

Annual Financial Report and Financial Statements

Fiscal Year Ended April 30, 2025



City of Highland, Illinois

1115 Broadway, Highland, IL 62249

www.highlandil.gov

CITY OF HIGHLAND, ILLINOIS
ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS
APRIL 30, 2025

CITY OF HIGHLAND, ILLINOIS
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Management's Discussion & Analysis

CITY OF HIGHLAND, ILLINOIS
Council/Manager - Form of Government
April 30, 2025

MAYOR

Kevin B Hemann

CITY MANAGER

Christopher Conrad

CITY COUNCIL MEMBERS

Garry Klaus

Peg Bellm

William Napper

Sarah Sloan

CITY CLERK

Barbara Bellm

CITY TREASURER

Neill Nicolaides

DEPARTMENT DIRECTORS

Daniel Cook

Reanna Ohren

Jacklyn Heimburger

Angela Kim

Carole Widman

Joe Gillespie

Angela Imming

Mallord Hubbard

Laura Wilken

Brad Koehnemann

Electric

Finance

Support Services

Library

Public Safety

Public Works

Technology & Innovation

Economic Development

Recreation & Events

Parks & Natural Resources

CITY OF HIGHLAND, ILLINOIS
April 30, 2025
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, 2025 with comparative information for the fiscal year ended April 30, 2024.

FINANCIAL HIGHLIGHTS

- Total assets exceeded liabilities at the close of the fiscal year by approximately \$100.8 million (net position). Of this amount, the unrestricted amount of \$24.0 million may be used to meet the City's ongoing obligations to citizens and creditors.
- City-wide net position increased 7.1% during the fiscal year. Governmental activities increased 8.9% and a 4.6% 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 2024 is \$96 million (net of depreciation). This is comprised of \$50.2 million for governmental activities plus \$45.8 million for business-type activities.
- Receipts of the traditional sales tax, shown within the "Intergovernmental" revenue line item, increased 3.8% during FY 2025.
- FY 2025 was the eighteenth 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 \$2.0 million. This revenue source is outperforming projections mainly because of the change in law after this tax was passed that started collecting sales tax on online purchases.
- FY 2025 was the sixth full year for the newly created Business Districts generating for FY 2025 \$1.7 million for eligible projects within these Districts.
- Building permit activity was better than estimated and the growth rate of the City's equalized assessed value (EAV, and 10.7% increase), 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 which then places a heavier burden on our residential taxpayers.

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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
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- *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 required 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.

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.

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April 30, 2025
Management's Discussion & Analysis

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison between the activities for FY 2025 and the activities for FY 2024 under the GASB Statement No. 34 model. The city-wide total for revenues increased \$1.6 million and expenditures increased \$1.6 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.

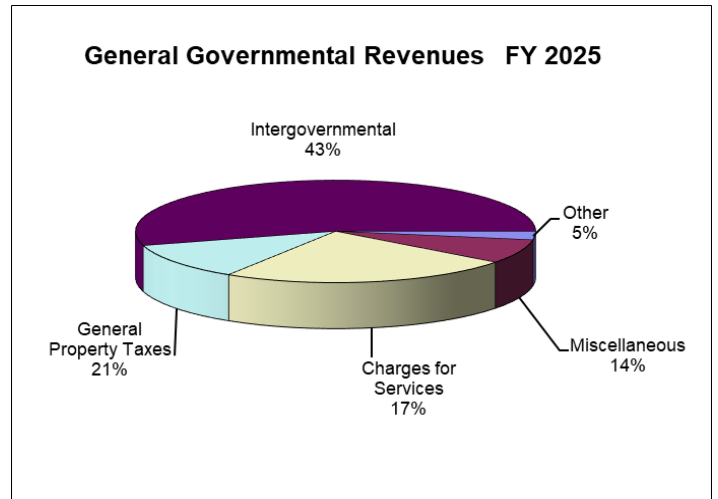
Changes in the City of Highland's Activities
(in millions of dollars)

	Governmental Activities		Business-type Activities		Totals	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	\$ 4.3	\$ 5.1	\$ 27.0	\$ 25.6	\$ 31.3	\$ 30.7
Operating Grants and Contributions	0.1				0.1	0.0
Capital Grants and Contributions	1.4	0.8			1.4	0.8
General Revenues						
Property Taxes, General Purposes	4.9	4.7			4.9	4.7
Intergovernmental	10.3	10.4			10.3	10.4
Miscellaneous	2.2	2.2	0.6	0.4	2.8	2.6
Interfund Transfers					0.0	0.0
Total Revenues	\$ 23.2	\$ 23.2	\$ 27.6	\$ 26.0	\$ 50.8	\$ 49.2
Expenditures						
General Government	\$ 2.5	\$ 2.0			\$ 2.5	\$ 2.0
Public Safety	6.6	7.5			6.6	7.5
Highways and Streets	3.6	3.2			3.6	3.2
Culture and Recreation	3.6	3.5			3.6	3.5
Economic Development	0.8	0.7			0.8	0.7
Employer's Cont. to Retirement Fund	0.8	0.8			0.8	0.8
Interest on Long-Term Debt	0.5	0.5			0.5	0.5
Electric			\$ 18.4	\$ 17.2	18.4	17.2
Water			2.9	2.7	2.9	2.7
Sewer			2.2	2.2	2.2	2.2
Solid Waste			2.2	2.2	2.2	2.2
Interfund Transfer					0.0	0.0
Total Expenditures	\$ 18.4	\$ 18.2	\$ 25.7	\$ 24.3	\$ 44.1	\$ 42.5
Change In Net Position	4.8	5.0	1.9	1.7	6.7	6.7
Beginning Net Position (restated)	53.6	48.6	40.5	38.8	94.1	87.4
Ending Net Position	\$ 58.4	\$ 53.6	\$ 42.4	\$ 40.5	\$ 100.8	\$ 94.1

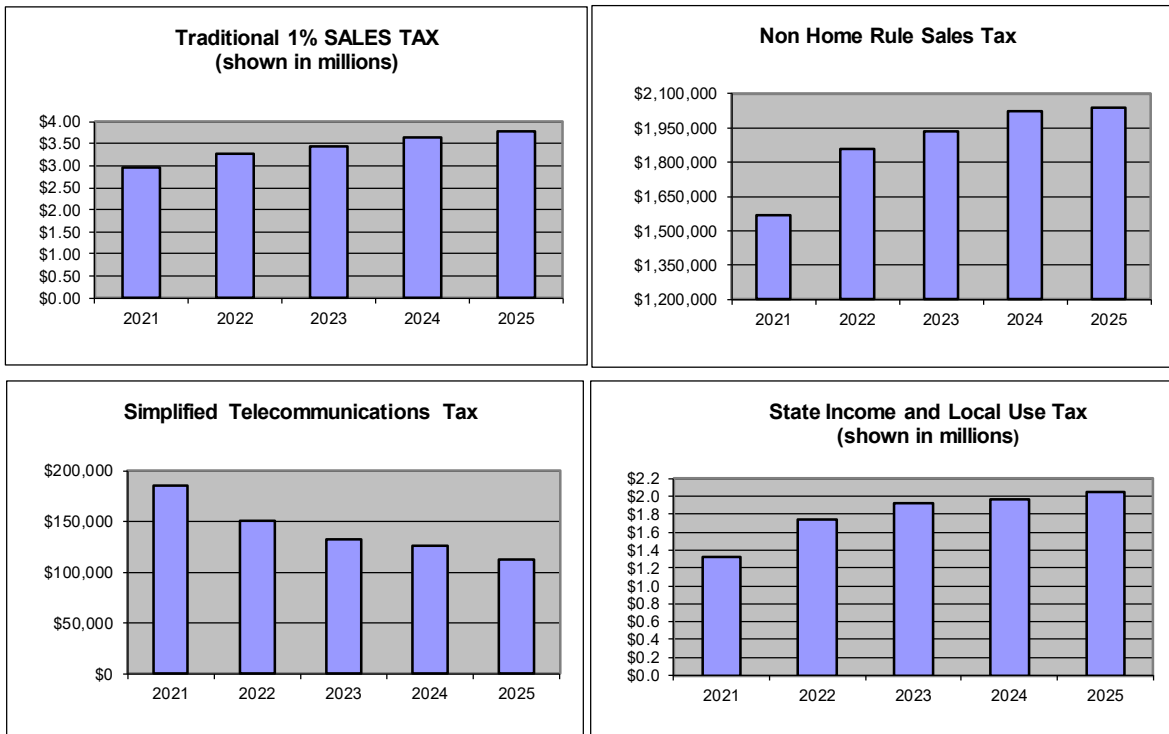
CITY OF HIGHLAND, ILLINOIS
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Management's Discussion & Analysis

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.

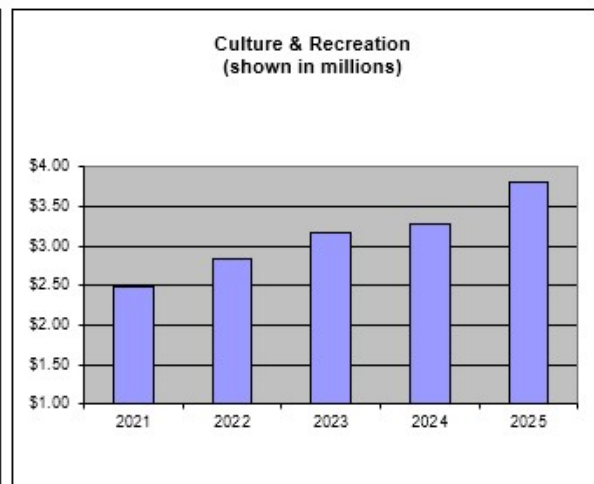
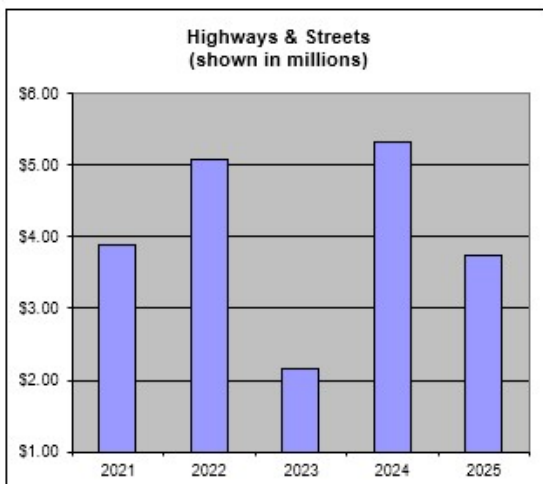
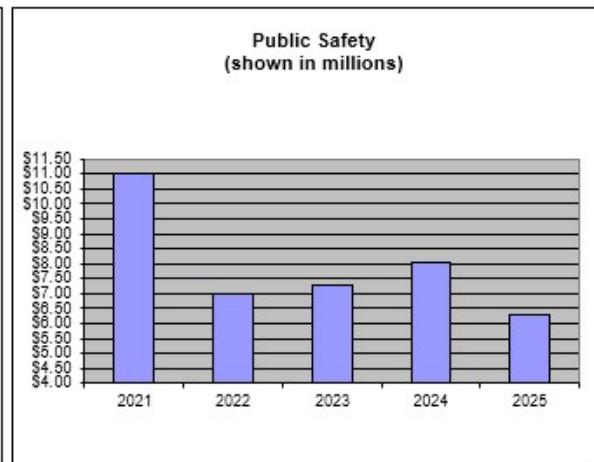
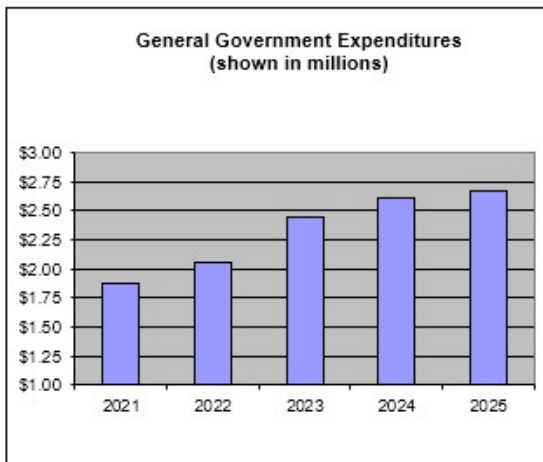
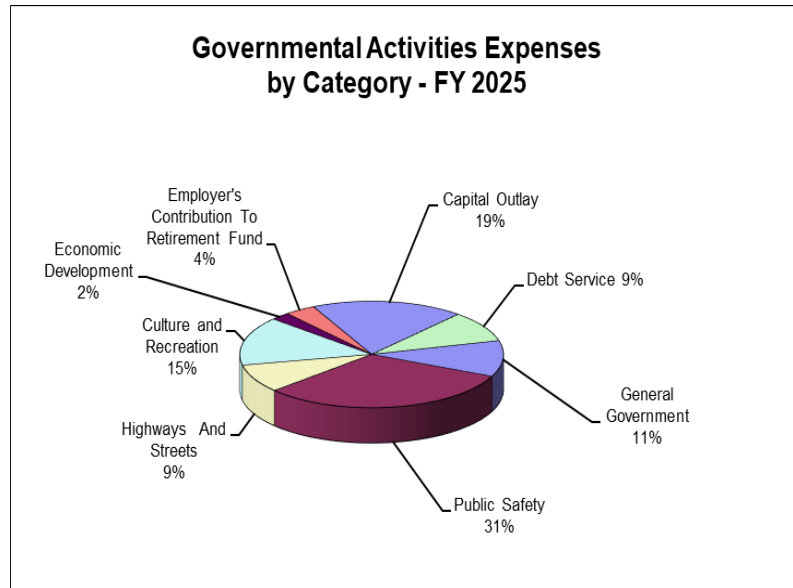


Intergovernmental revenues include revenues due to the City of Highland that pass through the State of Illinois. These include, but are not limited to, sales tax, income tax, and the simplified telecommunications tax. Corporate replacement tax, motor fuel tax, as well as fines and forfeitures are included 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.



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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 continues to grow as the City continues to make investment in our City streets.

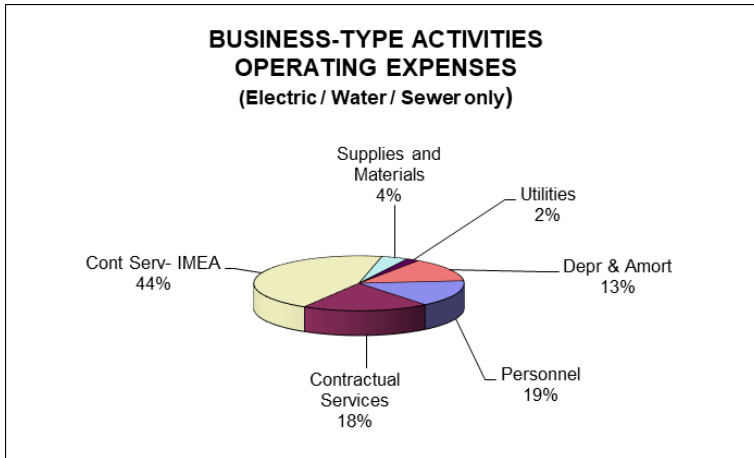


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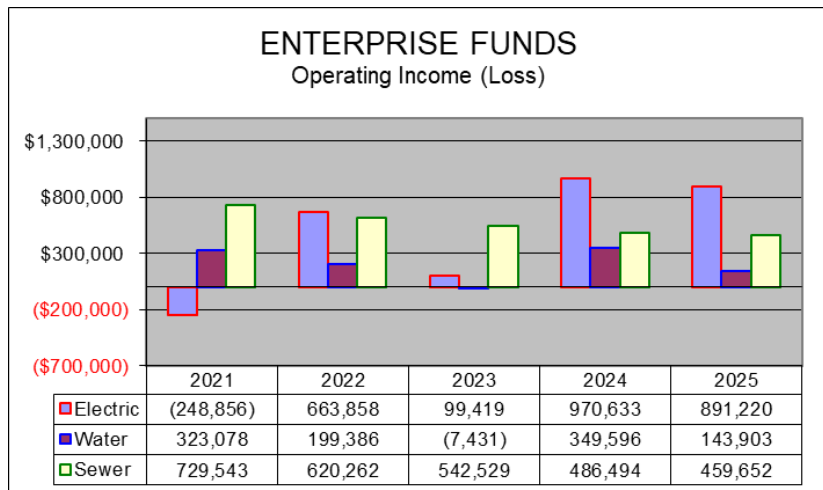
Business-Type Activities

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 most

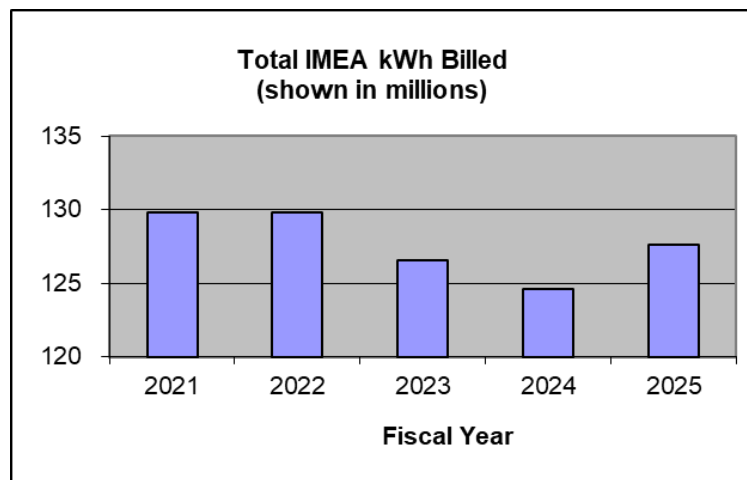
recent electrical rate increase was effective in April of 2023 and fiber rate increases will continue to be evaluated and implemented as needed. The electric fund also includes revenues billed and expenditures for installation of the new fiber infrastructure and operations.



