including, without limitation, any applicable attachments to these Terms) and do such acts and things as that other Party may reasonably require for the purpose of giving to that other Party the full benefit of the provisions of these Terms.

Relationship of the Parties. The relationship of Tantalus and Customer established by these Terms is that of independent contractors and neither party is an employee, agent or joint venture of the other. No rights or obligations other than those expressly recited herein are to be implied from these Terms. Specifically, nothing in these Terms shall create a fiduciary relationship between the disclosing party and the receiving party. No license or other right is hereby granted directly or indirectly to use in any way, any patent, copyright or other proprietary right now held by, or which may be obtained by, or which is or may be licensed by, either Party.

Definitions and Interpretation. "Affiliate" means, with respect to any Party, any legal entity that such Party owns, is owned by, or is under common control with such Party. For purposes of the foregoing definition of "Affiliate", the terms "control" and "own" mean possessing a 50% or greater interest in an entity or the right to direct the management of the entity. "Business Day" means any day that is not a Saturday, Sunday or a Tantalus authorized "holiday". "Confidential Information" of a party is information (in tangible or intangible form) that it owns or has license for, and discloses to the other party, that: (i) derives economic value, actual or potential, from not being generally known to, and is not readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its confidentiality; and includes technical information (such as formulas, data, programs, methods, techniques and processes), business information (such as information about finances, customers and potential customers, marketing plans and business strategies), and the terms of these Terms; but Confidential Information does not include information that the receiving party establishes: (i) it developed independently; or (ii) was generally available to the public through no fault of its own; or (iii) was possessed by it before its receipt thereof from disclosing party; or (iv) was acquired from a third party without the breach of any confidentiality obligation; or (v) five (5) years after its disclosure, does not constitute a trade secret under relevant laws and policies. Confidential Information shall also include all notes, copies and summaries, in any media, and recollections of a receiving party of Confidential Information. "Destination" means Customer's designated destination point for the delivery of Network Equipment. "Dispute" means any dispute, controversy, difference or claim, arising under or in connection with these Terms, including its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims. "Excusing Event" means any (i) Force Majeure; (ii) failure, act or omission of Customer or its agents, employees, suppliers, subcontractors or consultants, including without limitation improper performance of Customer's responsibilities under these Terms, or unreasonable failure or failure of Customer to approve changes that are relevant to an applicable failure; (iv) failure, act or omission of any third party (including any third-party supplier) or its agents, employees, suppliers, subcontractors or consultants; or (v) failure of any components (hardware, software, network, maintenance) provided and/or maintained by Customer. "EULA" means Tantalus' then current end-user software license agreement setting forth the terms and conditions of Customer's permitted use of the Licensed Software. "Force Majeure" means any failure or delay in fulfilling or performing any term of these Terms (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by or results from the following force majeure events ("Force Majeure Event(s)": (a) acts of God; (b) flood, fire, earthquake, epidemics, pandemics or explosion; (c) war, invasion, hostilities (whether war is declared or not), sabotage, terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of these Terms; (f) judicial restraint or other action by any governmental authority (including, without limitation, an inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses or services required to be provided by either Customer or Tantalus under these Terms); (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; (i) shortage of adequate power or transportation facilities; and (j) other similar events beyond the reasonable control of the party impacted by the Force Majeure Event (the "Impacted Party"). "Initial Deployment Services" means (i) Tantalus' standard services for initial deployment, installation and configuration of Tantalus Products purchased by Customer under these Terms as described in a Statement of Work, as mutually agreed between the Parties; (ii) Tantalus' standard initial training services for the Customer; and (iii) related project management for such initial deployment and training. For clarity, and notwithstanding anything to the contrary, the Initial Deployment Services do not include integration or installation of field equipment (i.e. meters, collectors, repeaters, etc.), Third-Party Products,

or Maintenance and Support Services. Integration to existing vendor supported interfaces are included in the Initial Deployment Services. For the avoidance of doubt, custom services, including custom integration(s) between TUNet and Third-Party Products that are not existing vendor supported interfaces, are not included in the Initial Deployment Services and are subject to additional fees and written agreement between Tantalus, Customer and any applicable third-party in the form of a written change order. **“Licensed Software”** means all Tantalus software and firmware residing on, or provided in connection with, each unit of Network Equipment purchased under these Terms, together with all software documentation related thereto and any and all updates thereto. The terms and conditions of the EULA will apply to the Licensed Software provided to Customer. **“Licensed Software Maintenance Services”** shall have the meaning ascribed to them in Addendum A-1 of the EULA. **“Maintenance and Support Services”** means the recurring Licensed Software Maintenance Services and Technical Support provided by Tantalus to Customer pursuant to the Maintenance and Support Agreement dated entered by and between Tantalus and Customer. **“Network Equipment”** means the equipment manufactured by or for Tantalus for use as part of TUNet and its associated Licensed Software that are or will be under these Terms physically deployed in the Customer’s service territory. For clarity, Network Equipment does not include the system backhaul, network operations center, meters or any Third-Party Products. **“Purchase Orders”** means purchase orders issued, from time to time, by Customer to Tantalus pursuant to which Customer will purchase Network Equipment and Services in accordance with these Terms and Conditions of Sale. Each Purchase Order will be deemed to include these Terms, even if not specifically stated on the Purchase Order. **“Shipping Point”** means the designated depot or depots in North America selected by Tantalus as its shipping point for Network Equipment. **“Specifications”** means the design, performance and regulatory requirements for each Network Equipment, as such may be amended from time to time by Tantalus, which Specifications will assume and require the installation, maintenance and operation of such Network Equipment in accordance with the Standards. **“Standards”** means the applicable industry standards necessary for the proper installation, maintenance and operation of Network Equipment and TUNet, as may be amended from time to time by

Tantalus, including, without limitation, the maintenance of a distribution system meeting industry standards with respect to grounding and power quality and the use of water pits for the installation of Network Equipment that properly drain and are not otherwise defective. **“Statement of Work (SOW)”** means a document that defines the scope of work to be completed, the timelines for the overall project, provides visibility into the interdependencies required, and will assist all parties in understanding and executing their respective roles, responsibilities and tasks to successfully deploy TUNet. Upon commencement of the Initial Deployment Services, Tantalus and Customer will work cooperatively to develop and finalize a Statement of Work. **“Technical Support”** means the technical support services described in the Maintenance and Support Agreement. **“Third-Party Product”** means any products, software, materials, information or services that are manufactured, provided and/or licensed by, or otherwise proprietary to, a person or entity other than Tantalus. **“TUNet”** means Tantalus’ proprietary TUNet® smart grid network provided by Tantalus pursuant to these Terms and does not include Third-Party Products. **Interpretation Not Affected by Headings, etc.** The division of these Terms into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. **Number, etc.** Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders. **Date or Any Action.** In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day. **Authorship.** Authorship of these Terms will have no bearing on the construction of any terms hereof or ambiguities thereof.

