

**VILLAGE OF SOUTH CHICAGO HEIGHTS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2018**



Village of South Chicago Heights, Illinois

Annual Financial Report
December 31, 2018

Table of Contents

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Fund Net Position - Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position.....	28
Notes to the Financial Statements	29
 Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: General Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Non-home Rule Sales Taxes Special Revenue Fund	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Tax Increment Financing Special Revenue Fund	90
Schedule of Employer Contributions (GASB 67) - Illinois Municipal Retirement Fund	91
Schedule of Investment Returns (GASB 67) - Illinois Municipal Retirement Fund.....	92
Schedule of Changes in the Employer's Net Pension Liability (GASB 67) - Illinois Municipal Retirement Fund	93

Village of South Chicago Heights, Illinois

Annual Financial Report
December 31, 2018

Table of Contents (continued)

	Page
Required Supplementary Information (continued)	
Schedule of Employer Contributions (GASB 67) – Police Pension Fund	95
Schedule of Investment Returns (GASB 67) – Police Pension Fund	96
Schedule of Changes in the Employer’s Net Pension Liability (GASB 67) - Police Pension Fund	97
Schedule of Employer Contributions (GASB 67) – Firefighters Pension Fund.....	99
Schedule of Investment Returns (GASB 67) – Firefighters Pension Fund.....	100
Schedule of Changes in the Employer’s Net Pension Liability (GASB 67) - Firefighters Pension Fund	101
Schedule of Employer Contributions (GASB 74) – Retiree Health Insurance Plan.....	103
Schedule of Investment Returns (GASB 74) – Retiree Health Insurance Plan	103
Schedule of Changes in the Employer’s Net Pension Liability (GASB 74) – Retiree Health Insurance Plan	104
Other Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Debt Service Fund	106
Combining Balance Sheet - Nonmajor Governmental Funds.....	107
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Motor Fuel Tax Special Revenue Fund	111
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: E-911 Services Special Revenue Fund	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Community Development Block Grant Special Revenue Fund	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Capital Project Fund	114
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual: Water Enterprise Fund	115
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual: Sewer Enterprise Fund	119
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual: Property Management Fund	121

Village of South Chicago Heights, Illinois

Annual Financial Report
December 31, 2018

Table of Contents (continued)

	Page
Other Supplementary Information (continued)	
Combining Schedule of Fiduciary Net Position.....	122
Combining Schedule of Changes in Fiduciary Net Position	123
Schedules of Long-term Debt Requirements.....	124



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, 2018, 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, 2018, 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 implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 the employer's net pension liability and related ratios, schedules of employer contributions, schedule of investment returns, and schedule of changes in the employer's net OPEB liability and related ratios on pages 3-14 and 67-105 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
August 12, 2019

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, 2018. 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 Village implemented Governmental Accounting Standards Board Statement Number 75 regarding the accounting and financial reporting for post-employment benefits. Implementation required the restatement of the Village's net position at the beginning of the year, decreasing governmental activities net position \$6,148,895.

The assets of the Village of South Chicago Heights exceeded its liabilities at the close of the most recent fiscal year by -\$3,402,705 (net position). Of this amount, -\$15,061,582 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.

The Village's total net position increased by \$467,726 in fiscal year 2018. Retirement of debt related to capital facilities increased the net investment in capital assets by \$436,290. Restricted net position increased by \$433,858 and unrestricted net position decreased \$402,422. The net position from governmental activities was \$4,859 less compared to the prior fiscal year and the increase in net position from business-type activities was \$472,585 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 \$3,638,205, an increase of \$197,645 in comparison with the prior year. Of this total amount, \$357,530 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 \$357,430, or 0.7% of annualized total General Fund expenditures. The General Fund posted a net decrease of \$304,169 from operations and a total change in fund balance of \$2,452 after transfers to and from other funds.

The Village's total debt decreased by \$775,491 (16.9%) during the current fiscal year. No new debt was issued, but the Series 1998B General Obligation bonds were 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 29-66 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 67-105 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 106-126 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, liabilities exceeded assets by \$3,402,705 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	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Current assets	\$ 8,759,061	\$ 7,298,453	\$ (497,505)	\$ 41,278	\$ 8,261,556	\$ 7,339,731
Capital assets	5,664,122	5,731,102	4,415,548	4,544,322	10,079,670	10,275,424
Deferred outflows of resources	1,261,356	1,153,891	106,436	37,448	1,367,792	1,191,339
Total assets and deferred outflows	<u>\$ 15,684,539</u>	<u>\$ 14,183,446</u>	<u>\$ 4,024,479</u>	<u>\$ 4,623,048</u>	<u>\$ 19,709,018</u>	<u>\$ 18,806,494</u>
Current liabilities	\$ 835,499	\$ 713,930	\$ 625,344	\$ 1,053,841	\$ 1,460,843	\$ 1,767,771
Long-term liabilities	15,387,784	9,376,063	1,891,692	1,942,946	17,279,476	11,319,009
Deferred inflows of resources	4,341,390	2,819,833	30,014	621,417	4,371,404	3,441,250
Total liabilities and deferred inflows	<u>\$ 20,564,673</u>	<u>\$ 12,909,826</u>	<u>\$ 2,547,050</u>	<u>\$ 3,618,204</u>	<u>\$ 23,111,723</u>	<u>\$ 16,528,030</u>
Net position						
Invested in capital assets						
net of related debt	\$ 3,542,437	\$ 3,482,065	\$ 4,415,548	\$ 4,039,630	\$ 7,957,985	\$ 7,521,695
Restricted	3,700,892	3,267,034	-	-	3,700,892	3,267,034
Unrestricted (as restated)	<u>(12,123,463)</u>	<u>(11,624,374)</u>	<u>(2,938,119)</u>	<u>(3,034,786)</u>	<u>(15,061,582)</u>	<u>(14,659,160)</u>
Total net position (as restated)	<u>\$ (4,880,134)</u>	<u>\$ (4,875,275)</u>	<u>\$ 1,477,429</u>	<u>\$ 1,004,844</u>	<u>\$ (3,402,705)</u>	<u>\$ (3,870,431)</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 increased by \$467,726 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 increased 20.7% from the prior year, mostly due to the sale of long-term lease and easement rights near year-end and increased TIF revenue.

Governmental activities

Governmental activities decreased the Village's net position by \$4,859 in the current year. Compared to last fiscal year revenues increased 10.5% and expenses increased 1.8%.

Overall property tax revenue increased 20.8% from the prior year on an accrual basis, but only 8.9% on a cash basis and entirely from increased TIF increment.. Due to the weak real estate market in the South Suburbs collection rates for the 2010 through 2018 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 substantially rebounded in 2017 and 2018, reversing a declining trend over the last several years, but are still only 83% 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 decreased 10.7% while sales taxes increased 4.9% and all other intergovernmental sources (use, motor fuel telecommunications, personal property replacement and video gaming taxes) increased

2.6% from the prior year. A large percentage increase again has come from the State video gaming tax which rose 7.4% from the prior fiscal year; but as we expected increases from this revenue has begun to flatten as the addition of new terminals has reached the saturation point.

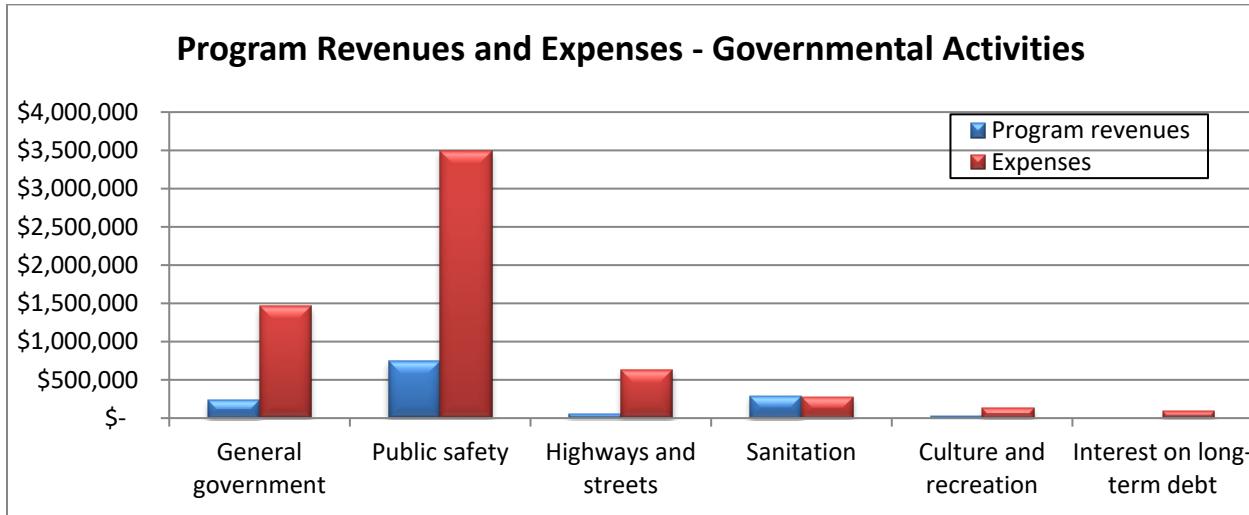
Tax distributions from the State of Illinois remained at three months in arrears at the end of 2018 while other state distributions are released on an erratic schedule as a result of ongoing State cash shortfalls.

Village of South Chicago Heights Changes in Net Position

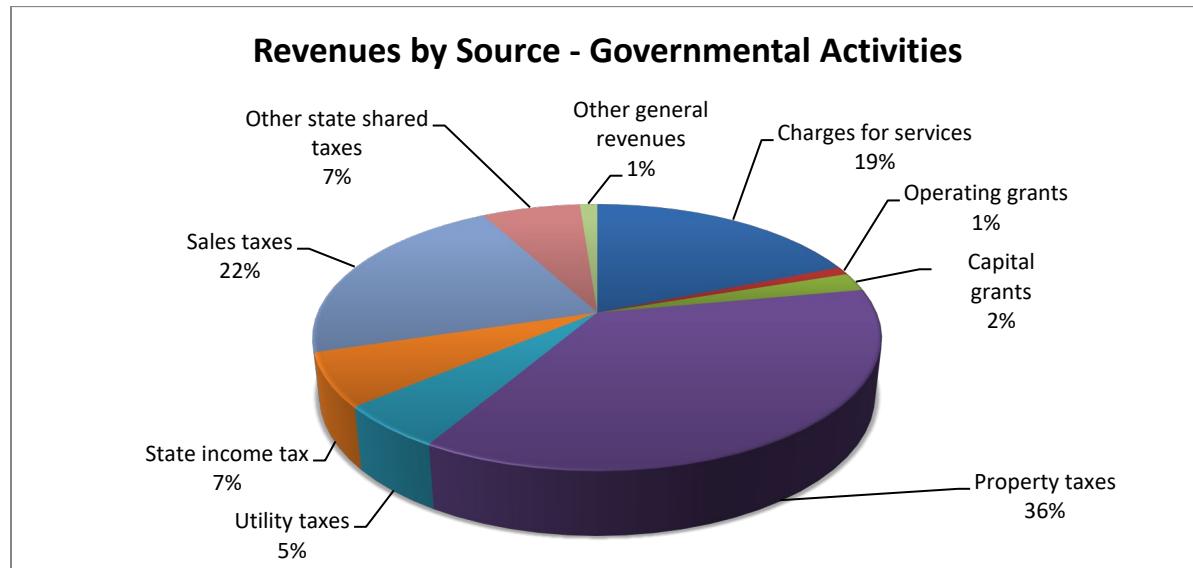
	Governmental activities		Business-type activities		Total	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2016
Revenues:						
Program revenues						
Charges for services	\$ 1,161,770	\$ 1,136,912	\$ 1,575,420	\$ 1,348,940	\$ 2,737,190	\$ 2,485,852
Operating grants & contributions	60,736	15,204	-	-	60,736	15,204
Capital grants & contributions	136,320	28,122	-	-	136,320	28,122
General revenues						
Property taxes	2,238,714	1,852,620	484,897	478,472	2,723,611	2,331,092
State shared taxes	2,153,008	2,127,231	-	-	2,153,008	2,127,231
Other taxes	330,828	354,307	-	-	330,828	354,307
Other revenues	72,987	56,738	-	-	72,987	56,738
Total revenues	\$ 6,154,363	\$ 5,571,134	\$ 2,060,317	\$ 1,827,412	\$ 8,214,680	\$ 7,398,546
Expenses:						
General government	\$ 1,510,586	\$ 1,441,572	\$ -	\$ -	\$ 1,510,586	\$ 1,441,572
Public safety	3,495,316	3,478,845	-	-	3,495,316	3,478,845
Highways & streets	635,568	632,671	-	-	635,568	632,671
Sanitation	284,678	274,765	-	-	284,678	274,765
Culture & recreation	136,933	123,482	-	-	136,933	123,482
Interest on long-term debt	90,749	94,231	-	-	90,749	94,231
Water system	-	-	1,382,347	1,322,152	1,382,347	1,322,152
Sewer system	-	-	187,497	89,055	187,497	89,055
Property management	-	-	23,280	21,706	23,280	21,706
Total expenses	\$ 6,153,830	\$ 6,045,566	\$ 1,593,124	\$ 1,432,913	\$ 7,746,954	\$ 7,478,479
Excess(deficiency) before transfers	\$ 533	\$ (474,432)	\$ 467,193	\$ 394,499	\$ 467,726	\$ (79,933)
Transfers	\$ (5,392)	\$ (3,600)	\$ 5,392	\$ 3,600	\$ -	\$ -
Increase (decrease) in net position	\$ (4,859)	\$ (478,032)	\$ 472,585	\$ 398,099	\$ 467,726	\$ (79,933)
Net position, January 1 (as restated)	<u>\$ (4,875,275)</u>	<u>\$ (4,397,243)</u>	<u>\$ 1,004,844</u>	<u>\$ 606,745</u>	<u>\$ (3,870,431)</u>	<u>\$ (3,790,498)</u>
Net position, December 31	<u>\$ (4,880,134)</u>	<u>\$ (4,875,275)</u>	<u>\$ 1,477,429</u>	<u>\$ 1,004,844</u>	<u>\$ (3,402,705)</u>	<u>\$ (3,870,431)</u>

Overall charges for services increased 2.2%, however revenues varied greatly depending on the source. Ambulance service charges led all sources with a 15.4% increase, followed closely by garbage service charges at 14.1%. The garbage service customer rate was increased in 2018, while changing to a new ambulance billing service resulted in higher collections. All other sources saw declines in revenue, chiefly fine and forfeiture revenue decreasing 9.2% (entirely because 2017 included a one-time recognition of building permit

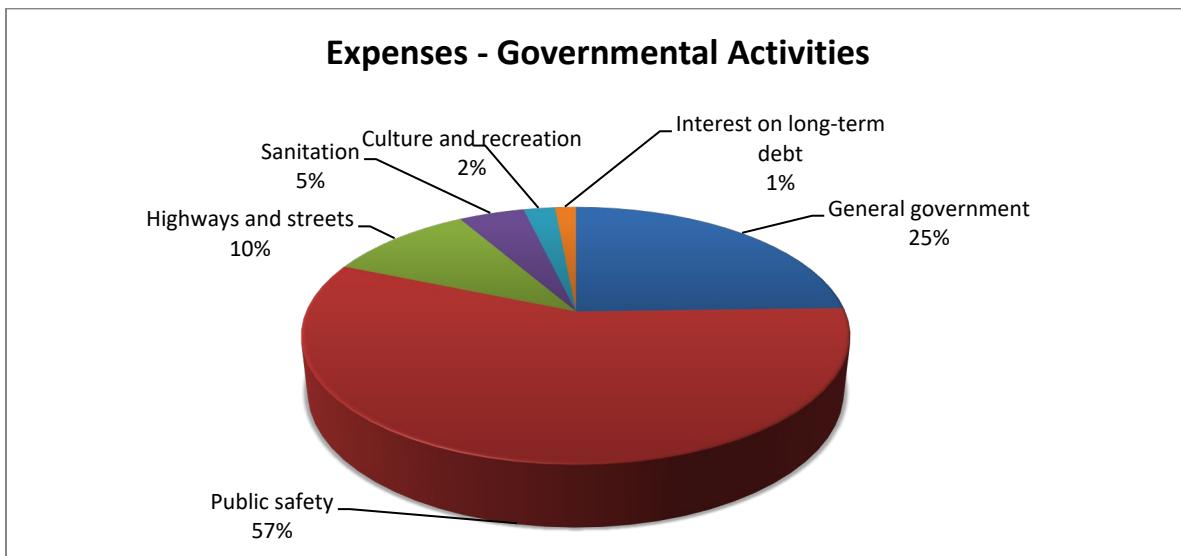
escrow forfeits), license and permit revenue decreased 1.6% and rent decreased 1.3%.



The Village actively seeks grants to offset costs that cannot be recovered through user charges. In 2018 the Village received the first of three disbursements from impact grant totaling \$200,000 from the closure of St. James Hospital. The grant is intended to compensate local ambulance service providers for the additional costs of transporting patients to the next closest emergency room. The 2018 disbursement was \$66,667 and has been pledged for the purchase of a new Type II ambulance. Also in 2018 the Village received a CDBG grant in the amount of \$59,259 for residential street resurfacing, along with \$21,448 from the State of Illinois for various traffic safety programs, and \$11,264 for public safety training and education.



Overall expenses increased 1.8% from the last fiscal year. General government expenses increased 4.8% in 2018 while public safety expenses rose 0.5% and highways & streets expenses increased 0.4%. Costs for these activities well all within the metropolitan area rate of inflation and the approved operating budget. For other governmental activities sanitation services increased 3.6% per the penultimate year of the contract with the service provider; recreation program expenses increased 10.9% with the introduction of additional community programs in the Summer; and interest on debt decreased 3.7%. There were no other new programs introduced during 2018, however the scope of maintenance and remediation at vacant property sites was expanded.



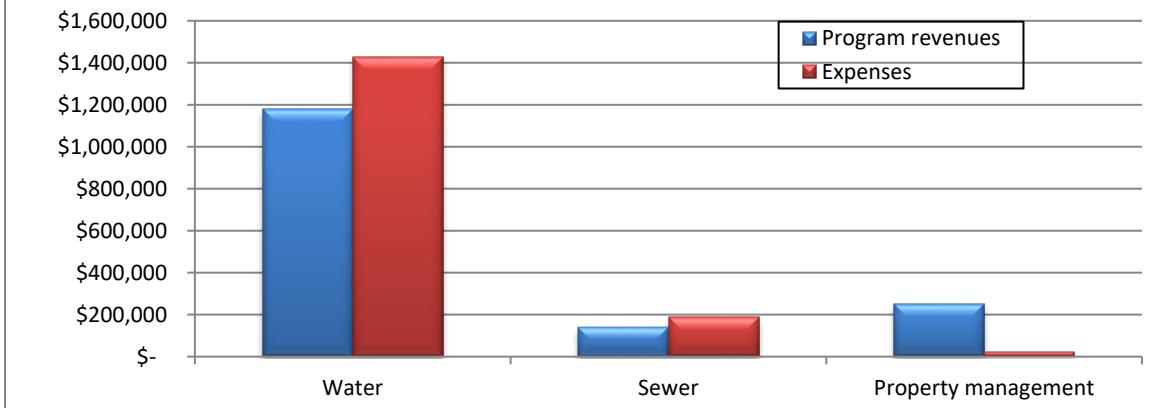
Business-type activities

Business-type activities increased the Village's net position by \$472,585, with positive results (exclusive of depreciation) in both the Water and Property Management funds, while the Sewer Fund showed a loss for the year.

Despite a mid-year 4.5% increase in water rates water revenue declined 1.3% as a result of lower sales. However, water expenses increased 4.6% as a result of increased system repairs caused by severe winter conditions. Likewise the cost of operations in the Sewer Fund were over 110% higher than in 2017 as a result of greater system maintenance and repairs. In addition, 2018 saw the final payment of the Series 1998B bonds which financed the Village's conversion to Lake Michigan as its source for potable water. These bonds were financed with property taxes, so future years will see a near elimination of taxes as a revenue source.

The Property Management Fund was the primary driver behind the increase in business-type net position, entirely from the one-time reimbursement of property taxes on some of the investment properties. These reimbursements allowed the fund to mostly eliminate interfund borrowing from previous years.

Program Revenues and Expenses - Business-type Activities



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 \$3,638,205, an increase of \$197,645 in comparison with the prior year. Of this total amount \$2,385,477 is restricted for capital projects and/or tax relief, \$613,063 is restricted for improvements within the Village's TIF area, \$248,967 is restricted for State approved street projects, \$959 is restricted for debt service, and \$32,209 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 \$357,430. 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 7.3% of total annualized General Fund expenditures.

