

# VILLAGE OF SOUTH CHICAGO HEIGHTS, ILLINOIS

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## ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2017



# Village of South Chicago Heights, Illinois

Annual Financial Report  
December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable President and Board of Trustees  
Village of South Chicago Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of South Chicago Heights, Illinois as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of South Chicago Heights, Illinois as of December 31, 2017, 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.

### Emphasis of Matter

As discussed in Note IV G to the financial statements, the Village of South Chicago Heights, Illinois changed their method of accounting for property tax revenue recognition and other non-exchange revenues in order to comply with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*. In addition, they changed their accounting for the sale of future lease revenues to comply with GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Beginning net position was adjusted as a result of these changes. Our opinion is not modified with respect to these matters.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in Village net pension liability and related ratios, schedules of Village contributions, and schedule of funding progress for retiree health plan on pages 3–14 and 66–102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of South Chicago Heights, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and the schedules of long-term debt requirements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*GW & Associates, P.C.*

Hillside, Illinois  
May 25, 2018

## Management's Discussion and Analysis

As management of the Village of South Chicago Heights, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Village of South Chicago Heights for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the basic and supplementary financial information provided in this report.

### Financial Highlights

The assets of the Village of South Chicago Heights exceeded its liabilities at the close of the most recent fiscal year by \$2,278,464 (net position). Of this amount, -\$8,510,265 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.

The Village's total net position decreased by \$79,933 in fiscal year 2017. Retirement of debt related to capital facilities increased the net investment in capital assets by \$395,777. Restricted net position increased by \$179,791 and unrestricted net position decreased \$655,461. The decrease in net position from governmental activities was \$478,032 compared to the prior fiscal year and the increase in net position from business-type activities was \$398,099 compared to the prior fiscal year.

As of the close of the current fiscal year the Village's governmental funds reported combined ending fund balances of \$3,440,560, an increase of \$236,741 in comparison with the prior year. Of this total amount, \$386,493 is available for spending at the Village's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$371,007, or 7.9% of annualized total General Fund expenditures. The General Fund posted a net decrease of \$147,112 from operations and a total change in fund balance of -\$116,737 after transfers to and from other funds.

The Village's total debt decreased by \$737,237 (13.8%) during the current fiscal year. No new debt was issued or retired.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of South Chicago Heights' basic financial statements. The Village's basic financial statements are comprised of three components: 1) governmental-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The governmental-wide financial statements are designed to provide readers with a broad overview of the Village of South Chicago Heights' finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all the Village's assets and liabilities, with the difference between the two reported as net position. Over time increases and decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, highways and street and culture and recreation. The business-type activities of the Village include water and sewer operations.

The government-wide financial statements can be found on pages 15-18 of this report.

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

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

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

The Village of South Chicago Heights maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Non-home Rule Sales Taxes Fund, Debt Service Fund, and Tax Increment Financing Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriations ordinance for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this ordinance.

The basic governmental fund financial statements can be found on pages 19-23 of this report.

*Proprietary funds* - used by the Village are of the enterprise type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water operation, sewer operation and rental of property held for future use.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sewer Fund and Property Management Fund,, which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

*Fiduciary funds* - are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 29-65 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 66-102 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 103-124 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of South Chicago Heights, assets exceeded liabilities by \$2,278,464 at the close of the most recent fiscal year.

The largest portion of the Village of South Chicago Heights's net position reflects its investment in capital assets (land, buildings, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors.



### Village of South Chicago Heights Net Position

	Governmental activities		Business-type activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Current assets	\$ 7,298,453	\$ 7,006,258	\$ 41,278	\$ 20,196	\$ 7,339,731	\$ 7,026,454
Capital assets	5,731,102	5,925,899	4,544,322	4,780,985	10,275,424	10,706,884
Deferred outflows of resources	1,153,891	1,263,369	37,448	61,681	1,191,339	1,325,050
Total assets and deferred outflows	<u>\$ 14,183,446</u>	<u>\$ 14,195,526</u>	<u>\$ 4,623,048</u>	<u>\$ 4,862,862</u>	<u>\$ 18,806,494</u>	<u>\$ 19,058,388</u>
Current liabilities	\$ 713,930	\$ 891,673	\$ 1,053,841	\$ 1,093,870	\$ 1,767,771	\$ 1,985,543
Long-term liabilities	9,376,063	9,278,901	1,942,946	2,632,247	11,319,009	11,911,148
Deferred inflows of resources	2,819,833	2,273,300	621,417	530,000	3,441,250	2,803,300
Total liabilities and deferred inflows	<u>\$ 12,909,826</u>	<u>\$ 12,443,874</u>	<u>\$ 3,618,204</u>	<u>\$ 4,256,117</u>	<u>\$ 16,528,030</u>	<u>\$ 16,699,991</u>
Net position						
Invested in capital assets						
net of related debt	\$ 3,482,065	\$ 3,460,918	\$ 4,039,630	\$ 3,665,000	\$ 7,521,695	\$ 7,125,918
Restricted	3,267,034	3,087,283	-	-	3,267,034	3,087,283
Unrestricted	(5,475,479)	(4,796,549)	(3,034,786)	(3,058,255)	(8,510,265)	(7,854,804)
Total net position	<u>\$ 1,273,620</u>	<u>\$ 1,751,652</u>	<u>\$ 1,004,844</u>	<u>\$ 606,745</u>	<u>\$ 2,278,464</u>	<u>\$ 2,358,397</u>

At the end of the current fiscal year the Village is able to report positive balances in two of three categories of net position for the government as a whole. The negative balance of unrestricted net position is primarily a reflection of the Village's long-term pension and benefit liabilities.

The Village's net position decreased by \$79,933 during the current fiscal year. Total net position was positively affected as the Village pays off long-term debt without issuing any new debt in the year. The Village's overall cash and investment position was nearly unchanged, increasing only 0.3% from the prior year.

#### Governmental activities

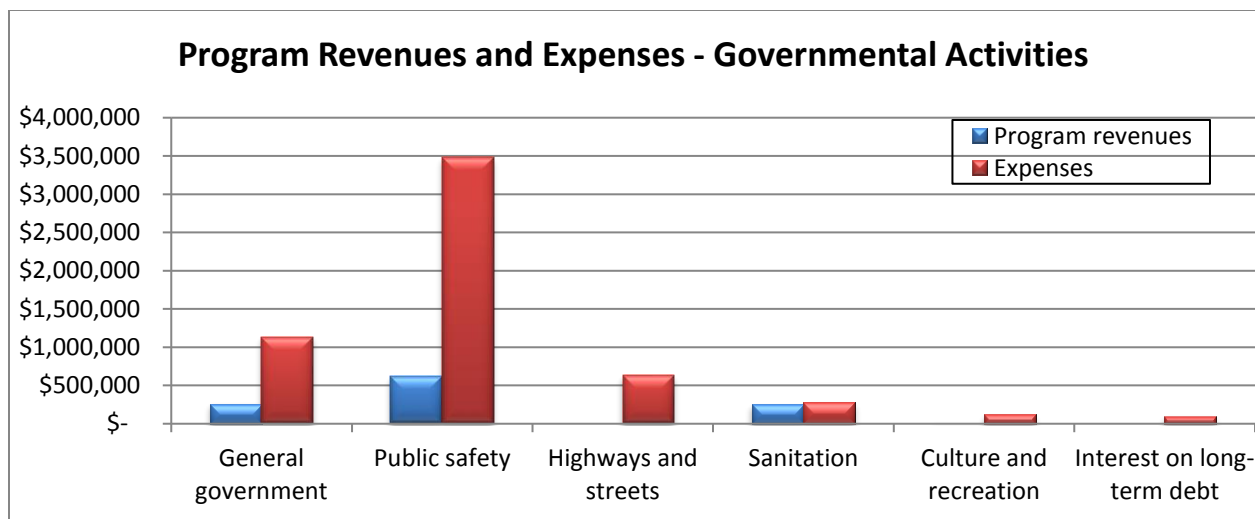
Governmental activities decreased the Village's net position by \$478,032 in the current year. Compared to last fiscal year revenues decreased 8.6% and expenses decreased 1.6%.

Overall property tax revenue increased 1.4% from the prior year. Due to the weak real estate market in the South Suburbs collection rates for the 2010 through 2017 tax levy years have fallen from the historic range of 98% - 100% to the 89% - 95% range for corporate levies. Collections for the Village's TIF areas rebounded slightly in 2017, reversing a declining trend over the last several years, but still only half of what was collected in 2010. The Village continues to levy the maximum amount allowed under State tax caps, but new growth in assessed value has been near zero for several years.

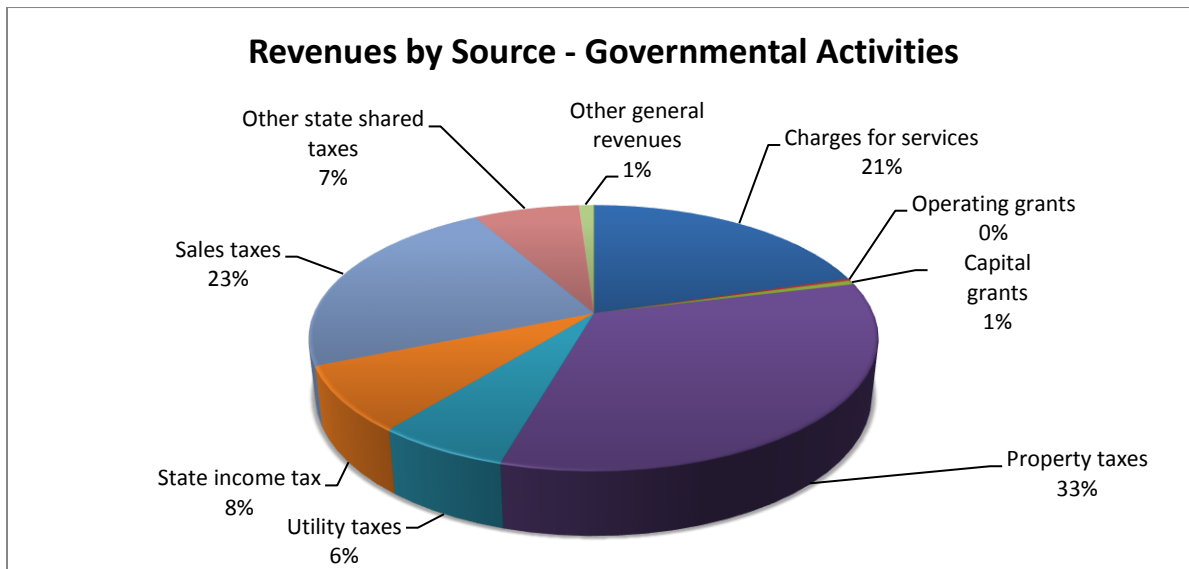
State shared taxes have become an increasingly important portion of the Village's governmental revenue, particularly sales and income taxes. State income taxes increased 11.8% while sales taxes decreased 3.0% and all other intergovernmental sources (use, motor fuel telecommunications, personal property replacement and video gaming taxes) increased 1.1% from the prior year. A large percentage increase again has come from the State video gaming tax which rose 6.9% from the prior fiscal year; but as we expected increases from this revenue has flattened as the addition of new terminals has reached the saturation point. Tax distributions from the State of Illinois remained at three months in arrears at the end of 2017 while other state distributions are released on an erratic schedule as a result of ongoing State cash shortfalls.

## Village of South Chicago Heights Changes in Net Position

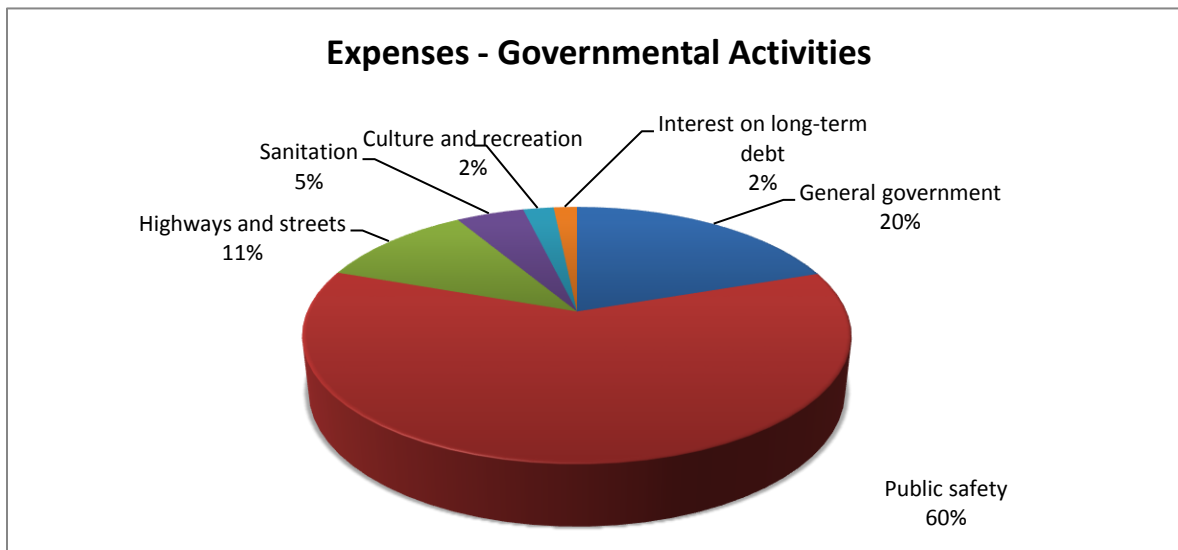
	Governmental activities		Business-type activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 1,136,912	\$ 1,786,587	\$ 1,348,940	\$ 1,322,105	\$ 2,485,852	\$ 3,108,692
Operating grants & contributions	15,204	57,521	-	-	15,204	57,521
Capital grants & contributions	28,122	41,698	-	-	28,122	41,698
General revenues						
Property taxes	1,852,620	1,698,668	478,472	463,130	2,331,092	2,161,798
State shared taxes	2,127,231	2,116,332	-	-	2,127,231	2,116,332
Other taxes	354,307	357,328	-	-	354,307	357,328
Other revenues	56,738	34,313	-	800	56,738	35,113
<b>Total revenues</b>	<b>\$ 5,571,134</b>	<b>\$ 6,092,447</b>	<b>\$ 1,827,412</b>	<b>\$ 1,786,035</b>	<b>\$ 7,398,546</b>	<b>\$ 7,878,482</b>
<b>Expenses:</b>						
General government	\$ 1,441,572	\$ 1,563,389	\$ -	\$ -	\$ 1,441,572	\$ 1,563,389
Public safety	3,478,845	3,463,584	-	-	3,478,845	3,463,584
Highways & streets	632,671	619,486	-	-	632,671	619,486
Sanitation	274,765	269,706	-	-	274,765	269,706
Culture & recreation	123,482	132,477	-	-	123,482	132,477
Interest on long-term debt	94,231	97,453	-	-	94,231	97,453
Water system	-	-	1,322,152	1,456,063	1,322,152	1,456,063
Sewer system	-	-	89,055	156,749	89,055	156,749
Property management	-	-	21,706	113,530	21,706	113,530
<b>Total expenses</b>	<b>\$ 6,045,566</b>	<b>\$ 6,146,095</b>	<b>\$ 1,432,913</b>	<b>\$ 1,726,342</b>	<b>\$ 7,478,479</b>	<b>\$ 7,872,437</b>
<b>Excess(deficiency) before transfers</b>	<b>\$ (474,432)</b>	<b>\$ (53,648)</b>	<b>\$ 394,499</b>	<b>\$ 59,693</b>	<b>\$ (79,933)</b>	<b>\$ 6,045</b>
<b>Transfers</b>	<b>\$ (3,600)</b>	<b>\$ (95,550)</b>	<b>\$ 3,600</b>	<b>\$ 95,550</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Increase (decrease) in net position</b>	<b>\$ (478,032)</b>	<b>\$ (149,198)</b>	<b>\$ 398,099</b>	<b>\$ 155,243</b>	<b>\$ (79,933)</b>	<b>\$ 6,045</b>
<b>Net position, January 1, as restated</b>	<b>\$ 1,751,652</b>	<b>\$ 1,870,850</b>	<b>\$ 606,745</b>	<b>\$ 451,502</b>	<b>\$ 2,358,397</b>	<b>\$ 2,322,352</b>
<b>Net position, December 31</b>	<b>\$ 1,273,620</b>	<b>\$ 1,721,652</b>	<b>\$ 1,004,844</b>	<b>\$ 606,745</b>	<b>\$ 2,278,464</b>	<b>\$ 2,328,397</b>



Overall charges for services decreased 36.4%, however this amount is skewed because of a one-time, lump sum recognition of antenna tower rent in 2016. Other than rent, charges for services increased in 2017 led by license & permit revenue, up 14.5% and fine revenue, up 10.3%, both higher than estimated. Conversely ambulance service charges and garbage service charges both missed their estimates and were 1.7% lower and 1.5% higher than in 2016, respectively.



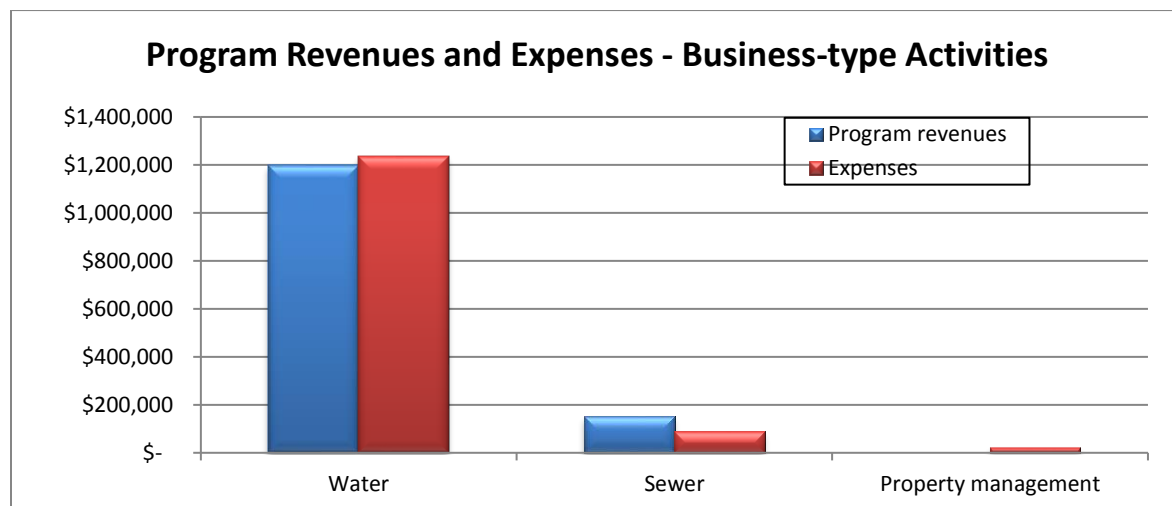
The Village actively seeks grants to offset costs that cannot be recovered through user charges. In 2017 the Village received \$9,369 to partially fund a replacement defibrillator, and \$11,355 for public safety training and education. In addition, the Village continues to apply for and be awarded State and local grants for various public safety enforcement programs.



Overall expenses decreased 6.6% from the last fiscal year. General government expenses decreased 27.4% in 2017 while public safety expenses rose 0.4% with both components affected primarily by significant swings in net pension liabilities (general government - lower expense, public safety - higher expense) and by decreased capital asset depreciation after the write-off of obsolete buildings and equipment in 2016. Additionally highways & streets services increased 2.1% from additional maintenance activities related to vacant properties; sanitation services increased 1.0% per the contract with the service provider; recreation program expenses decreased 6.7%; and interest on debt decreased 3.3%.

### Business-type activities

Business-type activities increased the Village's net position by \$398,099, with positive results (exclusive of depreciation) in both the Water and Sewer funds. With no changes to users rates, revenues were 2.2% greater from water services and 0.7% greater from sewer services than the prior year. A 20% decrease in expenses in both funds can largely be attributed to the milder than normal 2017 Winter which significantly reduced both in-house and contractual system repair costs. In addition, increased accuracy from the replaced water meters positively impacted revenues in a year of lower customer usage and supplier cost.



### Financial Analysis of the Government's Funds

As noted earlier, the Village of South Chicago Heights uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,440,560, an increase of \$236,741 in comparison with the prior year. Of this total amount \$2,446,675 is restricted for capital projects and/or tax relief, \$352,894 is restricted for improvements within the Village's TIF area, \$235,686 is restricted for

State approved street projects, \$1,950 is restricted for debt service, and \$16,862 is non-spendable; the remainder constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$371,007. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 7.9% of total annualized General Fund expenditures.

The fund balance of the Village's General Fund decreased by \$116,737, during the current fiscal year which included a non-recurring \$250,000 transfer from the Non-home Rule Sales Taxes Fund. Actual expenditures were \$408,963 less than what was budgeted and revenues were \$7,174 less than estimated. Other than a one-time recognition of deferred rent in 2016, revenues decreased 0.7% from 2016 and without new sources they are, at best, expected to trend level with inflation.

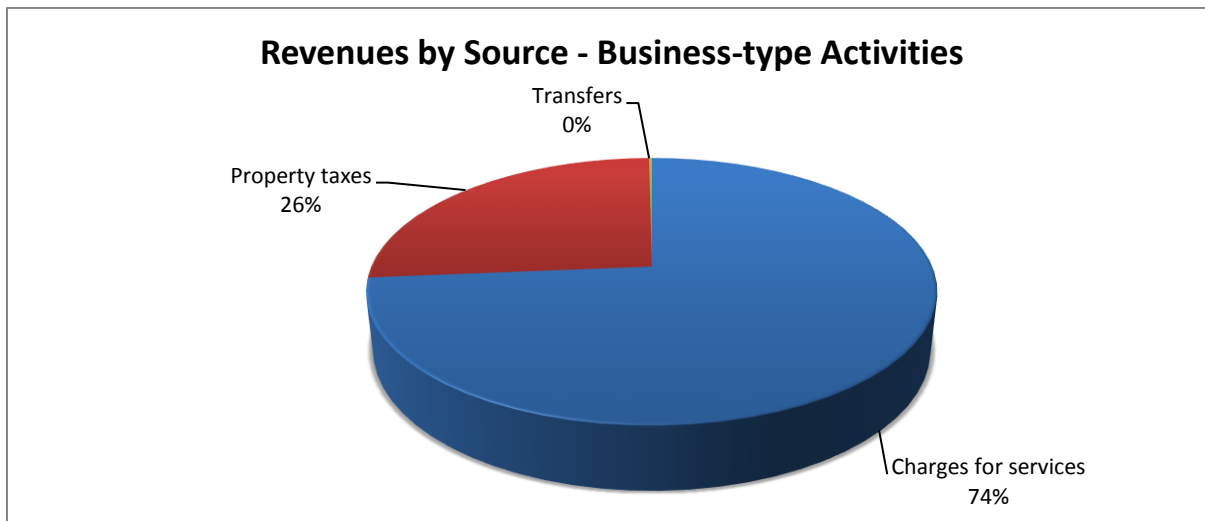
The Non-home Rule Sales Taxes Fund accounts for revenues from the Village's specially implemented 1% non-home rule sales tax. Revenues are being accumulated in this fund to finance, via transfers, capital projects in other funds. For the year, revenues were 4.8% less than the prior year with a fund balance increase of \$114,630. Without a significant addition to the retail sales base within the Village, fund revenues are expected to remain within a narrow range with some year-to-year changes but with little future growth.

The Debt Service Fund accounts for debt payments for the Series 2015 GO bonds, and one equipment note. Fund balance remains at a minimal level since revenues and expenditures approximate break-even each year.

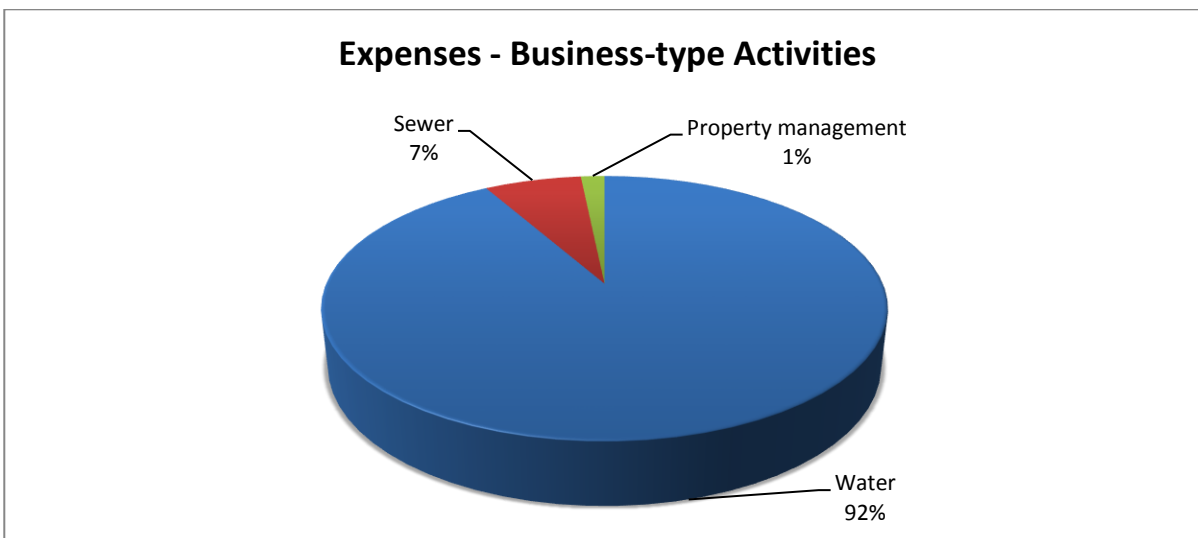
The fund balance of the Tax Increment Financing Fund increased by \$129,821 during the current fiscal year and revenues were 57.3% greater than estimated because of both a rebound in assessed values for Area #1 and new growth in increment generated in Area #4. Areas #2 assessed values remain below base levels making this area a target for early termination and recreation at new lower base assessment level in order to capture new growth that would have been unrealized under the older, higher base.