Quotation as Purchase Order. Signature below shall constitute submission by the Customer and acceptance by Tantalus of the foregoing quotation as an authorized Purchase Order for the equipment and services listed thereon, subject to the foregoing Terms and Conditions of Sale. The Purchase Order may not be modified, added to or rescinded except through mutual agreement and acceptance in writing by both Parties.

AGREED AND ACCEPTED:

TANTALUS SYSTEMS INC.

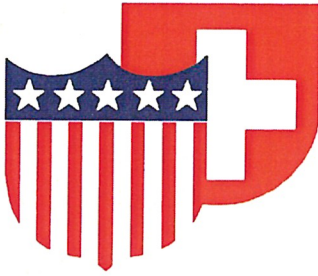
BY: _____
 Name: _____
 Title: _____
 Date: _____

Highland Light and Power (IL)

BY: _____
 Name: _____
 Title: _____
 Date: _____

Customer Address for Notices:

 Facsimile: _____
 E-mail: _____



City of Highland

Department of Light and Power

Memo to: Chris Conrad, City Manager
From: Dan Cook, Director of Light & Power
Date: February 13, 2024
Subject: Issuance of Purchase Order to Anixter

RECOMMENDATION

I recommend that you seek council approval to waive usual and customary bidding procedures and issue a purchase order to Anixter in the amount of \$32,257.50 for 250 electric meters as detailed in the attached quotation.



DISCUSSION

The city has selected the Tantalus/ITRON solution as our provider of "Smart Meters". Since ITRON has defined service territories and Anixter is the dedicated vendor for our territory, there is no possibility for competitive bidding and this product is the one which works best for our application and is compatible with the existing meters. All current meters in our system are ITRON and have been providing satisfactory service for several years.

FISCAL IMPACT

This purchase will be funded from money budgeted and approved for the current Fiscal year under GL#101-104-5-530-60.

CONCURRENCE

Recommended by: 
Daniel Cook, Director of Light & Power
Approved by: 
Chris Conrad, City Manager

RESOLUTION NO. _____

**RESOLUTION WAIVING COMPETITIVE BIDDING REQUIREMENT AND
AUTHORIZING PURCHASE OF ITRON ELECTRIC METERS FROM
ANIXTER POWER SOLUTIONS, LLC**

WHEREAS, the City of Highland, Madison County, Illinois (hereinafter “City”), is a non-home rule municipality duly established, existing and operating in accordance with the provisions of the Illinois Municipal Code (Section 5/1-1-1 et seq. of Chapter 65 of the Illinois Compiled Statutes); and

WHEREAS, City has determined the Light & Power Department has a need for 250 ITRON electric meters; and

WHEREAS, City has determined the 250 ITRON electric meters should be purchased from Anixter Power Solutions, LLC (“Anixter”) in the amount of \$32,257.50 (Quotation attached hereto as **Exhibit A**); and

WHEREAS, the City Light & Power Department has selected the Tantalus/ITRON solution as the provider of “Smart Meters” to City; and

WHEREAS, City has determined ITRON has defined geographic service territories and Anixter is the dedicated vendor for ITRON electric meters to City; and

WHEREAS, City has determined that because Anixter is the dedicated vendor for ITRON electric meters to City, there is no opportunity for competitive bidding for the 250 ITRON electric meters; and

WHEREAS, the Director of Light & Power has informed the City Council the ITRON electric meters work best for City applications and are compatible with the existing City meters; and

WHEREAS, the Director of Light & Power has informed the City Council that all current electric meters being used by City are ITRON, and ITRON electric meters have proven to be an excellent product over the last several years; and

WHEREAS, the Director of Light & Power has informed the City Council that the 250 ITRON electric meters will be funded from money budgeted and approved for the current fiscal year under GL#101-104-5-530-60; and

WHEREAS, the City Council finds that the Quotation (**Exhibit A**) for the purchase of 250 ITRON electric meters for the amount of \$57,500.00 should be approved; and

WHEREAS, the City Council deems it to be in the best interests of City to waive the competitive-bidding requirement that would otherwise apply and to purchase the 250 ITRON electric meters from Anixter pursuant to the Quotation (**Exhibit A**); and

WHEREAS, the City Council also finds that the City Manager should be authorized and directed, on behalf of the City of Highland, to execute whatever documents are necessary to make the purchase, pursuant to the Quotation (**Exhibit A**).

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Highland, Illinois, as follows:

- Section 1.* The foregoing recitals are incorporated herein as findings of the City Council of the City of Highland, Illinois.
- Section 2.* Purchase of the 250 ITRON electric meters, for the amount of \$32,257.50, from Anixter, as set forth in the Quotation (**Exhibit A**), is approved.
- Section 3.* The City Manager is directed and authorized, on behalf of the City of Highland, to execute whatever documents are necessary to make the purchase.
- Section 4.* This Resolution shall be known as Resolution No. _____ and shall be effective upon its passage and approval in accordance with law.