The fund balance of the Village's General Fund increased by \$2,452, during the current fiscal year which included a non-recurring \$500,000 transfer from the Non-home Rule Sales Taxes Fund. Actual expenditures were \$466,033 less than what was appropriated and revenues were \$53,880 more than estimated. Revenues increased a scant 0.6% from 2017 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 7.3% more than the prior year with a fund balance decrease of \$49,320 after budgeted transfers. Without a significant addition to the retail sales base within the Village, fund revenues are

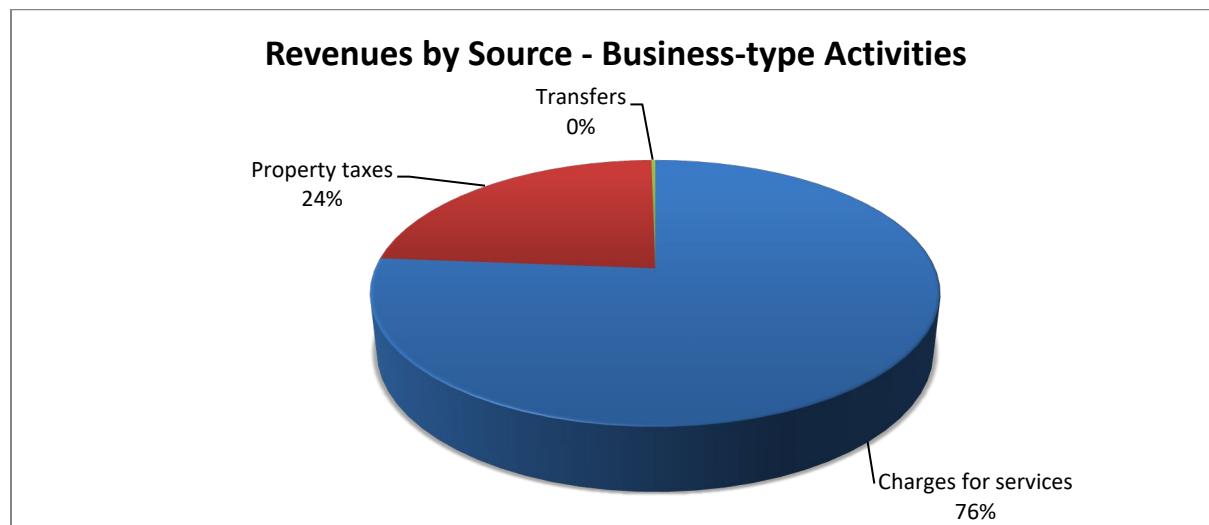
expected to remain within a narrow range with some year-to-year changes but with little future growth.

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.

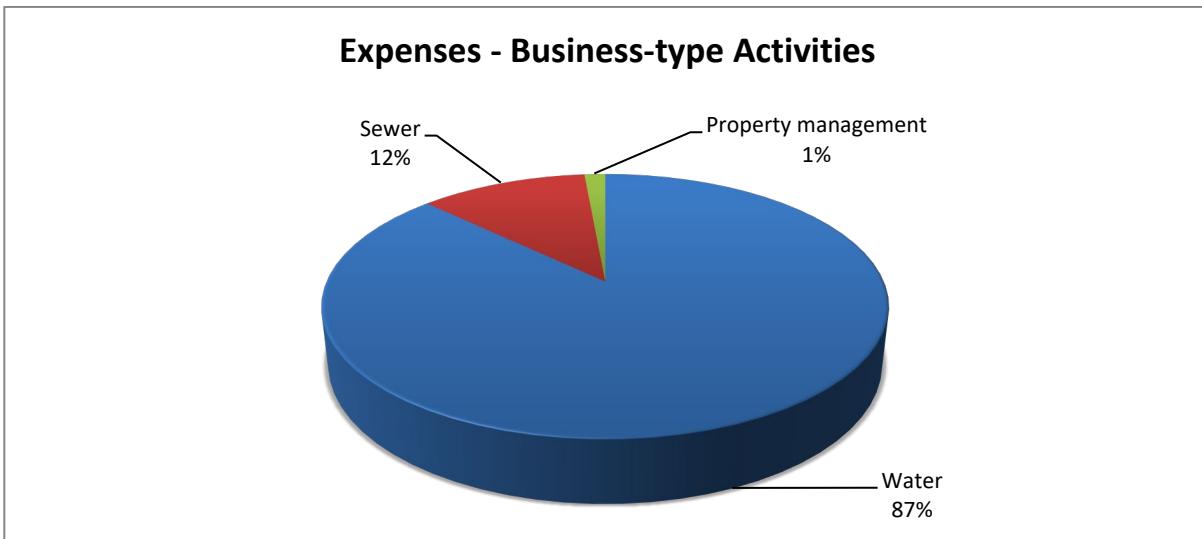
The fund balance of the Tax Increment Financing Fund increased by \$260,169 during the current fiscal year and revenues were 78.5% greater than estimated because of both a rebound in assessed values for Areas #1 and #4 and for the first time new increment growth generated in Area #2.

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 -\$601,005, with \$2,766,300 of this amount being the Village's net investment in capital assets of the water system. The Fund again posted an operating loss in 2018 due to higher than expected weather related water loss and system repair costs. In addition, delinquent payments of property taxes that funded system improvement bonds negatively impacted the Fund's cash position, contributing to a net cash decrease of \$1,029 for the year.



Net position of the Sewer Fund at the end of the current fiscal year amounted to \$1,630,004 with \$1,141,148 of this amount being the Village's net investment in capital assets of the sewer system. The total decrease in net position was \$39,670 and the fund's cash position decreased \$7,636 due to increased system repair costs during 2018. Going forward, the fund is expected to return to annual break-even results.



Net position of the Property Management Fund amounted to \$488,100 with \$508,100 of this amount being the Village's net investment in capital assets. The total increase in net position was \$234,103 and was entirely attributable to reimbursement of prior year property taxes paid on investment properties. 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 \$466,033 less than appropriated, however unanticipated landscape repairs at the Senior Center required a transfer from the Building Maintenance department to the Senior Center budget in the amount of \$10,555; vacant residential property maintenance costs charged to the Building and Code Enforcement Department were originally budgeted in the Public Works Department and thus required a transfer of \$32,475 in order to correctly match budget to actual expenditure; and additional remediation and restoration costs were required to close out the demolition of the old Police & Fire Station site which required a transfer of \$16,725 to the Capital Project Fund, coming from the General Fund contingency account.

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, 2018, amounts to \$10,079,670. 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 \$440,114. Depreciation of these assets reduced the total amount by \$653,627 (\$416,225 for governmental activities and \$237,402 for business-type activities).

Village of South Chicago Heights Capital Assets
(net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2016
Land	\$ 513,274	\$ 513,274	\$ 291,500	\$ 291,500	\$ 804,774	\$ 804,774
Buildings	3,619,120	3,774,231	292,599	319,230	3,911,719	4,093,461
Equipment	70,394	41,482	14,417	32,082	84,811	73,564
Vehicles	184,105	159,980	12,487	17,182	196,592	177,162
Street infrastructure	1,277,229	1,242,135	-	-	1,277,229	1,242,135
Sewer system	-	-	1,141,148	1,092,049	1,141,148	1,092,049
Water system	-	-	2,663,397	2,792,279	2,663,397	2,792,279
Total	\$ 5,664,122	\$ 5,731,102	\$ 4,415,548	\$ 4,544,322	\$ 10,079,670	\$ 10,275,424

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 \$2,105,000, along with long-term notes payable of \$16,685 and capital lease obligations of \$1,702,848. 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 \$775,491 (16.9%) during the current fiscal year; no new debt was issued.

Village of South Chicago Heights Outstanding Debt

	Governmental activities		Business-type activities		Total	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2016
General obligation bonds	\$ 2,105,000	\$ 2,200,000	\$ -	\$ 504,692	\$ 2,105,000	\$ 2,704,692
Long-term notes payable	16,685	49,037	-	-	16,685	49,037
Capital lease obligations	-	-	1,702,848	1,846,295	1,702,848	1,846,295
Total	\$ 2,121,685	\$ 2,249,037	\$ 1,702,848	\$ 2,350,987	\$ 3,824,533	\$ 4,600,024

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 \$5,761,230.

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. Within the last two years

the Village has reviewed numerous proposals for private development, however all are conditioned on receiving publicly funded incentives. Housing prices remain weak but stable.

The Village's 2019 budget is a continuation of 2018's vision of upgrading Village facilities and processes, and seeking out new funding sources while remaining at break-even operational levels. The 2019 budget's only infrastructure project is for continuation of the sewer relining program, but the budget also includes the purchase of a replacement Type II ambulance for the first time in 15 years. Operationally the 2019 budget anticipates the retirement of one half of the Police Department's supervisory staff and their replacement with new full-time officers as well as redefining the command structure within the Fire Department. During 2019 the Village expects to increase its activities to market surplus investment real estate and return them to the property tax rolls.

Property tax revenue is expected to be 20% lower in 2019 with the retirement of a general Obligation bond in late 2018. Water rates will increase 4.5% for the second year as part of a multi-year program in anticipation a new supplier contract in 2022. Likewise, the Village garbage disposal program is intended to operate on a break-even basis from customer charges and will increase 2.5% at the start of the year to accomplish that goal. As a non-home rule government, the Village has little control over its property tax rates, so the 2019 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 60411.

BASIC FINANCIAL STATEMENTS



Village of South Chicago Heights, Illinois

Statement of Net Position

December 31, 2018

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Current assets			
Cash and cash equivalents	\$ 2,493,029	\$ 161,204	\$ 2,654,233
Investments	847,208	-	847,208
Receivables (net of allowance for uncollectibles)	4,344,716	331,903	4,676,619
Internal balances	1,041,900	(1,041,900)	-
Inventories	1,589	51,288	52,877
Prepaid items	30,619	-	30,619
Total current assets	\$ 8,759,061	\$ (497,505)	\$ 8,261,556
Noncurrent assets			
Capital assets (net of accumulated depreciation)			
Land	\$ 513,274	\$ 291,500	\$ 804,774
Buildings and system	3,566,994	292,599	3,859,593
Improvements other than buildings	52,126	-	52,126
Machinery and equipment	254,499	3,831,449	4,085,948
Infrastructure	1,277,229	-	1,277,229
Total noncurrent assets	\$ 5,664,122	\$ 4,415,548	\$ 10,079,670
Total assets	\$ 14,423,183	\$ 3,918,043	\$ 18,341,226
Deferred outflows of resources			
Deferred Items - IMRF	\$ 458,809	\$ 106,436	\$ 565,245
Deferred Items - Police Pension	801,530	-	801,530
Deferred Items - Firefighters' Pension	1,017	-	1,017
Total deferred outflows of resources	\$ 1,261,356	\$ 106,436	\$ 1,367,792
Total assets and deferred outflows of resources	\$ 15,684,539	\$ 4,024,479	\$ 19,709,018

	Primary Government			
	Governmental Activities	Business-type Activities		Total Primary Government
Liabilities				
Current liabilities				
Accounts payable and other current liabilities	\$ 684,369	\$ 435,219	\$ 1,119,588	
Accrued interest payable	7,092	40,686	47,778	
Current portion on long term liabilities				
Notes Payable	16,685	147,884	164,569	
Bonds Payable	100,000	-	100,000	
Compensated Absences	27,353	1,555	28,908	
Total current liabilities	\$ 835,499	\$ 625,344	\$ 1,460,843	
Noncurrent liabilities:				
Notes Payable	\$ -	\$ 1,554,964	\$ 1,554,964	
Bonds Payable	2,005,000	-	2,005,000	
Net Pension Liability - IMRF	1,449,412	336,238	1,785,650	
Net Pension Liability - Police Pension	4,266,795	-	4,266,795	
Net Pension Liability - Firefighters' Pension	466,184	-	466,184	
Total OPEB Liability	7,166,391	-	7,166,391	
Compensated Absences	34,002	490	34,492	
Total noncurrent liabilities	\$ 15,387,784	\$ 1,891,692	\$ 17,279,476	
Total liabilities	\$ 16,223,283	\$ 2,517,036	\$ 18,740,319	
Deferred inflows of resources				
Property taxes	\$ 3,303,841	\$ 10,000	\$ 3,313,841	
Deferred items - IMRF	86,274	20,014	106,288	
Deferred Items - Police Pension	495,870	-	495,870	
Deferred Items - OPEB liability	455,406	-	455,406	
Total deferred inflows of resources	\$ 4,341,391	\$ 30,014	\$ 4,371,405	
Total liabilities and deferred inflows of resources	\$ 20,564,674	\$ 2,547,050	\$ 23,111,724	
Net Position				
Net Investment in capital assets	\$ 3,542,437	\$ 4,415,548	\$ 7,957,985	
Restricted for:				
Economic development	1,065,489	-	1,065,489	
Highways & streets	248,967	-	248,967	
Debt service	959	-	959	
Capital projects / tax relief	2,385,477	-	2,385,477	
Unrestricted	(12,123,462)	(2,938,119)	(15,061,581)	
Total net position	\$ (4,880,133)	\$ 1,477,429	\$ (3,402,704)	

Village of South Chicago Heights, Illinois

Statement of Activities

For the Year Ended December 31, 2018

(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	\$ 1,510,585	\$ 236,560	\$ 750	\$ -
Public safety	3,495,316	606,433	59,986	77,061
Highways and streets	635,568	823	-	59,259
Sanitation	284,678	293,276	-	-
Culture and recreation	136,933	24,678	-	-
Interest on long-term debt	90,749	-	-	-
Total governmental activities	<u>\$ 6,153,829</u>	<u>\$ 1,161,770</u>	<u>\$ 60,736</u>	<u>\$ 136,320</u>
Business-type activities:				
Water	\$ 1,382,347	\$ 1,181,892	\$ -	\$ -
Sewer	187,497	141,537	-	-
Property Management	23,280	251,991	-	-
Total business-type activities	<u>\$ 1,593,124</u>	<u>\$ 1,575,420</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 7,746,953</u>	<u>\$ 2,737,190</u>	<u>\$ 60,736</u>	<u>\$ 136,320</u>

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 adjusted

Net position, December 31

Net (Expense) Revenue and Changes in Net Position

Primary Government					
Governmental Activities		Business-type Activities		Total	
\$ (1,273,275)		\$ -	\$ (1,273,275)		
(2,751,836)		-	(2,751,836)		
(575,486)		-	(575,486)		
8,598		-	8,598		
(112,255)		-	(112,255)		
(90,749)		-	(90,749)		
\$ (4,795,003)		\$ -	\$ (4,795,003)		
 \$ -		\$ (200,455)	\$ (200,455)		
-		(45,960)	(45,960)		
-		228,711	228,711		
 \$ -		\$ (17,704)	\$ (17,704)		
\$ (4,795,003)		\$ (17,704)	\$ (4,812,707)		
 \$ 2,238,714		\$ 484,897	\$ 2,723,611		
330,828		-	330,828		
397,039		-	397,039		
1,343,824		-	1,343,824		
105,940		-	105,940		
306,205		-	306,205		
38,654		-	38,654		
8,833		-	8,833		
25,500		-	25,500		
 \$ (5,392)		\$ 5,392	\$ -		
\$ 4,790,145		\$ 490,289	\$ 5,280,434		
 \$ (4,858)		\$ 472,585	\$ 467,727		
 \$ (4,875,275)		\$ 1,004,844	\$ (3,870,431)		
\$ (4,880,133)		\$ 1,477,429	\$ (3,402,704)		

Village of South Chicago Heights, Illinois

Governmental Funds

Balance Sheet

December 31, 2018

(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
Assets				
Assets				
Cash and cash equivalents	\$ 19,221	\$ 1,204,662	\$ 1,028,807	\$ 14
Investments	847,208	-	-	-
Receivable (net of allowance for uncollectibles)	2,827,314	114,796	1,130,117	204,240
Due from other funds	-	1,101,059	-	-
Prepaid items	30,619	-	-	-
Inventory	159	-	-	-
Total assets	\$ 3,724,521	\$ 2,420,517	\$ 2,158,924	\$ 204,254
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts / vouchers payable	\$ 144,070	\$ -	\$ 420,134	\$ -
Accrued payroll	111,817	-	-	-
Due to other funds	-	-	-	-
Deposits payable	8,000	-	-	-
Total liabilities	\$ 263,887	\$ -	\$ 420,134	\$ -
Deferred inflows of resources				
Property and intergovernmental taxes	\$ 2,201,384	\$ 35,040	\$ 1,125,727	\$ 203,295
Charges for services, fines and grants	871,041	-	-	-
Total deferred inflows of resources	\$ 3,072,425	\$ 35,040	\$ 1,125,727	\$ 203,295
Fund Balances				
Nonspendable	\$ 30,779	\$ -	\$ -	\$ -
Restricted for capital projects / tax relief	-	2,385,477	-	-
Restricted for economic development	-	-	613,063	-
Restricted for highways & streets	-	-	-	-
Restricted for debt service	-	-	-	959
Unassigned	357,430	-	-	-
Total fund balances	\$ 388,209	\$ 2,385,477	\$ 613,063	\$ 959
Total liabilities, deferred inflows of resources and fund balances	\$ 3,724,521	\$ 2,420,517	\$ 2,158,924	\$ 204,254

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 and total OPEB 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
\$ 240,325	\$ 2,493,029
-	847,208
68,249	4,344,716
-	1,101,059
-	30,619
<u>1,430</u>	<u>1,589</u>
\$ 310,004	\$ 8,818,220

\$ 348	\$ 564,552
-	111,817
59,159	59,159
-	8,000
<u>\$ 59,507</u>	<u>\$ 743,528</u>

\$ -	\$ 3,565,446
<u>-</u>	<u>871,041</u>
<u>\$ -</u>	<u>\$ 4,436,487</u>

\$ 1,430	\$ 32,209
-	2,385,477
-	613,063
248,967	248,967
-	959
<u>100</u>	<u>357,530</u>
<u>\$ 250,497</u>	<u>\$ 3,638,205</u>

\$ 310,004

\$ 5,664,122

1,132,646

223,806

(15,538,912)

\$ (4,880,133)

Village of South Chicago Heights, Illinois

Governmental Funds

Statement of Revenues, Expenditures

and Changes in Fund Balances

For the Year Ended December 31, 2018

(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
Revenues				
Local taxes	\$ 1,674,472	\$ -	\$ 446,249	\$ 164,850
State shared taxes	1,594,637	455,527	-	-
Licenses and permits	257,691	-	-	-
Charges for services	462,593	-	-	-
Fines and forfeitures	318,791	-	-	-
Rent	93,085	-	-	-
Grants	99,379	-	-	-
Interest	32,234	-	1,284	-
Reimbursements	8,697	-	-	-
Other revenue	17,491	-	-	-
Total revenues	\$ 4,559,070	\$ 455,527	\$ 447,533	\$ 164,850
Expenditures				
Current				
General government	\$ 1,234,635	\$ -	\$ 187,364	\$ -
Public safety	2,544,029	-	-	-
Highways and streets	455,343	-	-	-
Sanitation	284,678	-	-	-
Culture and recreation	95,795	-	-	-
Total current expenditures	\$ 4,614,480	\$ -	\$ 187,364	\$ -
Capital outlay	\$ 248,759	\$ -	\$ -	\$ -
Debt service				
Principal	\$ -	\$ -	\$ -	\$ 127,352
Interest and fiscal charges	-	-	-	91,089
Total debt service expenditures	\$ -	\$ -	\$ -	\$ 218,441
Total expenditures	\$ 4,863,239	\$ -	\$ 187,364	\$ 218,441
Excess (deficiency) of revenues over (under) expenditures	\$ (304,169)	\$ 455,527	\$ 260,169	\$ (53,591)
Other financing sources and uses				
Transfers in	\$ 500,000	\$ -	\$ -	\$ 52,600
Proceeds from sale of capital assets	25,500	-	-	-
Transfers out	(218,879)	(504,847)	-	-
Total other financing sources and uses	\$ 306,621	\$ (504,847)	\$ -	\$ 52,600
Net change in fund balances	\$ 2,452	\$ (49,320)	\$ 260,169	\$ (991)
Fund balances, January 1	\$ 385,757	\$ 2,434,797	\$ 352,894	\$ 1,950
Fund balances, December 31	<u>\$ 388,209</u>	<u>\$ 2,385,477</u>	<u>\$ 613,063</u>	<u>\$ 959</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,285,571
105,940	2,156,104
-	257,691
-	462,593
-	318,791
-	93,085
59,259	158,638
5,136	38,654
30,099	38,796
-	17,491
\$ 200,434	\$ 5,827,414
\$ 16,725	\$ 1,438,724
182,247	2,726,276
47,303	502,646
-	284,678
-	95,795
\$ 246,275	\$ 5,048,119
\$ 134,558	\$ 383,317
\$ -	\$ 127,352
-	91,089
\$ -	\$ 218,441
\$ 380,833	\$ 5,649,877
\$ (180,399)	\$ 177,537
\$ 165,734	\$ 718,334
-	25,500
-	(723,726)
\$ 165,734	\$ 20,108
\$ (14,665)	\$ 197,645
\$ 265,162	\$ 3,440,560
<u>\$ 250,497</u>	<u>\$ 3,638,205</u>

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, 2018

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

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)	\$ 197,645
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.	(66,980)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	301,449
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	525,474
Change in Deferred Items - Police Pension	(636,467)
Change in Deferred Items - Firefighters Pension	(424)
Change in Deferred Items - OPEB	(455,406)
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	32,352
Increase in Net Pension Obligation - IMRF	(575,665)
Decrease in Net Pension Obligation - Police Pension	116,261
Increase in Net Pension Obligation - Firefighters Pension	(1,583)
Decrease in Total OPEB Liability	470,884
Increase in Compensated Absences Payable	(7,738)
Decrease in Accrued Interest	340
Change in net position of governmental activities (pages 15-16)	\$ <u>(4,858)</u>