Operational revenues for the electric (including fiber) increased by 7.0% while the operating expenses increased by 8.0%. These costs include depreciation which is not a budgetary item. The revenue over expenditures resulted in a positive operating income of \$891,220. The reason for the positive income is due to the rate increase and staff's ability to control operating expenditures.



The total kilowatt hours billed increased during Fiscal year 2025. 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.



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STATUS OF CITY RESERVES

The governmental funds reported a *combined* fund balance of \$29.8 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 2025, the City had \$96.0 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		Fiscal Year	
	2025	2024	2025	2024	2025	2024
Land	\$ 9.8	\$ 9.7	\$ 2.6	\$ 2.6	\$ 12.4	\$ 12.3
Construction in Progress	0.4	0.8	0.3	0.3	0.7	1.1
Bldgs & Improvements	10.4	10.8	11.5	11.9	21.9	22.7
Other Improvements	8.0	7.0	6.5	6.9	14.5	13.9
Equipment	1.9	1.9	1.5	1.4	3.4	3.3
Infrastructure	19.7	19.8			19.7	19.8
Lines			20.6	20.8	20.6	20.8
Interconnect			2.8	3.0	2.8	3.0
Totals	\$ 50.2	\$ 50.0	\$ 45.8	\$ 46.9	\$ 96.0	\$ 96.9

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.

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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 \$14.2 million is available for general obligation debts. Total City debt per capita is approximately \$2,943. More detailed information about the City's debt can be located in Note 6 of the Notes to Financial Statements.

City of Highland's Outstanding Debt
(in millions of dollars)

	Governmental Activities Fiscal Year		Business-type Activities Fiscal Year		Totals	
	2025	2024	2025	2024	2025	2024
Revenue Bonds	\$ 2.8	\$ 3.3	\$ 7.5	\$ 8.4	\$ 10.3	\$ 11.7
Debt Certificates Payable	8.7	9.2			8.7	9.2
Notes Payable	0.0	0.2	9.8	10.5	9.8	10.7
Lease Payable	0.6	0.6			0.6	0.6
Totals	\$ 12.1	\$ 13.3	\$ 17.3	\$ 18.9	\$ 29.4	\$ 32.2

CURRENT EVENTS AND NEXT YEAR'S BUDGET

The City of Highland has taken an aggressive approach towards managing the growth of the community as evidenced by the 10.7% growth in EAV between Levy years 2023 and 2024. The following is a brief description of some of the actions taken in FY '25, with a brief look ahead into FY '26.

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 pressures on operations while being able to maintain a solid financial position. Our overall revenues have stayed pretty steady with minor growth. We anticipate governmental revenues to remain relatively stagnant relative to inflation in the upcoming year. Inflation impacts on city activities, EAV growth and substantially rising health insurance costs are the largest threats to city finances and operations that we continue to 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.

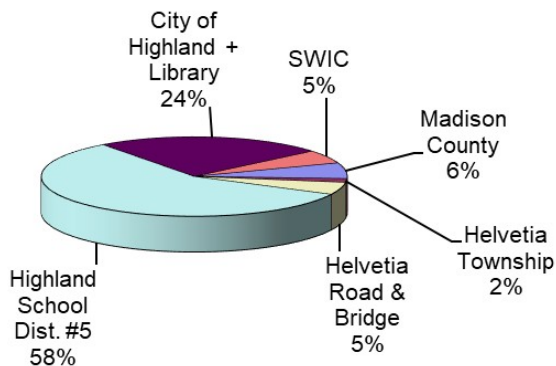
The Fiber-to-the-Premise (FTTP) continues to provide incredible value to our citizens in comparison to rates paid by those who do not have access to our service and are subject to monopoly pricing from private providers. The Public Works Department has continued with sewer trunk main and water main improvements which have proven valuable with reduced claims related to sewer backups, fewer water main breaks, as well as continued improvements to streets and alley ways. The Parks and Recreation department continues to improve their facilities

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and parks with new playground equipment and completing deferred maintenance projects. Joint projects between the parks department and the water department for environmental and sustainability issues with Silver Lake continue and are necessary infrastructure projects for the long-term health of our water supply. Electrical system upgrades and maintenance operations are still being done to sustain the electrical systems reliability including aggressive vegetation management to reduce animal/varmint intrusion, and the upgrade and expanded use of the SCADA system.

Financial pressures continue in EMS due primarily to federal funding of Medicare and Medicaid will be an ongoing concern as we move forward. Changes in State laws may open an opportunity for the City to partner with surrounding communities in a consolidated district. This will be an issue that will continue to be monitored by staff with the primary objective to be preserving the highest possible service for our citizens.

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. The implementation of the Tyler Technologies ERP Municipal Management software platform which is intended and designed to assist staff in identifying and using the performance management tools and interpreting the data available to use for better decision making. We have also taken advantage of attrition among staff and supplementing with some contracted services to mitigate operational increases brought on by inflation 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 relative to inflation we are seeing in our governmental revenues.



As of April 2025, the City's Equalized Assessed Value increased 10.73% to a total of \$276 million. The EAV is used in conjunction with the 2024 Property Tax Levy for the collection of property taxes during FY 2025-2026. The City of Highland's (including the Library portion) property tax rate for 2024 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.

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Highland
Highland, IL 62249

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2025, and the related notes to the financial statements, which collectively comprise the City of Highland, Illinois' 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland, Illinois, as of April 30, 2025, 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. 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 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, 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 required supplementary information, as referred to in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section, as referred to in the table of contents, 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.

Prior Period Partial Comparative Information

The prior year partial comparative information has been derived from the City of Highland's 2024 financial statements, and in our report dated January 20, 2025, 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.



Scheffel Boyle
Highland, IL
December 5, 2025

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		INDUSTRIAL DEVELOPMENT COMMISSION
	APRIL 30,		APRIL 30,		APRIL 30,		
ASSETS	2025	2024	2025	2024	2025	2024	2025
Current Assets:							
Cash and Investments	\$ 26,978,236	\$ 23,931,668	\$ 11,843,512	\$ 10,525,297	\$ 38,821,748	\$ 34,456,965	\$ 51,650
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	5,186,498	4,799,006			5,186,498	4,799,006	
Replacement Tax Receivable	56,016	66,104			56,016	66,104	
Accounts Receivable	436,257	901,553	1,261,537	1,009,575	1,697,794	1,911,128	
Income Tax Receivable	432,484	443,693			432,484	443,693	
Sales Tax Receivable	1,259,608	1,173,457			1,259,608	1,173,457	
Unbilled Receivable			1,584,657	1,579,726	1,584,657	1,579,726	
Other	112,413	101,590	14,471	11,552	126,884	113,142	
Prepaid Expenses	279,770	282,758	270,453	232,794	550,223	515,552	
Restricted Assets:							
Cash and Investments	789,497	676,810	1,627,409	1,618,400	2,416,906	2,295,210	
Long-Term Assets:							
Capital Assets (Net of Accumulated Depreciation)	39,997,752	39,573,547	42,914,635	44,003,723	82,912,387	83,577,270	
Land	9,762,274	9,657,323	2,644,590	2,644,590	12,406,864	12,301,913	
Construction in Progress	437,809	753,960	234,224	303,321	672,033	1,057,281	
Right of Use Assets (Net of Accumulated Amortization)	746,762	843,314			746,762	843,314	
Total Assets	86,475,376	83,204,783	62,395,488	61,928,978	148,870,864	145,133,761	51,650
DEFERRED OUTFLOWS OF RESOURCES							
Related to OPEB	103,786	155,274	56,101	81,833	159,887	237,107	
Related to Pensions - IMRF and SLEP	2,202,407	3,441,264	1,665,625	2,374,457	3,868,032	5,815,721	
Related to Pensions - Police Pension	2,519,135	3,153,564			2,519,135	3,153,564	
Total Deferred Outflows of Resources	4,825,328	6,750,102	1,721,726	2,456,290	6,547,054	9,206,392	0
Total Assets and Deferred Outflows of Resources	\$ 91,300,704	\$ 89,954,885	\$ 64,117,214	\$ 64,385,268	\$ 155,417,918	\$ 154,340,153	\$ 51,650
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 292,745	\$ 628,037	\$ 1,280,223	\$ 1,254,319	\$ 1,572,968	\$ 1,882,356	
Accrued Salaries and Benefits	229,011	213,931	141,462	112,597	370,473	326,528	
Deferred Revenues		375,982				375,982	
Accrued Interest	127,459	137,594	97,006	106,270	224,465	243,864	
Customer Deposits			104,468	98,234	104,468	98,234	
Long-Term Liabilities:							
Portion Due or Payable Within One Year:							
Bonds Payable	485,764	496,337	970,000	950,000	1,455,764	1,446,337	
General Obligation Debt Certificates Payable	540,000	520,000			540,000	520,000	
Lease Liabilities	56,659	54,245			56,659	54,245	
Notes Payable		37,839	507,498	501,650	507,498	539,489	
General Obligation Notes Payable			177,000	171,000	177,000	171,000	
Premium on Debt	42,217	42,217	7,656	7,656	49,873	49,873	
Portion Due or Payable After One Year:							
Compensated Absences	997,561	950,588	398,307	366,049	1,395,868	1,316,637	
Net Pension Liability - IMRF and SLEP	271,663	1,051,768	314,209	714,811	585,872	1,766,579	
Net Pension Liability - Police Pension	7,479,292	7,543,384			7,479,292	7,543,384	
Other Post Employment Benefits Payable	766,264	1,169,559	414,196	616,389	1,180,460	1,785,948	
Premium on Debt	431,916	474,132	56,787	64,443	488,703	538,575	
Bonds Payable	2,330,782	2,816,546	6,490,000	7,460,000	8,820,782	10,276,546	
General Obligation Debt Certificates Payable	8,150,000	8,690,000			8,150,000	8,690,000	
Lease Liabilities	495,065	551,724			495,065	551,724	
Notes Payable		119,943	8,649,015	9,156,513	8,649,015	9,276,456	
General Obligation Notes Payable			473,000	650,000	473,000	650,000	
Long-Term Accrued Interest	844,341	945,516			844,341	945,516	
Total Liabilities	23,540,739	26,819,342	20,080,827	22,229,931	43,621,566	49,049,273	\$ 0
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes	5,186,498	4,799,006			5,186,498	4,799,006	
Related to OPEB	750,029	426,843	405,421	224,958	1,155,450	651,801	
Related to Pensions - IMRF and SLEP	1,767,987	2,038,670	1,269,691	1,423,372	3,037,678	3,462,042	
Related to Pensions - Police Pension	1,648,171	2,259,874			1,648,171	2,259,874	
Total Deferred Inflows of Resources	9,352,685	9,524,393	1,675,112	1,648,330	11,027,797	11,172,723	0
NET POSITION							
Invested in Capital Assets, Net of Related Debt	38,886,327	37,541,510	28,526,936	28,062,471	67,413,263	65,603,981	
Restricted for:							
Special Revenue Purposes	3,733,810	3,208,606			3,733,810	3,208,606	51,650
Capital Projects Purposes	2,929,569	2,492,917			2,929,569	2,492,917	
Other Purposes	284,430	394,148			284,430	394,148	
Long-Term Debt	800,585	693,922	1,627,409	1,618,400	2,427,994	2,312,322	
Unrestricted	11,772,559	9,280,047	12,206,930	10,826,136	23,979,489	20,106,183	
Total Net Position	58,407,280	53,611,150	42,361,275	40,507,007	100,768,555	94,118,157	51,650
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 91,300,704	\$ 89,954,885	\$ 64,117,214	\$ 64,385,268	\$ 155,417,918	\$ 154,340,153	\$ 51,650

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2025

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			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 2,525,740	\$ 1,663,126		\$ 375,982	\$ (486,632)		\$ (486,632)	
Public Safety	6,556,294	1,250,983	\$ 10,499		(5,294,812)		(5,294,812)	
Highways and Streets	3,626,164	23,063		907,000	(2,696,101)		(2,696,101)	
Culture and Recreation	3,587,763	1,390,778	57,907	68,629	(2,070,449)		(2,070,449)	
Economic Development	829,728				(829,728)		(829,728)	
Employer's Contribution to Retirement Fund	745,284				(745,284)		(745,284)	
Interest on Long-Term Debt	477,206				(477,206)		(477,206)	
Total Governmental Activities	18,348,179	4,327,950	68,406	1,351,611	(12,600,212)	\$ 0	(12,600,212)	\$ 0
Business-Type Activities:								
Electric	18,464,031	19,212,679				748,648	748,648	
Water	2,918,184	3,034,039				115,855	115,855	
Sewer	2,199,849	2,517,473				317,624	317,624	
Solid Waste	2,216,804	2,275,284				58,480	58,480	
Total Business-Type Activities	25,798,868	27,039,475	0	0	0	1,240,607	1,240,607	0
Total Primary Government	\$ 44,147,047	\$ 31,367,425	\$ 68,406	\$ 1,351,611	(12,600,212)	1,240,607	(11,359,605)	0
Component Unit:								
Industrial Development								(1,052)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					4,881,492			4,881,492
Intergovernmental					10,271,558			10,271,558
Motor Fuel Taxes					451,580			451,580
Gain on Disposal of Capital Assets					9,022			9,022
Unrealized Appreciation of Investments					29,764			29,764
Interest and Miscellaneous Income					1,752,926	613,661		2,366,587
Total General Revenues					17,396,342	613,661		18,010,003
Change in Net Position					4,796,130	1,854,268		6,650,398
Net Position Beginning - Restated					53,611,150	40,507,007		94,118,157
Net Position Ending					\$ 58,407,280	\$ 42,361,275	\$ 100,768,555	\$ 51,650