*Proprietary funds* - The Village's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the current fiscal year amounted to -\$879,157, with \$2,389,286 of this amount being the Village's net investment in capital assets of the water system. The 2015 project to replace all of the meters in the water system, which was intended to improve billing accuracy, has helped to improve revenues reducing the net loss from operations to \$24,023, however the increase in debt expense from the project negatively impacted the Fund's cash position resulting in a net cash decrease of \$3,336 for the year.



Net position of the Sewer Fund at the end of the current fiscal year amounted to \$1,630,004 with \$1,124,131 of this amount being the Village's net investment in capital assets of the sewer system. The total increase in net position was \$69,348 and the fund's cash position increased \$139,564.



Net position of the Property Management Fund amounted to \$253,997 with \$526,213 of this amount being the Village's net investment in capital assets. The total decrease in net position was \$18,106 entirely attributable to depreciation expense on fund capital assets. The long-term plans for the real property assets of this fund will need to be reviewed as the original planned use as a Metra commuter rail station becomes more unlikely in the foreseeable future.

### **General Fund Budgetary Highlights**

The Village made no supplemental appropriation and one transfer of appropriations during the fiscal year. Overall actual expenditures were \$408,963 less than budgeted, however

safety and electrical updates for the Senior Center kitchen required transfers from other departments to the Senior Center budget in the amount of \$9,710; legal expenditures connected with the demolition of vacant residential properties required a \$1,000 transfer from the Legal budget to the Building & Code Enforcement budget, while a \$635 transfer from the Legal budget covered the cost of required notification signage in the Zoning Board budget; unexpected insurance expenditures required a \$6,385 transfer to the Village Board budget; and unanticipated building repairs required a transfer of \$1,175 to the Building Maintenance budget, both coming from the General Administration Department.

## Capital Asset and Debt Administration

**Capital assets** - The Village of South Chicago Heights's net investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$10,275,424. This investment in capital assets includes land, buildings, improvements, systems, machinery and equipment, park facilities, streets and bridges. The total increase in the Village's investment in capital assets for the current fiscal year was \$189,154. Depreciation of these assets reduced the total amount by \$620,614 (\$383,951 for governmental activities and \$236,663 for business-type activities).

### Village of South Chicago Heights Capital Assets

(net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Land	\$ 513,274	\$ 513,274	\$ 291,500	\$ 291,500	\$ 804,774	\$ 804,774
Buildings	3,774,231	3,910,696	319,230	345,861	4,093,461	4,256,557
Equipment	41,482	62,041	32,082	37,828	73,564	99,869
Vehicles	159,980	99,971	17,182	22,477	177,162	122,448
Street infrastructure	1,242,135	1,339,917	-	-	1,242,135	1,339,917
Sewer system	-	-	1,092,049	1,157,765	1,092,049	1,157,765
Water system	-	-	2,792,279	2,925,554	2,792,279	2,925,554
Total	<u>\$ 5,731,102</u>	<u>\$ 5,925,899</u>	<u>\$ 4,544,322</u>	<u>\$ 4,780,985</u>	<u>\$ 10,275,424</u>	<u>\$ 10,706,884</u>

Additional information on the Village's capital assets can be found in the notes to the financial statements of this report.

**Long-term debt** - At the end of the current fiscal year, the Village of South Chicago Heights had total outstanding bonded debt of \$2,704,692, along with long-term notes payable of \$49,037 and capital lease obligations of \$1,846,295. These amounts are comprised of debt backed by the full faith and credit of the Village. The Village's total long-term debt decreased by \$737,237 (13.8%) during the current fiscal year; no new debt was issued.

## Village of South Chicago Heights Outstanding Debt

	Governmental activities		Business-type activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
General obligation bonds	\$ 2,200,000	\$ 2,295,000	\$ 504,692	\$ 976,842	\$ 2,704,692	\$ 3,271,842
Long-term notes payable	49,037	79,981	-	-	49,037	79,981
Capital lease obligations	-	-	1,846,295	1,985,438	1,846,295	1,985,438
Total	<u>\$ 2,249,037</u>	<u>\$ 2,374,981</u>	<u>\$ 2,350,987</u>	<u>\$ 2,962,280</u>	<u>\$ 4,600,024</u>	<u>\$ 5,337,261</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total equalized assessed valuation. The current debt limitation for the Village of South Chicago Heights is \$5,556,981. The business-type general obligation bonds are exempt from this limitation because they were issued to finance the conversion from a well based water supply to a Lake Michigan water supply.

Additional information on the Village's long-term debt can be found in the notes to the financial statements of this report.

### Economic Factors and Next Year's Budgets and Rates

Despite the positive economic trends reported in the national media, economic growth in South Chicago Heights and all of South Cook County remains painfully slow. While business activity seems to have halted its downward trend of the recent recession, a full recovery has not yet materialized. Within the Village's retail core, the stores with national or large regional recognition continue to provide the Village with a stable sales tax base, however the large number of vacancies within the Village's main business corridors are evidence that small, local owners are not as secure. Privately-funded capital improvements within the business district are still being made, but again only by the strongest property owners. In addition, when the Cook County Assessor's office changed its assessment method it resulted in assessed values within the Village's tax increment financing areas falling appreciably leading to significantly lower tax increment generated for redevelopment. Housing prices remain weak but stable.

The Village's 2018 budget is a return to "normal" levels of capital spending after 2016's high (new public safety building) and 2017's low (replacement equipment only). The 2018 budget includes infrastructure rehabilitation for streets, funded by a CDBG grant and Motor Fuel taxes, and continuation of the sewer relining program. Additionally, improvements at Village Hall include a front office remodel and replacement of legacy software with integrated enterprise accounting and management software. Operationally the 2018 budget focuses on increased efforts on fire inspectional services, increased maintenance of vacant properties and hiring of additional full-time police officers.

An anticipated water rate increase from the Village's supplier has been built into the 2018 rate estimate, however it will not be implemented until the supplier rate increase is confirmed. Likewise, the Village garbage disposal program is intended to operate on a break-even basis from customer charges and will increase 11% at the start of the year to accomplish that goal. License and permit fees were last adjusted in 2007, and will get a comprehensive update during 2018. As a non-home rule government, the Village has little control over its property tax rates, so the 2018 budget include only a minimal tax increase to the extent allowed under the State cap,



## **Requests for Information**

This financial report is designed to provide a general overview of the Village of South Chicago Heights's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of South Chicago Heights Finance Director, 3317 Chicago Road, South Chicago Heights, Illinois 60412.

## BASIC FINANCIAL STATEMENTS



# Village of South Chicago Heights, Illinois

## Statement of Net Position

December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,350,479	\$ 169,780	\$ 2,520,259
Investments	380,845	-	380,845
Receivables (net of allowance for uncollectibles)	3,538,042	852,624	4,390,666
Internal balances	1,012,225	(1,012,225)	-
Inventories	2,574	30,799	33,373
Prepaid items	14,288	300	14,588
<b>Total current assets</b>	<u>\$ 7,298,453</u>	<u>\$ 41,278</u>	<u>\$ 7,339,731</u>
<b>Noncurrent assets</b>			
Capital assets (net of accumulated depreciation)			
Land	\$ 513,274	\$ 291,500	\$ 804,774
Buildings and system	3,717,147	4,203,258	7,920,405
Improvements other than buildings	57,084	-	57,084
Machinery and equipment	201,462	49,564	251,026
Infrastructure	1,242,135	-	1,242,135
<b>Total noncurrent assets</b>	<u>\$ 5,731,102</u>	<u>\$ 4,544,322</u>	<u>\$ 10,275,424</u>
<b>Total assets</b>	<u>\$ 13,029,555</u>	<u>\$ 4,585,600</u>	<u>\$ 17,615,155</u>
<b>Deferred outflows of resources</b>			
Deferred Items - IMRF	\$ 130,255	\$ 37,448	\$ 167,703
Deferred Items - Police Pension	1,022,195	-	1,022,195
Deferred Items - Firefighters' Pension	1,441	-	1,441
<b>Total deferred outflows of resources</b>	<u>1,153,891</u>	<u>37,448</u>	<u>1,191,339</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 14,183,446</u></u>	<u><u>\$ 4,623,048</u></u>	<u><u>\$ 18,806,494</u></u>

# Village of South Chicago Heights, Illinois

## Statement of Net Position

December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and other current liabilities	\$ 570,125	\$ 359,823	\$ 929,948
Accrued interest payable	7,432	44,120	51,552
Current portion on long term liabilities			
Notes Payable	16,949	143,447	160,396
Bonds Payable	95,000	504,692	599,692
Compensated Absences	24,424	1,759	26,183
<b>Total current liabilities</b>	<u>\$ 713,930</u>	<u>\$ 1,053,841</u>	<u>\$ 1,767,771</u>
<b>Noncurrent liabilities:</b>			
Notes Payable	\$ 32,088	\$ 1,702,848	\$ 1,734,936
Bonds Payable	2,105,000	-	2,105,000
Net Pension Liability - IMRF	873,747	237,944	1,111,691
Net Pension Liability - Police Pension	4,383,055	-	4,383,055
Net Pension Liability - Firefighters' Pension	464,600	-	464,600
Net OPEB Obligation	1,488,380	-	1,488,380
Compensated Absences	29,193	2,154	31,347
<b>Total noncurrent liabilities</b>	<u>\$ 9,376,063</u>	<u>\$ 1,942,946</u>	<u>\$ 11,319,009</u>
<b>Total liabilities</b>	<u>\$ 10,089,993</u>	<u>\$ 2,996,787</u>	<u>\$ 13,086,780</u>
<b>Deferred inflows of resources</b>			
Property taxes	\$ 2,456,571	\$ 540,000	\$ 2,996,571
Deferred items - IMRF	283,194	81,417	364,611
Deferred Items - Police Pension	80,068	-	80,068
<b>Total deferred inflows of resources</b>	<u>\$ 2,819,833</u>	<u>\$ 621,417</u>	<u>\$ 3,441,250</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>\$ 12,909,826</u>	<u>\$ 3,618,204</u>	<u>\$ 16,528,030</u>
<b>Net Position</b>			
Net Investment in capital assets	\$ 3,482,065	\$ 4,039,630	\$ 7,521,695
Restricted for:			
Economic development	582,723	-	582,723
Highways & streets	235,686	-	235,686
Debt service	1,950	-	1,950
Capital projects / tax relief	2,446,675	-	2,446,675
Unrestricted	(5,475,479)	(3,034,786)	(8,510,265)
<b>Total net position</b>	<u>\$ 1,273,620</u>	<u>\$ 1,004,844</u>	<u>\$ 2,278,464</u>

# Village of South Chicago Heights, Illinois

## Statement of Activities

For the Year Ended December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,441,572	\$ 258,491	\$ 500	\$ -
Public safety	3,478,845	615,356	14,704	28,122
Highways and streets	632,671	439	-	-
Sanitation	274,765	254,603	-	-
Culture and recreation	123,482	8,023	-	-
Interest on long-term debt	94,231	-	-	-
Total governmental activities	\$ 6,045,566	\$ 1,136,912	\$ 15,204	\$ 28,122
Business-type activities:				
Water	\$ 1,322,152	\$ 1,197,196	\$ -	\$ -
Sewer	89,055	151,744	-	-
Property Management	21,706	-	-	-
Total business-type activities	\$ 1,432,913	\$ 1,348,940	\$ -	\$ -
Total primary government	\$ 7,478,479	\$ 2,485,852	\$ 15,204	\$ 28,122

### General revenues:

Property taxes  
Utility taxes  
State income tax  
Sales taxes  
Motor fuel tax  
Other state shared taxes  
Unrestricted investment earnings  
Other general revenues  
Gain on sale of capital assets

### Transfers

### Total general revenues and transfers

Change in net position

Net position, January 1, as restated

### Net position, December 31

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Primary Government	
	Business-type Activities	Total
\$ (1,182,581)	\$ -	\$ (1,182,581)
(2,820,663)	-	(2,820,663)
(632,232)	-	(632,232)
(20,162)	-	(20,162)
(115,459)	-	(115,459)
(94,231)	-	(94,231)
<u>\$ (4,865,328)</u>	<u>\$ -</u>	<u>\$ (4,865,328)</u>
\$ -	\$ (124,956)	\$ (124,956)
-	62,689	62,689
-	(21,706)	(21,706)
<u>\$ -</u>	<u>\$ (83,973)</u>	<u>\$ (83,973)</u>
<u><b>\$ (4,865,328)</b></u>	<u><b>\$ (83,973)</b></u>	<u><b>\$ (4,949,301)</b></u>
\$ 1,852,620	\$ 478,472	\$ 2,331,092
354,307	-	354,307
444,443	-	444,443
1,281,006	-	1,281,006
105,572	-	105,572
296,210	-	296,210
18,910	-	18,910
28,278	-	28,278
9,550	-	9,550
<u>\$ (3,600)</u>	<u>\$ 3,600</u>	<u>\$ -</u>
<u><b>\$ 4,387,296</b></u>	<u><b>\$ 482,072</b></u>	<u><b>\$ 4,869,368</b></u>
\$ (478,032)	\$ 398,099	\$ (79,933)
\$ 1,751,652	\$ 606,745	\$ 2,358,397
<u><b>\$ 1,273,620</b></u>	<u><b>\$ 1,004,844</b></u>	<u><b>\$ 2,278,464</b></u>

# Village of South Chicago Heights, Illinois

## Governmental Funds

### Balance Sheet

December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	General Fund	Non-home rule Sales Taxes Fund	Tax Increment Financing Fund	Debt Service Fund
<b>Assets</b>				
Assets				
Cash and cash equivalents	\$ 113,247	\$ 1,352,617	\$ 588,470	\$ 19
Investments	380,845	-	-	-
Receivable (net of allowance for uncollectibles)	2,676,273	105,828	547,401	199,394
Due from other funds	-	1,012,225	-	-
Prepaid items	14,288	-	-	-
Inventory	462	-	-	-
<b>Total assets</b>	<b>\$ 3,185,115</b>	<b>\$ 2,470,670</b>	<b>\$ 1,135,871</b>	<b>\$ 199,413</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities				
Accounts / vouchers payable	\$ 162,771	\$ -	\$ 237,614	\$ -
Accrued payroll	119,518	-	-	-
Deposits payable	8,000	-	-	-
<b>Total liabilities</b>	<b>\$ 290,289</b>	<b>\$ -</b>	<b>\$ 237,614</b>	<b>\$ -</b>
Deferred inflows of resources				
Property and intergovernmental taxes	\$ 2,107,860	\$ 35,873	\$ 545,363	\$ 197,463
Charges for services, fines and grants	401,209	-	-	-
<b>Total deferred inflows of resources</b>	<b>\$ 2,509,069</b>	<b>\$ 35,873</b>	<b>\$ 545,363</b>	<b>\$ 197,463</b>
Fund Balances				
Nonspendable	\$ 14,750	\$ -	\$ -	\$ -
Restricted for capital projects / tax relief	-	2,434,797	-	-
Restricted for economic development	-	-	352,894	-
Restricted for highways & streets	-	-	-	-
Restricted for debt service	-	-	-	1,950
Unassigned	371,007	-	-	-
<b>Total fund balances</b>	<b>\$ 385,757</b>	<b>\$ 2,434,797</b>	<b>\$ 352,894</b>	<b>\$ 1,950</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,185,115</b>	<b>\$ 2,470,670</b>	<b>\$ 1,135,871</b>	<b>\$ 199,413</b>

Amounts reported for governmental activities in the statement of net position are different because:

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Deferred inflows and outflows of resources related to the net pension liability are not current financial resources and therefore are not reported in the governmental funds.

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

Net position of governmental activities

Non-major Governmental Funds	Total Governmental Funds
\$ 296,126	\$ 2,350,479
-	380,845
9,146	3,538,042
-	1,012,225
-	14,288
2,112	2,574
<b>\$ 307,384</b>	<b>\$ 7,298,453</b>

\$ 42,222	\$ 442,607
-	119,518
-	8,000
<b>\$ 42,222</b>	<b>\$ 570,125</b>

\$ -	\$ 2,886,559
-	401,209
<b>\$ -</b>	<b>\$ 3,287,768</b>

\$ 2,112	\$ 16,862
11,878	2,446,675
-	352,894
235,686	235,686
-	1,950
15,486	386,493
<b>\$ 265,162</b>	<b>\$ 3,440,560</b>
<b>\$ 307,384</b>	

\$ 5,731,102

831,197

790,629

(9,519,868)

**\$ 1,273,620**



# Village of South Chicago Heights, Illinois

## Governmental Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Year Ended December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	General Fund	Non-home rule Sales Taxes Fund	Tax Increment Financing Fund	Debt Service Fund
<b>Revenues</b>				
Local taxes	\$ 1,729,182	\$ -	\$ 255,649	\$ 176,804
State shared taxes	1,614,813	424,560	-	-
Licenses and permits	261,935	-	-	-
Charges for services	398,081	-	-	-
Fines and forfeitures	351,174	-	20,000	-
Rent	94,274	-	-	-
Grants	33,290	-	-	-
Interest	16,295	-	780	-
Reimbursements	28,344	-	-	-
Other revenue	6,013	-	-	-
<b>Total revenues</b>	<b>\$ 4,533,401</b>	<b>\$ 424,560</b>	<b>\$ 276,429</b>	<b>\$ 176,804</b>
<b>Expenditures</b>				
Current				
General government	\$ 1,150,815	\$ -	\$ 146,608	\$ -
Public safety	2,437,064	-	-	-
Highways and streets	498,610	-	-	-
Sanitation	274,765	-	-	-
Culture and recreation	88,136	-	-	-
Total current expenditures	\$ 4,449,390	\$ -	\$ 146,608	\$ -
Capital outlay	\$ 231,123	\$ -	\$ -	\$ -
Debt service				
Principal	\$ -	\$ -	\$ -	\$ 125,928
Interest and fiscal charges	-	-	-	94,412
Total debt service expenditures	\$ -	\$ -	\$ -	\$ 220,340
<b>Total expenditures</b>	<b>\$ 4,680,513</b>	<b>\$ -</b>	<b>\$ 146,608</b>	<b>\$ 220,340</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (147,112)	\$ 424,560	\$ 129,821	\$ (43,536)
<b>Other financing sources and uses</b>				
Transfers in	\$ 250,000	\$ -	\$ -	\$ 45,025
Proceeds from sale of capital assets	9,550	-	-	-
Transfers out	(229,175)	(309,930)	-	-
<b>Total other financing sources and uses</b>	<b>\$ 30,375</b>	<b>\$ (309,930)</b>	<b>\$ -</b>	<b>\$ 45,025</b>
Net change in fund balances	\$ (116,737)	\$ 114,630	\$ 129,821	\$ 1,489
Fund balances, January 1, as restated	\$ 502,494	\$ 2,320,167	\$ 223,073	\$ 461
<b>Fund balances, December 31</b>	<b>\$ 385,757</b>	<b>\$ 2,434,797</b>	<b>\$ 352,894</b>	<b>\$ 1,950</b>

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,161,635
105,572	2,144,945
-	261,935
-	398,081
-	371,174
-	94,274
4,836	38,126
1,835	18,910
-	28,344
-	6,013
<b>\$ 112,243</b>	<b>\$ 5,523,437</b>

\$ 36,170	\$ 1,333,593
179,253	2,616,317
17,782	516,392
-	274,765
-	88,136

<b>\$ 233,205</b>	<b>\$ 4,829,203</b>
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<b>\$ 11,980</b>	<b>\$ 243,103</b>
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\$ -	\$ 125,928
-	94,412

<b>\$ -</b>	<b>\$ 220,340</b>
-------------	-------------------

<b>\$ 245,185</b>	<b>\$ 5,292,646</b>
-------------------	---------------------

\$ (132,942)	\$ 230,791
--------------	------------

\$ 240,480	\$ 535,505
-	9,550
-	(539,105)

<b>\$ 240,480</b>	<b>\$ 5,950</b>
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\$ 107,538	\$ 236,741
------------	------------

\$ 157,624	\$ 3,203,819
------------	--------------

<b>\$ 265,162</b>	<b>\$ 3,440,560</b>
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## Village of South Chicago Heights, Illinois

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

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Amounts reported for governmental activities in the statement of activities (pages 15-16)  
are different because:

Net change in fund balances - total governmental funds (pages 19-20)	\$ 236,741
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(194,797)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	38,147
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(377,493)
Change in Deferred Items - Police Pension	(95,131)
Change in Deferred Items - Firefighters Pension	(116)
Some expenses 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.	
Principal Payments on General Obligation Bonds	95,000
Principal Payments on Notes and Capital Leases Payable	30,944
Increase in Net Pension Obligation - IMRF	318,472
Increase in Net Pension Obligation - Police Pension	(487,121)
Increase in Net Pension Obligation - Firefighters Pension	(1,185)
Increase in Net OPEB Obligation	(98,021)
Increase in Compensated Absences Payable	56,347
Decrease in Accrued Interest	181
Change in net position of governmental activities (pages 15-16)	<u>\$ (478,032)</u>

# Village of South Chicago Heights, Illinois

## Proprietary Funds

### Statement of Fund Net Position December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	Business-type activities - Enterprise funds			
	Water Fund	Sewer Fund	Property Management Fund	Totals
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1,047	\$ 168,588	\$ 145	\$ 169,780
Accounts receivable (net of allowance for uncollectibles)	799,770	52,854	-	852,624
Due from other funds	-	325,000	-	325,000
Inventories	30,799	-	-	30,799
Prepaid items	300	-	-	300
Total current assets	831,916	546,442	145	1,378,503
Non-current assets:				
Capital assets (net of accumulated depreciation)				
Land	750	-	290,750	291,500
Buildings and system	2,875,746	1,092,049	235,463	4,203,258
Machinery and equipment	17,482	32,082	-	49,564
Total non-current assets	2,893,978	1,124,131	526,213	4,544,322
<b>Total assets</b>	<b>\$ 3,725,894</b>	<b>\$ 1,670,573</b>	<b>\$ 526,358</b>	<b>\$ 5,922,825</b>
<b>Deferred outflows of resources</b>				
Deferred items - IMRF	37,448	-	-	37,448
<b>Total assets and deferred outflows of resources</b>	<b>\$ 3,763,342</b>	<b>\$ 1,670,573</b>	<b>\$ 526,358</b>	<b>\$ 5,960,273</b>
<b>Liabilities</b>				
Accounts payable	\$ 104,367	\$ 2,759	\$ 136	\$ 107,262
Accrued payroll	9,101	-	-	9,101
Compensated absences	3,913	-	-	3,913
Due to other governments	-	30,310	-	30,310
Due to other funds	1,065,000	-	272,225	1,337,225
Customer deposits	213,150	-	-	213,150
Accrued interest payable	44,120	-	-	44,120
Noncurrent liabilities:				
Due within one year				
Notes payable	143,447	-	-	143,447
Bonds payable	504,692	-	-	504,692
Due in more than one year				
Net pension liability - IMRF	237,944	-	-	237,944
Notes payable	1,702,848	-	-	1,702,848
<b>Total liabilities</b>	<b>\$ 4,028,582</b>	<b>\$ 33,069</b>	<b>\$ 272,361</b>	<b>\$ 4,334,012</b>
<b>Deferred inflows of resources</b>				
Property taxes	\$ 532,500	\$ 7,500	\$ -	\$ 540,000
Deferred items - IMRF	81,417	-	-	81,417
<b>Total deferred inflows of resources</b>	<b>\$ 613,917</b>	<b>\$ 7,500</b>	<b>\$ -</b>	<b>\$ 621,417</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 4,642,499</b>	<b>\$ 40,569</b>	<b>\$ 272,361</b>	<b>\$ 4,955,429</b>
<b>Net position</b>				
Net Investment in capital assets	\$ 2,389,286	\$ 1,124,131	\$ 526,213	\$ 4,039,630
Unrestricted	(3,268,443)	505,873	(272,216)	(3,034,786)
<b>Total net position</b>	<b>\$ (879,157)</b>	<b>\$ 1,630,004</b>	<b>\$ 253,997</b>	<b>\$ 1,004,844</b>