Passed by the City Council of the City of Highland, Illinois, and deposited and filed in the Office of the City Clerk, on the ____ day of _____, 2024, the vote being taken by ayes and noes, and entered upon the legislative records, as follows:

AYES:

NOES:

APPROVED:

Kevin B. Hemann, Mayor
City of Highland
Madison County, Illinois

ATTEST:

Barbara Bellm, City Clerk
City of Highland
Madison County, Illinois



1100 Old State Road
Mattoon, IL 61938

Quote

www.anixterpowersolutions.com

Phone: 217.235.0546
Fax: 217.235.0024

Quotation: **U00746397.00**

To: **HIGHLAND MUNC ELECTRIC DEPT
2610 PLAZA DRIVE
HIGHLAND, IL 62249**

Issued Date: **Feb 13, 2024**

Expiration Date: **Mar 13, 2024**

Sales Contact: **Hannah Felton
(P) 515.528.3058**

Attn:
Phone:
Fax:

**(F)
Hannah.felton@wescodist.com**

Item	CustLine	Product and Description	Quantity	Price	Unit	Extended
1	J820501	CENTRON C2SXD, Form 2S, CL200, 240V, W/DIS	250	129.030	EA	32,257.50

SECTION TOTAL: \$32,257.50

QUOTE TOTAL: **\$32,257.50**

Special Notes

- 1) All items are In Stock unless otherwise noted.
- 2) All item pricing on this quote is valid for thirty days unless otherwise specified.
- 3) All applicable taxes apply.

BY ACCEPTING THIS QUOTE, YOU AGREE THAT THE ANIXTER TERMS AND CONDITIONS OF SALE PUBLISHED AT THE LINK BELOW ARE EXPRESSLY INCORPORATED INTO AND SHALL GOVERN THIS TRANSACTION.

<http://www.anixter.com/TERMSANDCONDITIONS>

Anixter Power Solutions offers the industry's most extensive and dynamic portfolio of products, services and solutions for the Public Power, Investor-owned Utilities, Construction and Industrial markets.

The impacts of COVID-19 cannot be reasonably determined at this time. This quote/proposal does not account for any potential adverse impacts COVID-19 may have on Anixter's performance or obligations herein. In the event of any delays or adverse impacts, Anixter reserves the right for an equitable adjustment of the delivery schedule and prices herein to offset the effects of COVID-19 delays, without fault or penalty of any kind.