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

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating	Capital	Primary Government			
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,959,555	\$ 1,514,771	\$ 531	\$ 519,077	\$ 74,824		\$ 74,824	
Public Safety	7,570,665	2,560,083	6,329	58,164	(4,946,089)		(4,946,089)	
Highways and Streets	3,195,285	7,971			(3,187,314)		(3,187,314)	
Culture and Recreation	3,462,982	1,010,107	32,037	197,892	(2,222,946)		(2,222,946)	
Economic Development	745,725				(745,725)		(745,725)	
Employer's Contribution to Retirement Fund	779,295				(779,295)		(779,295)	
Interest on Long-Term Debt	450,774				(450,774)		(450,774)	
Total Governmental Activities	18,164,281	5,092,932	38,897	775,133	(12,257,319)	\$ 0	(12,257,319)	\$ 0
Business-Type Activities:								
Electric	17,081,755	17,892,644				810,889	810,889	
Water	2,665,793	2,981,178				315,385	315,385	
Sewer	2,197,839	2,543,080				345,241	345,241	
Solid Waste	2,231,767	2,184,355				(47,412)	(47,412)	
Total Business-Type Activities	24,177,154	25,601,257	0	0	0	1,424,103	1,424,103	0
Total Primary Government	\$ 42,341,435	\$ 30,694,189	\$ 38,897	\$ 775,133	(12,257,319)	1,424,103	(10,833,216)	0
Component Unit								
Industrial Development								182
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					4,655,694		4,655,694	
Intergovernmental					10,386,277		10,386,277	
Motor Fuel Taxes					450,196		450,196	
Gain on Disposal of Capital Assets					14,985		14,985	
Unrealized Appreciation of Investments					231,048		231,048	
Interest and Miscellaneous Income					1,545,830	322,833	1,868,663	
Total General Revenues					17,284,030	322,833	17,606,863	0
Change in Net Position					5,026,711	1,746,936	6,773,647	182
Net Position Beginning - Restated					48,584,439	38,760,071	87,344,510	52,520
Net Position Ending - Restated					\$ 53,611,150	\$ 40,507,007	\$ 94,118,157	\$ 52,702

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

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
GOVERNMENTAL FUNDS
APRIL 30, 2025

	PRIMARY GOVERNMENT						COMPONENT UNIT
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	STREET IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
<u>ASSETS</u>							
Cash and Investments	\$ 4,196,914	\$ 10,781,585	\$ 502,154	\$ 3,632,466	\$ 7,865,117	\$ 26,978,236	\$ 51,650
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,801,501		654,514		2,730,483	5,186,498	
Replacement Tax Receivable	40,987		4,578		10,451	56,016	
Accounts Receivable	84,638		351,619			436,257	
Income Tax Receivable	432,484					432,484	
Sales Tax Receivable	659,224			337,609	262,775	1,259,608	
Other	57,479	12,186	565	273	41,910	112,413	
Due from Other Fund		605,000				605,000	
Prepaid Expenses	103,189		7,004		169,577	279,770	
Restricted Cash					789,497	789,497	
Total Assets	<u>\$ 7,376,416</u>	<u>\$ 11,398,771</u>	<u>\$ 1,520,434</u>	<u>\$ 3,970,348</u>	<u>\$ 11,869,810</u>	<u>\$ 36,135,779</u>	<u>\$ 51,650</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 266,713		\$ 6,002		\$ 20,030	\$ 292,745	
Accrued Salaries and Benefits	173,808		28,867		26,336	229,011	
Due to Other Fund	355,000			\$ 250,000		605,000	
Total Liabilities	<u>795,521</u>	<u>\$ 0</u>	<u>34,869</u>	<u>250,000</u>	<u>46,366</u>	<u>1,126,756</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	<u>1,801,501</u>	<u>0</u>	<u>654,514</u>	<u>0</u>	<u>2,730,483</u>	<u>5,186,498</u>	<u>0</u>
<u>FUND BALANCES</u>							
Nonspendable	103,189		7,004		169,577	279,770	
Restricted	181,241				7,287,383	7,468,624	51,650
Assigned		11,398,771	824,047	3,720,348	1,696,373	17,639,539	
Unassigned	<u>4,494,964</u>				<u>(60,372)</u>	<u>4,434,592</u>	
Total Fund Balances	<u>4,779,394</u>	<u>11,398,771</u>	<u>831,051</u>	<u>3,720,348</u>	<u>9,092,961</u>	<u>29,822,525</u>	<u>51,650</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 7,376,416</u>	<u>\$ 11,398,771</u>	<u>\$ 1,520,434</u>	<u>\$ 3,970,348</u>	<u>\$ 11,869,810</u>	<u>\$ 36,135,779</u>	<u>\$ 51,650</u>

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

CITY OF HIGHLAND, ILLINOIS
BALANCE SHEETS
GOVERNMENTAL FUNDS
APRIL 30, 2024

	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	\$ 3,192,962	\$ 10,124,886	\$ 523,717	\$ 2,521,248	\$ 7,568,855	\$ 23,931,668	\$ 52,702
Receivables (Net, Where Applicable of Allowance for Uncollectibles):							
Property Taxes	1,703,456		607,042		2,488,508	4,799,006	
Replacement Tax Receivable	47,614		6,749		11,741	66,104	
Accounts Receivable	63,017		838,536			901,553	
Income Tax Receivable	443,693					443,693	
Sales Tax Receivable	590,366			269,365	313,726	1,173,457	
Other	48,166	10,465	541		42,418	101,590	
Due from Other Fund	1,144	612,500				613,644	
Prepaid Expenses	84,069		4,836		193,853	282,758	
Restricted Cash					676,810	676,810	
Total Assets	<u>\$ 6,174,487</u>	<u>\$ 10,747,851</u>	<u>\$ 1,981,421</u>	<u>\$ 2,790,613</u>	<u>\$ 11,295,911</u>	<u>\$ 32,990,283</u>	<u>\$ 52,702</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 283,540		\$ 12,232	\$ 297,696	\$ 34,569	\$ 628,037	
Accrued Salaries and Benefits	154,123		34,965		24,843	213,931	
Deferred Revenues					375,982	375,982	
Due to Other Fund	355,000				258,644	613,644	
Total Liabilities	<u>792,663</u>	<u>\$ 0</u>	<u>47,197</u>	<u>297,696</u>	<u>694,038</u>	<u>1,831,594</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable Property Taxes	1,703,456	0	607,042	0	2,488,508	4,799,006	0
<u>FUND BALANCES</u>							
Nonspendable	84,069		4,836		193,853	282,758	
Restricted	310,079			2,492,917	3,703,839	6,506,835	52,702
Assigned		10,747,851	1,322,346		4,334,161	16,404,358	
Unassigned	3,284,220				(118,488)	3,165,732	
Total Fund Balances	<u>3,678,368</u>	<u>10,747,851</u>	<u>1,327,182</u>	<u>2,492,917</u>	<u>8,113,365</u>	<u>26,359,683</u>	<u>52,702</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 6,174,487</u>	<u>\$ 10,747,851</u>	<u>\$ 1,981,421</u>	<u>\$ 2,790,613</u>	<u>\$ 11,295,911</u>	<u>\$ 32,990,283</u>	<u>\$ 52,702</u>

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, 2025
WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2024

	2025	2024
Total fund balances for governmental funds	\$ 29,822,525	\$ 26,359,683
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	\$ 9,762,274	\$ 9,657,323
Construction in progress	437,809	753,960
Infrastructure, net of accumulated depreciation	19,715,898	19,849,355
Buildings and improvements, net of accumulated depreciation	10,423,547	10,825,260
Other improvements, net of accumulated depreciation	7,985,875	6,950,279
Equipment, net of accumulated depreciation	1,872,432	1,948,653
	50,197,835	49,984,830
Right of Use Assets, net of accumulated amortization used in governmental activities are not financial resources and therefore are not reported in the funds.	746,762	843,314
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	4,721,542	6,594,828
Deferred inflows of resources related to pensions	(3,416,158)	(4,298,544)
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	103,786	155,274
Deferred inflows of resources related to OPEB	(750,029)	(426,843)
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	\$ (971,800)	\$ (1,083,110)
Bonds and Notes Payable	(2,816,546)	(3,470,665)
Lease Liabilities	(551,724)	(605,969)
Debt Certificates Payable	(8,690,000)	(9,210,000)
Debt premium, net of accumulated amortization	(474,133)	(516,349)
Net pension liability	(7,750,955)	(8,595,152)
Other post employment benefits	(766,264)	(1,169,559)
Compensated absences	(997,561)	(950,588)
	(23,018,983)	(25,601,392)
Total net position of governmental activities	\$ 58,407,280	\$ 53,611,150

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2025

	PRIMARY GOVERNMENT							COMPONENT UNIT
			FORMERLY NON-MAJOR FUND	FORMERLY MAJOR FUND				
	GENERAL CORPORATE	CITY PROPERTY REPLACEMENT	AMBULANCE	STREET IMPROVEMENT	BUS DIST A	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	INDUSTRIAL DEVELOPMENT COMMISSION
Revenues:								
General Property Taxes	\$ 1,803,768		\$ 602,149			\$ 2,475,575	\$ 4,881,492	
Corporate Personal Property Replacement Taxes	186,815		19,616			50,788	257,219	
Intergovernmental	6,275,190			\$ 2,040,974		1,698,175	10,014,339	
Motor Fuel Taxes						451,580	451,580	
Charges for Services	2,602,748		1,186,371			47,316	3,836,435	
Connection Fees	15,863						15,863	
Licenses, Permits and Other Taxes	398,190						398,190	
Fines and Forfeitures	19,465					33	19,498	
Revenue from Use of Property	57,964						57,964	
Grants and Contributions	120,262		1,936	907,000		390,819	1,420,017	
Miscellaneous and Interest Income	1,210,649	\$ 85,920	37,221	101,520		317,615	1,752,925	\$ 948
Total Revenues	12,690,914	85,920	1,847,293	3,049,494	\$ 0	5,431,901	23,105,522	948
Expenditures:								
Current-								
General Government	1,829,872					323,799	2,153,671	
Public Safety	4,025,905		2,152,626				6,178,531	
Highways and Streets	1,311,163			15,018		366,117	1,692,298	
Culture and Recreation	2,462,058					464,374	2,926,432	
Economic Development	177,982					282,674	460,656	2,000
Employer's Contribution to Retirement Fund						745,284	745,284	
Capital Outlay	1,157,520		27,011	1,491,489		1,002,962	3,678,982	
Debt Service Expenditures-								
Debt Issue Costs and Fees				175			175	
Principal Retirement			157,782	286,337		730,000	1,174,119	
Lease Retirement	54,245						54,245	
Interest and Fixed Charges	28,651		6,005	248,663		347,240	630,559	
Total Expenditures	11,047,396	0	2,343,424	2,041,682	0	4,262,450	19,694,952	2,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,643,518	85,920	(496,131)	1,007,812	0	1,169,451	3,410,570	(1,052)
Other Financing Sources (Uses):								
Proceeds from Sale of Capital Assets	22,508						22,508	
Unrealized Appreciation of Investments						29,764	29,764	
Operating Transfers In		565,000					565,000	
Operating Transfers Out	(565,000)						(565,000)	
Total Other Financing Sources (Uses)	(542,492)	565,000	0	0	0	29,764	52,272	0
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Sources (Uses)	1,101,026	650,920	(496,131)	1,007,812	0	1,199,215	3,462,842	(1,052)
Fund Balance, Beginning of Year, as Previously Reported	3,678,368	10,747,851	1,327,182	0	2,492,917	8,113,365	26,359,683	52,702
Changes Within Financial Reporting Entity (Major to Nonmajor Fund)					(2,492,917)	2,492,917		
Changes Within Financial Reporting Entity (Nonmajor to Major Fund)				2,712,536		(2,712,536)		
Fund Balance, End of Year, as Adjusted	\$ 4,779,394	\$ 11,398,771	\$ 831,051	\$ 3,720,348	\$ 0	\$ 9,092,961	\$ 29,822,525	\$ 51,650

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, 2024

	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	\$ 1,678,326		\$ 555,042		\$ 2,422,326	\$ 4,655,694	
Corporate Personal Property Replacement Taxes	277,058		37,398		73,328	387,784	
Intergovernmental	6,067,692		414,491	\$ 1,488,308	2,028,002	9,998,493	
Motor Fuel Taxes					450,196	450,196	
Charges for Services	2,201,065		2,498,411		29,638	4,729,114	
Connection Fees	771					771	
Licenses, Permits and Other Taxes	274,911					274,911	
Fines and Forfeitures	15,617				67	15,684	
Revenue from Use of Property	72,452					72,452	
Grants and Contributions	279,587		629		533,814	814,030	
Miscellaneous and Interest Income	1,223,275	\$ 82,945	30,039	26,315	183,256	1,545,830	\$ 1,182
Total Revenues	12,090,754	82,945	3,536,010	1,514,623	5,720,627	22,944,959	1,182
Expenditures:							
Current-							
General Government	1,616,690				368,451	1,985,141	
Public Safety	3,956,155		3,329,355			7,285,510	
Highways and Streets	1,134,598				313,933	1,448,531	
Culture and Recreation	2,551,671				453,409	3,005,080	
Economic Development	270,898			29,168	96,620	396,686	1,000
Employer's Contribution to Retirement Fund					779,295	779,295	
Capital Outlay	1,468,521			1,350,967	2,735,837	5,555,325	
Debt Service Expenditures-							
Debt Issue Costs and Fees				25,000	100	25,100	
Principal Retirement			36,684	345,000	511,261	892,945	
Lease Retirement	23,429					23,429	
Interest and Fixed Charges	6,571		5,494	269,441	283,489	564,995	
Total Expenditures	11,028,533	0	3,371,533	2,019,576	5,542,395	21,962,037	1,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,062,221	82,945	164,477	(504,953)	178,232	982,922	182
Other Financing Sources (Uses):							
Proceeds from Sale of Capital Assets	46,525					46,525	
Debt Proceeds				2,035,000		2,035,000	
Lease Proceeds	393,455					393,455	
Unrealized Appreciation of Investments					231,048	231,048	
Operating Transfers In	24,000	1,680,400		6,613		1,711,013	
Operating Transfers Out	(1,280,400)	(24,000)	(400,000)		(6,613)	(1,711,013)	
Total Other Financing Sources (Uses)	(816,420)	1,656,400	(400,000)	2,041,613	224,435	2,706,028	0
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Sources (Uses)	245,801	1,739,345	(235,523)	1,536,660	402,667	3,688,950	182
Fund Balance, Beginning of Year	3,432,567	9,008,506	1,562,705	956,257	7,710,698	22,670,733	52,520
Fund Balance, End of Year	\$ 3,678,368	\$ 10,747,851	\$ 1,327,182	\$ 2,492,917	\$ 8,113,365	\$ 26,359,683	\$ 52,702

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, 2025
WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2024

	2025	2024
Net change in fund balances - total governmental funds	\$ 3,462,842	\$ 3,688,950
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.	226,491	2,318,165
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.	(13,656)	(33,182)
In the governmental activities, debt premiums are amortized over the life of the debt while the governmental funds report the debt premiums as expenditures. This is the amount of debt premium amortization.	42,216	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.	(13,486)	(31,542)
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.		(2,035,000)
Proceeds from new leases payable are recorded as revenues in the governmental funds but increase liabilities in the statement of net position.		(393,455)
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.	64,308	247,366
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 income (expense).	(146,704)	330,247
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	1,174,119	892,945
Change in net position of governmental activities	<u>\$ 4,796,130</u>	<u>\$ 5,026,711</u>

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION
ENTERPRISE FUNDS
APRIL 30, 2025