# Village of South Chicago Heights, Illinois

## Proprietary Funds

### Statement of Revenues, Expenses and Changes in Fund Net Position For the Year Ended December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	Business-type activities - Enterprise funds			
	Water Fund	Sewer Fund	Property Management Fund	Totals
<b>Operating revenues</b>				
Water sales	\$ 1,171,501	\$ -	\$ -	\$ 1,171,501
Sewer charges	-	151,281	-	151,281
Fines	24,578	463	-	25,041
Reimbursements	150	-	-	150
Other revenue	967	-	-	967
<b>Total operating revenues</b>	<b>\$ 1,197,196</b>	<b>\$ 151,744</b>	<b>\$ -</b>	<b>\$ 1,348,940</b>
<b>Operating expenses</b>				
Administration	\$ 217,597	\$ 501	\$ -	\$ 218,098
Cost of sales and services	856,533	17,092	3,594	877,219
Depreciation	147,089	71,462	18,112	236,663
<b>Total operating expenses</b>	<b>\$ 1,221,219</b>	<b>\$ 89,055</b>	<b>\$ 21,706</b>	<b>\$ 1,331,980</b>
Operating income (loss)	\$ (24,023)	\$ 62,689	\$ (21,706)	\$ 16,960
<b>Nonoperating revenues (expenses)</b>				
Property tax	\$ 471,813	\$ 6,659	\$ -	\$ 478,472
Interest expense	(100,933)	-	-	(100,933)
<b>Total nonoperating revenues (expenses)</b>	<b>\$ 370,880</b>	<b>\$ 6,659</b>	<b>\$ -</b>	<b>\$ 377,539</b>
Income (loss) before contributions and transfers	\$ 346,857	\$ 69,348	\$ (21,706)	\$ 394,499
Transfers in	\$ -	\$ -	\$ 3,600	\$ 3,600
Change in net position	\$ 346,857	\$ 69,348	\$ (18,106)	\$ 398,099
Total net position, January 1, as restated	\$ (1,226,014)	\$ 1,560,656	\$ 272,103	\$ 606,745
<b>Total net position, December 31</b>	<b>\$ (879,157)</b>	<b>\$ 1,630,004</b>	<b>\$ 253,997</b>	<b>\$ 1,004,844</b>

# Village of South Chicago Heights, Illinois

## Proprietary Funds

### Statement of Cash Flows

For the Year Ended December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

	Business-type activities - Enterprise funds			
	Water Fund	Sewer Fund	Property Management Fund	Totals
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 1,223,808	\$ 348,545	\$ -	\$ 1,572,353
Cash payments for goods and services	(761,954)	(215,427)	(3,830)	(981,211)
Cash payments for salaries and benefits	(350,987)	-	-	(350,987)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 110,867</b>	<b>\$ 133,118</b>	<b>\$ (3,830)</b>	<b>\$ 240,155</b>
<b>Cash flows from noncapital financing activities</b>				
Interfund borrowing	\$ 130,000	\$ -	\$ -	\$ 130,000
Transfers from other funds	-	-	3,600	3,600
Property tax receipts	471,342	6,446	-	477,788
<b>Net cash provided (used) by noncapital financing activities</b>	<b>\$ 601,342</b>	<b>\$ 6,446</b>	<b>\$ 3,600</b>	<b>\$ 611,388</b>
<b>Cash flows from capital and related financing activities</b>				
Principal paid on debt	\$ (654,143)	\$ -	\$ -	\$ (654,143)
Interest paid on debt	(61,402)	-	-	(61,402)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>\$ (715,545)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (715,545)</b>
Net increase (decrease) in cash	\$ (3,336)	\$ 139,564	\$ (230)	\$ 135,998
Cash and cash equivalents, January 1	\$ 4,383	\$ 29,024	\$ 375	\$ 33,782
<b>Cash and cash equivalents, December 31</b>	<b>\$ 1,047</b>	<b>\$ 168,588</b>	<b>\$ 145</b>	<b>\$ 169,780</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	\$ (24,023)	\$ 62,689	\$ (21,706)	\$ 16,960
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>				
Depreciation expense	\$ 147,089	\$ 71,462	\$ 18,112	\$ 236,663
(Increase) decrease in net accounts receivable	(4,237)	(403)	-	(4,640)
(Increase) decrease in inventory	539	-	-	539
(Increase) decrease in prepaid expense	(300)	-	-	(300)
Increase (decrease) in accounts payable	(42,765)	(630)	(236)	(43,631)
Increase (decrease) in accrued salaries and benefits	(3,490)	-	-	(3,490)
Increase (decrease) in compensated absences	(7,431)	-	-	(7,431)
Increase (decrease) in customer deposits	18,600	-	-	18,600
Increase (decrease) in other liabilities	26,885	-	-	26,885
<b>Total adjustments</b>	<b>\$ 134,890</b>	<b>\$ 70,429</b>	<b>\$ 17,876</b>	<b>\$ 223,195</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 110,867</b>	<b>\$ 133,118</b>	<b>\$ (3,830)</b>	<b>\$ 240,155</b>

## Village of South Chicago Heights, Illinois

### Fiduciary Funds

#### Statement of Fiduciary Net Position

December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

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	Pension Trust Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 312,879
Investments, at fair value:	
Certificates of deposit	95,140
US Treasury securities	494,326
State and municipal securities	418,138
Asset backed securities	34,574
Equity mutual funds	1,561,181
Corporate bonds	658,159
Due from other governments	7,003
Interest receivable	15,852
<b>Total assets</b>	<b>\$ 3,597,252</b>
<b>Liabilities</b>	
Accounts / vouchers payable	\$ 1,185
<b>Total liabilities</b>	<b>\$ 1,185</b>
<b>Net position</b>	
Held in trust for pension benefits	\$ 3,596,067
<b>Total net position</b>	<b>\$ 3,596,067</b>

## Village of South Chicago Heights, Illinois

### Fiduciary Funds

#### Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2017

(The Notes to the Financial Statements are an integral part of this statement)

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	<u>Pension Trust Funds</u>
<b>Additions:</b>	
Contributions	
Employer	\$ 157,155
Plan member	<u>43,782</u>
Total contributions	<u>\$ 200,937</u>
Investment income	
Net appreciation in fair value of investments	\$ 190,471
Interest	45,874
Dividends	<u>95,077</u>
Total investment income	<u>\$ 331,422</u>
Less investment expense	<u>13,781</u>
Net investment income	<u>\$ 317,641</u>
<b>Total additions</b>	<u>\$ 518,578</u>
<b>Deductions:</b>	
Benefits	\$ 256,202
Administrative expense	<u>9,470</u>
<b>Total deductions</b>	<u>\$ 265,672</u>
Change in net position	<u>\$ 252,906</u>
<b>Net position held in trust for pension benefits</b>	
January 1	<u>\$ 3,343,162</u>
<b>December 31</b>	<u><u>\$ 3,596,068</u></u>



## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017

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### I. Summary of Significant Accounting Policies

The accounting policies of the Village of South Chicago Heights, Illinois conform to accounting principles generally accepted in the United States of America as applicable to local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (where applicable). The following is a summary of the more significant policies.

#### A. Reporting Entity

The Village of South Chicago Heights, Illinois is a municipal corporation, organized with powers and authorities as established in the Illinois Municipal Code (Chapter 65 of the Illinois Compiled Statutes), is governed by an elected Village President and six member Board of Trustees and operates under the President / Trustee form of government. As required by accounting principles generally accepted in the United States of America, these financial statements present the Village of South Chicago Heights and its component units, entities for which the Village is considered to be financially accountable.

**Blended component units:** The Village's full-time police and firefighter employees participate in the South Chicago Heights Police Pension Fund and South Chicago Heights Firefighters' Pension Fund respectively. The South Chicago Heights Police Pension Fund functions for the benefit of those employees and is governed by a five member board. Two members are elected by active fund members, one is elected by beneficiaries and two are appointed by the Village Board of Trustees. The South Chicago Heights Firefighters' Pension Fund functions for the benefit of those members and is governed by a five member board. Two members are elected by active fund members, one is elected by beneficiaries, and two are appointed by the Village Board of Trustees. The participants of both Funds are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining Fund costs based upon actuarially determined levels. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although they are legally separate from the Village, the Funds are reported as if they were part of the primary government because their sole purpose is to provide retirement benefits for the Village's sworn police officers and firefighters. The Funds are reported as pension trust funds.

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Village's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### I. Summary of Significant Accounting Policies (Continued)

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

**Fund Financial Statements** - The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets / deferred outflows, liabilities / deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is of major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**Government-wide Financial Statements** - The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets / deferred outflows and liabilities / deferred inflows (whether current or non-current) are included on the statements of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### I. Summary of Significant Accounting Policies (Continued)

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained, consistent with legal and managerial requirements. The various funds are grouped in the financial statements in this report into six generic fund types and three broad fund categories as follows:

**Governmental funds** are used to account for the Village's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (when they are "measurable" and "available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers taxpayer assessed and sales taxes available when in the hands of intermediary collecting governments and agencies. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues considered to be susceptible to accrual are:

- |   |                                     |
|---|-------------------------------------|
| - Real estate tax                         | - Utility tax                       |
| - Telecommunications tax                  | - Personal property replacement tax |
| - State sales tax                         | - State income tax                  |
| - Circuit court and local ordinance fines | - Intergovernmental reimbursements  |
| - Local use tax                           | - Charges for services              |
| - Motor fuel tax                          | - Grants                            |
| - Video gaming tax                        | - Interest on investments           |

Governmental funds include the following fund types:

**General Fund** - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** - is used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs.

**Capital Project Fund** - is used to account for the financial resources used for the acquisition and construction of major capital facilities.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### I. Summary of Significant Accounting Policies (continued)

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

The Village reports the following major governmental funds:

- General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
- Non-home Rule Sales Taxes Fund – The Non-home Rule Sales Taxes Fund is used to account for taxes generated by the referendum approved non-home rule sales tax which are restricted in use for capital improvements and/or tax relief.
- Debt Service Fund - The Debt Service Fund is used to account for taxes levied for the retirement of general obligation bond debt and building purchase installment contract debt.
- Tax Increment Financing Fund – The Tax Increment Financing Fund is used to account for the taxes generated by increases in real property assessed valuation in the Village's two tax increment financing areas and are restricted in use for redevelopment projects and/or activities within the designated tax increment financing area.

**Proprietary funds** are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund type:

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

The Village reports the following major proprietary funds:

- Water Fund - The Water Fund accounts for the operating activities of the Village's water utility service.
- Sewer Fund - The Sewer Fund accounts for the operating activities of the Village's sewer utility service.
- Property Management Fund - The Property Management Fund accounts for the operating activities of rental property being held for future development.

**Fiduciary funds** account for assets held by the Village in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the Village under the terms of a formal trust agreement.

Pension Trust Funds - are accounted for in essentially the same manner as proprietary funds using the same measurement focus and basis of accounting.

The Village has pension trust funds for both the Police and Firefighters' Pension Plans.

#### C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity

##### 1. Deposits and Investments

Unrestricted deposits and investments are pooled into one common interest-earning bank account in order to maximize investment opportunities. Each fund with monies deposited in the pooled accounts has an equity therein, and interest earned on these monies is allocated based upon relative equity at each month end.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### I. Summary of Significant Accounting Policies (continued)

#### C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity (continued)

##### 1. Deposits and Investments (continued)

Cash equivalents, for the preparation of these financial statements, are considered to be demand deposits with banks, money markets and negotiable certificates of deposit and marketable securities that were purchased with a maturity of ninety days or less. Investments are stated at fair value. Fair value measurements are categorized within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### 2. Receivables and Payables

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County Clerk and issued on or about February 1 and July 1 and are payable in two installments, on or about March 1 and August 1. Property taxes receivable are initially recorded at the gross levy less a 3 percent allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

##### 3. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Special reporting treatments are also applied to governmental fund inventories to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

##### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of \$5,000 or more and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50	Years
Improvements	20-40	Years
Infrastructure - roads	20	Years
Water & sewer system	30-50	Years
Vehicles	3-10	Years
Equipment	5-10	Years

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### I. Summary of Significant Accounting Policies (continued)

#### C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity (continued)

##### 4. Capital Assets (continued)

Infrastructure assets include roads, sidewalks, traffic signals, etc. The retroactive reporting of infrastructure is optional for the Village and it has not elected to do so, therefore infrastructure assets acquired prior to May 1, 2004 are not reported in the basic financial statements. The reported infrastructure assets only include those acquired subsequent to April 30, 2004.

Property, plant and equipment in the proprietary funds are recorded at cost. Donated property, plant and equipment are recorded at their acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

##### 5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

##### 6. Compensated Absences

Accumulated unpaid compensated absences are reflected in the financial statements in accordance with GASB Codification Section C60 and in the government-wide financial statements. Accumulated unpaid compensated absences are accrued when incurred in proprietary funds (using the accrual basis of accounting). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities.

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Village considers the entire amount to be a long-term obligation and thus has recorded liabilities in the Government wide statements and Water and Sewer Fund statements.

##### 7. Interfund Receivable, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures / expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### 8. Long-term Obligations

The Village reports long-term debt of governmental funds at face value in the government wide statements. Certain other governmental fund obligations not expected to be financed with current available resources are also reported in the government wide statement. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate fund.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed at the time of debt issuance.

## **Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### **I. Summary of Significant Accounting Policies (continued)**

#### **C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity (continued)**

##### **9. Fund Equity**

Restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Restrictions of equity are limited to outside third-party restrictions. In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Committed fund balance has self-imposed limitations set in place prior to the end of the period. These limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. Fund Balance of the Village may be committed for a specific purpose by direction of the Board of Trustees. Assignment of fund balance, likewise is imposed by the highest level of decision making authority, the Village Board, which has not delegated that authority to any other official. The Village has not adopted a policy on the use of unrestricted fund balance.

Net position represent the difference between assets / deferred outflows and liabilities / deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

##### **10. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **II. Stewardship, Compliance, and Accountability**

#### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for most funds. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

The Village Administrator submits to the Board of Trustees a proposed appropriation ordinance for the fiscal year commencing the following January 1. The appropriation ordinance includes proposed expenditures and the means of financing them. Appropriation hearings are conducted. The appropriation is legally enacted through the passage of an ordinance. The appropriation ordinance may be amended by the vote of four members of the Board of Trustees. For consistency purposes, all financial statements utilize the term "Budget" to indicate estimated revenues or appropriations.

Actual expenditures for any object may not legally exceed the total appropriated for that object. Management does not have the authority to alter appropriations without approval of the Board of Trustees. The appropriation ordinance was amended this year. The level of control (level at which the governing body must approve expenditures in excess of appropriations, or transfer appropriated amounts) is the fund. Appropriations lapse at year end.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### II. Stewardship, Compliance, and Accountability (continued)

#### B. Deficit Fund Equity

At December 31, 2017 the following fund had a deficit in fund equity:

Water Fund

#### C. Fund Balance Classifications

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

	General	Non-home Rules Sales Taxes	Debt Service	Tax Increment Financing	Nonmajor Funds	Total
Fund balances						
Nonspendable						
Inventories / prepaids	\$ 14,750	\$ -	\$ -	\$ -	\$ 2,112	\$ 16,862
Restricted						
Capital projects/tax relief	-	2,434,797	-	-	11,878	2,446,675
Economic development	-	-	-	352,894	-	352,894
Highways & streets	-	-	-	-	235,686	235,686
Debt service reserves	-	-	1,950	-	-	1,950
Unassigned	371,007	-	-	-	15,486	386,493
Total fund balance	<u>\$385,757</u>	<u>\$2,434,797</u>	<u>\$ 1,950</u>	<u>\$ 352,894</u>	<u>\$265,162</u>	<u>\$ 3,440,560</u>

Fund balance in the Non-home Rule Sales Taxes Fund is restricted by the State statutes that authorized the special revenue. Fund balance in the Debt Service Fund is restricted by local bond ordinances. Fund balance in the Tax Increment Financing Fund is restricted by enabling State legislation and local ordinances that created the TIF area. Fund balances in the Motor Fuel Tax and CDBG Funds (Nonmajor) are restricted by enabling State legislation and grant agreements. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance, as applicable.

### III. Detailed Notes on All Funds

#### A. Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and/or "investments". Illinois statutes authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short term commercial paper rated within the three highest classifications by at least two rating services, and the Illinois Funds (public treasurer's investment pool). Pension funds may also invest in certain non-U.S. obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts.



## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

### III. Detailed Notes on All Funds (continued)

#### A. Deposits and Investments (continued)

At December 31, 2017 the Village's cash, cash equivalents and investments consisted of the following:

Deposits at carrying amount	\$ 2,927,028
Cash on hand	1,250
Investments at fair value	3,547,223
Total	<u>\$ 6,475,501</u>

These amounts are presented in the financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 2,520,259
Investments at fair value:	380,845
Statement of Fiduciary Net Position:	
Cash and cash equivalents	312,879
Investments at fair value:	
Certificates of deposit	95,140
US Treasury securities	494,326
State and municipal securities	418,138
Asset backed securities	34,574
Corporate bonds	658,159
Equity mutual funds	1,561,181
	<u>\$ 6,475,501</u>

**Investments** – The Village and Pension Trust Funds have the following fair value measurements:

	Total 12/31/2017	Fair value measurements using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Debt Securities:				
U.S. Treasuries	\$ 494,326	\$ 494,326	\$ -	\$ -
U.S. Agencies	34,574	-	34,574	-
Corporate Bonds	658,159	-	658,159	-
State and municipal obligations	798,983	-	798,983	-
Certificates of deposit	95,140	-	95,140	-
Equity mutual funds	1,561,181	1,561,181	-	-
Total	<u>\$3,642,363</u>	<u>\$ 2,055,507</u>	<u>\$1,586,856</u>	<u>\$ -</u>

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

### III. Detailed Notes on All Funds (continued)

#### A. Deposits and Investments (continued)

As of December 31, 2017, the Village and the Pension Trust Funds had the following investment maturities in debt securities:

	Fair value	Investment maturities				
		0 to 6 months	6 months to 1 year	1 to 5 years	6 to 10 years	More than 10 years
Primary government						
Illinois Funds*	\$ 1,340,768	\$ 1,340,768	\$ -	\$ -	\$ -	\$ -
State of Rhode Island obligations	269,182	269,182	-	-	-	-
State of Illinois obligations	111,663	40,218	-	71,445	-	-
Total primary government	\$ 1,721,613	\$ 1,650,168	\$ -	\$ 71,445	\$ -	\$ -
Pension Trust Funds						
Illinois Funds*	\$ 12,017	\$ 12,017	\$ -	\$ -	\$ -	\$ -
Corporate obligations	658,159	-	103,742	406,115	96,481	51,821
State of Illinois obligations	418,138	341,589	-	76,549	-	-
GNMA obligations	34,574	-	-	-	-	34,574
US Treasury notes	494,326	-	-	214,169	125,938	154,219
Total pension trust funds	\$ 1,617,214	\$ 353,606	\$ 103,742	\$ 696,833	\$ 222,419	\$ 240,614

\* - The Illinois Funds Investment Pool is not registered with the SEC. The Pool is administered by the Illinois State Treasurer and oversight is provided by the Auditor General's office of the State of Illinois. The fair value of the positions in the Pool is the same as the value of the Pool shares. Because the Pool had a weighted average maturity of less than 6 months at December 31, 2017 it has been presented as an investment with a maturity of less than 6 months.

**Custodial credit risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village had no custodial credit risk for its investments at December 31, 2017. The Pension Trust Funds limit the exposure to custodial credit risk by utilizing an independent, third party institution, selected by the pension boards, to act as a custodian for the securities.

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village and the Pension Trust Funds minimize the risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in short-term securities or similar investment pools. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village investment policy limits at least half of the Village's investment portfolio to maturities of less than one year.

**Credit and concentration of credit risk** – For an investment, credit risk is the risk that the issuer or other counterparty to an investment in debt securities will not fulfill its obligation. The Village and the Pension Trust Funds limit the exposure to credit risk by primarily investing in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. The Illinois Funds are "AAAm" rated funds and credit risk is very marginal. Concentration risk is defined as positions of 5% or greater in the securities of a single issuer. The investment policies of the Village and Pension Trust Funds do not include any limitations on how much U.S. Treasury and Agency securities can be held in the portfolio. At December 31, 2017, 1.0% and 11.7% of the Pension Trust Funds' investment portfolios consisted of investments in the Government National Mortgage Association (GNMA) and the State of Illinois respectively.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### III. Detailed Notes on All Funds (continued)

#### A. Deposits and Investments (continued)

The FNMA and GNMA are "AAA" rated and credit risk is marginal; the State of Illinois is rated "Baa3" and credit risk is negative.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	53%	1.3%
Domestic Equities	20%	5.4%
International Equities	10%	5.5%
Real Estate	5%	4.5%
Blended	10%	3.5%
Cash and Cash Equivalents	2%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

#### Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# **Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

## **III. Detailed Notes on All Funds (continued)**

### **B. Receivables**

Governmental funds receivables as of year-end, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Non-home Rule Sales Tax Fund	Tax Increment Financing Fund	Debt Service Fund	Non-major Governmental Funds	Total
Receivables:						
Property taxes	\$ 2,369,364	\$ -	\$ 615,732	\$ 237,095	\$ -	\$ 3,222,191
Other taxes	29,527	-	-	-	-	29,527
Intergovernmental	382,334	105,828	-	-	9,146	497,308
Accounts	252,169	-	-	-	-	252,169
Fines	106,067	-	-	-	-	106,067
Grants	2,266	-	-	-	-	2,266
Interest	4,595	-	-	-	-	4,595
Gross receivables	3,146,322	105,828	615,732	237,095	9,146	4,114,123
Less: allowance for uncollectible	470,049	-	68,331	37,701	-	576,081
Net total receivables	<u>\$ 2,676,273</u>	<u>\$ 105,828</u>	<u>\$ 547,401</u>	<u>\$ 199,394</u>	<u>\$ 9,146</u>	<u>\$ 3,538,042</u>

### **C. Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances at year end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
NHRST Fund	Water Fund	\$740,000	Cash loan
Sewer Fund	Water Fund	\$325,000	Cash loan
NHRST Fund	Property Management Fund	\$272,225	Cash loan

Transfers for the fiscal year were as follows:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	NHRST Fund	\$250,000	Fund current operations
E-911 Fund	General Fund	\$174,400	Fund current operations
Debt Service Fund	General Fund	\$ 45,025	Source of funds – long-term notes
Capital Project Fund	NHRST Fund	\$ 59,930	Source of funds – capital project
CDBG Fund	General Fund	\$ 6,150	Source of funds – engineering
Property Management Fund	General Fund	\$ 3,600	Fund current operations

# Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

## III. Detailed Notes on All Funds (continued)

### D. Capital Assets

A summary of changes in governmental capital assets follows:

	Balance at January 1, 2017	Additions	Deletions	Balance at December 31, 2017
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 513,274	\$ -	\$ -	\$ 513,274
Subtotal	<u>513,274</u>	<u>-</u>	<u>-</u>	<u>513,274</u>
Capital assets being depreciated				
Land improvements	219,116	-	-	219,116
Buildings	6,074,919	7,153	888,663	5,193,409
Equipment	2,299,546	182,001	278,708	2,202,839
Infrastructure	1,952,325	-	-	1,952,325
Subtotal	<u>10,545,906</u>	<u>189,154</u>	<u>1,167,371</u>	<u>9,567,689</u>
Accumulated depreciation				
Land improvements	157,076	4,957	-	162,033
Buildings	2,164,222	200,702	888,663	1,476,261
Equipment	2,199,576	80,510	278,708	2,001,378
Infrastructure	612,407	97,782	-	710,189
Subtotal	<u>5,133,281</u>	<u>383,951</u>	<u>1,167,371</u>	<u>4,349,861</u>
Total capital assets being depreciated, net	<u>5,412,625</u>	<u>(194,797)</u>	<u>-</u>	<u>5,217,828</u>
Governmental Activities capital assets, net	<u>\$ 5,925,899</u>	<u>\$ (194,797)</u>	<u>\$ -</u>	<u>\$ 5,731,102</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 25,937
Public safety	206,047
Highways and streets	118,105
Culture and recreation	33,862
	<u>\$ 383,951</u>

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### III. Detailed Notes on All Funds (continued)

#### D. Capital Assets (continued)

A summary of changes in business-type capital assets follows:

	Balance at January 1, 2017	Additions	Deletions	Balance at December 31, 2017
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 291,500	\$ -	\$ -	\$ 291,500
Subtotal	291,500	-	-	291,500
Capital assets being depreciated				
Buildings	\$ 711,258	\$ -	\$ -	\$ 711,258
Water system	3,622,545	-	-	3,622,545
Water tower	2,134,198	-	-	2,134,198
Sewer system	2,484,259	-	-	2,484,259
Vehicles & equipment	242,743	-	-	242,743
Subtotal	9,195,003	-	-	9,195,003
Accumulated depreciation	4,705,518	236,663	-	4,942,181
Business-type Activities capital assets, net	\$ 4,780,985	\$ (236,663)	\$ -	\$ 4,544,322

#### E. Long-Term Liabilities

##### 1. General Obligation Bonds

On November 1, 1998 the Village issued \$1,347,702 of Series 1998B General Obligation Bonds for the purpose of advance refunding a portion of the Series 1994 General Obligation Bonds and for improvements to the Village's water supply system. The bonds are payable on November 1 of each year from 2014 to 2018 to provide for a compounded accreted value at maturity using yields from 4.50 percent to 4.75 percent.