EXPENDITURE LISTING #1260
FROM 02/03/2024 TO 02/16/2024

City of Highland
1115 Broadway, PO Box 218
Highland IL 62249



CHECK #	VENDOR NAME	INVOICE DESCRIPTION	DEPARTMENT	CHECK/PAYMENT DATE	GROSS AMOUNT
660	HIGHLAND COMMUNITY UNIT S	40 CASES OF PAPER -LETTER- FOR CENTRAL PURCH.	001	02/09/2024	1,500.00
715	TRIPACK INC	SUPPLIES FOR CENRAL PURCHASING	001	02/09/2024	133.02
715	TRIPACK INC	SUPPLIES FOR CENRAL PURCHASING	001	02/09/2024	1,832.95
				TOTAL	3,465.97
608	SCHEFFEL & COMPANY PC	2022 TAX INCENTIVE	007	02/09/2024	7,678.52
608	SCHEFFEL & COMPANY PC	2023 TAX INCENTIVE	007	02/09/2024	8,284.10
671	KIDD'S RESTAURANT INC	2023 TAX INCENTIVE	007	02/09/2024	8,034.70
678	MAIDEN GALL LLC	2023 TAX INCENTIVE	007	02/09/2024	1,294.60
694	Rotary Club of Highland	1ST QTR DUES/MEALS 07/01/23-09/30/23 M HUBBARD	007	02/09/2024	143.00
694	Rotary Club of Highland	2ND QTR DUES/MEALS 10/01/23-12/31/23 M HUBBARD	007	02/09/2024	116.00
694	Rotary Club of Highland	DINNER AT POPEYE'S ON 12/19/23 M HUBBARD	007	02/09/2024	51.75
704	Sunset Commercial Properties LLC	TIF #2 INCENTIVE	007	02/09/2024	493.69
704	Sunset Commercial Properties LLC	2023 INCREMENTAL TAX INCENTIVE FOR BUILDING	007	02/09/2024	6,871.31
728	APEX PHYSICAL THERAPY	JOB INCENTIVE PROGRAM	007	02/09/2024	40,625.00
				TOTAL	73,592.67
603	CARGILL INCORPORATED	SALT -213.16 TON , \$78.14 P/Y	008	02/09/2024	16,666.98
637	CRAFCO INC	ROADSAVER TAR 4500 LB, X-RENTAL, SEQUEEGEE BLADES	008	02/09/2024	3,330.00
				TOTAL	19,996.98
614	ALL AMERICAN SPORTSWEAR	STAFF SHIRT FOR KRC	009	02/09/2024	967.00
615	AMAZON CAPITAL SERVICES	1 QTY SHARK NAVIGATOR LIFT AWAY VACUUM	009	02/09/2024	179.99
625	BLUE CARDINAL CHEMICAL LLC	Cleaning supplies for pool and KRC	009	02/09/2024	545.56
627	BROADWAY BATTERY & TIRE	2012 PATRIOT OIL CHANGE	009	02/09/2024	57.20
648	ESSENPRIES PLUMBING & THING	FILTER REPLACEMENT ON BOTTLE FILLER	009	02/09/2024	220.24
648	ESSENPRIES PLUMBING & THING	RESTROOM REPAIRS	009	02/09/2024	215.70
648	ESSENPRIES PLUMBING & THING	KRC HOSE FAUCET REPAIRS	009	02/09/2024	712.35
661	Highland Pool & Spa Inc	Vertex 10% for pool	009	02/09/2024	24.99
665	ILLINOIS ELECTRIC INC	REBUILT PUMP ON SITE	009	02/09/2024	3,007.32
672	LAVONNE ODLE	REFUND FOR REMAINDER OF MEMBERSHIP	009	02/09/2024	18.00
679	Mazzio's Pizza	Pizzas for party rentals for January	009	02/09/2024	1,288.00
687	PEPSI	KRC CONCESSION SUPPLIES	009	02/09/2024	1,182.23
705	SWITZER FOOD AND SUPPLIES	KRC CONCESSION SUPPLIES	009	02/09/2024	253.81
724	WILLIAM F BROCKMAN CO	LRC CONCESSION SUPPLIES	009	02/09/2024	181.24
				TOTAL	8,853.63
604	Korte & Luitjohan Contr Inc	HIGHLAND CITY HALL REMODEL - INVOICE #11418	011	02/09/2024	79,184.96
605	LEWIS BRISBOIS BISGAARD & SMITH LLP	CITY OF HIGHLAND V. JASON METTLER FILR NO: 15386-3	011	02/09/2024	3,224.57
605	LEWIS BRISBOIS BISGAARD & SMITH LLP	DECEMBER 2023 MONTHLY RETAINER INVOICE	011	02/09/2024	16,800.00
612	Ace Hardware	ACE OPERATING SUPPLIES	011	02/09/2024	1,599.03
615	AMAZON CAPITAL SERVICES	1 QTY JABRA LINK 360 UC USB ADAPTER	011	02/09/2024	48.75
615	AMAZON CAPITAL SERVICES	2 QTY LUXPAPER #10 BOTTOM FLAP ENVELOPES	011	02/09/2024	23.18
615	AMAZON CAPITAL SERVICES	1 QTY 2024 WALL CALENDAR	011	02/09/2024	16.13
615	AMAZON CAPITAL SERVICES	6 QTY 8TAB DIVIDERS, 1 QTY PERMANENT MARKERS	011	02/09/2024	27.03
615	AMAZON CAPITAL SERVICES	3 QTY BINDER CLIPS, 2 QTY TIME CARDS	011	02/09/2024	66.28
615	AMAZON CAPITAL SERVICES	1-LYSOLWIPES, 2-PERMMARKERS, 5-LAMPOUCH, 2-FILEPOCKET	011	02/09/2024	157.45
615	AMAZON CAPITAL SERVICES	1-CORRTAPE, 2-RUBBERBANDS, 3-LAMPOUCH, 3-BINDERDIVIDE	011	02/09/2024	73.15
620	AssuredPartners Cornerstone LLC	DECEMBER MONTHLY FSA PLAN ADMINISTRATION	011	02/09/2024	125.00
620	AssuredPartners Cornerstone LLC	DECEMBER MONTHLY DEBIT CARD FEE	011	02/09/2024	37.50
624	BARNETT PEST SOLUTIONS	MONTHLY COMMERCIAL PEST CONTROL	011	02/09/2024	20.00
632	City Of Highland	JANUARY CENTRAL PURCHASING	011	02/09/2024	3,121.96
634	COMPUSTITCH SCREEN PRINTING AND EMBROIDERY	SHIRTS FOR K HEMANN	011	02/09/2024	185.00
641	DE LAGE LANDEEN FINANCIAL SERVICES LLC	COPIER USAGE/LEASE - CITY HALL BACK OFFICE	011	02/09/2024	280.01
644	DocuSign	ESIGNATURE ENTERPRISEPRO EDITION 01/07/24-01/06/25	011	02/09/2024	4,485.00
653	GAUCHO'S ARGENTINIAN STEAKHOUSE LLC	CITY MANAGER MEETING/CITY HALL PARTY	011	02/09/2024	1,371.60
654	GOGO INC	GONOTIFY NOTIFICATIONS&ALERTS FOR CITIZEN ENGAGEME	011	02/09/2024	4,104.00
662	Highland's Tru Buy	CENTRAL PURCHASING	011	02/09/2024	141.02
663	Huels Oil Co	JANUARY DIESEL FUEL	011	02/09/2024	4,590.63
664	IIMC	ANNUAL MEMBERSHIP FEE THROUGH 03/31/2025-L HEDIGER	011	02/09/2024	185.00
667	IPFPA	2024 IPFPA MEMBERSHIP DUES	011	02/09/2024	795.00
674	Louis Latzer Memorial Public Library	MEMORIAL BOOK- SECRETS OF THE BARN FIND HUNTER	011	02/09/2024	28.50
696	RUTH ZOBRIST	RUTH ZOBRIST ROOF DAMAGE CLAIM DEDUCTIBLE	011	02/09/2024	1,500.00
709	THE GREENHOUSE OF HIGHLAND	CENTERPIECES - AWARDS BANQUET	011	02/09/2024	707.99
711	Third Millennium Assoc Inc	UTILITY BILL RENDERING	011	02/09/2024	2,054.06
712	THRYV INC.	MONTHLY PHONE LISTING 01/01/24-01/31/24	011	02/09/2024	187.59
720	WALMART COMMUNITY/CAPITAL ONE	WAL-MART OPERATING ACCOUNT	011	02/09/2024	1,426.10
721	Watts Copy Systems Inc.	COPIER USAGE/LEASE	011	02/09/2024	28.03
723	WEX BANK	JANUARY FUEL	011	02/09/2024	8,566.68
729	I.M.L. RISK MANAGEMENT ASSOCIATION	2024 ANNUAL CONTRIBUTION INVOICE- 3RD INSTALLMENT	011	02/09/2024	143,373.06
ACH	SPRINGBROOK SOFTWARE LLC	ACH SERVICES FOR JANUARY 2024	011	02/16/2024	893.78
736	CAPITAL ONE PUBLIC FUNDING	CITY HALL REMODEL DEBT CERTIFICATES	011	02/14/2024	44,916.41
				TOTAL	324,344.45