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
<u>ASSETS</u>					
Current Assets:					
Cash and Investments	\$ 746,198	\$ 5,081,223	\$ 5,035,129	\$ 980,962	\$ 11,843,512
Receivables:					
Accounts, Net	827,101	145,596	137,981	150,859	1,261,537
Unbilled Receivable	1,020,805	230,786	180,948	152,118	1,584,657
Other Receivable	1,218	5,793	6,350	1,110	14,471
Prepaid Expenses	181,248	47,452	41,753		270,453
Total Current Assets	2,776,570	5,510,850	5,402,161	1,285,049	14,974,630
Restricted Assets:					
Cash and Investments	1,069,742		557,667		1,627,409
Long-Term Assets:					
Capital Assets (Net of Accumulated Depreciation)	21,174,408	6,802,945	14,937,282		42,914,635
Land	1,975,650	407,708	261,232		2,644,590
Construction in Progress	234,224				234,224
Total Long-Term Assets	23,384,282	7,210,653	15,198,514	0	45,793,449
Total Assets	27,230,594	12,721,503	21,158,342	1,285,049	62,395,488
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to OPEB	35,063	11,220	9,818		56,101
Related to Pensions - IMRF	1,074,604	369,363	221,658		1,665,625
Total Deferred Outflows of Resources	1,109,667	380,583	231,476	0	1,721,726
Total Assets and Deferred Outflows of Resources	\$ 28,340,261	\$ 13,102,086	\$ 21,389,818	\$ 1,285,049	\$ 64,117,214
<u>LIABILITIES</u>					
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 940,915	\$ 38,104	\$ 56,553	\$ 244,651	\$ 1,280,223
Accrued Interest Payable		1,988	51,458		53,446
Current Portion Notes Payable			507,498		507,498
Current Portion General Obligation Notes Payable		177,000			177,000
Accrued Salaries and Benefits	81,092	39,575	20,795		141,462
Premium on Revenue Bonds			7,656		7,656
Total Current Liabilities (Payable from Current Assets)	1,022,007	256,667	643,960	244,651	2,167,285
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	104,468				104,468
Current Portion Revenue Bonds	820,000		150,000		970,000
Accrued Interest on Revenue Bonds	43,560				43,560
Total Current Liabilities (Payable from Restricted Assets)	968,028	0	150,000	0	1,118,028
Long-Term Liabilities:					
Premium on Revenue Bonds			56,787		56,787
Revenue Bonds (Net of Current Portion)	5,230,000		1,260,000		6,490,000
Notes Payable (Net of Current Portion)			8,649,015		8,649,015
General Obligation Notes Payable (Net of Current Portion)		473,000			473,000
Compensated Absences	277,161	78,526	42,620		398,307
Net Pension Liability	202,717	69,678	41,814		314,209
Other Post Employment Benefits Payable	258,873	82,839	72,484		414,196
Total Long-Term Liabilities	5,968,751	704,043	10,122,720	0	16,795,514
Total Liabilities	7,958,786	960,710	10,916,680	244,651	20,080,827
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to OPEB	253,388	81,084	70,949		405,421
Related to Pensions - IMRF	819,161	281,562	168,968		1,269,691
Total Deferred Inflows of Resources	1,072,549	362,646	239,917	0	1,675,112
<u>NET POSITION</u>					
Net Investment in Capital Assets, Net of Related Debt	17,334,282	6,560,653	4,632,001		28,526,936
Restricted For Long Term Debt	1,069,742		557,667		1,627,409
Unrestricted	904,902	5,218,077	5,043,553	1,040,398	12,206,930
Total Net Position	19,308,926	11,778,730	10,233,221	1,040,398	42,361,275
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 28,340,261	\$ 13,102,086	\$ 21,389,818	\$ 1,285,049	\$ 64,117,214

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

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION
ENTERPRISE FUNDS
APRIL 30, 2024

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
<u>ASSETS</u>					
Current Assets:					
Cash and Investments	\$ 159,603	\$ 4,724,152	\$ 4,728,967	\$ 912,575	\$ 10,525,297
Receivables:					
Accounts, Net	648,302	116,345	121,245	123,683	1,009,575
Unbilled Receivable	1,034,403	219,169	180,880	145,274	1,579,726
Other Receivable	267	4,883	5,459	943	11,552
Prepaid Expenses	159,811	40,562	32,421		232,794
Total Current Assets	2,002,386	5,105,111	5,068,972	1,182,475	13,358,944
Restricted Assets:					
Cash and Investments	1,066,223		552,177		1,618,400
Long-Term Assets:					
Capital Assets (Net of Accumulated Depreciation)	21,443,162	7,109,036	15,451,525		44,003,723
Land	1,975,650	407,708	261,232		2,644,590
Construction in Progress	242,798	4,171	56,352		303,321
Total Long-Term Assets	23,661,610	7,520,915	15,769,109	0	46,951,634
Total Assets	26,730,219	12,626,026	21,390,258	1,182,475	61,928,978
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Related to OPEB	50,359	16,786	14,688		81,833
Related to Pensions - IMRF	1,595,805	553,833	224,819		2,374,457
Total Deferred Outflows of Resources	1,646,164	570,619	239,507	0	2,456,290
Total Assets and Deferred Outflows of Resources	\$ 28,376,383	\$ 13,196,645	\$ 21,629,765	\$ 1,182,475	\$ 64,385,268
<u>LIABILITIES</u>					
Current Liabilities (Payable from Current Assets):					
Accounts Payable	\$ 935,384	\$ 51,696	\$ 39,118	\$ 228,121	\$ 1,254,319
Accrued Interest Payable		2,511	54,403		56,914
Current Portion Note Payable			501,650		501,650
Current Portion General Obligation Note Payable		171,000			171,000
Accrued Salaries and Benefits	70,448	26,365	15,784		112,597
Premium on Revenue Bonds			7,656		7,656
Total Current Liabilities (Payable from Current Assets)	1,005,832	251,572	618,611	228,121	2,104,136
Current Liabilities (Payable from Restricted Assets):					
Customer Deposits	98,234				98,234
Current Portion Revenue Bonds	805,000		145,000		950,000
Accrued Interest on Revenue Bonds	49,356				49,356
Total Current Liabilities (Payable from Restricted Assets)	952,590	0	145,000	0	1,097,590
Long-Term Liabilities:					
Premium on Revenue Bonds			64,443		64,443
Revenue Bonds (Net of Current Portion)	6,050,000		1,410,000		7,460,000
Note Payable (Net of Current Portion)			9,156,513		9,156,513
General Obligation Note Payable (Net of Current Portion)		650,000			650,000
Compensated Absences	229,499	81,511	55,039		366,049
Net Pension Liability	480,404	166,727	67,680		714,811
Other Post Employment Benefits Payable	379,316	126,439	110,634		616,389
Total Long-Term Liabilities	7,139,219	1,024,677	10,864,309	0	19,028,205
Total Liabilities	9,097,641	1,276,249	11,627,920	228,121	22,229,931
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Related to OPEB	138,436	46,145	40,377		224,958
Related to Pensions - IMRF	956,608	331,996	134,768		1,423,372
Total Deferred Inflows of Resources	1,095,044	378,141	175,145	0	1,648,330
<u>NET POSITION</u>					
Net Investment in Capital Assets, Net of Related Debt	16,806,610	6,699,915	4,555,946		28,062,471
Restricted for Long Term Debt	1,066,223		552,177		1,618,400
Unrestricted	310,865	4,842,340	4,718,577	954,354	10,826,136
Total Net Position	18,183,698	11,542,255	9,826,700	954,354	40,507,007
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 28,376,383	\$ 13,196,645	\$ 21,629,765	\$ 1,182,475	\$ 64,385,268

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, 2025

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 19,190,229	\$ 3,005,624	\$ 2,474,106	\$ 2,275,284	\$ 26,945,243
Connection Fees	22,450	28,415	43,367		94,232
Total Operating Revenues	<u>19,212,679</u>	<u>3,034,039</u>	<u>2,517,473</u>	<u>2,275,284</u>	<u>27,039,475</u>
Operating Expenses:					
Personnel Services	2,905,729	1,169,434	685,777		4,760,940
Contractual Services	3,134,966	411,383	405,453	2,216,804	6,168,606
Purchase Power (Less Generating Capacity Credit)	10,184,553				10,184,553
Supplies and Materials	407,859	324,004	133,570		865,433
Utilities	117,927	119,595	153,392		390,914
Depreciation and Amortization	1,570,425	865,720	679,629		3,115,774
Total Operating Expenses	<u>18,321,459</u>	<u>2,890,136</u>	<u>2,057,821</u>	<u>2,216,804</u>	<u>25,486,220</u>
Operating Income	<u>891,220</u>	<u>143,903</u>	<u>459,652</u>	<u>58,480</u>	<u>1,553,255</u>
Non-Operating Revenues (Expenses):					
Interest Income	192,841	63,610	64,429	27,564	348,444
Miscellaneous Revenues	183,739	57,010	24,468		265,217
Interest Expense	(142,272)	(28,048)	(141,778)		(312,098)
Service Charges	(300)		(250)		(550)
Total Non-Operating Revenues (Expenses)	<u>234,008</u>	<u>92,572</u>	<u>(53,131)</u>	<u>27,564</u>	<u>301,013</u>
Increase in Net Position	1,125,228	236,475	406,521	86,044	1,854,268
Total Net Position, Beginning of Year, Restated	<u>18,183,698</u>	<u>11,542,255</u>	<u>9,826,700</u>	<u>954,354</u>	<u>40,507,007</u>
Total Net Position, End of Year	<u>\$ 19,308,926</u>	<u>\$ 11,778,730</u>	<u>\$ 10,233,221</u>	<u>\$ 1,040,398</u>	<u>\$ 42,361,275</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, 2024

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
Operating Revenues:					
Charges for Services	\$ 17,876,744	\$ 2,951,018	\$ 2,475,393	\$ 2,184,355	\$ 25,487,510
Connection Fees	15,900	30,160	67,687		113,747
Total Operating Revenues	<u>17,892,644</u>	<u>2,981,178</u>	<u>2,543,080</u>	<u>2,184,355</u>	<u>25,601,257</u>
Operating Expenses:					
Personnel Services	2,361,538	911,233	638,931		3,911,702
Contractual Services	3,084,938	387,729	411,294	2,227,554	6,111,515
Purchase Power (Less Generating Capacity Credit)	9,581,373				9,581,373
Supplies and Materials	414,781	367,332	162,385	4,213	948,711
Utilities	98,745	147,804	140,653		387,202
Depreciation and Amortization	1,380,636	817,484	703,323		2,901,443
Total Operating Expenses	<u>16,922,011</u>	<u>2,631,582</u>	<u>2,056,586</u>	<u>2,231,767</u>	<u>23,841,946</u>
Operating Income (Loss)	<u>970,633</u>	<u>349,596</u>	<u>486,494</u>	<u>(47,412)</u>	<u>1,759,311</u>
Non-Operating Revenues (Expenses):					
Interest Income	1,003	49,579	53,432	10,880	114,894
Miscellaneous Revenues	29,041	68,071	35,827	75,000	207,939
Interest Expense	(159,444)	(34,211)	(141,003)		(334,658)
Service Charges	(300)		(250)		(550)
Total Non-Operating Revenues (Expenses)	<u>(129,700)</u>	<u>83,439</u>	<u>(51,994)</u>	<u>85,880</u>	<u>(12,375)</u>
Increase in Net Position	840,933	433,035	434,500	38,468	1,746,936
Total Net Position, Beginning of Year, Restated	<u>17,342,765</u>	<u>11,109,220</u>	<u>9,392,200</u>	<u>915,886</u>	<u>38,760,071</u>
Total Net Position, End of Year, Restated	<u>\$ 18,183,698</u>	<u>\$ 11,542,255</u>	<u>\$ 9,826,700</u>	<u>\$ 954,354</u>	<u>\$ 40,507,007</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, 2025

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 19,237,451	\$ 3,050,181	\$ 2,525,137	\$ 2,257,794	\$ 27,070,563
Cash Payments for Goods and Services	(13,861,511)	(875,464)	(692,218)	(2,216,804)	(17,645,997)
Cash Payments to Employees	(2,731,551)	(1,125,317)	(684,398)		(4,541,266)
Net Cash Provided by Operating Activities	<u>2,644,389</u>	<u>1,049,400</u>	<u>1,148,521</u>	<u>40,990</u>	<u>4,883,300</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Paid	(148,068)	(28,571)	(144,723)		(321,362)
Cash Paid for Capital Assets	(1,293,097)	(555,458)	(109,034)		(1,957,589)
Repayments of Loans	(805,000)	(171,000)	(646,650)		(1,622,650)
Net Cash Used by Capital and Related Financing Activities	<u>(2,246,165)</u>	<u>(755,029)</u>	<u>(900,407)</u>	<u>0</u>	<u>(3,901,601)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Receipts of Interest	191,890	62,700	63,538	27,397	345,525
NET INCREASE IN CASH AND INVESTMENTS	590,114	357,071	311,652	68,387	1,327,224
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,225,826	4,724,152	5,281,144	912,575	12,143,697
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,815,940</u>	<u>\$ 5,081,223</u>	<u>\$ 5,592,796</u>	<u>\$ 980,962</u>	<u>\$ 13,470,921</u>
CASH AND INVESTMENTS PER STATEMENT OF NET POSITION:					
Cash and Investments	\$ 746,198	\$ 5,081,223	\$ 5,035,129	\$ 980,962	\$ 11,843,512
Restricted Cash and Investments	1,069,742		557,667		1,627,409
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,815,940</u>	<u>\$ 5,081,223</u>	<u>\$ 5,592,796</u>	<u>\$ 980,962</u>	<u>\$ 13,470,921</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income	\$ 891,220	\$ 143,903	\$ 459,652	\$ 58,480	\$ 1,553,255
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization Expense	1,570,425	865,720	679,629		3,115,774
Miscellaneous Revenues	183,739	57,010	24,468		265,217
Service Charges	(300)		(250)		(550)
Amortization of Bond Premium			(7,656)		(7,656)
(Increase) in Accounts Receivables	(178,799)	(29,251)	(16,736)	(27,176)	(251,962)
(Increase) Decrease in Unbilled Receivables	13,598	(11,617)	(68)	(6,844)	(4,931)
(Increase) in Other Current Assets	(21,437)	(6,890)	(9,332)		(37,659)
Decrease in Deferred Outflows Related to OPEB	15,296	5,566	4,870		25,732
Decrease in Deferred Outflows Related to Pensions	521,201	184,470	3,161		708,832
Increase (Decrease) in Accounts Payable	5,531	(13,592)	17,435	16,530	25,904
Increase in Accrued Salaries and Benefits	10,644	13,210	5,011		28,865
Increase (Decrease) in Compensated Absences	47,662	(2,985)	(12,419)		32,258
Increase in Customer Deposits	6,234				6,234
(Decrease) in Other Post Employment Benefits	(120,443)	(43,600)	(38,150)		(202,193)
(Decrease) in Net Pension Liability	(277,687)	(97,049)	(25,866)		(400,602)
Increase in Deferred Inflows Related to OPEB	114,952	34,939	30,572		180,463
Increase (Decrease) in Deferred Inflows Related to Pensions	(137,447)	(50,434)	34,200		(153,681)
Total Adjustments	<u>1,753,169</u>	<u>905,497</u>	<u>688,869</u>	<u>(17,490)</u>	<u>3,330,045</u>
Net Cash Provided by Operating Activities	<u>\$ 2,644,389</u>	<u>\$ 1,049,400</u>	<u>\$ 1,148,521</u>	<u>\$ 40,990</u>	<u>\$ 4,883,300</u>