On March 5, 2015 the Village issued \$2,500,000 of Series 2015 General Obligation Bonds for the purpose of financing the construction of a new Public Safety building. Principal is payable on December 1 and interest is payable on June 1 and December 1 of each year from 2015 to 2034. The interest rate ranges from 2.00 percent to 4.50 percent. Property taxes are pledged to repay these bonds which are a general obligation of the Village.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

### III. Detailed Notes on All Funds (continued)

#### E. Long-Term Liabilities (continued)

##### 2. Notes Payable

In 2004 the Village executed a five year note in the amount of \$250,000 for the purpose of financing the purchase of a new fire truck with a balloon payment due on February 25, 2009. The repayment schedule for this note was based upon a 20 year amortization at an interest rate of 4.5 percent and the Village's intent is to refinance the remaining balance over the 20 year expected front-line life of the truck. A new note was executed on July 7, 2009 under the same terms with a final balloon payment due on June 25, 2014. The note was subsequently extended on July 7, 2014 under the same terms with semi-annual principal and interest payments due on June 25 and December 25 each year and a final balloon payment due on June 25, 2019. This note is a general obligation of the Village.

##### 3. Changes in General Long-term Liabilities

For governmental activities, debt service payments for all general obligation bonds, installment contracts and notes payable are made by the Debt Service Fund; payments on the net pension obligation and long-term compensated absences are made by the General Fund. For business-type activities, all payments for long-term liabilities are made by the Water Fund. For the year ended December 31, 2017, changes in long-term debt principal was as follows:

#### Governmental Activities

	Balance 1/1/2017	Issuances	Retirements	Balance 12/31/2017	Amounts Due Within One Year
2004 fire truck purchase note	\$ 79,981	\$ -	\$ 30,944	\$ 49,037	\$ 16,949
2015 G.O. bonds	2,295,000	-	95,000	2,200,000	95,000
Net pension liability - IMRF	1,192,219	-	318,472	873,747	-
Net pension liability - police pension	3,895,934	487,121	-	4,383,055	-
Net pension liability - firefighters pension	463,415	1,185	-	464,600	-
Net OPEB obligation	1,390,359	98,021	-	1,488,380	-
Compensated absences	109,964	-	56,347	53,617	24,424
Total	\$ 9,426,872	\$ 586,327	\$ 500,763	\$ 9,512,436	\$ 136,373

#### Business-type Activities

	Balance 1/1/2017	Issuances	Retirements	Balance 12/31/2017	Amounts Due Within One Year
Series 1998B G.O. Bonds	\$ 976,842	\$ 42,850	\$ 515,000	\$ 504,692	\$ 504,692
Capital lease payable	1,985,438	-	139,143	1,846,295	143,447
Net pension liability - IMRF	316,709	-	78,765	237,944	-
Compensated absences	11,344	-	7,431	3,913	1,759
Total	\$ 3,290,333	\$ 42,850	\$ 740,339	\$ 2,592,844	\$ 649,898

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### III. Detailed Notes on All Funds (continued)

#### E. Long-Term Liabilities (continued)

##### 4. Debt Service to Maturity

Annual debt service requirements to maturity for two series of general obligation bonds, and two installment notes payable, are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	G.O. bonds	Note Payable	G.O. bonds	Total
2018	\$ 183,750	\$ 18,995	\$ 525,000	\$ 727,745
2019	\$ 185,900	\$ 32,820	\$ -	\$ 218,720
2020	\$ 182,900	\$ -	\$ -	\$ 182,900
2021	\$ 184,900	\$ -	\$ -	\$ 184,900
2022	\$ 186,750	\$ -	\$ -	\$ 186,750
2023-27	\$ 919,950	\$ -	\$ -	\$ 919,950
2028-32	\$ 919,775	\$ -	\$ -	\$ 919,775
2033-34	\$ 368,400	\$ -	\$ -	\$ 368,400
Total	\$ 3,132,325	\$ 51,815	\$ 525,000	\$ 3,709,140
Less interest portion	\$ 932,325	\$ 2,778	\$ 20,308	\$ 955,411
Outstanding principal	<u>\$ 2,200,000</u>	<u>\$ 49,037</u>	<u>\$ 504,692</u>	<u>\$ 2,753,729</u>

#### F. Long-term deferred revenue

In 2014 the Village approved a five year site lease, with options to extend the term for five additional five year terms with New Cingular Wireless PCS. In 2017 the Village assigned this lease along with an exclusive easement to the property to Melody Telecom Land Holdings III for the sum of \$302,000. For fiscal year 2017 the Village recognized a portion of this receipt as current year revenue and classified the remainder as long-term deferred revenue. A portion of this deferred amount will be recognized as current year revenue each year during the term of the lease agreement.

#### G. Capital Lease Obligations

The Village is liable under one capital lease at December 31, 2017. The liability represents the present value of the balance due in future years for water meters discounted at a rate of 3.093%. The liability is payable in equal monthly installments of \$200,545 including interest, through March 24, 2028.



## Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2017

(continued)

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### III. Detailed Notes on All Funds (continued)

#### G. Capital Lease Obligation (continued)

The future minimum payments required under the lease, together with the present value as of December 30, 2017 follows:

	Business-type activities
2018	200,545
2019	200,545
2020	200,545
2021	200,545
2022	200,545
2023-27	1,002,725
2028	200,545
Total minimum lease payments	2,205,995
Less amount representing interest	359,700
Present value of minimum lease payments	<u>\$ 1,846,295</u>

### IV. Other Information

#### A. Employee Retirement Systems and Plans

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Fund which is a single-employer pension plan; and, the Firefighters' Pension Fund, which is also a single-employer pension plan. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 1. Illinois Municipal Retirement Fund

###### Plan Description

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

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

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

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

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

*Plan Membership.* As of December 31, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>23</u>
Total	<u><u>77</u></u>

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2017

(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 1. Illinois Municipal Retirement Fund (continued)

###### Plan Description (continued)

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2017 was 18.94% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50% including inflation
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2017

(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 1. Illinois Municipal Retirement Fund (continued)

###### Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

###### Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 1,839,053	1,111,691	503,996

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****A. Employee Retirement Systems and Plans (continued)****1. Illinois Municipal Retirement Fund (continued)****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 6,399,371	\$ 4,890,443	\$ 1,508,928
Changes for the year:			
Service Cost	93,563	-	93,563
Interest on the Total Pension Liability	470,559	-	470,559
Difference Between Expected and Actual Experience of the Total Pension Liability	241,547	-	241,547
Changes of Assumptions	(213,471)	-	(213,471)
Contributions - Employer	-	167,195	(167,195)
Contributions - Employees	-	39,729	(39,729)
Net Investment Income	-	832,173	(832,173)
Benefit Payments, including Refunds of Employee Contributions	(344,063)	(344,063)	-
Other (Net Transfer)	-	(49,662)	49,662
Net Changes	248,135	645,372	(397,237)
Balances at December 31, 2017	6,647,506	5,535,815	1,111,691

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****A. Employee Retirement Systems and Plans (continued)****1. Illinois Municipal Retirement Fund (continued)****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2017, the Village recognized pension expense of \$253,100. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 167,703	-	167,703
Change in Assumptions	-	(143,324)	(143,324)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	156,629	(377,916)	(221,287)
Total Deferred Amounts Related to IMRF	324,332	(521,240)	(196,908)

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 4,108
2019	(17,743)
2020	(88,794)
2021	(94,479)
2022	-
Thereafter	-
Total	(196,908)

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 2. Police Pension Plan

###### Plan Description

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

*Plan Membership.* At December 31, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	5
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>8</u>
Total	<u>14</u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

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

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 2. Police Pension Plan (continued)

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 28.80% of covered payroll.

*Concentrations.* At year end, the Pension Plan did not have any investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits.

#### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Valuation Date	1/1/2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.50%
Salary Increases	3.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on 2017 Illinois Police Mortality Rate. The actuarial assumptions used in the December 31, 2017 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2017. The table combines observed experience of the Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.



**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)**

**A. Employee Retirement Systems and Plans (continued)**

**2. Police Pension Plan (continued)**



**Discount Rate**

The discount rate used in the determination of the total pension liability was 5.1% (compared to 5.5% in the prior year) and is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the AA municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	 1% Decrease (4.10%)	Current Discount Rate (5.10%)	 1% Increase (6.10%)
Net Pension Liability	\$ 5,671,662	4,383,055	3,348,718

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****A. Employee Retirement Systems and Plans (continued)****2. Police Pension Plan (continued)****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 7,218,145	\$ 3,322,211	\$ 3,895,934
Changes for the year:			
Service Cost	151,863	-	151,863
Interest on the Total Pension Liability	390,633	-	390,633
Difference Between Expected and Actual Experience of the Total Pension Liability	(2,783)	-	(2,783)
Changes of Assumptions	440,449	-	440,449
Contributions - Employer	-	139,978	(139,978)
Contributions - Employees	-	43,782	(43,782)
Net Investment Income	-	308,986	(308,986)
Benefit Payments, including Refunds of Employee Contributions	(231,459)	(231,459)	-
Administrative Expense	-	(8,213)	8,213
Other	-	8,508	(8,508)
Net Changes	748,703	261,582	487,121
Balances at December 31, 2017	7,966,848	3,583,793	4,383,055

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****A. Employee Retirement Systems and Plans (continued)****2. Police Pension Plan (continued)****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2017, the Village recognized pension expense of \$729,233. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 38,820	\$ (80,068)	\$ (41,248)
Change in Assumptions	888,906	-	888,906
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	196,710	(102,241)	94,469
Total Deferred Amounts Related to Police	<u>1,124,436</u>	<u>(182,309)</u>	<u>942,127</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 404,995
2019	343,038
2020	60,676
2021	27,986
2022	56,230
Thereafter	<u>49,202</u>
Total	<u>942,127</u>

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 3. Firefighters' Pension Plan (continued)

###### Plan Descriptions

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

*Plan Membership.* At December 31, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	<u>0</u>
Total	<u><u>1</u></u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

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

## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### IV. Other Information (continued)

#### A. Employee Retirement Systems and Plans (continued)

##### 3. Firefighters' Pension Plan (continued)

###### Plan Descriptions (continued)

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was not available.

*Concentrations.* At year end, the Pension Plan did not have any investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits.

###### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	3.50%
Salary Increases	Not applicable
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on 2014 Illinois Firefighters' Mortality Rate. The actuarial assumptions used in the December 31, 2017 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2017. The rates are experience weighted with the raw rates as developed in the RP-2014 study, with Blue Collar adjustment and improved generationally using MP-2017 improvement rates.

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)**

**A. Employee Retirement Systems and Plans (continued)**




**3. Firefighters' Pension Plan (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 3.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	 1% Decrease (2.50%)	 Current Discount Rate (3.50%)	 1% Increase (4.50%)
Net Pension Liability	\$ 521,626	464,600	416,491

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****A. Employee Retirement Systems and Plans (continued)****3. Firefighters' Pension Plan (continued)****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 484,366	\$ 20,951	\$ 463,415
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	16,520	-	16,520
Difference Between Expected and Actual Experience of the Total Pension Liability	732	-	732
Changes of Assumptions	-	-	-
Contributions - Employer	-	17,177	(17,177)
Contributions - Employees	-	-	-
Net Investment Income	-	147	(147)
Benefit Payments, including Refunds of Employee Contributions	(24,744)	(24,744)	-
Administrative Expense	-	(1,257)	1,257
Net Changes	(7,492)	(8,677)	1,185
Balances at December 31, 2017	476,874	12,274	464,600

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****B. Employee Retirement Systems and Plans (continued)****4. Firefighters' Pension Plan (continued)****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2017, the Village recognized pension expense of \$18,478. At December 31, 2017, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ -	\$ -	\$ -
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,441	-	1,441
Total Deferred Amounts Related to Police	1,441	-	1,441

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 548
2019	545
2020	264
2021	84
2022	-
Thereafter	-
Total	1,441



## Village of South Chicago Heights, Illinois

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### B. Other Post Employment Benefits

#### 1. Plan Description, Provisions and Funding Policy

In addition to providing the pension benefits described, the Village provides postemployment healthcare insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and collective bargaining agreements. The plan is not accounted for as a trust fund, and an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment healthcare benefits to its retirees. To be eligible for benefits an employee must have been hired prior to September 18, 2006 and qualify for retirement under one of the Village's retirement plans.

All healthcare benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services, dental care and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

Upon separation from Village service, unless removed for cause, after completing a minimum of 15 years of active service for the Village, some or all of the related cost of health insurance premiums will be paid by the Village in accordance with the following schedule:

<u>Years of active service</u>	<u>Premiums paid by the Village</u>
15	50%
18	75%
20	100%

For the fiscal year ending December 31, 2017, retirees contributed \$0. Active employees do not contribute to the plan in anticipation of future participation in the Village's retiree healthcare insurance benefit at retirement. Contributions to the plan begin only at retirement.

At December 31, 2017 membership consisted of:

Retirees and beneficiaries currently receiving benefits	11
Active fully eligible to retire	<u>5</u>
Active not yet fully eligible to retire	<u>7</u>
Total	<u>23</u>

The Village does not currently have a funding policy.

**Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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**IV. Other Information (continued)****B. Other Post Employment Benefits (continued)**

## 2. Annual OPEB Costs and Net OPEB Obligations

The net OPEB obligation (NOPEBO) as of December 31, 2017 was calculated as follows:

Annual Required Contributions	\$ 217,978
Interest on Net OPEB Obligation	55,614
Adjustment to Annual Required Contribution	<u>(46,345)</u>
Annual OPEB Cost	227,247
Actual Contribution	<u>129,226</u>
Increase to the Net OPEB Obligation	98,021
Net OPEB Obligation - Beginning of Year	<u>1,390,359</u>
Net OPEB Obligation - End of Year	<u>\$ 1,488,380</u>

## 3. Trend Information

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	\$ 337,271	26.6%	\$ 1,003,499
12/31/2016	\$ 218,102	47.6%	\$ 1,390,359
12/31/2017	\$ 227,247	56.9%	\$ 1,488,380

## 4. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Ratio of Unfunded Actuarial Accrued Liability to Annual Covered Payroll</u>
12/31/2015	\$ -	\$ 4,689,750	\$ 4,689,750	0.00%	\$ 934,082	502.07%
12/31/2016	\$ -	\$ 3,003,712	\$ 3,003,712	0.00%	\$ 781,955	384.13%
12/31/2017	\$ -	\$ 3,003,712	\$ 3,003,712	0.00%	\$ 756,551	397.03%

## **Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### **IV. Other Information (continued)**

#### **B. Other Post Employment Benefits (continued)**

##### **4. Funded Status and Funding Progress (continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

##### **5. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, including a 2.5% inflation assumption and an initial healthcare cost trend rate of 7.6%, with an ultimate rate of 5.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of pay on an open basis. The remaining amortization period at December 31, 2017 was 30 years.

#### **C. Commitments**

At December 31, 2017, the Village had outstanding contractual commitments of \$118,520 for enterprise software, \$9,500 for engineering services and \$11,875 for demolition services and an outstanding purchase commitment of \$5,220 for road salt.

#### **D. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased for all coverage except workers' compensation, as noted below. The Village retains the risk on the first \$1,000 loss per occurrence, and also for losses above the policy's \$8,000,000 coverage limit. At fiscal year end, the Village determined there were no probable unpaid claims for which it retained risk, and as such did not record a claims liability.

## **Village of South Chicago Heights, Illinois**

Notes to the Financial Statements  
December 31, 2017  
(continued)

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### **IV. Other Information (continued)**

#### **D. Risk Management (continued)**

##### **Illinois Public Risk Fund (IPRF)**

The Village participates in the Illinois Public Risk Fund (IPRF) to provide for the defense and payment of workers' compensation claims. The Fund is a not-for-profit corporation organized and operating as an intergovernmental joint insurance pool within the meaning of the Workers' Compensation Act. The Fund's membership consists of over 500 Illinois municipal units. Membership in the Fund is limited to public entities. The minimum initial term of membership is one year and membership may not be terminated by the member prior to the last day of the initial year. A member may withdraw its membership in subsequent years upon giving 90 days notice.

In the event of depletion of all reserves and reduction of members' equity below zero, pro rata assessments of participating members may be made to cover deficits that may occur. In the event of termination of IML-RMA by its members, after payment of all claims and expenses, the remaining assets are to be distributed pro rata among the members.

The Village's payments to IPRF are displayed on the financial statements as expenditures/expenses in appropriate funds.

#### **E. Significant Contingencies**

The Village was a party to one pending lawsuit at December 31, 2017. After consultation with legal counsel and application of the criteria set out in NCGA-4 and SFAS-5, the Village has determined that this lawsuit does not meet both the "probable" and "measurable" standards, and as such an estimated loss contingency amount for this judgment have not been recorded as an expenditure in the current year.

#### **F. Tax Abatements**

The Village participates in Cook County's Class 6B and Class 8 property tax incentive programs. The purpose of the Class 6B and 8 programs is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the Class 6b and 8 programs is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Under the incentive provided by Class 6B, qualifying industrial real estate is eligible for the Class 6B level of assessment from the date that new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy. Properties receiving Class 6B will be assessed 10% of market value for the first 10 years, 15% in the 11<sup>th</sup> year and 20% in the 12<sup>th</sup> year. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

The Class 8 real estate tax incentive is designed to encourage industrial and commercial development in areas which are experiencing severe economic stagnation. Within a certified Class 8 area all subsequent new construction, substantial rehabilitation or reutilization of abandoned buildings, developed or reoccupied for industrial use may qualify for the incentive. Class 8 assessment levels are 10% of market value for the first 10 years, 15% in the 11<sup>th</sup> year and 20% in the 12<sup>th</sup> year. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

For the fiscal year ended December 31 2017 the Village's share of the abatement granted to the Class 6B and Class 8 properties amounted to \$90,500.

## Village of South Chicago Heights, Illinois

### Notes to the Financial Statements

December 31, 2017

(continued)

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#### IV. Other Information (continued)

##### G. Restatement of Beginning Net Position

In prior years the Village recognized revenue from property taxes in the period that taxes were levied and an enforceable legal claim to the taxes was established although such taxes were not effectively received until after the end of the period. In 2017 recognition of this revenue was changed to the period that the levy is intended to finance. As a result, beginning net position for governmental activities and business-type activities were adjusted to implement this change in timing; governmental net position was decreased \$1,991,051 and business-type net position was decreased \$530,000.

In 2016 the Village recognized previously deferred revenue from a 2013 long-term lease extension and 2015 sale of long-term rent payments and easement rights. In 2017 the Village determined that a portion of that revenue should have been amortized over the life of the agreement. As a result, beginning net position for governmental activities was decreased \$137,284 and classified as a deferred inflow of resources.

In addition, the restatements affected the individual funds as follows:

	General Fund	Tax Incremental Financing Fund	Debt Service Fund	Water Fund	Sewer Fund
Fund Balance at 12/31/16 as previously stated	\$785,076	\$231,934	\$17,198	\$ (703,514)	\$1,568,156
Effect of change in property tax recognition	(145,298)	(8,861)	(16,737)	(522,500)	(7,500)
Effect of long term lease extension and sale of future rent	(137,284)	-	-	-	-
Fund Balance at 12/31/16 as restated	<u>\$502,494</u>	<u>\$223,073</u>	<u>\$ 461</u>	<u>\$ (1,226,014)</u>	<u>\$1,560,656</u>

## REQUIRED SUPPLEMENTARY INFORMATION



# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				Positive
				(Negative)
Local Taxes				
Property Tax - Corporate Levy	\$ 240,000	\$ 240,000	\$ 226,902	\$ (13,098)
Property Tax - Audit Levy	23,000	23,000	21,581	(1,419)
Property Tax - Crossing Guards Levy	4,500	4,500	4,329	(171)
Property Tax - Fire Pension Levy	18,000	18,000	17,425	(575)
Property Tax - Fire Protection Levy	275,000	275,000	281,727	6,727
Property Tax - Garbage Levy	7,000	7,000	6,328	(672)
Property Tax - IMRF Levy	125,000	125,000	134,655	9,655
Property Tax - Liability Insurance Levy	157,000	157,000	150,358	(6,642)
Property Tax - Police Pension Levy	149,000	149,000	141,973	(7,027)
Property Tax - Police Protection Levy	325,000	325,000	312,515	(12,485)
Property Tax - Street & Bridge Levy	55,000	55,000	51,896	(3,104)
Property Tax - Road & Bridge Levy	19,000	19,000	18,931	(69)
Utility Tax - Electric	315,000	315,000	300,289	(14,711)
Utility Tax - Natural Gas	50,000	50,000	54,018	4,018
Foreign Fire Insurance Tax	7,500	7,500	6,255	(1,245)
Total Local Taxes	\$ 1,770,000	\$ 1,770,000	\$ 1,729,182	\$ (40,818)
State Shared Taxes				
State Sales Tax	\$ 920,000	\$ 920,000	\$ 859,371	\$ (60,629)
Telecommunications Tax	90,000	90,000	79,927	(10,073)
State Income Tax	440,000	440,000	457,145	17,145
State Use Tax	105,000	105,000	106,930	1,930
Personal Property Replacement Tax	24,500	24,500	23,986	(514)
Video Gaming Tax	85,000	85,000	87,454	2,454
Total State Shared Taxes	\$ 1,664,500	\$ 1,664,500	\$ 1,614,813	\$ (49,687)
Licenses and Permits				
License - Auto body shops	\$ 1,500	\$ 1,500	\$ 600	\$ (900)
License - Auto courts & mobile home pks	1,275	1,275	1,275	-
License - Auto parts dealers	1,400	1,400	1,400	-
License - Auto repair & tire repair shops	5,000	5,000	4,900	(100)
License - Auto sales, new & used	5,000	5,000	3,168	(1,832)
License - Barber & beauty shops	2,350	2,350	2,375	25
License - Billiards tables	1,000	1,000	2,900	1,900
License - Business, general	35,000	35,000	34,500	(500)
License - Cigarette & tobacco dealer	900	900	800	(100)
License - Coin op amusement & game rms	650	650	800	150
License - Coin operated vending	4,600	4,600	4,650	50
License - Contractors	20,000	20,000	21,825	1,825
License - Delivery trucks & truckers	200	200	-	(200)
License - Food dealers	7,000	7,000	7,500	500
License - Food delivery vehicles	100	100	150	50
License - Gasoline storage	250	250	200	(50)
License - Ice cream & milk dealers	100	100	100	-
License - Junk dealers & scavengers	1,000	1,000	1,115	115
License - Machine plants	2,200	2,200	2,200	-
License - Nursing homes	1,000	1,000	1,000	-
License - Outdoor advertisers	1,500	1,500	-	(1,500)

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues (continued)</b>				
Licenses and Permits (continued)				
License - Paint shops	\$ 300	\$ 300	\$ 300	\$ -
License - Peddlers, flea mkt & itinerent dlrs	600	600	100	(500)
License - Plumbing & heating suppliers	-	-	175	175
License - Restaurants	5,000	5,000	5,600	600
License - Service stations	600	600	650	50
License - Tattoo & body piercing	200	200	-	(200)
License - Taxicabs	600	600	575	(25)
License - Alcoholic Liquor Class A	3,750	3,750	3,950	200
License - Alcoholic Liquor Class B	850	850	1,500	650
License - Alcoholic Liquor Class C	3,700	3,700	3,700	-
License - Alcoholic Liquor Class E1 & E2	500	500	175	(325)
License - Alcoholic Liquor Class F1 & F2	1,500	1,500	1,400	(100)
License - Alcoholic Liquor Class H	500	500	500	-
License - Alcoholic Liquor Class T	1,000	1,000	900	(100)
License - Alcoholic Liquor Class J	1,000	1,000	800	(200)
Vehicle License - Passenger Car	50	50	64	14
License - Domestic Animal	200	200	295	95
Permit Fee - Residential Remodeling	23,000	23,000	28,049	5,049
Permit Fee - Comm/Indstrl Remodeling	20,000	20,000	39,310	19,310
Permit Fee - Comm/Indstrl New Construction	10,000	10,000	-	(10,000)
Permit Fee - Plumbing	100	100	125	25
Permit Fee - Electrical	200	200	-	(200)
Rental Unit Inspection Fee	25,000	25,000	28,625	3,625
Public Hearing Fee	-	-	450	450
Permit Violation / Reinspection Fee	100	100	100	-
Certificate of Occupancy Fee	16,000	16,000	14,700	(1,300)
Permit Fee - Solicitor	50	50	250	200
Franchise Fee - Cable TV	38,000	38,000	37,484	(516)
Permit Fee - Other	500	500	700	200
<b>Total Licenses and Permits</b>	<b>\$ 245,325</b>	<b>\$ 245,325</b>	<b>\$ 261,935</b>	<b>\$ 16,610</b>
Charges for Services				
Ambulance & EMS Fee	\$ 140,000	\$ 140,000	\$ 138,639	\$ (1,361)
Board-up / Violation Remediation Charge	4,500	4,500	1,137	(3,363)
Delinquent Bill Lein Release Charge	100	100	-	(100)
Filing & Variance Fee	-	-	1,350	1,350
FOIA / Copying Charge	25	25	-	(25)
Garbage Bag / Recycling Bin Fee	273,600	273,600	253,782	(19,818)
Inspection Fee	-	-	175	175
License Application Fee	500	500	900	400
Police / Fire Report Fee	1,000	1,000	1,170	170
50/50 Sidewalk Replacement Sales	500	500	-	(500)
Other Charges For Services	200	200	-	(200)
Program Fees - Other Recreation	750	750	928	178
<b>Total Charges for Services</b>	<b>\$ 421,175</b>	<b>\$ 421,175</b>	<b>\$ 398,081</b>	<b>\$ (23,094)</b>

