



**VILLAGE OF CHATHAM, ILLINOIS**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended April 30, 2018

*Prepared by:*

*Sherry Dierking, CFO*

**VILLAGE OF CHATHAM, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter.....	i-iv
Principal Village Officials .....	v
Organization Chart.....	vi
Certificate of Achievement for Excellence in Financial Reporting.....	vii
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis .....	MDA 1-11
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position .....	4-5
Statement of Activities.....	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	7
Reconciliation of Fund Balances of Governmental Funds	
To the Governmental Activities in the Statement of Net Position.....	8
Statement of Revenues, Expenditures and Changes in	
Fund Balance .....	9
Reconciliation of the Governmental Funds Statement of Revenues,	
Expenditures, and Changes in Fund Balances to the Governmental	
Activities in the Statement of Activities .....	10
Proprietary Funds:	
Statement of Net Position .....	11-12
Statement of Revenues, Expenses and Changes	
In Net Position .....	13
Statement of Cash Flows .....	14
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	15
Statement of Changes in Fiduciary Net Position .....	16
Notes to Financial Statements.....	17-59
 Required Supplementary Information:	
Schedule of Changes in Net Pension Liability:	
Illinois Municipal Retirement Fund.....	60
Police Pension Trust Fund .....	61
Schedule of Employer Contributions:	
Illinois Municipal Retirement Fund.....	62
Police Pension Trust Fund .....	63
Other Post-Employment Benefit Plan.....	64

**VILLAGE OF CHATHAM, ILLINOIS**  
**TABLE OF CONTENTS (CONTINUED)**

---

	<u>Page(s)</u>
Schedule of Funding Progress:	
Other Post-Employment Benefit Plan.....	65
Schedule of Investment Returns:	
Police Pension Trust Fund .....	66
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	67-69
Notes to Required Supplementary Information .....	70
 Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	71
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	72
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Special Revenue Funds .....	73
Capital Projects Fund.....	74
Permanent Fund .....	75
 Supplementary Financial Information	
Electric Fund:	
Comparative Statement of Net Position.....	76
Comparative Statement of Revenues, Expenses and Changes in Net Position.....	77
Schedule of Outstanding Bonds	
Governmental Activities .....	78
Business-Type Activities .....	79
Schedule of Investments .....	80-81
Schedule of Insurance Coverage.....	82
Schedule of Electric Rates Charged.....	83

**VILLAGE OF CHATHAM, ILLINOIS**  
**TABLE OF CONTENTS (CONTINUED)**

---

	<u>Page(s)</u>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Statistical Section Contents.....	84
Financial Trends	
Net Position by Component .....	85
Changes in Net Position by Component .....	86-87
Fund Balances – Governmental Funds .....	88
Changes in Fund Balances – Governmental Funds .....	89
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property .....	90
Direct and Overlapping Tax Rate .....	91
Principal Property Tax Payers .....	92
Property Tax Levies and Collections .....	93
Taxable Sales by Category.....	94
Direct and Overlapping Sales Tax Rates .....	95
Debt Capacity	
Ratios of Outstanding Debt by Type .....	96
Direct and Overlapping Governmental Activities Debt .....	97
General Bonded Debt Capacity and Ratios .....	98
Pledged Revenue Coverage .....	99
Demographic and Economic Information	
Demographic and Economic Statistics .....	100
Principal Employers .....	101
Full-time Equivalent Village Employees by Functions/Programs.....	102
Operating Information	
Operating indicators by Function/Program.....	103
Capital Asset Statistics by Function/Program .....	104

## **INTRODUCTORY SECTION**

**Village President**  
*Dave Kimsey*

**Village Clerk**  
*Amy Dahlkamp*



**Village Trustees**  
*Andrew Detmers*  
*Terry Fountain*  
*Brett Gerger*  
*Ryan Mann*  
*Matthew Mau*  
*Paul Scherschel*

October 29, 2018

To the Honorable Village President, Members of the Village Board and the Citizens of the Village of Chatham:

The comprehensive annual financial report of the Village of Chatham, Illinois (Village) for the year ended April 30, 2018 is hereby submitted as mandated by state statute. It requires that the Village, on an annual basis, report on its financial activity, as well as having an independent firm of certified public accountants audit the report. Responsibility, for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed to protect the Village's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the Village's financial statements in conformance with generally accepted accounting principles (GAAP). This internal control structure is designed to provide a reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's activities have been included.

The comprehensive annual financial report is presented in three (3) sections: introductory, financial and statistical. The introductory section includes this letter of transmittal, an organizational chart and a list of the Village's principal elected and appointed officials. The financial section includes a Management's Discussion and Analysis (MD&A), the basic financial statements and the combining and individual fund financial statements as well as the independent auditor's report on the basic financial statements. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The Village's MD&A can be found immediately following the report of the Independent auditors. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

*Incorporated March 24, 1874*

**116 E Mulberry, Chatham, Illinois 62629 Phone (217) 483-2451 Fax (217) 483-3574**

The Village of Chatham’s financial statements have been audited by Sikich, LLP, a firm of licensed certified public accountants. They have issued an unmodified (clean) opinion on the Village of Chatham’s financial statements for the fiscal year ended April 30, 2018. The independent auditors report is presented in the financial section of the report.

### **Village of Chatham Profile**

The Village of Chatham incorporated on March 23, 1874, is located in Sangamon County, approximately 3 miles south of the Illinois State Capitol, Springfield. The Village lies along the original alignment of historic U.S. Route 66 (Illinois Route 4). The Village encompasses an area of 7 square miles and serves a population of 11,500 residents and is located in Chatham, Ball and Woodside Townships. It is empowered by state statute to extend its corporate limits by annexation.

The Village operates under the Village Board-Trustee form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a Village President and a six-member Board of Trustees. The Village Board sets policy for the Village, adopts ordinances and resolutions, adopts the annual appropriation and approves expenditures. Board members are elected to four-year staggered terms. The Village President and Village Clerk are also elected to four-year terms. The Village President, Village Clerk and Board members are elected on a non-partisan basis. The Village Manager is appointed by the Village President with the consent of the Village Board and is responsible for carrying out the policies and ordinances of the Village and for overseeing the day-to-day operations.

The Village of Chatham provides a full range of services, including police protection, electric, water and sewer service, yard waste collections, parks, recreational programs, cemeteries and the care of streets and sidewalks.

This report includes all funds of the Village including the activities of the Chatham Police Pension Fund for which the Village is financially accountable for. Other independent districts and government entities also provide services in Chatham. Government entities such as the Chatham Fire Protection District, Chatham Library District, Chatham Township, Ball Township, Woodside Township, Ball-Chatham School District, South Sangamon Water Commission, and the Sangamon County Water Reclamation District have not met the established criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

### **Local Economy**

The Village of Chatham economy reflects typical suburban mixtures of business, limited manufacturing, service businesses, restaurants and health care. Local businesses mostly serve customers in the Village and surrounding area. The Village has seen an expansion in the health care industry sector in recent years with the addition of an express care facility to the existing Memorial Physician Services building and the opening of a new facility of the Hospital Sisters Health System.

Municipal sales tax revenue provides a good measure of the local economy. Fiscal year 2018 saw an increase in the amount of sales tax revenue as well as an increase in the number of sales tax payers of approximately 4%. The top four sales tax categories for the Village are food, drug and miscellaneous retail, auto and gas stations and drinking and eating places.

The Village has seen an upturn in the building market in recent years with the addition of the Ironbridge, Spartan Valley and Cardinal Ridge residential developments.

Three senior living facilities have opened the Villas of Holly Brook and the Villas of South Park as well as the Reflections Memory Care Residence a retirement care community specializing in Alzheimer's and other memory care.

The Village's economy has continued to improve following the downturn in the economy in 2008. Per the Bureau of Labor Statistics, the unemployment rate in the Village peaked in 2009 at 6.6%. The rate has come down significantly and was 3.2% in 2017. Both rates were well below the state average of 10.2% in 2009 and 5.0% in 2017.

### **Major initiatives**

Among the Village's more significant accomplishments during fiscal year 2018 were the following:

The Village began the planning phase for two street infrastructure projects to utilize the \$500,000 of general obligation bonds that were issued during fiscal year 2017. These projects include repairing a storm sewer pipe located at the Plummer Boulevard viaduct and the resurfacing of Park Avenue between Walnut Street and Plummer Boulevard. The projects are estimated to be complete during fiscal year 2019. The Village spent \$20,310 on the projects during fiscal year 2018.

The Electric and Water and Sewer Utility Departments began the installation of a fixed meter network. The fixed meter network will allow remote reading of meters as well as provide real time data on hourly usage. The installation and testing of the network software will be complete during fiscal year 2019. However it will take several years for the entire Village's meters to be upgraded and be fully functional on the fixed network. The Village spent \$198,702 in Fiscal Year 2018 on the fixed network meter system.

The Village began work on the Water Tower and Ground Storage Tank Painting Project. The Project is expected to be complete during fiscal year 2019 with an approximate total cost of \$1,200,000. During fiscal year 2018, the Village had expended \$268,375.

### **Financial Planning**

The annual appropriation ordinance is the legal document under which Village resources are expended. This document is based on the Village's annual budget. The budget process begins in February of each year. The Chief Fiscal Officer prepares estimates of revenue and personal service line items. Each department prepares expenditure requests and also provides information on any new initiatives to be undertaken by the department.



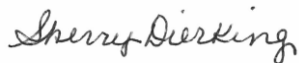
The finance staff compiles the information and the Village's management team conducts meetings to discuss and formulate each department's needs for the upcoming fiscal year. From these meetings a budget document is developed and presented to the Village Board. The budget document is the basis from which the annual appropriation ordinance is derived. However it is the budget document that serves for the foundation of the Village's financial planning and control.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Chatham for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2017. This was the first year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this report conforms to the Certificate of Achievement Program's requirements and are submitting it to the GFOA for its determination.

The preparation of this report would not have been possible without the assistance of the staff of the various departments of the Village. I would also like to acknowledge our auditors, Sikich LLP for their help in formulating this report. My sincere gratitude is extended to the Village President, the Board of Trustees and the Village Manager for their interest and support in planning and conducting the financial operations of the Village in a responsible and progressive manner.

Respectively submitted,



Sherry Dierking  
Chief Fiscal Officer

**VILLAGE OF CHATHAM, ILLINOIS**  
**PRINCIPAL VILLAGE OFFICIALS**

**VILLAGE PRESIDENT**

Dave Kimsey

**BOARD OF TRUSTEES**

Andrew Detmers

Ryan Mann

Terry Fountain

Matt Mau

Brett Gerger

Paul Scherschel

**VILLAGE CLERK**

Amy Dahlkamp

**VILLAGE MANAGER**

Patrick McCarthy

**DEPARTMENT DIRECTORS:**

Sherry Dierking, Chief Fiscal Officer

Vern Foli, Chief of Police

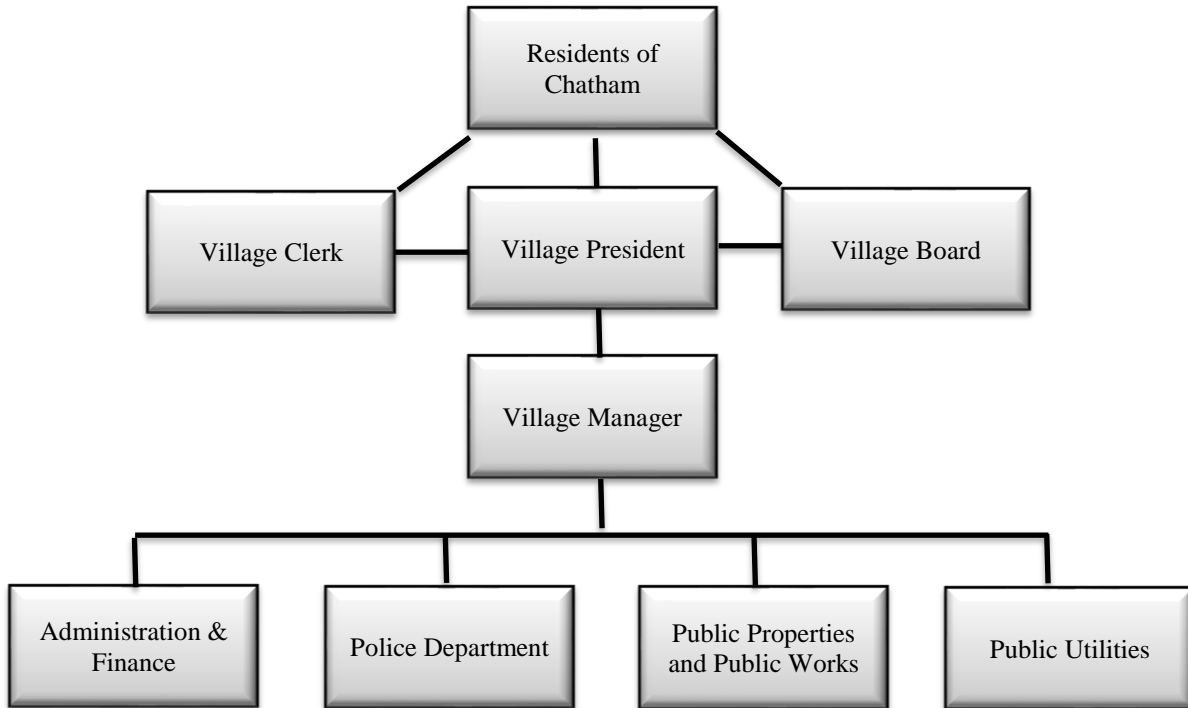
Shane Hill, Public Utilities Manager and General Foreman Electric and Streets Departments

Dustin, Patterson, General Foreman Water and Parks Departments

Jill Butler, Administrative Assistant

Ryan Crawford, Code Enforcement Manager

**VILLAGE OF CHATHAM**  
**2018 ORGANIZATIONAL CHART**





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Chatham  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**

3201 W. White Oaks Dr., Suite 102  
Springfield, IL 62704  
217.793.3363

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

To the President  
and Board of Trustees  
Village of Chatham, 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 Chatham, Illinois (the Village), as of and for the year ended April 30, 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 principals 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village'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 Village'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 Chatham, Illinois, as of April 30, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Chatham, Illinois' basic financial statements. The introductory section, combining and individual fund statements and schedules, supplementary financial information, and statistical section, 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 supplementary financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Chatham, Illinois' basic financial statements for the year then ended April 30, 2017, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Chatham, Illinois' financial statements as a whole. The Electric Fund Comparative Statement of Net Position and Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended April 30, 2017, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2017 Electric Fund Comparative Statement of Net Position and Comparative Statement of Revenues, Expenses, and Changes in Net Position are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

*Sikich LLP*

Springfield, Illinois  
October 29, 2018



**VILLAGE OF CHATHAM, ILLINOIS**  
**MANAGEMENT'S DISCUSSIONS AND ANALYSIS**

---

As the management of the Village of Chatham (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2018.

**Financial Highlights**

- Net position of the Village's governmental activities increased by \$1,362,991 or 8.6% and the net position of the Village's business-type activities increased by \$1,700,203 or 9.0%. The end result amounted to a positive change in net position of \$3,063,194 or 8.8%.
- At the close fiscal year 2018, the Village's governmental funds reported combined ending fund balances of \$3,434,628 of which \$1.8 million was unassigned and is available for spending at the Village's discretion.
- General governmental revenues were \$3,912,848 and represent 52% of all governmental revenues. Capital grants and contributions in the form of developer contributions of streets and storm sewer infrastructure accounted for \$2,426,318 represent 32% of total governmental revenues of \$7,507,524.
- The Village had \$6,144,533 in expenses related to government activities. However, only \$1,168,358 of these expenses was offset by program specific charges and operating grants and contributions.
- The Village's long term debt (excluding compensated absences and other post-employment benefits) decreased \$272,328 during fiscal year 2018.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

The financial statements' focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Chatham's finances, in a manner similar to a private-sector business.

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

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

---

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 (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village of Chatham 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 activities). The governmental activities of the Village include general government, cemetery, culture and recreation, public safety, public works and transportation, and economic development. The business-type activities of the Village include electric, water and sewer systems.

The government-wide financial statements can be found on pages 4-6 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that are 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, proprietary and fiduciary funds.

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village had 7 individual government funds during fiscal year 2018. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for the General Fund which is considered to be a "major" fund. Data from the other 6 governmental funds is provided in the form of combining statements elsewhere in this report.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

---

The Village adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General Fund to demonstrate budget compliance.

The governmental fund financial statements can be found on pages 7-10 of this report.

**Proprietary Funds.** The Village maintains only the enterprise type of proprietary fund. 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 electric and water and sewer system.

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 electric distribution operation and the water and sewer operations, both of which are considered to be major funds of the Village of Chatham.

The proprietary fund financial statements can be found on pages 11-14 of this report.

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

The fiduciary fund financial statements can be found on pages 15-16 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 government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-59 of the report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning historical pension and retirees health plan information and budgetary comparison schedules for the general fund. Required supplementary information can be found on pages 60-70 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 71-75 of this report.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**Government-Wide Financial Analysis**

**Table 1  
Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 4,891,334	\$ 4,963,852	\$ 5,646,455	\$ 4,900,840	\$ 10,537,789	\$ 9,864,692
Capital Assets	20,896,414	19,097,618	21,792,577	20,629,556	42,688,991	39,727,174
<b>Total Assets</b>	<u>25,787,748</u>	<u>24,061,470</u>	<u>27,439,032</u>	<u>25,530,396</u>	<u>53,226,780</u>	<u>49,591,866</u>
Deferred Outflows of Resources	1,239,764	1,654,976	314,525	655,460	1,554,289	2,310,436
<b>Total Assets and Deferred Outflows of Resources</b>	<u>27,027,512</u>	<u>25,716,446</u>	<u>27,753,557</u>	<u>26,185,856</u>	<u>54,781,069</u>	<u>51,902,302</u>
Current Liabilities	303,038	286,793	1,491,839	1,233,433	1,794,877	1,520,226
Non-current Liabilities	7,626,107	8,106,244	4,562,835	5,696,959	12,188,942	13,803,203
<b>Total Liabilities</b>	<u>7,929,145</u>	<u>8,393,037</u>	<u>6,054,674</u>	<u>6,930,392</u>	<u>13,983,819</u>	<u>15,323,429</u>
Deferred Inflows of Resources	1,889,354	1,477,387	1,026,331	283,115	2,915,685	1,760,502
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>9,818,499</u>	<u>9,870,424</u>	<u>7,081,005</u>	<u>7,213,507</u>	<u>16,899,504</u>	<u>17,083,931</u>
Net Position:						
Invested in Capital Assets						
Net of Debt	20,671,241	18,787,798	18,501,744	17,241,187	39,172,985	36,028,985
Restricted	636,627	723,568	253,524	291,743	890,151	1,015,311
Unrestricted	<u>(4,098,855)</u>	<u>(3,665,344)</u>	<u>1,917,284</u>	<u>1,439,419</u>	<u>(2,181,571)</u>	<u>(2,225,925)</u>
<b>Total Net Position</b>	<u>\$ 17,209,013</u>	<u>\$ 15,846,022</u>	<u>\$ 20,672,552</u>	<u>\$ 18,972,349</u>	<u>\$ 37,881,565</u>	<u>\$ 34,818,371</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's combined net position increased by \$3,063,194 from \$34,818,371 to \$37,881,565. This change is the result of increases of \$1,362,991 and \$1,700,203 in the net position of governmental activities and business type activities respectively.

By far the largest portion of the Village's net position (103.4%) reflects its investment in capital assets (e.g., land, buildings and improvements, equipment, vehicles and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Village uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in 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 cannot be used to liquidate these liabilities.

A portion of the Village's net position (2.3%) represents resources that are subject to external restrictions on how it may be used. The governmental activities unrestricted net position had a deficit of \$4,098,855 in fiscal year 2018 and a deficit of \$3,665,344 in fiscal year 2017 as a result of the recording the net pension liabilities for Illinois Municipal Retirement Fund and the Chatham Police Pension Fund which were required for the implementation of Statement No. 68 Accounting and Financial Reporting for Pension of the Governmental Accounting Standards Board.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

Prior to fiscal year 2016, the Village was only required to report its obligations to the pension funds as required supplementary information (i.e., the obligations did not affect the statement of net position).

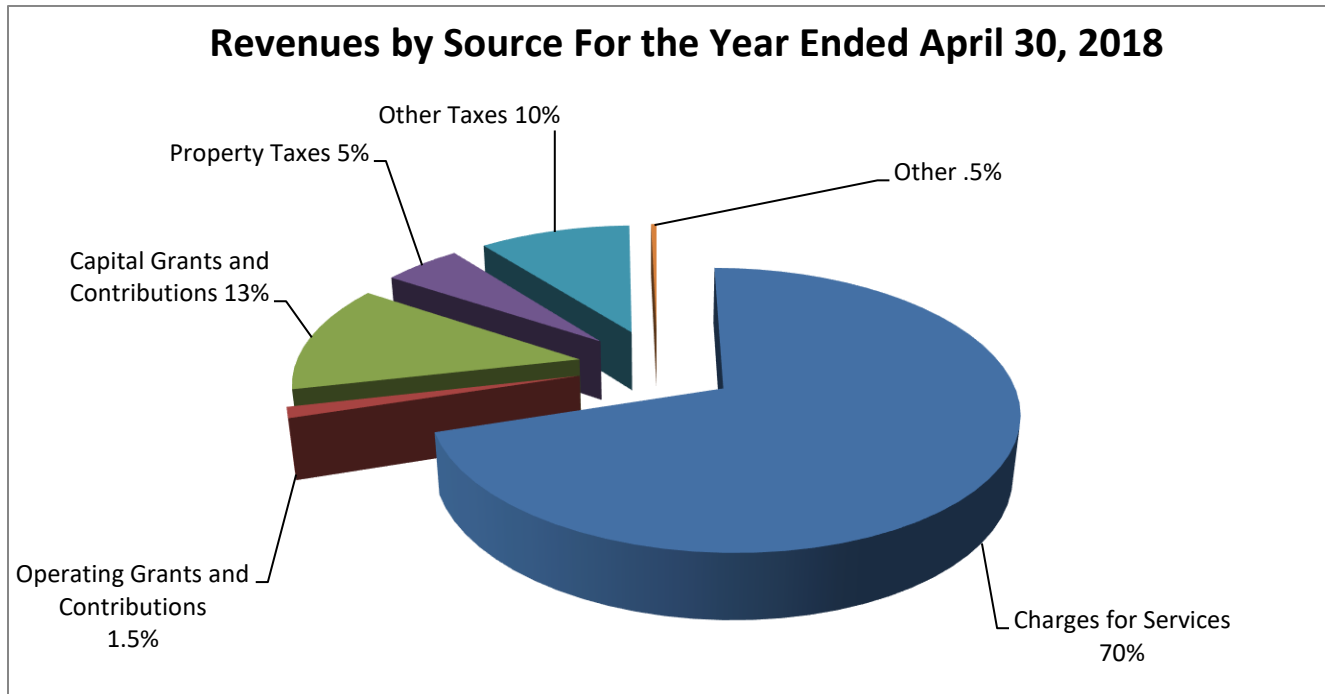
For more detailed information, see the Statement of Net Position on pages 4-5.