615	AMAZON CAPITAL SERVICES	1 QTY AIR FILTER	012	02/09/2024	115.03
615	AMAZON CAPITAL SERVICES	1 QTY ARTIST EASEL STAND	012	02/09/2024	19.79
624	BARNETT PEST SOLUTIONS	PSB PEST CONTROL	012	02/09/2024	50.00
640	DATATRONICS INC	INSTALL EQUIP CHIEFS TERRAIN	012	02/09/2024	3,732.00
640	DATATRONICS INC	REMOVE AND INSTALL IN CHIEFS TERRAIN	012	02/09/2024	200.00
642	DigitalArtz LLC	NEW SRO TRUCK GRAPHICS	012	02/09/2024	1,136.81
642	DigitalArtz LLC	POLICE BUSINESS CARDS, P096, THOLE,, P145, &BOGARD	012	02/09/2024	195.96
647	ELLIOTT DATA SYSTEMS INC.	KEY FOBs QTY 25 PSB	012	02/09/2024	161.50
673	Leon Uniform Company Inc	DUTYGUARD PULLOVER-BLAND	012	02/09/2024	189.99
673	Leon Uniform Company Inc	LS UNDERVEST AND VEST WITH OUTER CARRIER -WIEGAND	012	02/09/2024	69.00
673	Leon Uniform Company Inc	UNIFORM SHIRT AND PANTS NEW HIRE WIEGAND	012	02/09/2024	118.00
673	Leon Uniform Company Inc	LS UNSERVEST SHIRT AND US FLAG BORDER - TRUJILLO	012	02/09/2024	63.50
673	Leon Uniform Company Inc	LS UNDERVEST SHIRT - BRINES	012	02/09/2024	63.50
677	MADISON COUNTY INFORMATION TECHNOLOGY	LEADS LEASE MADISON COUNTY	012	02/09/2024	24.28
690	R P Lumber Co Inc	CREDIT FROM INV#1974878	012	02/09/2024	-25.98
690	R P Lumber Co Inc	TAPCON DRILL BIT, DOOR SEAL, THRESHOLD FLAT ALUM	012	02/09/2024	33.97
692	Reding Tire & Battery Inc	CAR 6 TIRE REPAIR-PATCH	012	02/09/2024	25.00
692	Reding Tire & Battery Inc	SRO CAR ALTERNATOR, RADIATOR, SERPENTINE BELT &OLF	012	02/09/2024	1,767.35
692	Reding Tire & Battery Inc	CAR 3 TIRE PATCH	012	02/09/2024	25.00
694	Rotary Club of Highland	ROTARY DUES CHIEF- JULY 23-SEPT 23	012	02/09/2024	143.00
694	Rotary Club of Highland	ROTARY DUES CHIEF- OCT 23-DEC 23	012	02/09/2024	116.00
699	Southwestern Illinois College	E. TRUJILLO POLICY ACADEMY AND JUVENILE OFR CERT	012	02/09/2024	7,009.00
700	Splish Splash Auto Bath LLC	POLICE DEPT CAR WASHES	012	02/09/2024	38.00
				TOTAL	15,270.70
631	City Of Highland	ELECTRICAL INSPECTION	013	02/09/2024	370.00
713	TIMES TRIBUNE	LEGAL-NEW BUSINESS-JOYCE BUCHANAN	013	02/09/2024	31.20
				TOTAL	401.20
615	AMAZON CAPITAL SERVICES	1 QTY LIGHTER SOCKETAC/DC POWER ADAPTER	014	02/09/2024	8.99
618	APEX FITNESS CENTER LLC	FIRE DEPARTMENT MEMBERSHIPS 12/01/23-12/31/23	014	02/09/2024	90.00
618	APEX FITNESS CENTER LLC	FIRE DEPARTMENT MEMBERSHIPS 10/01/23-10/31/23	014	02/09/2024	90.00
623	Banner Fire Equipment Inc	2 QTY INTRINSICALLY SAFE RECHARGEABLE LANTERN-RED	014	02/09/2024	568.24
623	Banner Fire Equipment Inc	5 QTY INTRINSICALLY SAFE PERMISSIBLE DUAL-LIGHTRED	014	02/09/2024	420.00
650	PLUMBERS SUPPLY #215	1 QTY M18 FUEL BLWR BARE TOOL	014	02/09/2024	176.79
683	Northtown Auto & Tractor	1 QTY TUBING ALS STRAIGHT, HD HARDWARE REDUCER	014	02/09/2024	53.48
714	TOYNE INC	3 QTY PER SET SHALLOW SHELF BRACKETS	014	02/09/2024	145.64
719	Village Locksmith	INSPECTED/REPAIRED LOCK ON SUPPLY CLOSET	014	02/09/2024	163.00
726	Zoll Data Systems Inc	ZOLL FIRE REPORTS 03/01/24-03/31/24	014	02/09/2024	57.09