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Fund Net Position

December 31, 2018

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

	Business-type activities - Enterprise funds					
	Water Fund		Sewer Fund			
	Water Fund	Sewer Fund	Property Management Fund	Totals		
Assets						
Current assets:						
Cash and cash equivalents	\$ 18	\$ 160,952	\$ 234	\$ 161,204		
Accounts receivable (net of allowance for uncollectibles)	285,493	46,410	-	331,903		
Due from other funds	-	325,000	-	325,000		
Inventories	51,288	-	-	51,288		
Total current assets	336,799	532,362	234	869,395		
Non-current assets:						
Capital assets (net of accumulated depreciation)						
Land	750	-	290,750	291,500		
Buildings and system	75,249	-	217,350	292,599		
Machinery and equipment	2,690,301	1,141,148	-	3,831,449		
Total non-current assets	2,766,300	1,141,148	508,100	4,415,548		
Total assets	\$ 3,103,099	\$ 1,673,510	\$ 508,334	\$ 5,284,943		
Deferred outflows of resources						
Deferred items - IMRF	106,436	-	-	106,436		
Total assets and deferred outflows of resources	\$ 3,209,535	\$ 1,673,510	\$ 508,334	\$ 5,391,379		
Liabilities						
Accounts payable	\$ 123,308	\$ 48,793	\$ 234	\$ 172,335		
Accrued payroll	10,901	-	-	10,901		
Compensated absences	2,045	-	-	2,045		
Due to other governments	-	29,383	-	29,383		
Due to other funds	1,346,900	-	20,000	1,366,900		
Customer deposits	222,600	-	-	222,600		
Accrued interest payable	40,686	-	-	40,686		
Noncurrent liabilities:						
Due within one year						
Notes payable	147,884	-	-	147,884		
Due in more than one year						
Net pension liability - IMRF	336,238	-	-	336,238		
Notes payable	1,554,964	-	-	1,554,964		
Total liabilities	\$ 3,785,526	\$ 78,176	\$ 20,234	\$ 3,883,936		
Deferred inflows of resources						
Property taxes	\$ 5,000	\$ 5,000	\$ -	\$ 10,000		
Deferred items - IMRF	20,014	-	-	20,014		
Total deferred inflows of resources	\$ 25,014	\$ 5,000	\$ -	\$ 30,014		
Total liabilities and deferred inflows of resources	\$ 3,810,540	\$ 83,176	\$ 20,234	\$ 3,913,950		
Net position						
Net Investment in capital assets	\$ 2,766,300	\$ 1,141,148	\$ 508,100	\$ 4,415,548		
Unrestricted	(3,367,305)	449,186	(20,000)	(2,938,119)		
Total net position	\$ (601,005)	\$ 1,590,334	\$ 488,100	\$ 1,477,429		

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Year Ended December 31, 2018

(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	
Operating revenues					
Water sales	\$ 1,158,789	\$ -	\$ -	\$ 1,158,789	
Sewer charges	-	139,566	-	-	139,566
Fines	22,577	1,971	-	-	24,548
Reimbursements	-	-	251,991	-	251,991
Other revenue	526	-	-	-	526
Total operating revenues	\$ 1,181,892	\$ 141,537	\$ 251,991	\$ 1,575,420	
Operating expenses					
Administration	\$ 160,146	\$ -	\$ -	\$ 160,146	
Cost of sales and services	1,003,250	36,054	5,168	-	1,044,472
Depreciation	144,978	74,312	18,112	-	237,402
Total operating expenses	\$ 1,308,374	\$ 110,366	\$ 23,280	\$ 1,442,020	
Operating income (loss)	\$ (126,482)	\$ 31,171	\$ 228,711	\$ 133,400	
Nonoperating revenues (expenses)					
Property tax	\$ 478,607	\$ 6,290	\$ -	\$ 484,897	
Capital outlay	-	(77,131)	-	-	(77,131)
Interest expense	(73,973)	-	-	-	(73,973)
Total nonoperating revenues (expenses)	\$ 404,634	\$ (70,841)	\$ -	\$ 333,793	
Income (loss) before contributions and transfers	\$ 278,152	\$ (39,670)	\$ 228,711	\$ 467,193	
Transfers in	\$ -	\$ -	\$ 5,392	\$ 5,392	
Change in net position	\$ 278,152	\$ (39,670)	\$ 234,103	\$ 472,585	
Total net position, January 1	\$ (879,157)	\$ 1,630,004	\$ 253,997	\$ 1,004,844	
Total net position, December 31	\$ (601,005)	\$ 1,590,334	\$ 488,100	\$ 1,477,429	

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2018

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

	Business-type activities - Enterprise funds				Totals
	Water Fund	Sewer Fund	Property Management Fund		
Cash flows from operating activities:					
Cash received from customers	\$ 1,186,458	\$ 145,710	\$ 251,991	\$ 1,584,159	
Cash payments for goods and services	(898,865)	9,053	(5,070)	(894,882)	
Cash payments for salaries and benefits	(298,024)	-	-	(298,024)	
Net cash provided (used) by operating activities	\$ (10,431)	\$ 154,763	\$ 246,921	\$ 391,253	
Cash flows from noncapital financing activities					
Interfund borrowing	\$ 281,900	\$ -	\$ (252,225)	\$ 29,675	
Transfers from other funds	-	-	5,392	5,392	
Property tax receipts	470,347	6,061	-	476,408	
Proceeds from equipment lease	-	-	-	-	
Net cash provided (used) by noncapital financing activities	\$ 752,247	\$ 6,061	\$ (246,833)	\$ 511,475	
Cash flows from capital and related financing activities					
Principal paid on debt	\$ (668,447)	\$ -	\$ -	\$ (668,447)	
Interest paid on debt	(57,098)	-	-	(57,098)	
Purchase of plant, property and equipment	(17,300)	(168,460)	-	(185,760)	
Net cash provided (used) by capital and related financing activities	\$ (742,845)	\$ (168,460)	\$ -	\$ (911,305)	
Net increase (decrease) in cash	\$ (1,029)	\$ (7,636)	\$ 88	\$ (8,577)	
Cash and cash equivalents, January 1	\$ 1,047	\$ 168,588	\$ 146	\$ 169,781	
Cash and cash equivalents, December 31	\$ 18	\$ 160,952	\$ 234	\$ 161,204	
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ (126,482)	\$ 31,171	\$ 228,711	\$ 133,400	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	\$ 144,978	\$ 74,312	\$ 18,112	\$ 237,402	
(Increase) decrease in net accounts receivable	(4,965)	4,173	-	(792)	
(Increase) decrease in inventory	(20,489)	-	-	(20,489)	
(Increase) decrease in prepaid expense	300	-	-	300	
Increase (decrease) in accounts payable	18,941	45,107	98	64,146	
Increase (decrease) in accrued salaries and benefits	1,800	-	-	1,800	
Increase (decrease) in compensated absences	(1,868)	-	-	(1,868)	
Increase (decrease) in customer deposits	9,450	-	-	9,450	
Increase (decrease) in other liabilities	(32,096)	-	-	(32,096)	
Total adjustments	\$ 116,051	\$ 123,592	\$ 18,210	\$ 257,853	
Net cash provided (used) by operating activities	\$ (10,431)	\$ 154,763	\$ 246,921	\$ 391,253	

Village of South Chicago Heights, Illinois

Fiduciary Funds

Statement of Fiduciary Net Position

December 31, 2018

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

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 244,984
Investments, at fair value:	
Certificates of deposit	89,700
US Treasury securities	319,153
State and municipal securities	174,993
Asset backed securities	28,107
Equity mutual funds	1,445,593
Corporate bonds	1,172,382
Interest receivable	14,681
Total assets	\$ 3,489,593
Liabilities	
Accounts / vouchers payable	\$ 1,195
Total liabilities	\$ 1,195
Net position	
Held in trust for pension benefits	\$ 3,488,398
Total net position	\$ 3,488,398

Village of South Chicago Heights, Illinois

Fiduciary Funds

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2018(The Notes to the Financial Statements are an integral part of this statement)

	Pension Trust Funds
Additions:	
Contributions	
Employer	\$ 177,775
Plan member	<u>49,574</u>
Total contributions	<u>\$ 227,349</u>
Investment income	
Net appreciation in fair value of investments	\$ (193,569)
Interest	55,544
Dividends	<u>92,476</u>
Total investment income	<u>\$ (45,549)</u>
Less investment expense	<u>10,004</u>
Net investment income	<u>\$ (55,553)</u>
Total additions	<u>\$ 171,796</u>
Deductions:	
Benefits	\$ 254,804
Administrative expense	6,615
Refunds	<u>18,046</u>
Total deductions	<u>\$ 279,465</u>
Change in net position	<u>\$ (107,669)</u>
Net position held in trust for pension benefits	
January 1	\$ 3,596,067
December 31	<u>\$ 3,488,398</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018

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, 2018
(continued)

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, 2018
(continued)

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, 2018
(continued)

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, 2018
(continued)

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, 2018
(continued)

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, 2018
(continued)

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. Nonspendable fund balance includes amounts not in a spendable form, or amounts which are legally or contractually required to be maintained intact. 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, 2018
(continued)

II. Stewardship, Compliance, and Accountability (continued)

B. Deficit Fund Equity

At December 31, 2018 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	\$ 30,779	\$ -	\$ -	\$ -	\$ 1,430	\$ 32,209
Restricted						
Capital projects/tax relief	-	2,385,477	-	-	-	2,385,477
Economic development	-	-	-	613,063	-	613,063
Highways & streets	-	-	-	-	248,967	248,967
Debt service reserves	-	-	959	-	-	959
Unassigned	357,430	-	-	-	100	357,530
Total fund balance	<u>\$ 388,209</u>	<u>\$ 2,385,477</u>	<u>\$ 959</u>	<u>\$ 613,063</u>	<u>\$ 250,497</u>	<u>\$ 3,638,205</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, 2018

(continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2018 the Village's cash, cash equivalents and investments consisted of the following:

Deposits at carrying amount	\$ 2,897,967
Cash on hand	1,250
Investments at fair value	4,077,136
Total	<u>\$ 6,976,353</u>

These amounts are presented in the financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 2,654,233
Investments at fair value:	847,208

Statement of Fiduciary Net Position:

Cash and cash equivalents	244,984
Investments at fair value:	
Certificates of deposit	89,700
US Treasury securities	319,153
State and municipal securities	174,993
Asset backed securities	28,107
Corporate bonds	1,172,382
Equity mutual funds	1,445,593
	<u>\$ 6,976,353</u>

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

	Total 12/31/2018	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	\$ 319,153	\$ 319,153	\$ -	\$ -
U.S. Agencies	28,107	-	28,107	-
Corporate Bonds	1,172,382	-	1,172,382	-
State and municipal obligations	956,531	-	956,531	-
Certificates of deposit	89,700	-	89,700	-
Equity mutual funds	1,445,593	1,445,593	-	-
Total	<u>\$ 4,011,466</u>	<u>\$ 1,764,746</u>	<u>\$ 2,246,720</u>	<u>\$ -</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2018
 (continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

As of December 31, 2018, 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*	\$ 2,064,827	\$ 2,064,827	\$ -	\$ -	\$ -	\$ -
State of Illinois obligations	348,010	70,000	125,673	-	152,337	-
State of Iowa obligations	149,573	149,573	-	-	-	-
State of New Jersey obligations	174,962	174,962	-	-	-	-
State of Pennsylvania obligation:	108,993	108,993	-	-	-	-
Total primary government	\$ 2,846,365	\$ 2,568,355	\$ 125,673	\$ -	\$ 152,337	\$ -
Pension Trust Funds						
Illinois Funds*	\$ 7,150	\$ 7,150	\$ -	\$ -	\$ -	\$ -
Corporate obligations	1,172,382	485,519	270,118	276,162	93,378	47,205
State of Illinois obligations	174,993	75,000	-	99,993	-	-
GNMA obligations	28,107	-	-	-	-	28,107
US Treasury notes	319,153	-	-	-	125,597	193,556
Total pension trust funds	\$ 1,701,785	\$ 567,669	\$ 270,118	\$ 376,155	\$ 218,975	\$ 268,868

* - 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, 2018 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, 2018. 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, 2018, 0.1% and 5.4% 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, 2018
(continued)

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 State of Iowa is rated Aaa; the State of New Jersey is rated A3 and the State of Pennsylvania is rated Aa3.

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 2018 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, 2018 are listed in the table above.

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.64%. 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, 2018

(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	\$ 2,505,106	\$ -	\$ 1,241,596	\$ 251,236	\$ -	\$ 3,997,938
Other taxes	39,767	-	-	-	-	39,767
Intergovernmental	399,499	114,796	-	-	8,990	523,285
Accounts	437,053	-	-	-	-	437,053
Fines	116,431	-	-	-	-	116,431
Grants	2,657	-	-	-	59,259	61,916
Interest	10,763	-	-	-	-	10,763
Gross receivables	3,511,276	114,796	1,241,596	251,236	68,249	5,187,153
Less: allowance for uncollectible	683,962	-	111,479	46,996	-	842,437
Net total receivables	\$ 2,827,314	\$ 114,796	\$ 1,130,117	\$ 204,240	\$ 68,249	\$ 4,344,716

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	\$ 20,000	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	\$500,000	Fund current operations
E-911 Fund	General Fund	\$136,719	Fund current operations
Debt Service Fund	General Fund	\$ 52,600	Source of funds – long-term notes
Capital Project Fund	NHRST Fund	\$ 4,847	Source of funds – capital project
CDBG Fund	General Fund	\$ 24,168	Source of funds – engineering
Property Management Fund	General Fund	\$ 5,392	Fund current operations

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2018
 (continued)

III. Detailed Notes on All Funds (continued)

D. Capital Assets

A summary of changes in governmental capital assets follows:

	Balance at January 1, 2018	Additions	Deletions	Balance at December 31, 2018
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	5,193,409	56,162	17,759	5,231,812
Equipment	2,202,839	158,526	-	2,361,365
Infrastructure	1,952,325	134,557	-	2,086,882
Subtotal	<u>9,567,689</u>	<u>349,245</u>	<u>17,759</u>	<u>9,899,175</u>
Accumulated depreciation				
Land improvements	162,033	4,957	-	166,990
Buildings	1,476,261	206,316	17,759	1,664,818
Equipment	2,001,378	105,488	-	2,106,866
Infrastructure	710,189	99,464	-	809,653
Subtotal	<u>4,349,861</u>	<u>416,225</u>	<u>17,759</u>	<u>4,748,327</u>
Total capital assets being depreciated, net				
Governmental Activities capital assets, net	<u>\$ 5,217,828</u>	<u>(66,980)</u>	<u>-</u>	<u>\$ 5,150,848</u>
	<u>\$ 5,731,102</u>	<u>\$ (66,980)</u>	<u>\$ -</u>	<u>\$ 5,664,122</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 39,213
Public safety	220,440
Highways and streets	122,713
Culture and recreation	33,859
	<u>\$ 416,225</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2018	Additions	Deletions	Balance at December 31, 2018
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 291,500	\$ -	\$ -	\$ 291,500
Subtotal	<u>291,500</u>	<u>-</u>	<u>-</u>	<u>291,500</u>
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	91,328	-	2,575,587
Vehicles & equipment	242,743	17,300	-	260,043
Subtotal	<u>9,195,003</u>	<u>108,628</u>	<u>-</u>	<u>9,303,631</u>
Accumulated depreciation	<u>4,942,181</u>	<u>237,402</u>	<u>-</u>	<u>5,179,583</u>
Business-type Activities capital assets, net	<u>\$ 4,544,322</u>	<u>\$ (128,774)</u>	<u>\$ -</u>	<u>\$ 4,415,548</u>

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, 2018
 (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, 2018, changes in long-term debt principal was as follows:

Governmental Activities

	Restated Balance 1/1/2018	Issuances	Retirements	Balance 12/31/2018	Amounts Due Within One Year
2004 fire truck purchase note	\$ 49,037	\$ -	\$ 32,352	\$ 16,685	\$ 16,685
2015 G.O. bonds	2,200,000	-	95,000	2,105,000	100,000
Net pension liability - IMRF	873,747	575,665	-	1,449,412	-
Net pension liability - police pension	4,383,055	-	116,260	4,266,795	-
Net pension liability - firefighters pension	464,600	1,583	-	466,183	-
Total OPEB liability	7,637,275	-	470,884	7,166,391	-
Compensated absences	53,617	7,738	-	61,355	-
Total	\$ 15,661,331	\$ 584,986	\$ 714,496	\$ 15,531,821	\$ 116,685

Business-type Activities

	Balance 1/1/2018	Issuances	Retirements	Balance 12/31/2018	Amounts Due Within One Year
Series 1998B G.O. Bonds	\$ 504,692	\$ 20,308	\$ 525,000	\$ -	\$ -
Capital lease payable	1,846,295	-	143,447	1,702,848	147,884
Net pension liability - IMRF	237,944	98,294	-	336,238	-
Compensated absences	3,913	-	1,868	2,045	-
Total	\$ 2,592,844	\$ 118,602	\$ 670,315	\$ 2,041,131	\$ 147,884

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

III. Detailed Notes on All Funds (continued)

E. Long-Term Liabilities (continued)

4. Debt Service to Maturity

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

Year Ending December 31	Governmental Activities		
	G.O. bonds	Note Payable	Total
2019	\$ 185,900	\$ 17,065	\$ 202,965
2020	\$ 182,900	\$ -	\$ 182,900
2021	\$ 184,900	\$ -	\$ 184,900
2022	\$ 186,750	\$ -	\$ 186,750
2023	\$ 187,350	\$ -	\$ 187,350
2024-28	\$ 915,750	\$ -	\$ 915,750
2029-33	\$ 922,150	\$ -	\$ 922,150
2034	\$ 182,875	\$ -	\$ 182,875
Total	\$ 2,948,575	\$ 17,065	\$ 2,965,640
Less interest portion	\$ 843,575	\$ 380	\$ 843,955
Outstanding principal	<u>\$ 2,105,000</u>	<u>\$ 16,685</u>	<u>\$ 2,121,685</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 2016 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 2018 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.

In 2006 the Village approved a five year site lease, with options to extend the term for five additional five year terms with T-Mobile Central LLC. In 2018 the Village assigned this lease along with an exclusive easement to the property to SBA Site Management LLC for the sum of \$433,000. For fiscal year 2018 the Village classified the sale proceeds 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, 2018. The liability represents the present value of the balance due in future years for water meters discounted at a rate of 3.093%. The value of the items acquired through the lease, did not meet the Village's capitalization threshold, and, as such, were thus expensed in the year of installation. 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, 2018
(continued)

III. Detailed Notes on All Funds (continued)

G. Capital Lease Obligation (continued)

The future minimum payments required under the lease, and present value as of December 30, 2018 follows:

	Business-type activities		
	Principal	Interest	Total
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
2024-28	916,253	86,472	1,002,725
Total minimum lease payments	<u>\$ 1,702,848</u>	<u>\$ 302,602</u>	<u>\$ 2,005,450</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. 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. The Police Pension Fund and Firefighters Pension Fund are reported as fiduciary component units of the Village government. These funds do not issue separate financial reports.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2018

(continued)

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, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries	33
Inactive, non-retired members	20
Active members	<u>24</u>
Total	<u>77</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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 2018 was 17.69% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. 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, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% to 14.25% including inflation
Inflation	2.50%

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

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

Discount Rate

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Discount Rate Sensitivity

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

	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 7,587,438	\$ 6,850,238	\$ 6,236,018
Plan Fiduciary Net Position	5,064,588	5,064,588	5,064,588
Net Pension Liability	<u>\$ 2,522,850</u>	<u>\$ 1,785,650</u>	<u>\$ 1,171,430</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2017	\$ 6,647,506	\$ 5,535,815	\$ 1,111,691
Changes for the year:			
Service Cost	81,824	-	81,824
Interest on the Total Pension Liability	484,797	-	484,797
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(78,841)	-	(78,841)
Changes of Assumptions	163,857	-	163,857
Contributions - Employer	-	159,686	(159,686)
Contributions - Employees	-	39,053	(39,053)
Net Investment Income	-	(346,728)	346,728
Benefit Payments, including Refunds of Employee Contributions	(448,905)	(448,905)	-
Other (Net Transfer)	-	125,667	(125,667)
Net Changes	202,732	(471,227)	673,959
Balances at December 31, 2018	<u>6,850,238</u>	<u>5,064,588</u>	<u>1,785,650</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2018, the Village recognized pension expense of \$177,779. At December 31, 2018, 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	\$ 63,415	\$ (50,242)	\$ 13,173
Change in Assumptions	104,420	(56,045)	48,375
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	680,847	(283,437)	397,410
Total Deferred Amounts Related to IMRF	<u>\$ 848,682</u>	<u>\$ (389,724)</u>	<u>\$ 458,958</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
2019	\$ 164,544
2020	85,995
2021	56,970
2022	151,449
2023	-
Thereafter	-
Total	<u>458,958</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2018, the measurement date, membership consisted of the following:

Retirees and beneficiaries	5
Inactive, non-retired members	1
Active members	7
 Total	 13

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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of $\frac{1}{2}$ 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, 2018
(continued)

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, 2018, the Village's contribution was 31.88% 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, 2018, using the following actuarial methods and assumptions:

Actuarial Valuation Date	1/1/2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.50%
Salary Increases	3.50% - 11.43%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on 2014 Illinois Police Mortality Rate. The actuarial assumptions used in the December 31, 2018 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. 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, 2018
(continued)

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 5.42% (compared to 5.1% 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 (4.42%)	Current Discount Rate (5.42%)	1% Increase (6.42%)
Net Pension Liability	\$ 5,462,499	4,266,795	3,300,676

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2017	\$ 7,966,848	\$ 3,583,793	\$ 4,383,055
Changes for the year:			
Service Cost	159,244	-	159,244
Interest on the Total Pension Liability	400,001	-	400,001
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(185,562)	-	(185,562)
Changes of Assumptions	(344,394)	-	(344,394)
Contributions - Employer	-	165,560	(165,560)
Contributions - Employees	-	49,574	(49,574)
Net Investment Income	-	(55,497)	55,497
Benefit Payments, including Refunds			
of Employee Contributions	(247,363)	(247,363)	-
Administrative Expense	-	(5,365)	5,365
Other	-	(8,723)	8,723
Net Changes	(218,074)	(101,814)	(116,260)
Balances at December 31, 2018	<u>7,748,774</u>	<u>3,481,979</u>	<u>4,266,795</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2018, the Village recognized pension expense of \$678,764. At December 31, 2018, 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	\$ 17,131	\$ (214,784)	\$ (197,653)
Change in Assumptions	545,314	(281,086)	264,228
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	315,765	(76,680)	239,085
Total Deferred Amounts Related to Police	878,210	(572,550)	305,660

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
2019	\$ 295,886
2020	13,524
2021	(19,166)
2022	9,075
2023	6,341
Thereafter	-
Total	<u>305,660</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The 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, 2018, 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	0
Total	<u>1</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 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent 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, 2018
(continued)

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, 2018, 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, 2018, 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, 2018 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-2014 improvement rates.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2018

(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan (continued)

Discount Rate

The discount rate used in the determination of the total pension liability was 3.55% (compared to 3.50% 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:

	Current		
	1% Decrease (2.55%)	Discount Rate (3.55%)	1% Increase (4.55%)
Net Pension Liability	\$ 520,617	466,183	420,026

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

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, 2017	\$ 476,874	\$ 12,274	\$ 464,600
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	16,245	-	16,245
Difference Between Expected and Actual			
Experience of the Total Pension Liability	7,514	-	7,514
Changes of Assumptions	(2,511)	-	(2,511)
Contributions - Employer	-	20,746	(20,746)
Contributions - Employees	-	-	-
Net Investment Income	-	169	(169)
Benefit Payments, including Refunds			
of Employee Contributions	(25,487)	(25,487)	-
Administrative Expense	-	(1,250)	1,250
Net Changes	(4,239)	(5,822)	1,583
Balances at December 31, 2018	472,635	6,452	466,183

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan (continued)

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

For the year ended December 31, 2018, the Village recognized pension expense of \$22,753. At December 31, 2018, 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	1,017	-	1,017
Total Deferred Amounts Related to Firefighters	<u>1,017</u>	-	<u>1,017</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
2019	\$ 577
2020	296
2021	116
2022	28
2023	-
Thereafter	-
Total	<u>1,017</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other information (continued)

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, 2018, 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, 2018 eligible membership consisted of:

Retirees and beneficiaries currently receiving benefits	12
Active fully eligible to retire	7
Active not yet fully eligible to retire	4
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, 2018

(continued)

IV. Other Information (continued)

B. Other Post Employment Benefits (continued)

2. Actuarial Assumptions

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

Actuarial Valuation Date	1/1/2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount rate	4.10%
Total payroll increases	2.75%
Healthcare cost trend rates	7.10% (PPO) , 6.60% (HMO) for under age 65 retirees trending to an ultimate trend rate of 5.00%. Post age 65 retirees at a flat 4.00%

Mortality rates were based on Sex Distinct Raw Rates as developed in the RP-2014 Study with Blue Collar Adjustment. These rates are improved generationaly using MP-2016 improvement rates. Spouse mortality rates follow Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationaly using MP-2016 improvement rates.