**Table 2  
Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 846,328	\$ 868,564	\$ 16,683,726	\$ 16,161,156	\$ 17,530,054	\$ 17,029,720
Operating Grants and Contributions	322,030	328,874	-	-	322,030	328,874
Capital Grants and Contributions	2,426,318	3,043,570	790,152	1,429,415	3,216,470	4,472,985
General Revenues:						
Property Taxes	1,217,149	1,739,128	-	-	1,217,149	1,739,128
Other Taxes	2,612,849	2,533,796	-	-	2,612,849	2,533,796
Other	82,850	149,224	10,161	6,876	93,011	156,100
<b>Total Revenues</b>	<u>7,507,524</u>	<u>8,663,156</u>	<u>17,484,039</u>	<u>17,597,447</u>	<u>24,991,563</u>	<u>26,260,603</u>
<b>EXPENSES</b>						
General Government	788,007	1,014,063	-	-	788,007	1,014,063
Cemetery	31,271	41,887	-	-	31,271	41,887
Culture and Recreation	479,961	470,468	-	-	479,961	470,468
Public Safety	3,141,695	3,027,738	-	-	3,141,695	3,027,738
Public Works	1,686,736	1,452,476	-	-	1,686,736	1,452,476
Economic Development	-	31,480	-	-	-	31,480
Electric	-	-	9,691,818	9,445,691	9,691,818	9,445,691
Water and Sewer	-	-	6,092,018	5,448,465	6,092,018	5,448,465
Interest on Long-Term Debt	16,863	7,874	-	-	16,863	7,874
<b>Total Expenses</b>	<u>6,144,533</u>	<u>6,045,986</u>	<u>15,783,836</u>	<u>14,894,156</u>	<u>21,928,369</u>	<u>20,940,142</u>
<b>Change in Net Position</b>	<u>1,362,991</u>	<u>2,617,170</u>	<u>1,700,203</u>	<u>2,703,291</u>	<u>3,063,194</u>	<u>5,320,461</u>
<b>Net position beginning of the year</b>	15,846,022	12,503,762	18,972,349	16,269,058	34,818,371	8,772,820
Prior period adjustment	-	725,090	-	-	-	725,090
<b>Net position beginning of the year, restated</b>	15,846,022	13,228,852	18,972,349	16,269,058	34,818,371	29,497,910
<b>Net position end of the year</b>	<u>\$17,209,013</u>	<u>\$15,846,022</u>	<u>\$20,672,552</u>	<u>\$18,972,349</u>	<u>\$37,881,565</u>	<u>\$34,818,371</u>

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

---

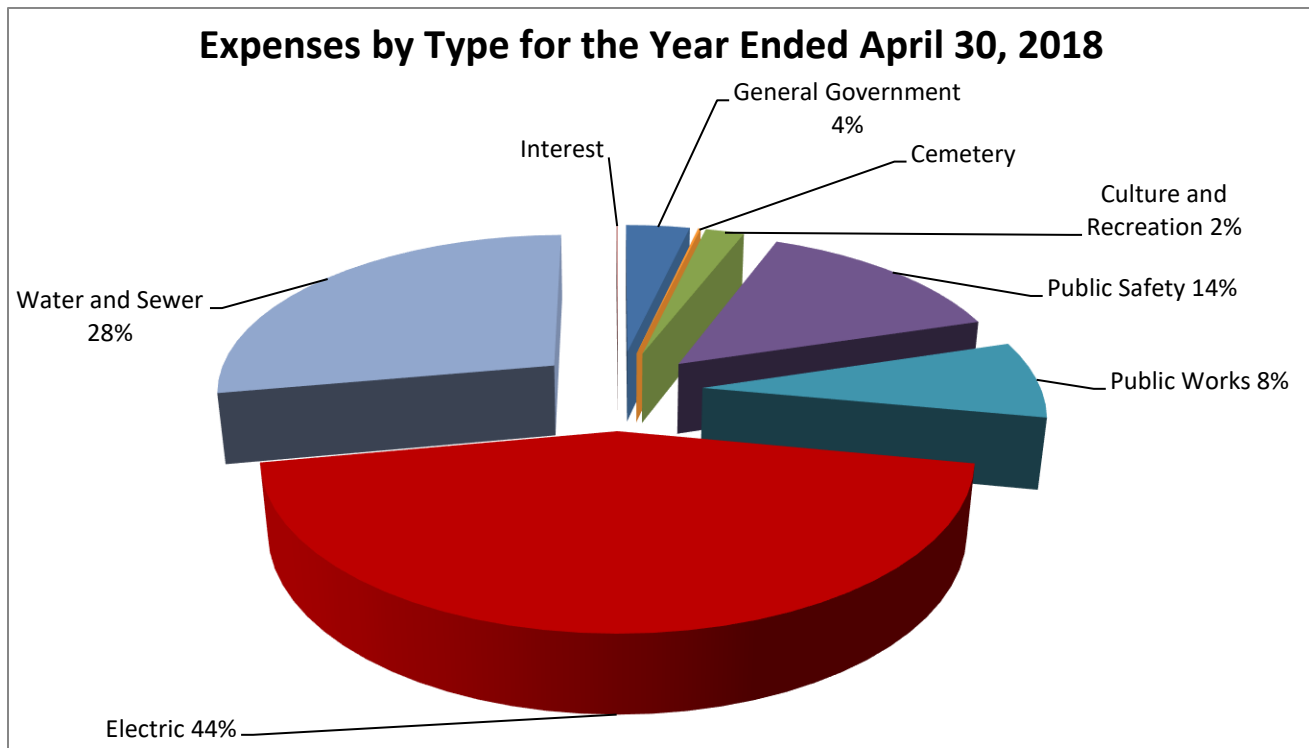


For the fiscal year ended April 30, 2018, revenues totaled \$24,991,563. The Village’s largest revenue source is from charges for services, which consist of charges from the electric, water and sewer system as well as franchise fees, business permit fees and administrative utility fees. Capital grants and contributions include contributions of land, streets, storm sewers, water main and sanitary sewers from new developments within the Village of Chatham. Other taxes include sales tax, income tax, telecommunications tax, local use tax, road and bridge taxes and video gaming taxes.

Charges for services are up 2.9% from \$17,029,720 in fiscal year 2017 to \$17,530,054 in fiscal year 2018. Service charges for the electric system and water and sewer system are up \$522,570 over fiscal year 2017, which represents a 3.2% increase over the previous year and service charges from governmental activities decreased \$22,236 or 2.6%. The increase in service charges for electric and water and sewer is due to steady growth of new residents as well as a rate increase passed for water service. Capital grants and contributions for fiscal year 2018 totaled \$3,216,470 a decrease of \$1,256,515 over fiscal year 2017. During fiscal year 2018, the Village received a smaller amount of contributions of infrastructure of streets, sidewalks, storm sewers, sanitary sewers and water main from developers of new subdivisions.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

---



The Village of Chatham’s expenses totaled \$21,928,369 in 2018. The largest portion of these expenses is for the electric system which represents 44% followed by expenses for the water and sewer systems at 28%. These expenses reflect the cost of providing electric, water and sewer services to the Village of Chatham’s residents. Expenses related to the electric, water and sewer services increased \$889,680 over last year, which represents an increase of 6%.

Public safety expenses relate to the operation of the Village’s Police Department and are the largest expense component of the governmental activity expenses. Public works expenses are costs associated with maintaining the Village’s streets. Culture and recreation expenses include expenses to maintain the Village’s parks as well as the summer recreation program.

**FINANCIAL ANALYSIS OF THE VILLAGE’S FUNDS**

As noted earlier the Village of Chatham 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.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

---

At the end of fiscal year 2018, the Village's governmental funds reported combined ending fund balances of \$3,434,628 a decrease of \$145,479 in comparison to the prior year. Approximately 11%, or \$368,055, of this total amount constitutes nonspendable fund balance, which is amounts held in the Village's Cemetery Perpetual Care Fund. Approximately 22% or \$748,072 constitutes restricted fund balance which is restricted for Motor Fuel Tax, capital projects or debt service. Approximately 13% or \$454,955 constitutes committed fund balance, which is earmarked by the Village Board for future use. Approximately 3% of this total amount or \$90,634 is assigned fund balance, which has been authorized by the Village Board to be spent during the subsequent fiscal year. Approximately \$1,772,912 constitutes unassigned fund balance, which is available for spending at the Village's discretion.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,772,912 while total fund balance was \$2,328,267. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.6% of total General Fund expenditures, while total fund balance represents 50.7% of that same amount.

The fund balance of the Village's General Fund decreased by \$16,058 during the current fiscal year and the combined fund balance of the Village's remaining governmental funds decreased by \$129,421. The decrease was due to spending down funds on hand for projects within the Capital Projects Fund and for costs of the street maintenance program in the Motor Fuel Tax Fund.

**Proprietary Funds**

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

The Village reports the Electric Fund and the Waterworks and Sewerage Fund, both as major proprietary funds. The Electric Fund accounts for the distribution of electric services to the Village's residents. The Waterworks and Sewerage Fund accounts for the provision of potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide these services are accounted for in these two funds, including, but not limited to administration, operations and maintenance, financing and related debt services, billing and collection. Business type activities had a 1% decrease in total revenues primarily due to a decrease in contributed capital of water and sewer lines from developers during fiscal year 2018. Expenses for business type activities increased 6%. The result was an increase in net position for business activities for fiscal year 2018 of \$1,700,203.



**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**Table 3  
General Fund Budgetary Highlights for the  
Fiscal Year Ended April 30, 2018  
With Comparative Actual Totals for the Year Ended April 30, 2018**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
<b>REVENUES</b>				
Taxes	\$ 3,892,182	\$ 3,892,182	\$ 3,783,534	\$ 3,642,062
Licenses, Permits, and Fees	716,750	716,750	709,313	1,241,713
Other	<u>98,800</u>	<u>98,800</u>	<u>79,575</u>	<u>145,400</u>
<b>Total Revenues</b>	<u>4,707,732</u>	<u>4,707,732</u>	<u>4,572,422</u>	<u>5,029,175</u>
<b>EXPENDITURES</b>				
Expenditures	<u>(5,710,135)</u>	<u>(5,710,135)</u>	<u>(4,588,480)</u>	<u>(4,505,076)</u>
<b>Total Expenditures</b>	<u>(5,710,135)</u>	<u>(5,710,135)</u>	<u>(4,588,480)</u>	<u>(4,505,076)</u>
<b>Change in Fund Balance</b>	<u>\$ (1,002,403)</u>	<u>\$ (1,002,403)</u>	<u>\$ (16,058)</u>	<u>\$ 524,099</u>

Revenues of the Village are budgeted by source prior to the adoption of the Village's annual appropriation ordinance. The Village adopts an annual appropriation ordinance outlining expenditures by operational line item. The original appropriation was amended in January 2018 and April 2018 for transfers between operational line items within the General Fund Departments. The total of the amended appropriation for the Village's General Fund remained the same as the total of the originally adopted appropriation.

The General Fund Revenues received were less than the amount estimated by \$135,310 and expenditures were \$1,121,655 less than the amended budget.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**Capital Assets**

The following schedule reflects the Village's capital asset balances as of April 30, 2018.

**Capital Assets  
Table 4**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land, not Depreciated	\$ 546,400	\$ 372,000	\$ 318,734	\$ 318,734	\$ 865,134	\$ 690,734
Construction in Progress	541,218	656,252	268,375	-	809,593	656,252
Improvements	1,330,697	767,861	76,160	68,970	1,406,857	836,831
Buildings	950,928	950,928	1,046,102	1,035,509	1,997,030	1,986,437
Vehicles	1,040,778	1,063,550	1,409,040	1,234,921	2,449,818	2,298,471
Equipment	907,363	893,900	1,418,073	1,270,502	2,325,436	2,164,402
Infrastructure	22,318,648	20,421,618	-	-	22,318,648	20,421,618
Utility Plant	-	-	37,608,874	36,092,836	37,608,874	36,092,836
Less:						
Accumulated Depreciation	<u>(6,739,618)</u>	<u>(6,028,491)</u>	<u>(20,352,781)</u>	<u>(19,391,916)</u>	<u>(27,092,399)</u>	<u>(25,420,407)</u>
<b>Total</b>	<b><u>\$ 20,896,414</u></b>	<b><u>\$ 19,097,618</u></b>	<b><u>\$ 21,792,577</u></b>	<b><u>\$ 20,629,556</u></b>	<b><u>\$ 42,688,991</u></b>	<b><u>\$ 39,727,174</u></b>

At year-end the Village's investment in capital assets for governmental and business type activities amounts to \$42,688,991 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, vehicles, equipment, park facilities, roads, sidewalks, storm sewers, electric system, water system and wastewater system and other infrastructure.

Major capital asset events during FY 2018 included the following:

**Governmental Activities**

Infrastructure additions of land and improvements, streets and storm sewers \$ 2,634,266

**Business-type Activities**

Utility Plant additions of electric system, water main and sanitary sewers \$ 1,516,038

Additional information on the Village's capital assets can be found in Note 4 on pages 29-33.

**Long-Term Debt**

As of April 30, 2018, the Village had a total of \$4,432,043 of bonded and similar indebtedness outstanding. Of this amount, \$479,500 comprises debt backed by the full faith and credit of the government. \$2,858,000 of the debt represents bonds that are secured by specified revenue sources (i.e., revenue and alternative source revenue bonds). The Village also had \$1,094,543 of debt consisting of notes payable and capital leases.

**VILLAGE OF CHATHAM, ILLINOIS  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**Long-Term Debt - Continued**

During Fiscal Year 2018, the Village entered into a five year lease agreement for a sewer vacuum truck that is accounted for as a capital lease in the amount of \$312,147.

**Table 5  
Bonded and Similar Indebtedness**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation Bonds	\$ 479,500	\$ 500,000	\$ -	\$ -	\$ 479,500	\$ 500,000
Electric Alternate Source						
Revenue Bonds	-	-	2,858,000	3,105,000	2,858,000	3,105,000
Notes Payable	154,033	176,220	594,681	737,040	748,714	913,260
Capital Leases	<u>71,140</u>	<u>133,600</u>	<u>274,689</u>	<u>52,511</u>	<u>345,829</u>	<u>186,111</u>
<b>Total</b>	<u>\$ 704,673</u>	<u>\$ 809,820</u>	<u>\$ 3,727,370</u>	<u>\$ 3,894,551</u>	<u>\$ 4,432,043</u>	<u>\$ 4,704,371</u>

Additional information on the Village’s long-term debt can be found in Note 6 on pages 36-43.

**Economic Factors**

Property taxes provide the Village with a stable revenue source, although the source is subject to an annual tax cap. The Village still is experiencing growth in this area due to new residential developments.

The unemployment rate for the Village of Chatham was 3.2%, versus the State of Illinois average of 5%.

The Village continues to develop a budget based on conservative estimates in revenues and maintaining a low operating budget, utilizing reserves when necessary to fund unpredictable costs and capital improvements.

The Village implemented a new rate structure in fiscal year 2016 for the water and sewer operations that included a flat facility charge that did not include any consumption with a separate rate per 1000 gallons for consumption. This structure alleviated consumption risk experienced in the Water and Sewer Fund making it less reliant on high usage to balance the fund and shifted more of the cost to a fixed monthly portion to be able to fund capital improvements as well as provide rate stabilization. During Fiscal Year 2018, the Village increased the water consumption charge to pass along a water rate increase from the Village’s water supplier and also approved an additional monthly charge to fund the ground storage and water tower painting project.

**Contacting the Village’s Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village’s financial status. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sherry Dierking, Chief Fiscal Officer, Village of Chatham, 116 E. Mulberry St., Chatham, Illinois 62629.

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2018

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,678,997	\$ 3,640,463	\$ 6,319,460
Restricted accounts - cash	555,355	253,524	808,879
Receivables, net			
Accounts	-	1,262,432	1,262,432
Taxes	1,511,451	-	1,511,451
Other	67,516	-	67,516
Inventory	-	490,036	490,036
Due from other governments	78,015	-	78,015
 Total current assets	 4,891,334	 5,646,455	 10,537,789
Capital Assets:			
Capital assets, not being depreciated	1,087,618	587,109	1,674,727
Property and equipment	26,548,414	41,558,249	68,106,663
Less: accumulated depreciation	(6,739,618)	(20,352,781)	(27,092,399)
 Total capital assets	 20,896,414	 21,792,577	 42,688,991
 Total assets	 25,787,748	 27,439,032	 53,226,780
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,239,764	314,525	1,554,289
 Total assets and deferred outflows of resources	 \$ 27,027,512	 \$ 27,753,557	 \$ 54,781,069

(Continued)

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

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Current Liabilities:			
Accounts payable	\$ 128,216	\$ 633,044	\$ 761,260
Unearned revenue	-	139,191	139,191
Accrued payroll	52,177	32,151	84,328
Other payables	6,708	6,922	13,630
Accrued compensated absences payable	29,022	11,219	40,241
Customer deposits	-	180,100	180,100
Accrued interest payable	4,779	50,142	54,921
G.O. bonds payable - current	19,000	-	19,000
G.O. bonds (Alternate Revenue Source) payable - current	-	260,000	260,000
Notes payable - current	22,575	97,201	119,776
Capital lease payable - current	40,561	81,869	122,430
<b>Total current liabilities</b>	<b>303,038</b>	<b>1,491,839</b>	<b>1,794,877</b>
Noncurrent Liabilities:			
Accrued compensated absences payable	319,043	240,869	559,912
Net OPEB obligation	812,136	317,788	1,129,924
Net pension liability	5,872,391	715,878	6,588,269
G.O. bonds payable	460,500	-	460,500
G.O. bonds (Alternate Revenue Source) payable	-	2,598,000	2,598,000
Notes payable	131,458	497,480	628,938
Capital lease payable	30,579	192,820	223,399
<b>Total noncurrent liabilities</b>	<b>7,626,107</b>	<b>4,562,835</b>	<b>12,188,942</b>
<b>Total liabilities</b>	<b>7,929,145</b>	<b>6,054,674</b>	<b>13,983,819</b>
Deferred Inflows of Resources:			
Deferred revenue - property taxes	1,269,605	-	1,269,605
Deferred inflows related to pensions	619,749	1,026,331	1,646,080
<b>Total deferred inflows of resources</b>	<b>1,889,354</b>	<b>1,026,331</b>	<b>2,915,685</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>9,818,499</b>	<b>7,081,005</b>	<b>16,899,504</b>
Net Position:			
Net Investment in capital assets	20,671,241	18,501,744	39,172,985
Restricted for maintenance of roadways	230,686	-	230,686
Restricted for cemetery care	368,055	-	368,055
Restricted for capital projects	21,078	-	21,078
Restricted for debt service	16,808	253,524	270,332
Unrestricted	(4,098,855)	1,917,284	(2,181,571)
<b>Total net position</b>	<b>\$ 17,209,013</b>	<b>\$ 20,672,552</b>	<b>\$ 37,881,565</b>

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

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues				Net (Expense) Revenue and Changes in Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 788,007	\$ 479,117	\$ -	\$ -	\$ (308,890)	\$ -	\$ (308,890)
Cemetery	31,271	23,075	-	-	(8,196)	-	(8,196)
Culture and recreation	479,961	32,563	-	-	(447,398)	-	(447,398)
Public safety	3,141,695	82,085	13,184	-	(3,046,426)	-	(3,046,426)
Public works/transportation	1,686,736	229,488	308,846	2,426,318	1,277,916	-	1,277,916
Interest on long-term debt	16,863	-	-	-	(16,863)	-	(16,863)
Total governmental activities	<u>6,144,533</u>	<u>846,328</u>	<u>322,030</u>	<u>2,426,318</u>	<u>(2,549,857)</u>	<u>-</u>	<u>(2,549,857)</u>
Business-type activities							
Electric	9,691,818	10,140,071	-	-	-	448,253	448,253
Waterworks and Sewerage	6,092,018	6,543,655	-	790,152	-	1,241,789	1,241,789
Total business-type activities	<u>15,783,836</u>	<u>16,683,726</u>	<u>-</u>	<u>790,152</u>	<u>-</u>	<u>1,690,042</u>	<u>1,690,042</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 21,928,369</u>	<u>\$ 17,530,054</u>	<u>\$ 322,030</u>	<u>\$ 3,216,470</u>	<u>(2,549,857)</u>	<u>1,690,042</u>	<u>(859,815)</u>
<b>General revenues:</b>							
Taxes							
Property taxes, levied for general purposes					1,217,149	-	1,217,149
Replacement taxes					2,381	-	2,381
Road and bridge taxes					22,130	-	22,130
Local use taxes					298,323	-	298,323
Telecommunications taxes					232,323	-	232,323
Video gaming taxes					87,064	-	87,064
Intergovernmental revenues					1,970,628	-	1,970,628
Investment income					9,486	10,161	19,647
Miscellaneous					73,364	-	73,364
Total general revenues					<u>3,912,848</u>	<u>10,161</u>	<u>3,923,009</u>
Change in net position					1,362,991	1,700,203	3,063,194
Net position beginning of year					<u>15,846,022</u>	<u>18,972,349</u>	<u>34,818,371</u>
Net position end of year					<u>\$ 17,209,013</u>	<u>\$ 20,672,552</u>	<u>\$ 37,881,565</u>

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

VILLAGE OF CHATHAM, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2018

	<u>General</u>	<u>Aggregate Nonmajor</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,537,681	\$ 1,141,316	\$ 2,678,997
Restricted accounts - cash	555,355	-	555,355
Taxes receivable	1,485,124	26,327	1,511,451
Other receivables	53,713	13,803	67,516
Due from other funds	45,665	-	45,665
Due from other governments	78,015	-	78,015
<b>TOTAL ASSETS</b>	<u>\$ 3,755,553</u>	<u>\$ 1,181,446</u>	<u>\$ 4,936,999</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 99,936	\$ 28,280	\$ 128,216
Accrued payroll	51,238	939	52,177
Other payables	6,507	201	6,708
Due to other funds	-	45,665	45,665
Total liabilities	<u>157,681</u>	<u>75,085</u>	<u>232,766</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	<u>\$ 1,269,605</u>	<u>\$ -</u>	<u>\$ 1,269,605</u>
Total liabilities and deferred inflows of resources	<u>1,427,286</u>	<u>75,085</u>	<u>1,502,371</u>
<b>FUND BALANCES</b>			
Nonspendable			
Corpus of permanent fund	-	368,055	368,055
Restricted			
Debt service	16,808	-	16,808
Public works	-	230,686	230,686
Capital projects	500,578	-	500,578
Unrestricted			
Committed			
Veteran's memorial brick	-	11,927	11,927
Yard waste	-	328,253	328,253
Public safety	34,763	2,268	37,031
Public works	-	1,791	1,791
Cemetery	-	72,747	72,747
Parks	3,206	-	3,206
Assigned			
Capital projects	-	90,634	90,634
Unassigned	1,772,912	-	1,772,912
Total fund balances	<u>2,328,267</u>	<u>1,106,361</u>	<u>3,434,628</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 3,755,553</u>	<u>\$ 1,181,446</u>	<u>\$ 4,936,999</u>