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2024

	LIGHT AND POWER	WATER	SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 17,828,408	\$ 3,047,253	\$ 2,565,695	\$ 2,448,676	\$ 25,890,032
Cash Payments for Goods and Services	(12,972,945)	(956,103)	(942,212)	(2,231,767)	(17,103,027)
Cash Payments to Employees	(2,630,361)	(1,068,910)	(659,296)		(4,358,567)
Net Cash Provided by Operating Activities	<u>2,225,102</u>	<u>1,022,240</u>	<u>964,187</u>	<u>216,909</u>	<u>4,428,438</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest Paid	(165,132)	(34,719)	(93,235)		(293,086)
Cash Paid for Capital Assets	(1,837,013)	(831,599)	(350,716)		(3,019,328)
Repayments of Loans	(790,000)	(166,000)	(435,228)		(1,391,228)
Net Cash Used by Capital and Related Financing Activities	<u>(2,792,145)</u>	<u>(1,032,318)</u>	<u>(879,179)</u>	<u>0</u>	<u>(4,703,642)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Receipts of Interest	<u>3,090</u>	<u>57,847</u>	<u>62,420</u>	<u>11,860</u>	<u>135,217</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(563,953)	47,769	147,428	228,769	(139,987)
CASH AND INVESTMENTS, BEGINNING OF YEAR	1,789,779	4,676,383	5,133,716	683,806	12,283,684
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,225,826</u>	<u>\$ 4,724,152</u>	<u>\$ 5,281,144</u>	<u>\$ 912,575</u>	<u>\$ 12,143,697</u>
CASH AND INVESTMENTS PER STATEMENT OF NET POSITION:					
Cash and Investments	\$ 159,603	\$ 4,724,152	\$ 4,728,967	\$ 912,575	\$ 10,525,297
Restricted Cash and Investments	1,066,223		552,177		1,618,400
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,225,826</u>	<u>\$ 4,724,152</u>	<u>\$ 5,281,144</u>	<u>\$ 912,575</u>	<u>\$ 12,143,697</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 970,633	\$ 349,596	\$ 486,494	\$ (47,412)	\$ 1,759,311
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation and Amortization Expense	1,380,636	817,484	703,323		2,901,443
Miscellaneous Revenues	29,041	68,071	35,828	75,000	207,940
Service Charges	(300)		(250)		(550)
Amortization of Bond Premium			(7,656)		(7,656)
(Increase) Decrease in Accounts Receivables	(49,313)	(17,390)	(26,881)	6,736	(86,848)
(Increase) Decrease in Unbilled Receivables	(54,672)	15,394	12,354	11,713	(15,211)
(Increase) Decrease in Other Current Assets	(5,957)	(2,713)	1,314		(7,356)
Decrease in Deferred Outflows Related to OPEB	43,499	21,452	6,169		71,120
Decrease in Deferred Outflows Related to Pensions	437,480	198,496	227,491		863,467
Increase (Decrease) in Accounts Payable	213,149	(50,525)	(219,974)	170,872	113,522
Increase in Accrued Salaries and Benefits	22,843	5,936	3,513		32,292
Increase (Decrease) in Compensated Absences	27,332	(12,122)	1,659		16,869
Increase in Customer Deposits	10,708				10,708
Increase (Decrease) in Other Post Employment Benefits	(89,314)	(64,484)	6,494		(147,304)
(Decrease) in Net Pension Liability	(517,369)	(202,456)	(154,278)		(874,103)
Increase (Decrease) in Deferred Inflows Related to OPEB	(20,562)	(18,632)	5,044		(34,150)
(Decrease) in Deferred Inflows Related to Pensions	(172,732)	(85,867)	(116,457)		(375,056)
Total Adjustments	<u>1,254,469</u>	<u>672,644</u>	<u>477,693</u>	<u>264,321</u>	<u>2,669,127</u>
Net Cash Provided by Operating Activities	<u>\$ 2,225,102</u>	<u>\$ 1,022,240</u>	<u>\$ 964,187</u>	<u>\$ 216,909</u>	<u>\$ 4,428,438</u>

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

CITY OF HIGHLAND, ILLINOIS
STATEMENTS OF NET POSITION
FIDUCIARY FUND

		POLICEMEN'S PENSION TRUST FUND APRIL 30,	
<u>ASSETS</u>		2025	2024
Receivables:			
Property Taxes, Current Year Levy		\$ 672,181	\$ 660,142
Investments:			
Illinois Statewide Pension Investment Fund		15,517,649	14,526,253
Certificates of Deposit and Interest Bearing Accounts		282,197	340,715
Total Investments		15,799,846	14,866,968
Total Assets		\$ 16,472,027	\$ 15,527,110
<u>LIABILITIES</u>			
Accounts Payable		\$ 2,200	\$ 3,688
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Property Taxes		\$ 672,181	\$ 660,142
<u>NET POSITION</u>			
Net Position Held in Trust for Pension Benefits and Other Purposes		15,797,646	14,863,280
Total Liabilities, Deferred Inflows of Resources and Net Position		\$ 16,472,027	\$ 15,527,110

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,	
	2025	2024
Additions:		
General Property Taxes:		
Real Estate	\$ 654,820	\$ 653,559
Intergovernmental:		
Corporate Personal Property Replacement Tax	6,900	6,900
Miscellaneous:		
Interest and Dividend Income	97,033	90,974
Miscellaneous Revenue	500	
Employee Contributions	186,544	170,271
Realized/Unrealized Gain on Investments	1,316,127	1,146,265
Total Additions	<u>2,261,924</u>	<u>2,067,969</u>
Deductions:		
Benefit Payments	1,292,414	989,864
Administration	35,144	74,530
Total Deductions	<u>1,327,558</u>	<u>1,064,394</u>
Increase in Net Position	934,366	1,003,575
Net Position, Beginning of Year	<u>14,863,280</u>	<u>13,859,705</u>
Net Position, End of Year	<u>\$ 15,797,646</u>	<u>\$ 14,863,280</u>

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, 2025

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, 2025

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, 2025

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Fund – Street Improvement - The fund that accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related cost for the construction, maintenance, and repair of streets.

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).

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, 2025

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 IAFF Union can accumulate up to 30 days of vested sick pay and an additional 60 days of non-vested sick pay. Employees in the IBEW and IOUE Unions 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 is liable in the approximate amount of \$997,561 for payments to qualified employees of the governmental activities and \$398,307 for payments to qualified employees of the business-type activities as of April 30, 2025.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) CASH AND INVESTMENTS

The City considers cash on hand, checking accounts, savings accounts, and other funds with a maturity date when purchased of less than three months as cash and cash equivalents. 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, 2025

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, 2025

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, 2025.

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) LEASES

The City records leases based on guidance under GASB Statement No. 87, Leases (GASB 87). GASB 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It established a single model for lease accounting based on the foundational principals that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-of-use-asset.

(M) 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.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) NEW ACCOUNTING PRONOUCEMENTS

Effective for fiscal year ended April 30, 2025, the City adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. This standard aims to improve consistency and clarity in reporting accounting changes and error corrections. It also establishes disclosure requirements for financial statement notes.

Effective for fiscal year ended April 30, 2025, the City adopted the provisions of GASB Statement No. 101, *Compensated Absences*. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The liability is measured at the employee's rate of pay as of the statement of net position date. See Note 1C for further information on compensated absences.

(O) FUTURE ACCOUNTING PRONOUCEMENTS

The GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City is in the process of completing its assessment of the impact of these requirements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The City is in the process of completing its assessment of the impact of these requirements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City is in the process of completing its assessment of the impact of these requirements.

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of April 30, 2025 including fiduciary funds, are classified in the accompanying financial statements as follows:

	Primary Government	Component Unit
Total Cash	\$ 15,921,736	\$ 26,362
Illinois Funds	18,005,831	
Total Investments	23,110,933	25,288
Total	<u>\$ 57,038,500</u>	<u>\$ 51,650</u>

Cash includes \$1,000 of cash on-hand and \$15,920,736 of deposits with financial institutions for the primary government and \$26,362 deposited in a financial institution for the component unit.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

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.

The City's Police Pension Fund is regulated by the state of Illinois. The City is not authorized to invest in securities individually with Policemen's Pension Funds, as all investments are 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.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

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 depository accounts in any financial institution that is not a member of the FDIC or SAIF system. In addition, the City will not maintain depository accounts 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.

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, 2025:

Investment Type	Level 1	Level 2	Level 3	Total
Certificates of Deposit - Negotiable	\$ 2,999,450			\$ 2,999,450
Mutual Funds	1,719,106			1,719,106
	<u>\$ 4,718,556</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,718,556</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.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

(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.

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, 2025, 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	\$ 15,517,649	\$ 15,517,649			
Certificates of Deposit -Negotiable	2,999,450	249,402	\$ 346,106	\$ 2,403,942	
Certificates of Deposit -Non-Negotiable	2,848,558	879,981	969,988	998,589	
Short Term Cash Equivalent	26,170	26,170			
Mutual Funds	1,719,106	1,719,106			
Total	<u>\$ 23,110,933</u>	<u>\$ 18,392,308</u>	<u>\$ 1,316,094</u>	<u>\$ 3,402,531</u>	<u>\$ -</u>

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

(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 (AAAmf). 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, 2025, the balance in the City's state investment pool was \$18,005,831.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The City's cash deposits, including the fiduciary fund, at April 30, 2025 consisted of the following:

<u>Depository Account</u>	<u>Primary Government Bank Balance</u>	<u>Component Unit Bank Balance</u>
Insured	\$ 23,796,452	\$ 26,362
Collateralized:		
Held by pledging bank's trust department in the City's name	15,893,610	
Uninsured	9,640	
Total Deposits	<u>\$ 39,699,702</u>	<u>\$ 26,362</u>

(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. Tax revenues reflected in these financial statements are taxes collected on the 2023 levy. The 2024 levy was passed by the council on December 16, 2024. Property taxes attach as an enforceable lien on property as of January 1, and are payable in four installments: July 23, September 23, October 8, and December 8. The City receives significant distributions of tax receipts approximately one month after the taxes are received by the County.

Property tax receivable is recorded in the year of the levy. The revenue from the levy is recorded in the year in which the property tax monies have been budgeted and are to be used to fund expenditures. Therefore, the property tax revenues from the 2024 levy have been deferred since their receipt is not available soon enough in the subsequent year to finance current period obligations.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 4. PROPERTY TAXES (CONTINUED)

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

	MAXIMUM						
	LEVY	2024	2023	2022	2021	2020	2019
General Government	.3330	0.3158	0.3243	0.3219	0.3269	0.3304	0.3249
Police Protection	.0750	0.0712	0.0731	0.0725	0.0737	0.0750	0.0732
Fire Protection	.0750	0.0712	0.0731	0.0725	0.0737	0.0750	0.0732
Playground & Rec	.0900	0.0854	0.0877	0.0870	0.0884	0.0900	0.0878
Band	.0400	0.0145	0.0161	0.0173	0.0188	0.0196	0.0202
Social Security		0.1902	0.2014	0.2163	0.2344	0.2105	0.2165
IMRF		0.1268	0.1404	0.1536	0.1664	0.2105	0.2165
Liability Insurance		0.1160	0.1284	0.1384	0.1407	0.1591	0.1637
Crossing Guards	.0200	0.0033	0.0037	0.0039	0.0043	0.0045	0.0046
Audit		0.0221	0.0161	0.0126	0.0118	0.0123	0.0101
Municipal Ambulance	.2500	0.2371	0.2435	0.2417	0.2454	0.2500	0.2439
Community Building	.0750	0.0712	0.0731	0.0725	0.0737	0.0750	0.0732
Police Pension		0.2435	0.2648	0.2846	0.3081	0.3565	0.3323
Library	.1500	0.1423	0.1461	0.1450	0.1473	0.1500	0.1464
Library Liability Ins.		0.0127	0.0141	0.0151	0.0165	0.0172	0.0182
Lease		0.0109	0.0121	0.0130	0.0141	0.0147	0.0152
Public Comfort Station	.0333	0.0091	0.0201	0.0217	0.0169	0.0177	0.0182
TOTAL		<u>1.7433</u>	<u>1.8381</u>	<u>1.8896</u>	<u>1.9611</u>	<u>2.0680</u>	<u>2.0381</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, 2025

NOTE 5. CAPITAL ASSETS

Summary of capital assets for governmental activities for the year ended April 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 9,657,323	\$ 104,951		\$ 9,762,274
Construction in Progress	753,960	129,113	\$ (445,264)	437,809
Subtotal	<u>10,411,283</u>	<u>234,064</u>	<u>(445,264)</u>	<u>10,200,083</u>
Other Capital Assets:				
Buildings and Improvements	18,869,412	19,801		18,889,213
Improvements	12,969,217	1,719,662		14,688,879
Equipment	8,011,786	531,140	(36,780)	8,506,146
Infrastructure	70,417,820	1,619,578		72,037,398
Subtotal	<u>110,268,235</u>	<u>3,890,181</u>	<u>(36,780)</u>	<u>114,121,636</u>
Accumulated Depreciation:				
Buildings and Improvements	8,044,152	421,514		8,465,666
Improvements	6,018,938	684,066		6,703,004
Equipment	6,063,133	593,875	(23,294)	6,633,714
Infrastructure	50,568,465	1,753,035		52,321,500
Subtotal	<u>70,694,688</u>	<u>3,452,490</u>	<u>(23,294)</u>	<u>74,123,884</u>
Net Other Capital Assets	<u>39,573,547</u>	<u>437,691</u>	<u>(13,486)</u>	<u>39,997,752</u>
Net Capital Assets	<u>\$ 49,984,830</u>	<u>\$ 671,755</u>	<u>\$ (458,750)</u>	<u>\$ 50,197,835</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General Government	\$ 289,279
Public Safety	565,266
Highways and Streets	1,986,625
Culture and Recreation	559,067
Economic Development	52,253
Total Governmental Activities Depreciation Expense	<u>\$ 3,452,490</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 5. CAPITAL ASSETS (CONTINUED)

Summary of capital assets for business-type activities for the year ended April 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Not Being Depreciated				
Land	\$ 2,644,590			\$ 2,644,590
Construction in Progress	303,321	\$ 50,838	\$ (119,935)	234,224
Subtotal	2,947,911	50,838	(119,935)	2,878,814
Other Capital Assets:				
Buildings	31,130,441	78,705		31,209,146
Lines	52,525,393	1,092,019		53,617,412
Equipment	13,538,492	529,325	(83,768)	13,984,049
Other Improvements	19,724,520	326,637		20,051,157
Interconnect	6,917,374			6,917,374
Subtotal	123,836,220	2,026,686	(83,768)	125,779,138
Accumulated Depreciation:				
Buildings	19,266,497	409,814		19,676,311
Lines	31,721,612	1,321,237		33,042,849
Equipment	12,160,264	406,009	(83,768)	12,482,505
Other Improvements	12,818,861	730,131		13,548,992
Interconnect	3,865,263	248,583		4,113,846
Subtotal	79,832,497	3,115,774	(83,768)	82,864,503
Net Other Capital Assets	44,003,723	(1,089,088)	0	42,914,635
Net Capital Assets	\$ 46,951,634	\$ (1,038,250)	\$ (119,935)	\$ 45,793,449

Depreciation was charged to functions as follows:

Business-Type Activities:

Light and Power	\$ 1,570,425
Water	865,720
Sewer	679,629
	<u>\$ 3,115,774</u>

Right of use leased asset activity for the year ended April 30, 2025, was as follows:

	<u>Balance May 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance April 30, 2025</u>
Governmental Activities:				
Right Of Use Leased				
Equipment	\$ 968,793	\$	\$	\$ 968,793
Accumulated Amortization:				
Right Of Use Leased				
Equipment	\$ 125,479	\$ 96,552	\$	\$ 222,031
Net Right Of Use Assets	\$ 843,314	\$ (96,552)	\$ -	\$ 746,762

Amortization expense charged to governmental activities was \$96,552 for the year ended April 30, 2025.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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, 2025:

	April 30, 2024	Additions	Reductions	April 30, 2025	Due Within One Year
Governmental Activities:					
Premium on Debt	\$ 516,349		\$ (42,217)	\$ 474,132	\$ 42,217
Direct Placement Bonds	1,830,000		(210,000)	1,620,000	215,000
Public Offering Bonds	1,482,883		(286,337)	1,196,546	270,764
GO Direct Borrowings Debt Certificates Payable	9,210,000		(520,000)	8,690,000	540,000
Direct Borrowings Notes Payable	157,782		(157,782)	0	
Compensated Absences	950,588	46,973		997,561	199,512
Net Pension Liability - IMRF	1,051,768		(780,105)	271,663	
Net Pension Liability - Police Pension	7,543,384		(64,092)	7,479,292	
Other Post Employment Benefits	1,169,559		(403,295)	766,264	
Accrued Interest	1,083,110		(111,310)	971,800	127,459
Long-Term Liabilities	<u>\$ 24,995,423</u>	<u>\$ 46,973</u>	<u>\$ (2,575,138)</u>	<u>\$ 22,467,258</u>	<u>\$ 1,394,952</u>
Business-Type Activities:					
Premium on Debt	\$ 72,099		\$ (7,656)	\$ 64,443	\$ 7,656
Public Offering Bonds	1,555,000		(145,000)	1,410,000	150,000
Direct Placement Bonds	6,855,000		(805,000)	6,050,000	820,000
GO Direct Borrowings Notes Payable	821,000		(171,000)	650,000	177,000
Direct Borrowings Notes Payable	9,658,163		(501,650)	9,156,513	507,498
Compensated Absences	366,049	32,258		398,307	79,661
Net Pension Liability - IMRF	714,811		(400,602)	314,209	
Other Post Employment Benefits	616,389		(202,193)	414,196	
Accrued Interest	106,270		(9,264)	97,006	97,006
Long-Term Liabilities	<u>\$ 20,764,781</u>	<u>\$ 32,258</u>	<u>\$ (2,242,365)</u>	<u>\$ 18,554,674</u>	<u>\$ 1,838,821</u>

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

The change in the compensated absences liability is presented as a net change.