Retirement, termination and disability rates followed the rates used in specific actuarial valuations performed in 2017 for IMRF employees and performed in 2016 for Police employees.

Assumptions were revised for expected increases in the medical cost assumption to 7.10% for the PPO plan and 6.60% for the HMO plan in the first year of projection, based on known information. Long-term, ultimate increases in medical costs have been set at 5.00%.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2018

(continued)

IV. Other Information (continued)

B. Other Post Employment Benefits (continued)

3. Changes in the Net Pension Liability

	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (A) - (B)
Balances at December 31, 2017	\$ 7,637,275	\$ -	\$ 7,637,275
Changes for the year:			
Service Cost	95,331	-	95,331
Interest on the Total OPEB Liability	257,278	-	257,278
Difference Between Expected and Actual Experience of the Total OPEB Liability	-	-	-
Changes of Assumptions	(496,397)	-	(496,397)
Contributions - Employer	-	327,096	(327,096)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(327,096)	(327,096)	-
Administrative Expense	-	-	-
Net Changes	(470,884)	-	(470,884)
Balances at December 31, 2018	7,166,391	-	7,166,391

4 Discount Rate

The discount rate used to measure the total OPEB liability was 4.10%, a change from 3.44% used for the prior valuation. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate of 20 year general obligation bonds with An average AA credit rating as of the measurement date.

Discount Rate Sensitivity

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

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability	\$ 7,947,504	7,166,391	6,513,435

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other Information (continued)

B. Other Post Employment Benefits (continued)

4 Discount Rate (continued)

Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability of the Village calculated using the healthcare cost trend rate as well as what the Village's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (varies)	Current Discount Rate (varies)	1% Increase (varies)
Net OPEB Liability	\$ 6,398,463	7,166,391	8,077,322

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

For the year ended December 31, 2018, the Village recognized OPEB expense of \$311,618. At December 31, 2018, the Village reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ -	\$ -	\$ -
Change in Assumptions	-	455,406	455,406
Total Deferred Amounts Related to OPEB	-	455,406	455,406

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

Year Ending December 31	Net Deferred Inflows of Resources
2019	\$ 40,991
2020	40,991
2021	40,991
2022	40,991
2023	40,991
Thereafter	250,451
Total	455,406

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other Information (continued)

C. Commitments

At December 31, 2018, the Village had outstanding contractual commitments of \$59,260 for enterprise software, and an outstanding purchase commitment of \$12,260 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.

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, 2018. 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.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2018
(continued)

IV. Other Information (continued)

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 11th year and 20% in the 12th 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 11th year and 20% in the 12th 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 2018 the Village's share of the abatement granted to the Class 6B and Class 8 properties amounted to \$71,085.

G. Change in Accounting Principle

In 2018 the Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new standard requires the Village to recognize a liability in its government-wide financial statements for the net liability associated with post-employment benefits, other than pensions (OPEB) that are provided to its active and inactive members.

Adoption of the new principle required a restatement of Governmental Activities net position in the government-wide statements. The governmental financial statements are not affected by the new standard.

	Governmental Activities
Net position at 12/31/2017, as previously stated	\$1,273,620
Elimination of beginning Net OPEB Obligation	1,488,380
Valuation of beginning Total OPEB Liability	<u>7,637,275</u>
Net position at 12/31/2017, as restated	<u>(\$4,875,275)</u>

H. Significant Subsequent Event

On April 2, 2019 South Chicago Heights voters approved a referendum to grant the Village status as a Home-rule unit under the Illinois Constitution. This status allows home rule municipalities to exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt without specific statutory authority

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, 2018

	Budgeted Amounts				Actual Amounts		Variance with Final Budget Positive (Negative)	
	Original		Final		Actual Amounts			
Revenues								
Local Taxes								
Property Tax - Corporate Levy	\$ 233,575	\$ 233,575	\$ 217,422	\$ (16,153)				
Property Tax - Audit Levy	22,000	22,000	19,742	(2,258)				
Property Tax - Crossing Guards Levy	4,500	4,500	3,930	(570)				
Property Tax - Fire Pension Levy	21,000	21,000	20,667	(333)				
Property Tax - Fire Protection Levy	280,000	280,000	274,185	(5,815)				
Property Tax - Garbage Levy	6,500	6,500	5,767	(733)				
Property Tax - IMRF Levy	134,000	134,000	126,913	(7,087)				
Property Tax - Liability Insurance Levy	150,000	150,000	147,476	(2,524)				
Property Tax - Police Pension Levy	163,800	163,800	156,244	(7,556)				
Property Tax - Police Protection Levy	325,000	325,000	298,137	(26,863)				
Property Tax - Street & Bridge Levy	53,000	53,000	49,660	(3,340)				
Property Tax - Road & Bridge Levy	19,000	19,000	17,601	(1,399)				
Utility Tax - Electric	315,000	315,000	272,091	(42,909)				
Utility Tax - Natural Gas	55,000	55,000	58,737	3,737				
Foreign Fire Insurance Tax	7,000	7,000	5,900	(1,100)				
Total Local Taxes	\$ 1,789,375	\$ 1,789,375	\$ 1,674,472	\$ (114,903)				
State Shared Taxes								
State Sales Tax	\$ 875,000	\$ 875,000	\$ 895,133	\$ 20,133				
Telecommunications Tax	85,000	85,000	67,350	(17,650)				
State Income Tax	400,000	400,000	395,050	(4,950)				
State Use Tax	110,000	110,000	119,872	9,872				
Personal Property Replacement Tax	26,600	26,600	23,301	(3,299)				
Video Gaming Tax	87,000	87,000	93,931	6,931				
Total State Shared Taxes	\$ 1,583,600	\$ 1,583,600	\$ 1,594,637	\$ 11,037				
Licenses and Permits								
License - Auto body shops	\$ 900	\$ 900	\$ 890	\$ (10)				
License - Auto courts & mobile home pks	1,275	1,275	1,275	-				
License - Auto parts dealers	1,400	1,400	1,700	300				
License - Auto repair & tire repair shops	5,000	5,000	3,800	(1,200)				
License - Auto sales, new & used	3,500	3,500	4,060	560				
License - Barber & beauty shops	2,375	2,375	3,300	925				
License - Billiards tables	2,000	2,000	900	(1,100)				
License - Business, general	34,000	34,000	34,475	475				
License - Cigarette & tobacco dealer	800	800	800	-				
License - Coin op amusement & game rms	800	800	925	125				
License - Coin operated vending	4,650	4,650	4,075	(575)				
License - Contractors	21,000	21,000	25,925	4,925				
License - Delivery trucks & truckers	-	-	200	200				
License - Food dealers	7,000	7,000	6,100	(900)				
License - Food delivery vehicles	100	100	50	(50)				
License - Gasoline storage	250	250	850	600				
License - Ice cream & milk dealers	-	-	-	-				
License - Junk dealers & scavengers	1,100	1,100	940	(160)				
License - Machine plants	2,200	2,200	1,800	(400)				
License - Nursing homes	1,000	1,000	1,000	-				
License - Outdoor advertisers	1,500	1,500	1,775	275				

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Revenues (continued)					
Licenses and Permits (continued)					
License - Paint shops	\$ 300	\$ 300	\$ 300	\$ -	
License - Peddlers, flea mkt & itinerent dlr	300	300	200	(100)	
License - Plumbing & heating suppliers	-	-	350	350	
License - Restaurants	5,100	5,100	5,975	875	
License - Service stations	600	600	-	(600)	
License - Tattoo & body piercing	200	200	300	100	
License - Taxicabs	575	575	535	(40)	
License - Alcoholic Liquor Class A	3,750	3,750	4,500	750	
License - Alcoholic Liquor Class B	1,500	1,500	1,500	-	
License - Alcoholic Liquor Class C	3,700	3,700	3,700	-	
License - Alcoholic Liquor Class E1 & E2	300	300	75	(225)	
License - Alcoholic Liquor Class F1 & F2	1,400	1,400	700	(700)	
License - Alcoholic Liquor Class H	500	500	500	-	
License - Alcoholic Liquor Class T	900	900	900	-	
License - Alcoholic Liquor Class J	1,200	1,200	50	(1,150)	
Vehicle License - Passenger Car	50	50	31	(19)	
License - Domestic Animal	250	250	280	30	
Permit Fee - Plan Review	-	-	8,352	8,352	
Permit Fee - Residential Remodeling	25,000	25,000	35,373	10,373	
Permit Fee - Comm/Indstrl Remodeling	21,000	21,000	15,815	(5,185)	
Permit Fee - Comm/Indstrl New Constructio	-	-	7,292	7,292	
Permit Fee - Plumbing	100	100	190	90	
Permit Fee - Electrical	150	150	75	(75)	
Rental Unit Inspection Fee	26,000	26,000	25,165	(835)	
Permit Violation / Reinspection Fee	150	150	1,550	1,400	
Certificate of Compliance Fee	-	-	800	800	
Certificate of Occupancy Fee	17,000	17,000	8,325	(8,675)	
Registration fee - Vacant property	-	-	4,800	4,800	
Franchise Fee - Cable TV	38,500	38,500	35,218	(3,282)	
Permit Fee - Other	500	500	-	(500)	
Total Licenses and Permits	\$ 239,875	\$ 239,875	\$ 257,691	\$ 17,816	
Charges for Services					
Ambulance & EMS Fee	\$ 145,000	\$ 145,000	\$ 160,058	\$ 15,058	
Board-up / Violation Remediation Charge	2,500	2,500	2,327	(173)	
Delinquent Bill Lein Release Charge	50	50	-	(50)	
Filing & Variance Fee	1,500	1,500	450	(1,050)	
FOIA / Copying Charge	-	-	7	7	
Garbage Bag / Recycling Bin Fee	288,000	288,000	289,522	1,522	
Inspection Fee	-	-	7,211	7,211	
License Application Fee	700	700	100	(600)	
Police / Fire Report Fee	1,400	1,400	1,850	450	
Other Charges For Services	-	-	545	545	
Program Fees - Other Recreation	750	750	523	(227)	
Total Charges for Services	\$ 439,900	\$ 439,900	\$ 462,593	\$ 22,693	

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, 2018

Revenues (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Fines and Forfeitures					
Building Code Violation Fines	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)	
Circuit Court DUI Fines	1,750	1,750	623	(1,127)	
Circuit Court Fines	15,000	15,000	17,971	2,971	
"C" Ticket Fines	175,000	175,000	162,515	(12,485)	
General Ordinance Violation Fines	77,500	77,500	71,114	(6,386)	
Late Payment Penalty	1,700	1,700	4,154	2,454	
NSF Check Charge	150	150	100	(50)	
"P" Ticket Fines	7,000	7,000	8,751	1,751	
Police Forfeiture Income	30,000	30,000	44,173	14,173	
Tow release fee	-	-	9,390	9,390	
Total Fines and Forfeitures	\$ 309,600	\$ 309,600	\$ 318,791	\$ 9,191	
Rent					
Building Rentals	\$ 45,225	\$ 45,225	\$ 49,716	\$ 4,491	
Antenna Site Lease	28,565	28,565	35,469	6,904	
Senior Center Rentals	7,000	7,000	7,550	550	
Pavilion Rentals	1,000	1,000	-	(1,000)	
Other Rentals	500	500	350	(150)	
Total Rent	\$ 82,290	\$ 82,290	\$ 93,085	\$ 10,795	
Grants					
Federal Grants	\$ -	\$ -	\$ 870	\$ 870	
State Grants	17,000	17,000	21,448	4,448	
Corporate / Private Grants	21,750	21,750	77,061	55,311	
Total Grants	\$ 38,750	\$ 38,750	\$ 99,379	\$ 60,629	
Interest					
Interest From Deposits	\$ 7,800	\$ 7,800	\$ 23,031	\$ 15,231	
Interest From Investments	5,000	5,000	27,923	22,923	
Increase in Fair Value of Investments	-	-	(18,720)	(18,720)	
Total Interest	\$ 12,800	\$ 12,800	\$ 32,234	\$ 19,434	
Reimbursements					
Gasoline Tax Reimbursement	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)	
Expense Reimbursement	-	-	617	617	
Insurance Reimbursement	500	500	8,080	7,580	
Total Reimbursements	\$ 2,000	\$ 2,000	\$ 8,697	\$ 6,697	
Other Revenue					
Donations	\$ 4,000	\$ 4,000	\$ 750	\$ (3,250)	
Donations - Firefighters Association	3,000	3,000	-	(3,000)	
Merchandise Sales	-	-	15,405	15,405	
Special Event Fund Raising	-	-	1,200	1,200	
Miscellaneous	-	-	136	136	
Total Other Revenue	\$ 7,000	\$ 7,000	\$ 17,491	\$ 10,491	
Total revenues	\$ 4,505,190	\$ 4,505,190	\$ 4,559,070	\$ 53,880	

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures						
General government						
Nondepartmental						
Personal Services						
Benefits						
Insurance - Group Medical	\$ 121,758	\$ 121,758	\$ 121,218	\$ 540		
Insurance - Group Dental	9,545	9,545	8,984	561		
Total Benefits	\$ 131,303	\$ 131,303	\$ 130,202	\$ 1,101		
Total Personal Services	\$ 131,303	\$ 131,303	\$ 130,202	\$ 1,101		
Contingency						
Contingencies	\$ 66,000	\$ 49,275	\$ -	\$ 49,275		
Total Contingency	\$ 66,000	\$ 49,275	\$ -	\$ 49,275		
Total Nondepartmental	\$ 197,303	\$ 180,578	\$ 130,202	\$ 50,376		
Mayor and Village Board						
Personal Services						
Compensation						
Salary - Elected and Appointed Officials	\$ 80,740	\$ 80,740	\$ 73,400	\$ 7,340		
Total Compensation	\$ 80,740	\$ 80,740	\$ 73,400	\$ 7,340		
Personal Services						
Benefits						
Employer FICA / Medicare	\$ 6,177	\$ 6,177	\$ 5,190	\$ 987		
Employer IMRF	14,282	14,282	13,143	1,139		
Insurance - Group Life and AD&D	923	1,013	821	192		
Insurance - Group Medical	58,644	58,644	53,509	5,135		
Insurance - Group Dental	6,471	6,471	7,040	(569)		
Insurance - Workers Compensation	5,437	6,092	6,088	4		
Insurance - Unemployment Compensation	1,250	505	-	505		
Total Benefits	\$ 93,184	\$ 93,184	\$ 85,791	\$ 7,393		
Total Personal Services	\$ 173,924	\$ 173,924	\$ 159,191	\$ 14,733		
Contractual Services						
Other Contractual						
Equipment Rental	\$ -	\$ 270	\$ 266	\$ 4		
Intergovernmental Fees and Dues	-	50	50	-		
Professional Assn Memberships & Dues	3,630	2,630	2,625	5		
Purchased Program Services	495	1,110	1,105	5		
Telephone - Local, LD, Wireless, Pager	803	1,283	1,282	1		
Training Services	110	10	-	10		
Total Other Contractual	\$ 5,038	\$ 5,353	\$ 5,328	\$ 25		
Total Contractual Services	\$ 5,038	\$ 5,353	\$ 5,328	\$ 25		

continued...

F:\IGWA Clients\ Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final				
Expenditures (continued)						
General government (continued)						
Mayor and Village Board (continued)						
Commodities						
Awards	\$ -	\$ 100	\$ 100	\$ -		
Books & publications	-	240	240	-		
Computer Supplies	165	230	228	2		
Concessions and Food	2,200	2,100	2,078	22		
Office Supplies	-	40	40	-		
Postage	-	275	271	4		
Program Supplies	165	1,400	1,398	2		
Stationery	275	100	87	13		
Other Materials and Supplies	5,500	3,505	2,071	1,434		
Total Commodities	\$ 8,305	\$ 7,990	\$ 6,513	\$ 1,477		
Travel						
Conference and Meeting Registration	\$ 2,200	\$ 2,200	\$ 950	\$ 1,250		
Local Mileage, Parking and Tolls	440	440	186	254		
Lodging	2,475	2,475	2,437	38		
Meals	550	550	472	78		
Total Travel	\$ 5,665	\$ 5,665	\$ 4,045	\$ 1,620		
Total Mayor and Village Board	\$ 192,932	\$ 192,932	\$ 175,077	\$ 17,855		
Board of Police & Fire Commissioners						
Personal Services						
Contractual Services						
Professional Services						
Medical	\$ 550	\$ 550	\$ -	\$ 550		
Total Professional Services	\$ 550	\$ 550	\$ -	\$ 550		
Other Contractual						
Professional Assn Memberships & Dues	\$ 413	\$ 413	\$ -	\$ 413		
Purchased Program Services	3,300	3,505	3,501	4		
Training Services	550	345	-	345		
Other Contractual	\$ 4,263	\$ 4,263	\$ 3,501	\$ 762		
Total Contractual Services	\$ 4,813	\$ 4,813	\$ 3,501	\$ 1,312		
Commodities						
Books and Publications	\$ 220	\$ 220	\$ -	\$ 220		
Total Commodities	\$ 220	\$ 220	\$ -	\$ 220		
Travel						
Local Mileage, Parking and Tolls	\$ 55	\$ 55	\$ -	\$ 55		
Lodging	275	275	-	275		
Meals	83	83	-	83		
Total Travel	\$ 413	\$ 413	\$ -	\$ 413		
Total Board of Police & Fire Commissioner:	\$ 5,446	\$ 5,446	\$ 3,501	\$ 1,945		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Health Officer				
Contractual Services				
Other Contractual				
Rodent / Mosquito Abatement	\$ 24,200	\$ 24,200	\$ 21,384	\$ 2,816
Total Other Contractual	\$ 24,200	\$ 24,200	\$ 21,384	\$ 2,816
Total Contractual Services	\$ 24,200	\$ 24,200	\$ 21,384	\$ 2,816
Total Health Officer	\$ 24,200	\$ 24,200	\$ 21,384	\$ 2,816
Zoning Board of Appeals				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 1,232	\$ 1,232	\$ 405	\$ 827
Total Compensation	\$ 1,232	\$ 1,232	\$ 405	\$ 827
Total Personal Services	\$ 1,232	\$ 1,232	\$ 405	\$ 827
Contractual Services				
Professional Services				
Legal - Review	\$ 990	\$ 990	\$ -	\$ 990
Total Professional Services	\$ 990	\$ 990	\$ -	\$ 990
Other Contractual				
Advertising & Legal Publishing	\$ 440	\$ 445	\$ 444	\$ 1
Total Other Contractual	\$ 440	\$ 445	\$ 444	\$ 1
Total Contractual Services	\$ 1,430	\$ 1,435	\$ 444	\$ 991
Commodities				
Office Supplies	\$ 55	\$ 55	\$ -	\$ 55
Postage		\$ 50	\$ -	\$ 50
Total Commodities	\$ 110	\$ 105	\$ -	\$ 105
Total Zoning Board of Appeals	\$ 2,772	\$ 2,772	\$ 849	\$ 1,923
General & Financial Administration				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 188,835	\$ 181,035	\$ 178,880	\$ 2,155
Wages - Full Time Hourly	81,662	86,767	86,763	4
Wages - Part Time Hourly	15,982	20,867	20,864	3
Wages - Seasonal Hourly	-	2,360	2,358	2
Wages - Overtime	1,535	12,060	12,055	5
Auto Allowance	5,280	4,830	4,800	30
Total Compensation	\$ 293,294	\$ 307,919	\$ 305,720	\$ 2,199