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

**VILLAGE OF CHATHAM, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2018

---

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<u>\$ 3,434,628</u>
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 governmental funds.	<u>20,896,414</u>
Deferred outflows related to pensions	<u>1,239,764</u>
Deferred inflows related to pensions	<u>(619,749)</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated absences payable	(348,065)
Accrued interest payable	(4,779)
G.O. bonds payable, current	(19,000)
Notes payable, current	(22,575)
Capital lease payable, current	(40,561)
G.O. bonds payable, noncurrent	(460,500)
Notes payable, noncurrent	(131,458)
Capital lease payable, noncurrent	(30,579)
Net pension liability	(5,872,391)
Net OPEB obligation	<u>(812,136)</u>
	<u>(7,742,044)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 17,209,013</u></u>

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



**VILLAGE OF CHATHAM, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2018

	<u>General</u>	<u>Aggregate Nonmajor</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes	\$ 1,217,149	\$ -	\$ 1,217,149
Replacement taxes	2,381	-	2,381
Road and bridge taxes	22,130	-	22,130
Local use tax	298,323	-	298,323
Motor fuel taxes	-	308,846	308,846
Telecommunications tax	185,859	46,464	232,323
Video gaming tax	87,064	-	87,064
Licenses, permits, fees, fines, and service charges	696,129	150,199	846,328
Investment income	6,211	3,275	9,486
Other	73,364	-	73,364
Intergovernmental revenues	1,970,628	-	1,970,628
Federal grants	13,184	-	13,184
	<u>4,572,422</u>	<u>508,784</u>	<u>5,081,206</u>
<b>EXPENDITURES</b>			
Current operations:			
General government	782,639	-	782,639
Cemetery	30,684	400	31,084
Culture and recreation	418,194	172	418,366
Public safety	2,753,511	25,354	2,778,865
Public works/transportation	511,450	539,754	1,051,204
Capital outlay	33,853	72,525	106,378
Debt service:			
Principal	42,687	-	42,687
Interest	15,462	-	15,462
	<u>4,588,480</u>	<u>638,205</u>	<u>5,226,685</u>
NET CHANGE IN FUND BALANCE	(16,058)	(129,421)	(145,479)
FUND BALANCE - MAY 1, 2017	<u>2,344,325</u>	<u>1,235,782</u>	<u>3,580,107</u>
<b>FUND BALANCE - APRIL 30, 2018</b>	<u><u>\$ 2,328,267</u></u>	<u><u>\$ 1,106,361</u></u>	<u><u>\$ 3,434,628</u></u>

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

VILLAGE OF CHATHAM, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

---

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (145,479)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount of capital outlays in the current year:

Capital outlays	106,378
Depreciation	(733,899)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position:

Donations of capital assets	2,426,318
-----------------------------	-----------

The increase in OPEB obligation resulting from annual required contributions in excess of the contributions do not require the use of current financial resources and, therefore, is not reported as expenditures in the funds. (101,299)

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:

Accrued compensated absences	(22,687)
Net pension obligation	(270,086)

The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of G.O. bonds payable	20,500
Repayment of capital lease payable	62,459
Repayment of notes payable	22,187
Accrued interest payable	(1,401)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,362,991

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

**VILLAGE OF CHATHAM, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2018

	<b>Electric</b>	<b>Waterworks and Sewerage</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 2,313,272	\$ 1,327,191	\$ 3,640,463
Restricted accounts - cash	199,883	53,641	253,524
Accounts receivable	739,547	522,885	1,262,432
Inventory	304,591	185,445	490,036
Total current assets	3,557,293	2,089,162	5,646,455
Other Assets:			
Interfund advance receivable	358,828	-	358,828
Total other assets	358,828	-	358,828
Capital Assets:			
Capital assets, not being depreciated	279,734	307,375	587,109
Property and equipment	20,127,101	21,431,148	41,558,249
Less: accumulated depreciation	(9,146,776)	(11,206,005)	(20,352,781)
Capital assets, net	11,260,059	10,532,518	21,792,577
Total assets	15,176,180	12,621,680	27,797,860
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	200,972	113,553	314,525
Total assets and deferred outflows of resources	\$ 15,377,152	\$ 12,735,233	\$ 28,112,385

(Continued)

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

**VILLAGE OF CHATHAM, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2018

	<u>Electric</u>	<u>Waterworks and Sewerage</u>	<u>Total</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 50,504	\$ 582,540	\$ 633,044
Accrued payroll	19,927	12,224	32,151
Accrued compensated absences payable	8,348	2,871	11,219
Unearned revenue	86,021	53,170	139,191
Customer deposits	120,750	59,350	180,100
Accrued interest payable	48,778	1,364	50,142
Other payables	4,308	2,614	6,922
Current maturities of long term debt:			
G.O. bonds (Alternate Revenue Source) payable	260,000	-	260,000
Loan payable	-	97,201	97,201
Capital lease payable	22,873	58,996	81,869
Total current liabilities	<u>621,509</u>	<u>870,330</u>	<u>1,491,839</u>
Long-Term Liabilities:			
Accrued compensated absences payable	180,731	60,138	240,869
Interfund advance payable	-	358,828	358,828
Net OPEB obligation	194,452	123,336	317,788
Net pension liability	457,427	258,451	715,878
G.O. bonds (Alternate Revenue Source) payable	2,598,000	-	2,598,000
Loan payable	-	497,480	497,480
Capital lease payable	5,629	187,191	192,820
Total long-term liabilities	<u>3,436,239</u>	<u>1,485,424</u>	<u>4,921,663</u>
Total liabilities	<u>4,057,748</u>	<u>2,355,754</u>	<u>6,413,502</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>655,798</u>	<u>370,533</u>	<u>1,026,331</u>
Total liabilities and deferred inflows of resources	<u>4,713,546</u>	<u>2,726,287</u>	<u>7,439,833</u>
<b>NET POSITION</b>			
Net Investment in capital assets	8,373,557	10,128,187	18,501,744
Restricted for debt service	199,883	53,641	253,524
Unrestricted	<u>2,090,166</u>	<u>(172,882)</u>	<u>1,917,284</u>
Total net position	<u>\$ 10,663,606</u>	<u>\$ 10,008,946</u>	<u>\$ 20,672,552</u>

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

**VILLAGE OF CHATHAM, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	<u>Electric</u>	<u>Waterworks and Sewerage</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
User charges	\$ 9,840,337	\$ 6,323,974	\$ 16,164,311
Other income	299,734	170,681	470,415
Total operating revenues	<u>10,140,071</u>	<u>6,494,655</u>	<u>16,634,726</u>
<b>OPERATING EXPENSES</b>			
Electricity purchases	6,721,366	-	6,721,366
Water purchases/sewer expenses	-	4,202,937	4,202,937
Distribution and customer service	2,311,194	1,194,294	3,505,488
Depreciation	557,837	685,127	1,242,964
Total operating expenses	<u>9,590,397</u>	<u>6,082,358</u>	<u>15,672,755</u>
<b>OPERATING INCOME (LOSS)</b>	<u>549,674</u>	<u>412,297</u>	<u>961,971</u>
<b>NONOPERATING INCOME (EXPENSE)</b>			
Investment income	6,450	3,711	10,161
Interest expense	(101,421)	(9,660)	(111,081)
Gain on asset disposal	-	49,000	49,000
Total nonoperating income (expense)	<u>(94,971)</u>	<u>43,051</u>	<u>(51,920)</u>
<b>CHANGE IN NET POSITION BEFORE CONTRIBUTION REVENUE</b>	454,703	455,348	910,051
<b>CONTRIBUTION REVENUE</b>	<u>-</u>	<u>790,152</u>	<u>790,152</u>
<b>CHANGE IN NET POSITION</b>	454,703	1,245,500	1,700,203
<b>NET POSITION - MAY 1, 2017</b>	<u>10,208,903</u>	<u>8,763,446</u>	<u>18,972,349</u>
<b>NET POSITION - APRIL 30, 2018</b>	<u>\$ 10,663,606</u>	<u>\$ 10,008,946</u>	<u>\$ 20,672,552</u>

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

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Electric	Waterworks and Sewerage	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 10,382,913	\$ 6,506,129	\$ 16,889,042
Payments to suppliers	(7,461,630)	(4,435,504)	(11,897,134)
Payments to employees	(1,308,923)	(781,957)	(2,090,880)
Payments to other funds	(205,000)	-	(205,000)
Net cash from operating activities	<u>1,407,360</u>	<u>1,288,668</u>	<u>2,696,028</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from capital debt	-	312,147	312,147
Purchases of capital assets	(602,864)	(963,969)	(1,566,833)
Principal paid on capital debt	(269,489)	(209,839)	(479,328)
Interest paid on capital debt	(105,286)	(9,878)	(115,164)
Net cash from capital and related financing activities	<u>(977,639)</u>	<u>(871,539)</u>	<u>(1,849,178)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	6,450	3,711	10,161
Net cash from investing activities	<u>6,450</u>	<u>3,711</u>	<u>10,161</u>
Net increase in cash	436,171	420,840	857,011
Cash and cash equivalents, beginning	<u>2,076,984</u>	<u>959,992</u>	<u>3,036,976</u>
Cash and cash equivalents, ending	<u>\$ 2,513,155</u>	<u>\$ 1,380,832</u>	<u>\$ 3,893,987</u>
Cash and cash equivalents consists of the following:			
Cash and cash equivalents	\$ 2,313,272	\$ 1,327,191	\$ 3,640,463
Restricted accounts - cash	199,883	53,641	253,524
	<u>\$ 2,513,155</u>	<u>\$ 1,380,832</u>	<u>\$ 3,893,987</u>
Reconciliation of operating (loss) to net cash from operating activities:			
Operating income (loss)	\$ 549,674	\$ 412,297	\$ 961,971
Adjustments to reconcile income (loss) to net cash from operating activities:			
Depreciation	557,837	685,127	1,242,964
(Increase) decrease in assets:			
Accounts receivable	242,842	11,474	254,316
Inventories	(6,395)	(102,794)	(109,189)
Deferred amounts related to pensions	220,939	119,996	340,935
(Decrease) increase in liabilities:			
Accounts payable	(4,176)	224,378	220,202
Deferred revenue	(5,277)	2,272	(3,005)
Accrued payroll	4,025	4,693	8,718
Compensated absences	9,946	(3,071)	6,875
Net OPEB obligation	39,827	12,737	52,564
Net pension liability	(646,876)	(352,838)	(999,714)
Deferred amounts related to pensions	473,561	269,655	743,216
Due to other funds	(33,732)	-	(33,732)
Deposits payable	4,500	3,850	8,350
Other payables	665	892	1,557
Net cash from operating activities	<u>\$ 1,407,360</u>	<u>\$ 1,288,668</u>	<u>\$ 2,696,028</u>
Non-cash capital and related financing activities:			
Donated water and sewer infrastructure	\$ -	\$ 790,152	\$ 790,152
Total non-cash capital and related financing activities	<u>\$ -</u>	<u>\$ 790,152</u>	<u>\$ 790,152</u>

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

**VILLAGE OF CHATHAM, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
POLICE PENSION TRUST FUND**

April 30, 2018

---

**ASSETS**

Cash	\$ 179,177
Investments	
Mutual funds	3,158,414
Non-negotiable certificates of deposit	788,881
Municipal and corporate bonds	1,628,391
Government mortgage pool	236,916
Agency securities	909,466
U.S. Treasuries	357,819
CMO & asset backed securities	27,369
Accrued interest receivable	<u>29,526</u>
 Total Assets	 <u>7,315,959</u>

**LIABILITIES**

Accounts payable	<u>1,453</u>
------------------	--------------

**NET POSITION, RESTRICTED FOR PENSIONS**

\$ 7,314,506

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

**VILLAGE OF CHATHAM, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE PENSION TRUST FUND**

For the Year Ended April 30, 2018

---

**ADDITIONS**

Contributions	
Employer (property taxes)	\$ 530,523
Employee	<u>118,016</u>
Total contributions	<u>648,539</u>
Investment income	
Net appreciation in fair value of investments	181,250
Interest	198,370
Investment fees	<u>(16,261)</u>
Total net investment income	<u>363,359</u>
Total additions	<u>1,011,898</u>

**DEDUCTIONS**

Benefits and refunds	
Retiree benefits	318,340
Contributions refunded	14,515
Administration	<u>15,672</u>
Total deductions	<u>348,527</u>

**NET INCREASE** 663,371

**NET POSITION, RESTRICTED FOR PENSIONS**

<b>MAY 1, 2017</b>	<u>6,651,135</u>
<b>APRIL 30, 2018</b>	<u><u>\$ 7,314,506</u></u>

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



# VILLAGE OF CHATHAM, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2018

---

### 1. SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Chatham (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

- (a) Reporting Entity - The Village is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The Village is considered to be a primary government as defined by GASB Statement No. 39, since it is legally separate and fiscally independent.

In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity is based upon the significance of its operational or financial relationship with the primary government.

The Village has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Village's financial statements.

- (b) Fund Accounting - The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.
- (c) Government-wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Government-wide and Fund Financial Statements – Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants that purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual funds are reported as separate columns in the fund financial statements.

- (d) Measurement Focus, Basis of Accounting and Financial Statement Presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenue is recognized based upon the expenditures recorded.

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 current liabilities. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales and telecommunication taxes collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences, are recorded only when payment is due.

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation –  
Continued

Property taxes, sales taxes, telecommunications taxes, licenses and permits, charges for services, fines and forfeits, miscellaneous revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

*The General Fund* is used to account for all activities of the general government not accounted for in some other fund.

The Village reports the following proprietary funds, which are major funds:

*The Electric Fund* is used to account for the revenues and expenses related to operating and maintaining the Village's Electric operations.

*The Waterworks and Sewerage Fund* is used to account for the revenues and expenses related to operating and maintaining the Village's Water and Sewer operations.

Additionally, the Village reports the following fund types:

Special Revenue Funds are used to account for specific revenues from which the expenditures are externally imposed by outside entities or committed by ordinance.

The Capital Projects Fund accounts for the resources used for the acquisition or construction of capital facilities other than those financed by the enterprise fund activities.

The Permanent Fund is used to account for assets received and held for the perpetual care of the Village Cemetery.

The Fiduciary Fund of the Village is used to account for assets held by the Village in a trustee capacity. The Police Pension Trust Fund is used to account for assets received and held for the payment of benefits to participants.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative charges between the Village's General Fund and the Electric and Waterworks and Sewerage Funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for electric, water and sewer sales and service. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

- (e) Capital Assets - Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The Village records all capital items, which are individually greater than \$5,000, with a useful life of greater than one year, as capital assets. Except for certain infrastructure acquired or constructed, which were partially financed with Tax Increment Financing and General Obligation Bonds, infrastructure assets acquired prior to May 1, 2004, are not reported in the basic financial statements.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(e) Capital Assets - Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Improvements	10 to 40 years
Buildings and grounds	20 to 40 years
Vehicles	5 years
Equipment	5 years
Infrastructure	40 years
Utility plant	10 to 40 years

(f) Cash and Cash Equivalents - For the purposes of the statement of cash flows, the Village considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(g) Fund Balance/Net Position – In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance reported for amounts constrained by legal restrictions from outside parties for use for specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village’s Board, which is considered the Village’s highest level of decision making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village’s intent to use them for a specific purpose, but that are neither restricted nor committed. Any residual fund balance is reported as unassigned.

The Village’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted and unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds. The Village has not established fund balance reserve policies for their governmental funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the Village. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (h) Concentration of Suppliers – The Village of Chatham has an agreement with the Illinois Municipal Electric Agency to purchase electric power through transmission lines owned by the City of Springfield. The agreement to purchase electric power expires September 30, 2035.

The Village of Chatham has an agreement with the Sangamon County Water Commission, whereby the Sangamon County Water Commission will supply water to the Village of Chatham until December 31, 2040, or 5 years after the expiration of the original issue of Commission's bonds, whichever is later. The Village pays for actual water usage and is not required to purchase a minimum amount of water.

- (i) Investments – Investments are stated at fair value, except for nonnegotiable certificates of deposits which are recorded at cost, using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses on marketable securities are computed using the specific identification method.
- (j) Inventories – Inventories are stated at the lower of cost (using the first-in/first-out method) or market using the purchase method.
- (k) Compensated Absences – Vested or accumulated vacation leave and vested sick leave are accrued when incurred by the Village in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrued to employees. A liability in the governmental funds is reported only if the benefit has matured.
- (l) Long-Term Obligations – In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (m) Interfund Transactions – Interfund services transactions are accounted for as revenues, expenditures or expenses. All other interfund transactions are reported as transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the fiscal year are referred to as “due to/from” and “interfund advance receivable/payable”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”
- (n) Capitalized Interest – Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.
- (o) Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.
- (p) Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. PROPERTY TAX CALENDAR**

The following information gives significant dates on the property tax calendar of the Village.

- The property tax lien date is January 1, 2016.
- The annual tax levy ordinance for 2016 taxes received during fiscal year 2018 was passed December 2016.
- The first installment of property taxes is due to the County Collector on July 1 and the second installment is due to the County Collector on September 1.
- Significant amounts of property taxes for 2016 were distributed to the Village in July and September of 2017.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**2. PROPERTY TAX CALENDAR (Continued)**

The 2017 taxes are intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018. Although the tax attached as a lien on property as of January 1, 2018, the tax will not be levied until December 2018, and, accordingly, is not measurable at April 30, 2018.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The Village's Board of Trustees has adopted an investment policy to invest in instruments allowed by Illinois Compiled Statutes (ILCS). The policy further identifies allowable securities to include securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit, or time deposits constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by FDIC, short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of security legally issuable by savings and loan associations incorporated under the laws of State of Illinois, and Illinois Funds.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are: safety of principal, diversity of investments, liquidity, return on investment, and maintaining public trust.

A. Deposits with Financial Institutions.

*Custodial credit risk* for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to them. To guard against credit risk for deposits with financial institutions, the Village's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by the Village or third party or escrow agent of the pledging institution, evidenced by a written safekeeping agreement.

B. Investments

*Interest rate risk* is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Village's investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio so that investments will have maturities to have available sufficient cash for all operating purposes. The policy limits investments of the General Fund and Special Revenue Funds to maturities of fifteen months from the date of purchase. For all other investments, any investment purchased with a maturity of longer than two years must be specifically pre-authorized by the Chair of the Administration Committee and the Village President.



**3. DEPOSITS AND INVESTMENTS (Continued)**

B. Investments - Continued

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Village's investment policy does not specifically address credit risk.

*Concentration of credit risk* is the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. To reduce exposure to concentration of credit risk, the Village limits the amount a financial institution may hold of the Village's investment portfolio to \$100,000, excluding investments in U.S. Treasury securities held in safekeeping, investments in the Illinois Funds and investments at a financial institution in which the deposits in excess of \$100,000 are secured by collateral.

*Fair value hierarchy* – The Village categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs. The Village had no general investments outside of the Police Pension Fund as of April 30, 2018.

Police Pension Funds

The Pension Board has adopted an investment policy to invest in instruments allowed by Illinois Compiled Statutes (ILCS). The statutes allow pension funds to invest in the same securities as the Village. The policy further identifies allowable securities to include securities guaranteed by the full faith and credit of the United States of America, separate accounts of a life insurance company authorized to do business in Illinois, savings accounts or certificates of deposit of a national or state bank, insured capital accounts and investments of state and federal chartered savings and loan associations and credit unions, and interest bearing bonds or tax anticipation warrants of the United States, State of Illinois, or of any county, township, or municipal corporation of the State of Illinois. The policy further allows for investment in corporate bonds managed through an investment advisor. In addition, the policy allows for investment in common and preferred stocks authorized for investments of trust funds under the laws of the State of IL if the fund's net assets exceed \$5,000,000. Such investments must meet specific criteria outlined in the policy.

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

Police Pension Funds – Continued

A. Deposits with Financial Institutions.

*Custodial credit risk* for deposits with financial institutions is the risk that in the event of a bank’s failure, the Pension Fund’s deposits may not be returned to them. To guard against credit risk for deposits with financial institutions the Pension Fund’s investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held by an independent third party institution in the name of the Police Pension Fund and evidenced by a written collateral agreement.

B. Investments

*Interest rate risk* is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Pension Fund’s investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio so that investments will have maturities to have available sufficient cash for all operating purposes.

At April 30, 2018, the pension fund’s investment balances were as follows:

Investment Type	Fair Value	Maturity			
		< 1 Year	1 - 5 Years	6 - 10 Years	> 10 Years
U.S. Treasuries	\$ 357,819	\$ 149,584	\$ -	\$ 208,235	\$ -
Agency Securities	909,466	108,460	12,499	788,507	-
Corporate Bonds	1,552,353	51,173	880,206	620,974	-
Municipal Bonds	76,038	76,038	-	-	-
Mortgage Pools	236,916	-	-	-	236,916
Subject to interest rate risk	3,132,592	<u>\$ 385,255</u>	<u>\$ 892,705</u>	<u>\$ 1,617,716</u>	<u>\$ 236,916</u>
CMO & Asset					
Backed Securities	27,369				
Equity Funds	3,158,414				
Certificates of Deposits	788,881				
<b>Total</b>	<u>\$ 7,107,256</u>				

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

Police Pension Funds – Continued

B. Investments – Continued

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Fund’s investment policy does not specifically address credit risk.

At April 30, 2018, the pension fund’s investment balances were rated as follows:

Investment Type	Fair Value	Standard & Poor's/Moody's			
		AAA/Aaa	AA/Aa	A/A	Not Rated
U.S. Treasuries	\$ 357,819	\$ 208,235	\$ -	\$ -	\$ 149,584
Agency Securities	\$ 909,466	-	801,006	-	108,460
Corporate Bonds	\$ 1,552,353	156,950	1,042,325	353,078	-
Municipal Bonds	\$ 76,038	-	76,038	-	-
Mortgage Pools	\$ 236,916	-	-	-	236,916
CMO & Asset					
Backed Securities	\$ 27,369	-	-	-	27,369
Subject to credit risk	3,159,961	\$ 365,185	\$ 1,919,369	\$ 353,078	\$ 522,329
Equity Funds	3,158,414				
Certificates of Deposits	788,881				
<b>Total</b>	<u>\$ 7,107,256</u>				

*Custodial credit risk* for investments is the risk that, in the event of the failure of the counterparty to the investment, the Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Pension Fund’s investment policy does not specifically address custodial credit risk for investments. To limit its exposure, the Pension Fund’s have a third party custodian acting as an agent to safe-keep the assets of the funds.

*Concentration of credit risk* is the risk of loss resulting from the concertation of assets in a specific maturity, a specific issuer, or a specific class of securities. While the Pension Fund places no limit on the amount the pension fund may invest in one issuer, the investment policy does states that allocation of assets shall be achieved through the prudent diversification of asset classes. The goal shall be to maintain liquidity while providing reasonable diversification consistent with the objectives and guidelines for the Fund. The Pension Fund invests in certificates of deposit, mutual funds, corporate and municipal bonds, and U.S. treasury and federal agency securities.

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

Police Pension Funds – Continued

B. Investments – Continued

*Fair value hierarchy* – The Village categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended April 30, 2018.