727	Zumwalt Corporation	REPAIR BAY 1 FIRE DOORS AT PSB	014	02/09/2024	1,147.50
				TOTAL	2,920.73
601	Steve Schmitt Inc	2021 CHEVY TRUCK VEH#1GC3YLE74MF178462	016	02/06/2024	40,192.00
610	MISSOURI MACHINERY & ENGI	SQUARE FOUNTAIN REPAIR	016	02/09/2024	10,680.05
614	ALL AMERICAN SPORTSWEAR	PICKLEBALL TOURNAMENT SHIRTS	016	02/09/2024	456.50
622	AVISTON LUMBER COMPANY	SPINDLER PARK PICNIC TABLE MAINT SUPPLIES	016	02/09/2024	59.40
622	AVISTON LUMBER COMPANY	BULLPEN MOUNT ON OPTIMIST	016	02/09/2024	120.37
624	BARNETT PEST SOLUTIONS	WCC MONTHLY PEST CONTROL	016	02/09/2024	25.00
642	DigitalArtz LLC	SILVER LAKE PAVILION SIGN	016	02/09/2024	75.00
642	DigitalArtz LLC	MAGNETS FOR TRUCKS	016	02/09/2024	130.33
642	DigitalArtz LLC	MAGNETS FOR TRUCKS	016	02/09/2024	202.68
642	DigitalArtz LLC	MAGNETS FOR TRUCKS	016	02/09/2024	136.24
649	EVERLASTING ETCH	PICKLEBALL TOURNAMENT MEDALS	016	02/09/2024	25.50
662	Highland's Tru Buy	SENIOR DAY 01/10/24	016	02/09/2024	71.70
669	KATHLEEN QUITMEYER	Refund for Pickleball Tournament	016	02/09/2024	60.00
676	LYNN STEWART	REFUND FOR ST CHARLES TRIP	016	02/09/2024	36.00
684	NUTOYS LEISURE PRODUCTS	SUPPLIES FOR PLAYGROUND EQUIPMENT	016	02/09/2024	1,690.98
687	PEPSI	WCC CONGSSION SUPPLIES	016	02/09/2024	443.23
689	Productivity Plus Account	2 QTY LATCH, 1 QTY PAINT, 1 QTY PAINT PRI	016	02/09/2024	61.38
689	Productivity Plus Account	FINANCE CHARGE	016	02/09/2024	11.56
690	R P Lumber Co Inc	BULLPEN MOUND ON OPTIMISTS MAINT SUPPLIES	016	02/09/2024	519.96
691	RED E MIX LLC	6 SACK GROUT	016	02/09/2024	325.00
691	RED E MIX LLC	CEMETERY ROAD SUPPLIES	016	02/09/2024	1,014.00
693	ROSEMARY FULKERSON	Refund for St. Charles trip	016	02/09/2024	84.00
698	SITEONE LANDSCAPRE SUPPLY	PITCHING RUBBER FOR OPTIMIST BULLPEN MOUNDS	016	02/09/2024	570.00
717	ULINE SHIPPING SUPPLIES	URINAL BLOCKS FOR PARKS	016	02/09/2024	52.50
730	ST LOUIS BALLFIELDS & TURF, LLC	SOD LABOR FOR ZOBRIST, REIMBURSED THROUGH HYBSL	016	02/09/2024	4,150.00
				TOTAL	61,193.38
602	East-West Gateway Council of Governments	POPLAR STREET RESURFACING PROJECT GRANT APPLICATIO	017	02/08/2024	4,560.00
615	AMAZON CAPITAL SERVICES	1 QTY MIRCOfIBER TOWELS	017	02/09/2024	33.99
624	BARNETT PEST SOLUTIONS	MONTHLY PEST CONTROL- JAN SERVICE TIC#8726	017	02/09/2024	30.00
627	BROADWAY BATTERY & TIRE	TRUCK #42- PATCH RIGHT REAR TIRE., VALVE STEM	017	02/09/2024	30.50
637	CRAFCO INC	ROADSAVER TAR 4500 LB, X-RENTAL,SEQUEEGEE BLADES	017	02/09/2024	1,500.00
637	CRAFCO INC	ROADSAVER TAR 4500 LB, X-RENTAL,SEQUEEGEE BLADES	017	02/09/2024	82.90
663	Huels Oil Co	DHS-PREM OFF-ROAD DIESEL	017	02/09/2024	492.24
668	JANSEN CHEVROLET CO INC	INSPECTION -TRUCK #607	017	02/09/2024	51.00
680	MCKAY AUTO PARTS INC	FLAT	017	02/09/2024	4.03
683	Northtown Auto & Tractor	MULTI HOSE, COUPING, 12HP 12MPX	017	02/09/2024	466.97
683	Northtown Auto & Tractor	BACK UP ALARM, TRAILER CONNECTOR	017	02/09/2024	41.82
708	TERMINAL SUPPLY CO	REUSABLE MICRO FIBER RAGS, LED WORKLAMP	017	02/09/2024	452.89
				TOTAL	7,746.34