Default Provisions

The City's GO debt certificates from direct borrowings related to governmental activities of \$8,690,000 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 direct placement bonds related to business-type activities of \$6,050,000 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 \$650,000, 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 \$9,156,513 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, 2025

NOTE 6. LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements for long-term debt on April 30, 2025 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
2026	\$ 485,764	\$ 310,687	\$ 540,000	\$ 274,887	\$ 970,000	\$ 157,380	\$ 684,498	\$ 138,461
2027	468,627	323,523	570,000	252,294	995,000	136,618	698,752	125,316
2028	462,775	332,925	590,000	228,663	1,010,000	115,374	712,435	111,826
2029	458,223	340,727	610,000	212,103	1,035,000	93,756	626,206	97,972
2030	446,156	350,744	625,000	195,013	1,050,000	71,656	535,067	89,312
2031-2035	495,001	22,348	3,160,000	680,858	2,400,000	81,000	2,781,487	340,408
2036-2040			2,595,000	246,000			2,967,236	154,659
2041-2045							800,832	9,445
Total	<u>\$ 2,816,546</u>	<u>\$ 1,680,954</u>	<u>\$ 8,690,000</u>	<u>\$ 2,089,818</u>	<u>\$ 7,460,000</u>	<u>\$ 655,784</u>	<u>\$ 9,806,513</u>	<u>\$ 1,067,399</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 \$1,483,454.

\$ 1,196,546

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 \$197,500.

1,620,000

Total Public Offerings and Direct Placement Bonds - Governmental Activities

\$ 2,816,546

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 \$528,984.

\$ 6,050,000

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 \$126,800.

1,410,000

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

\$ 7,460,000

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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 \$1,696,913. \$ 6,820,000

In 2023, the City borrowed funds from Capital One Public Funding in order to complete the city hall remodeling project. The total amount borrowed was \$2,035,000 and is being repaid in semi-annual installments with an interest rate of 4.39%. The maturity date of this borrowing is September 1, 2033 and the total interest due on the remaining balance is \$392,905. 1,870,000

Total Direct Borrowings GO Debt Certificates Payable and Notes Payable - Governmental Activities \$ 8,690,000

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 \$48,609. \$ 650,000

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 \$897,259. 7,610,887

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 \$121,531. 1,545,626

Total Direct Borrowings GO Notes Payable and Notes Payable - Business-Type Activities \$ 9,806,513

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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. The future lease payments have been discounted using a rate of 2.75%

In December 2023, the City signed a finance lease agreement to lease a Toyne Fire Engine. The lease term is 10 years with annual payments in the amount of \$52,896 beginning one year following the lease date. The future lease payments have been discounted using a rate of 5.77%.

At April 30 2025, the City has recognized a total lease liability of \$551,724. See Note 5 for information related to the right-to-use assets accounted for through the above leases. During the fiscal year, the City recorded \$96,552 in amortization expense and \$28,651 in interest expense for the above lease arrangements.

At April 30, 2025, the City recognized the following lease liability:

	<u>Payable</u> <u>May 1, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Payable</u> <u>April 30, 2025</u>	<u>Payable Within</u> <u>One Year</u>
Governmental Activities:					
Lease Liability	\$ 605,969		\$ 54,245	\$ 551,724	\$ 56,659

Remaining principal and interest payments on leases are as follows:

	<u>Governmental Activities</u>		
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>April 30,</u>			
2026	\$ 56,659	\$ 26,237	\$ 82,896
2027	59,192	23,704	82,896
2028	61,850	21,046	82,896
2029	64,641	18,255	82,896
Thereafter	309,382	45,098	354,480
	<u>\$ 551,724</u>	<u>\$ 134,340</u>	<u>\$ 686,064</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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, 2025

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(iii) EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2024, the following employees were covered by the benefit terms:

	REGULAR PLAN	SLEP PLAN
Retirees and Beneficiaries currently receiving benefits	94	0
Inactive Plan Members entitled to but not yet receiving benefits	73	1
Active Plan Members	93	1
Total	<u>260</u>	<u>2</u>

(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 2024 was 6.03%. For the fiscal year ended April 30, 2025, the City contributed \$455,289 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 2024 was 15.90%. For the fiscal year ended April 30, 2025, the City contributed \$20,475 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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

The following are the methods and assumptions used to determine total pension liability at December 31, 2024.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2024 Illinois Municipal Retirement Fund annual actuarial valuation report.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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, 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85-6.25%
Cash Equivalents	1.00%	3.60%
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 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 4.08%, and the resulting single discount rate is 7.25%.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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
Balance, December 31, 2023	\$ 43,875,968	\$ 42,155,536	\$ 1,720,432
Changes for the year:			
Service Cost	608,676		608,676
Interest on the Total Pension Liability	3,120,595		3,120,595
Difference Between Expected and Actual Experience of the Total Pension Liability	(308,207)		(308,207)
Contributions - Employer		425,748	(425,748)
Contributions - Employees		317,723	(317,723)
Net Investment Income		4,169,556	(4,169,556)
Benefit Payments, Including Refunds of Employee Contributions	(2,275,227)	(2,275,227)	0
Other (Net Transfer)		(487,456)	487,456
Net Changes	1,145,837	2,150,344	(1,004,507)
Balance, December 31, 2024	<u>\$ 45,021,805</u>	<u>\$ 44,305,880</u>	<u>\$ 715,925</u>

(b) SLEP PLAN

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2023	\$ 252,379	\$ 206,232	\$ 46,147
Changes for the year:			
Service Cost	22,474		22,474
Contributions - Employer		20,274	(20,274)
Contributions - Employee		9,563	(9,563)
Interest on the Total Pension Liability	19,112		19,112
Difference Between Expected and Actual Experience of the Total Pension Liability	(164,321)		(164,321)
Net Investment Income		27,083	(27,083)
Other (Net Transfer)		(3,455)	3,455
Net Changes	(122,735)	53,465	(176,200)
Balance, December 31, 2024	<u>\$ 129,644</u>	<u>\$ 259,697</u>	<u>\$ (130,053)</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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	
		Net Pension		Net Pension
	Discount Rate	Liability (Asset)	Discount Rate	Liability (Asset)
1% Decrease	6.25%	\$ 5,626,765	6.25%	\$ (96,657)
Current Discount Rate	7.25%	715,925	7.25%	(130,053)
1% Increase	8.25%	(3,127,292)	8.25%	(159,758)

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

For the year ended April 30, 2025, the City of Highland recognized pension income of \$50,213 for the Regular plan and a pension income of \$39,844 for the SLEP plan. At April 30, 2025, 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 Outflows of Resources
Differences Between Expected and Actual Experience	\$ 75,597	\$ 244,613	\$ (169,016)
Changes of Assumptions		39,370	(39,370)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,559,385	2,609,009	950,376
Pension Contributions Made Subsequent to the Measurement Date	160,143		160,143
Total Deferred Amounts Related to Pensions	<u>\$ 3,795,125</u>	<u>\$ 2,892,992</u>	<u>\$ 902,133</u>

	SLEP Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,303	\$ 118,215	\$ (116,912)
Changes of Assumptions		428	(428)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	64,593	26,043	38,550
Pension Contributions Made Subsequent to the Measurement Date	7,011		7,011
	<u>\$ 72,907</u>	<u>\$ 144,686</u>	<u>\$ (71,779)</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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 Outflows of Resources Regular Plan	Net Deferred Outflows of Resources SLEP Plan
2025	\$ 602,131	\$ (20,877)
2026	1,146,502	(20,136)
2027	(609,204)	(28,531)
2028	(237,296)	(2,235)
Total	<u>\$ 902,133</u>	<u>\$ (71,779)</u>

(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, 2024, the Police Pension Plan membership consisted of:

Inactive Plan Members and Beneficiaries Currently Receiving Benefits	16
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	4
Active Plan Members	<u>21</u>
Total	<u>41</u>

(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, 2025

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, 2025

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, 2024, the annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 9.17%. 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 as of April 30, 2024:

Asset Class	Target Allocation
Growth	58%
US Large	23%
US Small	5%
International Developed	19%
International Developed Small	5%
Emerging Markets	6%
Private Equity	0%
Income	16%
High Yield Corporate Credit	7%
Emerging Market Debt	6%
Bank Loans	3%
Private Credit	0%
Real Assets	6%
REITs	4%
Real Estate	2%
Infrastructure	0%
Risk Mitigation	20%
Cash	1%
Short-Term Govt/Credit	10%
US Treasury	3%
US TIPS	3%
Core Fixed Income	3%
Total	100%

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(v) CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, April 30, 2023	\$ 21,868,820	\$ 14,325,436	\$ 7,543,384
Changes for the year:			
Service Cost	358,113		358,113
Interest on the Total Pension Liability	1,476,240		1,476,240
Difference Between Expected and Actual Experience of the Total Pension Liability	216,063		216,063
Contributions - Employer		660,459	(660,459)
Contributions - Employees		170,271	(170,271)
Net Investment Income		1,302,836	(1,302,836)
Benefit Payments, Including Refunds of Employee Contributions	(1,035,051)	(1,035,051)	0
Administrative Expenses		(19,058)	19,058
Net Changes	1,015,365	1,079,457	(64,092)
Balance, April 30, 2024	<u>\$ 22,884,185</u>	<u>\$ 15,404,893</u>	<u>\$ 7,479,292</u>

(vi) ACTUARIAL ASSUMPTIONS

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2024 using the following actuarial assumptions:

Inflation	2.50%
Salary Increase	Service-related table with rates grading from 11.0% to 3.5% at 30 years of service
Discount Rate	6.80%
Investment Rate Of Return	6.80%
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. 10% of deaths are assumed to be in the line of duty

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 8. RETIREMENT FUND COMMITMENTS (CONTINUED)

(vii) DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.80%. 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 6.80%, 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
	5.80%	6.80%	7.80%
Net Pension Liability	\$ 11,009,175	\$ 7,479,292	\$ 4,637,752

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

At April 30, 2025, 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	Net Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 280,159	\$ 447,624	\$ (167,465)
Changes of Assumptions	282,334	400,457	(118,123)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	970,895	800,090	170,805
Pension Contributions Made Subsequent to the Measurement Date	985,747		985,747
Total Deferred Amounts Related to Pensions	<u>\$ 2,519,135</u>	<u>\$ 1,648,171</u>	<u>\$ 870,964</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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
2025	\$ 814,367
2026	228,470
2027	(155,306)
2028	(78,300)
2029	30,866
Thereafter	30,867
Total	<u>\$ 870,964</u>

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, 2025, consisted of the following:

Due To	Due From	Amount
City Property Replacement Fund	General Corporate Fund	\$ 355,000
City Property Replacement Fund	Street Improvement Fund	250,000

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, 2025, consisted of the following:

		Transfer From:	
		General Corporate	Total
Transfer To:	City Property Replacement	\$ 565,000	\$ 565,000
	Total	<u>\$ 565,000</u>	<u>\$ 565,000</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	111
	<u>114</u>

(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, 2024 to April 30, 2025. The reporting period is May 1, 2024 through April 30, 2025. The City's Total OPEB Liability was measured as of April 30, 2025.

The components of the net OPEB liability of the plan at April 30, 2025, calculated in accordance with GASB Statement No. 75 were as follows:

Total OPEB Liability	\$ 1,180,460
Plan Fiduciary Net Position	<u>0</u>
Net OPEB Liability	<u>\$ 1,180,460</u>

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, 2025, the City will recognize OPEB income of \$24,618.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

(iv) ACTUARIAL ASSUMPTIONS

The Total OPEB Liability was determined by an actuarial valuation as of May 1, 2024, updated to April 30, 2025, using the following actuarial assumptions:

Price Inflation	2.50%
Annual Wage Increases	2.75%
Discount Rate	4.64%

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 4.64%. 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, 2024	\$ 1,785,948
Changes for the Year:	
Service Cost	46,111
Interest	51,987
Changes of Assumptions	(266,222)
Differences Between Expected and Actual Experience	(437,364)
Benefit Changes	
Net Changes	(605,488)
Reporting Period Ending April 30, 2025	\$ 1,180,460

Changes of assumptions reflect a change in the discount rate from 4.42% for the fiscal year ending April 30, 2024 to 4.64% for the fiscal year ending April 30, 2025.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,311,513	\$ 1,180,460	\$ 1,063,931

(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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,029,996	\$ 1,180,460	\$ 1,361,160

(ix) DEFERRED OUTFLOWS OF RESOURCES RELATED TO OPEB

At April 30, 2025, the City of Highland recognized deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience		\$ 712,849
Changes in Assumptions	\$ 159,887	442,601
Total Deferred Amounts Related to OPEB	<u>\$ 159,887</u>	<u>\$ 1,155,450</u>

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

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
2026 \$	(125,568)
2027	(129,484)
2028	(139,976)
2029	(102,393)
2030	(102,393)
Thereafter	(395,749)
Total \$	<u>(995,563)</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, 2025, the City abated property taxes totaling \$236,555

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, 2025, the City abated sales taxes totaling \$18,716 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, 2025, the City abated property taxes totaling \$15,425 under these agreements.

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 12. LEGAL DEBT MARGIN

The legal debt margin for the City of Highland was \$14,280,866 for general obligation debts. The computation was as follows:

Assessed Valuation as of April 30, 2025	\$ 276,049,847
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$ 23,809,299
Less: Debt Counting Against Limit	(9,528,433)
Legal Debt Margin	\$ 14,280,866

The total debt counting against the legal debt margin for the City of Highland at April 30, 2025 was \$9,528,433.

NOTE 13. DEFICIT FUND BALANCES

The following individual nonmajor funds reported deficit fund balances on April 30, 2025:

Fund	Deficit Fund Balance
Library Endowment	\$ 60,372
Total Deficit Fund Balance	\$ 60,372

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 5, 2025, which is the date the financial statements were available to be issued. Management concluded the below subsequent event required disclosure.

The City is in the process of obtaining general obligation bonds (alternate revenue source) series 2026. This bond is proposed to be in the amount of \$2,000,000 and potentially bear interest at an annual rate of 5%. The bond proceeds are intended to be used for the Cally Lane extension and Sycamore and 40 access point projects.

NOTE 15. RESTATEMENT

The net position of governmental activities and business type activities was restated while implementing GASB Statement No. 101, *Compensated Absences*. Additional accruals were necessary for the City's portion of taxes and pension expense related to compensated absences. The tables below summarize the changes made to net position on Exhibit 1, Exhibit 2, and Exhibit 8.