- U.S. Treasuries and equity funds: Valued at the closing quoted price in an active market
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government agency securities, mortgage pools and asset backed securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 357,819	\$ 357,819	\$ -	\$ -
Agency Securities	909,466	-	909,466	-
Corporate Bonds	1,552,353	-	1,552,353	-
Municipal Bonds	76,038	-	76,038	-
Mortgage Pools	236,916	-	236,916	-
CMO & Asset Backed Securities	27,369	-	-	27,369
Equity Funds	3,158,414	3,158,414	-	-
	<u>6,318,375</u>	<u>\$ 3,516,233</u>	<u>\$ 2,774,773</u>	<u>\$ 27,369</u>
Nonnegotiable certificates of deposits*	<u>788,881</u>			
<b>Total</b>	<u>\$ 7,107,256</u>			

\*Nonnegotiable certificates of deposit are recorded at cost and are not based on Level 1, 2, or 3 inputs.

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

A. Governmental Activities

Capital asset activity for the year ending April 30, 2018 consists of the following:

	Balances <u>May 1</u>	Additions	Retirements	Balances <u>April 30</u>
Land, not depreciated	\$ 372,000	\$ 174,400	\$ -	\$ 546,400
Construction in progress, not depreciated	<u>656,252</u>	<u>20,310</u>	<u>135,344</u>	<u>541,218</u>
Total capital assets, not depreciated	<u>1,028,252</u>	<u>194,710</u>	<u>135,344</u>	<u>1,087,618</u>
Improvements	767,861	562,836	-	1,330,697
Buildings and grounds	950,928	-	-	950,928
Vehicles	1,063,550	-	22,772	1,040,778
Equipment	893,900	13,463	-	907,363
Infrastructure	<u>20,421,618</u>	<u>1,902,030</u>	<u>5,000</u>	<u>22,318,648</u>
Total capital assets being depreciated	<u>24,097,857</u>	<u>2,478,329</u>	<u>27,772</u>	<u>26,548,414</u>
Total capital assets	<u>25,126,109</u>	<u>2,673,039</u>	<u>163,116</u>	<u>27,636,032</u>
Less accumulated depreciation for:				
Improvements	200,573	21,551	-	222,124
Buildings and grounds	390,179	26,159	-	416,338
Vehicles	795,868	84,108	22,772	857,204
Equipment	761,379	60,957	-	822,336
Infrastructure	<u>3,880,492</u>	<u>541,124</u>	<u>-</u>	<u>4,421,616</u>
Total accumulated depreciation	<u>6,028,491</u>	<u>733,899</u>	<u>22,772</u>	<u>6,739,618</u>
Total capital assets being depreciated, net	<u>18,069,366</u>	<u>1,744,430</u>	<u>5,000</u>	<u>19,808,796</u>
Total capital assets, net of accumulated depreciation	<u>\$ 19,097,618</u>	<u>\$ 1,939,140</u>	<u>\$ 140,344</u>	<u>\$ 20,896,414</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

B. Business-type activities

Capital asset activity for the year ended April 30, 2018 consists of the following:

<u>ELECTRIC</u>	<u>Balances</u> <u>May 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>April 30</u>
Land, not depreciated	\$ 279,734	\$ -	\$ -	\$ 279,734
Total capital assets, not being depreciated	<u>279,734</u>	<u>-</u>	<u>-</u>	<u>279,734</u>
Improvements	65,760	-	-	65,760
Buildings and grounds	698,048	-	-	698,048
Vehicles	840,930	-	-	840,930
Equipment	776,048	114,247	33,542	856,753
Utility plant	<u>17,176,993</u>	<u>488,617</u>	<u>-</u>	<u>17,665,610</u>
Total capital assets being depreciated	<u>19,557,779</u>	<u>602,864</u>	<u>33,542</u>	<u>20,127,101</u>
Total capital assets	<u>19,837,513</u>	<u>602,864</u>	<u>33,542</u>	<u>20,406,835</u>
Less accumulated depreciation for:				
Improvements	33,706	1,354	-	35,060
Buildings and grounds	396,015	12,421	-	408,436
Vehicles	791,301	22,877	-	814,178
Equipment	631,223	43,087	33,542	640,768
Utility plant	<u>6,770,236</u>	<u>478,098</u>	<u>-</u>	<u>7,248,334</u>
Total accumulated depreciation	<u>8,622,481</u>	<u>557,837</u>	<u>33,542</u>	<u>9,146,776</u>
Total capital assets being depreciated, net	<u>10,935,298</u>	<u>45,027</u>	<u>-</u>	<u>10,980,325</u>
Total capital assets, net of accumulated depreciation	<u>\$ 11,215,032</u>	<u>\$ 45,027</u>	<u>\$ -</u>	<u>\$ 11,260,059</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

B. Business-type activities – Continued

<u>WATERWORKS &amp; SEWERAGE</u>	<u>Balances May 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30</u>
Land, not depreciated	\$ 39,000	\$ -	\$ -	\$ 39,000
Construction in progress, not depreciated	-	268,375	-	268,375
Total capital assets, not being depreciated	39,000	268,375	-	307,375
Improvements	3,210	7,190	-	10,400
Buildings and grounds	337,461	10,593	-	348,054
Vehicles	393,991	389,133	215,014	568,110
Equipment	494,454	100,409	33,543	561,320
Utility plant	18,915,843	1,027,421	-	19,943,264
Total capital assets being depreciated	20,144,959	1,534,746	248,557	21,431,148
Total capital assets	20,183,959	1,803,121	248,557	21,738,523
Less accumulated depreciation for:				
Improvements	936	268	-	1,204
Buildings and grounds	56,753	8,542	-	65,295
Vehicles	382,025	73,499	215,014	240,510
Equipment	377,784	42,486	33,543	386,727
Utility plant	9,951,937	560,332	-	10,512,269
Total accumulated depreciation	10,769,435	685,127	248,557	11,206,005
Total capital assets being depreciated, net	9,375,524	849,619	-	10,225,143
Total capital assets, net of accumulated depreciation	<u>\$ 9,414,524</u>	<u>\$ 1,117,994</u>	<u>\$ -</u>	<u>\$ 10,532,518</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

B. Business-type activities – Continued

<u>BUSINESS-TYPE ACTIVITIES</u>	<u>Balances May 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30</u>
Land, not depreciated	\$ 318,734	\$ -	\$ -	\$ 318,734
Construction in progress, not depreciated	-	268,375	-	268,375
Total capital assets, not being depreciated	<u>318,734</u>	<u>268,375</u>	<u>-</u>	<u>587,109</u>
Improvements	68,970	7,190	-	76,160
Buildings and grounds	1,035,509	10,593	-	1,046,102
Vehicles	1,234,921	389,133	215,014	1,409,040
Equipment	1,270,502	214,656	67,085	1,418,073
Utility plant	<u>36,092,836</u>	<u>1,516,038</u>	<u>-</u>	<u>37,608,874</u>
Total capital assets being depreciated	<u>39,702,738</u>	<u>2,137,610</u>	<u>282,099</u>	<u>41,558,249</u>
Total capital assets	<u>40,021,472</u>	<u>2,405,985</u>	<u>282,099</u>	<u>42,145,358</u>
Less accumulated depreciation for:				
Improvements	34,642	1,622	-	36,264
Buildings and grounds	452,768	20,963	-	473,731
Vehicles	1,173,326	96,376	215,014	1,054,688
Equipment	1,009,007	85,573	67,085	1,027,495
Utility plant	<u>16,722,173</u>	<u>1,038,430</u>	<u>-</u>	<u>17,760,603</u>
Total accumulated depreciation	<u>19,391,916</u>	<u>1,242,964</u>	<u>282,099</u>	<u>20,352,781</u>
Total capital assets being depreciated, net	<u>20,310,822</u>	<u>894,646</u>	<u>-</u>	<u>21,205,468</u>
Total capital assets, net of accumulated depreciation	<u>\$ 20,629,556</u>	<u>\$ 1,163,021</u>	<u>\$ -</u>	<u>\$ 21,792,577</u>



**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**4. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 7,470
Culture and recreation	54,887
Public safety	42,994
Public works/transportation	<u>628,548</u>
Total depreciation expense – governmental activities	<u>\$ 733,899</u>
Business-type activities:	
Electric	\$ 557,837
Waterworks and Sewerage	<u>685,127</u>
Total depreciation expense – business-type activities	<u>\$ 1,242,964</u>

**5. RESTRICTED ASSETS**

The Village reports restricted cash in the Electric Fund due to the issuance of the 2014 General Obligation Bonds (Alternative Revenue Source), restricted cash in the Waterworks and Sewerage Funds due to the issuance of the Water Promissory Note, Series 2014, and restricted cash in the General Fund due to the issuance of the 2017 General Obligation Bonds and other restrictions relating to law enforcement

Electric Fund

The Electric General Obligation Bonds (Alternate Revenue Source), Series 2014 require the funding by the utility of certain reserve accounts. These reserve account balances are required to be invested as the ordinances call for and segregated from the other funds. The following accounts were so segregated at April 30, 2018.

Electric Fund:	
Cash:	
Electric GOB Bond and Interest	<u>\$ 199,883</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**5. RESTRICTED ASSETS (Continued)**

Electric Fund – Continued

As of April 30, 2018, all accounts were funded as required by the bond ordinances. The funding requirements of these accounts are established by the general obligation bond ordinances and are outlined as follows for the 2014 general obligation bonds (alternate revenue source).

Operation and Maintenance Account, established to establish a balance sufficient to pay operation and maintenance expenses for the current month.

Junior Bond and Interest Account, established to accumulate an amount sufficient to pay principal or interest or both. There shall be deposited to the Junior Bond and Interest Account, a fractional amount of interest becoming due on the next succeeding interest payment date and a fractional amount of principal becoming due on the next succeeding principal maturity date of all of the Outstanding Junior Bonds.

Junior Bond Reserve Account, established to accumulate funds to be used to pay principal or interest on outstanding bonds at any time when there are insufficient funds available in the Junior Bond and Interest Account to pay the same.

Depreciation, Improvement, and Extension Account, established to accumulate funds established per bond ordinances for the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies for which no other funds are available.

Surplus Account, established to accumulate funds remaining in the System Fund, after crediting the required amounts to the respective accounts noted above and after making up any deficiency in the above accounts. Then, at the discretion of the Corporate Authorities, the funds shall be used, if at all, for one or more of the following purposes:

- (1) For the purpose of constructing or acquiring repairs, replacements, or improvements to the System or
- (2) For the purpose of purchasing Outstanding Bonds or
- (3) For any other lawful corporate purpose (including but not limited to payments in lieu of taxes and general supervision and administrative charges by the Issuer.)

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**5. RESTRICTED ASSETS (Continued)**

Waterworks and Sewerage Fund

The Water Promissory Note, Series 2015 require the funding by the utility of certain reserve accounts. These reserve account balances are required to be invested as the ordinances call for and segregated from the other funds. The following accounts were so segregated at April 30, 2018.

Waterworks and Sewerage Fund:

Cash:

Water Note Fund	\$ 53,641
-----------------	-----------

As of April 30, 2018, all accounts were funded as required by the Promissory Note. The funding requirements of these accounts are established by the promissory note ordinance and are outlined as follows.

Water Note Fund, established to fund for the payment of the principal and interest on the Note. Interest income or investment profit earned in the Water Note Fund shall be retained in the Fund for payment of the principal of or interest on the Promissory Note on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Village, transferred to such other fund as may be determined.

General Fund

The General Obligation Bonds, Series 2017 require the funding of a Debt Service account with taxes levied to be used for the sole purpose of paying principal of and interest on the Bonds. The General Obligation Bonds, Series 2017 also requires the proceeds of the sale of the bonds be deposited into a Bond Proceeds account. As of April 30, 2018, the account was funded as required by the ordinance. In addition, there are other restricted accounts relating to law enforcement.

General Fund

Cash:

2001 Debt Service	\$ 16,808
2017 Bond Proceeds	500,578
Run for the Park	3,205
Crime Prevention	2,591
Drug Asset Forfeiture	3,501
DUI Equipment	2,197
Police Vehicle Fees	26,410
Police Article 36	<u>65</u>
Total	<u>\$ 555,355</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT**

Governmental activities

General Obligation Bonds

The Village issues general obligation bonds to provide for the acquisition, construction and installation of various improvements and facilities. General obligation bonds outstanding at the end of the fiscal year are as follows:

\$500,000 General Obligation Bonds, Series 2017 payable through December 30, 2036 in various amounts ranging from \$19,000 to \$32,500; interest rate of 2.99% \$ 479,500

Future principal and interest payments on the general obligation bonds are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 19,000	\$ 14,337	\$ 33,337
2020	19,500	13,769	33,269
2021	20,500	13,186	33,686
2022	21,000	12,573	33,573
2023	21,500	11,945	33,445
2024-2028	117,500	49,694	167,194
2029-2033	136,500	31,037	167,537
2034-2037	<u>124,000</u>	<u>9,420</u>	<u>133,420</u>
Total	<u>\$ 479,500</u>	<u>\$ 155,961</u>	<u>\$ 635,461</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Governmental activities - Continued

Street Shop Building Note

On October 15, 2014, the Village entered into an agreement with a financial institution to finance costs associated with the construction of a shop building for the street and water departments. The Village borrowed \$460,000 at an interest rate of 1.74% to be paid in monthly installments of \$4,185 beginning November 15, 2014, with a final payment due October 15, 2024. The assets and related obligation have been allocated half to the General Fund and half to the Waterworks and Sewerage Fund. The principal balance for the governmental activities as of April 30, 2018 is \$154,033 and the principal balance for the business-type activities as of April 30, 2018 is \$154,033 for a combined total of \$308,066. Future principal and interest payments on the notes payable are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 22,575	\$ 2,532	\$ 25,107
2020	22,966	2,141	25,107
2021	23,382	1,725	25,107
2022	23,796	1,311	25,107
2023	24,219	888	25,107
2024-2025	37,095	521	37,616
Total	<u>\$ 154,033</u>	<u>\$ 9,118</u>	<u>\$ 163,151</u>

Capital Lease

The Village is obligated under a vehicle lease accounted for as a capital lease. The leased asset (street sweeper) and related obligation are accounted for as governmental activities. The asset under the capital lease net of depreciation totaled \$4,817 at April 30, 2018. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at April 30, 2018:

<u>Years ended April 30,</u>	
2019	\$ 4,251
Future minimum lease payments	4,251
Less: Amount representing interest	18
Present value of minimum lease payments	<u>\$ 4,233</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Governmental activities – Continued

Capital Lease - Continued

The Village is obligated under a vehicle lease accounted for as a capital lease. The leased asset (street truck) and related obligation are accounted for as governmental activities. The asset under the capital lease net of depreciation totaled \$51,576 at April 30, 2018. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at April 30, 2018:

<u>Years ending April 30,</u>		
2019	\$	18,691
2020		18,691
2021		<u>4,680</u>
Future minimum lease payments		42,062
Less: Amount representing interest		<u>724</u>
Present value of minimum lease payments	\$	<u><u>41,338</u></u>

The Village is obligated under a vehicle lease accounted for as a capital lease. The leased assets (2 police vehicles) and related obligation are accounted for as governmental activities. The assets under the capital lease net of depreciation totaled \$28,745 at April 30, 2018. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at April 30, 2018:

<u>Years ending April 30,</u>		
2019	\$	<u>7,099</u>
Future minimum lease payments		7,099
Less: Amount representing interest		<u>21</u>
Present value of minimum lease payments	\$	<u><u>7,078</u></u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Governmental activities – Continued

Capital Leases – Continued

The Village is obligated under a vehicle lease accounted for as a capital lease. The leased assets (police vehicle) and related obligation are accounted for as governmental activities. The asset under the capital lease net of depreciation totaled \$26,348 at April 30, 2018. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at April 30, 2018:

<u>Years ending April 30,</u>		
2019		\$ 11,237
2020		<u>7,480</u>
Future minimum lease payments		18,717
Less: Amount representing interest		<u>226</u>
Present value of minimum lease payments		<u>\$ 18,491</u>

Following is a summary of the changes that occurred to the liabilities reported in the governmental activities of the Village for the year ended April 30, 2018.

	<u>Balance</u>			<u>Balance</u>
	<u>May 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>April 30, 2018</u>
G.O. bonds	\$ 500,000	\$ -	\$ 20,500	\$ 479,500
Notes payable	176,220	-	22,187	154,033
Capital lease	133,600	-	62,460	71,140
Net pension liability	6,378,860	-	506,469	5,872,391
Net OPEB obligation	710,837	101,299	-	812,136
Compensated absences	<u>325,379</u>	<u>348,065</u>	<u>325,379</u>	<u>348,065</u>
	<u>\$ 8,224,896</u>	<u>\$ 449,364</u>	<u>\$ 936,995</u>	<u>\$ 7,737,265</u>

Following are governmental activities obligations due within one year:

G.O. bonds	\$ 19,000
Notes payable	22,575
Capital lease	40,561
Compensated absences	<u>29,022</u>
Total	<u>\$ 111,158</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Governmental activities – Continued

The amount available for retirement of future general obligation bond debt is made up of the following:

Debt Service (General Fund)	<u>\$ 16,808</u>
-----------------------------	------------------

Business-type activities

General Obligation Bonds (Alternate Revenue Source)

The Village issues general obligation bonds (alternate revenue source) where the Village pledges revenue derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the fiscal year are as follows:

\$3,805,000 Electric General Obligation Refunding Bond (Alternate Revenue Source, Series 2014, for the purpose of refunding certain prior bonds of the Village, payable through November 1, 2028 in various amounts ranging from \$105,000 to \$336,000; interest rates ranging from 2.96 % to 3.78%	<u>\$ 2,858,000</u>
---	---------------------

Future principal and interest payments on the general obligation (alternate revenue source) bonds are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 260,000	\$ 97,555	\$ 357,555
2020	263,000	89,391	352,391
2021	273,000	81,081	354,081
2022	279,000	72,126	351,126
2023	295,000	62,807	357,807
2024 - 2028	1,383,000	153,991	1,536,991
2029	105,000	3,969	108,969
Total	<u>\$ 2,858,000</u>	<u>\$ 560,920</u>	<u>\$ 3,418,920</u>



**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Business-type activities – Continued

Water Shop Building Note

On October 15, 2014, the Village entered into an agreement with a financial institution to finance costs associated with the construction of a shop building for the street and water departments. The Village borrowed \$460,000 at an interest rate of 1.74% to be paid in monthly installments of \$4,185 beginning November 15, 2014, with a final payment due October 15, 2024. The assets and related obligation have been allocated half to the General Fund and half to the Waterworks and Sewerage Fund. The principal balance for the governmental activities as of April 30, 2018 is \$154,033 and the principal balance for the business-type activities as of April 30, 2018 is \$154,033 for a combined total of \$308,066. Future principal and interest payments on the notes payable are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 22,575	\$ 2,532	\$ 25,107
2020	22,966	2,141	25,107
2021	23,382	1,725	25,107
2022	23,796	1,311	25,107
2023	24,219	888	25,107
2024-2025	37,095	521	37,616
Total	<u>\$ 154,033</u>	<u>\$ 9,118</u>	<u>\$ 163,151</u>

Ground Storage Loan

On May 23, 2013, the Village entered into an agreement with a financial institution to finance costs associated with improvements to the above ground storage tank. The Village borrowed \$243,100 at an interest rate of 2.00% to be paid in monthly installments of \$4,264 beginning May 23, 2013, with a final payment due May 23, 2018. The assets and related obligation have been allocated to the Waterworks and Sewerage Fund. The principal balance for the business-type activities as of April 30, 2018 was \$4110. Future principal and interest payments on the notes payable are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 4,110	\$ 7	\$ 4,117
Total	<u>\$ 4,110</u>	<u>\$ 7</u>	<u>\$ 4,117</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Business-type activities – Continued

Water Promissory Note, Series 2014

On March 7, 2014, the Village entered into an agreement with a financial institution to finance the costs of a settlement agreement with the City of Springfield, Illinois. The Village borrowed \$710,000 at an interest rate of 1.25 percent to be paid in semi-annual interest payments payable on August 1 and February 1 of each year beginning August 1, 2014. Principal will be paid in installments on February 1 of each of the years until maturity February 1, 2024. The interest rate remains fixed until January 31, 2019 and thereafter, the rate will change to a floating rate equal to the Prime Rate minus 2% not to exceed 2.25%. The principal balance for the business-type activities as of April 30, 2018 was \$436,537. The related obligation has been allocated to the Waterworks and Sewerage Fund. Future principal and interest payments on the notes payable are as follows:

<u>Years ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 70,516	\$ 5,456	\$ 75,972
2020	69,983	8,236	78,219
2021	71,558	6,660	78,218
2022	73,168	5,050	78,218
2023	74,814	3,404	78,218
2024	76,499	1,720	78,219
Total	<u>\$ 436,538</u>	<u>\$ 30,526</u>	<u>\$ 467,064</u>

Capital Leases

The Village is obligated under an equipment lease accounted for as a capital lease. The leased asset (aerial truck) and related obligation are accounted for as business-type activities. The asset under the capital lease net of depreciation totaled \$26,751 at April 30, 2018. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at April 30, 2018:

Years ended April 30,

2019	\$ 23,173
2020	<u>5,636</u>
Future minimum lease payments	28,809
Less: Amount representing interest	<u>307</u>
Present value of minimum lease payments	<u>\$ 28,502</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. LONG-TERM DEBT (Continued)**

Business-type activities – Continued

Capital Leases – Continued

The Village is obligated under a vehicle lease accounted for as a capital lease. The leased asset (sewer vac truck) and related obligation are accounted for as business-type activities. The asset under the capital lease net of depreciation totaled \$294,937 at April 30, 2018. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments at April 30, 2018:

Year ending April 30,

2019	\$ 65,960
2020	65,960
2021	65,960
2022	<u>65,960</u>
Future minimum lease payments	263,840
Less: Amount representing interest	<u>17,653</u>
Present value of minimum lease payments	<u>\$ 246,187</u>

Following is a summary of the changes that occurred to the liabilities reported in the business-type activities of the Village for the year ended April 30, 2018.

	<u>Balance</u>			<u>Balance</u>
	<u>May 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>April 30, 2018</u>
G.O. bonds (Alternate Revenue Source)	\$ 3,105,000	\$ -	\$ 247,000	\$ 2,858,000
Notes payable	737,040	-	142,359	594,681
Capital leases	52,511	312,147	89,969	274,689
Net pension liability	1,715,592	-	999,714	715,878
Net OPEB obligation	265,224	52,564	-	317,788
Compensated absences	245,213	252,088	245,213	252,088
	<u>\$ 6,120,580</u>	<u>\$ 616,799</u>	<u>\$ 1,724,255</u>	<u>\$ 5,013,124</u>

Following are business-type activities obligations due within one year:

G.O. bonds (Alternate Revenue Source)	\$ 260,000
Notes payable	97,201
Capital leases	81,869
Compensated absences	<u>11,219</u>
Total	<u>\$ 450,289</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**7. PLEDGED REVENUES**

The Village has pledged all revenue from the Village’s Electric operations to repay the \$3,805,000 Electric General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 through fiscal year 2029. The total principal and interest remaining to be paid on the bonds is \$3,418,920. Principal and interest paid and total revenues for fiscal year 2018 were \$352,286 and \$10,140,071, respectively.