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
General government (continued)						
General & Financial Administration (continued)						
Personal Services (continued)						
Benefits						
Employer FICA / Medicare	\$ 22,396	\$ 23,606	\$ 23,602	\$ 4		
Employer IMRF	51,790	52,060	52,057	3		
Insurance - Group Life and AD&D	285	285	287	(2)		
Insurance - Group Medical	60,178	42,793	44,849	(2,056)		
Insurance - Group Dental	5,594	5,594	5,129	465		
Insurance - Workers Compensation	24,693	26,083	26,082	1		
Insurance - Unemployment Compensation	1,034	44	-	44		
Total Benefits	\$ 165,970	\$ 150,465	\$ 152,006	\$ (1,541)		
Total Personal Services	\$ 459,264	\$ 458,384	\$ 457,726	\$ 658		
Contractual Services						
Professional Services						
Audit	\$ 28,600	\$ 26,100	\$ 26,000	\$ 100		
Data Processing	59,268	75,638	75,634	4		
Investment Management	1,320	1,070	1,067	3		
Legal - Review	-	125	120	5		
Medical	-	135	134	1		
Total Professional Services	\$ 89,188	\$ 103,068	\$ 102,955	\$ 113		
Repair and Maintenance						
R & M - Communications Equipment	\$ 275	\$ 25	\$ -	\$ 25		
R & M - Data Processing Equipment	550	250	250	-		
R & M - Office Equipment	4,125	6,665	6,562	103		
R & M - Vehicles	1,100	1,960	1,959	1		
Total Repair and Maintenance	\$ 6,050	\$ 8,900	\$ 8,771	\$ 129		
Other Contractual						
Advertising & Legal Publishing	\$ 1,320	\$ 970	\$ 953	\$ 17		
Bank Fees & Charges	9,900	10,940	10,938	2		
Contract Labor	-	880	877	3		
Equipment Rental	6,710	10,325	10,323	2		
Intergovernmental Fees and Dues	220	185	70	115		
Intergovernmental Service Contracts	11,660	8,410	8,400	10		
ISP's & Data Services	3,080	2,680	2,667	13		
Liability Insurance	84,700	76,875	76,351	524		
Ordinance Codification Services	3,300	50	-	50		
Printing and Copying Services	3,300	1,800	1,785	15		
Professional Assn Memberships & Dues	4,400	2,900	2,690	210		
Purchased Program Services	2,420	3,170	3,170	-		
Telephone - Local, LD, Wireless, Pager	13,200	9,675	9,675	-		
Training Services	550	50	-	50		
Total Other Contractual	\$ 144,760	\$ 128,910	\$ 127,899	\$ 1,011		
Total Contractual Services	\$ 239,998	\$ 240,878	\$ 239,625	\$ 1,253		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
General government (continued)						
General & Financial Administration (continued)						
Commodities						
Books and Publications	\$ 110	\$ 140	\$ 139	\$ 1		
Computer Supplies	3,025	2,525	2,504	21		
Concessions and Food	550	1,445	1,443	2		
Copier Supplies	1,650	1,550	1,531	19		
Fuel	825	1,865	1,862	3		
Office Supplies	4,950	3,115	2,441	674		
Postage	2,640	3,975	3,973	2		
Program Supplies	2,750	1,875	1,871	4		
Stationery	550	550	255	295		
Uniforms	1,100	1,110	1,109	1		
Total Commodities	\$ 18,150	\$ 18,150	\$ 17,128	\$ 1,022		
Travel						
Conference and Meeting Registration	\$ 1,188	\$ 558	\$ 310	\$ 248		
Local Mileage, Parking and Tolls	638	638	541	97		
Lodging	1,771	771	337	434		
Meals	330	535	531	4		
Total Travel	\$ 3,927	\$ 2,502	\$ 1,719	\$ 783		
Total General & Financial Administration	\$ 721,339	\$ 719,914	\$ 716,198	\$ 3,716		
Legal Services						
Contractual Services						
Professional Services						
Legal - Prosecution & Adjudication	\$ 11,880	\$ 14,795	\$ 14,791	\$ 4		
Legal - Litigation	2,200	9,460	9,460	-		
Legal - Review	116,600	106,425	87,146	19,279		
Other Professional Services	6,600	6,600	3,797	2,803		
Total Professional Services	\$ 137,280	\$ 137,280	\$ 115,194	\$ 22,086		
Total Contractual Services	\$ 137,280	\$ 137,280	\$ 115,194	\$ 22,086		
Total Legal Services	\$ 137,280	\$ 137,280	\$ 115,194	\$ 22,086		
Building Maintenance						
Contractual Services						
Professional Services						
Consulting	\$ -	\$ 3,325	\$ 3,321	\$ 4		
Testing Labs	-	4,450	4,450	-		
Total Professional Services	\$ -	\$ 7,775	\$ 7,771	\$ 4		
Repair and Maintenance						
R & M - Buildings & Grounds	\$ 17,930	\$ 14,030	\$ 14,017	\$ 13		
R & M - Communications Equipment	275	25	-	25		
R & M - Fire & EMS Equipment	990	590	560	30		
Total Repair and Maintenance	\$ 19,195	\$ 14,645	\$ 14,577	\$ 68		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
General government (continued)						
Building Maintenance (continued)						
Contractual Services (continued)						
Other Contractual						
Equipment Rental	\$ -	\$ 15	\$ 15	\$ -		
Forestry & Landscaping Services	-	675	675	-		
Intergovernmental Fees and Dues	275	25	-	25		
Janitorial	13,750	10,750	10,724	26		
Purchased Program Services	660	2,685	2,681	4		
Rodent / Mosquito Abatement	1,430	1,280	1,260	20		
Total Other Contractual	\$ 16,115	\$ 15,430	\$ 15,355	\$ 75		
Total Contractual Services	\$ 35,310	\$ 37,850	\$ 37,703	\$ 147		
Commodities						
Cleaning & Maintenance Supplies	\$ 7,700	\$ 4,025	\$ 4,020	\$ 5		
Program Supplies	3,850	3,900	3,898	2		
Service & Repair Parts	550	600	596	4		
Small Tools	-	340	337	3		
Utilities - Village Buildings	17,600	14,140	12,376	1,764		
Total Commodities	\$ 29,700	\$ 23,005	\$ 21,227	\$ 1,778		
Total Building Maintenance	\$ 65,010	\$ 60,855	\$ 58,930	\$ 1,925		
Courtesy Car Program						
Personal Services						
Compensation						
Wages - Part Time Hourly	\$ 22,077	\$ 22,077	\$ 8,972	\$ 13,105		
Total Compensation	\$ 22,077	\$ 22,077	\$ 8,972	\$ 13,105		
Benefits						
Employer FICA / Medicare	\$ 1,689	\$ 1,689	\$ 686	\$ 1,003		
Insurance - Workers Compensation	1,862	1,862	772	1,090		
Insurance - Unemployment Compensation	380	380	-	380		
Total Benefits	\$ 3,931	\$ 3,931	\$ 1,458	\$ 2,473		
Total Personal Services	\$ 26,008	\$ 26,008	\$ 10,430	\$ 15,578		
Contractual Services						
Professional Services						
Medical	\$ 550	\$ 550	\$ 163	\$ 387		
Total Professional Services	\$ 550	\$ 550	\$ 163	\$ 387		
Repair and Maintenance						
R & M - Vehicles	\$ 715	\$ 715	\$ 139	\$ 576		
R & M - Other Equipment	55	55	-	55		
Total Repair and Maintenance	\$ 770	\$ 770	\$ 139	\$ 631		

continued...

F:\IGWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
General government (continued)						
Courtesy Car Program (continued)						
Contractual Services (continued)						
Other Contractual						
Equipment Rental	\$ 1,320	\$ 1,320	\$ 1,095	\$ 225		
Intergovernmental Fees and Dues	138	138	-	138		
Telephone - Local, LD, Wireless, Pager	550	550	431	119		
Total Other Contractual	\$ 2,008	\$ 2,008	\$ 1,526	\$ 482		
Total Contractual Services	\$ 3,328	\$ 3,328	\$ 1,828	\$ 1,500		
Commodities						
Fuel	\$ 1,650	\$ 1,505	\$ 898	\$ 607		
Lubricants & Fluids	28	28	-	28		
Service & Repair Parts	55	55	-	55		
Total Commodities	\$ 1,733	\$ 1,588	\$ 898	\$ 690		
Courtesy Car Program (continued)						
Travel						
Local Mileage, Parking and Tolls	\$ -	\$ 145	\$ 144	\$ 1		
Total Travel	\$ -	\$ 145	\$ 144	\$ 1		
Total Courtesy Car Program	\$ 31,069	\$ 31,069	\$ 13,300	\$ 17,769		
Total general government	\$ 1,377,351	\$ 1,355,046	\$ 1,234,635	\$ 120,411		
Public safety						
Building & Code Enforcement Department						
Personal Services						
Compensation						
Wages - Full Time Salaried	\$ 66,000	\$ 66,000	\$ 55,269	\$ 10,731		
Wages - Full Time Hourly	29,451	29,451	27,891	1,560		
Wages - Overtime	796	796	676	120		
Total Compensation	\$ 96,247	\$ 96,247	\$ 83,836	\$ 12,411		
Benefits						
Employer FICA / Medicare	\$ 7,351	\$ 7,351	\$ 6,294	\$ 1,057		
Employer IMRF	16,998	16,998	14,826	2,172		
Insurance - Group Life and AD&D	105	105	96	9		
Insurance - Group Medical	28,611	28,611	24,081	4,530		
Insurance - Group Dental	3,159	3,159	2,003	1,156		
Insurance - Workers Compensation	8,105	8,105	7,215	890		
Insurance - Unemployment Compensation	396	396	-	396		
Total Benefits	\$ 64,725	\$ 64,725	\$ 54,515	\$ 10,210		
Total Personal Services	\$ 160,972	\$ 160,972	\$ 138,351	\$ 22,621		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

Expenditures (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Public safety (continued)				
Building & Code Enforcement Department (continued)				
Contractual Services				
Professional Services				
Data Processing	\$ 550	\$ 550	\$ 150	\$ 400
Engineering and Architectural	5,500	9,325	9,323	2
Legal - Review	5,500	2,100	2,050	50
Medical	-	50	45	5
Other Professional Services	1,650	1,175	-	1,175
Total Professional Services	\$ 13,200	\$ 13,200	\$ 11,568	\$ 1,632
Repair and Maintenance				
R & M - Vehicles	\$ 1,100	\$ 1,100	\$ 519	\$ 581
Total Repair and Maintenance	\$ 1,100	\$ 1,100	\$ 519	\$ 581
Other Contractual				
Billing & Collection Services	\$ 2,420	\$ 2,420	\$ 2,082	\$ 338
Contract Labor	24,200	29,735	29,734	1
Forestry & Landscaping Services	2,750	35,225	35,225	-
Garbage & Recycling	8,800	50	-	50
Intergovernmental Fees and Dues	275	275	141	134
ISP's & Data Services	825	825	-	825
Printing and Copying Services	1,100	1,100	359	741
Professional Assn Memberships & Dues	165	165	-	165
Purchased Program Services	-	4,080	4,077	3
Telephone - Local, LD, Wireless, Pager	880	880	649	231
Training Services	3,575	2,710	385	2,325
Total Other Contractual	\$ 44,990	\$ 77,465	\$ 72,652	\$ 4,813
Total Contractual Services	\$ 59,290	\$ 91,765	\$ 84,739	\$ 7,026
Commodities				
Books and Publications	\$ 935	\$ 510	\$ 159	\$ 351
Computer Supplies	550	550	108	442
Fuel	1,100	1,740	1,738	2
Office Supplies	165	270	269	1
Postage	825	700	581	119
Program Supplies	110	230	226	4
Small Tools	275	25	-	25
Stationery	-	90	87	3
Uniforms	440	285	147	138
Total Commodities	\$ 4,400	\$ 4,400	\$ 3,315	\$ 1,085
Travel				
Conference and Meeting Registration	\$ 385	\$ 385	\$ -	\$ 385
Local Mileage, Parking and Tolls	55	55	-	55
Meals	83	83	-	83
Total Travel	\$ 523	\$ 523	\$ -	\$ 523
Total Building & Code Enforcement Department	\$ 225,185	\$ 257,660	\$ 226,405	\$ 31,255

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
Police Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 200,366	\$ 200,366	\$ 188,833	\$ 11,533
Wages - Full Time Hourly	582,484	484,234	482,160	2,074
Wages - Part Time Hourly	169,854	253,254	253,248	6
Wages - Overtime	119,293	134,143	134,143	-
Total Compensation	\$ 1,071,997	\$ 1,071,997	\$ 1,058,384	\$ 13,613
Benefits				
Employer FICA / Medicare	\$ 44,283	\$ 44,283	\$ 40,514	\$ 3,769
Employer IMRF	8,703	8,893	8,891	2
Self-managed Pension	-	16,805	16,803	2
Employer Police / Fire Pension	202,180	185,375	157,061	28,314
Insurance - Group Life and AD&D	900	900	688	212
Insurance - Group Medical	194,627	194,627	152,702	41,925
Insurance - Group Dental	7,020	7,700	7,711	(11)
Insurance - Workers Compensation	90,416	91,091	91,089	2
Insurance - Unemployment Compensation	6,202	4,657	-	4,657
Total Benefits	\$ 554,331	\$ 554,331	\$ 475,459	\$ 78,872
Total Personal Services	\$ 1,626,328	\$ 1,626,328	\$ 1,533,843	\$ 92,485
Contractual Services				
Professional Services				
Consulting	\$ -	\$ 240	\$ 240	\$ -
Data Processing	6,600	5,700	994	4,706
Legal - Review	-	535	532	3
Medical	550	675	671	4
Total Professional Services	\$ 7,150	\$ 7,150	\$ 2,437	\$ 4,713
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 303	\$ 303	\$ -	\$ 303
R & M - Communications Equipment	3,300	2,800	2,743	57
R & M - Data Processing Equipment	1,430	7,475	7,473	2
R & M - Police Equipment	550	50	-	50
R & M - Office Equipment	-	2,695	2,690	5
R & M - Vehicles	28,050	20,310	17,909	2,401
Total Repair and Maintenance	\$ 33,633	\$ 33,633	\$ 30,815	\$ 2,818

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Public safety (continued)						
Police Department (continued)						
Contractual Services (continued)						
Other Contractual						
Billing & Collection Services	\$ 11,000	\$ 21,300	\$ 21,295	\$ 5		
Equipment Installation Services	2,200	6,605	6,605	-		
Equipment Rental	4,125	4,125	399	3,726		
Intergovernmental Fees and Dues	825	825	603	222		
Intergovernmental Service Contracts	2,750	4,100	4,100	-		
ISP's & Data Services	13,145	13,145	9,391	3,754		
Janitorial	13,200	13,200	9,414	3,786		
Printing and Copying Services	4,400	4,400	2,059	2,341		
Professional Assn Memberships & Dues	495	495	480	15		
Purchased Program Services	7,425	7,425	7,262	163		
Telephone - Local, LD, Wireless, Pager	19,250	19,250	10,786	8,464		
Training Services	23,650	7,595	7,440	155		
Total Other Contractual	\$ 102,465	\$ 102,465	\$ 79,834	\$ 22,631		
Total Contractual Services	\$ 143,248	\$ 143,248	\$ 113,086	\$ 30,162		
Commodities						
Ammunition and Range Supplies	\$ 9,900	\$ 6,630	\$ 4,410	\$ 2,220		
Books and Publications	1,100	1,100	330	770		
Cleaning & Maintenance Supplies	-	750	747	3		
Computer Supplies	3,300	3,300	1,433	1,867		
Concessions and Food	275	275	106	169		
Copier Supplies	1,650	1,970	1,965	5		
Fuel	33,000	33,000	31,451	1,549		
Lubricants and Fluids	-	15	14	1		
Office Supplies	1,375	1,485	1,485	-		
Police Supplies	1,320	1,320	439	881		
Postage	1,760	1,945	1,770	175		
Program Supplies	550	1,305	1,303	2		
Protective Clothing & Equipment	3,465	3,465	1,467	1,998		
Service & Repair Parts	110	110	71	39		
Stationery	165	215	212	3		
Uniforms	5,830	6,915	6,914	1		
Total Commodities	\$ 63,800	\$ 63,800	\$ 54,117	\$ 9,683		
Travel						
Conference and Meeting Registration	\$ 2,035	\$ 2,035	\$ 1,225	\$ 810		
Local Mileage, Parking and Tolls	275	275	8	267		
Lodging	1,320	1,320	884	436		
Meals	220	220	-	220		
Total Travel	\$ 3,850	\$ 3,850	\$ 2,117	\$ 1,733		
Total Police Department	\$ 1,837,226	\$ 1,837,226	\$ 1,703,163	\$ 134,063		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Public safety (continued)						
Fire Department						
Personal Services						
Compensation						
Wages - Full Time Salaried	\$ 63,955	\$ 65,235	\$ 65,232	\$ 3	3	
Wages - Part Time Hourly	100,846	107,936	107,933		3	
Wages - Sleep-in Duty	40,656	36,931	36,910		21	
Wages - Paid-on-call Duty	33,000	30,000	30,000		-	
Other Compensation	23,909	22,264	21,783		481	
Total Compensation	\$ 262,366	\$ 262,366	\$ 261,858	\$ 508		
Benefits						
Employer FICA / Medicare	\$ 20,071	\$ 20,071	\$ 20,032	\$ 39	39	
Employer Police / Fire Pension	23,100	23,100	20,714		2,386	
Insurance - Group Life and AD&D	75	75	-		75	
Insurance - Workers Compensation	22,129	22,539	22,537		2	
Insurance - Unemployment Compensation	3,863	3,453	-		3,453	
Total Benefits	\$ 69,238	\$ 69,238	\$ 63,283	\$ 5,955		
Total Personal Services	\$ 331,604	\$ 331,604	\$ 325,141	\$ 6,463		
Contractual Services						
Professional Services						
Consulting	\$ 1,100	\$ 770	\$ 400	\$ 370		
Data Processing	4,400	3,930	2,681		1,249	
Medical	825	1,155	1,154		1	
Total Professional Services	\$ 6,325	\$ 5,855	\$ 4,235	\$ 1,620		
Repair and Maintenance						
R & M - Buildings & Grounds	\$ 550	\$ 50	\$ -	\$ 50		
R & M - Communications Equipment	825	795	390		405	
R & M - Data Processing Equipment	1,320	1,790	1,788		2	
R & M - Fire & EMS Equipment	10,780	8,200	7,713		487	
R & M - Office Equipment	825	25	-		25	
R & M - Vehicles	7,700	11,610	11,605		5	
Total Repair and Maintenance	\$ 22,000	\$ 22,470	\$ 21,496	\$ 974		
Other Contractual						
Ambulance & EMS Service	\$ 214,500	\$ 206,685	\$ 194,910	\$ 11,775		
Billing & Collection Services	9,900	9,900	1,501		8,399	
Contract Labor	24,750	24,750	-		24,750	
Equipment Rental	-	325	320		5	
Intergovernmental Fees and Dues	4,400	4,400	3,764		636	
ISP's & Data Services	2,200	2,395	2,391		4	
Janitorial	4,400	4,400	1,938		2,462	
Laundry / Uniform Services	825	850	849		1	
Printing and Copying Services	330	330	216		114	
Professional Assn Memberships & Dues	550	550	200		350	

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Public safety (continued)						
Fire Department (continued)						
Contractual Services (continued)						
Other Contractual (continued)						
Purchased Program Services	8,250	8,250	6,531		1,719	
Telephone - Local, LD, Wireless, Pager	12,650	12,105	8,471		3,634	
Training Services	2,750	2,750	625		2,125	
Total Other Contractual	\$ 285,505	\$ 277,690	\$ 221,716	\$	55,974	
Total Contractual Services	\$ 313,830	\$ 306,015	\$ 247,447	\$	58,568	
Commodities						
Books and Publications	\$ -	\$ 15	\$ 12	\$	3	
Cleaning & Maintenance Supplies	220	985	982		3	
Computer Supplies	1,100	100	-		100	
Concessions and Food	275	975	971		4	
Copier Supplies	330	255	255		-	
EMS Supplies	5,500	3,900	3,896		4	
Firefighting Supplies	3,850	4,710	4,709		1	
Fuel	5,500	7,900	7,896		4	
Lubricants and Fluids	165	305	302		3	
Office Supplies	550	350	340		10	
Postage	110	145	143		2	
Program Supplies	2,750	2,225	2,201		24	
Protective Clothing & Equipment	5,500	12,865	12,864		1	
Service & Repair Parts	1,375	900	899		1	
Small Tools	275	555	550		5	
Stationery	275	-	-		-	
Training Supplies	550	200	199		1	
Uniforms	1,925	4,630	4,628		2	
Total Commodities	\$ 30,250	\$ 41,015	\$ 40,847	\$	168	
Travel						
Conference and Meeting Registration	\$ 495	\$ 495	\$ 400	\$	95	
Local Mileage, Parking and Tolls	176	176	-		176	
Lodging	660	660	626		34	
Meals	110	110	-		110	
Total Travel	\$ 1,441	\$ 1,441	\$ 1,026	\$	415	
Total Fire Department	\$ 677,125	\$ 680,075	\$ 614,461	\$	65,614	
Total public safety	\$ 2,739,536	\$ 2,774,961	\$ 2,544,029	\$	230,932	