	Governmental Activities	
	4/30/2023	4/30/2024
Net Position, as Previously Reported	\$ 48,763,597	\$ 53,830,145
Adoption of New Accounting Pronouncement	(179,158)	(218,995)
Net Position, as Restated	\$ 48,584,439	\$ 53,611,150

CITY OF HIGHLAND, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2025

NOTE 15. RESTATEMENT (CONTINUED)

Business-Type Activities					
4/30/2023					
	Light And Power	Water	Sewer	Solid Waste	Total
Net Position, as Previously Reported	\$ 17,367,701	\$ 11,120,769	\$ 9,398,784	\$ 915,886	\$ 38,803,140
Adoption of New Accounting Pronouncement	(24,936)	(11,549)	(6,584)		(43,069)
Net Position, as Restated	<u>\$ 17,342,765</u>	<u>\$ 11,109,220</u>	<u>\$ 9,392,200</u>	<u>\$ 915,886</u>	<u>\$ 38,760,071</u>

Business-Type Activities					
4/30/2024					
	Light And Power	Water	Sewer	Solid Waste	Total
Net Position, as Previously Reported	\$ 18,211,316	\$ 11,552,064	\$ 9,833,324	\$ 954,354	\$ 40,551,058
Adoption of New Accounting Pronouncement	(27,618)	(9,809)	(6,624)		(44,051)
Net Position, as Restated	<u>\$ 18,183,698</u>	<u>\$ 11,542,255</u>	<u>\$ 9,826,700</u>	<u>\$ 954,354</u>	<u>\$ 40,507,007</u>

NOTE 16. GOVERNMENTAL FUND BALANCES

As of April 30, 2025, governmental fund balances are classified as follows:

	General Corporate Fund	City Property Replacement Fund	Ambulance Fund	Street Improvement Fund	Other Governmental Funds	Totals
Nonspendable:						
Prepaid Expenses	\$ 103,189		\$ 7,004		\$ 169,577	\$ 279,770
Total Nonspendable	<u>103,189</u>	<u>\$ 0</u>	<u>7,004</u>	<u>\$ 0</u>	<u>169,577</u>	<u>279,770</u>
Restricted for:						
Cemetery Operations and Maintenance					836,454	836,454
Economic Development					1,327,049	1,327,049
Fire Protection	50,796					50,796
Highways and Streets					1,092,683	1,092,683
Business District A					2,923,184	2,923,184
IMRF					206,487	206,487
Debt Service					800,585	800,585
Liability Insurance					100,941	100,941
Senior Community Center	29,762					29,762
Public Comfort Station	83,073					83,073
School Crossing Guard	17,610					17,610
Total Restricted	<u>181,241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,287,383</u>	<u>7,468,624</u>
Assigned, Reported in:						
Special Revenue Funds			824,047		1,696,373	2,520,420
Debt Service Funds				3,720,348		3,720,348
Capital Projects Funds		11,398,771				11,398,771
Total Assigned	<u>0</u>	<u>11,398,771</u>	<u>824,047</u>	<u>3,720,348</u>	<u>1,696,373</u>	<u>17,639,539</u>
Unassigned	4,494,964	0	0	0	(60,372)	4,434,592
TOTAL FUND BALANCES	<u>\$ 4,779,394</u>	<u>\$ 11,398,771</u>	<u>\$ 831,051</u>	<u>\$ 3,720,348</u>	<u>\$ 9,092,961</u>	<u>\$ 29,822,525</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, 2025 AND 2024

	GENERAL CORPORATE FUND					
	APRIL 30, 2025					APRIL 30, 2024
	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Actual Amounts GAAP Basis
Original Budget	Final Budget	Over (Under)				
Revenues:						
General Property Taxes	\$ 1,695,618	\$ 1,820,618	\$ 1,803,768		\$ 1,803,768	\$ 1,678,326
Corporate Personal Property Taxes	249,072	214,072	186,815		186,815	277,058
Intergovernmental	5,714,905	5,803,100	6,275,190		6,275,190	6,067,692
Charges for Services	2,523,877	2,545,377	2,602,748		2,602,748	2,201,065
Connection Fees	15,000	15,000	15,863		15,863	771
Licenses, Permits, and Other Taxes	220,421	447,816	398,190		398,190	274,911
Fines and Forfeitures	13,500	13,500	19,465		19,465	15,617
Revenue from Use of Property	67,200	67,200	57,964		57,964	72,452
Grants and Contributions			120,262		120,262	279,587
Miscellaneous and Interest Income	623,000	1,426,063	1,210,649		1,210,649	1,223,275
Total Revenues	11,122,593	12,352,746	12,690,914	\$ 0	12,690,914	12,090,754
Expenditures:						
General Government	1,726,298	1,757,950	1,814,573	15,299	1,829,872	1,616,690
Public Safety	4,128,645	4,162,825	4,011,350	14,555	4,025,905	3,956,155
Highways and Streets	1,304,008	1,391,298	1,299,631	11,532	1,311,163	1,134,598
Culture and Recreation	2,662,429	2,746,425	2,456,391	5,667	2,462,058	2,551,671
Economic Development	231,500	212,075	177,982		177,982	270,898
Capital Outlay	1,524,163	1,443,368	1,157,520		1,157,520	1,468,521
Lease Retirement		30,174	54,245		54,245	23,429
Interest and Fixed Charges on Debt		22,722	28,651		28,651	6,571
Total Expenditures	11,577,043	11,766,837	11,000,343	47,053	11,047,396	11,028,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(454,450)	585,909	1,690,571	(47,053)	1,643,518	1,062,221
Other Financing Sources (Uses):						
Lease Proceeds						393,455
Proceeds from Sale of Capital Assets	7,000	7,000	22,508		22,508	46,525
Operating Transfers In	307,500	153,500				24,000
Operating Transfers Out	(323,000)	(241,000)	(565,000)		(565,000)	(1,280,400)
Total Other Financing Uses	(8,500)	(80,500)	(542,492)	0	(542,492)	(816,420)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (462,950)	\$ 505,409	\$ 1,148,079	\$ (47,053)	1,101,026	245,801
Fund Balance, Beginning of Year					3,678,368	3,432,567
Fund Balance, End of Year					\$ 4,779,394	\$ 3,678,368
The City budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis					\$ 34,457	\$ 88,789
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(6,729)	52,869
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					19,325	43,450
					\$ 47,053	\$ 185,108

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, 2025 AND 2024

AMBULANCE FUND						
	APRIL 30, 2025					APRIL 30, 2024
	Budgeted Amounts			Budget to GAAP		
	Original	Final	Actual Amounts	Differences	Actual Amounts	Actual Amounts
	Budget	Budget	Budgetary Basis	Over (Under)	GAAP Basis	GAAP Basis
Revenues:						
General Property Taxes	\$ 606,941	\$ 606,941	\$ 602,149		\$ 602,149	\$ 555,042
Corporate Personal Property Replacement Taxes	30,000	30,000	19,616		19,616	37,398
Intergovernmental						414,491
Charges for Services	875,000	875,000	1,186,371		1,186,371	2,498,411
Grants and Contributions					1,936	629
Miscellaneous and Interest Income	16,000	39,100	37,221		37,221	30,039
Total Revenues	<u>1,527,941</u>	<u>1,551,041</u>	<u>1,845,357</u>	<u>\$ 0</u>	<u>1,847,293</u>	<u>3,536,010</u>
Expenditures						
Public Safety	1,315,088	1,424,647	2,171,220	(18,594)	2,152,626	3,329,355
Capital Outlay	73,178	73,178	27,011		27,011	
Principal Reirement		119,955	157,782		157,782	36,684
Interest and Fixed Charges		5,350	6,005		6,005	5,494
Total Expenditures	<u>1,388,266</u>	<u>1,623,130</u>	<u>2,362,018</u>	<u>(18,594)</u>	<u>2,343,424</u>	<u>3,371,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,675</u>	<u>(72,089)</u>	<u>(516,661)</u>	<u>18,594</u>	<u>(496,131)</u>	<u>164,477</u>
Other Financing Uses:						
Operating Transfers Out	(125,000)					(400,000)
Total Other Financing Uses	<u>(125,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(400,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ 14,675</u>	<u>\$ (72,089)</u>	<u>\$ (516,661)</u>	<u>\$ 18,594</u>	(496,131)	(235,523)
Fund Balance, Beginning of Year					<u>1,327,182</u>	<u>1,562,705</u>
Fund Balance, End of Year					<u>\$ 831,051</u>	<u>\$ 1,327,182</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					\$ (6,266)	\$ (15,305)
The City budgets for expenditures to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(6,230)	3,275
The City budgets for payroll to the extent anticipated to be paid in cash, rather than on the modified accrual basis					(6,098)	8,541
					<u>\$ (18,594)</u>	<u>\$ (3,489)</u>

CITY OF HIGHLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE "1"
APRIL 30, 2025

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 15, 2024, the budget ordinance was legally enacted. The budget ordinance was legally amended on December 16, 2024 and April 21, 2025.
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, 2025, 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.

Business District A	\$ 1,135
Ambulance	738,888
Library Endowment	37,411
Library Working	1,523
ARPA	1,943
Solid Waste	115,217
Police Pension	23,392
TIF #2	4,856
Street Bond	554,892
Light & Power	424,326

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,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service Cost	\$ 608,676	\$ 665,858	\$ 654,737	\$ 618,563	\$ 693,865	\$ 673,683	\$ 621,283	\$ 641,150	\$ 673,608	\$ 665,293
Interest on the Total Pension Liability	3,120,595	3,028,119	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	(308,207)	(31,434)	41,523	616,601	(352,395)	243,036	938,637	64,339	(818,131)	778,452
Changes of Assumptions	0	(72,136)			(373,941)		1,032,887	(1,086,422)	(81,602)	40,606
Benefit Payments, Including Refunds of Employee Contributions	(2,275,227)	(2,297,340)	(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	1,145,837	1,293,067	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	43,875,968	42,582,901	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>\$ 45,021,805</u>	<u>\$ 43,875,968</u>	<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	\$ 425,748	\$ 464,054	\$ 592,222	\$ 758,702	\$ 780,493	\$ 585,077	\$ 701,482	\$ 729,699	\$ 699,617	\$ 732,050
Contributions - Employees	317,723	325,944	333,125	327,282	327,341	316,998	301,376	304,900	283,885	290,735
Net Investment Income	4,169,556	4,261,917	(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	(2,275,227)	(2,297,340)	(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)	(487,456)	616,992	(170,647)	(77,889)	(157,854)	114,913	689,364	(465,726)	70,952	50,581
Net Change in Plan Fiduciary Net Position	2,150,344	3,371,567	(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	42,155,536	38,783,969	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>\$ 44,305,880</u>	<u>\$ 42,155,536</u>	<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>\$ 715,925</u>	<u>\$ 1,720,432</u>	<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	98.41%	96.08%	91.08%	111.44%	102.53%	93.82%	84.62%	98.26%	87.58%	84.80%
Covered Employee Payroll	\$ 7,060,504	\$ 7,228,266	\$ 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	10.14%	23.80%	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.

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%
2023	464,055	464,054	1	7,228,266	6.42%
2024	425,748 *	425,748	0	7,060,504	6.03%

* Estimated based on contribution rate of 6.03% and covered valuation payroll of \$7,060,504.

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2024 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 2024 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): 19-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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed 24 years and one employer was financed over 25 years).
Asset Valuation Method: 5-Year smoothed market; 20% corridor
Wage Growth: 2.75%
Price Inflation: 2.25%
Salary Increases: 2.75% 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, 2022 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years.

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,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service Cost	\$ 22,474	\$ 23,107	\$ 18,978							
Interest on the Total Pension Liability	19,112	16,480	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	(164,321)	(1,968)	9,115	22,193	4,699	1,465	(7,608)	(4,684)	(8,011)	(20,631)
Changes of Assumptions	0	(998)			3,652		3,568	1,603		
Net Change in Total Pension Liability	(122,735)	36,621	41,420	32,478	17,376	9,781	4,244	4,840	(83)	(11,817)
Total Pension Liability - Beginning	252,379	215,758	174,338	141,860	124,484	114,703	110,459	105,619	105,702	117,519
Total Pension Liability - Ending (a)	<u>\$ 129,644</u>	<u>\$ 252,379</u>	<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	\$ 20,274	\$ 24,024	\$ 15,052	\$ 2,440					\$ 2,067	\$ 4,901
Contributions - Employee	9,563	9,268	9,082	1,212						
Net Investment Income	27,083	25,874	(141,603)	57,934	\$ 39,492	\$ 46,666	\$ (65,794)	\$ 44,062	6,414	632
Other (Net Transfer)	(3,455)	3,017	(1,267)	(1,124)	542	(213)	334	(297)	7,157	(7,633)
Net Change in Plan Fiduciary Net Position	53,465	62,183	(118,736)	60,462	40,034	46,453	(65,460)	43,765	15,638	(2,100)
Plan Fiduciary Net Position - Beginning	206,232	144,049	262,785	202,323	162,289	115,836	181,296	137,531	121,893	123,993
Plan Fiduciary Net Position - Ending (b)	<u>\$ 259,697</u>	<u>\$ 206,232</u>	<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>\$ (130,053)</u>	<u>\$ 46,147</u>	<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	200.32%	81.72%	66.76%	150.73%	142.62%	130.37%	100.99%	164.13%	130.21%	115.32%
Covered Employee Payroll	\$ 127,506	\$ 123,578	\$ 121,088	\$ 16,156	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-102.00%	37.34%	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.

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%
2023	24,024	24,024	0	123,578	19.44%
2024	20,273 *	20,274	(1)	127,506	15.90%

* Estimated based on contribution rate of 15.90% and covered valuation payroll of \$127,506

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2024 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 2024 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): 20-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 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).

Asset Valuation Method: 5-Year smoothed market; 20% corridor
Wage Growth: 2.75%
Price Inflation: 2.25%
Salary Increases: 2.75% 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, 2022 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years.

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,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service Cost	\$ 358,113	\$ 364,931	\$ 431,187	\$ 438,833	\$ 421,128	\$ 434,862	\$ 393,913	\$ 387,630	\$ 393,643	\$ 393,643
Interest on the Total Pension Liability	1,476,240	1,385,018	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	216,063	97,404	(115,329)	(881,673)	(13,517)	159,034	58,476	(112,104)	(824,401)	130,394
Assumption Changes		(508,547)	301,631	(85,909)	(55,310)	(61,622)	879,770	153,120		1,942,512
Benefit Payments, Including Refunds of Employee Contributions	(1,035,051)	(826,056)	(836,726)	(955,727)	(816,505)	(785,270)	(688,165)	(593,024)	(661,861)	(630,741)
Net Change in Total Pension Liability	1,015,365	512,750	1,098,348	(159,870)	858,126	958,793	1,742,983	880,089	(46,947)	2,684,143
Total Pension Liability - Beginning	21,868,820	21,356,070	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>\$ 22,884,185</u>	<u>\$ 21,868,820</u>	<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	\$ 660,459	\$ 661,901	\$ 734,284	\$ 663,142	\$ 640,194	\$ 580,144	\$ 559,395	\$ 425,482	\$ 432,136	\$ 413,798
Contributions - Employees	170,271	160,641	155,928	186,271	160,993	159,751	145,573	150,130	158,168	143,460
Net Investment Income	1,302,836	588,134	(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	(1,035,051)	(826,056)	(836,726)	(955,727)	(816,505)	(785,270)	(688,165)	(593,024)	(661,861)	(630,741)
Administrative Expenses	(19,058)	(37,136)	(18,041)	(12,993)	(11,074)	(10,952)	(9,401)	(9,631)	(5,486)	(6,066)
Net Change in Plan Fiduciary Net Position	1,079,457	547,484	(972,681)	3,277,791	(127,844)	526,323	525,682	668,419	(140,339)	477,884
Plan Fiduciary Net Position - Beginning	14,325,436	13,777,952	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>\$ 15,404,893</u>	<u>\$ 14,325,436</u>	<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>\$ 7,479,292</u>	<u>\$ 7,543,384</u>	<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	67.32%	65.51%	64.52%	72.81%	56.19%	59.31%	59.54%	62.57%	61.84%	62.53%
Covered Employee Payroll	\$ 1,904,485	\$ 1,531,014	\$ 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	392.72%	492.71%	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.

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%
2023	630,367	661,901	(31,534)	1,531,014	43.23%
2024	643,349	660,459	(17,110)	1,904,485	34.68%

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN
THE CALCULATION OF THE 2024 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 2024 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 (18-year amortization in 2023)
Asset Method: 5 year smoothing of asset gains and losses
Salary Increases: Service-related table with rates grading from 11% to 3.5% 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: 6.80%, net of investment expenses
Retirement Rates:

Tier I		Tier II	
Age	Rate of Retirement	Age	Rate of Retirement
50-54	20%	50-54	5%
55-62	25%	55	40%
63	33%	56-62	25%
64	40%	63	33%
65-69	55%	64	40%
70+	100%	65-69	55%
		70+	100%

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 Survivor Mortality Table with 1.08 adjustment for males, with generational improvement Scale MP-2021 applied from 2010.
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.

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

Fiscal Year Ended April 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return Net of Investment Expense	9.17%	4.28%	-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.