**8. INTERFUND BALANCES**

Interfund receivable and payable balances at April 30, 2018 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Aggregate Nonmajor Governmental Fund	\$ 45,665	\$ -
Aggregate Nonmajor Governmental Fund:		
General Fund	-	45,665
Total	<u>\$ 45,665</u>	<u>\$ 45,665</u>

The purposes of the interfund receivable and payable balances are as follows:

- \$45,665 due from the Aggregate Nonmajor Governmental funds to the General fund. \$45,011 of the balance is due from the Motor Fuel Tax Fund to the General Fund for Village labor and equipment used for the MFT Program. \$654 of the balance is due from the Police and Public Works fund to the General fund as the result of an excess amount being transferred between the funds during the year. The Village expects these interfund receivables/payables to be liquidated within one year.

	<u>Interfund Advance Receivables</u>	<u>Advance Payables</u>
Electric Fund:		
Waterworks and Sewerage Fund	\$ 358,828	\$ -
Waterworks and Sewerage Fund:		
Electric Fund	-	358,828
Total	<u>\$ 358,828</u>	<u>\$ 358,828</u>

- \$358,828 due from the Waterworks and Sewerage fund to the Electric fund for paying operations costs of the Waterworks and Sewerage fund. The Village does not expect the interfund advance receivable/payable will be liquidated within one year.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**9. RETIREMENT PLANS**

Illinois Municipal Retirement Fund

*Plan Description.* The Village of Chatham's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Plan Administration.* All Village employees (other than those covered by the Police 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, and benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership.* At December 31, 2017, the date of the most recent actuarial valuation, the IMRF membership consisted of:

Retirees and beneficiaries currently receiving benefits	30
Inactive employees entitled to, but not yet receiving benefits	9
Active plan members	<u>36</u>
Total	<u>75</u>

*Benefits Provided.* IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. RETIREMENT PLANS (Continued)**

Illinois Municipal Retirement Fund – Continued

*Contributions.* As set by statute, the Village’s plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2018 and 2017 was 14.09% and 15.36%, respectively, of payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, with supplemental retirement benefits rate being set by statute.

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

*Actuarial Assumptions.* The following are the methods and assumptions used to determine the total pension liability as of December 31, 2017.

Actuarial valuation date	December 31, 2017
Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Price inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.50%

Retirement Age - Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

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

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. RETIREMENT PLANS (Continued)**

Illinois Municipal Retirement Fund – Continued

*Single Discount Rate.* A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made rates equal to the difference between actuarially determine 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) 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 this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

*Changes in the Net Pension Liability.*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2017	\$ 12,080,813	\$ 9,304,551	\$ 2,776,262
Changes for the period:			
Service cost	244,533	-	244,533
Interest	898,328	-	898,328
Difference between expected and actual experience	(516,855)	-	(516,855)
Changes in assumptions	(410,496)	-	(410,496)
Employer contributions	-	355,417	(355,417)
Employee contributions	-	136,795	(136,795)
Net investment income	-	1,306,357	(1,306,357)
Benefit payments and refunds	(450,749)	(450,749)	-
Other	-	45,042	(45,042)
Net changes	(235,239)	1,392,862	(1,628,101)
Balances at December 31, 2017	\$ 11,845,574	\$ 10,697,413	\$ 1,148,161

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. RETIREMENT PLANS (Continued)**

Illinois Municipal Retirement Fund – Continued

*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 of 7.50% as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 2,921,779	\$ 1,148,161	\$ (297,973)

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended April 30, 2018, the Village reported recognized pension expense of \$116,080. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 373,860	\$ 768,408
Changes in assumption	18,472	396,414
Net difference between projected and actual earnings on pension plan investments	-	481,258
Contributions made after measurement date	112,117	-
<b>TOTAL</b>	<b>\$ 504,449</b>	<b>\$ 1,646,080</b>



**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. RETIREMENT PLANS (Continued)**

Illinois Municipal Retirement Fund – Continued

\$112,117 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year ended April 30,	
2019	\$ (170,591)
2020	(170,593)
2021	(290,237)
2022	(340,225)
2023	(199,269)
Thereafter	<u>(82,833)</u>
<b>TOTAL</b>	<b><u><u>\$ (1,253,748)</u></u></b>

Police Pension Fund

*Plan Description.* Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single employer pension plan. The plan issues an annual report to the Illinois Department of Insurance; however, they do not issue their own stand-alone financial statements. The Village accounts for the plan as a pension trust fund and the plan is governed by a five-member Board. Two members are elected from active officers, two are appointed by the Village President, and one is elected from retired members. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

*Plan Membership.* At April 30, 2018, the date of the most recent actuarial valuation, the Police Pension membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members, but not yet receiving benefits	1
Active plan members	<u>16</u>
Total	<u><u>22</u></u>

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**9. RETIREMENT PLANS (Continued)**

Police Pension Fund – Continued

*Benefits Provided.* The Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 3.0% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% 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 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) 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 officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the 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's annual contribution to the plan is provided by property tax levy. These taxes are required to be of an amount necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, The Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. There is no formal funding policy that exists between the Pension Board and the Village. The informal funding policy that has been determined for future contributions is 100.09% of the actuarially determined contribution which is based on 100% amortization of the unfunded actuarially accrued liability. For the year ended April 30, 2018, the Village's contribution was 42.39% of covered payroll.

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. RETIREMENT PLANS (Continued)**

Police Pension Fund – Continued

*Net Pension Liability.* The Village’s net pension liability was measured as of May 1, 2018. The total pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The following are the methods and assumptions used to determine the total pension liability as of April 30, 2018.

Actuarial valuation date	May 1, 2018
Actuarial cost method	Entry Age Normal
Asset Valuation	Market Value
Salary increases	4.00% to 21.25%
Increase in total payroll	3.25%
Price inflation	2.50%
Percent married	85.0%

Mortality rates were based on L&A 2016 Illinois Police Mortality Rates. Retirement rates were based on L&A Illinois Police Retirement Rates Capped at age 65.

All economic assumption rates are assumed to be annual rates, compounded on an annual basis.

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate. There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes.

Assumptions were changed from the prior year. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index which is unchanged from the prior year

The rates provided in the table below are based on an arithmetic average.

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Equities	10.00%	2.90%	7.10%	45.00%
Fixed Income	5.10%	2.90%	2.20%	52.50%
Cash	3.40%	2.90%	0.50%	2.50%

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**9. RETIREMENT PLANS (Continued)**

Police Pension Fund – Continued

*Discount Rate.* The discount rate used in the determination of the Total Pension Liability 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 municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.25%; the municipal bond rate is 3.97% based on the Bond Buyer G.O. 20-Bond Municipal Bond Index; and the resulting single discount rate is 6.25%.

*Changes in the Net Pension Liability.*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at May 1, 2017	\$ 11,969,325	\$ 6,651,135	\$ 5,318,190
Changes for the period:			
Service cost	365,889	-	365,889
Interest	737,681	-	737,681
Actual experience	14,574	-	14,574
Employer contributions	-	530,523	(530,523)
Employee contributions	-	118,016	(118,016)
Net investment income	-	363,359	(363,359)
Benefit payments and refunds	(332,855)	(332,855)	-
Administrative expense	-	(15,672)	15,672
Net changes	785,289	663,371	121,918
Balances at April 30, 2018	\$ 12,754,614	\$ 7,314,506	\$ 5,440,108

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**9. RETIREMENT PLANS (Continued)**

Police Pension Fund – Continued

*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 of 6.25% as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate.

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net pension liability (asset)	\$ 7,737,358	\$ 5,440,108	\$ 3,618,616

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended April 30, 2018, the Village reported recognized pension expense of \$238,445.

At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 194,396	\$ -
Changes in assumption	701,224	-
Net difference between projected and actual earnings on pension plan investments	154,220	-
<b>TOTAL</b>	<b>\$ 1,049,840</b>	<b>\$ -</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Police Pension will be recognized in pension expense as follows:

Year ended April 30,	
2019	\$ 192,814
2020	192,814
2021	109,129
2022	129,967
2023	117,626
Thereafter	307,490
<b>TOTAL</b>	<b>\$ 1,049,840</b>

**10. OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for 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 union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

The Village provides post retirement health benefits, as per the requirements of local ordinances and labor agreements. Retirees covered under the International Brotherhood of Electrical Workers, Local Number 51 and the International Union of Operating Engineers, Local 965 AFL-CIO, are eligible to continue their health care coverage with the Village's carrier. The Village will pay the retirees single medical insurance coverage provided the employee is not eligible from other sources as per the following schedule upon retirement until said employee is eligible for Medicare benefits.

If the employee is eligible for coverage from other sources, the Village will pay that amount provided it does not exceed the amount the Village regularly pays for single member premium coverage. If the premium contribution exceeds the costs of the Village contribution, the retiree will be eligible to remain on the Village plan. To be eligible for this benefit, the retiree shall be at least fifty-five years of age and has been an employee of the Village for a minimum of 10 years.

10 years of employment with the Village = 25% of single medical coverage premium  
15 years of employment with the Village = 50% of single medical coverage premium  
20 years of employment with the Village = 100% of single medical coverage premium

All other Village retirees are eligible to continue their health coverage with the Village's carrier, provided the employee has completed a minimum of 20 years of service and is not eligible for equal insurance from another source. The Village will pay the cost for medical insurance until the retiree is eligible for Medicare, provided the cost does not exceed the amount the Village regularly pays for single member premium coverage.

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Membership

At May 1, 2017 (latest information available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	7
Terminated employees entitled to benefits but not yet receiving them	-
Active plan members	<u>51</u>
 TOTAL	 <u><u>58</u></u>

Funding Policy

The Village negotiates the contribution percentages between the Village and employees through union contracts and personnel policy. The Village contributes the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended April 30, 2018, the Village contributed \$144,528.

Annual OPEB costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the plan as of May 1, 2017 to determine the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2018. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2016, 2017 and 2018 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2016	\$ 371,697	\$ 53,696	14.45%	\$ 832,703
April 30, 2017	\$ 384,434	\$ 77,037	20.04%	\$ 976,060
April 30, 2018	\$ 298,391	\$ 61,193	20.05%	\$ 1,129,924

**VILLAGE OF CHATHAM, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Annual OPEB costs and Net OPEB Obligation – Continued

The net OPEB obligation (NOPEBO) at April 30, 2018 was calculated as follows:

Annual required contribution	\$ 294,324
Interest on net OPEB obligation	36,602
Adjustment to annual required contribution	<u>(32,535)</u>
Annual OPEB cost	298,391
Contributions made	<u>(144,528)</u>
Increase in net OPEB obligation	153,863
Net OPEB obligation beginning of year	<u>976,061</u>
<b>NET OPEB OBLIGATION END OF YEAR</b>	<b><u>\$ 1,129,924</u></b>

*Funded Status and Funding Progress.* The funded status of the plan as of May 1, 2017 (latest information available), was as follows:

Actuarial accrued liability (AAL)	\$ 3,536,809
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 3,536,809
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	Not Available
UAAL as a percentage of covered payroll	Not Available

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



**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

In the May 1, 2017 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 3.75% investment rate of return and an annual healthcare cost trend rate of 7.60% with an ultimate healthcare inflation rate of 5.00%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2018, was 30 years.

*Allocation of post employment benefits.* The Village's allocations of its OPEB to the Village's functions are as follows:

Governmental Activities:	
General government	\$ 48,357
Cemetery	2,187
Culture and recreation	34,995
Public safety	668,637
Public works/transportation	57,960
Business activities:	
Electric	194,452
Waterworks and sewerage	123,336
	<u>\$ 1,129,924</u>

**11. 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. To insure against the losses, the Village participates in the Illinois Counties Risk Management Trust (ICRMT), a public entity risk pool with transfers of risk. The Village pays an annual premium to ICRMT for its coverage. Employee health risks are insured through the purchase of a commercial insurance plan. In addition, the Village has workers compensation coverage through the Illinois Public Risk Fund. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**12. JOINT VENTURE**

During fiscal year 2009, the Village, along with the Village of New Berlin, Illinois, established the South Sangamon Water Commission. The Commission is a municipal corporation established pursuant to the provisions of the Water Commission Act of the State of Illinois (65 ILCS 5/11-135-1 et. seq.) for the purpose of constructing and operating a water supply distribution system serving its customers.

During fiscal year 2010, the Village entered into a wholesale water agreement with the South Sangamon Water Commission whereby the Water Commission will supply water to the Village until December 31, 2040, or 5 years after the expiration of the original issue of the Commission's bonds, whichever is later. The agreement became effective when the treatment plant commenced operations in May 2012. Under this agreement, the Village paid \$2,947,481 to the Commission during fiscal year 2018 for the purchase of water.

The Commission's fiscal year end is April 30. Separate financial statements are available for the Commission by contacting the South Sangamon Water Commission. Summarized financial information of the Commission as of and for the year ended April 30, 2018, follows:

Statement of Net Position Information:

Assets:

Current assets	\$ 420,134
Restricted assets	2,227,415
Property and equipment, net	28,921,484
Net pension asset	14,795
Deferred outflows of resources	<u>515</u>
Total assets and deferred outflows of resources	<u>\$ 31,584,343</u>

Liabilities and net position:

Current liabilities	\$ 1,506,927
Noncurrent liabilities	31,025,724
Deferred inflows of resources	37,419
Net position	<u>(985,727)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 31,584,343</u>

**VILLAGE OF CHATHAM, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**12. JOINT VENTURE (Continued)**

Statement of Revenues, Expenses, and Changes in Net Position	
Operating revenue	\$ 3,172,589
Operating expenses	<u>2,227,786</u>
Operating income	944,803
Nonoperating revenue	18,642
Nonoperating expense	(1,675,000)
Capital contributions	<u>474,101</u>
Change in net position	(237,454)
Net position, beginning	<u>(748,273)</u>
Net position, ending	<u>\$ (985,727)</u>

**13. CONTINGENCIES**

The Village is subject litigation over a tax increment financing redevelopment agreement where the plaintiffs are seeking specific performance of the agreement whereby the Village agreed to reimburse the plaintiffs a portion of their development costs. The Village intends to move to dismiss the case. The outcome is unknown at April 30, 2018.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF CHATHAM, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Calendar Years

<b>MEASUREMENT DATE DECEMBER 31</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 244,533	\$ 249,095	\$ 248,975
Interest	898,328	882,777	782,200
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(516,855)	(469,473)	681,972
Changes of assumptions	(410,496)	(68,605)	33,697
Benefit payments, including refunds of member contributions	(450,749)	(443,799)	(297,513)
	(235,239)	149,995	1,449,331
Total pension liability - beginning	<u>12,080,813</u>	<u>11,930,818</u>	<u>10,481,487</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b><u>\$ 11,845,574</u></b>	<b><u>\$ 12,080,813</u></b>	<b><u>\$ 11,930,818</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 355,417	\$ 339,165	\$ 425,528
Contributions - member	136,795	108,548	114,457
Net investment income	1,306,357	594,756	43,111
Benefit payments, including refunds of member contributions	(450,749)	(443,799)	(297,513)
Other income (expense)	45,042	61,553	(142,279)
	1,392,862	660,223	143,304
Plan fiduciary net position - beginning	<u>9,304,551</u>	<u>8,644,328</u>	<u>8,501,024</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b><u>\$ 10,697,413</u></b>	<b><u>\$ 9,304,551</u></b>	<b><u>\$ 8,644,328</u></b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b><u>\$ 1,148,161</u></b>	<b><u>\$ 2,776,262</u></b>	<b><u>\$ 3,286,490</u></b>
Plan fiduciary net position as a percentage of the total pension liability	90.31%	77.02%	72.45%
Covered-employee payroll	\$ 2,313,911	\$ 2,263,499	\$ 2,443,509
Employer's net pension liability (asset) as a percentage of covered-employee payroll	49.62%	122.65%	134.50%

Year Ended December 31, 2017 - Changes in assumptions related to price inflation, salary increases, retirement age and mortality were made since the prior measurement date. Price inflation and salary increases decreased from 2.75% and 3.75% - 14.50% to 2.50% and 3.39% - 14.25%, respectively. Retirement age assumptions were updated from the 2014 valuation pursuant to an experience study of the period 2011-2013 to the 2017 valuation pursuant to an experience study of the period 2014-2016. Mortality assumptions were updated to include mortality improvements as stated in the most recently released MP-2017 table.

Year Ended December 31, 2016 - Changes in assumptions related to investment rate of return and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

VILLAGE OF CHATHAM, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
POLICE PENSION TRUST FUND

Last Four Fiscal Years

MEASUREMENT DATE MAY 1	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 365,889	\$ 344,366	\$ 306,768	\$ 330,691
Interest	737,681	670,000	582,946	491,643
Differences between expected and actual experience	14,574	98,527	143,983	675,793
Changes of assumptions	-	291,257	659,242	525,246
Benefit payments, including refunds of member contributions	(332,855)	(309,649)	(290,496)	(211,806)
	785,289	1,094,501	1,402,443	1,811,567
Total pension liability - beginning	11,969,325	10,874,824	9,472,381	7,660,814
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 12,754,614</b>	<b>\$ 11,969,325</b>	<b>\$ 10,874,824</b>	<b>\$ 9,472,381</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 530,523	\$ 510,127	\$ 326,628	\$ 341,113
Contributions - member	118,016	111,324	108,237	107,716
Net investment income	363,359	480,550	(52,244)	295,773
Benefit payments, including refunds of member contributions	(332,855)	(309,649)	(290,496)	(211,806)
Administrative expense	(15,672)	(13,463)	(13,674)	(4,221)
	663,371	778,889	78,451	528,575
Plan fiduciary net position - beginning	6,651,135	5,872,246	5,793,795	5,265,220
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 7,314,506</b>	<b>\$ 6,651,135</b>	<b>\$ 5,872,246</b>	<b>\$ 5,793,795</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 5,440,108</b>	<b>\$ 5,318,190</b>	<b>\$ 5,002,578</b>	<b>\$ 3,678,586</b>
Plan fiduciary net position as a percentage of the total pension liability	57.35%	55.57%	54.00%	61.17%
Covered-employee payroll	\$ 1,251,466	\$ 1,212,074	\$ 1,185,936	\$ 1,136,776
Employer's net pension liability (asset) as a percentage of covered-employee payroll	434.70%	438.77%	421.83%	323.60%

Year ended April 30, 2018 - The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97%

Year ended April 30, 2017 - Changes in assumptions related to the bond rate and mortality were made since the prior measurement date. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82%. Also, mortality assumptions were updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis.

Year ended April 30, 2016 - Changes in assumptions related to the bond rate, discount rate and demographics were made since the prior measurement date. The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.62% to 3.32%. The single discount rate used was changed from 6.50% to 6.25%. Also, changes to demographic assumptions were made based on a study of Police officers and Police Pension Funds in Illinois. The change in demographic assumptions impacted mortality rates, mortality improvement rates, retirements rates, disability rates, and termination rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

**VILLAGE OF CHATHAM, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 351,115	\$ 330,816	\$ 332,775
Contributions in relation to the actuarially determined contribution	<u>351,115</u>	<u>330,774</u>	<u>332,775</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,351,697	\$ 2,273,112	\$ 2,446,564
Contributions as a percentage of covered-employee payroll	14.93%	14.55%	13.60%

Notes to schedule:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

**VILLAGE OF CHATHAM, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION TRUST FUND**

Last Four Fiscal Years

<b><u>FISCAL YEAR ENDING APRIL 30</u></b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 531,274	\$ 510,280	\$ 327,052	\$ 306,391
Contributions in relation to the actuarially determined contribution	<u>530,523</u>	<u>510,127</u>	<u>326,628</u>	<u>341,113</u>
Contribution deficiency (excess)	<u>\$ 751</u>	<u>\$ 153</u>	<u>\$ 424</u>	<u>\$ (34,722)</u>
Covered-employee payroll	\$ 1,251,466	\$ 1,212,074	\$ 1,185,936	\$ 1,136,776
Contributions as a percentage of covered-employee payroll	42.39%	42.09%	27.54%	30.01%

Notes to schedule:

Information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 18 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 6.25% annually, and projected salary increases assumption of 4.00% to 21.25% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.



**VILLAGE OF CHATHAM, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS PLAN**

April 30, 2018

---

<u>Fiscal Year Ending</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2018	\$ 61,193	\$ 294,324	20.79%	\$ 1,129,924
2017	77,037	399,281	19.29%	976,061
2016	53,696	383,924	13.99%	832,703
2015	30,727	369,158	8.32%	685,775
2014	17,099	173,077	9.88%	535,093
2013	17,099	173,077	9.88%	376,604

**VILLAGE OF CHATHAM, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**

April 30, 2018

---

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
5/1/17	\$ -	\$ 3,536,809	\$ 3,536,809	0.00%	N/A	N/A
5/1/16	N/A	N/A	N/A	N/A	N/A	N/A
5/1/15	N/A	N/A	N/A	N/A	N/A	N/A
5/1/14	-	3,357,485	\$ 3,357,485	0.00%	3,530,993	95.09%
4/30/14	N/A	N/A	N/A	N/A	N/A	N/A
4/30/13	N/A	N/A	N/A	N/A	N/A	N/A

N/A Information is not available as an actuarial valuation was not performed.