615	AMAZON CAPITAL SERVICES	1-CORNER ROUNDER,1-ANTISURGE	101	02/09/2024	30.28
617	ANIXTER INC	PCL-1 LOCK DISPOSABLE	101	02/09/2024	681.39
616	Ameren Illinois	EVERGREEN CT ST LITE	101	02/09/2024	11.05
619	Aramark Uniform Services	JANUARY RUG SERVICE	101	02/09/2024	16.71
619	Aramark Uniform Services	JANUARY RUG SERVICE	101	02/09/2024	72.76
619	Aramark Uniform Services	JANUARY RUG SERVICE	101	02/09/2024	16.71
619	Aramark Uniform Services	JANUARY RUG SERVICE	101	02/09/2024	72.76
621	Auto Xtreme Collision Inc	REPAIRS TO VEHICLE THAT WERE INVOLVED IN ACCIDENT	101	02/09/2024	1,321.40
624	BARNETT PEST SOLUTIONS	INSPECTION & TREATMENT	101	02/09/2024	28.00
624	BARNETT PEST SOLUTIONS	INSPECTION & TREATMENT	101	02/09/2024	50.00
629	CHRIS CONRAD	PERDIEM APPA LEGISLATIVE RALLY 2024 02/25 TO 02/29	101	02/09/2024	291.00
639	DAN COOK	PERDIEM APPA LEGISLATIVE RALLY 2024 02/25 TO 02/29	101	02/09/2024	291.00
670	KEVIN HEMANN	PERDIEM APPA LEGISLATIVE RALLY 2024 02/25 TO 02/29	101	02/09/2024	335.50
686	PAETEC	LONG DISTANCE CHARGE	101	02/09/2024	0.34
690	R P Lumber Co Inc	HILLMAN	101	02/09/2024	27.99
694	Rotary Club of Highland	DUES & MEALS 07/01/23-09/30/23 D COOK	101	02/09/2024	143.00
694	Rotary Club of Highland	DUES & MEALS 10/01/23 - 12/31/23 D COOK	101	02/09/2024	116.00
695	RUSH TRUCK CENTERS OF MISSOURI INC	DIGGER TRUCK MAINTENANCE	101	02/09/2024	826.90
701	SPRINGBROOK HOLDING COMPANY LLC	CIVICPAY TRANSACTION FEE JANUARY 2024	101	02/09/2024	3,560.00
701	SPRINGBROOK HOLDING COMPANY LLC	CIVICPAY TRANSACTION FEE DECEMBER 2023	101	02/09/2024	3,498.00
702	SUMNER ONE INC.	COLOR OVERAGES	101	02/09/2024	225.13
716	Truck Centers Inc	TRUCK 36 DOUBLE BUCKET PARTS	101	02/09/2024	26.83
718	VALTEC HYDRAULICS INC.	SHOP SUPPLIES	101	02/09/2024	306.70
				TOTAL	11,949.45
615	AMAZON CAPITAL SERVICES	1 QTY 1/3 CUT FILE FOLDERS,2 QTY HANGING FOLDERS	102	02/09/2024	78.91
615	AMAZON CAPITAL SERVICES	1 QTY AIR OPERATED DOUBLE DIAPHRAGM PUMP	102	02/09/2024	217.64
619	Aramark Uniform Services	JANUARY UNIFORM AND RUG SERVICE	102	02/09/2024	91.64
619	Aramark Uniform Services	JANUARY UNIFORM AND RUG SERVICE	102	02/09/2024	101.08
619	Aramark Uniform Services	JANUARY UNIFORM AND RUG SERVICE	102	02/09/2024	97.64
619	Aramark Uniform Services	JANUARY UNIFORM AND RUG SERVICE	102	02/09/2024	101.08
685	O'Reilly Automotive Inc.	1 QTY OPII FILTER, 1 QTY SQT MOTOROIL	102	02/09/2024	33.28
703	Sunbelt Rentals Inc	1 QTY 19' ELECT SCISSORLIFT	102	02/09/2024	253.75
703	Sunbelt Rentals Inc	1 QTY 14-16' LIFT BED TANDEM AXLE TRAILER	102	02/09/2024	106.06
				TOTAL	1,081.08
609	TANTALUS SYSTEMS INC.	250 QTY TPM CONTROLLER ITRON CENTRON C25XD-240V	104	02/09/2024	23,990.53
615	AMAZON CAPITAL SERVICES	6 QTY LEATHER/SPANDEX DRIVER GLOVES	104	02/09/2024	149.94
652	CONSOLIDATED ELECTRICAL	PANDUIT SR-350-XY SPICER/REDUCER	104	02/09/2024	471.12
655	Graybar	AF-BVC-20 ALUMA-FORM INC	104	02/09/2024	1,265.00
655	Graybar	50 QTY AHD-10B-1GA-1X1-1X ARRESTER HEAVY DUTY 10KV	104	02/09/2024	2,756.00
655	Graybar	CSTOS-152J TE CONNECTIVITY	104	02/09/2024	2,587.50
688	POWER LINE SUPPLY	SR11R GLASSES FIRE MIRROR LENS BLACK FRAME	104	02/09/2024	186.00
				TOTAL	31,406.09
606	Missouri Network Alliance LLC	VIDEO CONTENT FEE	111	02/09/2024	5,693.82
606	Missouri Network Alliance LLC	DATA CONTENT FEE	111	02/09/2024	7,148.25
606	Missouri Network Alliance LLC	DATA CONTENT FEE	111	02/09/2024	5,559.75
606	Missouri Network Alliance LLC	VOICE CONTENT FEE	111	02/09/2024	516.29
606	Missouri Network Alliance LLC	VOICE CONTENT FEE	111	02/09/2024	450.26
615	AMAZON CAPITAL SERVICES	2 QTY HP67 BLACK/TRI COLOR INK CARTRIDGES	111	02/09/2024	69.84
619	Aramark Uniform Services	JANUARY RUG SERVICE 01/03/24	111	02/09/2024	77.12
619	Aramark Uniform Services	JANUARY RUG SERVICE	111	02/09/2024	77.12
628	CALIX INC	FEBRUARY 2024 CLOUD SUPPORT	111	02/09/2024	2,268.00
628	CALIX INC	GIGASPIRE MESH GM1028	111	02/09/2024	546.15
628	CALIX INC	GIGASPIRE MESH GM1028	111	02/09/2024	545.80
630	Cinemax Home Box Office	JANUARY VIDEO CONTENT FEE	111	02/09/2024	80.00
643	DLT Solutions LLC	RAPID RECOVERY EXCHANGE MAINT RENEWAL	111	02/09/2024	5,354.36
645	Drive Social Media	SOCIAL MEDIA MONTHLY SERVICE	111	02/09/2024	2,000.00
656	Graybar	150' OPTITAP TONEABLE DROPS	111	02/09/2024	3,241.50
656	Graybar	CHARLES INDUSTRIED 10' PEDESTALS	111	02/09/2024	1,930.77
656	Graybar	FIBER BOX 169F 1 PORT SC/APC 900 UM PIGTAIL	111	02/09/2024	568.02
656	Graybar	#12 CCS PE30 ORANGE TECH WIRE	111	02/09/2024	1,112.77
656	Graybar	30' RISER CLAMPS	111	02/09/2024	428.40
657	GREAT LAKES DATA SYSTEMS	HCS BILLING RETURN ENVELOPES	111	02/09/2024	359.02
657	GREAT LAKES DATA SYSTEMS	SMS OUTBOUND MESSAGING FEES	111	02/09/2024	150.00
657	GREAT LAKES DATA SYSTEMS	BROADHUB SOFTWARE SUPPORT	111	02/09/2024	1,200.00
659	HBO Home Box Office	JANUARY VIDEO CONTENT FEE	111	02/09/2024	270.00
710	The Mail Box Store	UPS GROUND CALIX RETURNS	111	02/09/2024	69.37
				TOTAL	39,716.61
615	AMAZON CAPITAL SERVICES	1 QTY ICE-O-MATIC CUBE MACHINE	201	02/09/2024	3,066.00
				TOTAL	3,066.00
611	USALCO	POLYALUMINUM CHLORID	202	02/09/2024	16,388.50
615	AMAZON CAPITAL SERVICES	3 QTY HP 67XL BLACK TRI COLOR INKJET CARTRDIGES	202	02/09/2024	165.00
638	CWD GROUP LLC	ANIONIC POLYMER MIXER	202	02/09/2024	3,655.00
648	ESSENPIRES PLUMBING & THING	SUPPLIES FOR WTP	202	02/09/2024	54.76
658	HACH COMPANY	CHEMKEY-TOTAL AMMONIA, FREE AMMON, MONOCHLORO	202	02/09/2024	606.27
666	INDUSTRIAL MOTOR REPAIR	TEST MOTORS, PUMP 1 PULLED	202	02/09/2024	1,108.75
675	LUBY EQUIPMENT SERVICES	BOOSTER GENERATOR-EXERCISE TOME RESET	202	02/09/2024	294.00
616	Ameren Illinois	UTILITIES -WTP	202	02/09/2024	78.95
				TOTAL	22,272.28