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,	2025	2024	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY							
Service Cost	\$ 46,111	\$ 84,855	\$ 85,999	\$ 110,819	\$ 86,310	\$ 105,806	\$ 94,216
Interest on the Total OPEB Liability	51,987	98,839	90,990	48,363	65,476	60,351	62,463
Difference Between Expected And Actual Experience	(437,364)	(80,232)	(215,005)	(86,906)	(349,988)		
Postemployment Benefit Changes	0	(496,386)			379,403		
Assumption Changes	(266,222)	(112,208)	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	(605,488)	(505,132)	(7,375)	(243,005)	735,507	(7,423)	146,678
Total OPEB Liability - Beginning	1,785,948	2,291,080	2,298,455	2,541,460	1,805,953	1,813,376	1,666,698
Total OPEB Liability - Ending	<u>\$ 1,180,460</u>	<u>\$ 1,785,948</u>	<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	0	0
Total Plan Fiduciary Net Position - Beginning	0	0	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>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 8,411,448	\$ 9,226,368	\$ 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	14.03%	19.36%	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, 2025: 4.64%
Fiscal Year Ending April 30, 2024: 4.42%
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%
4/30/2024	-	-	-	9,226,368	0.00%
4/30/2025	-	-	-	<i>8,411,448</i>	0.00%

Notes to Schedule:

As of fiscal year ending 2021, the ADC is calculated in accordance with the Employer's substantive policy for financing plan benefits. For all prior years, the ADC is equal to the Annual Required Contribution (ARC) as calculated under GASB No. 45.

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.

Italicized amounts are yet to be determined

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 2025 OPEB LIABILITY

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Valuation Date	May 1, 2024
Measurement Date	April 30, 2025
Fiscal Year End	April 30, 2025
Actuarial Cost Method:	Individual Entry Age Normal as a level percentage of payroll
Discount Rate:	4.64% as of measurement period ending April 30, 2025
Annual Wage Increases:	2.75%
Price Inflation:	2.50%
Healthcare Reform:	Aspects of the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

Annual Healthcare Trend:	Year	
	Beginning	
	May 1,	Rate
	2024	7.25%
	2025	7.00%
	2026	6.75%
	2027	6.50%
	2028	6.25%
	2029	6.00%
	2030	5.75%
	2031	5.50%
	2032	5.25%
	2033	5.00%
	2034	4.75%
	2035+	4.50%

Annual Per-Capita Claims Costs: Starting per capita costs were developed using the fully-insured premium rates provided by the insurer as of the valuation date. These rates were then adjusted for differences in plan design and disaggregated into age-specific starting costs using average ages of participants and morbidity assumptions to reflect the relationship between costs and increase age. Fixed costs and fees are included in these costs to the extent the insurer or third-party administrator has already incorporated them in the based premium rates.

Age	Plan			Future Retirees
	Base	Buy-Up	H.S.A.	
40	\$ 9,128	\$ 8,710	\$ 7,425	\$ 8,492
45	10,535	10,052	8,569	9,800
50	12,747	12,162	10,368	11,858
55	15,763	15,041	12,821	14,664
60	19,339	18,453	15,730	17,991
64	22,895	21,846	18,622	21,299

Participation: *Future Retirees* : 60% 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.

Marital Status: *Future Retirees* : 50% of participating retirees are assumed to be married at retirement.

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

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

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

The mortality assumptions include a margin for future mortality improvements using Scale MP-2021 projected fully-generationally from the central year of data, 2010.

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 2025 OPEB LIABILITY

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 disabilities 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%

Retirement: Participants are assumed to retire in accordance with annual rates varying by service. Rates are only applicable if a participant is eligible to retire with a benefit. Sample rates are as follows:

Age	Police Tier 1		Police Tier 2		Others Tier 1		
	<32 YOS	32+ YOS	<30 YOS	30+ 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%

Age	Others Tier 2					
	Male			Female		
	<30 YOS	30-34 YOS	35+ YOS	<30 YOS	30-34 YOS	35+ YOS
62-66			75%			75%
67	30%	50%	75%	25%	50%	75%
68	30%	50%	75%	25%	50%	75%
69	25%	50%	75%	20%	50%	75%
70	20%	50%	75%	18%	50%	75%
71	20%	50%	75%	18%	50%	75%
72	20%	50%	75%	18%	50%	75%
73	18%	50%	75%	18%	50%	75%
74	18%	50%	75%	18%	50%	75%
75-79	18%	50%	75%	18%	50%	75%
80+	100%	100%	100%	100%	100%	100%

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
 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
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
2024	4,655,694	387,784	9,998,493	4,729,114	274,911	15,684	879,346	2,003,933	22,944,959
2025	4,881,492	257,219	10,014,339	3,836,435	398,190	19,498	1,372,056	2,326,293	23,105,522

COMMENTS

In fiscal year 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
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	8,970,917
2024	3,625,234	2,024,988	1,488,308	2,041,896	45,123	112,195		414,491	246,258	9,998,493
2025	3,762,799	2,040,974	1,698,175	2,059,571	48,868	106,264			297,688	10,014,339

COMMENTS

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

In fiscal year 2024 foreign fire insurance funds were in control by the foreign fire insurance board.

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>
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
2024	2,604,895	8,044,351	5,327,356	3,283,215	1,195,751	1,506,469	21,962,037
2025	2,678,497	6,292,900	3,743,745	3,806,023	1,314,689	1,859,098	19,694,952

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 2015	DEC 2016	DEC 2017	DEC 2018	DEC 2019	DEC 2020	DEC 2021	DEC 2022	DEC 2023	DEC 2024
ESTIMATED TAXABLE VALUE	\$ 532,837,035	\$ 541,215,249	\$ 552,063,054	\$ 569,838,918	\$ 595,861,524	\$ 612,997,809	\$ 640,103,757	\$ 693,646,632	\$ 747,895,278	\$ 828,149,541
ASSESSED VALUATION	177,612,345	180,405,083	184,021,018	189,946,306	198,620,508	204,332,603	213,367,919	231,215,544	249,298,426	276,049,847
TAX RATES:										
GENERAL	0.3330	0.3279	0.3298	0.3291	0.3249	0.3304	0.3269	0.3219	0.3243	0.3158
POLICE	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750	0.0737	0.0725	0.0731	0.0712
FIRE	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750	0.0737	0.0725	0.0731	0.0712
COMMUNITY BUILDING	0.0750	0.0739	0.0743	0.0742	0.0732	0.0750	0.0737	0.0725	0.0731	0.0712
PLAYGROUND & REC	0.0900	0.0887	0.0892	0.0890	0.0878	0.0900	0.0884	0.0870	0.0877	0.0854
BAND	0.0259	0.0255	0.0250	0.0211	0.0202	0.0196	0.0188	0.0173	0.0161	0.0145
POLICE PENSION	0.2367	0.3059	0.3125	0.3342	0.3323	0.3565	0.3081	0.2846	0.2648	0.2435
SOCIAL SECURITY	0.2619	0.2495	0.2446	0.2317	0.2165	0.2105	0.2344	0.2163	0.2014	0.1902
AUDIT	0.0096	0.0089	0.0087	0.0106	0.0101	0.0123	0.0118	0.0126	0.0161	0.0221
RETIREMENT	0.2787	0.2495	0.2446	0.2291	0.2165	0.2105	0.1664	0.1536	0.1404	0.1268
LIABILITY INSURANCE	0.1295	0.1636	0.1783	0.1712	0.1637	0.1591	0.1407	0.1384	0.1284	0.1160
SCHOOL CROSSING GUARD	0.0070	0.0056	0.0055	0.0048	0.0046	0.0045	0.0043	0.0039	0.0037	0.0033
AMBULANCE SERVICE	0.2500	0.2462	0.2476	0.2471	0.2439	0.2500	0.2454	0.2417	0.2435	0.2371
LEASE					0.0152	0.0147	0.0141	0.0130	0.0121	0.0109
PUBLIC COMFORT STATION	0.0141	0.0084	0.0109		0.0182	0.0177	0.0169	0.0217	0.0201	0.0091
TOTAL RATE-CITY CORP	1.8614	1.9014	1.9196	1.8905	1.8735	1.9008	1.7973	1.7295	1.6779	1.5883
LIBRARY	0.1500	0.1477	0.1486	0.1483	0.1464	0.1500	0.1473	0.1450	0.1461	0.1423
LIBRARY LIABILITY INSURANCE	0.0189	0.0183	0.0191	0.0187	0.0182	0.0172	0.0165	0.0151	0.0141	0.0127
TOTAL TAX RATE	2.0303	2.0674	2.0873	2.0575	2.0381	2.0680	1.9611	1.8896	1.8381	1.7433
TAX EXTENSIONS:										
GENERAL	\$ 591,449	\$ 591,549	\$ 606,901	\$ 625,113	\$ 645,318	\$ 675,115	\$ 697,500	\$ 744,283	\$ 808,475	\$ 871,766
POLICE	133,209	133,319	136,728	140,940	145,390	153,249	157,252	167,631	182,237	196,547
FIRE	133,209	133,319	136,728	140,940	145,390	153,249	157,252	167,631	182,237	196,547
COMMUNITY BUILDING	133,209	133,319	136,728	140,940	145,390	153,249	157,252	167,631	182,237	196,547
PLAYGROUND & REC	159,851	160,019	164,147	169,052	174,389	183,899	188,617	201,158	218,635	235,747
BAND	46,002	46,003	46,005	40,079	40,121	40,049	40,113	40,000	40,137	40,027
POLICE PENSION	420,408	551,859	575,066	634,801	660,016	728,446	657,387	658,039	660,142	672,181
SOCIAL SECURITY	465,167	450,111	450,115	440,106	430,013	430,120	500,134	500,119	502,087	525,047
AUDIT	17,051	16,056	16,010	20,134	20,061	25,133	25,177	29,133	40,137	61,007
RETIREMENT	495,006	450,111	450,115	435,167	430,013	430,120	355,044	355,147	350,015	350,031
LIABILITY INSURANCE	230,008	295,143	328,109	325,188	325,142	325,093	300,209	320,002	320,099	320,218
SCHOOL CROSSING GUARD	12,433	10,103	10,121	9,117	9,137	9,195	9,175	9,017	9,224	9,110
AMBULANCE SERVICE	444,031	444,157	455,636	469,357	484,435	510,832	523,605	558,848	607,042	654,514
LEASE					30,190	30,037	30,085	30,058	30,165	30,089
PUBLIC COMFORT STATION	25,043	15,154	20,058		36,149	36,168	36,059	50,176	50,109	25,121
TOTAL RATE-CITY CORP	3,306,076	3,430,222	3,532,467	3,590,934	3,721,154	3,883,954	3,834,861	3,998,873	4,182,978	4,384,499
LIBRARY	266,419	266,458	273,455	281,690	290,780	306,499	314,291	335,263	364,225	392,819
LIBRARY LIABILITY INSURANCE	33,569	33,014	35,148	35,520	36,149	35,145	35,206	35,145	35,151	35,058
TOTAL EXTENSIONS	\$ 3,606,064	\$ 3,729,694	\$ 3,841,070	\$ 3,908,144	\$ 4,048,083	\$ 4,225,598	\$ 4,184,358	\$ 4,369,281	\$ 4,582,354	\$ 4,812,376

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 <u>IN</u>	<u>MADISON</u> <u>COUNTY</u>	<u>SALINE</u> <u>TOWNSHIP</u>	<u>SALINE</u> <u>ROAD &</u> <u>BRIDGE</u>	<u>HIGHLAND</u> <u>SCHOOL</u> <u>DIST. #5</u>	<u>CITY OF</u> <u>HIGHLAND</u> <u>+ LIBRARY</u>	<u>S.W.I.C.</u> <u>DIST. #522</u>	<u>TOTAL</u>
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
2023	0.4371	0.0539	0.2292	4.4414	1.8381	0.3983	7.3980
2024	0.3938	0.0484	0.2078	4.4352	1.7433	0.3735	7.2020

RESIDENTS LIVING IN THE CITY OF HIGHLAND IN HELVETIA TOWNSHIP

YEAR LEVIED IN <u>IN</u>	<u>MADISON</u> <u>COUNTY</u>	<u>HELVETIA</u> <u>TOWNSHIP</u>	<u>HELVETIA</u> <u>ROAD &</u> <u>BRIDGE</u>	<u>HIGHLAND</u> <u>SCHOOL</u> <u>DIST. #5</u>	<u>CITY OF</u> <u>HIGHLAND</u> <u>+ LIBRARY</u>	<u>S.W.I.C.</u> <u>DIST. #522</u>	<u>TOTAL</u>
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	0.4470	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
2023	0.4371	0.1170	0.3956	4.4414	1.8381	0.3983	7.6275
2024	0.3938	0.1108	0.3833	4.4352	1.7433	0.3735	7.4399

TABLE 6

CITY OF HIGHLAND, ILLINOIS
 COMPUTATION OF LEGAL DEBT MARGIN
 APRIL 30, 2025

ASSESSED VALUATION FOR 2024	\$ 276,049,847
STATUTORY DEBT LIMITATION: 8.625% of Assessed Valuation	23,809,299
DEBT COUNTING AGAINST LIMIT	* <u>(9,528,433)</u>
LEGAL DEBT MARGIN	<u><u>\$ 14,280,866</u></u>

*Includes outstanding promissory notes for water improvements, debt certificates for public safety facility improvements, senior center lease, and debt certificates for the City Hall remodel. 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

YEAR ENDING APRIL 30,	POPULATION	ASSESSED VALUATION	GENERAL BONDED DEBT	RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUATION	BONDED DEBT PER CAPITA
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
2024	9,991	249,298,426	* 10,243,515	0.041	1025.27
2025	9,991	276,049,847	* 9,528,433	0.035	953.70

* 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		
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%
2024	* 534,429	* 310,730	* 845,159	21,962,037	3.8%
2025	* 715,082	* 330,929	* 1,046,011	19,694,952	5.3%

* 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	
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
2024	17,922,688	15,857,691	2,064,997	790,000	165,132	955,132	2.16
2025	19,589,259	16,635,161	2,954,098	805,000	148,068	953,068	3.10

*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)						
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
2024	252	10,027	61	16,834	26,861	2023	543,627	201,686	1,850	747,163
2025	315	10,368	49	16,356	26,724	2024	609,463	216,098	2,070	827,631

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

* Includes costs for a Walmart remodel

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
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)
2024	17,892,644	17,081,455	95.47	811,189	4.53
2025	19,212,679	18,463,731	96.10	748,948	3.90

*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
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)
2024	2,981,178	2,665,793	89.42	315,385	10.58
2025	3,034,039	2,918,184	96.18	115,855	3.82

*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	
		PERCENT OF GROSS REVENUE		PERCENT OF GROSS REVENUE	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
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
2024	2,543,080	2,197,549	86.41	345,531	13.59
2025	2,517,473	2,199,599	87.37	317,874	12.63

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

CITY OF HIGHLAND, ILLINOIS
MISCELLANEOUS STATISTICS
APRIL 30, 2025 (UNAUDITED)

Date of Incorporation	1884
Form of Government	Council/Manager
Number of Employees -	
Total	325
Full Time	94
Total Area	7.84 square miles
Number of Dwelling Units	4893
Population (Updated for 2020 Census)	9991

CITY OF HIGHLAND FACILITIES AND SERVICES

Fire Protection:

Number of Stations	2
Number of Firemen	31 Volunteers
Fire Insurance Rating	4

Police Protection:

Number of Policemen and Officers	22
Number of Police Vehicles	15

Ambulance:

Number of Ambulances in Service 24 hours per day	1
Number of Ambulances in Reserve	2
Number of Paramedics and Emergency Medical Technicians	9 Full Time 11 Part Time

Culture and Recreation:

Public Library (Volume of Books and Audio Visuals)	1 (104,555 items)
Parks	13
Ball Diamonds Available	16
Tennis Courts Available	6
Public Pools	2
Recreation Buildings	2
Senior Citizen Centers	2
Skate Park	1
Disc Golf Course	1
Arboretum	1
Pavilions	8

Electric Service:

Number of Accounts	6,954 customers
Area Serviced	64.0 square miles

Water Service:

Number of Accounts	4,985 customers
Water Districts	4
Average Daily Demand	1.100 MG/day
Treatment Capacity	4.2 MG/day

Sewer Service:

Number of Accounts	4,607 customers
Present Flow	1.600 MG/day
Treatment Capacity	2.0 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	99	1,264
Middle School	2	54	657
High School	1	<u>66</u>	<u>796</u>
		219	2,717

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	5