**VILLAGE OF CHATHAM, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION TRUST FUND**

Last Four Fiscal Years

---

<b><u>FISCAL YEAR ENDING APRIL 30</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Annual money-weighted rate of return	5.23%	7.85%	-0.80%	5.21%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Over/(Under)
<b>REVENUES</b>				
Property taxes	\$ 1,218,982	\$ 1,218,982	\$ 1,217,149	\$ (1,833)
Replacement tax	3,000	3,000	2,381	(619)
Road and bridge taxes	20,000	20,000	22,130	2,130
Local use tax	290,950	290,950	298,323	7,373
Telecommunications tax	227,750	227,750	185,859	(41,891)
Gaming tax	67,000	67,000	87,064	20,064
Franchise fees	237,500	237,500	251,727	14,227
Business licenses	21,000	21,000	22,390	1,390
Building and zoning fees	87,200	87,200	69,029	(18,171)
Fines	83,000	83,000	82,085	(915)
Recreation program fees and contributions	33,500	33,500	32,013	(1,487)
Cemetery fees	13,150	13,150	13,475	325
Charges for services	17,400	17,400	20,410	3,010
Administration fee	205,000	205,000	205,000	-
Investment income	4,700	4,700	6,211	1,511
Other	94,100	94,100	73,364	(20,736)
Intergovernmental revenues	2,064,500	2,064,500	1,970,628	(93,872)
Federal grants	19,000	19,000	13,184	(5,816)
<b>Total revenues</b>	<b>4,707,732</b>	<b>4,707,732</b>	<b>4,572,422</b>	<b>(135,310)</b>
<b>EXPENDITURES</b>				
General government:				
Salaries and overtime	253,200	199,450	185,817	(13,633)
Village officials	53,000	53,000	52,750	(250)
Other payroll expenditures	116,200	87,750	80,563	(7,187)
Travel and training	13,000	9,000	4,785	(4,215)
Legal fees	100,000	165,000	149,889	(15,111)
Professional services	192,961	200,161	149,700	(50,461)
Accounting and auditing fees	2,850	2,850	2,700	(150)
Building and grounds maintenance	23,968	19,968	11,932	(8,036)
Vehicle and equipment maintenance	2,258	2,258	565	(1,693)
Office expenditures	30,450	25,450	17,969	(7,481)
IT & GIS	41,524	41,524	26,338	(15,186)
Code enforcement	45,350	57,350	49,275	(8,075)
General insurance	28,920	31,920	28,291	(3,629)
Emergency services	25,250	25,250	20,000	(5,250)
Refunds	4,000	4,000	2,065	(1,935)
<b>Total general government</b>	<b>932,931</b>	<b>924,931</b>	<b>782,639</b>	<b>(142,292)</b>

(continued)

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Over/(Under)
<b>Cemetery:</b>				
Salaries and overtime	\$ 28,150	\$ 18,150	\$ 13,815	\$ (4,335)
Other payroll expenditures	7,360	7,360	5,324	(2,036)
Building and grounds maintenance	13,445	13,445	11,545	(1,900)
<b>Total cemetery</b>	<b>48,955</b>	<b>38,955</b>	<b>30,684</b>	<b>(8,271)</b>
<b>Culture and recreation:</b>				
Salaries and overtime	257,000	257,000	233,236	(23,764)
Other payroll expenditures	94,540	94,540	82,984	(11,556)
Travel and training	500	500	80	(420)
Building and grounds maintenance	82,114	54,214	39,918	(14,296)
Program expenditures	31,846	31,846	30,076	(1,770)
4th of July	7,000	7,400	7,400	-
Vehicle and equipment maintenance	20,800	22,800	17,896	(4,904)
Office expenditures	1,373	1,873	1,673	(200)
Equipment purchase	30,489	30,489	2,036	(28,453)
Uniforms and supplies	5,388	5,388	2,895	(2,493)
<b>Total culture and recreation</b>	<b>531,050</b>	<b>506,050</b>	<b>418,194</b>	<b>(87,856)</b>
<b>Public safety:</b>				
Salaries and overtime	1,692,000	1,675,000	1,467,784	(207,216)
Other payroll expenditures	551,500	551,500	509,128	(42,372)
Travel and training	14,000	14,000	13,501	(499)
Professional services	5,246	5,246	1,657	(3,589)
Building and grounds maintenance	8,925	8,925	4,977	(3,948)
Vehicle and equipment maintenance	49,400	49,400	42,819	(6,581)
Office expenditures	50,684	51,684	46,347	(5,337)
IT	13,908	16,908	13,964	(2,944)
General insurance	43,284	48,284	46,017	(2,267)
Equipment purchase	38,403	46,403	44,780	(1,623)
Pension contribution	531,274	531,274	530,455	(819)
Uniforms and supplies	32,700	32,700	27,430	(5,270)
Crime prevention	29,560	29,560	4,652	(24,908)
<b>Total public safety</b>	<b>3,060,884</b>	<b>3,060,884</b>	<b>2,753,511</b>	<b>(307,373)</b>

(continued)

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Over/(Under)
Public works/transportation:				
Employee salaries and overtime	\$ 285,659	\$ 269,659	\$ 237,177	\$ (32,482)
Other payroll expenditures	135,177	143,677	126,995	(16,682)
Travel and training	500	500	-	(500)
Building and ground maintenance	20,810	20,810	16,500	(4,310)
Vehicle and equipment maintenance	50,906	78,906	78,071	(835)
General insurance	22,544	22,544	21,758	(786)
Equipment purchase	6,300	9,800	9,185	(615)
Uniforms and supplies	11,385	14,385	12,903	(1,482)
Street maintenance	4,942	12,942	8,286	(4,656)
Office expenditures	1,011	1,011	575	(436)
<b>Total public works/transportation</b>	<b>539,234</b>	<b>574,234</b>	<b>511,450</b>	<b>(62,784)</b>
Debt service				
Principal	42,718	42,687	42,687	-
Interest	15,434	15,465	15,462	(3)
<b>Total debt service</b>	<b>58,152</b>	<b>58,152</b>	<b>58,149</b>	<b>(3)</b>
Capital outlays:				
Equipment purchase	25,929	33,929	33,853	(76)
<b>Total expenditures</b>	<b>5,197,135</b>	<b>5,197,135</b>	<b>4,588,480</b>	<b>(608,655)</b>
EXCESS OR DEFICIENCIES OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(489,403)	(489,403)	(16,058)	473,345
OTHER FINANCING SOURCES (USES)				
Transfer out	(513,000)	(513,000)	-	-
<b>Total other financing (uses)</b>	<b>(513,000)</b>	<b>(513,000)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,002,403)</b>	<b>\$ (1,002,403)</b>	<b>(16,058)</b>	<b>\$ 473,345</b>
				(concluded)
FUND BALANCE - MAY 1, 2017			2,344,325	
FUND BALANCE - APRIL 30, 2018			<u>\$ 2,328,267</u>	

VILLAGE OF CHATHAM, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2018

---

**1. BUDGETARY CONTROLS**

The President and Board of Trustees legally enact the budget through passage of an ordinance which is developed on the modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Permanent Fund and the accrual basis of accounting for the Proprietary Funds and the Fiduciary Funds. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by operational line item which constitutes the legal level of control. Expenditures may not exceed appropriations. All budget revisions must be approved by the Board of Trustees. The budget lapses at year end. The Village has adopted an annual budget for all funds.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



VILLAGE OF CHATHAM, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2018

	Special Revenue				Capital Projects	Permanent	Total
	Motor Fuel Tax	Veteran's Memorial Brick	Yard Waste, Recycling and Refuse	Police and Public Works Utility Tax	Capital Projects	Cemetery Trust	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 255,605	\$ 11,927	\$ 318,488	\$ 4,713	\$ 110,944	\$ 439,639	\$ 1,141,316
Taxes receivable	26,327	-	-	-	-	-	26,327
Other receivables	-	-	12,640	-	-	1,163	13,803
Total current assets	<u>281,932</u>	<u>11,927</u>	<u>331,128</u>	<u>4,713</u>	<u>110,944</u>	<u>440,802</u>	<u>1,181,446</u>
<b>TOTAL ASSETS</b>	<u>\$ 281,932</u>	<u>\$ 11,927</u>	<u>\$ 331,128</u>	<u>\$ 4,713</u>	<u>\$ 110,944</u>	<u>\$ 440,802</u>	<u>\$ 1,181,446</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 6,235	\$ -	\$ 1,735	\$ -	\$ 20,310	\$ -	\$ 28,280
Accrued payroll	-	-	939	-	-	-	939
Payroll tax liabilities	-	-	201	-	-	-	201
Due to other funds	45,011	-	-	654	-	-	45,665
<b>TOTAL LIABILITIES</b>	<u>51,246</u>	<u>-</u>	<u>2,875</u>	<u>654</u>	<u>20,310</u>	<u>-</u>	<u>75,085</u>
<b>FUND BALANCE</b>							
Nonspendable							
Corpus of permanent fund	-	-	-	-	-	368,055	368,055
Restricted							
Public works	230,686	-	-	-	-	-	230,686
Unrestricted							
Committed							
Veteran's memorial brick	-	11,927	-	-	-	-	11,927
Yard waste	-	-	328,253	-	-	-	328,253
Public safety	-	-	-	2,268	-	-	2,268
Public works	-	-	-	1,791	-	-	1,791
Cemetery	-	-	-	-	-	72,747	72,747
Assigned							
Capital projects	-	-	-	-	90,634	-	90,634
Total fund balance	<u>230,686</u>	<u>11,927</u>	<u>328,253</u>	<u>4,059</u>	<u>90,634</u>	<u>440,802</u>	<u>1,106,361</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 281,932</u>	<u>\$ 11,927</u>	<u>\$ 331,128</u>	<u>\$ 4,713</u>	<u>\$ 110,944</u>	<u>\$ 440,802</u>	<u>\$ 1,181,446</u>

VILLAGE OF CHATHAM, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2018

	Special Revenue				Capital Projects	Permanent	Total
	Motor Fuel Tax	Veteran's Memorial Brick	Yard Waste, Recycling and Refuse	Police and Public Works Utility Tax	Capital Projects	Cemetery Trust	
REVENUES							
Motor fuel taxes	\$ 308,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,846
Telecommunications tax	-	-	-	46,464	-	-	46,464
Fees and service charges	-	550	140,049	-	-	9,600	150,199
Investment income	677	18	889	2	313	1,376	3,275
Total revenues	309,523	568	140,938	46,466	313	10,976	508,784
EXPENDITURES							
Current							
Cemetery	-	-	-	-	-	400	400
Culture and recreation	-	172	-	-	-	-	172
Public safety	-	-	-	25,354	-	-	25,354
Public works/transportation	426,791	-	89,291	23,672	-	-	539,754
Capital outlay	-	-	-	-	72,525	-	72,525
Total expenditures	426,791	172	89,291	49,026	72,525	400	638,205
NET CHANGE IN FUND BALANCE	(117,268)	396	51,647	(2,560)	(72,212)	10,576	(129,421)
FUND BALANCE - MAY 1, 2017	347,954	11,531	276,606	6,619	162,846	430,226	1,235,782
FUND BALANCE - APRIL 30, 2018	\$ 230,686	\$ 11,927	\$ 328,253	\$ 4,059	\$ 90,634	\$ 440,802	\$ 1,106,361

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2018

	Motor Fuel Tax		Veteran's Memorial Brick		Yard Waste, Recycling and Refuse		Police and Public Works Utility Tax	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Motor fuel tax	\$ 296,125	\$ 308,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecommunications tax	-	-	-	-	-	-	59,500	46,464
Fees and service charges	-	-	850	550	136,600	140,049	-	-
Investment income	800	677	20	18	700	889	-	2
Total revenues	<u>296,925</u>	<u>309,523</u>	<u>870</u>	<u>568</u>	<u>137,300</u>	<u>140,938</u>	<u>59,500</u>	<u>46,466</u>
EXPENDITURES								
Salaries and overtime	-	-	-	-	74,590	42,639	-	-
Other payroll expenditures	-	-	-	-	27,086	21,308	-	-
Street maintenance and improvements	437,295	385,580	-	-	-	-	-	-
Clean-up and beautification	-	-	-	-	16,000	11,100	-	-
Yard waste supplies and services	-	-	-	-	18,600	13,780	-	-
Professional services	44,797	41,211	-	-	-	-	-	-
Building and grounds maintenance	-	-	800	172	-	-	-	-
Equipment	-	-	-	-	-	-	64,140	49,026
Bad debt expese	-	-	-	-	1,000	464	-	-
Total expenditures	<u>482,092</u>	<u>426,791</u>	<u>800</u>	<u>172</u>	<u>137,276</u>	<u>89,291</u>	<u>64,140</u>	<u>49,026</u>
NET CHANGE IN FUND BALANCE	<u>\$ (185,167)</u>	<u>(117,268)</u>	<u>\$ 70</u>	<u>396</u>	<u>\$ 24</u>	<u>51,647</u>	<u>\$ (4,640)</u>	<u>(2,560)</u>
FUND BALANCE - MAY 1, 2017		<u>347,954</u>		<u>11,531</u>		<u>276,606</u>		<u>6,619</u>
FUND BALANCE - APRIL 30, 2018		<u>\$ 230,686</u>		<u>\$ 11,927</u>		<u>\$ 328,253</u>		<u>\$ 4,059</u>

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2018

	Capital Projects	
	Final Budget	Actual
<b>REVENUES</b>		
Investment income	\$ -	\$ 313
Total revenues	<u>-</u>	<u>313</u>
<b>EXPENDITURES</b>		
Construction	675,765	72,525
Total expenditures	<u>675,765</u>	<u>72,525</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	<u>(675,765)</u>	<u>(72,212)</u>
<b>OTHER FINANCING SOURCES</b>		
Transfer in	513,000	-
Total other financing sources	<u>513,000</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$ (162,765)</u></u>	 <u>(72,212)</u>
FUND BALANCE - MAY 1, 2017		<u>162,846</u>
FUND BALANCE - APRIL 30, 2018		<u><u>\$ 90,634</u></u>

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PERMANENT FUND

For the Year Ended April 30, 2018

	Cemetery Trust	
	Final Budget	Actual
REVENUES		
Fees and service charges	\$ 14,000	\$ 9,600
Investment income	1,200	1,376
Total revenues	<u>15,200</u>	<u>10,976</u>
EXPENDITURES		
Refund	<u>2,000</u>	<u>400</u>
Total expenditures	<u>2,000</u>	<u>400</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,200</u>	10,576
FUND BALANCE - MAY 1, 2017		<u>430,226</u>
FUND BALANCE - APRIL 30, 2018		<u>\$ 440,802</u>

**SUPPLEMENTARY FINANCIAL INFORMATION**

VILLAGE OF CHATHAM, ILLINOIS

COMPARATIVE STATEMENT OF NET POSITION  
ELECTRIC FUND

April 30, 2018

(With Comparative Actual Amounts for April 30, 2017)

	2018	2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,313,272	\$ 1,848,317
Restricted accounts - cash	199,883	228,667
Accounts receivable	739,547	982,389
Inventory	304,591	298,196
Total current assets	<u>3,557,293</u>	<u>3,357,569</u>
Other Assets:		
Interfund advance receivable	<u>358,828</u>	<u>358,828</u>
Total other assets	<u>358,828</u>	<u>358,828</u>
Capital Assets:		
Capital assets, not being depreciated	279,734	279,734
Property and equipment	20,127,101	19,557,779
Less: accumulated depreciation	<u>(9,146,776)</u>	<u>(8,622,481)</u>
Capital assets, net	<u>11,260,059</u>	<u>11,215,032</u>
Total assets	<u>15,176,180</u>	<u>14,931,429</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>200,972</u>	<u>421,911</u>
Total assets and deferred outflows of resources	<u>15,377,152</u>	<u>15,353,340</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	50,504	54,680
Accrued payroll	19,927	15,902
Accrued compensated absences payable	8,348	6,248
Unearned revenue	86,021	91,298
Due to other funds	-	33,732
Customer deposits	120,750	116,250
Accrued interest payable	48,778	52,643
Other payables	4,308	3,643
Current maturities of long term debt:		
G.O. bonds (Alternate Revenue Source) payable	260,000	247,000
Capital lease payable	<u>22,873</u>	<u>22,562</u>
Total current liabilities	<u>621,509</u>	<u>643,958</u>
Long-Term Liabilities:		
Accrued compensated absences payable	180,731	172,885
Net OPEB obligation	194,452	154,625
Net pension liability	457,427	1,104,303
G.O. bonds (Alternate Revenue Source) payable	2,598,000	2,858,000
Capital lease payable	<u>5,629</u>	<u>28,429</u>
Total long-term liabilities	<u>3,436,239</u>	<u>4,318,242</u>
Total liabilities	<u>4,057,748</u>	<u>4,962,200</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	<u>655,798</u>	<u>182,237</u>
Total liabilities and deferred inflows of resources	<u>4,713,546</u>	<u>5,144,437</u>
<b>NET POSITION</b>		
Investment in capital assets	8,373,557	8,059,041
Restricted for debt service	199,883	228,667
Unrestricted	<u>2,090,166</u>	<u>1,921,195</u>
Total net position	<u>\$ 10,663,606</u>	<u>\$ 10,208,903</u>

**VILLAGE OF CHATHAM, ILLINOIS**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
ELECTRIC FUND**

For the Year Ended April 30, 2018  
(With Comparative Actual Amounts for the Year Ended April 30, 2017)

---

	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>		
User charges	\$ 9,840,337	\$ 9,745,186
Other income	<u>299,734</u>	<u>375,541</u>
Total revenues	<u>10,140,071</u>	<u>10,120,727</u>
<b>OPERATING EXPENSES</b>		
Electricity purchases	6,721,366	6,477,381
Distribution and customer service	2,311,194	2,317,646
Depreciation	<u>557,837</u>	<u>541,770</u>
Total expenses	<u>9,590,397</u>	<u>9,336,797</u>
<b>OPERATING INCOME</b>	<u>549,674</u>	<u>783,930</u>
<b>NONOPERATING INCOME (EXPENSE)</b>		
Investment income	6,450	5,203
Interest expense	<u>(101,421)</u>	<u>(108,894)</u>
Total nonoperating (expense)	<u>(94,971)</u>	<u>(103,691)</u>
<b>CHANGE IN NET POSITION</b>	454,703	680,239
<b>NET POSITION - BEGINNING</b>	<u>10,208,903</u>	<u>9,528,664</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 10,663,606</u></u>	<u><u>\$ 10,208,903</u></u>



VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF OUTSTANDING BONDS  
GOVERNMENTAL ACTIVITIES

April 30, 2018

---

	General Obligation		Total Debt Service Requirements
	Bonds		
	Series, 2017		
	Principal	Interest	
2018-2019	\$ 19,000	\$ 14,337	\$ 33,337
2019-2020	19,500	13,769	33,269
2020-2021	20,500	13,186	33,686
2021-2022	21,000	12,573	33,573
2022-2023	21,500	11,945	33,445
2023-2024	22,000	11,302	33,302
2024-2025	23,000	10,644	33,644
2025-2026	23,500	9,957	33,457
2026-2027	24,000	9,254	33,254
2027-2028	25,000	8,537	33,537
2028-2029	25,500	7,789	33,289
2029-2030	26,500	7,027	33,527
2030-2031	27,500	6,234	33,734
2031-2032	28,000	5,412	33,412
2032-2033	29,000	4,575	33,575
2033-2034	29,500	3,708	33,208
2034-2035	30,500	2,826	33,326
2035-2036	31,500	1,914	33,414
2036-2037	32,500	972	33,472
	<u>\$ 479,500</u>	<u>\$ 155,961</u>	<u>\$ 635,461</u>

**VILLAGE OF CHATHAM, ILLINOIS**

**SCHEDULE OF OUTSTANDING BONDS  
BUSINESS-TYPE ACTIVITIES**

April 30, 2018

---

	Electric General Obligation (Alternative Revenue Source) Bonds, Series 2014		Total Debt Service Requirements
	<u>Principal</u>	<u>Interest</u>	<u></u>
2018-2019	\$ 260,000	\$ 97,555	\$ 357,555
2019-2020	263,000	89,391	352,391
2020-2021	273,000	81,081	354,081
2021-2022	279,000	72,126	351,126
2022-2023	295,000	62,807	357,807
2023-2024	306,000	52,719	358,719
2024-2025	314,000	42,192	356,192
2025-2026	321,000	31,234	352,234
2026-2027	336,000	19,870	355,870
2027-2028	106,000	7,976	113,976
2028-2029	105,000	3,969	108,969
	<u>\$ 2,858,000</u>	<u>\$ 560,920</u>	<u>\$ 3,418,920</u>

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF INVESTMENTS

April 30, 2018

	Cost	Fair Value	Interest Rate	Maturity
<b>Police Pension Fund</b>				
<u>Charles Schwab Account:</u>				
<b>Mutual Funds</b>				
<b>Equity Funds:</b>				
Champlain Small Company	\$ 244,294	\$ 322,787		
Harding Loevner Inst	135,000	184,836		
Ishares Core S & P 500	404,606	473,147		
Longleaf Partners Small	297,669	250,658		
Nuance Concentrated	200,000	213,470		
Oakmark Fund	297,388	386,779		
Primecap Odyssey Growth	264,000	423,118		
Tweedy Browne Global	255,670	281,682		
Vanguard FTSE Developed	255,647	305,784		
Russell 2000 ETF	275,185	316,153		
	<u>2,629,459</u>	<u>3,158,414</u>		
Total Equity Funds				
<b>Fixed Income:</b>				
<b>US Treasuries:</b>				
US Treasury Bill	149,572	149,584	1.68%	6/28/2018
INFL Index	104,107	101,856	0.03%	01/15/2025
INFL Index	102,921	106,379	0.06%	01/15/2024
	<u>356,600</u>	<u>357,819</u>		
Total US Treasuries				
<b>Agencies Securities</b>				
Federal Farm Credit	99,900	94,503	2.28%	12/16/2024
Federal Home Loan	100,000	97,594	2.65%	12/21/2023
Federal Home Loan	140,040	138,735	2.36%	11/17/2026
Federal Farm Credit	100,000	95,970	2.69%	6/19/2025
FHLB	124,913	119,439	2.64%	8/28/2025
FHLB	9,823	12,499	2.13%	12/13/2022
FED	99,770	97,157	2.90%	5/28/2025
FED	150,000	145,109	2.92%	12/5/2025
Financing Co Strip	108,730	108,460	0.00%	12/27/2018
	<u>933,176</u>	<u>909,466</u>		
Total Agency Securities				
<b>Corporate Bonds:</b>				
Apple Inc	50,230	49,852	2.85%	05/06/2021
Apple Inc	74,548	73,805	2.70%	05/13/2022
Apple Inc	152,964	146,672	3.20%	05/13/2025
Berkshire Hathaway	103,140	99,271	3.00%	05/15/2022
Berkshire Hathaway	50,507	50,125	2.90%	10/15/2020
Chevron Corporation	102,302	98,990	2.42%	11/17/2020
Chevron Corporation	100,908	98,402	3.33%	11/17/2025
Coca-Cola Company	45,173	44,857	3.20%	11/01/2023
Exxon Mobil Corp	100,196	97,940	2.73%	03/01/2023
Exxon Mobil Corp	105,882	99,553	3.18%	03/15/2024
General Electric	101,953	97,758	3.10%	01/09/2023
IBM Corp	51,444	51,173	7.63%	10/15/2018
IBM Corp	55,941	54,147	8.38%	11/01/2019
Microsoft Corp	61,980	60,775	2.65%	11/03/2022
Microsoft Corp	97,263	96,175	2.15%	11/03/2022
Target Corporation	157,017	150,000	3.50%	07/01/2024
Wal-Mart Stores	101,744	101,368	3.25%	10/25/2020
Wal-Mart Stores	84,616	81,490	6.75%	10/15/2023
	<u>1,597,808</u>	<u>1,552,353</u>		
Total Corporate Bonds				

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF INVESTMENTS

April 30, 2018

	Cost	Fair Value	Interest Rate	Maturity
<b>Municipal Bonds:</b>				
DuPage ETC IL	\$ 76,977	\$ 76,038	4.88%	01/01/2019
<b>Mortgage Pools:</b>				
GNMA Pool AE4614	71,786	70,404	3.50%	05/15/2043
GNMA Pool AL2591	89,861	86,217	3.00%	03/15/2045
GNMA Pool AL5347	84,043	80,295	3.00%	03/15/2045
Total Mortgage Pools	<u>245,690</u>	<u>236,916</u>		
<b>CMO &amp; Asset Backed Securities:</b>				
Government Nation	<u>28,652</u>	<u>27,369</u>	3.50%	07/20/2036
<b>Certificate of Deposits:</b>				
Capital One	99,790	100,006	1.75%	08/27/2018
Capital One	99,790	98,325	1.25%	08/26/2019
Capital One	99,665	98,874	2.40%	08/19/2020
Capital One	99,515	97,919	2.35%	06/17/2021
Synchrony Bank	99,640	99,646	2.05%	06/20/2019
Synchrony Bank	99,515	98,524	2.60%	09/13/2021
TIAA, FSB	99,765	95,917	1.55%	09/07/2021
Wells Fargo Bank	99,965	99,670	1.45%	12/14/2018
Total Certificate of Deposit	<u>797,645</u>	<u>788,881</u>		
<b>Total Charles Schwab</b>	<u>6,666,007</u>	<u>7,107,256</u>		