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Highways and Streets						
Public Works Department						
Personal Services						
Compensation						
Wages - Full Time Salaried	\$ 45,700	\$ 42,750	\$ 42,706	\$ 44		
Wages - Full Time Hourly	130,670	138,920	138,912	8		
Wages - Overtime	14,135	12,735	12,702	33		
Total Compensation	\$ 190,505	\$ 194,405	\$ 194,320	\$ 85		
Benefits						
Employer FICA / Medicare	\$ 14,574	\$ 15,149	\$ 15,144	\$ 5		
Employer IMRF	33,701	34,741	34,737	4		
Insurance - Group Life and AD&D	330	330	257	73		
Insurance - Group Medical	77,759	72,414	57,844	14,570		
Insurance - Group Dental	5,929	5,929	4,248	1,681		
Insurance - Workers Compensation	16,068	16,848	16,848	-		
Insurance - Unemployment Compensation	968	18	-	18		
Total Benefits	\$ 149,329	\$ 145,429	\$ 129,078	\$ 16,351		
Total Personal Services	\$ 339,834	\$ 339,834	\$ 323,398	\$ 16,436		
Contractual Services						
Professional Services						
Engineering and Architectural	\$ 11,000	\$ 11,000	\$ 5,228	\$ 5,772		
Medical	440	465	464	1		
Total Professional Services	\$ 11,440	\$ 11,465	\$ 5,692	\$ 5,773		
Repair and Maintenance						
R & M - Public Works Equipment	\$ 2,750	\$ 1,250	\$ 1,185	\$ 65		
R & M - Street Lights & Signals	2,750	6,750	6,738	12		
R & M - Vehicles	13,750	11,950	11,929	21		
Total Repair and Maintenance	\$ 19,250	\$ 19,950	\$ 19,852	\$ 98		
Other Contractual						
Animal Control Services	\$ 1,100	\$ 1,000	\$ 900	\$ 100		
Equipment Installation Services	-	245	245	-		
Equipment Rental	5,500	5,500	1,699	3,801		
Forestry & Landscaping Services	39,600	7,125	1,640	5,485		
Garbage & Recycling	-	375	373	2		
Intergovernmental Fees and Dues	110	110	60	50		
ISP's & Data Services	1,210	960	926	34		
Purchased Program Services	5,500	5,600	5,599	1		
Telephone - Local, LD, Wireless, Pager	4,400	3,645	3,079	566		
Training Services	550	200	150	50		
Total Other Contractual	\$ 57,970	\$ 24,760	\$ 14,671	\$ 10,089		
Total Contractual Services	\$ 88,660	\$ 56,175	\$ 40,215	\$ 15,960		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Highways and Streets (continued)						
Public Works Department (continued)						
Commodities						
Cleaning & Maintenance Supplies	\$	-	\$ 635	\$ 634		
Computer Supplies		275	380	379		
Fuel		6,600	13,070	13,069		
Landscaping Supplies		1,375	375	111		
Lubricants and Fluids		825	225	129		
Office Supplies		165	265	261		
Postage		28	28	8		
Program Supplies		6,600	2,875	2,868		
Protective Clothing & Equipment		880	280	231		
Service & Repair Parts		6,050	2,625	2,607		
Small Tools		2,200	1,425	1,261		
Stationery		-	90	87		
Street Materials - Aggregate		4,950	4,950	-		
Street Materials - Bituminous		8,250	8,250	-		
Street Materials - Signs and Barricades		1,650	2,205	2,204		
Street Materials - Other		2,200	4,315	4,310		
Uniforms		220	275	271		
Utilities - Public Way		77,000	64,520	63,293		
Total Commodities	\$	119,268	\$ 106,788	\$ 91,723		
Travel						
Local Mileage, Parking and Tolls	\$	-	\$ 10	\$ 7		
Total Travel	\$	-	\$ 10	\$ 7		
Total Public Works Department	\$	547,762	\$ 502,807	\$ 455,343		
Total highways and streets	\$	547,762	\$ 502,807	\$ 455,343		
Total	\$	547,762	\$ 502,807	\$ 455,343		
Sanitation						
Garbage Disposal						
Contractual Services						
Professional Services						
Data Processing	\$	165	\$ 165	\$ -		
Total Professional Services	\$	165	\$ 165	\$ -		
Other Contractual						
Garbage and Recycling	\$	317,130	\$ 317,130	\$ 284,678		
Other Contractual	\$	317,130	\$ 317,130	\$ 284,678		
Total Contractual Services	\$	317,295	\$ 317,295	\$ 284,678		
Total Garbage Disposal	\$	317,295	\$ 317,295	\$ 284,678		
Total Sanitation	\$	317,295	\$ 317,295	\$ 284,678		
Total	\$	317,295	\$ 317,295	\$ 284,678		
Total	\$	317,295	\$ 317,295	\$ 284,678		
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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Expenditures (continued)					
Culture and recreation					
Recreation Programs					
Personal Services					
Compensation					
Wages - Full Time Hourly	\$ 14,423	\$ 7,598	\$ 7,595	\$ 3	
Wages - Seasonal	-	1,065	1,064	1	
Wages - Overtime	260	360	354	6	
Total Compensation	\$ 14,683	\$ 9,023	\$ 9,013	\$ 10	
Benefits					
Employer FICA / Medicare	\$ 1,123	\$ 1,123	\$ 689	\$ 434	
Employer IMRF	2,597	1,697	1,417	280	
Insurance - Group Life and AD&D	37	37	-	37	
Insurance - Group Medical	1,379	54	-	54	
Insurance - Group Dental	878	453	-	453	
Insurance - Workers Compensation	1,239	789	776	13	
Insurance - Unemployment Compensation	110	110	-	110	
Total Benefits	\$ 7,363	\$ 4,263	\$ 2,882	\$ 1,381	
Total Personal Services	\$ 22,046	\$ 13,286	\$ 11,895	\$ 1,391	
Contractual Services					
Other Contractual					
Equipment Rental	\$ 5,500	\$ 5,045	\$ 5,033	\$ 12	
Purchased Program Services	1,650	7,575	7,173	402	
Total Other Contractual	\$ 7,150	\$ 12,620	\$ 12,206	\$ 414	
Total Contractual Services	\$ 7,150	\$ 12,620	\$ 12,206	\$ 414	
Commodities					
Awards	\$ -	\$ 80	\$ 80	\$ -	
Concessions and Food	1,650	3,685	3,682	3	
Postage	55	200	103	97	
Program Supplies	2,750	3,325	2,719	606	
Total Commodities	\$ 4,455	\$ 7,290	\$ 6,584	\$ 706	
Total Recreation Programs	\$ 33,651	\$ 33,196	\$ 30,685	\$ 2,511	
Park Maintenance					
Contractual Services					
Repair and Maintenance					
R & M - Buildings & Grounds	\$ 550	\$ 550	\$ -	\$ 550	
R & M - Public Works Equipment	275	275	225	50	
Total Repair and Maintenance	\$ 825	\$ 825	\$ 225	\$ 600	
Other Contractual					
Equipment Rental	\$ 2,420	\$ 2,725	\$ 2,723	\$ 2	
Forestry & Landscaping Services	22,000	24,490	24,490	-	
Total Other Contractual	\$ 24,420	\$ 27,215	\$ 27,213	\$ 2	

continued...

F:\IGWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture and recreation (continued)				
Park Maintenance (continued)				
Total Contractual Services	\$ 25,245	\$ 28,040	\$ 27,438	\$ 602
Commodities				
Landscaping Supplies	\$ 1,650	\$ 1,650	\$ 354	\$ 1,296
Lubricants & Fluids	-	35	35	-
Program Supplies	2,200	1,370	496	874
Service & Repair Parts	660	660	617	43
Small Tools	550	550	-	550
Total Commodities	\$ 5,060	\$ 4,265	\$ 1,502	\$ 2,763
Total Park Maintenance	\$ 30,305	\$ 32,305	\$ 28,940	\$ 3,365
Seniors Programs				
Contractual Services				
Other Contractual				
Purchased Program Services	\$ 660	\$ 660	\$ 450	\$ 210
Total Benefits	\$ 660	\$ 660	\$ 450	\$ 210
Total Contractual Services	\$ 660	\$ 660	\$ 450	\$ 210
Commodities				
Awards	\$ 165	\$ 165	\$ -	\$ 165
Concessions and Food	2,750	2,750	2,007	743
Program Supplies	825	825	66	759
Total Commodities	\$ 3,740	\$ 3,740	\$ 2,073	\$ 1,667
Total Seniors Programs	\$ 4,400	\$ 4,400	\$ 2,523	\$ 1,877
Senior Center Maintenance				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 5,500	\$ 6,765	\$ 6,761	\$ 4
Total Repair and Maintenance	\$ 5,500	\$ 6,765	\$ 6,761	\$ 4
Other Contractual				
Forestry & Landscaping Services	\$ -	\$ 6,365	\$ 6,365	\$ -
ISPs & Data Services	1,595	1,245	1,244	1
Janitorial	495	2,575	2,575	-
Purchased Program Services	715	3,360	3,356	4
Rodent / Mosquito Abatement	495	420	420	-
Telephone - Local, LD, Wireless, Pager	880	680	671	9
Total Other Contractual	\$ 4,180	\$ 14,645	\$ 14,631	\$ 14
Total Contractual Services	\$ 9,680	\$ 21,410	\$ 21,392	\$ 18

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Culture and recreation (continued)						
Senior Center Maintenance (continued)						
Commodities						
Cleaning & Maintenance Supplies	\$ 165	\$ 225	\$ 223	\$ 2		
Program Supplies	660	285	277	8		
Service & Repair Parts	110	10	-	10		
Small Tools	-	125	124	1		
Utilities - Village Buildings	1,430	1,255	1,250	5		
Total Commodities	\$ 2,365	\$ 1,900	\$ 1,874	\$ 26		
Total Senior Center Maintenance	\$ 12,045	\$ 23,310	\$ 23,266	\$ 44		
Beautification Committee						
Contractual Services						
Other Contractual						
Purchased Program Services	\$ 7,150	\$ 6,720	\$ 5,030	\$ 1,690		
Total Other Contractual	\$ 7,150	\$ 6,720	\$ 5,030	\$ 1,690		
Total Contractual Services	\$ 7,150	\$ 6,720	\$ 5,030	\$ 1,690		
Commodities						
Awards	\$ 1,100	\$ 1,250	\$ 800	\$ 450		
Concessions and Food	55	55	-	55		
Landscaping Supplies	770	820	817	3		
Program Supplies	275	425	424	1		
Protective Clothing & Equipment	-	80	80	-		
Total Commodities	\$ 2,200	\$ 2,630	\$ 2,121	\$ 509		
Total Beautification Committee	\$ 9,350	\$ 9,350	\$ 7,151	\$ 2,199		
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	\$ 230	\$ 23		
Total Benefits	\$ 253	\$ 253	\$ 230	\$ 23		
Total Personal Services	\$ 3,553	\$ 3,553	\$ 3,230	\$ 323		
Commodities						
Program Supplies	\$ 220	\$ 220	\$ -	\$ 220		
Total Commodities	\$ 220	\$ 220	\$ -	\$ 220		
Total Historical Committee	\$ 3,773	\$ 3,773	\$ 3,230	\$ 543		
Total culture and recreation	\$ 93,524	\$ 106,334	\$ 95,795	\$ 10,539		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Expenditures (continued)					
Capital outlay					
General & Financial Administration					
Equipment - Communications	\$ -	\$ 75	\$ 67	\$ 8	
Equipment - Data Processing	\$ 46,156	\$ 52,831	\$ 52,827	\$ 4	
Equipment - Office	\$ 7,700	\$ 2,375	\$ 2,361	\$ 14	
Total General & Financial Administration	\$ 53,856	\$ 55,281	\$ 55,255	\$ 26	
Building Maintenance					
Building Acquisition/Const/Improvements	\$ 43,010	\$ 36,610	\$ 36,585	\$ 25	
Total Building Maintenance	\$ 43,010	\$ 36,610	\$ 36,585	\$ 25	
Building & Code Enforcement Department					
Equipment - Data Processing	\$ 2,750	\$ 2,750	\$ 1,194	\$ 1,556	
Total Building & Code Enforcement Department	\$ 2,750	\$ 2,750	\$ 1,194	\$ 1,556	
Police Department					
Equipment - Communications	\$ 2,200	\$ 2,200	\$ 228	\$ 1,972	
Equipment - Data Processing	\$ 10,230	\$ 4,930	\$ 2,480	\$ 2,450	
Equipment - Office	\$ 4,730	\$ 4,730	\$ 2,100	\$ 2,630	
Equipment - Public Safety	\$ 10,753	\$ 16,053	\$ 16,046	\$ 7	
Equipment - Vehicles	\$ 88,000	\$ 88,000	\$ 78,824	\$ 9,176	
Equipment - Other	\$ 1,100	\$ 1,100	\$ -	\$ 1,100	
Total Police Department	\$ 117,013	\$ 117,013	\$ 99,678	\$ 17,335	
Fire Department					
Equipment - Data Processing	\$ 2,750	\$ -	\$ -	\$ -	
Equipment - Office	\$ 2,750	\$ 2,550	\$ 2,550	\$ -	
Total Fire Department	\$ 5,500	\$ 2,550	\$ 2,550	\$ -	
Public Works Department					
Street System Construction/Improvements	\$ -	\$ 12,480	\$ 12,477	\$ 3	
Equipment - Construction	\$ 1,100	\$ 1,100	\$ -	\$ 1,100	
Equipment - Vehicles	\$ 37,400	\$ 37,400	\$ 33,741	\$ 3,659	
Total Public Works Department	\$ 38,500	\$ 50,980	\$ 46,218	\$ 4,762	
Recreation Programs					
Equipment - Other	\$ -	\$ 455	\$ 455	\$ -	
Total Recreation Programs	\$ -	\$ 455	\$ 455	\$ -	

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Capital outlay (continued)						
Park Maintenance						
Equipment - Maintenance	\$ 1,100	\$ 100	\$ -	\$ 100		
Equipment - Playground	2,200	1,200	941	259		
Total Park Maintenance	\$ 3,300	\$ 1,300	\$ 941	\$ 359		
Senior Center Maintenance						
Building Acquisition/Const/Improvements	\$ -	\$ 970	\$ 969	\$ 1		
Equipment - Other	6,600	4,920	4,914	6		
Total Senior Center Maintenance	\$ 6,600	\$ 5,890	\$ 5,883	\$ 7		
Total capital outlay	\$ 270,529	\$ 272,829	\$ 248,759	\$ 24,070		
Total expenditures	\$ 5,345,997	\$ 5,329,272	\$ 4,863,239	\$ 466,033		
Excess (deficiency) of revenues over (under) expenditures	\$ (840,807)	\$ (824,082)	\$ (304,169)	\$ 519,913		
Other financing sources and uses						
Transfers in	\$ 500,000	\$ 500,000	\$ 500,000	\$ -		
Proceeds From Sale of Capital Assets	5,000	5,000	25,500	20,500		
Transfers out	(243,500)	(243,500)	(218,879)	24,621		
Total other financing sources and uses	\$ 261,500	\$ 261,500	\$ 306,621	\$ 45,121		
Net change in fund balances	\$ (579,307)	\$ (562,582)	\$ 2,452	\$ 565,034		
Fund balances, January 1	\$ 385,757	\$ 385,757	\$ 385,757	\$ -		
Fund balances, December 31	\$ (193,550)	\$ (176,825)	\$ 388,209	\$ 565,034		

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\General AS detail 8/19/2019 2:23 PM

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	Revenues			
State shared taxes				
Non-home rule sales tax	\$ 430,000	\$ 430,000	\$ 455,527	\$ 25,527
Total state shared taxes	\$ 430,000	\$ 430,000	\$ 455,527	\$ 25,527
Total revenues	\$ 430,000	\$ 430,000	\$ 455,527	\$ 25,527
Excess (deficiency) of revenues over (under) expenditures	\$ 430,000	\$ 430,000	\$ 455,527	\$ 25,527
Other financing sources and uses				
Transfers out	\$ (500,000)	\$ (500,000)	\$ (504,847)	\$ (4,847)
Total other financing sources and uses	\$ (500,000)	\$ (500,000)	\$ (504,847)	\$ (4,847)
Net change in fund balances	\$ (70,000)	\$ (70,000)	\$ (49,320)	\$ 20,680
Fund balances, January 1	\$ 2,320,167	\$ 2,320,167	\$ 2,434,797	\$ 114,630
Fund balances, December 31	\$ 2,250,167	\$ 2,250,167	\$ 2,385,477	\$ 135,310

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
Revenues					
Local taxes					
TIF #1 increment	\$ 225,000	\$ 225,000	\$ 306,557	\$ 81,557	
TIF #2 increment	-	-	41,601	41,601	
TIF #4 increment	25,000	25,000	98,091	73,091	
Total local taxes	\$ 250,000	\$ 250,000	\$ 446,249	\$ 196,249	
Interest					
Interest from deposits	\$ 750	\$ 750	\$ 1,284	\$ 534	
Total interest	\$ 750	\$ 750	\$ 1,284	\$ 534	
Total revenues	\$ 250,750	\$ 250,750	\$ 447,533	\$ 196,783	
Expenditures					
General government					
Contractual services					
Professional services					
Consulting	\$ 16,500	\$ 16,500	\$ 2,940	\$ 13,560	
Legal - review	1,100	1,100	-	1,100	
Other professional services	2,750	2,750	1,875	875	
Total professional services	\$ 20,350	\$ 20,350	\$ 4,815	\$ 15,535	
Other contractual					
Bank fees & charges	\$ -	\$ 30	\$ 30	\$ -	
Community development grants	148,500	182,525	182,519	6	
Total other contractual	\$ 148,500	\$ 182,555	\$ 182,549	\$ 6	
Total contractual services	\$ 168,850	\$ 202,905	\$ 187,364	\$ 15,541	
Commodities					
Street materials - signs	\$ 21,681	\$ 1,681	\$ -	\$ 1,681	
Total commodities	\$ 21,681	\$ 1,681	\$ -	\$ 1,681	
Total general government	\$ 190,531	\$ 204,586	\$ 187,364	\$ 17,222	
Capital outlay					
Land acquisition	\$ 27,500	\$ 13,445	\$ -	\$ 13,445	
Total capital outlay	\$ 27,500	\$ 13,445	\$ -	\$ 13,445	
Total expenditures	\$ 218,031	\$ 218,031	\$ 187,364	\$ 30,667	
Excess (deficiency) of revenues over (under) expenditures	\$ 32,719	\$ 32,719	\$ 260,169	\$ 227,450	
Other financing sources and uses					
Proceeds from sale of capital assets	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)	
Total other financing sources and uses	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)	
Net change in fund balances	\$ 132,719	\$ 132,719	\$ 260,169	\$ 127,450	
Fund balances, January 1	\$ 352,894	\$ 352,894	\$ 352,894	\$ -	
Fund balances, December 31	\$ 485,613	\$ 485,613	\$ 613,063	\$ 127,450	

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 December 31, 2018

Fiscal Year Ending	Contributions In Relation To The Actuarially Determined Contribution		Contribution Excess / (Deficiency)	Covered Payroll	Contributions As A Percentage Of Covered Employee Payroll	
	Actuarially Determined Contribution	The Actuarially Determined Contribution				
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%
12/31/2018	\$ 153,522	\$ 159,686	\$ 6,164	\$ 867,846	\$	18.40%

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 age -	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience 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. 10 years.
	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
Illinois Municipal Retirement Fund
December 31, 2018

Fiscal Year End	Average Money-Weighted Rate of Return, net of <u>Investment Expenses</u>
12/31/2014	6.08%
12/31/2015	0.58%
12/31/2016	not available
12/31/2017	not available
12/31/2018	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, 2018

	<u>2018</u>	<u>2017</u>
Total pension liability		
Service cost	\$ 81,824	\$ 93,563
Interest on the total pension liability	484,797	470,559
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	(78,841)	241,547
Changes of assumptions	163,857	(213,471)
Benefit payments, including refunds of employee contributions	<u>(448,905)</u>	<u>(344,063)</u>
Net change in total pension liability	202,732	248,135
Total pension liability - beginning	<u>6,647,506</u>	<u>6,399,371</u>
Total pension liability - ending	<u>\$ 6,850,238</u>	<u>\$ 6,647,506</u>
 Plan fiduciary net position		
Contributions - employer	\$ 159,686	\$ 167,195
Contributions - employee	39,053	39,729
Net investment income	(346,728)	832,173
Benefit payments, including refunds of employee contributions	(448,905)	(344,063)
Other (net transfer)	<u>125,667</u>	<u>(49,662)</u>
Net change in plan fiduciary net position	(471,227)	645,372
Plan fiduciary net position - beginning	<u>5,535,815</u>	<u>4,890,443</u>
Plan fiduciary net position - ending	<u>\$ 5,064,588</u>	<u>\$ 5,535,815</u>
 Net pension liability (asset)	<u>\$ 1,785,650</u>	<u>\$ 1,111,691</u>
 Plan fiduciary net position as a percentage of total pension liability	73.93%	83.28%
Covered valuation payroll	\$ 867,846	\$ 881,138
 Net pension liability as a percentage of covered valuation payroll	205.76%	126.17%