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues (continued)</b>				
Fines and Forfeitures				
Building Code Violation Fines	\$ -	\$ -	\$ 863	\$ 863
Circuit Court DUI Fines	1,250	1,250	1,621	371
Circuit Court Fines	15,000	15,000	10,394	(4,606)
"C" Ticket Fines	80,000	80,000	178,470	98,470
Escrow Forfeits	-	-	46,544	46,544
General Ordinance Violation Fines	118,000	118,000	75,519	(42,481)
Late Payment Penalty	5,000	5,000	1,921	(3,079)
NSF Check Charge	150	150	150	-
"P" Ticket Fines	12,500	12,500	6,410	(6,090)
Police Forfeiture Income	30,000	30,000	29,282	(718)
<b>Total Fines and Forfeitures</b>	<b>\$ 261,900</b>	<b>\$ 261,900</b>	<b>\$ 351,174</b>	<b>\$ 89,274</b>
Rent				
Building Rentals	\$ 51,225	\$ 51,225	\$ 45,999	\$ (5,226)
Antenna Site Lease	28,550	28,550	40,229	11,679
Senior Center Rentals	3,000	3,000	6,695	3,695
Pavilion Rentals	1,500	1,500	400	(1,100)
Other Rentals	300	300	951	651
<b>Total Rent</b>	<b>\$ 84,575</b>	<b>\$ 84,575</b>	<b>\$ 94,274</b>	<b>\$ 9,699</b>
Grants				
State Grants	\$ 32,500	\$ 32,500	\$ 8,168	\$ (24,332)
County Grants	-	-	4,397	4,397
Corporate / Private Grants	11,350	11,350	20,725	9,375
Other Grants	25,000	25,000	-	(25,000)
<b>Total Grants</b>	<b>\$ 68,850</b>	<b>\$ 68,850</b>	<b>\$ 33,290</b>	<b>\$ (35,560)</b>
Interest				
Interest From Deposits	\$ 4,750	\$ 4,750	\$ 12,633	\$ 7,883
Interest From Investments	10,000	10,000	13,669	3,669
Increase in Fair Value of Investments	-	-	(10,007)	(10,007)
<b>Total Interest</b>	<b>\$ 14,750</b>	<b>\$ 14,750</b>	<b>\$ 16,295</b>	<b>\$ 1,545</b>
Reimbursements				
Gasoline Tax Reimbursement	\$ 1,500	\$ 1,500	\$ 1,353	\$ (147)
Expense Reimbursement	500	500	285	(215)
Insurance Reimbursement	500	500	19,872	19,372
Intergovernmental Reimbursement	-	-	104	104
Workers Compensation Reimbursement	-	-	6,730	6,730
<b>Total Reimbursements</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 28,344</b>	<b>\$ 25,844</b>
Other Revenue				
Donations	\$ 4,000	\$ 4,000	\$ 500	\$ (3,500)
Donations - Firefighters Association	3,000	3,000	3,000	-
Merchandise Sales	-	-	2,579	2,579
Miscellaneous	-	-	(66)	(66)
<b>Total Other Revenue</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>\$ 6,013</b>	<b>\$ (987)</b>
<b>Total revenues</b>	<b>\$ 4,540,575</b>	<b>\$ 4,540,575</b>	<b>\$ 4,533,401</b>	<b>\$ (7,174)</b>

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>General government</b>				
Nondepartmental				
Personal Services				
Benefits				
Insurance - Group Medical	\$ 70,269	\$ 70,269	\$ 64,726	\$ 5,543
Insurance - Group Dental	6,383	6,383	5,179	1,204
Total Benefits	\$ 76,652	\$ 76,652	\$ 69,905	\$ 6,747
Total Personal Services	\$ 76,652	\$ 76,652	\$ 69,905	\$ 6,747
Contingency				
Contingencies	\$ 38,500	\$ 38,500	\$ -	\$ 38,500
Total Contingency	\$ 38,500	\$ 38,500	\$ -	\$ 38,500
Total Nondepartmental	\$ 115,152	\$ 115,152	\$ 69,905	\$ 45,247
Mayor and Village Board				
Personal Services				
Compensation				
Salary - Elected and Appointed Officials	\$ 80,740	\$ 73,415	\$ 73,400	\$ 15
Total Compensation	\$ 80,740	\$ 73,415	\$ 73,400	\$ 15
Personal Services				
Benefits				
Employer FICA / Medicare	\$ 6,177	\$ 5,627	\$ 5,615	\$ 12
Employer IMRF	15,292	13,892	13,862	30
Insurance - Group Life and AD&D	917	917	747	170
Insurance - Group Medical	37,626	49,431	49,430	1
Insurance - Group Dental	6,470	7,315	7,315	-
Insurance - Workers Compensation	5,068	6,393	6,386	7
Insurance - Unemployment Compensation	725	25	-	25
Total Benefits	\$ 72,275	\$ 83,600	\$ 83,355	\$ 245
Total Personal Services	\$ 153,015	\$ 157,015	\$ 156,755	\$ 260
Contractual Services				
Other Contractual				
Equipment Rental	\$ -	\$ 180	\$ 179	\$ 1
Printing and Copying Services	-	515	511	4
Professional Assn Memberships & Dues	3,960	2,120	2,118	2
Purchased Program Services	1,100	775	765	10
Telephone - Local, LD, Wireless, Pager	-	1,160	1,157	3
Training Services	110	35	35	-
Total Other Contractual	\$ 5,170	\$ 4,785	\$ 4,765	\$ 20
Total Contractual Services	\$ 5,170	\$ 4,785	\$ 4,765	\$ 20

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
<b>General government (continued)</b>				
Mayor and Village Board (continued)				
Commodities				
Awards	\$ 165	\$ 5	\$ -	\$ 5
Computer Supplies	-	130	128	2
Concessions and Food	2,200	3,505	3,505	-
Program Supplies	165	2,355	2,351	4
Stationery	275	355	355	-
Other Materials and Supplies	5,500	5,840	5,839	1
Total Commodities	\$ 8,305	\$ 12,190	\$ 12,178	\$ 12
Travel				
Conference and Meeting Registration	\$ 2,750	\$ 1,775	\$ 1,770	\$ 5
Local Mileage, Parking and Tolls	495	345	344	1
Lodging	1,650	2,085	2,083	2
Meals	1,100	235	233	2
Total Travel	\$ 5,995	\$ 4,440	\$ 4,430	\$ 10
Total Mayor and Village Board	\$ 172,485	\$ 178,430	\$ 178,128	\$ 302
Board of Police & Fire Commissioners				
Personal Services				
Contractual Services				
Professional Services				
Legal - Review	\$ 495	\$ 20	\$ -	\$ 20
Medical	550	335	-	335
Total Professional Services	\$ 1,045	\$ 355	\$ -	\$ 355
Other Contractual				
Professional Assn Memberships & Dues	\$ 413	\$ 753	\$ 750	\$ 3
Purchased Program Services	2,200	3,075	3,072	3
Training Services	550	25	-	25
Other Contractual	\$ 3,163	\$ 3,853	\$ 3,822	\$ 31
Total Contractual Services	\$ 4,208	\$ 4,208	\$ 3,822	\$ 386
Commodities				
Books and Publications	\$ 220	\$ 220	\$ -	\$ 220
Total Commodities	\$ 220	\$ 220	\$ -	\$ 220
Travel				
Local Mileage, Parking and Tolls	\$ 110	\$ 110	\$ -	\$ 110
Lodging	550	550	-	550
Meals	165	165	-	165
Total Travel	\$ 825	\$ 825	\$ -	\$ 825
Total Board of Police & Fire Commissioner:	\$ 5,253	\$ 5,253	\$ 3,822	\$ 1,431

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
<b>General government (continued)</b>				
Health Officer				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 5,099	\$ 5,099	\$ -	\$ 5,099
Total Compensation	\$ 5,099	\$ 5,099	\$ -	\$ 5,099
Benefits				
Employer FICA / Medicare	\$ 390	\$ 390	\$ -	\$ 390
Employer IMRF	966	966	-	966
Total Compensation	\$ 1,356	\$ 1,356	\$ -	\$ 1,356
Total Personal Services	\$ 6,455	\$ 6,455	\$ -	\$ 6,455
Contractual Services				
Other Contractual				
Rodent / Mosquito Abatement	\$ 23,100	\$ 23,100	\$ 20,964	\$ 2,136
Total Other Contractual	\$ 23,100	\$ 23,100	\$ 20,964	\$ 2,136
Total Contractual Services	\$ 23,100	\$ 23,100	\$ 20,964	\$ 2,136
Total Health Officer	\$ 29,555	\$ 29,555	\$ 20,964	\$ 8,591
Zoning Board of Appeals				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 572	\$ 1,362	\$ 1,360	\$ 2
Total Compensation	\$ 572	\$ 1,362	\$ 1,360	\$ 2
Total Personal Services	\$ 572	\$ 1,362	\$ 1,360	\$ 2
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 550	\$ 25	\$ -	\$ 25
Legal - Review	990	5	-	5
Total Professional Services	\$ 1,540	\$ 30	\$ -	\$ 30
Other Contractual				
Advertising & Legal Publishing	\$ 275	\$ 715	\$ 712	\$ 3
Printing and Copying Services	-	215	212	3
Total Other Contractual	\$ 275	\$ 930	\$ 924	\$ 6
Total Contractual Services	\$ 1,815	\$ 960	\$ 924	\$ 36

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>General government (continued)</b>				
Zoning Board of Appeals (continued)				
Commodities				
Office Supplies	\$ 55	\$ 5	\$ -	\$ 5
Postage	55	5	-	5
Program Supplies	-	800	800	-
Total Commodities	\$ 110	\$ 810	\$ 800	\$ 10
Total Zoning Board of Appeals	\$ 2,497	\$ 3,132	\$ 3,084	\$ 48
 General & Financial Administration				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 218,962	\$ 218,962	\$ 207,920	\$ 11,042
Wages - Full Time Hourly	61,669	51,834	48,607	3,227
Wages - Part Time Hourly	49,203	49,203	24,978	24,225
Wages - Overtime	1,487	3,272	3,271	1
Auto Allowance	5,280	5,280	4,800	480
Total Compensation	\$ 336,601	\$ 328,551	\$ 289,576	\$ 38,975
Benefits				
Employer FICA / Medicare	\$ 24,802	\$ 24,802	\$ 22,490	\$ 2,312
Employer IMRF	59,180	59,180	52,009	7,171
Insurance - Group Life and AD&D	215	215	214	1
Insurance - Group Medical	42,142	37,442	37,356	86
Insurance - Group Dental	4,013	4,013	3,922	91
Insurance - Workers Compensation	25,489	25,489	24,820	669
Insurance - Unemployment Compensation	715	715	80	635
Total Benefits	\$ 156,556	\$ 151,856	\$ 140,891	\$ 10,965
Total Personal Services	\$ 493,157	\$ 480,407	\$ 430,467	\$ 49,940
Contractual Services				
Professional Services				
Audit	\$ 28,600	\$ 25,850	\$ 24,900	\$ 950
Consulting	-	5,000	5,000	-
Data Processing	44,330	40,480	40,463	17
Investment Management	2,200	1,065	1,053	12
Medical	-	135	134	1
Other Professional Services	-	2,600	2,600	-
Total Professional Services	\$ 75,130	\$ 75,130	\$ 74,150	\$ 980
Repair and Maintenance				
R & M - Communications Equipment	\$ 275	\$ 275	\$ -	\$ 275
R & M - Data Processing Equipment	1,320	1,070	790	280
R & M - Office Equipment	6,567	6,567	6,294	273
R & M - Vehicles	1,100	1,350	1,346	4
Total Repair and Maintenance	\$ 9,262	\$ 9,262	\$ 8,430	\$ 832

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>General government (continued)</b>				
General & Financial Administration (continued)				
Contractual Services (continued)				
Other Contractual				
Advertising & Legal Publishing	\$ 1,320	\$ 1,320	\$ 757	\$ 563
Bank Fees & Charges	6,050	13,525	13,524	1
Contract Labor	-	8,050	8,044	6
Equipment Rental	9,130	9,130	5,507	3,623
Intergovernmental Fees and Dues	550	550	101	449
Intergovernmental Service Contracts	10,945	10,945	9,472	1,473
ISP's & Data Services	2,558	2,558	2,544	14
Liability Insurance	129,250	121,775	93,989	27,786
Ordinance Codification Services	3,850	4,550	4,548	2
Printing and Copying Services	3,300	2,200	2,041	159
Professional Assn Memberships & Dues	4,400	4,400	2,158	2,242
Purchased Program Services	1,100	1,500	1,494	6
Telephone - Local, LD, Wireless, Pager	13,200	13,200	10,967	2,233
Training Services	550	550	-	550
Total Other Contractual	\$ 186,203	\$ 194,253	\$ 155,146	\$ 39,107
Total Contractual Services	\$ 270,595	\$ 278,645	\$ 237,726	\$ 40,919
Commodities				
Books and Publications	\$ 165	\$ 165	\$ 75	\$ 90
Computer Supplies	3,025	3,025	2,433	592
Concessions and Food	550	890	890	-
Copier Supplies	1,650	1,650	1,458	192
Fuel	825	1,150	1,150	-
Office Supplies	4,950	4,950	4,196	754
Postage	2,420	2,420	1,962	458
Program Supplies	3,300	2,005	1,656	349
Stationery	550	1,165	1,164	1
Uniforms	825	840	883	(43)
Total Commodities	\$ 18,260	\$ 18,260	\$ 15,867	\$ 2,393
Travel				
Conference and Meeting Registration	\$ 1,293	\$ 1,293	\$ 370	\$ 923
Local Mileage, Parking and Tolls	385	385	273	112
Lodging	715	715	30	685
Meals	275	275	111	164
Total Travel	\$ 2,668	\$ 2,668	\$ 784	\$ 1,884
Total General & Financial Administration	\$ 784,680	\$ 779,980	\$ 684,844	\$ 95,136

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
<b>General government (continued)</b>				
Legal Services				
Contractual Services				
Professional Services				
Legal - Prosecution & Adjudication	\$ 11,880	\$ 11,880	\$ 10,229	\$ 1,651
Legal - Litigation	2,200	2,200	-	2,200
Legal - Review	116,600	114,965	89,893	25,072
Other Professional Services	6,600	6,600	3,063	3,537
Total Professional Services	\$ 137,280	\$ 135,645	\$ 103,185	\$ 32,460
Total Contractual Services	\$ 137,280	\$ 135,645	\$ 103,185	\$ 32,460
Total Legal Services	\$ 137,280	\$ 135,645	\$ 103,185	\$ 32,460
Building Maintenance				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 17,600	\$ 22,710	\$ 22,708	\$ 2
R & M - Communications Equipment	275	5	-	5
R & M - Fire & EMS Equipment	330	885	880	5
Total Repair and Maintenance	\$ 18,205	\$ 23,600	\$ 23,588	\$ 12
Other Contractual				
Forestry & Landscaping Services	\$ 550	\$ 5	\$ -	\$ 5
Intergovernmental Fees and Dues	275	5	-	5
Janitorial	8,800	11,765	11,763	2
Purchased Program Services	880	3,700	3,696	4
Rodent / Mosquito Abatement	1,430	1,265	1,260	5
Total Other Contractual	\$ 11,935	\$ 16,740	\$ 16,719	\$ 21
Total Contractual Services	\$ 30,140	\$ 40,340	\$ 40,307	\$ 33
Commodities				
Cleaning & Maintenance Supplies	\$ 9,350	\$ 5,725	\$ 5,722	\$ 3
Program Supplies	3,300	4,450	4,444	6
Service & Repair Parts	550	350	330	20
Utilities - Village Buildings	16,500	15,500	15,481	19
Total Commodities	\$ 29,700	\$ 26,025	\$ 25,977	\$ 48
Total Building Maintenance	\$ 59,840	\$ 66,365	\$ 66,284	\$ 81
Courtesy Car Program				
Personal Services				
Compensation				
Wages - Part Time Hourly	\$ 21,909	\$ 21,909	\$ 14,938	\$ 6,971
Total Compensation	\$ 21,909	\$ 21,909	\$ 14,938	\$ 6,971

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>General government (continued)</b>				
Courtesy Car Program (continued)				
Personal Services (continued)				
Benefits				
Employer FICA / Medicare	\$ 1,676	\$ 1,676	\$ 1,143	\$ 533
Insurance - Workers Compensation	1,723	1,723	1,299	424
Insurance - Unemployment Compensation	216	216	-	216
Total Benefits	\$ 3,615	\$ 3,615	\$ 2,442	\$ 1,173
Total Personal Services	\$ 25,524	\$ 25,524	\$ 17,380	\$ 8,144
Contractual Services				
Professional Services				
Medical	\$ 550	\$ 550	\$ 134	\$ 416
Total Professional Services	\$ 550	\$ 550	\$ 134	\$ 416
Repair and Maintenance				
R & M - Vehicles	\$ 715	\$ 715	\$ 212	\$ 503
R & M - Other Equipment	55	55	-	55
Total Repair and Maintenance	\$ 770	\$ 770	\$ 212	\$ 558
Other Contractual				
Equipment Rental	\$ 1,320	\$ 1,320	\$ 1,200	\$ 120
Intergovernmental Fees and Dues	138	138	-	138
Telephone - Local, LD, Wireless, Pager	550	550	421	129
Total Other Contractual	\$ 2,008	\$ 2,008	\$ 1,621	\$ 387
Total Contractual Services	\$ 3,328	\$ 3,328	\$ 1,967	\$ 1,361
Commodities				
Fuel	\$ 2,200	\$ 2,155	\$ 1,210	\$ 945
Lubricants & Fluids	-	15	12	3
Service & Repair Parts	-	30	30	-
Total Commodities	\$ 2,200	\$ 2,200	\$ 1,252	\$ 948
Total Courtesy Car Program	\$ 31,052	\$ 31,052	\$ 20,599	\$ 10,453
<b>Total general government</b>	<b>\$ 1,337,794</b>	<b>\$ 1,344,564</b>	<b>\$ 1,150,815</b>	<b>\$ 193,749</b>
<b>Public safety</b>				
Building & Code Enforcement Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 79,532	\$ 75,782	\$ 75,774	\$ 8
Wages - Full Time Hourly	28,874	26,924	26,924	-
Wages - Overtime	651	1,836	1,834	2
Total Compensation	\$ 109,057	\$ 104,542	\$ 104,532	\$ 10

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Public safety (continued)</b>				
Building & Code Enforcement Department (continued)				
Personal Services (continued)				
Benefits				
Employer FICA / Medicare	\$ 8,333	\$ 8,008	\$ 7,997	\$ 11
Employer IMRF	16,709	19,184	19,179	5
Insurance - Group Life and AD&D	103	103	95	8
Insurance - Group Medical	27,933	26,408	26,400	8
Insurance - Group Dental	3,159	2,734	2,732	2
Insurance - Workers Compensation	6,937	9,097	9,095	2
Insurance - Unemployment Compensation	358	8	-	8
Total Benefits	\$ 63,532	\$ 65,542	\$ 65,498	\$ 44
Total Personal Services	\$ 172,589	\$ 170,084	\$ 170,030	\$ 54
Contractual Services				
Professional Services				
Data Processing	\$ 550	\$ 1,125	\$ 1,125	\$ -
Engineering and Architectural	5,500	6,455	6,455	-
Legal - Review	5,500	22,355	22,350	5
Other Professional Services	3,300	225	200	25
Total Professional Services	\$ 14,850	\$ 30,160	\$ 30,130	\$ 30
Repair and Maintenance				
R & M - Vehicles	\$ 825	\$ 1,150	\$ 1,138	\$ 12
Total Repair and Maintenance	\$ 825	\$ 1,150	\$ 1,138	\$ 12
Other Contractual				
Billing & Collection Services	\$ 1,980	\$ 2,710	\$ 2,709	\$ 1
Contract Labor	20,900	22,450	22,448	2
Forestry & Landscaping Services	3,300	25	-	25
Garbage & Recycling	11,000	25	-	25
Intergovernmental Fees and Dues	275	85	80	5
ISP's & Data Services	1,100	600	575	25
Printing and Copying Services	550	920	920	-
Professional Assn Memberships & Dues	165	5	-	5
Purchased Program Services	-	325	325	-
Telephone - Local, LD, Wireless, Pager	715	795	794	1
Training Services	275	5	-	5
Total Other Contractual	\$ 40,260	\$ 27,945	\$ 27,851	\$ 94
Total Contractual Services	\$ 55,935	\$ 59,255	\$ 59,119	\$ 136

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Public safety (continued)</b>				
Building & Code Enforcement Department (continued)				
Commodities				
Books and Publications	\$ 220	\$ 280	\$ 275	\$ 5
Computer Supplies	550	550	478	72
Fuel	880	1,435	1,434	1
Office Supplies	220	220	110	110
Postage	935	935	701	234
Program Supplies	110	110	75	35
Protective Clothing & Equipment	-	125	124	1
Small Tools	-	85	82	3
Stationery	-	155	152	3
Uniforms	220	725	720	5
Total Commodities	\$ 3,135	\$ 4,620	\$ 4,151	\$ 469
Total Building & Code Enforcement Department	\$ 231,659	\$ 233,959	\$ 233,300	\$ 659
Police Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 200,366	\$ 200,366	\$ 184,070	\$ 16,296
Wages - Full Time Hourly	490,741	452,896	417,925	34,971
Wages - Part Time Hourly	240,090	261,750	261,743	7
Wages - Overtime	102,012	117,162	117,154	8
Total Compensation	\$ 1,033,209	\$ 1,032,174	\$ 980,892	\$ 51,282
Benefits				
Employer FICA / Medicare	\$ 47,483	\$ 44,078	\$ 38,424	\$ 5,654
Employer IMRF	9,318	9,318	9,140	178
Self-managed Pension	-	44,305	44,302	3
Employer Police / Fire Pension	163,900	140,000	139,978	22
Insurance - Group Life and AD&D	741	741	649	92
Insurance - Group Medical	149,948	132,948	132,419	529
Insurance - Group Dental	7,020	7,020	6,072	948
Insurance - Workers Compensation	81,457	85,347	85,343	4
Insurance - Unemployment Compensation	4,247	357	-	357
Total Benefits	\$ 464,114	\$ 464,114	\$ 456,327	\$ 7,787
Total Personal Services	\$ 1,497,323	\$ 1,496,288	\$ 1,437,219	\$ 59,069
Contractual Services				
Professional Services				
Data Processing	\$ 5,500	\$ 10,610	\$ 10,606	\$ 4
Legal - Review	-	530	529	1
Medical	550	1,110	1,108	2
Total Professional Services	\$ 6,050	\$ 12,250	\$ 12,243	\$ 7

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
<b>Public safety (continued)</b>				
Police Department (continued)				
Contractual Services (continued)				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 193	\$ 258	\$ 257	\$ 1
R & M - Communications Equipment	2,750	3,045	3,041	4
R & M - Data Processing Equipment	110	875	875	-
R & M - Police Equipment	550	940	936	4
R & M - Office Equipment	2,750	610	604	6
R & M - Vehicles	27,500	34,940	34,936	4
Total Repair and Maintenance	\$ 33,853	\$ 40,668	\$ 40,649	\$ 19
Other Contractual				
Billing & Collection Services	\$ 8,800	\$ 33,755	\$ 33,755	\$ -
Equipment Installation Services	2,200	1,000	1,000	-
Equipment Rental	3,300	3,770	3,766	4
Intergovernmental Fees and Dues	825	1,020	1,019	1
Intergovernmental Service Contracts	1,430	3,400	3,400	-
ISP's & Data Services	1,782	9,002	8,998	4
Janitorial	12,782	11,382	11,374	8
Printing and Copying Services	4,400	5,000	4,993	7
Professional Assn Memberships & Dues	495	640	640	-
Purchased Program Services	6,710	6,805	6,805	-
Telephone - Local, LD, Wireless, Pager	16,500	16,000	15,968	32
Training Services	7,700	2,775	2,772	3
Total Other Contractual	\$ 66,924	\$ 94,549	\$ 94,490	\$ 59
Total Contractual Services	\$ 106,827	\$ 147,467	\$ 147,382	\$ 85
Commodities				
Ammunition and Range Supplies	\$ 9,900	\$ 3,950	\$ 3,909	\$ 41
Books and Publications	1,100	100	67	33
Computer Supplies	2,750	3,405	3,402	3
Concessions and Food	385	385	83	302
Copier Supplies	1,430	1,675	1,675	-
Fuel	34,100	28,225	28,220	5
Lubricants and Fluids	110	110	13	97
Office Supplies	1,925	675	662	13
Police Supplies	1,100	1,100	1,092	8
Postage	1,925	1,925	1,720	205
Program Supplies	550	550	516	34
Protective Clothing & Equipment	3,080	1,955	1,935	20
Service & Repair Parts	110	110	37	73
Stationery	165	165	54	111
Training Supplies	550	550	-	550
Uniforms	5,830	5,230	5,229	1
Other Materials and Supplies	-	220	220	-
Total Commodities	\$ 65,010	\$ 50,330	\$ 48,834	\$ 1,496