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF INSURANCE

April 30, 2018

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
General Liability Illinois Counties Risk Management Trust	P2-1000510-1718-01	12/1/2017	12/1/2018	General Liability Property Damage	Coverage Applies to: \$1,000,000 General Aggregate \$3,000,000 Products/Completed Operation Annual Aggregate \$1,000,000	\$ 129,502
Excess Liability Illinois Counties Risk Management Trust	P2-1000510-1718-01	12/1/2017	12/1/2018	Excess Liability	\$10,000,000 limit	
Automobile Liability Illinois Counties Risk Management Trust	P2-1000510-1718-01	12/1/2017	12/1/2018	Automobile Liability	\$1,750,713 Total Physical Damage Scheduled Value	
Property/Inland Marine/Auto Coverage Physical Damage Illinois Counties Risk Management Trust	P2-1000510-1718-01	12/1/2017	12/1/2018	Property	\$21,881,941 limit	
Worker's Compensation Illinois Public Risk Fund	P1387-2018	1/1/2018	1/1/2019	Workers Compensation Employers Liability	Statutory \$3,000,000 per occurrence	\$ 85,173

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF ELECTRIC RATES CHARGED

April 30, 2018

---

The Electric System served 5,748 customers as of April 30, 2018. The Village provided 77,091,817 kilowatt hours to its customers during fiscal year 2018. The electric rates charged by the Village are as follows:

Standard Residential Service Rates

- (1) Rate: \$0.1102/kwh
- (2) Facility Charge: \$11.23 per month

Senior Citizen Residential and Village Park Service Rate

- (1) Rate: \$0.0993/kwh
- (2) Facility Charge: \$11.23 per month

Governmental Service

- (1) Rate: \$0.0993/kwh
- (2) Demand Charge: \$6.0911/multiplier/demand unit (demand will be the highest average kilowatt demand measured in any 15 minute period during the month)
- (3) Facility Charge: \$24.15 per month

General Service – Commercial without Demand

- (1) Rate: \$0.1300/kwh
- (2) Facility Charge – Commercial, institutional, and non-residential or for three phase, residential, non-residential, institutional, and commercial use taken through a single meter at the utility standard secondary voltage without Demand metering.
  - a) \$11.23 per month single phase
  - b) \$25.12 per month three phase

General Service – Commercial with Demand

- (1) Rate: \$0.1030/kwh
- (2) Demand Charge: \$6.0911/multiplier/demand unit (demand will be the highest average kilowatt demand measured in any 15 minute period during the month)
- (3) Facility Charge – Commercial, institutional, and non-residential or for three phase, residential, non-residential, institutional, and commercial use taken through a single meter at the utility standard secondary voltage without Demand metering.
  - a) \$11.23 per month single phase
  - b) \$24.15 per month three phase

Industrial Service

- (1) Rate: \$0.0901/kwh
- (2) Demand Charge: \$8.1110/multiplier/demand unit (demand will be the highest average kilowatt demand measured in any 15 minute period during the month, minimum of 70kw. The Village may determine the actual demand either by permanently installed instruments or by tests.)
- (3) Facility Charge
  - a) \$19.32 per month single phase
  - b) \$48.30 per month three phase
- (4) Security Lighting Rate: \$8.20/kwh

## **STATISTICAL SECTION**

**VILLAGE OF CHATHAM, ILLINOIS**  
**STATISTICAL SECTION**

---

This part of the Village of Chatham’s comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village’s overall financial health.

**CONTENTS**

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the Village's current level of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.



VILLAGE OF CHATHAM, ILLINOIS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net invested in capital assets	\$ 9,847,078	\$ 11,160,971	\$ 11,387,806	\$ 11,587,892	\$ 11,580,668	\$ 12,582,113	\$ 15,360,931	\$ 15,390,867	\$ 18,787,798	\$ 20,671,241
Restricted	1,536,736	577,697	851,430	1,414,203	1,649,568	1,858,516	660,783	1,199,613	723,568	636,627
Unrestricted	(368,266)	(563,270)	(608,258)	(459,984)	(240,600)	(221,764)	(160,710)	(4,086,718)	(3,665,344)	(4,098,855)
<b>Total governmental activities net assets</b>	<b>\$ 11,015,548</b>	<b>\$ 11,175,398</b>	<b>\$ 11,630,978</b>	<b>\$ 12,542,111</b>	<b>\$ 12,989,636</b>	<b>\$ 14,218,865</b>	<b>\$ 15,861,004</b>	<b>\$ 12,503,762</b>	<b>\$ 15,846,022</b>	<b>\$ 17,209,013</b>
<b>Business-type activities</b>										
Net invested in capital assets	\$ 14,804,050	\$ 14,823,811	\$ 15,010,270	\$ 14,709,783	\$ 14,930,360	\$ 14,069,999	\$ 14,776,580	\$ 14,879,229	\$ 17,241,187	\$ 18,501,744
Restricted	577,887	162,076	204,749	173,114	210,272	162,047	370,231	287,472	291,743	253,524
Unrestricted	376,153	1,068,269	1,288,850	2,395,753	2,189,915	1,716,996	1,298,337	1,102,357	1,439,419	1,917,284
<b>Total business-type activities net position</b>	<b>\$ 15,758,090</b>	<b>\$ 16,054,156</b>	<b>\$ 16,503,869</b>	<b>\$ 17,278,650</b>	<b>\$ 17,330,547</b>	<b>\$ 15,949,042</b>	<b>\$ 16,445,148</b>	<b>\$ 16,269,058</b>	<b>\$ 18,972,349</b>	<b>\$ 20,672,552</b>
<b>Primary government</b>										
Net invested in capital assets	\$ 24,651,128	\$ 25,984,782	\$ 26,398,076	\$ 26,297,675	\$ 26,511,028	\$ 26,652,112	\$ 30,137,511	\$ 30,270,096	\$ 36,028,985	\$ 39,172,985
Restricted	2,114,623	739,773	1,056,179	1,587,317	1,859,840	2,020,563	1,031,014	1,487,085	1,015,311	890,151
Unrestricted	7,887	504,999	680,592	1,935,769	1,949,315	1,495,232	1,137,627	(2,984,361)	(2,225,925)	(2,181,571)
<b>Total primary government net position</b>	<b>\$ 26,773,638</b>	<b>\$ 27,229,554</b>	<b>\$ 28,134,847</b>	<b>\$ 29,820,761</b>	<b>\$ 30,320,183</b>	<b>\$ 30,167,907</b>	<b>\$ 32,306,152</b>	<b>\$ 28,772,820</b>	<b>\$ 34,818,371</b>	<b>\$ 37,881,565</b>

Source: Audited Financial Statements

\*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was implemented in fiscal year 2016.

**VILLAGE OF CHATHAM, ILLINOIS**  
**CHANGES IN NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 463,805	\$ 602,243	\$ 683,104	\$ 975,862	\$ 706,910	\$ 682,431	\$ 667,302	\$ 696,626	\$ 1,014,063	\$ 788,007
Cemetery	43,301	51,199	57,089	53,712	45,142	45,007	46,854	45,791	41,887	31,271
Culture and recreation	441,339	433,122	458,070	472,502	442,815	504,938	530,004	460,039	470,468	479,961
Public safety	1,963,705	2,006,722	2,122,145	2,208,626	2,265,947	2,394,534	2,376,929	2,604,840	3,027,738	3,141,695
Public works/transportation	1,117,965	1,208,077	1,168,790	1,019,056	1,424,984	1,380,482	1,364,512	1,195,975	1,452,476	1,686,736
Economic development	31,345	34,483	55,452	37,361	34,683	45,429	49,969	31,276	31,480	-
Interest on long-term debt	44,778	39,750	24,949	21,985	18,388	14,222	11,494	7,914	7,874	16,863
<b>Total governmental activities expenses</b>	<b>4,106,238</b>	<b>4,375,596</b>	<b>4,569,599</b>	<b>4,789,104</b>	<b>4,938,869</b>	<b>5,067,043</b>	<b>5,047,064</b>	<b>5,042,461</b>	<b>6,045,986</b>	<b>6,144,533</b>
Business-type activities:										
Electric Fund	6,638,170	6,978,418	7,868,191	7,825,942	8,454,775	9,084,473	9,096,569	9,181,668	9,445,691	9,691,818
Water and Sewer Fund	2,744,465	3,048,002	3,482,330	4,085,172	4,866,833	6,013,821	5,530,677	5,306,341	5,448,465	6,092,018
<b>Total business-type activities expenses</b>	<b>9,382,635</b>	<b>10,026,420</b>	<b>11,350,521</b>	<b>11,911,114</b>	<b>13,321,608</b>	<b>15,098,294</b>	<b>14,627,246</b>	<b>14,488,009</b>	<b>14,894,156</b>	<b>15,783,836</b>
<b>Total primary government expenses</b>	<b>\$ 13,488,873</b>	<b>\$ 14,402,016</b>	<b>\$ 15,920,120</b>	<b>\$ 16,700,218</b>	<b>\$ 18,260,477</b>	<b>\$ 20,165,337</b>	<b>\$ 19,674,310</b>	<b>\$ 19,530,470</b>	<b>\$ 20,940,142</b>	<b>\$ 21,928,369</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General government	\$ 449,949	\$ 468,832	\$ 502,956	\$ 546,841	\$ 549,540	\$ 561,775	\$ 535,026	\$ 443,887	\$ 458,556	\$ 479,117
Cemetery	16,045	26,674	39,547	49,925	31,275	33,425	37,250	22,000	21,125	23,075
Culture and recreation	14,751	19,471	19,939	21,708	29,598	41,045	42,289	34,120	42,296	32,563
Public safety	47,055	42,972	61,931	80,271	119,182	126,860	93,703	76,157	91,607	82,085
Public works/transportation	56,239	90,092	89,605	131,096	134,662	149,863	215,943	219,568	254,980	229,488
Operating grants and contributions:										
General government	-	-	-	250,000	-	-	-	-	-	-
Public safety	-	-	-	14,120	10,308	10,912	12,784	15,611	21,902	13,184
Public works/transportation	279,558	269,655	317,978	367,362	331,740	388,748	341,987	326,385	306,972	308,846
Capital grants and contributions:										
Culture and recreation	26,284	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	12,790	-	-	-	-	-	-
Public works/transportation	1,359,745	217,990	368,293	256,158	186,642	831,171	1,171,228	289,479	3,043,570	2,426,318
<b>Total governmental activities program revenue</b>	<b>2,249,626</b>	<b>1,135,686</b>	<b>1,400,249</b>	<b>1,730,271</b>	<b>1,392,947</b>	<b>2,143,799</b>	<b>2,450,210</b>	<b>1,427,207</b>	<b>4,241,008</b>	<b>3,594,676</b>

(Continued)

**VILLAGE OF CHATHAM, ILLINOIS**  
**CHANGES IN NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Program Revenues</b>										
Business-type Activities:										
Charges for Services:										
Electric Fund	\$ 6,543,582	\$ 7,148,975	\$ 8,485,823	\$ 8,345,357	\$ 8,632,117	\$ 8,759,413	\$ 9,425,246	\$ 9,770,310	\$ 10,120,727	\$ 10,140,071
Water and Sewer Fund	2,575,119	2,856,573	3,222,551	4,276,008	4,666,183	4,897,554	5,105,633	5,584,652	6,040,429	6,543,655
Operating grants and contributions:										
Electric Fund	560	7,026	26,146	2,477	-	-	-	-	-	-
Capital grants and contributions:										
Electric Fund	-	-	-	-	-	55,529	-	34,482	-	-
Water and Sewer Fund	129,626	306,606	63,000	102,500	65,500	-	589,496	128,300	1,429,415	790,152
<b>Total business-type activities program revenue</b>	<b>9,248,887</b>	<b>10,319,180</b>	<b>11,797,520</b>	<b>12,726,342</b>	<b>13,363,800</b>	<b>13,712,496</b>	<b>15,120,375</b>	<b>15,517,744</b>	<b>17,590,571</b>	<b>17,473,878</b>
<b>Total primary government program revenue</b>	<b>\$ 11,498,513</b>	<b>\$ 11,454,866</b>	<b>\$ 13,197,769</b>	<b>\$ 14,456,613</b>	<b>\$ 14,756,747</b>	<b>\$ 15,856,295</b>	<b>\$ 17,570,585</b>	<b>\$ 16,944,951</b>	<b>\$ 21,831,579</b>	<b>\$ 21,068,554</b>
Net(expense) revenue:										
Governmental activities	\$ (1,856,612)	\$ (3,239,910)	\$ (3,169,350)	\$ (3,058,833)	\$ (3,545,922)	\$ (2,923,244)	\$ (2,596,854)	\$ (3,615,254)	\$ (1,804,978)	\$ (2,549,857)
Business-type activities	(133,748)	292,760	446,999	815,228	42,192	(1,385,798)	493,129	1,029,735	2,696,415	1,690,042
<b>Total primary government net expense</b>	<b>\$ (1,990,360)</b>	<b>\$ (2,947,150)</b>	<b>\$ (2,722,351)</b>	<b>\$ (2,243,605)</b>	<b>\$ (3,503,730)</b>	<b>\$ (4,309,042)</b>	<b>\$ (2,103,725)</b>	<b>\$ (2,585,519)</b>	<b>\$ 891,437</b>	<b>\$ (859,815)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
General revenue										
Property tax	\$ 1,212,807	\$ 1,307,975	\$ 1,352,376	\$ 1,410,938	\$ 1,476,571	\$ 1,556,217	\$ 1,621,673	\$ 1,696,421	\$ 1,739,128	\$ 1,217,149
Replacement taxes	2,793	2,472	2,748	2,479	2,458	2,813	2,744	2,780	2,921	2,381
Road and bridge taxes	51,197	56,409	56,786	58,708	59,688	49,588	26,284	23,867	18,814	22,130
Local use taxes	149,265	123,036	141,818	167,622	183,179	196,316	221,456	264,653	280,974	298,323
Telecommunications taxes	315,321	323,099	309,862	335,144	339,349	332,436	251,648	285,038	250,346	232,323
Video gaming taxes	-	-	-	-	-	32,163	46,430	57,601	74,128	87,064
Intergovernmental revenues	1,670,827	1,543,687	1,567,375	1,845,502	1,887,108	1,909,902	2,042,135	2,158,935	1,906,613	1,970,628
Investment income	31,665	7,277	7,586	9,854	8,124	8,425	6,048	7,099	8,916	9,486
Miscellaneous	47,362	35,805	186,379	93,455	36,970	64,613	20,575	103,382	140,308	73,364
Transfers	(1,246)	-	-	46,264	-	-	-	-	-	-
Total governmental activities	3,479,991	3,399,760	3,624,930	3,969,966	3,993,447	4,152,473	4,238,993	4,599,776	4,422,148	3,912,848
Business-type activities:										
Investment income	\$ 53,399	\$ 3,306	\$ 2,714	\$ 5,817	\$ 9,705	\$ 4,293	\$ 2,977	\$ 3,961	\$ 6,876	\$ 10,161
Transfers	1,246	-	-	(46,264)	-	-	-	-	-	-
Total business-type activities	54,645	3,306	2,714	(40,447)	9,705	4,293	2,977	3,961	6,876	10,161
<b>Total primary government</b>	<b>\$ 3,534,636</b>	<b>\$ 3,403,066</b>	<b>\$ 3,627,644</b>	<b>\$ 3,929,519</b>	<b>\$ 4,003,152</b>	<b>\$ 4,156,766</b>	<b>\$ 4,241,970</b>	<b>\$ 4,603,737</b>	<b>\$ 4,429,024</b>	<b>\$ 3,923,009</b>
<b>Changes in Net Position Post Prior Period Adjustment</b>										
Governmental activities	\$ 1,623,379	\$ 159,850	\$ 455,580	\$ 911,133	\$ 447,525	\$ 1,229,229	\$ 1,642,139	\$ 984,522	\$ 2,617,170	\$ 1,362,991
Business-type activities	(79,103)	296,066	449,713	774,781	51,897	(1,381,505)	496,106	1,033,696	2,703,291	1,700,203
<b>Total primary government</b>	<b>\$ 1,544,276</b>	<b>\$ 455,916</b>	<b>\$ 905,293</b>	<b>\$ 1,685,914</b>	<b>\$ 499,422</b>	<b>\$ (152,276)</b>	<b>\$ 2,138,245</b>	<b>\$ 2,018,218</b>	<b>\$ 5,320,461</b>	<b>\$ 3,063,194</b>

Source: Audited Financial Statements

**VILLAGE OF CHATHAM, ILLINOIS**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 45,080	\$ 47,310	\$ 52,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	561,019	364,608	328,930	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>606,099</b>	<b>411,918</b>	<b>381,647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>All other governmental funds</b>										
Reserved	\$ 1,491,656	\$ 530,387	\$ 798,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	143,291	143,599	162,805	-	-	-	-	-	-	-
Capital projects funds	54,293	80,159	133,730	-	-	-	-	-	-	-
Debt service funds	55,636	55,786	59,671	-	-	-	-	-	-	-
Total all other governmental funds	1,744,876	809,931	1,154,919	-	-	-	-	-	-	-
<b>Total governmental funds</b>	<b>\$ 2,350,975</b>	<b>\$ 1,221,849</b>	<b>\$ 1,536,566</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	21,618	19,563	19,338	18,446	17,227	516,838	517,386
Committed	-	-	-	15,479	45,130	33,959	48,821	57,620	34,687	37,969
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	481,246	692,236	820,101	1,076,299	1,745,380	1,792,800	1,772,912
<b>Total general fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518,343</b>	<b>756,929</b>	<b>873,398</b>	<b>1,143,566</b>	<b>1,820,227</b>	<b>2,344,325</b>	<b>2,328,267</b>
<b>All other governmental funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ 282,093	\$ 301,293	\$ 321,342	\$ 342,055	\$ 347,655	\$ 358,855	\$ 368,055
Restricted	-	-	-	1,110,492	1,328,712	1,517,836	300,282	834,731	347,954	230,686
Committed	-	-	-	273,920	296,887	308,711	340,547	333,420	366,127	416,986
Assigned	-	-	-	149,327	214,425	255,231	295,568	162,546	162,846	90,634
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	-	-	-	1,815,832	2,141,317	2,403,120	1,278,452	1,678,352	1,235,782	1,106,361
<b>Total governmental funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,334,175</b>	<b>\$ 2,898,246</b>	<b>\$ 3,276,518</b>	<b>\$ 2,422,018</b>	<b>\$ 3,498,579</b>	<b>\$ 3,580,107</b>	<b>\$ 3,434,628</b>

Note: The Village implemented GASB 54 in 2012, which adjusted the fund balance presentation.

Source: Audited Financial Statements

VILLAGE OF CHATHAM, ILLINOIS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenue</b>										
Property taxes	\$ 1,212,807	\$ 1,307,975	\$ 1,352,376	\$ 1,410,938	\$ 1,476,571	\$ 1,556,217	\$ 1,621,673	\$ 1,696,421	\$ 1,739,128	\$ 1,217,149
Replacement taxes	2,793	2,472	2,748	2,479	2,458	2,813	2,744	2,780	2,921	2,381
Road and bridge taxes	51,197	56,409	56,786	58,708	59,688	49,588	26,284	23,867	18,814	22,130
Local use tax	149,265	123,036	141,818	167,622	183,179	196,316	221,456	264,653	280,974	298,323
Motor fuel taxes	279,077	269,655	317,978	334,094	331,740	388,748	341,987	309,629	306,972	308,846
Telecommunications tax	315,321	323,099	309,862	335,144	339,349	332,436	251,648	285,038	250,346	232,323
Video gaming tax	-	-	-	-	-	32,163	46,430	57,601	74,128	87,064
Licenses, permits, fees, fines and service charges	584,039	648,041	713,978	829,841	864,257	912,968	924,212	795,732	868,564	846,328
Investment income	31,665	7,277	7,586	9,854	8,124	8,425	6,048	7,099	8,916	9,486
Other	47,362	35,805	186,379	93,455	36,970	66,345	34,123	103,382	140,308	73,364
Intergovernmental revenues	1,670,827	1,543,687	1,567,375	1,845,502	1,887,108	1,909,902	2,042,135	2,158,935	1,906,613	1,970,628
Federal grants	481	-	-	37,058	27,108	47,996	12,784	32,367	21,902	13,184
State grants	32,833	55,388	54,917	306,825	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,377,667</b>	<b>4,372,844</b>	<b>4,711,803</b>	<b>5,431,520</b>	<b>5,216,552</b>	<b>5,503,917</b>	<b>5,531,524</b>	<b>5,737,504</b>	<b>5,619,586</b>	<b>5,081,206</b>
<b>Expenditures</b>										
General government	463,252	588,996	664,500	953,412	676,494	668,651	648,907	667,035	985,698	782,639
Cemetery	43,184	50,976	56,659	53,567	44,432	44,504	46,000	46,778	41,717	31,084
Culture and recreation	385,822	383,477	406,320	423,205	398,880	458,305	471,989	416,985	413,138	418,366
Public safety	1,890,899	1,977,528	2,059,417	2,101,532	2,167,279	2,262,674	2,334,414	2,280,367	2,703,473	2,778,865
Public works/transportation	855,539	899,583	835,723	710,233	1,072,721	1,002,805	951,169	731,286	900,048	1,051,204
Economic Development	31,345	34,483	55,452	37,361	34,683	45,429	49,969	31,276	31,480	-
Capital outlay	294,770	1,646,064	156,441	343,747	202,592	569,268	1,937,423	449,185	932,596	106,378
Debt service:										
Principal	105,000	591,000	137,000	138,000	140,000	146,000	163,575	181,410	57,811	42,687
Interest	46,117	44,863	25,574	22,763	19,273	15,209	12,578	9,122	5,096	15,462
<b>Total expenditures</b>	<b>4,115,928</b>	<b>6,216,970</b>	<b>4,397,086</b>	<b>4,783,820</b>	<b>4,756,354</b>	<b>5,212,845</b>	<b>6,616,024</b>	<b>4,813,444</b>	<b>6,071,057</b>	<b>5,226,685</b>
Excess of revenues over(under) expenditures	261,739	(1,844,126)	314,717	647,700	460,198	291,072	(1,084,500)	924,060	(451,471)	(145,479)
<b>Other Financing Sources (Uses)</b>										
Transfer in	292,774	519,883	271,344	219,113	207,022	512,847	2,043,107	94,359	763,927	-
Transfer out	(294,020)	(519,883)	(271,344)	(219,113)	(207,022)	(512,847)	(2,043,107)	(94,359)	(763,927)	-
Bond proceeds	-	690,000	-	-	-	-	-	-	500,000	-
Loan proceeds	-	-	-	23,435	-	-	230,000	152,500	-	-
Capital leases issued	64,000	25,000	-	126,474	103,873	87,200	-	-	33,000	-
<b>Total other financing sources (uses)</b>	<b>62,754</b>	<b>715,000</b>	<b>-</b>	<b>149,909</b>	<b>103,873</b>	<b>87,200</b>	<b>230,000</b>	<b>152,500</b>	<b>533,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 324,493</b>	<b>\$ (1,129,126)</b>	<b>\$ 314,717</b>	<b>\$ 797,609</b>	<b>\$ 564,071</b>	<b>\$ 378,272</b>	<b>\$ (854,500)</b>	<b>\$ 1,076,560</b>	<b>\$ 81,529</b>	<b>\$ (145,479)</b>
Debt service as a percentage of noncapital expenditures	3.95%	13.91%	3.83%	3.62%	3.50%	3.47%	3.77%	4.37%	1.22%	1.14%