Note:

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

2016	2015	2014	2013	2012	2011	2010	2009
\$ 82,955	\$ 84,291	\$ 93,739	\$ -	\$ -	\$ -	\$ -	\$ -
444,704	413,233	373,544	-	-	-	-	-
-	-	-	-	-	-	-	-
99,762	170,869	60,458	-	-	-	-	-
(56,140)	13,388	249,052	-	-	-	-	-
(247,501)	(236,503)	(200,386)	-	-	-	-	-
323,780	445,278	576,407	-	-	-	-	-
6,075,591	5,630,313	5,053,906	-	-	-	-	-
\$ 6,399,371	\$ 6,075,591	\$ 5,630,313	\$ -				
\$ 157,995	\$ 127,517	\$ 131,730	\$ -	\$ -	\$ -	\$ -	\$ -
38,821	44,071	41,909	-	-	-	-	-
314,545	22,566	259,993	-	-	-	-	-
(247,501)	(236,503)	(200,386)	-	-	-	-	-
56,835	66,464	36,827	-	-	-	-	-
320,695	24,115	270,073	-	-	-	-	-
4,569,748	4,545,633	4,275,560	-	-	-	-	-
\$ 4,890,443	\$ 4,569,748	\$ 4,545,633	\$ -				
\$ 1,508,928	\$ 1,505,843	\$ 1,084,680	\$ -				
76.42%	75.21%	80.73%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 838,695	\$ 760,394	\$ 731,174	\$ -	\$ -	\$ -	\$ -	\$ -
179.91%	198.03%	148.35%	0.00%	0.00%	0.00%	0.00%	0.00%

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Police Pension Fund
 December 31, 2018

Fiscal Year Ending	Contributions In Relation To The Actuarially Determined Contribution			Contribution Excess / (Deficiency)	Covered Payroll	Contributions As A Percentage Of Covered Employee Payroll	
	Actuarially Determined Contribution						
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%		
12/31/2018	\$ 195,634	\$ 165,560	\$ (30,074)	\$ 519,384	\$ 31.88%		

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, 2018

<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%
12/31/2018	-1.64%

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, 2018

	2018	2017
Total pension liability		
Service cost	\$ 159,244	\$ 151,863
Interest on the total pension liability	400,001	390,633
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	(185,562)	(2,783)
Changes of assumptions	(344,394)	440,449
Benefit payments, including refunds of employee contributions	<u>(247,363)</u>	<u>(231,459)</u>
Net change in total pension liability	(218,074)	748,703
Total pension liability - beginning	<u>7,966,848</u>	<u>7,218,145</u>
Total pension liability - ending	<u>\$ 7,748,774</u>	<u>\$ 7,966,848</u>
Plan fiduciary net position		
Contributions - employer	\$ 165,560	\$ 139,978
Contributions - employee	49,574	43,782
Contributions - other	(8,723)	-
Net investment income	(55,497)	308,987
Benefit payments, including refunds of employee contributions	(247,363)	(231,459)
Administrative expense	(5,365)	(8,213)
Other (net transfer)	<u>-</u>	<u>8,507</u>
Net change in plan fiduciary net position	(101,814)	261,582
Plan fiduciary net position - beginning	<u>3,583,793</u>	<u>3,322,211</u>
Plan fiduciary net position - ending	<u>\$ 3,481,979</u>	<u>\$ 3,583,793</u>
Net pension liability (asset)	<u>\$ 4,266,795</u>	<u>\$ 4,383,055</u>
Plan fiduciary net position as a percentage of total pension liability	44.94%	44.98%
Covered valuation payroll	\$ 519,384	\$ 485,669
Net pension liability as a percentage of covered valuation payroll	821.51%	902.48%

Note:

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

2016	2015	2014	2013	2012	2011	2010	2009-10
\$ 143,946	\$ 96,896	\$ 98,719	\$ -	\$ -	\$ -	\$ -	\$ -
378,509	293,737	345,737	-	-	-	-	-
-	-	-	-	-	-	-	-
(110,343)	103,887	(189,062)	-	-	-	-	-
34,629	1,309,169	403,248	-	-	-	-	-
(221,149)	(303,622)	(210,512)	-	-	-	-	-
225,592	1,500,067	448,130	-	-	-	-	-
6,992,553	5,492,486	5,044,356	-	-	-	-	-
\$ 7,218,145	\$ 6,992,553	\$ 5,492,486	\$ -				
\$ 136,901	\$ 133,108	\$ 117,183	\$ -				
42,911	75,304	32,865	-	-	-	-	-
-	-	-	-	-	-	-	-
19,439	(56,507)	64,722	-	-	-	-	-
(221,149)	(303,622)	(210,512)	-	-	-	-	-
(4,770)	(5,102)	(4,618)	-	-	-	-	-
-	-	-	-	-	-	-	-
(26,668)	(156,819)	(360)	-	-	-	-	-
3,348,879	3,505,698	3,506,058	-	-	-	-	-
\$ 3,322,211	\$ 3,348,879	\$ 3,505,698	\$ -				
\$ 3,895,934	\$ 3,643,674	\$ 1,986,788	\$ -				
46.03%	47.89%	63.83%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 544,031	\$ 349,580	\$ 325,427	\$ -	\$ -	\$ -	\$ -	\$ -
716.12%	1042.30%	610.52%	0.00%	0.00%	0.00%	0.00%	0.00%

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Firefighters Pension Fund
 December 31, 2018

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered 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	\$ 11,840	\$ 17,177	\$ 5,337	\$ -	0.00%
12/31/2018	\$ 12,882	\$ 20,746	\$ 7,864	\$ -	0.00%

Notes:	Actuarial valuation date - Actuarial cost method - Amortization method - Remaining amortization period - Asset valuation method - Price inflation - Salary increases - Investment rate of return - Retirement age - Mortality -	January 1, 2018 Projected Unit Cost Level percent of payroll, closed period. 24 years 5 year smoothed market 2.50 percent 4.50 percent 5.00 percent. 50 -70 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, 2018

<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%
12/31/2018	0.02%

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, 2018

	<u>2018</u>	<u>2017</u>
Total pension liability		
Service cost	\$ -	\$ -
Interest on the total pension liability	16,245	16,520
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	7,514	732
Changes of assumptions	(2,511)	-
Benefit payments, including refunds of employee contributions	<u>(25,487)</u>	<u>(24,744)</u>
Net change in total pension liability	(4,239)	(7,492)
Total pension liability - beginning	<u>476,874</u>	<u>484,366</u>
Total pension liability - ending	<u>\$ 472,635</u>	<u>\$ 476,874</u>
 Plan fiduciary net position		
Contributions - employer	\$ 20,746	\$ 17,177
Contributions - employee	-	-
Net investment income	170	147
Benefit payments, including refunds of employee contributions	(25,487)	(24,744)
Administrative expense	(1,250)	(1,257)
Other (net transfer)	-	-
Net change in plan fiduciary net position	(5,821)	(8,677)
Plan fiduciary net position - beginning	<u>12,273</u>	<u>20,950</u>
Plan fiduciary net position - ending	<u>\$ 6,452</u>	<u>\$ 12,273</u>
 Net pension liability (asset)	<u>\$ 466,183</u>	<u>\$ 464,601</u>
 Plan fiduciary net position as a percentage of total pension liability	1.37%	2.57%
Covered valuation payroll	\$ -	\$ -
 Net pension liability as a percentage of covered valuation payroll	0.00%	0.00%

Note:

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

2016	2015	2014	2013	2012	2011	2010	2009-10
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,683	8,839	16,524	-	-	-	-	-
-	-	-	-	-	-	-	-
6,607	26,721	4,154	-	-	-	-	-
(3,557)	212,212	18,792	-	-	-	-	-
(24,024)	(23,324)	(22,645)	-	-	-	-	-
(4,291)	224,448	16,825	-	-	-	-	-
488,657	264,209	247,384	-	-	-	-	-
\$ 484,366	\$ 488,657	\$ 264,209	\$ -				
\$ 11,329	\$ 11,256	\$ 10,921	\$ -				
-	-	-	-	-	-	-	-
85	16	7	-	-	-	-	-
(24,024)	(23,324)	(22,645)	-	-	-	-	-
(957)	(812)	(514)	-	-	-	-	-
-	-	-	-	-	-	-	-
(13,567)	(12,864)	(12,231)	-	-	-	-	-
34,517	47,381	59,612	-	-	-	-	-
\$ 20,950	\$ 34,517	\$ 47,381	\$ -				
\$ 463,416	\$ 454,140	\$ 216,828	\$ -				
4.33%	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%

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Retiree Health Insurance Plan
 December 31, 2018

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered Payroll	Contributions As A Percentage Of Covered Employee Payroll
12/31/2018	N/A	\$ -	N/A	\$ 1,497,455	0.00%

Notes: There is no ADC or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB Liability. However the Village did make contributions from other Village resources in the current year in the amount of \$327,096.

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
 Retiree Health Insurance Plan
 December 31, 2018

Fiscal Year End	Average Money-Weighted Rate of Return, net of Investment Expenses
12/31/2018	N/A

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 OPEB Liability and Related Ratios

Retiree Health Insurance Plan

December 31, 2018

	2018	2017
Total OPEB liability		
Service cost	\$ 95,331	\$ -
Interest on the total OPEB liability	257,278	-
Changes in benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions	(496,397)	-
Benefit payments	<u>(327,096)</u>	-
Net change in total OPEB liability	(470,884)	-
Total OPEB liability - beginning	<u>7,637,275</u>	-
Total OPEB liability - ending	<u>\$ 7,166,391</u>	<u>\$ -</u>
 OPEB Plan net position		
Contributions - employer	\$ 327,096	\$ -
Contributions - member	-	-
Contributions - other	-	-
Net investment income	-	-
Benefit payments	(327,096)	-
Administrative expense	<u>-</u>	<u>-</u>
Net change in OPEB plan net position	-	-
OPEB Plan net position - beginning	<u>-</u>	<u>-</u>
OPEB Plan net position - ending	<u>\$ -</u>	<u>\$ -</u>
 Employer's Net OPEB liability (asset)	<u>\$ 7,166,391</u>	<u>\$ -</u>
 OPEB Plan net position as a percentage of total pension liability	0.00%	0.00%
Covered employee payroll	\$ 1,497,455	\$ -
 Net OPEB liability as a percentage of covered employee payroll	0.00%	0.00%

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

2016	2015	2014	2013	2012	2011	2010	2009-10
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -							
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -							
\$ -							
0.00%							
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%							

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	Revenues			
Local taxes				
Property tax - bond & interest	\$ 175,000	\$ 175,000	\$ 164,940	\$ (10,060)
Property tax - purchase agreement	\$ -	\$ -	\$ (90)	\$ (90)
Total local taxes	\$ 175,000	\$ 175,000	\$ 164,850	\$ (10,150)
Total revenues	\$ 175,000	\$ 175,000	\$ 164,850	\$ (10,150)
Expenditures				
Debt service				
Other contractual				
Paying agent fee	\$ 523	\$ 523	\$ 475	\$ 48
Total other contractual	\$ 523	\$ 523	\$ 475	\$ 48
Total contractual services	\$ 523	\$ 523	\$ 475	\$ 48
Principal				
Principal - 2015 GO bonds	\$ 95,000	\$ 95,000	\$ 95,000	\$ -
Principal - fire truck note	\$ 32,344	\$ 32,354	\$ 32,352	\$ 2
Total principal	\$ 127,344	\$ 127,354	\$ 127,352	\$ 2
Interest				
Interest - 2015 GO bonds	\$ 88,750	\$ 88,750	\$ 88,750	\$ -
Interest - fire truck note	\$ 2,059	\$ 2,049	\$ 1,864	\$ 185
Total interest	\$ 90,809	\$ 90,799	\$ 90,614	\$ 185
Total debt service	\$ 218,676	\$ 218,676	\$ 218,441	\$ 235
Total expenditures	\$ 218,676	\$ 218,676	\$ 218,441	\$ 235
Excess (deficiency) of revenues over (under) expenditures	(43,676)	(43,676)	(53,591)	(9,915)
Other financing sources and uses				
Transfers in	\$ 43,450	\$ 43,450	\$ 52,600	\$ 9,150
Total other financing sources and uses	\$ 43,450	\$ 43,450	\$ 52,600	\$ 9,150
Net change in fund balances	\$ (226)	\$ (226)	\$ (991)	\$ (765)
Fund balances, January 1	\$ 1,950	\$ 1,950	\$ 1,950	\$ -
Fund balances, December 31	\$ 1,724	\$ 1,724	\$ 959	\$ (765)

Village of South Chicago Heights, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2018

	Special Revenue Funds				Total
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund		
Assets					
Assets					
Cash and cash equivalents	\$ 240,325	\$ -	\$ -	\$ 240,325	
Accounts / vouchers receivable	8,990	-	59,259	68,249	
Inventory	1,430	-	-	1,430	
Total assets	\$ 250,745	\$ -	\$ 59,259	\$ 310,004	
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts / vouchers payable	\$ 348	\$ -	\$ -	\$ 348	
Due to other funds	-	-	59,159	59,159	
Total liabilities	\$ 348	\$ -	\$ 59,159	\$ 59,507	
Fund Balances					
Nonspendable	\$ 1,430	\$ -	\$ -	\$ 1,430	
Restricted for highways & streets	248,967	-	-	248,967	
Unassigned	-	-	100	100	
Total fund balances	\$ 250,397	\$ -	\$ 100	\$ 250,497	
Total liabilities, deferred inflows of resources and fund balances	\$ 250,745	\$ -	\$ 59,259	\$ 310,004	

<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
-----------------------------	--

\$	-	\$ 240,325
	-	68,249
	-	1,430
<u>\$</u>	<u>-</u>	<u>\$ 310,004</u>

\$	-	\$ 348
	-	59,159
<u>\$</u>	<u>-</u>	<u>\$ 59,507</u>

\$	-	\$ 1,430
	-	248,967
	-	100
<u>\$</u>	<u>-</u>	<u>\$ 250,497</u>
<u>\$</u>	<u>-</u>	<u>\$ 310,004</u>

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, 2018

	Special Revenue Funds				Total
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund		
Revenues					
State shared taxes	\$ 105,940	\$ -	\$ -	\$ 105,940	
Grants	-	-	59,259	59,259	
Interest	5,122	14	-	5,136	
Reimbursements	-	30,099	-	30,099	
Total revenues	\$ 111,062	\$ 30,113	\$ 59,259	\$ 200,434	
Expenditures					
Current					
General government	\$ -	\$ -	\$ -	\$ -	
Public safety	-	182,247	-	182,247	
Highways and streets	23,164	-	24,139	47,303	
Total current expenditures	\$ 23,164	\$ 182,247	\$ 24,139	\$ 229,550	
Capital outlay	\$ 75,299	\$ -	\$ 59,259	\$ 134,558	
Total expenditures	\$ 98,463	\$ 182,247	\$ 83,398	\$ 364,108	
Excess (deficiency) of revenues over (under) expenditures	\$ 12,599	\$ (152,134)	\$ (24,139)	\$ (163,674)	
Other financing sources and uses					
Transfers in	\$ -	\$ 136,719	\$ 24,168	\$ 160,887	
Total other financing sources and uses	\$ -	\$ 136,719	\$ 24,168	\$ 160,887	
Net change in fund balances	\$ 12,599	\$ (15,415)	\$ 29	\$ (2,787)	
Fund balances, January 1	\$ 237,798	\$ 15,415	\$ 71	\$ 253,284	
Fund balances, December 31	\$ 250,397	\$ -	\$ 100	\$ 250,497	

<u>Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 105,940
-	59,259
-	5,136
-	<u>30,099</u>
\$ -	\$ 200,434

\$ 16,725	\$ 16,725
-	182,247
-	<u>47,303</u>
\$ 16,725	\$ 246,275
\$ -	\$ 134,558
\$ 16,725	\$ 380,833

\$ (16,725)	\$ (180,399)
\$ 4,847	\$ 165,734
\$ 4,847	\$ 165,734
\$ (11,878)	\$ (14,665)
\$ 11,878	\$ 265,162
\$ -	\$ 250,497

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State shared taxes				
Motor fuel tax	\$ 107,500	\$ 107,500	\$ 105,940	\$ (1,560)
Total state shared taxes	\$ 107,500	\$ 107,500	\$ 105,940	\$ (1,560)
Interest				
Interest from deposits	\$ 1,000	\$ 1,000	\$ 5,122	\$ 4,122
Total interest	\$ 1,000	\$ 1,000	\$ 5,122	\$ 4,122
Total revenues	\$ 108,500	\$ 108,500	\$ 111,062	\$ 2,562
Expenditures				
Highway & streets				
Contractual services				
Professional services				
Engineering & architectural	\$ 14,850	\$ 14,850	\$ -	\$ 14,850
Testing labs	-	925	922	3
Total professional services	\$ 14,850	\$ 15,775	\$ 922	\$ 14,853
Repair & maintenance				
R&M - street lights & signals	\$ 11,220	\$ 11,220	\$ 6,808	\$ 4,412
Total repair & maintenance	\$ 11,220	\$ 11,220	\$ 6,808	\$ 4,412
Other contractual				
Forestry & landscaping services	1,100	50	-	50
Total other contractual	\$ 1,100	\$ 50	\$ -	\$ 50
Total contractual services	\$ 27,170	\$ 27,045	\$ 7,730	\$ 19,315
Commodities				
Street materials - salt	\$ 15,318	\$ 15,443	\$ 15,434	\$ 9
Total commodities	\$ 15,318	\$ 15,443	\$ 15,434	\$ 9
Total highway & streets	\$ 42,488	\$ 42,488	\$ 23,164	\$ 19,324
Capital outlay				
Street system const/improvements	\$ 165,000	\$ 165,000	\$ 75,299	\$ 89,701
Total capital outlay	\$ 165,000	\$ 165,000	\$ 75,299	\$ 89,701
Total expenditures	\$ 207,488	\$ 207,488	\$ 98,463	\$ 109,025
Excess (deficiency) of revenues over (under) expenditures	\$ (98,988)	\$ (98,988)	\$ 12,599	\$ 111,587
Net change in fund balances	\$ (98,988)	\$ (98,988)	\$ 12,599	\$ 111,587
Fund balances, January 1	\$ 237,798	\$ 237,798	\$ 237,798	\$ -
Fund balances, December 31	\$ 138,810	\$ 138,810	\$ 250,397	\$ 111,587

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Grants				
State grants	\$ 6,450	\$ 6,450	\$ -	\$ (6,450)
Total grants	\$ 6,450	\$ 6,450	\$ -	\$ (6,450)
Interest				
Interest from deposits	\$ 25	\$ 25	\$ 14	\$ (11)
Total interest	\$ 25	\$ 25	\$ 14	\$ (11)
Reimbursements				
Intergovernmental reimbursement	\$ -	\$ -	\$ 30,099	\$ 30,099
Total reimbursements	\$ -	\$ -	\$ 30,099	\$ 30,099
Total revenues	\$ 6,475	\$ 6,475	\$ 30,113	\$ 23,638
Expenditures				
Public safety				
Contractual services				
Repair & maintenance				
R&M - communications equipment	\$ 7,315	\$ 7,315	\$ 5,984	\$ 1,331
Total repair & maintenance	\$ 7,315	\$ 7,315	\$ 5,984	\$ 1,331
Other contractual				
Intergovernmental service contracts	\$ 193,380	\$ 193,380	\$ 176,263	\$ 17,117
Telephones & pagers	\$ -	\$ -	\$ -	\$ -
Total other contractual	\$ 193,380	\$ 193,380	\$ 176,263	\$ 17,117
Total contractual services	\$ 200,695	\$ 200,695	\$ 182,247	\$ 18,448
Total public safety	\$ 200,695	\$ 200,695	\$ 182,247	\$ 18,448
Total expenditures	\$ 200,695	\$ 200,695	\$ 182,247	\$ 18,448
Excess (deficiency) of revenues over (under) expenditures	\$ (194,220)	\$ (194,220)	\$ (152,134)	\$ 42,086
Other financing sources and uses				
Transfers in	\$ 176,000	\$ 176,000	\$ 136,719	\$ (39,281)
Total other financing sources and uses	\$ 176,000	\$ 176,000	\$ 136,719	\$ (39,281)
Net change in fund balances	\$ (18,220)	\$ (18,220)	\$ (15,415)	\$ 2,805
Fund balances, January 1	\$ 15,415	\$ 15,415	\$ 15,415	\$ -
Fund balances, December 31	\$ (2,805)	\$ (2,805)	\$ -	\$ 2,805