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Public safety (continued)</b>				
Police Department (continued)				
Travel				
Conference and Meeting Registration	\$ 2,200	\$ 2,200	\$ 1,050	\$ 1,150
Local Mileage, Parking and Tolls	275	275	9	266
Lodging	1,320	1,320	250	1,070
Meals	220	220	-	220
Purchased Transportation	660	660	-	660
Total Travel	\$ 4,675	\$ 4,675	\$ 1,309	\$ 3,366
Total Police Department	\$ 1,673,835	\$ 1,698,760	\$ 1,634,744	\$ 64,016
Fire Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 17,080	\$ 58,155	\$ 58,141	\$ 14
Wages - Part Time Hourly	103,282	95,607	95,589	18
Wages - Sleep-in Duty	19,470	36,870	36,851	19
Wages - Paid-on-call Duty	57,972	30,022	30,011	11
Other Compensation	21,561	19,436	19,436	-
Total Compensation	\$ 219,365	\$ 240,090	\$ 240,028	\$ 62
Benefits				
Employer FICA / Medicare	\$ 16,782	\$ 18,212	\$ 18,211	\$ 1
Employer Police / Fire Pension	19,800	17,200	17,177	23
Insurance - Group Life and AD&D	74	74	66	8
Insurance - Workers Compensation	17,247	20,887	20,884	3
Insurance - Unemployment Compensation	1,702	2	-	2
Total Benefits	\$ 55,605	\$ 56,375	\$ 56,338	\$ 37
Total Personal Services	\$ 274,970	\$ 296,465	\$ 296,366	\$ 99
Contractual Services				
Professional Services				
Consulting	\$ -	\$ 750	\$ 750	\$ -
Data Processing	6,600	6,400	6,355	45
Medical	825	1,200	1,195	5
Total Professional Services	\$ 7,425	\$ 8,350	\$ 8,300	\$ 50
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 275	\$ 275	\$ 257	\$ 18
R & M - Communications Equipment	550	675	670	5
R & M - Data Processing Equipment	1,320	1,320	1,200	120
R & M - Fire & EMS Equipment	7,700	7,700	4,657	3,043
R & M - Office Equipment	1,320	1,385	1,382	3
R & M - Vehicles	8,800	8,800	7,541	1,259
Total Repair and Maintenance	\$ 19,965	\$ 20,155	\$ 15,707	\$ 4,448

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Public safety (continued)</b>				
Fire Department (continued)				
Other Contractual				
Ambulance & EMS Service	\$ 239,030	\$ 207,340	\$ 192,965	\$ 14,375
Billing & Collection Services	11,000	11,000	3,935	7,065
Equipment Installation Services	-	3,175	3,175	-
Intergovernmental Fees and Dues	4,125	4,125	3,850	275
ISP's & Data Services	2,200	2,200	1,583	617
Janitorial	-	3,450	3,449	1
Laundry / Uniform Services	825	825	162	663
Printing and Copying Services	550	550	135	415
Professional Assn Memberships & Dues	825	825	80	745
Purchased Program Services	8,250	8,250	6,255	1,995
Telephone - Local, LD, Wireless, Pager	14,850	14,850	9,917	4,933
Training Services	550	550	-	550
Total Other Contractual	\$ 282,205	\$ 257,140	\$ 225,506	\$ 31,634
Total Contractual Services	\$ 309,595	\$ 285,645	\$ 249,513	\$ 36,132
Commodities				
Cleaning & Maintenance Supplies	\$ 220	\$ 220	\$ -	\$ 220
Computer Supplies	1,100	1,100	753	347
Concessions and Food	330	330	283	47
Copier Supplies	550	550	187	363
EMS Supplies	3,850	4,725	4,711	14
Firefighting Supplies	550	550	146	404
Fuel	7,150	7,150	4,514	2,636
Lubricants and Fluids	220	220	103	117
Office Supplies	385	385	67	318
Postage	55	85	84	1
Program Supplies	2,750	2,750	2,352	398
Protective Clothing & Equipment	5,500	5,500	5,044	456
Service & Repair Parts	1,100	2,650	2,640	10
Small Tools	385	385	205	180
Stationery	330	330	273	57
Training Supplies	550	550	209	341
Uniforms	1,375	1,375	1,273	102
Total Commodities	\$ 26,400	\$ 28,855	\$ 22,844	\$ 6,011
Travel				
Conference and Meeting Registration	\$ 550	\$ 550	\$ 75	\$ 475
Local Mileage, Parking and Tolls	110	110	-	110
Lodging	660	660	222	438
Meals	110	110	-	110
Total Travel	\$ 1,430	\$ 1,430	\$ 297	\$ 1,133
Total Fire Department	\$ 612,395	\$ 612,395	\$ 569,020	\$ 43,375
<b>Total public safety</b>	<b>\$ 2,517,889</b>	<b>\$ 2,545,114</b>	<b>\$ 2,437,064</b>	<b>\$ 108,050</b>

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Highways and Streets</b>				
Public Works Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 45,700	\$ 45,700	\$ 42,481	\$ 3,219
Wages - Full Time Hourly	130,552	116,817	111,837	4,980
Wages - Part Time Hourly	23,218	23,218	19,215	4,003
Wages - Overtime	16,336	16,336	6,476	9,860
Total Compensation	\$ 215,806	\$ 202,071	\$ 180,009	\$ 22,062
Benefits				
Employer FICA / Medicare	\$ 16,509	\$ 16,509	\$ 13,771	\$ 2,738
Employer IMRF	36,406	36,406	29,925	6,481
Insurance - Group Life and AD&D	311	311	257	54
Insurance - Group Medical	79,250	76,515	69,424	7,091
Insurance - Group Dental	5,218	5,218	5,179	39
Insurance - Workers Compensation	16,966	19,701	19,697	4
Insurance - Unemployment Compensation	791	791	-	791
Total Benefits	\$ 155,451	\$ 155,451	\$ 138,253	\$ 17,198
Total Personal Services	\$ 371,257	\$ 357,522	\$ 318,262	\$ 39,260
Contractual Services				
Professional Services				
Data Processing	\$ -	\$ 825	\$ 825	\$ -
Engineering and Architectural	550	1,400	1,389	11
Medical	440	40	-	40
Total Professional Services	\$ 990	\$ 2,265	\$ 2,214	\$ 51
Repair and Maintenance				
R & M - Public Works Equipment	\$ 2,750	\$ 3,140	\$ 3,135	\$ 5
R & M - Street Lights & Signals	2,750	1,800	1,782	18
R & M - Vehicles	9,900	16,900	16,891	9
Total Repair and Maintenance	\$ 15,400	\$ 21,840	\$ 21,808	\$ 32
Other Contractual				
Animal Control Services	\$ 1,100	\$ 550	\$ 520	\$ 30
Equipment Rental	1,650	1,250	1,228	22
Forestry & Landscaping Services	22,000	41,425	41,415	10
Intergovernmental Fees and Dues	220	45	40	5
ISP's & Data Services	1,100	750	750	-
Purchased Program Services	4,950	4,850	4,832	18
Telephone - Local, LD, Wireless, Pager	3,520	3,670	3,658	12
Training Services	825	125	100	25
Total Other Contractual	\$ 35,365	\$ 52,665	\$ 52,543	\$ 122
Total Contractual Services	\$ 51,755	\$ 76,770	\$ 76,565	\$ 205

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Highways and Streets (continued)</b>				
Public Works Department (continued)				
Commodities				
Computer Supplies	\$ 275	\$ 375	\$ 365	\$ 10
Fuel	8,250	6,300	6,294	6
Landscaping Supplies	-	1,485	1,482	3
Lubricants and Fluids	825	700	677	23
Office Supplies	165	40	35	5
Postage	28	28	8	20
Program Supplies	5,500	5,350	5,320	30
Protective Clothing & Equipment	660	710	702	8
Service & Repair Parts	8,250	1,625	1,620	5
Small Tools	2,200	2,760	2,757	3
Street Materials - Aggregate	2,750	3,650	3,629	21
Street Materials - Bituminum	2,750	4,675	4,657	18
Street Materials - Signs and Barricades	2,750	4,250	4,248	2
Street Materials - Other	4,950	3,225	3,219	6
Uniforms	1,320	245	225	20
Utilities - Public Way	70,400	68,450	68,540	(90)
Total Commodities	\$ 111,073	\$ 103,868	\$ 103,778	\$ 90
Travel				
Local Mileage, Parking and Tolls	\$ -	\$ 5	\$ 5	\$ -
Total Travel	\$ -	\$ 5	\$ 5	\$ -
Total Public Works Department	\$ 534,085	\$ 538,165	\$ 498,610	\$ 39,555
<b>Total highways and streets</b>	<b>\$ 534,085</b>	<b>\$ 538,165</b>	<b>\$ 498,610</b>	<b>\$ 39,555</b>
<b>Sanitation</b>				
Garbage Disposal				
Contractual Services				
Professional Services				
Data Processing	\$ 165	\$ 165	\$ -	\$ 165
Total Professional Services	\$ 165	\$ 165	\$ -	\$ 165
Other Contractual				
Garbage and Recycling	\$ 309,548	\$ 309,548	\$ 274,765	\$ 34,783
Other Contractual	\$ 309,548	\$ 309,548	\$ 274,765	\$ 34,783
Total Contractual Services	\$ 309,713	\$ 309,713	\$ 274,765	\$ 34,783
Total Garbage Disposal	\$ 309,713	\$ 309,713	\$ 274,765	\$ 34,948
<b>Total Sanitation</b>	<b>\$ 309,713</b>	<b>\$ 309,713</b>	<b>\$ 274,765</b>	<b>\$ 34,948</b>

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (continued)</b>				
<b>Culture and recreation</b>				
Recreation Programs				
Personal Services				
Compensation				
Wages - Full Time Hourly	\$ 14,423	\$ 14,423	\$ 13,125	\$ 1,298
Wages - Overtime	336	336	-	336
Total Compensation	\$ 14,759	\$ 14,759	\$ 13,125	\$ 1,634
Benefits				
Employer FICA / Medicare	\$ 1,129	\$ 1,129	\$ 1,004	\$ 125
Employer IMRF	2,795	2,795	2,481	314
Insurance - Group Life and AD&D	37	37	16	21
Insurance - Group Medical	1,384	1,384	55	1,329
Insurance - Group Dental	878	878	759	119
Insurance - Workers Compensation	1,161	1,161	1,142	19
Insurance - Unemployment Compensation	64	64	-	64
Total Benefits	\$ 7,448	\$ 7,448	\$ 5,457	\$ 1,991
Total Personal Services	\$ 22,207	\$ 22,207	\$ 18,582	\$ 3,625
Contractual Services				
Other Contractual				
Equipment Rental	\$ 4,125	\$ 4,500	\$ 4,500	\$ -
Purchased Program Services	1,430	1,430	1,405	25
Total Other Contractual	\$ 5,555	\$ 5,930	\$ 5,905	\$ 25
Total Contractual Services	\$ 5,555	\$ 5,930	\$ 5,905	\$ 25
Commodities				
Concessions and Food	\$ 1,980	\$ 2,405	\$ 2,398	\$ 7
Postage	-	15	13	2
Program Supplies	3,300	2,485	1,788	697
Total Commodities	\$ 5,280	\$ 4,905	\$ 4,199	\$ 706
Total Recreation Programs	\$ 33,042	\$ 33,042	\$ 28,686	\$ 4,356
Park Maintenance				
Personal Services				
Compensation				
Wages - Seasonal Hourly	\$ 7,700	\$ 7,700	\$ -	\$ 7,700
Total Compensation	\$ 7,700	\$ 7,700	\$ -	\$ 7,700
Benefits				
Employer FICA / Medicare	\$ 590	\$ 590	\$ -	\$ 590
Insurance - Workers Compensation	605	605	-	605
Insurance - Unemployment Compensation	89	89	-	89
Total Benefits	\$ 1,284	\$ 1,284	\$ -	\$ 1,284
Total Personal Services	\$ 8,984	\$ 8,984	\$ -	\$ 8,984

continued...



# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Culture and recreation (continued)</b>				
Park Maintenance (continued)				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 1,100	\$ 550	\$ -	\$ 550
R & M - Public Works Equipment	-	550	546	4
Total Repair and Maintenance	\$ 1,100	\$ 1,100	\$ 546	\$ 554
Other Contractual				
Equipment Rental	\$ 2,750	\$ 2,110	\$ 1,983	\$ 127
Forestry & Landscaping Services	27,500	20,500	20,061	439
Total Other Contractual	\$ 30,250	\$ 22,610	\$ 22,044	\$ 566
Total Contractual Services	\$ 31,350	\$ 23,710	\$ 22,590	\$ 1,120
Commodities				
Landscaping Supplies	\$ 1,375	\$ 1,375	\$ 1,263	\$ 112
Lubricants & Fluids	-	30	29	1
Program Supplies	1,100	680	462	218
Service & Repair Parts	275	665	660	5
Small Tools	550	550	249	301
Total Commodities	\$ 3,300	\$ 3,300	\$ 2,663	\$ 637
Total Park Maintenance	\$ 43,634	\$ 35,994	\$ 25,253	\$ 10,741
Seniors Programs				
Contractual Services				
Other Contractual				
Equipment Rental	\$ -	\$ 100	\$ 100	\$ -
Purchased Program Services	770	470	450	20
Total Benefits	\$ 770	\$ 570	\$ 550	\$ 20
Total Contractual Services	\$ 770	\$ 570	\$ 550	\$ 20
Commodities				
Awards	\$ 165	\$ 115	\$ 102	\$ 13
Concessions and Food	2,750	2,470	2,461	9
Program Supplies	1,100	760	757	3
Total Commodities	\$ 4,015	\$ 3,345	\$ 3,320	\$ 25
Total Seniors Programs	\$ 4,785	\$ 3,915	\$ 3,870	\$ 45
Senior Center Maintenance				
Contractual Services				
Professional Services				
Data Processing	\$ -	\$ 375	\$ 375	\$ -
Total Professional Services	\$ -	\$ 375	\$ 375	\$ -

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Culture and recreation (continued)</b>				
Senior Center Maintenance (continued)				
Contractual Services (continued)				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 2,750	\$ 8,600	\$ 8,593	\$ 7
Total Repair and Maintenance	\$ 2,750	\$ 8,600	\$ 8,593	\$ 7
Other Contractual				
Forestry & Landscaping Services	\$ 660	\$ 560	\$ 560	\$ -
ISPs & Data Services	1,320	1,475	1,473	2
Janitorial	495	765	765	-
Purchased Program Services	638	3,038	3,032	6
Rodent / Mosquito Abatement	495	420	420	-
Telephone - Local, LD, Wireless, Pager	880	785	782	3
Total Other Contractual	\$ 4,488	\$ 7,043	\$ 7,032	\$ 11
Total Contractual Services	\$ 7,238	\$ 16,018	\$ 16,000	\$ 18
Commodities				
Cleaning & Maintenance Supplies	\$ 165	\$ 65	\$ 56	\$ 9
Program Supplies	550	2,105	2,104	1
Service & Repair Parts	110	495	492	3
Small Tools	-	200	200	-
Utilities - Village Buildings	1,320	1,270	1,263	7
Total Commodities	\$ 2,145	\$ 4,135	\$ 4,115	\$ 20
Total Senior Center Maintenance	\$ 9,383	\$ 20,153	\$ 20,115	\$ 38
Beautification Committee				
Contractual Services				
Other Contractual				
Purchased Program Services	\$ 4,950	\$ 4,975	\$ 4,975	\$ -
Total Other Contractual	\$ 4,950	\$ 4,975	\$ 4,975	\$ -
Total Contractual Services	\$ 4,950	\$ 4,975	\$ 4,975	\$ -
Commodities				
Awards	\$ 1,100	\$ 1,100	\$ 1,100	\$ -
Concessions and Food	55	245	244	1
Landscaping Supplies	660	665	664	1
Program Supplies	275	55	-	55
Total Commodities	\$ 2,090	\$ 2,065	\$ 2,008	\$ 57
Total Beautification Committee	\$ 7,040	\$ 7,040	\$ 6,983	\$ 57

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# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Culture and recreation (continued)</b>				
Historical Committee				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 3,300	\$ 3,300	\$ 3,000	\$ 300
Total Compensation	\$ 3,300	\$ 3,300	\$ 3,000	\$ 300
Benefits				
Employer FICA / Medicare	\$ 253	\$ 253	\$ 229	\$ 24
Total Benefits	\$ 253	\$ 253	\$ 229	\$ 24
Total Personal Services	\$ 3,553	\$ 3,553	\$ 3,229	\$ 324
Commodities				
Program Supplies	\$ 220	\$ 220	\$ -	\$ 220
Total Commodities	\$ 220	\$ 220	\$ -	\$ 220
Total Historical Committee	\$ 3,773	\$ 3,773	\$ 3,229	\$ 544
<b>Total culture and recreation</b>	<b>\$ 101,657</b>	<b>\$ 103,917</b>	<b>\$ 88,136</b>	<b>\$ 15,781</b>
<b>Capital outlay</b>				
Mayor and Village Board				
Equipment - Communications	\$ -	\$ 440	\$ 439	\$ 1
Total Mayor and Village Board	\$ -	\$ 440	\$ 439	\$ 1
General & Financial Administration				
Equipment - Communications	\$ -	\$ 185	\$ 185	\$ -
Equipment - Data Processing	7,150	6,965	875	6,090
Equipment - Office	6,600	3,740	100	3,640
Total General & Financial Administration	\$ 13,750	\$ 10,890	\$ 1,160	\$ 9,730
Building Maintenance				
Building Acquisition/Const/Improvements	\$ 31,350	\$ 26,000	\$ 25,995	\$ 5
Total Building Maintenance	\$ 31,350	\$ 26,000	\$ 25,995	\$ 5
Building & Code Enforcement Department				
Equipment - Communications	\$ -	\$ 75	\$ 72	\$ 3
Equipment - Data Processing	1,375	-	-	-
Equipment - Office	330	330	136	194
Total Building & Code Enforcement Department	\$ 1,705	\$ 405	\$ 208	\$ 197
Police Department				
Equipment - Data Processing	\$ 27,500	\$ 15,500	\$ 15,102	\$ 398
Equipment - Office	3,850	100	-	100
Equipment - Public Safety	-	825	820	5
Equipment - Vehicles	85,800	75,800	75,106	694
Total Police Department	\$ 117,150	\$ 92,225	\$ 91,028	\$ 1,197

continued...

# Village of South Chicago Heights, Illinois

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Expenditures (continued)</b>				
<b>Capital outlay (continued)</b>				
Fire Department				
Equipment - Communications	\$ 2,530	\$ 8,100	\$ 8,096	\$ 4
Equipment - Data Processing	5,500	5,500	867	4,633
Equipment - Office	2,750	2,750	2,745	5
Equipment - Public Safety	41,443	32,693	31,977	716
Equipment - Vehicles	29,150	32,330	32,325	5
Total Fire Department	\$ 81,373	\$ 81,373	\$ 76,010	\$ 5,363
Public Works Department				
Building Acquisition/Const/Improvements	\$ 2,200	\$ 950	\$ 936	\$ 14
Equipment - Communications	-	70	67	3
Equipment - Data Processing	990	40	-	40
Equipment - Vehicles	35,750	33,800	33,796	4
Total Public Works Department	\$ 38,940	\$ 34,860	\$ 34,799	\$ 61
Park Maintenance				
Equipment - Maintenance	\$ -	\$ 1,250	\$ 1,225	\$ 25
Equipment - Playground	2,750	300	-	300
Total Park Maintenance	\$ 2,750	\$ 1,550	\$ 1,225	\$ 325
Senior Center Maintenance				
Equipment - Other	\$ 1,320	\$ 260	\$ 259	\$ 1
Total Senior Center Maintenance	\$ 1,320	\$ 260	\$ 259	\$ 1
Total capital outlay	\$ 288,338	\$ 248,003	\$ 231,123	\$ 16,880
<b>Total expenditures</b>	<b>\$ 5,089,476</b>	<b>\$ 5,089,476</b>	<b>\$ 4,680,513</b>	<b>\$ 408,963</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (548,901)	\$ (548,901)	\$ (147,112)	\$ 401,789
<b>Other financing sources and uses</b>				
Transfers in	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Proceeds From Sale of Capital Assets	15,000	15,000	9,550	(5,450)
Transfers out	(227,675)	(227,675)	(229,175)	(1,500)
<b>Total other financing sources and uses</b>	<b>\$ 37,325</b>	<b>\$ 37,325</b>	<b>\$ 30,375</b>	<b>\$ (6,950)</b>
Net change in fund balances	\$ (511,576)	\$ (511,576)	\$ (116,737)	\$ 394,839
Fund balances, January 1, as restated	\$ 502,494	\$ 502,494	\$ 502,494	\$ -
<b>Fund balances, December 31</b>	<b>\$ (9,082)</b>	<b>\$ (9,082)</b>	<b>\$ 385,757</b>	<b>\$ 394,839</b>

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# Village of South Chicago Heights, Illinois

## Special Revenue - Non-home Rule Sales Tax Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State shared taxes				
Non-home rule sales tax	\$ 475,000	\$ 475,000	\$ 424,560	\$ (50,440)
Total state shared taxes	\$ 475,000	\$ 475,000	\$ 424,560	\$ (50,440)
<b>Total revenues</b>	<b>\$ 475,000</b>	<b>\$ 475,000</b>	<b>\$ 424,560</b>	<b>\$ (50,440)</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 475,000	\$ 475,000	\$ 424,560	\$ (50,440)
<b>Other financing sources and uses</b>				
Transfers out	\$ (372,000)	\$ (372,000)	\$ (309,930)	\$ 62,070
<b>Total other financing sources and uses</b>	<b>\$ (372,000)</b>	<b>\$ (372,000)</b>	<b>\$ (309,930)</b>	<b>\$ 62,070</b>
Net change in fund balances	\$ 103,000	\$ 103,000	\$ 114,630	\$ 11,630
Fund balances, January 1	\$ 2,320,167	\$ 2,320,167	\$ 2,320,167	\$ -
<b>Fund balances, December 31</b>	<b>\$ 2,423,167</b>	<b>\$ 2,423,167</b>	<b>\$ 2,434,797</b>	<b>\$ 11,630</b>

# Village of South Chicago Heights, Illinois

## Special Revenue - Tax Increment Financing Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Local taxes				
TIF #1 increment	\$ 175,000	\$ 175,000	\$ 231,200	\$ 56,200
TIF #4 increment	-	-	24,449	24,449
Total local taxes	\$ 175,000	\$ 175,000	\$ 255,649	\$ 80,649
Fines and Forfeitures				
Escrow forfeits	\$ -	\$ -	\$ 20,000	\$ 20,000
Total Fines and Forfeitures	\$ -	\$ -	\$ 20,000	\$ 20,000
Interest				
Interest from deposits	\$ 750	\$ 750	\$ 780	\$ 30
Total interest	\$ 750	\$ 750	\$ 780	\$ 30
<b>Total revenues</b>	<b>\$ 175,750</b>	<b>\$ 175,750</b>	<b>\$ 276,429</b>	<b>\$ 100,679</b>
<b>Expenditures</b>				
General government				
Contractual services				
Professional services				
Consulting	\$ 16,500	\$ 15,650	\$ 15,641	\$ 9
Engineering & architectural	-	900	900	-
Legal - review	1,100	100	-	100
Other professional services	2,750	4,200	4,200	-
Total professional services	\$ 20,350	\$ 20,850	\$ 20,741	\$ 109
Other contractual				
Community development grants	\$ 137,500	\$ 137,875	\$ 125,867	\$ 12,008
Total other contractual	\$ 137,500	\$ 137,875	\$ 125,867	\$ 12,008
Total contractual services	\$ 157,850	\$ 158,725	\$ 146,608	\$ 12,117
Total general government	\$ 157,850	\$ 158,725	\$ 146,608	\$ 12,117
Capital outlay				
Land acquisition	\$ 27,500	\$ 26,625	\$ -	\$ 26,625
Total capital outlay	\$ 27,500	\$ 26,625	\$ -	\$ 26,625
<b>Total expenditures</b>	<b>\$ 185,350</b>	<b>\$ 185,350</b>	<b>\$ 146,608</b>	<b>\$ 38,742</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (9,600)	\$ (9,600)	\$ 129,821	\$ 139,421
<b>Other financing sources and uses</b>				
Proceeds from sale of capital assets	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Transfers out	(47,750)	(47,750)	-	47,750
<b>Total other financing sources and uses</b>	<b>\$ 52,250</b>	<b>\$ 52,250</b>	<b>\$ -</b>	<b>\$ (52,250)</b>
Net change in fund balances	\$ 42,650	\$ 42,650	\$ 129,821	\$ 87,171
Fund balances, January 1, as restated	\$ 223,073	\$ 223,073	\$ 223,073	\$ -
<b>Fund balances, December 31</b>	<b>\$ 265,723</b>	<b>\$ 265,723</b>	<b>\$ 352,894</b>	<b>\$ 87,171</b>

# Village of South Chicago Heights, Illinois

Required Supplementary Information  
Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
December 31, 2017

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
12/31/2014	\$ 127,005	\$ 131,730	\$ 4,725	\$ 731,174	\$ 18.02%
12/31/2015	\$ 127,518	\$ 127,517	\$ (1)	\$ 760,394	\$ 16.77%
12/31/2016	\$ 153,817	\$ 157,995	\$ 4,178	\$ 838,695	\$ 18.84%
12/31/2017	\$ 166,888	\$ 167,195	\$ 307	\$ 881,138	\$ 18.97%

Notes:	Actuarial valuation date -	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.
	Actuarial cost method -	Aggregate entry age normal.
	Amortization method -	Level percent of payroll, closed period.
	Remaining amortization period -	26 year closed period
	Asset valuation method -	5 year smoothed market; 20 percent corridor.
	Wage growth -	3.50 percent.
	Price inflation -	2.75 percent - approximate; no explicit price inflation assumption used.
	Salary increases -	3.75% to 14.50% including inflation.
	Investment rate of return -	7.50 percent.
	Retirement agge -	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pusuant top an experinece study of the period 2011 - 2013.
	Mortality -	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
	Other information -	10 years. There were no benefit changes during the year.

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

**Village of South Chicago Heights, Illinois**

Required Supplementary Information  
Schedule of Investment Returns  
Illinois Municipal Retirement Fund  
December 31, 2017

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<u>Fiscal Year End</u>	<u>Average Money-Weighted Rate of Return, net of Investment Expenses</u>
12/31/2014	6.08%
12/31/2015	0.58%
12/31/2016	not available
12/31/2017	not available

**Note:**

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



# Village of South Chicago Heights, Illinois

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
Illinois Municipal Retirement Fund  
December 31, 2017

	2017	2016
<b>Total pension liability</b>		
Service cost	\$ 93,563	\$ 82,955
Interest on the total pension liability	470,559	444,704
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	241,547	99,762
Changes of assumptions	(213,471)	(56,140)
Benefit payments, including refunds of employee contributions	(344,063)	(247,501)
Net change in total pension liability	248,135	323,780
Total pension liability - beginning	6,399,371	6,075,591
<b>Total pension liability - ending</b>	<b>\$ 6,647,506</b>	<b>\$ 6,399,371</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 167,195	\$ 157,995
Contributions - employee	39,729	38,821
Net investment income	832,173	314,545
Benefit payments, including refunds of employee contributions	(344,063)	(247,501)
Other (net transfer)	(49,662)	56,835
Net change in plan fiduciary net position	645,372	320,695
Plan fiduciary net position - beginning	4,890,443	4,569,748
<b>Plan fiduciary net position - ending</b>	<b>\$ 5,535,815</b>	<b>\$ 4,890,443</b>
<b>Net pension liability (asset)</b>	<b>\$ 1,111,691</b>	<b>\$ 1,508,928</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>83.28%</b>	<b>76.42%</b>
Covered valuation payroll	\$ 881,138	\$ 838,695
<b>Net pension liability as a percentage of covered valuation payroll</b>	<b>126.17%</b>	<b>179.91%</b>

## Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

2015	2014	2013	2012	2011	2010	2009	2008
\$ 84,291 413,233 -	\$ 93,739 373,544 -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
170,869 13,388 (236,503)	60,458 249,052 (200,386)	- - -	- - -	- - -	- - -	- - -	- - -
445,278	576,407	-	-	-	-	-	-
5,630,313	5,053,906	-	-	-	-	-	-
<b>\$ 6,075,591</b>	<b>\$ 5,630,313</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$ 127,517 44,071 22,566 (236,503) 66,464	\$ 131,730 41,909 259,993 (200,386) 36,827	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -	\$ - - - - -
24,115	270,073	-	-	-	-	-	-
4,545,633	4,275,560	-	-	-	-	-	-
<b>\$ 4,569,748</b>	<b>\$ 4,545,633</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>\$ 1,505,843</b>	<b>\$ 1,084,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>75.21%</b>	<b>80.73%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
\$ 760,394	\$ 731,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>198.03%</b>	<b>148.35%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

# Village of South Chicago Heights, Illinois

Required Supplementary Information  
Schedule of Employer Contributions  
Police Pension Fund  
December 31, 2017

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
12/31/2014	\$ 107,793	\$ 117,183	\$ 9,390	\$ 325,427	\$ 36.01%
12/31/2015	\$ 133,619	\$ 133,108	\$ (511)	\$ 349,580	\$ 38.08%
12/31/2016	\$ 155,069	\$ 136,901	\$ (18,168)	\$ 544,031	\$ 25.16%
12/31/2017	\$ 155,069	\$ 139,978	\$ (15,091)	\$ 485,669	\$ 28.82%

Notes:	Actuarial valuation date -	January 1, 2017
	Actuarial cost method -	Aggregate entry age normal.
	Amortization method -	Level percent of payroll, closed period.
	Remaining amortization period -	24 year closed period
	Asset valuation method -	5 year smoothed market
	Price inflation -	2.50 percent
	Salary increases -	3.50 percent
	Investment rate of return -	5.50 percent.
	Retirement age -	50 -70
	Mortality -	Mortality rates follow the sex distinct raw rates as developed in the RP-2014 study with Blue Collar adjustment and improved generationally using MP-2016 improvement rates. Retiree mortality were based on a study prepared by Lauterbach & Amen LLP in 2016. The rates are experience weighted with the raw rates developed in the RP-2014 study with Blue Collar adjustment and improved generationally using MP-2016 improvement rates.
	Changes of Assumptions -	The assumed rate on high quality 20 year tax-exempt G.O. bonds was changed from 3.57% to 3.78% The mortality assumption was updated to the MP-2016 table with rates applies on a fully-generational basis
	Other information -	There were no benefit changes during the year.

## Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**Village of South Chicago Heights, Illinois**

Required Supplementary Information  
Schedule of Investment Returns  
Police Pension Fund  
December 31, 2017

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<u>Fiscal Year End</u>	<u>Average Money-Weighted Rate of Return, net of Investment Expenses</u>
12/31/2014	1.88%
12/31/2015	-1.62%
12/31/2016	0.83%
12/31/2017	9.18%

**Note:**

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# Village of South Chicago Heights, Illinois

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
Police Pension Fund  
December 31, 2017

	2017	2016
<b>Total pension liability</b>		
Service cost	\$ 151,863	\$ 143,946
Interest on the total pension liability	390,633	378,509
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	(2,783)	(110,343)
Changes of assumptions	440,449	34,629
Benefit payments, including refunds of employee contributions	(231,459)	(221,149)
Net change in total pension liability	748,703	225,592
Total pension liability - beginning	7,218,145	6,992,553
<b>Total pension liability - ending</b>	<b>\$ 7,966,848</b>	<b>\$ 7,218,145</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 139,978	\$ 136,901
Contributions - employee	43,782	42,911
Net investment income	308,986	19,439
Benefit payments, including refunds of employee contributions	(231,459)	(221,149)
Administrative expense	(8,213)	(4,770)
Other (net transfer)	8,507	-
Net change in plan fiduciary net position	261,581	(26,668)
Plan fiduciary net position - beginning	3,322,211	3,348,879
<b>Plan fiduciary net position - ending</b>	<b>\$ 3,583,792</b>	<b>\$ 3,322,211</b>
<b>Net pension liability (asset)</b>	<b>\$ 4,383,056</b>	<b>\$ 3,895,934</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>44.98%</b>	<b>46.03%</b>
Covered valuation payroll	\$ 485,669	\$ 544,031
<b>Net pension liability as a percentage of covered valuation payroll</b>	<b>902.48%</b>	<b>716.12%</b>

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

2015	2014	2013	2012	2011	2010	2009-10	2008-09
\$ 96,896	\$ 98,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
293,737	345,737	-	-	-	-	-	-
-	-	-	-	-	-	-	-
103,887	(189,062)	-	-	-	-	-	-
1,309,169	403,248	-	-	-	-	-	-
(303,622)	(210,512)	-	-	-	-	-	-
1,500,067	448,130	-	-	-	-	-	-
5,492,486	5,044,356	-	-	-	-	-	-
<b>\$ 6,992,553</b>	<b>\$ 5,492,486</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$ 133,108	\$ 117,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75,304	32,865	-	-	-	-	-	-
(56,507)	64,722	-	-	-	-	-	-
(303,622)	(210,512)	-	-	-	-	-	-
(5,102)	(4,618)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(156,819)	(360)	-	-	-	-	-	-
3,505,698	3,506,058	-	-	-	-	-	-
<b>\$ 3,348,879</b>	<b>\$ 3,505,698</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>\$ 3,643,674</b>	<b>\$ 1,986,788</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>47.89%</b>	<b>63.83%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
\$ 349,580	\$ 325,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>1042.30%</b>	<b>610.52%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

# Village of South Chicago Heights, Illinois

Required Supplementary Information  
Schedule of Employer Contributions  
Firefighters Pension Fund  
December 31, 2017

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
12/31/2014	\$ 7,121	\$ 10,921	\$ 3,800	\$ -	\$ 0.00%
12/31/2015	\$ 8,636	\$ 11,256	\$ 2,620	\$ -	\$ 0.00%
12/31/2016	\$ 10,266	\$ 11,329	\$ 1,063	\$ -	\$ 0.00%
12/31/2017	\$ 10,266	\$ 17,177	\$ 6,911	\$ -	\$ 0.00%

Notes:	Actuarial valuation date -	January 1, 2017
	Actuarial cost method -	Aggregate entry age normal.
	Amortization method -	Level percent of payroll, closed period.
	Remaining amortization period -	19 year closed period
	Asset valuation method -	5 year smoothed market
	Price inflation -	2.50 percent
	Salary increases -	Not applicable
	Investment rate of return -	3.50 percent.
	Retirement age -	50 -70
	Mortality -	Mortality rates were based on 2014 Illinois Firefighters' Mortality Rate.
		Actuarial assumptions used in the December 31, 2016 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The rates are experience weighted with the raw rates as developed in the RP-2014 study, with Blue Collar adjustment and improved generationally using MP-2016 improvement rates.
	Changes of Assumptions -	The assumed rate on high quality 20 year tax-exempt G.O. bonds was changed from 3.57% to 3.78%
		The mortality assumption was updated to the MP-2016 table with rates applies on a fully-generational basis
	Other information -	There were no benefit changes during the year.

## Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**Village of South Chicago Heights, Illinois**

Required Supplementary Information  
Schedule of Investment Returns  
Firefighters Pension Fund  
December 31, 2017

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<u>Fiscal Year End</u>	<u>Average Money-Weighted Rate of Return, net of Investment Expenses</u>
12/31/2014	0.01%
12/31/2015	0.01%
12/31/2016	0.01%
12/31/2017	0.01%

**Note:**

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



# Village of South Chicago Heights, Illinois

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios  
Firefighters Pension Fund  
December 31, 2017

	2017	2016
<b>Total pension liability</b>		
Service cost	\$ -	\$ -
Interest on the total pension liability	16,520	16,683
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	732	6,607
Changes of assumptions	-	(3,557)
Benefit payments, including refunds of employee contributions	(24,744)	(24,024)
Net change in total pension liability	(7,492)	(4,291)
Total pension liability - beginning	484,366	488,657
<b>Total pension liability - ending</b>	<b>\$ 476,874</b>	<b>\$ 484,366</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 17,177	\$ 11,329
Contributions - employee	-	-
Net investment income	147	85
Benefit payments, including refunds of employee contributions	(24,744)	(24,024)
Administrative expense	(1,257)	(957)
Other (net transfer)	-	-
Net change in plan fiduciary net position	(8,677)	(13,567)
Plan fiduciary net position - beginning	20,950	34,517
<b>Plan fiduciary net position - ending</b>	<b>\$ 12,273</b>	<b>\$ 20,950</b>
<b>Net pension liability (asset)</b>	<b>\$ 464,601</b>	<b>\$ 463,416</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>2.57%</b>	<b>4.33%</b>
Covered valuation payroll	\$ -	\$ -
<b>Net pension liability as a percentage of covered valuation payroll</b>	<b>0.00%</b>	<b>0.00%</b>

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

2015	2014	2013	2012	2011	2010	2009-10	2008-09
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,839	16,524	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,721	4,154	-	-	-	-	-	-
212,212	18,792	-	-	-	-	-	-
(23,324)	(22,645)	-	-	-	-	-	-
224,448	16,825	-	-	-	-	-	-
264,209	247,384	-	-	-	-	-	-
<b>\$ 488,657</b>	<b>\$ 264,209</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$ 11,256	\$ 10,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
16	7	-	-	-	-	-	-
(23,324)	(22,645)	-	-	-	-	-	-
(812)	(514)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(12,864)	(12,231)	-	-	-	-	-	-
47,381	59,612	-	-	-	-	-	-
<b>\$ 34,517</b>	<b>\$ 47,381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>\$ 454,140</b>	<b>\$ 216,828</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
7.06%	17.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# **Village of South Chicago Heights, Illinois**

Required Supplementary Information  
Schedule of Funding Progress  
Retiree Health Insurance Plan  
Last six valuation years

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Ratio of Unfunded Actuarial Accrued Liability to Annual Covered Payroll
12/31/2011	\$ -	\$ 3,374,049	\$ 3,374,049	0.00%	\$ 990,513	340.64%
12/31/2013	\$ -	\$ 4,669,750	\$ 4,669,750	0.00%	\$ 1,010,089	462.31%
12/31/2014	\$ -	\$ 4,669,750	\$ 4,669,750	0.00%	\$ 1,034,571	451.37%
12/31/2015	\$ -	\$ 4,689,750	\$ 4,689,750	0.00%	\$ 934,082	502.07%
12/31/2016	\$ -	\$ 3,003,712	\$ 3,003,712	0.00%	\$ 781,955	384.13%
12/31/2017	\$ -	\$ 3,003,712	\$ 3,003,712	0.00%	\$ 756,551	397.03%

Notes:

Actuarial cost method -	Entry age
Asset valuation method -	Market value
Assumed inflation rate -	3.00 percent
Assumed investment return -	4.00 percent
Assumed projected salary increases -	4.0 percent
Assumed healthcare inflation rate -	8.00 percent initial, 6.00% ultimate
Amortization method -	Level percent of payroll, open period
Amortization period -	30 years
Digest of assumption changes -	The Village of South Chicago Heights implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available. The Village is required to have an actuarial study performed triennially.

# **Village of South Chicago Heights, Illinois**

Required Supplementary Information  
Schedule of Employer Contributions  
Retiree Health Insurance Plan  
Last six fiscal years

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed from Employers	Net OPEB Obligation (Asset)
12/31/2012	\$ 265,849	\$ 52,783	19.85%	\$ 559,422
12/31/2013	\$ 263,813	\$ 75,635	28.67%	\$ 747,600
12/31/2014	\$ 335,565	\$ 79,666	23.74%	\$ 1,003,499
12/31/2015	\$ 337,271	\$ 89,675	26.59%	\$ 1,251,095
12/31/2016	\$ 218,102	\$ 103,902	47.64%	\$ 1,390,359
12/31/2017	\$ 227,247	\$ 129,226	56.87%	\$ 1,488,380

OTHER SUPPLEMENTARY INFORMATION



# Village of South Chicago Heights, Illinois

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Local taxes				
Property tax - bond & interest	\$ 179,375	\$ 179,375	\$ 176,861	\$ (2,514)
Property tax - purchase agreement	-	-	(57)	(57)
Total local taxes	\$ 179,375	\$ 179,375	\$ 176,804	\$ (2,571)
<b>Total revenues</b>	<b>\$ 179,375</b>	<b>\$ 179,375</b>	<b>\$ 176,804</b>	<b>\$ (2,571)</b>
<b>Expenditures</b>				
Debt service				
Other contractual				
Paying agent fee	550	550	475	75
Total other contractual	\$ 550	\$ 550	\$ 475	\$ 75
Total contractual services	\$ 550	\$ 550	\$ 475	\$ 75
Principal				
Principal - 2015 GO bonds	\$ 95,000	\$ 95,000	\$ 95,000	\$ -
Principal - fire truck note	30,917	30,932	30,928	4
Total principal	\$ 125,917	\$ 125,932	\$ 125,928	\$ 4
Interest				
Interest - 2015 GO bonds	\$ 90,650	\$ 90,650	\$ 90,650	\$ -
Interest - fire truck note	3,629	3,614	3,287	327
Total interest	\$ 94,279	\$ 94,264	\$ 93,937	\$ 327
Total debt service	\$ 220,746	\$ 220,746	\$ 220,340	\$ 406
<b>Total expenditures</b>	<b>\$ 220,746</b>	<b>\$ 220,746</b>	<b>\$ 220,340</b>	<b>\$ 406</b>
Excess (deficiency) of revenues over (under) expenditures	(41,371)	(41,371)	(43,536)	(2,165)
<b>Other financing sources and uses</b>				
Transfers in	\$ 41,000	\$ 41,000	\$ 45,025	\$ 4,025
<b>Total other financing sources and uses</b>	<b>\$ 41,000</b>	<b>\$ 41,000</b>	<b>\$ 45,025</b>	<b>\$ 4,025</b>
Net change in fund balances	\$ (371)	\$ (371)	\$ 1,489	\$ 1,860
Fund balances, January 1, as restated	\$ 461	\$ 461	\$ 461	\$ -
<b>Fund balances, December 31</b>	<b>\$ 90</b>	<b>\$ 90</b>	<b>\$ 1,950</b>	<b>\$ 1,860</b>

# Village of South Chicago Heights, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2017

	Special Revenue Funds			
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund	Total
<b>Assets</b>				
Assets				
Cash and cash equivalents	\$ 228,801	\$ 15,415	\$ 4,407	\$ 248,623
Accounts / vouchers receivable	9,146	-	-	9,146
Inventory	2,112	-	-	2,112
<b>Total assets</b>	<b>\$ 240,059</b>	<b>\$ 15,415</b>	<b>\$ 4,407</b>	<b>\$ 259,881</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities				
Accounts / vouchers payable	\$ 2,261	\$ -	\$ 4,336	\$ 6,597
<b>Total liabilities</b>	<b>\$ 2,261</b>	<b>\$ -</b>	<b>\$ 4,336</b>	<b>\$ 6,597</b>
Fund Balances				
Nonspendable	\$ 2,112	\$ -	\$ -	\$ 2,112
Restricted for capital project	-	-	-	-
Restricted for highways & streets	235,686	-	-	235,686
Unassigned	-	15,415	71	15,486
<b>Total fund balances</b>	<b>\$ 237,798</b>	<b>\$ 15,415</b>	<b>\$ 71</b>	<b>\$ 253,284</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 240,059</b>	<b>\$ 15,415</b>	<b>\$ 4,407</b>	<b>\$ 259,881</b>

<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 47,503	\$ 296,126
-	9,146
-	2,112
<b><u>\$ 47,503</u></b>	<b><u>\$ 307,384</u></b>

<u>\$ 35,625</u>	<u>\$ 42,222</u>
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<u>\$ 35,625</u>	<u>\$ 42,222</u>
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\$ -	\$ 2,112
11,878	11,878
-	235,686
-	15,486

<u>\$ 11,878</u>	<u>\$ 265,162</u>
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<b><u>\$ 47,503</u></b>	<b><u>\$ 307,384</u></b>
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# Village of South Chicago Heights, Illinois

## Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended December 31, 2017

	Special Revenue Funds			
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund	Total
<b>Revenues</b>				
State shared taxes	\$ 105,572	\$ -	\$ -	\$ 105,572
Grants	-	4,836	-	4,836
Interest	1,733	15	-	1,748
<b>Total revenues</b>	<b>\$ 107,305</b>	<b>\$ 4,851</b>	<b>\$ -</b>	<b>\$ 112,156</b>
<b>Expenditures</b>				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	179,253	-	179,253
Highways and streets	11,640	-	6,142	17,782
Total current expenditures	\$ 11,640	\$ 179,253	\$ 6,142	\$ 197,035
Capital outlay	\$ -	\$ -	\$ -	\$ -
<b>Total expenditures</b>	<b>\$ 11,640</b>	<b>\$ 179,253</b>	<b>\$ 6,142</b>	<b>\$ 197,035</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 95,665	\$ (174,402)	\$ (6,142)	\$ (84,879)
<b>Other financing sources and uses</b>				
Transfers in	\$ -	\$ 174,400	\$ 6,150	\$ 180,550
<b>Total other financing sources and uses</b>	<b>\$ -</b>	<b>\$ 174,400</b>	<b>\$ 6,150</b>	<b>\$ 180,550</b>
Net change in fund balances	\$ 95,665	\$ (2)	\$ 8	\$ 95,671
Fund balances, January 1	\$ 142,133	\$ 15,417	\$ 63	\$ 157,613
<b>Fund balances, December 31</b>	<b>\$ 237,798</b>	<b>\$ 15,415</b>	<b>\$ 71</b>	<b>\$ 253,284</b>



Capital Project Fund	Total Nonmajor Governmental Funds
\$ -	\$ 105,572
-	4,836
87	1,835
<b>\$ 87</b>	<b>\$ 112,243</b>
\$ 36,170	\$ 36,170
-	179,253
-	17,782
<b>\$ 36,170</b>	<b>\$ 233,205</b>
\$ 11,980	\$ 11,980
<b>\$ 48,150</b>	<b>\$ 245,185</b>
\$ (48,063)	\$ (132,942)
\$ 59,930	\$ 240,480
<b>\$ 59,930</b>	<b>\$ 240,480</b>
\$ 11,867	\$ 107,538
\$ 11	\$ 157,624
<b>\$ 11,878</b>	<b>\$ 265,162</b>

**Village of South Chicago Heights, Illinois**

Special Revenue - Motor Fuel Tax Fund

Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
State shared taxes				
Motor fuel tax	\$ 105,000	\$ 105,000	\$ 105,572	\$ 572
Total state shared taxes	\$ 105,000	\$ 105,000	\$ 105,572	\$ 572
Interest				
Interest from deposits	\$ 150	\$ 150	\$ 1,733	\$ 1,583
Total interest	\$ 150	\$ 150	\$ 1,733	\$ 1,583
<b>Total revenues</b>	<b>\$ 105,150</b>	<b>\$ 105,150</b>	<b>\$ 107,305</b>	<b>\$ 2,155</b>
<b>Expenditures</b>				
Highway & streets				
Contractual services				
Professional services				
Engineering & architectural	\$ 11,000	\$ 11,000	\$ -	\$ 11,000
Total professional services	\$ 11,000	\$ 11,000	\$ -	\$ 11,000
Repair & maintenance				
R&M - street lights & signals	\$ 9,020	\$ 9,020	\$ 4,170	\$ 4,850
Total repair & maintenance	\$ 9,020	\$ 9,020	\$ 4,170	\$ 4,850
Other contractual				
Forestry & landscaping services	1,100	1,100	-	1,100
Total other contractual	\$ 1,100	\$ 1,100	\$ -	\$ 1,100
Total contractual services	\$ 21,120	\$ 21,120	\$ 4,170	\$ 16,950
Commodities				
Street materials - salt	\$ 16,500	\$ 16,500	\$ 7,470	\$ 9,030
Total commodities	\$ 16,500	\$ 16,500	\$ 7,470	\$ 9,030
Total highway & streets	\$ 37,620	\$ 37,620	\$ 11,640	\$ 25,980
<b>Total expenditures</b>	<b>\$ 37,620</b>	<b>\$ 37,620</b>	<b>\$ 11,640</b>	<b>\$ 25,980</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 67,530	\$ 67,530	\$ 95,665	\$ 28,135
Net change in fund balances	\$ 67,530	\$ 67,530	\$ 95,665	\$ 28,135
Fund balances, January 1	\$ 142,133	\$ 142,133	\$ 142,133	\$ -
<b>Fund balances, December 31</b>	<b>\$ 209,663</b>	<b>\$ 209,663</b>	<b>\$ 237,798</b>	<b>\$ 28,135</b>

# Village of South Chicago Heights, Illinois

## Special Revenue - E-911 Services Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Grants				
State grants	\$ 6,450	\$ 6,450	\$ 4,836	\$ (1,614)
Total grants	\$ 6,450	\$ 6,450	\$ 4,836	\$ (1,614)
Interest				
Interest From Deposits	\$ 25	\$ 25	\$ 15	\$ (10)
Total interest	\$ 25	\$ 25	\$ 15	\$ (10)
<b>Total revenues</b>	<b>\$ 6,475</b>	<b>\$ 6,475</b>	<b>\$ 4,851</b>	<b>\$ (1,624)</b>
<b>Expenditures</b>				
Public safety				
Contractual services				
Repair & maintenance				
R&M - communications equipment	\$ 7,205	\$ 7,205	\$ 6,528	\$ 677
Total repair & maintenance	\$ 7,205	\$ 7,205	\$ 6,528	\$ 677
Other contractual				
Intergovernmental service contracts	\$ 198,000	\$ 198,000	\$ 172,725	\$ 25,275
Telephones & pagers	660	660	-	660
Total other contractual	\$ 198,660	\$ 198,660	\$ 172,725	\$ 25,935
Total contractual services	\$ 205,865	\$ 205,865	\$ 179,253	\$ 26,612
Total public safety	\$ 205,865	\$ 205,865	\$ 179,253	\$ 26,612
<b>Total expenditures</b>	<b>\$ 205,865</b>	<b>\$ 205,865</b>	<b>\$ 179,253</b>	<b>\$ 26,612</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (199,390)	\$ (199,390)	\$ (174,402)	\$ 24,988
<b>Other financing sources and uses</b>				
Transfers in	\$ 180,675	\$ 180,675	\$ 174,400	\$ (6,275)
<b>Total other financing sources and uses</b>	<b>\$ 180,675</b>	<b>\$ 180,675</b>	<b>\$ 174,400</b>	<b>\$ (6,275)</b>
Net change in fund balances	\$ (18,715)	\$ (18,715)	\$ (2)	\$ 18,713
Fund balances, January 1	\$ 15,417	\$ 15,417	\$ 15,417	\$ -
<b>Fund balances, December 31</b>	<b>\$ (3,298)</b>	<b>\$ (3,298)</b>	<b>\$ 15,415</b>	<b>\$ 18,713</b>

# **Village of South Chicago Heights, Illinois**

## **Special Revenue - Community Development Block Grant Project Fund**

### **Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Expenditures</b>				
Highways & streets				
Contractual services				
Professional services				
Consulting	\$ 5,500	\$ 450	\$ -	\$ 450
Engineering & architectural	1,100	6,150	6,142	8
Total professional services	\$ 6,600	\$ 6,600	\$ 6,142	\$ 458
Total contractual services	\$ 6,600	\$ 6,600	\$ 6,142	\$ 458
Total highways & streets	\$ 6,600	\$ 6,600	\$ 6,142	\$ 458
<b>Total expenditures</b>	<b>\$ 6,600</b>	<b>\$ 6,600</b>	<b>\$ 6,142</b>	<b>\$ 458</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (6,600)	\$ (6,600)	\$ (6,142)	\$ 458
<b>Other financing sources and uses</b>				
Transfers in	\$ 6,000	\$ 6,000	\$ 6,150	\$ 150
<b>Total other financing sources and uses</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>	<b>\$ 6,150</b>	<b>\$ 150</b>
Net change in fund balances	\$ (600)	\$ (600)	\$ 8	\$ 608
Fund balances, January 1	\$ 63	\$ 63	\$ 63	\$ -
<b>Fund balances, December 31</b>	<b>\$ (537)</b>	<b>\$ (537)</b>	<b>\$ 71</b>	<b>\$ 608</b>

# Village of South Chicago Heights, Illinois

## Capital Project - Capital Project Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Interest				
Interest From Deposits	\$ -	\$ -	\$ 87	\$ 87
Total interest	\$ -	\$ -	\$ 87	\$ 87
<b>Total revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87</b>	<b>\$ 87</b>
<b>Expenditures</b>				
General government				
Contractual services				
Professional services				
Engineering & architectural	\$ -	\$ 85	\$ 85	\$ -
Total professional services	\$ -	\$ 85	\$ 85	\$ -
Repair & Maintenance				
R&M - Buildings & grounds	\$ -	\$ 460	\$ 460	\$ -
Total repair & maintenance	\$ -	\$ 460	\$ 460	\$ -
Other contractual				
Garbage & recycling	\$ 27,500	\$ 500	\$ -	\$ 500
Purchased program services	-	35,625	35,625	-
Total other contractual	\$ 27,500	\$ 36,125	\$ 35,625	\$ 500
Total contractual services	\$ 27,500	\$ 36,670	\$ 36,170	\$ 500
Commodities				
Street materials - aggregate	\$ 5,500	\$ 5,500	\$ -	\$ 5,500
Total commodities	\$ 5,500	\$ 5,500	\$ -	\$ 5,500
Total general government	\$ 33,000	\$ 42,170	\$ 36,170	\$ 6,000
Capital outlay				
Building Acquisition/Const/Improvement	\$ 27,500	\$ 18,330	\$ 11,980	\$ 6,350
Water system construction/imprvmnts	18,700	18,700	-	18,700
Total capital outlay	\$ 46,200	\$ 37,030	\$ 11,980	\$ 25,050
<b>Total expenditures</b>	<b>\$ 79,200</b>	<b>\$ 79,200</b>	<b>\$ 48,150</b>	<b>\$ 31,050</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (79,200)	\$ (79,200)	\$ (48,063)	\$ 31,137
<b>Other financing sources and uses</b>				
Transfers in	\$ 72,000	\$ 72,000	\$ 59,930	\$ (12,070)
<b>Total other financing sources and uses</b>	<b>\$ 72,000</b>	<b>\$ 72,000</b>	<b>\$ 59,930</b>	<b>\$ (12,070)</b>
Net change in fund balances	\$ (7,200)	\$ (7,200)	\$ 11,867	\$ 19,067
Fund balances, January 1	\$ 11	\$ 11	\$ 11	\$ -
<b>Fund balances, December 31</b>	<b>\$ (7,189)</b>	<b>\$ (7,189)</b>	<b>\$ 11,878</b>	<b>\$ 19,067</b>

# Village of South Chicago Heights, Illinois

## Enterprise - Water Fund

### Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating revenues</b>				
Charges for Services				
Water Sales	\$ 1,430,000	\$ 1,430,000	\$ 1,162,286	\$ (267,714)
Water Meter Installation / Replacement	8,000	8,000	3,571	(4,429)
Water Turn On Fees	1,800	1,800	1,969	169
Water / Sewer Tap Fees	500	500	1,500	1,000
Temporary Water Turn On Charge	1,750	1,750	2,175	425
Total Charges for Services	\$ 1,442,050	\$ 1,442,050	\$ 1,171,501	\$ (270,549)
Fines and Forfeitures				
Late Payment Penalty	\$ 12,000	\$ 12,000	\$ 24,578	\$ 12,578
Total Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 24,578	\$ 12,578
Reimbursements				
Expense Reimbursement	\$ -	\$ -	\$ 150	\$ 150
Insurance Reimbursement	1,000	1,000	-	(1,000)
Total Reimbursements	\$ 1,000	\$ 1,000	\$ 150	\$ (850)
Other revenue				
Miscellaneous	\$ -	\$ -	\$ 967	\$ 967
Total other revenue	\$ -	\$ -	\$ 967	\$ 967
<b>Total operating revenues</b>	<b>\$ 1,455,050</b>	<b>\$ 1,455,050</b>	<b>\$ 1,197,196</b>	<b>\$ (257,854)</b>
<b>Operating expenses</b>				
Administrative				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 24,329	\$ 24,329	\$ 11,490	\$ 12,839
Wages - Full Time Hourly	59,315	59,315	59,313	2
Wages - Part Time Hourly	7,145	9,270	9,251	19
Wages - Overtime	1,320	4,175	4,172	3
Total Compensation	\$ 92,109	\$ 97,089	\$ 84,226	\$ 12,863
Benefits				
Employer FICA / Medicare	\$ 7,308	\$ 7,308	\$ 6,883	\$ 425
Employer IMRF	18,094	18,094	30,176	(12,082)
Insurance - Group Life and AD&D	127	127	102	25
Insurance - Group Medical	28,512	28,512	24,039	4,473
Insurance - Group Dental	3,039	3,039	2,609	430
Insurance - Workers Compensation	7,836	7,836	7,826	10
Insurance - Unemployment Compensation	268	268	-	268
Total Benefits	\$ 65,184	\$ 65,184	\$ 71,635	\$ (6,451)
Total Personal Services	\$ 157,293	\$ 162,273	\$ 155,861	\$ 6,412

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**Village of South Chicago Heights, Illinois**

Enterprise - Water Fund

Schedule of Revenues, Expenses and Changes  
in Fund Net Position - Budget and Actual  
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating expenses (continued)</b>				
Administrative (continued)				
Contractual Services				
Professional Services				
Data Processing	\$ 30,800	\$ 30,800	\$ 20,850	\$ 9,950
Total Professional Services	\$ 30,800	\$ 30,800	\$ 20,850	\$ 9,950
Repair and Maintenance				
R & M - Data Processing Equipment	\$ 2,970	\$ 2,970	\$ 2,700	\$ 270
Total Repair and Maintenance	\$ 2,970	\$ 2,970	\$ 2,700	\$ 270
Other Contractual				
Liability Insurance	\$ 33,000	\$ 33,000	\$ 30,000	\$ 3,000
Printing and Copying Services	3,960	3,960	1,390	2,570
Total Other Contractual	\$ 36,960	\$ 36,960	\$ 31,390	\$ 5,570
Total Contractual Services	\$ 70,730	\$ 70,730	\$ 54,940	\$ 15,790
Commodities				
Computer Supplies	\$ -	\$ 215	\$ 213	\$ 2
Postage	7,150	7,150	5,747	1,403
Uniforms	-	170	168	2
Equipment - Data Processing	670	670	668	2
Total Commodities	\$ 7,820	\$ 8,205	\$ 6,796	\$ 1,409
Total Administrative	\$ 235,843	\$ 241,208	\$ 217,597	\$ 23,611
Cost of Sales				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 30,467	\$ 30,467	\$ 27,772	\$ 2,695
Wages - Full Time Hourly	77,935	70,860	70,256	604
Wages - Overtime	10,643	12,738	12,719	19
Total Compensation	\$ 119,045	\$ 114,065	\$ 110,747	\$ 3,318
Benefits				
Employer FICA / Medicare	\$ 9,803	\$ 9,803	\$ 8,603	\$ 1,200
Employer IMRF	24,270	24,270	36,406	(12,136)
Insurance - Group Life and AD&D	208	208	171	37
Insurance - Group Medical	52,833	52,833	46,283	6,550
Insurance - Group Dental	3,478	3,478	3,130	348
Insurance - Workers Compensation	9,750	9,750	5,749	4,001
Insurance - Unemployment Compensation	358	358	-	358
Total Benefits	\$ 100,700	\$ 100,700	\$ 100,342	\$ 358
Total Personal Services	\$ 219,745	\$ 214,765	\$ 211,089	\$ 3,676

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# Village of South Chicago Heights, Illinois

## Enterprise - Water Fund

### Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating expenses (continued)</b>				
Cost of Sales (continued)				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 12,100	\$ 12,100	\$ 212	\$ 11,888
Testing Labs	1,650	1,650	745	905
Total Professional Services	\$ 13,750	\$ 13,750	\$ 957	\$ 12,793
Repair and Maintenance				
R & M - Vehicles	\$ 1,100	\$ 1,100	\$ 131	\$ 969
R & M - Water & Sewer System Equipment	17,600	17,600	13,676	3,924
Total Repair and Maintenance	\$ 18,700	\$ 18,700	\$ 13,807	\$ 4,893
Other Contractual				
Equipment Rental	\$ 2,750	\$ 2,750	\$ 1,673	\$ 1,077
Garbage & Recycling	2,200	2,200	630	1,570
Purchased Program Services	40,700	39,975	23,890	16,085
Telephone - Local, LD, Wireless, Pager	1,650	1,650	1,370	280
Training Services	1,485	1,485	720	765
Utilities Location Service	1,100	1,825	1,823	2
Total Other Contractual	\$ 49,885	\$ 49,885	\$ 30,106	\$ 19,779
Total Contractual Services	\$ 82,335	\$ 82,335	\$ 44,870	\$ 37,465
Commodities				
Fuel	\$ 6,600	\$ 6,600	\$ 3,512	\$ 3,088
Landscaping Supplies	275	275	-	275
Program Supplies	550	550	154	396
Protective Clothing & Equipment	275	275	-	275
Service & Repair Parts	770	770	-	770
Small Tools	1,375	1,375	704	671
Street Materials - Aggregate	3,850	7,155	7,154	1
Street Materials - Bituminum	5,500	7,900	7,899	1
Utilities - Village Buildings	4,400	4,400	1,371	3,029
Utilities - Public Way	17,600	17,600	13,335	4,265
Water Purchases	770,000	764,295	550,479	213,816
Water & Sewer System Supplies	4,950	4,950	2,020	2,930
Water & Sewer System Repair Parts	16,500	16,500	13,946	2,554
Total Commodities	\$ 832,645	\$ 832,645	\$ 600,574	\$ 232,071
Total Cost of Sales	\$ 1,134,725	\$ 1,129,745	\$ 856,533	\$ 273,212



# Village of South Chicago Heights, Illinois

## Enterprise - Water Fund

### Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating expenses (continued)</b>				
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 147,089	\$ (147,089)
Total depreciation	\$ -	\$ -	\$ 147,089	\$ (147,089)
<b>Total operating expenses</b>	<b>\$ 1,370,568</b>	<b>\$ 1,370,953</b>	<b>\$ 1,221,219</b>	<b>\$ 149,734</b>
Operating income (loss)	\$ 84,482	\$ 84,097	\$ (24,023)	\$ (108,120)
<b>Nonoperating revenue (expenses)</b>				
Local taxes				
Property Tax	\$ 7,000	\$ 7,000	\$ 6,659	\$ (341)
Property tax - bond & interest	497,500	497,500	465,154	(32,346)
Total local taxes	\$ 504,500	\$ 504,500	\$ 471,813	\$ (32,687)
Debt service				
Principal				
Principal - 1998B GO bonds	\$ (515,000)	\$ (515,000)	\$ -	\$ (515,000)
Principal - Water Meter Installment Contract	(139,143)	(139,143)	-	(139,143)
Total principal	\$ (654,143)	\$ (654,143)	\$ -	\$ (654,143)
Interest expense				
Interest - 1998B GO bonds	\$ -	\$ -	\$ (42,850)	\$ 42,850
Interest - Water Meter Installment Contract	(67,542)	(67,542)	(58,083)	(9,459)
Total interest expense	\$ (67,542)	\$ (67,542)	\$ (100,933)	\$ 33,391
Total debt service	\$ (721,685)	\$ (721,685)	\$ (100,933)	\$ (620,752)
<b>Total nonoperating revenue (expenses)</b>	<b>\$ (217,185)</b>	<b>\$ (217,185)</b>	<b>\$ 370,880</b>	<b>\$ (588,065)</b>
Change in net position	(132,703)	(133,088)	346,857	479,945
Total net position, January 1, as restated	\$ (1,226,014)	\$ (1,226,014)	\$ (1,226,014)	\$ -
<b>Total net position, December 31</b>	<b>\$ (1,358,717)</b>	<b>\$ (1,359,102)</b>	<b>\$ (879,157)</b>	<b>\$ 479,945</b>

# Village of South Chicago Heights, Illinois

## Enterprise - Sewer Fund

### Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating revenues</b>				
Charges for Services				
Sewer Charges	\$ 125,000	\$ 125,000	\$ 135,068	\$ 10,068
Thorn Creek Sewer Charge	200,000	200,000	-	(200,000)
Thorn Creek Meter Reading Charge	16,100	16,100	16,213	113
Total Charges for Services	341,100	341,100	151,281	(189,819)
Fines and Forfeitures				
Late Payment Penalty	\$ 3,000	\$ 3,000	\$ 463	\$ (2,537)
Total Fines and Forfeitures	3,000	3,000	463	(2,537)
<b>Total operating revenues</b>	<b>\$ 344,100</b>	<b>\$ 344,100</b>	<b>\$ 151,744</b>	<b>\$ (192,356)</b>
<b>Operating expenses</b>				
Administrative				
Contractual Services				
Professional Services				
Data Processing	\$ 165	\$ 165	\$ -	\$ 165
Total Professional Services	\$ 165	\$ 165	\$ -	\$ 165
Other Contractual				
Advertising & Legal Publishing	\$ 220	\$ 220	\$ -	\$ 220
Printing and Copying Services	605	605	501	104
Thorn Creek Sewer Pass-thru	220,000	220,000	-	\$ 220,000
Total Other Contractual	\$ 220,825	\$ 220,825	\$ 501	\$ 220,324
Contractual Services	\$ 220,990	\$ 220,990	\$ 501	\$ 220,489
Total Administration	\$ 220,990	\$ 220,990	\$ 501	\$ 220,489
Cost of Sales				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 9,900	\$ 9,900	\$ 5,043	\$ 4,857
Total Professional Services	\$ 9,900	\$ 9,900	\$ 5,043	\$ 4,857
Other Contractual				
Intergovernmental Fees and Dues	\$ 1,100	\$ 1,100	\$ 1,000	\$ 100
Purchased Program Services	22,000	22,000	9,643	12,357
Total Other Contractual	\$ 23,100	\$ 23,100	\$ 10,643	\$ 12,457
Total contractual services	\$ 33,000	\$ 33,000	\$ 15,686	\$ 17,314

# Village of South Chicago Heights, Illinois

## Enterprise - Sewer Fund

### Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating expenses (continued)</b>				
Cost of Sales (continued)				
Commodities				
Service & Repair Parts	\$ 550	\$ 550	\$ -	\$ 550
Small Tools	110	110	-	110
Street Materials - Manhole Cvr's & Structures	2,750	2,750	-	2,750
Utilities - Public Way	550	865	865	-
Water & Sewer System Supplies	825	825	437	388
Water & Sewer System Repair Parts	825	510	104	406
Total Commodities	\$ 5,610	\$ 5,610	\$ 1,406	\$ 4,204
Total Cost of Sales	\$ 38,610	\$ 38,610	\$ 17,092	\$ 21,518
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 71,462	\$ (71,462)
Total depreciation	\$ -	\$ -	\$ 71,462	\$ (71,462)
<b>Total operating expenses</b>	<b>\$ 259,600</b>	<b>\$ 259,600</b>	<b>\$ 89,055</b>	<b>\$ 170,545</b>
Operating income (loss)	\$ 84,500	\$ 84,500	\$ 62,689	\$ (21,811)
<b>Nonoperating revenue (expenses)</b>				
Property tax	\$ 7,000	\$ 7,000	\$ 6,659	\$ (341)
Capital outlay	(126,500)	(126,500)	-	126,500
<b>Total nonoperating revenue (expenses)</b>	<b>\$ (119,500)</b>	<b>\$ (119,500)</b>	<b>\$ 6,659</b>	<b>\$ 126,159</b>
Change in net position	\$ (35,000)	\$ (35,000)	\$ 69,348	\$ 104,348
Total net position, January 1, as restated	\$ 1,560,656	\$ 1,560,656	\$ 1,560,656	\$ -
<b>Total net position, December 31</b>	<b>\$ 1,525,656</b>	<b>\$ 1,525,656</b>	<b>\$ 1,630,004</b>	<b>\$ 104,348</b>

# Village of South Chicago Heights, Illinois

## Enterprise - Property Management Fund

### Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating expenses</b>				
Nondepartmental				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 550	\$ 550	\$ -	\$ 550
Total Repair and Maintenance	\$ 550	\$ 550	\$ -	\$ 550
Other Contractual				
Garbage & recycling	\$ -	\$ 365	\$ 360	\$ 5
Intergovernmental Fees and Dues	101,200	100,255	-	100,255
Purchased Program Services	-	580	578	2
Telephone - Local, LD, Wireless, Pager	825	825	-	825
Total Other Contractual	\$ 102,025	\$ 102,025	\$ 938	\$ 101,087
Total contractual services	\$ 102,575	\$ 102,575	\$ 938	\$ 101,637
Commodities				
Program Supplies	\$ 275	\$ 275	\$ -	\$ 275
Service & Repair Parts	275	275	-	275
Utilities - Village Buildings	4,400	4,400	2,656	1,744
Total Commodities	\$ 4,950	\$ 4,950	\$ 2,656	\$ 2,294
Total Cost of Sales	\$ 107,525	\$ 107,525	\$ 3,594	\$ 103,931
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 18,112	\$ (18,112)
Total depreciation	\$ -	\$ -	\$ 18,112	\$ (18,112)
<b>Total operating expenses</b>	<b>\$ 107,525</b>	<b>\$ 107,525</b>	<b>\$ 21,706</b>	<b>\$ 85,819</b>
Operating income (loss)	\$ (107,525)	\$ (107,525)	\$ (21,706)	\$ 85,819
Income (loss) before transfers and contributions	\$ (107,525)	\$ (107,525)	\$ (21,706)	\$ 85,819
Transfers in	\$ 97,750	\$ 97,750	\$ 3,600	\$ (94,150)
Change in net position	\$ (9,775)	\$ (9,775)	\$ (18,106)	\$ (8,331)
Total net position, January 1,	\$ 272,103	\$ 272,103	\$ 272,103	\$ -
<b>Total net position, December 31</b>	<b>\$ 262,328</b>	<b>\$ 262,328</b>	<b>\$ 253,997</b>	<b>\$ (8,331)</b>

**Village of South Chicago Heights, Illinois**

## Fiduciary Funds

## Combining Schedule of Fiduciary Net Position

December 31, 2017

	Pension Trust Funds		
	Police Pension Fund	Firefighters Pension Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 300,605	\$ 12,274	\$ 312,879
Investments, at fair value:			
Certificates of deposit	95,140	-	95,140
US Treasury securities	494,326	-	494,326
State and municipal securities	418,138	-	418,138
Asset backed securities	34,574	-	34,574
Equity mutual funds	1,561,181	-	1,561,181
Corporate bonds	658,159	-	658,159
Interest receivable	15,852	-	15,852
Other receivables	7,003	-	7,003
<b>Total assets</b>	<b>\$ 3,584,978</b>	<b>\$ 12,274</b>	<b>\$ 3,597,252</b>
<b>Liabilities</b>			
Accounts / vouchers payable	\$ 1,185	\$ -	\$ 1,185
<b>Total liabilities</b>	<b>\$ 1,185</b>	<b>\$ -</b>	<b>\$ 1,185</b>
<b>Net position</b>			
Held in trust for pension benefits	\$ 3,583,793	\$ 12,274	\$ 3,596,067
<b>Total net position</b>	<b>\$ 3,583,793</b>	<b>\$ 12,274</b>	<b>\$ 3,596,067</b>

# Village of South Chicago Heights, Illinois

## Fiduciary Funds

### Combining Schedule of Changes in Fiduciary Net Position For the Year Ended December 31, 2017

	Police Pension Fund	Firefighters Pension Fund	Total
<b>Additions:</b>			
Contributions			
Employer	\$ 139,978	\$ 17,177	\$ 157,155
Plan member	43,782	-	43,782
Total contributions	\$ 183,760	\$ 17,177	\$ 200,937
Investment income			
Net appreciation in fair value of investments	\$ 190,471	\$ -	\$ 190,471
Interest	45,726	148	45,874
Dividends	95,077	-	95,077
Total investment income	\$ 331,274	\$ 147	\$ 331,422
Less investment expense	13,781	-	13,781
Net investment income	\$ 317,493	\$ 147	\$ 317,641
<b>Total additions</b>	<b>\$ 501,253</b>	<b>\$ 17,324</b>	<b>\$ 518,578</b>
<b>Deductions:</b>			
Benefits	\$ 231,458	\$ 24,744	\$ 256,202
Administrative expense	8,213	1,257	9,470
<b>Total deductions</b>	<b>\$ 239,671</b>	<b>\$ 26,001</b>	<b>\$ 265,672</b>
Change in net position	\$ 261,582	\$ (8,677)	\$ 252,906
<b>Net position held in trust for pension benefits</b>			
January 1	\$ 3,322,211	\$ 20,951	\$ 3,343,162
<b>December 31</b>	<b>\$ 3,583,793</b>	<b>\$ 12,274</b>	<b>\$ 3,596,068</b>

## Village of South Chicago Heights, Illinois

Long-Term Debt Requirements  
Series 1998B General Obligation (Capital Appreciation) Bonds  
Partial Refunding and Water System Improvements

December 31, 2017

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Date of Maturity: 11/1/2018  
Authorization Issue: \$ 1,347,702  
Interest Rate: 4.50% - 4.75%

### Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>504,692</u>	<u>20,308</u>	<u>525,000</u>
Totals	<u>\$ 504,692</u>	<u>\$ 20,308</u>	<u>\$ 525,000</u>

**Village of South Chicago Heights, Illinois**

Long-Term Debt Requirements  
Series 2015 General Obligation Bonds  
Public Safety Building

December 31, 2017

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Date of Maturity: 12/1/2034  
Authorization Issue: \$ 2,500,000  
Interest Rate: 2.0% - 4.5%

**Current and Future Principal and Interest Requirements**

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	95,000	88,750	183,750
2019	100,000	85,900	185,900
2020	100,000	82,900	182,900
2021	105,000	79,900	184,900
2022	110,000	76,750	186,750
2023	115,000	72,350	187,350
2024	115,000	67,750	182,750
2025	120,000	63,150	183,150
2026	125,000	58,350	183,350
2027	130,000	53,350	183,350
2028	135,000	48,150	183,150
2029	140,000	42,750	182,750
2030	150,000	36,450	186,450
2031	155,000	29,700	184,700
2032	160,000	22,725	182,725
2033	170,000	15,525	185,525
2034	175,000	7,875	182,875
Totals	<u>\$ 2,200,000</u>	<u>\$ 932,325</u>	<u>\$ 3,132,325</u>



## Village of South Chicago Heights, Illinois

Long-Term Debt Requirements  
Series 2004 Installment Note  
Purchase of Fire Truck

December 31, 2017

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Date of Maturity: 6/25/2019  
Authorization Issue: \$ 250,000  
Interest Rate: 4.50%

### Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	16,949	2,046	18,995
2019	<u>32,088</u>	<u>732</u>	<u>32,820</u>
Totals	<u>\$ 49,037</u>	<u>\$ 2,778</u>	<u>\$ 51,815</u>

**Village of South Chicago Heights, Illinois**

Long-Term Debt Requirements  
Series 2015 Equipment Lease  
Water Meter System

December 31, 2017

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Date of Maturity: 3/24/2028  
Authorization Issue: \$ 1,985,188  
Interest Rate: 3.093%

**Current and Future Principal and Interest Requirements**

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	143,447	57,098	200,545
2019	147,884	52,661	200,545
2020	152,458	48,087	200,545
2021	157,173	43,372	200,545
2022	162,034	38,511	200,545
2023	167,046	33,499	200,545
2024	172,213	28,332	200,545
2025	177,540	23,005	200,545
2026	183,031	17,514	200,545
2027	188,692	11,853	200,545
2028	194,778	5,768	200,546
Totals	<u>\$ 1,846,295</u>	<u>\$ 359,700</u>	<u>\$ 2,205,995</u>