Source: Audited Financial Statements

**VILLAGE OF CHATHAM, ILLINOIS**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable
									Assessed Value as a % of Estimated Actual Value
2009	169,070,897	10,561,132	512,663	456,850	72,268	180,673,810	0.4667	547,496,394	33.00%
2010	178,160,789	11,763,543	512,663	445,259	87,087	190,969,341	0.4594	578,694,973	33.00%
2011	184,898,296	11,953,032	512,663	506,743	108,940	197,979,674	0.4654	599,938,406	33.00%
2012	193,610,197	13,783,851	512,663	575,013	115,774	208,597,498	0.4654	632,113,630	33.00%
2013	199,119,246	16,235,494	512,663	784,153	130,998	216,782,554	0.4757	656,916,830	33.00%
2014	206,953,615	17,705,984	512,663	871,863	161,882	226,206,007	0.4754	685,472,748	33.00%
2015	217,527,403	20,017,170	512,663	928,892	168,810	239,154,938	0.4698	724,711,933	33.00%
2016	227,713,787	20,868,182	499,427	947,532	202,736	250,231,664	0.4630	758,277,770	33.00%
2017	240,660,750	28,372,687	875,808	1,070,621	206,287	271,186,153	0.4495	821,776,221	33.00%
2018	250,996,956	29,594,472	894,288	1,192,708	210,468	282,888,892	0.4488	857,239,067	33.00%

Source: County Clerk's Office

VILLAGE OF CHATHAM, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN TAX YEARS

<u>Overlapping Rates</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Village	0.4667	0.4594	0.4654	0.4654	0.4757	0.4754	0.4698	0.4630	0.4495	0.4488
Chatham School District Unit #5	4.2327	4.1632	4.3131	4.3502	4.4404	4.4852	4.5079	4.4552	4.3887	4.4098
Lincoln Land Junior College District #526	0.4610	0.4579	0.4604	0.4619	0.4650	0.4690	0.4736	0.5021	0.5041	0.4884
Chatham Township	0.1814	0.1797	0.1814	0.1785	0.1786	0.1758	0.1723	0.1683	0.1611	0.1409
Chatham Township Road & Bridge	0.4020	0.3982	0.4020	0.3975	0.3970	0.3878	0.3864	0.3737	0.3604	0.3324
Chatham Fire Protection District	0.5399	0.5299	0.5352	0.5366	0.5435	0.5451	0.5389	0.5320	0.5199	0.5199
Sangamon County Water Reclamation District	0.0862	0.0854	0.0871	0.0886	0.0915	0.0935	0.0955	0.0956	0.0951	0.0959
Chatham Library	0.2650	0.2606	0.2636	0.2647	0.2694	0.2708	0.2682	0.2650	0.2591	0.2590
Chatham Library Bond	0.0454	0.0449	0.0446	0.0440	0.0436	-	0.0680	0.0668	-	-
Chatham Library Bond #2	0.0454	0.0431	0.0414	0.0397	0.0382	0.0698	-	-	0.0635	0.0644
Sangamon County	0.6901	0.6828	0.6940	0.7035	0.7204	0.7360	0.7507	0.7546	0.7512	0.7583
<b>Total</b>	<b>\$ 7.4158</b>	<b>\$ 7.3051</b>	<b>\$ 7.4882</b>	<b>\$ 7.5306</b>	<b>\$ 7.6633</b>	<b>\$ 7.7084</b>	<b>\$ 7.7313</b>	<b>\$ 7.6763</b>	<b>\$ 7.5526</b>	<b>\$ 7.5178</b>
<b><u>Direct Rates</u></b>										
General	0.2370	0.2190	0.2301	0.2139	0.2379	0.2379	0.2270	0.1693	0.1664	0.1619
Police Pension	0.1351	0.1480	0.1395	0.1561	0.1336	0.1336	0.1367	0.2039	0.1959	0.2136
IMRF	0.0412	0.0450	0.0505	0.0479	0.0489	0.0489	0.0487	0.0464	0.0428	0.0300
Police Protection	0.0534	0.0474	0.0453	0.0475	0.0553	0.0553	0.0574	0.0434	0.0444	0.0433
<b>Total</b>	<b>\$ 0.4667</b>	<b>\$ 0.4594</b>	<b>\$ 0.4654</b>	<b>\$ 0.4654</b>	<b>\$ 0.4757</b>	<b>\$ 0.4757</b>	<b>\$ 0.4698</b>	<b>\$ 0.4630</b>	<b>\$ 0.4495</b>	<b>\$ 0.4488</b>

Part of the Village of Chatham is in Chatham Township and part is in Ball Township. A small part of the Village is also in Woodside Township. One of the township rates would apply depending on the property's location.

For illustrative purposes, the chart represents the components of the Chatham Township rate.

Source: County Clerk's Office

**VILLAGE OF CHATHAM, ILLINOIS**

**PRINCIPAL PROPERTY TAX PAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

Fiscal Year	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Prairie Vista Apartments	\$ 3,754,528	1	1.33%	\$ -		0.00%
The Villa's at Hollybrook	1,997,792	2	0.71%	-		0.00%
Prairie Vista Apartments	1,484,992	3	0.52%	-		0.00%
Foxx LLC	1,330,052	4	0.47%	-		0.00%
RHC Investments Inc.	1,327,564	5	0.47%	-		0.00%
Reflections Memory Care Center	899,039	6	0.32%	-		0.00%
RLP Development Company	690,768	7	0.24%	-		0.00%
Henry Technologies	648,908	8	0.23%	567,323	2	0.31%
Illinois National Bank	643,159	9	0.23%	562,298	3	0.31%
Walgreens	548,282	10	0.19%	789,054	1	0.44%
Chatham Crossing LP				443,970	4	0.25%
Niemann Holdings				423,550	5	0.23%
Bishop Hardware				403,741	6	0.22%
Memorial Health System				400,485	7	0.22%
United Community Bank				334,619	8	0.19%
MACS Convenience Stores				323,742	9	0.18%
Checkpoint Investments Inc.				312,448	10	0.17%
	<u>\$ 13,325,084</u>		<u>4.71%</u>	<u>\$ 4,561,230</u>		<u>2.52%</u>
EAV			282,888,892			180,673,810

Source: County Clerks Office



**VILLAGE OF CHATHAM, ILLINOIS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended April 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year	
			Amount	Percentage of Levy
2009	2007	773,938	771,255	99.65%
2010	2008	843,205	844,858	100.20%
2011	2009	877,313	878,496	100.13%
2012	2010	921,397	920,589	99.91%
2013	2011	970,813	977,580	100.70%
2014	2012	1,031,235	1,029,916	99.87%
2015	2013	1,075,383	1,073,195	99.80%
2016	2014	1,123,550	1,122,508	99.91%
2017	2015	1,158,573	1,158,335	99.98%
2018	2016	1,218,982	1,217,149	99.85%

Collections within the fiscal year may include taxes collected attributable to prior years. These collections, are immaterial as 99% or greater of the current year's tax levy has historically been collected during the respective fiscal year. Additionally, information to associate any non-current tax collections to a specific tax levy year is not readily available.

Source: County Clerks Office

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF VILLAGE TAXABLE SALES BY CATEGORY

LAST TEN YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Food	\$ 154,785	\$ 157,956	\$ 170,023	\$ 201,729	\$ 205,513	\$ 208,910	\$ 209,484	\$ 232,308	\$ 212,832	\$ 208,432
Drinking and eating places	70,030	86,300	85,445	89,853	99,931	93,832	93,192	98,916	101,029	107,521
Apparel	554 *	590 *	1,757	2,990	5,782	6,511	5,642	7,555	9,050	10,186
Furniture/Household/Radio	1,045	747	973 *	1,052 *	1,088 *	740	770 *	799	1,341	1,871
Lumber/Building/Hardware	135,944	115,596	117,021	110,937	127,402	102,367	119,060 *	118,390	119,461	118,945
Auto and gas stations	102,855	92,333	104,056	115,832	118,260	144,609	149,599	170,306	138,210	151,999
Drugs and miscellaneous retail	185,029	191,816	190,760	292,631	194,159	167,929	226,485	265,910	246,568	232,261
Agriculture and all others	81,020	70,664	71,841	81,596	90,858	85,361	67,347	35,815	37,037	43,749 *
Manufacturers	4,264	5,352	4,571	5,324	3,345	4,532	4,177	3,137	3,672	2,370 *
<b>Total</b>	<b>\$ 735,526</b>	<b>\$ 721,354</b>	<b>\$ 746,447</b>	<b>\$ 901,944</b>	<b>\$ 846,338</b>	<b>\$ 814,791</b>	<b>\$ 875,756</b>	<b>\$ 933,136</b>	<b>\$ 869,200</b>	<b>\$ 877,334</b>
Village sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Number of Taxpayers	214	203	205	218	233	243	243	249	261	272

\* Certain categories are estimated because they not shown in the State report, due to fewer than four taxpayers

Source: Illinois Department of Revenue Categories by Standard Industrial Codes (SIC)

# VILLAGE OF CHATHAM, ILLINOIS

## DIRECT AND OVERLAPPING SALES TAX RATES

### LAST TEN FISCAL YEARS

---

<u>Fiscal Year</u>	<u>Village Share</u>	<u>Sangamon County Share</u>	<u>State of Illinois Share</u>	<u>Total Rate</u>
2009	1.00%	0.25%	5.00%	6.25%
2010	1.00%	0.25%	5.00%	6.25%
2011	1.00%	0.25%	5.00%	6.25%
2012	1.00%	0.25%	5.00%	6.25%
2013	1.00%	0.25%	5.00%	6.25%
2014	1.00%	0.25%	5.00%	6.25%
2015	1.00%	0.25%	5.00%	6.25%
2016	1.00%	0.25%	5.00%	6.25%
2017	1.00%	0.25%	5.00%	6.25%
2018	1.00%	0.25%	5.00%	6.25%

**Source:** Village records and Illinois Department of Revenue

**VILLAGE OF CHATHAM, ILLINOIS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business Type Activities									Chatham Personal Income	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Incremental Bonds	Notes Payable	Capital Leases	General Obligation Bonds (Electric Alternative Revenue Source)	Bonds	Debt Certificates	Notes Payable	Lines of Credit	Capital Leases	Total Primary Government	Percentage of Estimated Property Value				
2009	\$ 246,000	\$ 565,000	\$ -	\$ 113,983	\$ 4,675,000	\$ 2,646,016	\$ -	\$ -	\$ -	\$ -	\$ 8,245,999	1.51%	\$ 380,048,439	2.17%	801	
2010	220,000	690,000	-	84,155	4,555,000	2,967,418	-	1,391,223	50,294	9,958,090	1.72%	387,407,934	2.57%	967		
2011	193,000	580,000	-	25,040	4,375,000	200,000	-	175,000	140,989	5,689,029	0.95%	446,763,500	1.27%	495		
2012	165,000	245,000	23,435	107,942	4,190,000	165,000	93,740	-	57,794	5,047,911	0.80%	464,439,000	1.09%	439		
2013	135,000	360,000	10,034	155,785	3,990,000	125,000	40,135	-	33,052	4,849,006	0.74%	466,532,000	1.04%	422		
2014	104,000	245,000	-	160,243	3,805,000	85,000	910,191	-	7,632	5,317,066	0.78%	476,755,500	1.12%	462		
2015	71,000	125,000	219,442	90,484	3,571,000	45,000	1,015,101	-	142,048	5,279,075	0.73%	490,854,500	1.08%	459		
2016	36,000	-	198,031	168,408	3,340,000	-	877,156	-	97,607	4,717,202	0.62%	503,815,000	0.94%	410		
2017	500,000	-	176,220	133,600	3,105,000	-	737,040	-	52,511	4,704,371	0.57%	512,014,500	0.92%	409		
2018	479,500	-	154,033	71,140	2,858,000	-	594,681	-	274,689	4,432,043	0.52%	*	*	385		

\* - Information not available

(1) US Department of Commerce, Bureau of Economic Statistics

Details of the Village's outstanding debt may be found in the notes to the basic financial statements.

**VILLAGE OF CHATHAM, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Sangamon County Water Reclamation District	\$ 78,610,000	9.01%	\$ 7,082,761
Ball Chatham CUSD #5	71,120,000	36.72%	26,115,264
Lincoln Land Junior College District #526	26,285,000	6.94%	1,824,179
Sangamon County	17,330,000	6.88%	1,192,304
Springfield Airport Authority	5,485,200	6.27%	343,922
Chatham Area Library	<u>2,575,000</u>	64.62%	<u>1,663,965</u>
Total Overlapping Debt	<u>201,405,200</u>		<u>38,222,395</u>
Village of Chatham Direct Debt	<u>704,673</u>	100%	<u>704,673</u>
Total	<u><u>\$ 202,109,873</u></u>		<u><u>\$ 38,927,068</u></u>

Source: County Clerks Office

The overlapping rate was determined from the County Clerk's Office annual overlap report.

VILLAGE OF CHATHAM, ILLINOIS

GENERAL BONDED DEBT CAPACITY AND RATIOS

LAST TEN YEARS

Calendar Year	Equalized Assessed Value	General Bonded Debt	Less Amounts Available in Debt Service	General Net Bonded Debt	General Net Bonded Debt to Assessed Value	Debt Limit (1)	Legal Debt Margin	Legal Debt Margin as a % of Debt Limit
2008	\$ 180,673,810	\$ 246,000	\$ 26,518	\$ 219,482	0.12%	\$ 15,583,116	\$ 15,363,634	98.59%
2009	190,969,341	220,000	26,301	193,699	0.10%	16,471,106	16,277,407	98.82%
2010	197,979,674	368,000	26,113	341,887	0.17%	17,075,747	16,733,860	98.00%
2011	208,597,498	165,000	21,618	143,382	0.07%	17,991,534	17,848,152	99.20%
2012	216,782,554	135,000	19,563	115,437	0.05%	18,697,495	18,582,058	99.38%
2013	226,206,007	104,000	19,338	84,662	0.04%	19,510,268	19,425,606	99.57%
2014	239,154,938	71,000	18,446	52,554	0.02%	20,627,113	20,574,559	99.75%
2015	250,231,664	36,000	17,227	18,773	0.01%	21,582,481	21,563,708	99.91%
2016	271,186,153	500,000	16,759	483,241	0.18%	23,389,806	22,906,565	97.93%
2017	282,888,892	479,500	16,808	462,692	0.16%	24,399,167	23,936,475	98.10%

Source: Additional Schedules Village Financial Statements

(1) The debt limit for non-home rule governments is 8.625% of assessed valuation (65 ILCS 5/8 5-1).

VILLAGE OF CHATHAM, ILLINOIS

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Electric Alternate Revenue Source Bonds						Coverage
	Gross Revenues *	Less Operating Expenses*	Net Available Revenue	Current Maturities Debt Service			
				Principal	Interest		
2009	\$ 6,543,582	\$ 6,230,127	\$ 313,455	\$ 120,000	\$ 188,208	1.02	
2010	7,148,975	6,591,471	557,504	180,000	185,968	1.52	
2011	8,485,823	7,155,462	1,330,361	185,000	179,842	3.65	
2012	8,345,357	7,124,644	1,220,713	200,000	173,340	3.27	
2013	8,632,117	7,761,998	870,119	205,000	166,064	2.34	
2014	8,759,413	8,407,437	351,976	234,000	97,665	1.06	
2015	9,425,246	8,428,392	996,854	231,000	119,547	2.84	
2016	9,770,310	8,552,449	1,217,861	235,000	112,501	3.50	
2017	10,120,727	8,795,027	1,325,700	247,000	105,287	3.76	
2018	10,140,071	9,032,560	1,107,511	260,000	97,555	3.10	

\* Electric Fund revenue includes electric user fees and other revenues, operating expenses do not include depreciation expense

Need to see if this schedule is necessary

# VILLAGE OF CHATHAM, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN YEARS

---

Calendar Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2008	10,293	36,923	380,048,439	35.0	4317	5.00%
2009	10,293	37,638	387,407,934	35.0	4412	6.60%
2010	11,500	38,849	446,763,500	36.1	4471	5.80%
2011	11,500	40,386	464,439,000	36.1	4490	5.30%
2012	11,500	40,568	466,532,000	36.1	4544	5.40%
2013	11,500	41,457	476,755,500	36.1	4454	5.80%
2014	11,500	42,683	490,854,500	36.1	4612	4.30%
2015	11,500	43,810	503,815,000	36.1	4661	4.20%
2016	11,500	44,523	512,014,500	36.1	4730	3.70%
2017	11,500	N/A	N/A	36.1	4807	3.20%

(1) Population data based on latest census data

(2) Information obtained from the U.S. Department of Commerce Bureau of Economic Analysis  
Figures for the most current year are unavailable.

(3) Census Data

(4) Ball-Chatham District 5 -Annual Financial Report

(5) Unemployment data from the Illinois Department of Employment Security



# VILLAGE OF CHATHAM, ILLINOIS

## PRINCIPAL EMPLOYERS

April 30, 2018

---

<u>Employer</u>	<u>Approx. # Employees</u>	<u>Rank</u>	<u>% of Total Population</u>
Ball Chatham CUSD #5	500-999	1	4.3%-8.7%
Henry Technologies	250-499	2	2.2%-4.3%
Chatham Expresscare	100-249	3	.9%-2.2%
Memorial Physician Services	100-249	3	.9%-2.2%
McDonalds	50-99	4	.4%-.9%
Nieman Foods	50-99	4	.4%-.9%
TruGreen	50-99	4	.4%-.9%
United Community Bank	50-99	4	.4%-.9%
Village of Chatham	50-99	4	.4%-.9%
Villas of Hollybrook/Reflections Memory Care	50-99	4	.4%-.9%

Source: Illinois Virtual Labor Market Data - Illinois Department of Employment Website

Information was not available for nine years ago

**VILLAGE OF CHATHAM, ILLINOIS**

**FULL-TIME EQUIVALENT VILLAGE EMPLOYEES BY FUNCTIONS/PROGRAMS**

**LAST TEN FISCAL YEARS**

---

Department	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Administration and Finance	10	10	12	12	12	12	11	10	9	9
Police	21	21	21	21	21	22	22	21	22	20
Public Utilities	12	12	11	10	11	12	11	11	13	13
Public Properties and Public Works	10	10	9	9	10	9	9	9	9	9
Total Full-Time Equivalent Employees	<u>53</u>	<u>53</u>	<u>53</u>	<u>52</u>	<u>54</u>	<u>55</u>	<u>53</u>	<u>51</u>	<u>53</u>	<u>51</u>

Source: Village records

VILLAGE OF CHATHAM, ILLINOIS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Works</b>										
Total Building Permits issued	158	190	188	184	160	194	216	226	188	173
Single Family Homes	N/A	78	71	69	69	69	79	78	62	40
Duplexes	N/A	20	10	13	14	6	8	14	8	3
Apartments	N/A	32	3	5	2	-	1	-	4	5
Commercial	N/A	1	2	6	3	5	1	9	7	8
Additions	N/A	6	8	7	8	7	5	7	2	6
Remodel, Alteration or Repair	N/A	3	20	15	10	25	35	27	20	25
Garages, Sheds, Pool Houses	N/A	5	6	9	4	10	7	6	5	4
Fences	N/A	42	59	47	38	56	65	66	52	59
Pools	N/A	2	5	10	9	13	9	6	16	10
Sprinkler Systems	N/A	1	4	3	3	3	6	13	12	13
Number of Cemetery Lots Sold	27	34	64	78	48	53	57	23	28	21
Number of grave openings	18	30	40	54	33	39	46	29	30	35
<b>Police - Information presented on Calendar Year Basis</b>										
Calls for Service	N/A	6664	6732	6818	7015	7374	7536	7786	9153	N/A
Traffic Violations										
Citations Issued	N/A	1548	1593	1810	1631	1548	1402	1261	1381	N/A
Written Warnings Issued	N/A	1310	1458	1817	1959	2278	1441	1239	1398	N/A
Index Crimes *	N/A	149	109	64	128	105	111	87	117	N/A
Index Crime and Drug Arrests	N/A	35	87	122	155	118	101	93	24	N/A
<b>Public Utilities</b>										
Electric Customers	4,841	4,897	5,041	5,169	5,224	5,311	5,433	5,496	5,622	5748
Water Customers	4,658	4,727	4,879	5,001	5,202	5,303	5,441	5,522	5,630	5757
Kilowatt hours provided to customers	68,342,150	66,712,844	75,087,003	73,204,068	75,244,700	76,054,006	75,891,180	75,857,545	76,897,052	77,091,817
Gallons of water provided to customers	272,420,135	281,647,194	277,312,703	281,041,869	306,941,537	291,436,700	276,099,100	278,235,000	281,997,700	286,688,900
<b>Administration</b>										
Accounts Payable Checks Processed **	3,883	3,856	3,726	3,464	2,714	2,171	2,157	2,044	2,045	1979
Liquor Licenses Issued	15	16	21	27	29	26	23	25	26	28

\* Index Crime includes: Criminal Homicide, Rape, Robbery, Aggravated Assault/Aggregated Battery, Burglary, Theft, Motor Vehicle Theft, Arson, Human Trafficking

\*\* During fiscal year 2013 the Village began processing accounts payable out of one bank account prior to this each fund had a bank account that processed accounts payable checks, this reduced the number of accounts payable checks issued.

Source: Various Village Departments

**VILLAGE OF CHATHAM, ILLINOIS**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Village</b>										
Number of Vehicles	46	48	48	53	53	54	52	52	54	56
Number of Buildings	13	14	14	14	14	14	14	14	14	14
<b>Public Works</b>										
Miles of Streets	72.72	72.79	73.25	73.25	73.37	73.37	74.38	74.63	76.17	78.21
Miles of Storm Sewer	52.96	52.99	53.61	53.61	53.77	53.77	54.78	55.07	55.5	56.65
<b>Public Utilities</b>										
Miles of Primary Underground Electric Lines (1)	32.48	32.52	33.05	33.05	33.29	33.29	34.99	35.3	38.5	40.16
Miles of Secondary Underground Electric Lines(1)	27.82	27.99	28.63	28.63	28.63	28.63	30.66	31.14	33.9	35.67
Miles of Primary Overhead Electric Lines (1)	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Miles of Secondary Overhead Electric Lines (1)	18.80	18.80	18.80	18.80	18.80	18.80	18.80	18.80	18.80	18.80
Miles of Water Main	76.07	76.15	77.53	77.53	77.68	77.68	78.75	79.07	82.63	85.19
Miles of Sanitary Sewer	67.46	67.51	68.04	68.04	68.25	68.25	69.32	69.55	70.70	72.36

Source: Various Village Departments

(1) Miles of Primary and Secondary Underground and Primary and Secondary Overhead reflects miles subsequent to completion of GIS mapping