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Grants				
County grants	\$ 76,300	\$ 76,300	\$ 59,259	\$ (17,041)
Total grants	\$ 76,300	\$ 76,300	\$ 59,259	\$ (17,041)
Total revenues	\$ 76,300	\$ 76,300	\$ 59,259	\$ (17,041)
Expenditures				
Highways & streets				
Contractual services				
Professional services				
Consulting	\$ 2,200	\$ 2,200	\$ -	\$ 2,200
Engineering & architectural	17,600	23,080	23,078	2
Testing labs	-	730	730	-
Total professional services	\$ 19,800	\$ 26,010	\$ 23,808	\$ 2,202
Other contractual				
Advertising & legal publication	\$ 330	\$ 335	\$ 331	\$ 4
Total other contractual	\$ 330	\$ 335	\$ 331	\$ 4
Total contractual services	\$ 20,130	\$ 26,345	\$ 24,139	\$ 2,206
Total highways & streets	\$ 20,130	\$ 26,345	\$ 24,139	\$ 2,206
Capital outlay				
Street system construction	\$ 83,930	\$ 77,715	\$ 59,259	\$ 18,456
Total capital outlay	\$ 83,930	\$ 77,715	\$ 59,259	\$ 18,456
Total expenditures	\$ 104,060	\$ 104,060	\$ 83,398	\$ 20,662
Excess (deficiency) of revenues over (under) expenditures	\$ (27,760)	\$ (27,760)	\$ (24,139)	\$ 3,621
Other financing sources and uses				
Transfers in	\$ 18,300	\$ 18,300	\$ 24,168	\$ 5,868
Total other financing sources and uses	\$ 18,300	\$ 18,300	\$ 24,168	\$ 5,868
Net change in fund balances	\$ (9,460)	\$ (9,460)	\$ 29	\$ 9,489
Fund balances, January 1	\$ 71	\$ 71	\$ 71	\$ -
Fund balances, December 31	\$ (9,389)	\$ (9,389)	\$ 100	\$ 9,489

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government				
Contractual services				
Other contractual				
Purchased program services	\$ -	\$ 16,725	\$ 16,725	\$ -
Total other contractual	\$ -	\$ 16,725	\$ 16,725	\$ -
Total contractual services	\$ -	\$ 16,725	\$ 16,725	\$ -
Total general government	\$ -	\$ 16,725	\$ 16,725	\$ -
Total expenditures	\$ -	\$ 16,725	\$ 16,725	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (16,725)	\$ (16,725)	\$ -
Other financing sources and uses				
Transfers in	\$ -	\$ -	\$ 4,847	\$ 4,847
Total other financing sources and uses	\$ -	\$ -	\$ 4,847	\$ 4,847
Net change in fund balances	\$ -	\$ (16,725)	\$ (11,878)	\$ 4,847
Fund balances, January 1	\$ 11,878	\$ 11,878	\$ 11,878	\$ -
Fund balances, December 31	\$ 11,878	\$ (4,847)	\$ -	\$ 4,847

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, 2018**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Charges for Services				
Water Sales	\$ 1,400,000	\$ 1,400,000	\$ 1,150,732	\$ (249,268)
Water Meter Installation / Replacement	7,000	7,000	2,377	(4,623)
Water Turn On Fees	2,200	2,200	2,930	730
Water / Sewer Tap Fees	500	500	-	(500)
Temporary Water Turn On Charge	1,800	1,800	2,100	300
Construction water charge	-	-	500	500
Other Charges For Services	-	-	150	150
Total Charges for Services	\$ 1,411,500	\$ 1,411,500	\$ 1,158,789	\$ (252,711)
Fines and Forfeitures				
Late Payment Penalty	\$ 25,000	\$ 25,000	\$ 22,577	\$ (2,423)
Total Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 22,577	\$ (2,423)
Other revenue				
Miscellaneous	\$ _____ -	\$ _____ -	\$ 526	\$ 526
Total other revenue	\$ _____ -	\$ _____ -	\$ 526	\$ 526
Total operating revenues	\$ 1,436,500	\$ 1,436,500	\$ 1,181,892	\$ (254,608)
Operating expenses				
Administrative				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 19,074	\$ 19,074	\$ 19,982	\$ (908)
Wages - Full Time Hourly	55,995	55,995	45,207	10,788
Wages - Part Time Hourly	1,614	1,614	2,503	(889)
Wages - Overtime	1,398	1,398	3,233	(1,835)
Total Compensation	\$ 78,081	\$ 78,081	\$ 70,925	\$ 7,156
Benefits				
Employer FICA / Medicare	\$ 6,021	\$ 6,021	\$ 5,680	\$ 341
Employer IMRF	13,923	13,923	1,283	12,640
Insurance - Group Life and AD&D	123	123	96	27
Insurance - Group Medical	28,341	28,341	21,020	7,321
Insurance - Group Dental	2,923	2,923	2,252	671
Insurance - Workers Compensation	6,638	6,638	6,044	594
Insurance - Unemployment Compensation	400	400	-	400
Total Benefits	\$ 58,369	\$ 58,369	\$ 36,375	\$ 21,994
Total Personal Services	\$ 136,450	\$ 136,450	\$ 107,300	\$ 29,150

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\Water AS 8/19/2019 2:41 PM

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, 2018**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Administrative (continued)				
Contractual Services				
Professional Services				
Data Processing	\$ 9,900	\$ 10,725	\$ 10,721	\$ 4
Total Professional Services	\$ 9,900	\$ 10,725	\$ 10,721	\$ 4
Repair and Maintenance				
R & M - Data Processing Equipment	\$ 2,970	\$ 1,570	\$ 1,500	\$ 70
Total Repair and Maintenance	\$ 2,970	\$ 1,570	\$ 1,500	\$ 70
Other Contractual				
Liability Insurance	\$ 33,000	\$ 30,000	\$ 30,000	\$ -
Printing and Copying Services	3,300	1,300	1,262	38
Total Other Contractual	\$ 36,300	\$ 31,300	\$ 31,262	\$ 38
Total Contractual Services	\$ 49,170	\$ 43,595	\$ 43,483	\$ 112
Commodities				
Computer Supplies	\$ 275	\$ 490	\$ 489	\$ 1
Postage	6,600	6,600	5,449	1,151
Uniforms	-	165	163	2
Equipment - Data Processing	19,030	19,030	3,262	15,768
Total Commodities	\$ 25,905	\$ 26,285	\$ 9,363	\$ 16,922
Total Administrative	\$ 211,525	\$ 206,330	\$ 160,146	\$ 46,184
Cost of Sales				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 27,697	\$ 27,697	\$ 11,409	\$ 16,288
Wages - Full Time Hourly	73,129	73,129	62,457	10,672
Wages - Overtime	7,911	7,911	18,602	(10,691)
Total Compensation	\$ 108,737	\$ 108,737	\$ 92,468	\$ 16,269
Benefits				
Employer FICA / Medicare	\$ 8,318	\$ 8,318	\$ 6,544	\$ 1,774
Employer IMRF	19,236	19,236	2,211	17,025
Insurance - Group Life and AD&D	177	177	157	20
Insurance - Group Medical	51,746	51,746	46,305	5,441
Insurance - Group Dental	3,605	3,605	3,136	469
Insurance - Workers Compensation	9,171	9,171	7,731	1,440
Insurance - Unemployment Compensation	520	520	-	520
Total Benefits	\$ 92,773	\$ 92,773	\$ 66,084	\$ 26,689
Total Personal Services	\$ 201,510	\$ 201,510	\$ 158,552	\$ 42,958

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\Water AS 8/19/2019 2:41 PM

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, 2018**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Cost of Sales (continued)				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 1,100	\$ 700	\$ 425	\$ 275
Testing Labs	1,650	1,225	681	544
Total Professional Services	<u>\$ 2,750</u>	<u>\$ 1,925</u>	<u>\$ 1,106</u>	<u>\$ 819</u>
Repair and Maintenance				
R & M - Vehicles	\$ 550	\$ 2,520	\$ 2,519	\$ 1
R & M - Water & Sewer System Equipment	17,600	3,350	3,346	4
Total Repair and Maintenance	<u>\$ 18,150</u>	<u>\$ 5,870</u>	<u>\$ 5,865</u>	<u>\$ 5</u>
Other Contractual				
Equipment Rental	\$ 2,200	\$ 5,635	\$ 5,632	\$ 3
Garbage & Recycling	1,100	1,645	1,645	-
Professional association dues	-	375	375	-
Purchased Program Services	73,150	153,230	153,229	1
Telephone - Local, LD, Wireless, Pager	1,650	2,770	2,767	3
Training Services	1,100	100	72	28
Utilities Location Service	1,650	1,735	1,731	4
Total Other Contractual	<u>\$ 80,850</u>	<u>\$ 165,490</u>	<u>\$ 165,451</u>	<u>\$ 39</u>
Total Contractual Services	<u>\$ 101,750</u>	<u>\$ 173,285</u>	<u>\$ 172,422</u>	<u>\$ 863</u>
Commodities				
Fuel	\$ 6,050	\$ 6,050	\$ 2,072	\$ 3,978
Landscaping Supplies	275	405	405	-
Program Supplies	550	2,190	2,189	1
Protective Clothing & Equipment	275	275	234	41
Service & Repair Parts	550	550	264	286
Small Tools	1,100	1,100	806	294
Street Materials - Aggregate	5,500	16,375	16,375	-
Street Materials - Bituminous	8,250	10,225	10,223	2
Street Materials - Signs & barricades	-	145	145	-
Utilities - Village Buildings	3,850	3,850	3,381	469
Utilities - Public Way	16,500	11,990	9,906	2,084
Water Purchases	770,000	704,040	617,338	86,702
Water & Sewer System Supplies	3,300	6,665	6,661	4
Water & Sewer System Repair Parts	16,500	2,500	2,277	223
Total Commodities	<u>\$ 832,700</u>	<u>\$ 766,360</u>	<u>\$ 672,276</u>	<u>\$ 94,084</u>
Total Cost of Sales	<u>\$ 1,135,960</u>	<u>\$ 1,141,155</u>	<u>\$ 1,003,250</u>	<u>\$ 137,905</u>

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\Water AS 8/19/2019 2:41 PM

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, 2018

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 144,978	\$ (144,978)
Total depreciation	\$ -	\$ -	\$ 144,978	\$ (144,978)
Total operating expenses	\$ 1,347,485	\$ 1,347,485	\$ 1,308,374	\$ 39,111
Operating income (loss)	\$ 89,015	\$ 89,015	\$ (126,482)	\$ (215,497)
Nonoperating revenue (expenses)				
Local taxes				
Property Tax	\$ 7,000	\$ 7,000	\$ 6,290	\$ (710)
Property tax - bond & interest	\$ 475,000	\$ 475,000	\$ 472,317	\$ (2,683)
Total local taxes	\$ 482,000	\$ 482,000	\$ 478,607	\$ (3,393)
Debt service				
Principal				
Principal - 1998B GO bonds	\$ (525,000)	\$ (504,690)	\$ -	\$ (504,690)
Principal - Water Meter Installment Contract	<u>\$ (143,447)</u>	<u>\$ (143,447)</u>	<u>\$ -</u>	<u>\$ (143,447)</u>
Total principal	\$ (668,447)	\$ (648,137)	\$ -	\$ (648,137)
Interest expense				
Interest - 1998B GO bonds	\$ -	\$ (20,310)	\$ (20,309)	\$ (1)
Interest - Water Meter Installment Contract	<u>\$ (57,098)</u>	<u>\$ (57,098)</u>	<u>\$ (53,664)</u>	<u>\$ (3,434)</u>
Total interest expense	\$ (57,098)	\$ (77,408)	\$ (73,973)	\$ (3,435)
Total debt service	\$ (725,545)	\$ (725,545)	\$ (73,973)	\$ (651,572)
Total nonoperating revenue (expenses)	\$ (243,545)	\$ (243,545)	\$ 404,634	\$ (648,179)
Change in net position				
	(154,530)	(154,530)	278,152	432,682
Total net position, January 1	\$ (879,157)	\$ (879,157)	\$ (879,157)	\$ -
Total net position, December 31	<u>\$ (1,033,687)</u>	<u>\$ (1,033,687)</u>	<u>\$ (601,005)</u>	<u>\$ 432,682</u>

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, 2018**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Charges for Services				
Sewer Charges	\$ 135,000	\$ 135,000	\$ 123,745	\$ (11,255)
Thorn Creek Sewer Charge	200,000	200,000	-	(200,000)
Thorn Creek Meter Reading Charge	16,250	16,250	15,821	(429)
Total Charges for Services	351,250	351,250	139,566	(211,684)
Fines and Forfeitures				
Late Payment Penalty	\$ 4,000	\$ 4,000	\$ 1,971	\$ (2,029)
Total Fines and Forfeitures	4,000	4,000	1,971	(2,029)
Total operating revenues	\$ 355,250	\$ 355,250	\$ 141,537	\$ (213,713)
Operating expenses				
Administration				
Contractual Services				
Professional Services				
Data Processing	\$ 165	\$ 165	\$ -	\$ 165
Total Professional Services	165	165	-	165
Other Contractual				
Printing and Copying Services	\$ 605	\$ 605	\$ -	\$ 605
Thorn Creek Sewer Pass-thru	220,000	207,800	-	207,800
Total Other Contractual	220,605	208,405	-	208,405
Contractual Services	\$ 220,770	\$ 208,570	\$ -	\$ 208,570
Total Administration	220,770	208,570	-	208,570
Cost of Sales				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 8,250	\$ 20,450	\$ 20,442	\$ 8
Total Professional Services	8,250	20,450	20,442	8
Other Contractual				
Advertising & Legal Publishing	\$ 220	\$ 220	\$ 209	\$ 11
Intergovernmental Fees and Dues	1,100	1,100	1,007	93
Purchased Program Services	16,500	16,500	12,291	4,209
Total Other Contractual	17,820	17,820	13,507	4,313
Total contractual services	26,070	38,270	33,949	4,321

continued...

F:\GWA Clients\Village of South Chicago Heights\FY2018\JD FILES\Copy of FY 18 CAFR statements\Sewer AS 8/19/2019 2:51 PM

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, 2018

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Cost of Sales (continued)				
Commodities				
Service & Repair Parts	\$ 550	\$ 550	\$ 39	\$ 511
Small Tools	110	110	94	16
Street Materials - Manhole Cvr & Structures	2,750	2,750	-	2,750
Utilities - Public Way	1,100	1,100	918	182
Water & Sewer System Supplies	825	825	446	379
Water & Sewer System Repair Parts	825	825	608	217
Total Commodities	<u>\$ 6,160</u>	<u>\$ 6,160</u>	<u>\$ 2,105</u>	<u>\$ 4,055</u>
Total Cost of Sales	<u>\$ 32,230</u>	<u>\$ 44,430</u>	<u>\$ 36,054</u>	<u>\$ 8,376</u>
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 74,312	\$ (74,312)
Total depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,312</u>	<u>\$ (74,312)</u>
Total operating expenses	<u>\$ 253,000</u>	<u>\$ 253,000</u>	<u>\$ 110,366</u>	<u>\$ 142,634</u>
Operating income (loss)	<u>\$ 102,250</u>	<u>\$ 102,250</u>	<u>\$ 31,171</u>	<u>\$ (71,079)</u>
Nonoperating revenue (expenses)				
Property tax	\$ 7,000	\$ 7,000	\$ 6,290	\$ (710)
Capital outlay	<u>(143,000)</u>	<u>(143,000)</u>	<u>(77,131)</u>	<u>65,869</u>
Total nonoperating revenue (expenses)	<u>\$ (136,000)</u>	<u>\$ (136,000)</u>	<u>\$ (70,841)</u>	<u>\$ 65,159</u>
Change in net position	<u>\$ (33,750)</u>	<u>\$ (33,750)</u>	<u>\$ (39,670)</u>	<u>\$ (5,920)</u>
Total net position, January 1	<u>\$ 1,630,004</u>	<u>\$ 1,630,004</u>	<u>\$ 1,630,004</u>	<u>\$ -</u>
Total net position, December 31	<u>\$ 1,596,254</u>	<u>\$ 1,596,254</u>	<u>\$ 1,590,334</u>	<u>\$ (5,920)</u>

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, 2018**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Reimbursements				
Intergovernmental Reimbursement	\$ -	\$ -	\$ 251,991	\$ 251,991
Total Reimbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,991</u>	<u>\$ 251,991</u>
Total operating revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,991</u>	<u>\$ 251,991</u>
Operating expenses				
Nondepartmental				
Contractual Services				
Professional Services				
Other Professional Services	\$ -	\$ 2,500	\$ 2,500	\$ -
Total Professional Services	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 550	\$ 565	\$ 563	\$ 2
Total Repair and Maintenance	<u>\$ 550</u>	<u>\$ 565</u>	<u>\$ 563</u>	<u>\$ 2</u>
Other Contractual				
Garbage & recycling	\$ 550	\$ 50	\$ -	\$ 50
Telephone - Local, LD, Wireless, Pager	<u>825</u>	<u>825</u>	<u>-</u>	<u>825</u>
Total Other Contractual	<u>\$ 1,375</u>	<u>\$ 875</u>	<u>\$ -</u>	<u>\$ 875</u>
Total contractual services	<u>\$ 1,925</u>	<u>\$ 3,940</u>	<u>\$ 3,063</u>	<u>\$ 877</u>
Commodities				
Program Supplies	\$ 275	\$ 210	\$ 6	\$ 204
Service & Repair Parts	<u>275</u>	<u>25</u>	<u>-</u>	<u>25</u>
Utilities - Village Buildings	<u>3,850</u>	<u>2,150</u>	<u>2,099</u>	<u>51</u>
Total Commodities	<u>\$ 4,400</u>	<u>\$ 2,385</u>	<u>\$ 2,105</u>	<u>\$ 280</u>
Total Cost of Sales	<u>\$ 6,325</u>	<u>\$ 6,325</u>	<u>\$ 5,168</u>	<u>\$ 1,157</u>
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 18,112	\$ (18,112)
Total depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,112</u>	<u>\$ (18,112)</u>
Total operating expenses	<u>\$ 6,325</u>	<u>\$ 6,325</u>	<u>\$ 23,280</u>	<u>\$ (16,955)</u>
Operating income (loss)	<u>\$ (6,325)</u>	<u>\$ (6,325)</u>	<u>\$ 228,711</u>	<u>\$ 235,036</u>
Income (loss) before transfers and contributions	<u>\$ (6,325)</u>	<u>\$ (6,325)</u>	<u>\$ 228,711</u>	<u>\$ 235,036</u>
Transfers in	<u>\$ 5,750</u>	<u>\$ 5,750</u>	<u>\$ 5,392</u>	<u>\$ (358)</u>
Change in net position	<u>\$ (575)</u>	<u>\$ (575)</u>	<u>\$ 234,103</u>	<u>\$ 234,678</u>
Total net position, January 1,	<u>\$ 253,997</u>	<u>\$ 253,997</u>	<u>\$ 253,997</u>	<u>\$ -</u>
Total net position, December 31	<u>\$ 253,422</u>	<u>\$ 253,422</u>	<u>\$ 488,100</u>	<u>\$ 234,678</u>

Village of South Chicago Heights, Illinois

Fiduciary Funds

Combining Schedule of Fiduciary Net Position
December 31, 2018

	Pension Trust Funds			
	Police Pension Fund	Firefighters Pension Fund	Total	
Assets				
Cash and cash equivalents	\$ 238,565	\$ 6,419	\$ 244,984	
Investments, at fair value:				
Certificates of deposit	89,700	-	89,700	
US Treasury securities	319,153	-	319,153	
State and municipal securities	174,993	-	174,993	
Asset backed securities	28,107	-	28,107	
Equity mutual funds	1,445,593	-	1,445,593	
Corporate bonds	1,172,382	-	1,172,382	
Interest receivable	14,681	-	14,681	
Total assets	\$ 3,483,174	\$ 6,419	\$ 3,489,593	
Liabilities				
Accounts / vouchers payable	\$ 1,195	\$ -	\$ 1,195	
Total liabilities	\$ 1,195	\$ -	\$ 1,195	
Net position				
Held in trust for pension benefits	\$ 3,481,979	\$ 6,419	\$ 3,488,398	
Total net position	\$ 3,481,979	\$ 6,419	\$ 3,488,398	

Village of South Chicago Heights, Illinois

Fiduciary Funds

Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended December 31, 2018

	<u>Police Pension Fund</u>	<u>Firefighters Pension Fund</u>	<u>Total</u>
Additions:			
Contributions			
Employer Plan member	\$ 157,061 49,574	\$ 20,714 -	\$ 177,775 49,574
Total contributions	\$ 206,635	\$ 20,714	\$ 227,349
Investment income			
Net appreciation in fair value of investments	\$ (193,569)	\$ -	\$ (193,569)
Interest	55,376	168	55,544
Dividends	92,476	-	92,476
Total investment income	\$ (45,717)	\$ 168	\$ (45,549)
Less investment expense	10,004	-	10,004
Net investment income	\$ (55,721)	\$ 168	\$ (55,553)
Total additions	\$ 150,914	\$ 20,882	\$ 171,796
Deductions:			
Benefits	\$ 229,317	\$ 25,487	\$ 254,804
Administrative expense	5,365	1,250	6,615
Refunds	18,046	-	18,046
Total deductions	\$ 252,728	\$ 26,737	\$ 279,465
Change in net position	\$ (101,814)	\$ (5,855)	\$ (107,669)
Net position held in trust for pension benefits			
January 1	\$ 3,583,793	\$ 12,274	\$ 3,596,067
December 31	\$ 3,481,979	\$ 6,419	\$ 3,488,398

Village of South Chicago Heights, Illinois

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

December 31, 2018

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

Current and Future Principal and Interest Requirements

Fiscal Year Ending December 31	Principal	Interest	Total
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>\$ 2,105,000</u>	<u>\$ 843,575</u>	<u>\$ 2,948,575</u>

Village of South Chicago Heights, Illinois

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

December 31, 2018

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

Current and Future Principal and Interest Requirements

Fiscal Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 16,685	\$ 380	\$ 17,065
Totals	<u>\$ 16,685</u>	<u>\$ 380</u>	<u>\$ 17,065</u>

Village of South Chicago Heights, Illinois

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

December 31, 2018

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

Current and Future Principal and Interest Requirements

Fiscal Year Ending December 31	Principal	Interest	Total
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	\$ 1,702,848	\$ 302,602	\$ 2,005,450