615	AMAZON CAPITAL SERVICES	1 QTY OTTERBOX IPHONE	203	02/09/2024	32.29
633	COE EQUIPMENT INC	HANDGUN, 4000 PSI HXX	203	02/09/2024	387.85
634	COMPUSTITCH SCREEN PRINTING AND EMBROIDERY	2 HOODIES W/CITY LOGO - FOR RR	203	02/09/2024	72.00
636	CORE & MAIN LP	A24-NL MTR ADPT PR 5/8X3/4X1'	203	02/09/2024	575.92
636	CORE & MAIN LP	6X1CC BRZ SAD/C900	203	02/09/2024	250.00
681	MIDWEST METER INC	ROUND BRZ FLANGE, FLANGE, FLANGE BOLT SET, RING GASKET	203	02/09/2024	450.00
682	MIDWEST MUNICIPAL SUPPLY	2:SS1 13.55 X16 REPAIR CLAMPS	203	02/09/2024	1,232.54
682	MIDWEST MUNICIPAL SUPPLY	2:SS1 13.55 X16 REPAIR CLAMPS	203	02/09/2024	1,450.78
685	O'Reilly Automotive Inc.	2:WIPER BLADES	203	02/09/2024	20.39
697	SCHUILTE SUPPLY INC	BLUE MKG, FLAGS,WHITE MKG, FLAGS, GREEN MKG, FLAGS	203	02/09/2024	403.50
697	SCHUILTE SUPPLY INC	5/8' X3/4' TO 1; METER ADAPTER	203	02/09/2024	280.98
697	SCHUILTE SUPPLY INC	6'X3/4' BRASS SADDLE W/TAP 6'X1' BRASS SAD W/TAP	203	02/09/2024	423.20
697	SCHUILTE SUPPLY INC	8'X15' REPAIR CLAMP	203	02/09/2024	345.18
697	SCHUILTE SUPPLY INC	6'X12/5' REPAIR CLAMP	203	02/09/2024	272.86
707	TEKLAB INC	LAB:COLIFORM, TOTAL MEMBRANE FILTER, E-COLI	203	02/09/2024	275.60
725	WOODCREST SMALL ENGINE	AIR FILTER COMBO SHOP PAC	203	02/09/2024	5.61
				TOTAL	6,478.70
635	Cooperative Response Center Inc	BASEFEEJAN,CRCAGENT,CRCAGENTDIALOUT,CRCLINKUSERLIC	301	02/09/2024	1,585.67
				TOTAL	1,585.67
633	COE EQUIPMENT INC	HANDGUN, 4000 PSI HXX	303	02/09/2024	387.85
634	COMPUSTITCH SCREEN PRINTING AND EMBROIDERY	3 HOODIES W/CITY LOGO - FOR RR	303	02/09/2024	72.00
648	ESSENPIRES PLUMBING & THING	EXCAVATING ASSIST. TAP REPLACEMENT	303	02/09/2024	740.00
685	O'Reilly Automotive Inc.	2:WIPER BLADES	303	02/09/2024	20.39
697	SCHUILTE SUPPLY INC	BLUE MKG, FLAGS,WHITE MKG, FLAGS, GREEN MKG, FLAGS	303	02/09/2024	403.50
725	WOODCREST SMALL ENGINE	AIR FILTER COMBO SHOP PAC	303	02/09/2024	5.62
				TOTAL	1,629.36
607	POLYDNE INC	CLAROFLOC -9200 LB, \$1.65 P/LB	304	02/09/2024	15,180.00
646	DURKIN EQUIPMENT CO INC	QTRLY, CALIBRATION, GAS SENSOR	304	02/09/2024	2,042.90
651	Ferrellgas	PROPANE	304	02/09/2024	640.48
663	Huels Oil Co	DHS-PREM OFF-ROAD DIESEL	304	02/09/2024	999.83
685	O'Reilly Automotive Inc.	V BELT	304	02/09/2024	13.58
685	O'Reilly Automotive Inc.	V-BELTS	304	02/09/2024	28.62
				TOTAL	18,905.41
605	LEWIS BRISBOIS BISGAARD & SMITH LLP	LABOR AND EMPLOYMENT FILE NO: 15386-2	401	02/09/2024	127.50
613	Airgas USA LLC	OXYGEN	401	02/09/2024	312.42
624	BARNETT PEST SOLUTIONS	MONTHLY COMMERCIAL PEST CONTROL	401	02/09/2024	50.00
626	Bound Tree Medical LLC	EMS SUPPLIES	401	02/09/2024	493.11
626	Bound Tree Medical LLC	2 QTY YANKAUER TUBE ONLY FINE CAPACITY TIP	401	02/09/2024	3.70
626	Bound Tree Medical LLC	EMS SUPPLIES	401	02/09/2024	329.50
673	Leon Uniform Company Inc	2 QTY FLEX-TAC STRYKE PANY - HEMANN	401	02/09/2024	167.00
706	TARGET SOLUTIONS LEARNING LLC	TSMINTFEES VECTOR LMS, TSPREMIER VECTOR LMS	401	02/09/2024	5,646.50
722	WEBER GRANITE CITY FORD LLC	MTN/REPAIR #1543	401	02/09/2024	2,351.54
726	Zoll Data Systems Inc	ZOLL EMS BILLING 03/01/24-03/31/24	401	02/09/2024	1,547.65
				TOTAL	11,028.92
651	Ferrellgas	CEMETERY GAS - UTILITES	715	02/09/2024	243.54
690	R P Lumber Co Inc	CREDIT FOR INVOICE 1952132	715	02/09/2024	-19.98
690	R P Lumber Co Inc	HINGE FOR CEMETERY SHED	715	02/09/2024	19.98
				TOTAL	243.54
				GRAND TOTAL	667,228.21

Accepted by City Council February 20, 2024

Mayor:

Clerk: