



VILLAGE OF CHATHAM, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended April 30, 2020

Prepared by:

Sherry Dierking, CFO

VILLAGE OF CHATHAM, ILLINOIS
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INTRODUCTORY SECTION

Village President
Dave Kimsey

Village Clerk
Amy Dahlkamp



Village Trustees
Kristin Chiaro
Andrew Detmers
Brett Gerger
Ryan Mann
Matthew Mau
Paul Scherschel

October 15, 2020

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, 2020 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.

A narrative introduction, overview and analysis accompany the basic financial statements in the form of the Management Discussion and Analysis (MD&A). 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 and will provide further information regarding the format and content of this report.

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, 2020. 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, Woodside and Curran 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, Curran 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 2020 saw an increase in the amount of sales tax revenue of 2% and an increase in the number of sales taxpayers of approximately 3%. The top four sales tax categories for the Village are drug and miscellaneous retail, food, auto and gas stations, and drinking and eating places.

In fiscal year 2020, the Village experienced an increase in the number of building permits issued. The Village is carefully considering the future effect of this factor. In recent years the Village experienced an upturn in the building market with the addition of the Ironbridge and Spartan Valley residential developments and the Cardinal Ridge multi-family development. These developments are still in the building out stage and have available lots to build on.

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.

Per the Bureau of Labor Statistics, over the past 10 years the unemployment rate fell from 5.8% to 3.0%. Beginning in March 2020, when the Covid-19 virus was declared a global pandemic the unemployment rate increased to 11.8%. This rate is still below the current state average of 14.6%.

Major initiatives

Among the Village's more significant accomplishments during fiscal year 2020 were the following:

The Village worked on completing the resurfacing of Park Avenue between Walnut Street and Plummer Boulevard. The Village spent \$91,382 on the project during fiscal year 2020 with a total project cost of \$621,949.

The Village also completed the conversion of two tennis courts into eight pickleball courts. This project was financed with donation from the local pickleball association. The cost of the project was \$49,740.

The Electric and Water and Sewer Utility Departments completed the installation of a fixed meter network during fiscal year 2019. The fixed meter network will allow remote reading of meters as well as provide real time data on hourly usage. 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 \$203,992 in Fiscal Year 2020 on adding compatible meters to the fixed network meter system.

The Village completed work on the Water Tower and Ground Storage Tank Painting Project. The total project cost was \$1,453,637.

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.

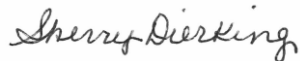
Awards and Acknowledgements

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, 2019. This was the third 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.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning May 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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,

A handwritten signature in cursive script that reads "Sherry Dierking".

Sherry Dierking
Chief Fiscal Officer

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

VILLAGE PRESIDENT

Dave Kimsey

BOARD OF TRUSTEES

Kristin Chiaro
Ryan Mann
Andrew Detmers
Matt Mau
Brett Gerger
Paul Scherschel

VILLAGE CLERK

Amy Dahlkamp

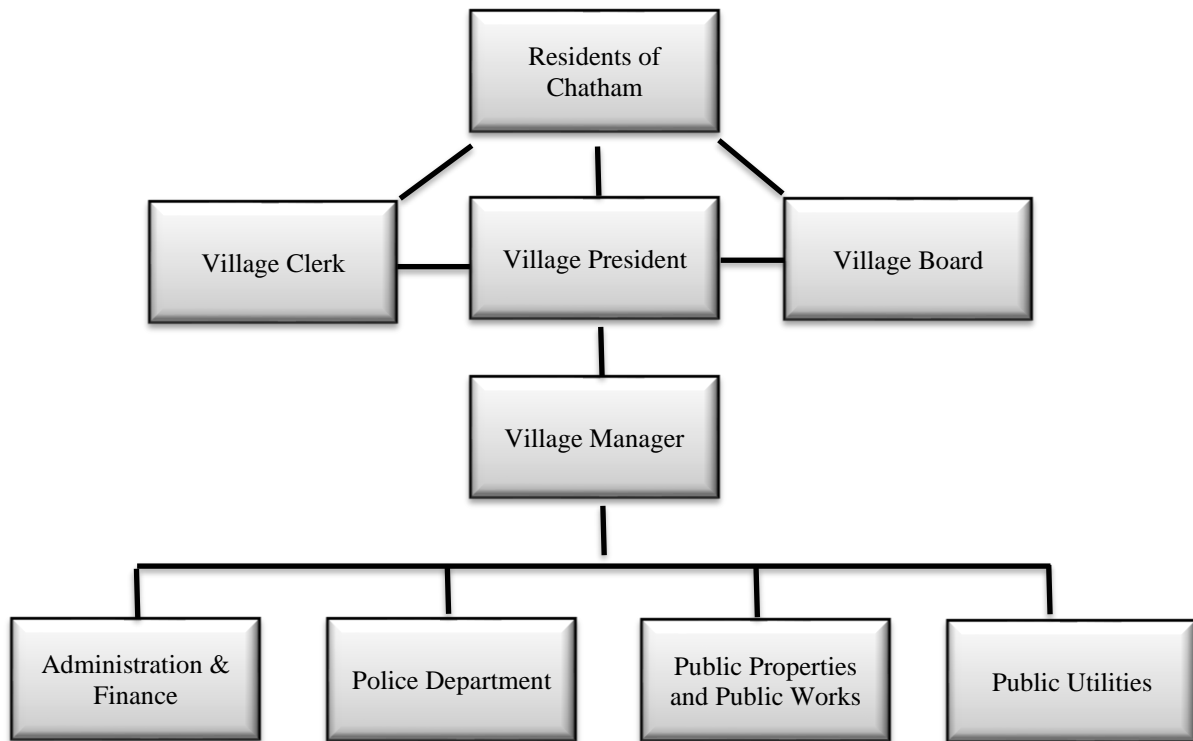
VILLAGE MANAGER

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
2020 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, 2019

Christopher P. Morrell

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, 2020, 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, 2020, 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 as listed in the table of contents have 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, 2019, which are not presented with the accompanying financial statements. In our report dated October 14, 2019, 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, 2019, 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 2019 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 2019 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 15, 2020

VILLAGE OF CHATHAM, ILLINOIS

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

April 30, 2020

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, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$34,681,438 (net position).
- At the close fiscal year 2020, the Village's governmental funds reported combined ending fund balances of \$3,559,407 of which \$1,775,665 was unassigned and is available for spending at the Village's discretion.
- General governmental revenues were \$4,280,380 and represent 72% of all governmental revenues. Charges for services of \$1,240,143 represent 21% and operating grants and contributions in the form of motor fuel tax distribution and public safety grants accounted for \$442,514 represent 7% of total governmental revenues of \$5,963,037.
- The Village had \$6,899,068 in expenses related to government activities. However, only \$1,682,657 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 \$421,559 during fiscal year 2020.

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'S DISCUSSIONS 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. 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 2020. 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'S DISCUSSIONS 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 – 15 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 16 – 17 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 18 – 63 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 64 – 73 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 74 – 79 of this report.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 5,234,996	\$ 4,905,545	\$ 6,738,807	\$ 6,620,494	\$ 11,973,803	\$ 11,526,039
Capital Assets	<u>21,308,075</u>	<u>21,562,389</u>	<u>22,084,732</u>	<u>22,810,796</u>	<u>43,392,807</u>	<u>44,373,185</u>
Total Assets	<u>26,543,071</u>	<u>26,467,934</u>	<u>28,823,539</u>	<u>29,431,290</u>	<u>55,366,610</u>	<u>55,899,224</u>
Deferred Outflows of Resources	<u>1,591,106</u>	<u>1,498,477</u>	<u>379,351</u>	<u>887,523</u>	<u>1,970,457</u>	<u>2,386,000</u>
Total Assets and Deferred Outflows of Resources	<u>28,134,177</u>	<u>27,966,411</u>	<u>29,202,890</u>	<u>30,318,813</u>	<u>57,337,067</u>	<u>58,285,224</u>
Current Liabilities	499,888	651,041	1,651,484	1,607,899	2,151,372	2,258,940
Non-current Liabilities	<u>11,576,047</u>	<u>10,527,967</u>	<u>6,054,064</u>	<u>7,095,779</u>	<u>17,630,111</u>	<u>17,623,746</u>
Total Liabilities	<u>12,075,935</u>	<u>11,179,008</u>	<u>7,705,548</u>	<u>8,703,678</u>	<u>19,781,483</u>	<u>19,882,686</u>
Deferred Inflows of Resources	<u>1,987,715</u>	<u>1,780,845</u>	<u>886,431</u>	<u>787,293</u>	<u>2,874,146</u>	<u>2,568,138</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,063,650</u>	<u>12,959,853</u>	<u>8,591,979</u>	<u>9,490,971</u>	<u>22,655,629</u>	<u>22,450,824</u>
Net Position:						
Invested in Capital Assets						
Net of Debt	20,532,271	20,991,362	18,472,646	18,693,865	39,004,917	39,685,227
Restricted	822,934	708,852	256,258	254,978	1,079,192	963,830
Unrestricted	<u>(7,284,678)</u>	<u>(6,693,656)</u>	<u>1,882,007</u>	<u>1,878,999</u>	<u>(5,402,671)</u>	<u>(4,814,657)</u>
Total Net Position	<u>\$ 14,070,527</u>	<u>\$ 15,006,558</u>	<u>\$ 20,610,911</u>	<u>\$ 20,827,842</u>	<u>\$ 34,681,438</u>	<u>\$ 35,834,400</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 decreased by \$1,152,962 from \$35,834,400 to \$34,681,438. This change is the result of a decrease of \$216,931 from business activities and a decrease of \$936,031 in the net position of governmental activities. The change in net position has been significantly impacted by the implementation of Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, of the Governmental Accounting Standards Board. For the fiscal year ended April 30, 2020, the net liability relating to postemployment benefits increased \$589,864 for governmental activities and \$230,744 for business activities and the related deferred outflows decreased \$54,142 for governmental activities and \$23,425 for business activities. These items pertain to the Village's liability for providing postemployment health care and life insurance (OPEB) benefits for retired employees. Prior to fiscal year 2019, the Village was only required to report its obligations for OPEB benefits as required supplementary information (i.e., the obligations did not affect the statement of net position).

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

By far the largest portion of the Village's net position (112.5%) 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 (3.1%) represents resources that are subject to external restrictions on how it may be used. The governmental activities unrestricted net position had a deficit of \$7,284,678 in fiscal year 2020 and a deficit of \$6,693,656 in fiscal year 2019. This is a result of the recording of the net postemployment benefit liability which was required for the implementation of Statement No. 75 that was previously mentioned, combined with the recording of the net pension liabilities for the Illinois Municipal Retirement Fund and the Chatham Police Pension Fund from the implementation of Statement No. 68 Accounting and Financial Reporting for Pension of the Governmental Accounting Standards Board .

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

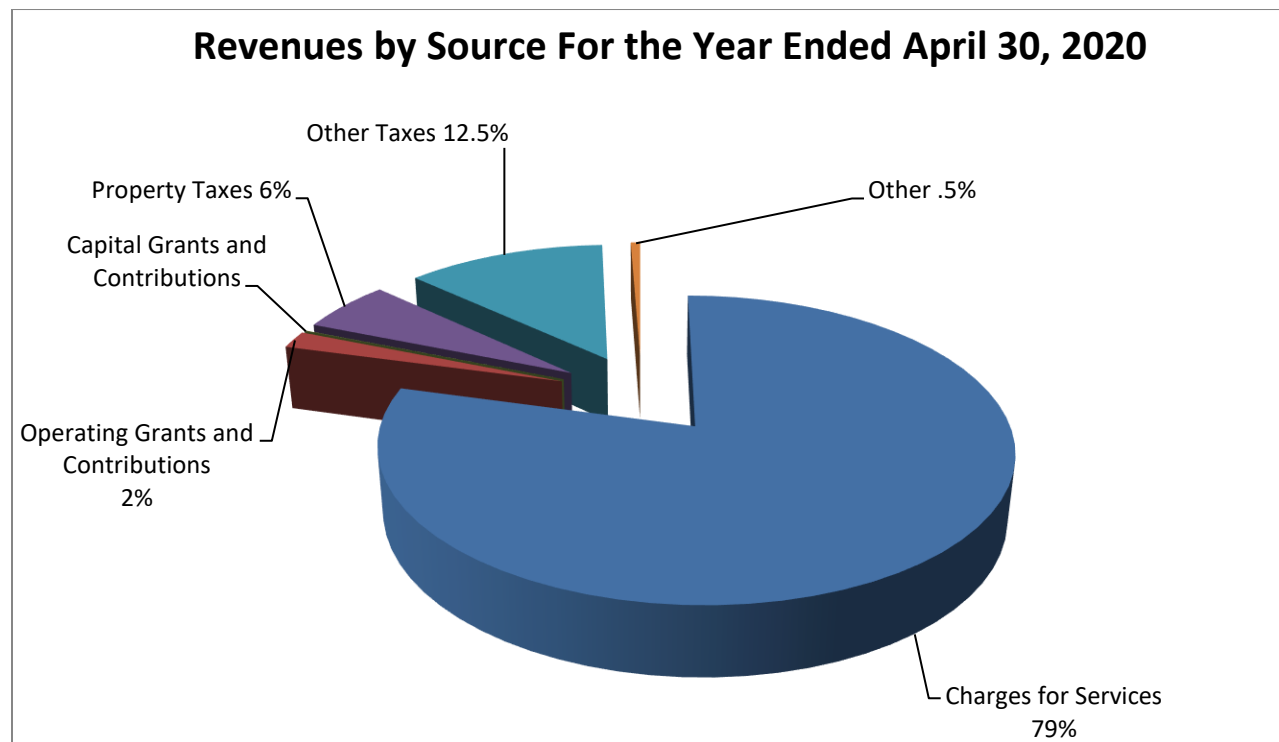
VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,240,143	\$ 848,007	\$ 16,905,843	\$ 17,510,024	\$ 18,145,986	\$ 18,358,031
Operating Grants and Contributions	442,514	324,010	-	-	442,514	324,010
Capital Grants and Contributions	-	669,640	5,447	216,958	5,447	886,598
General Revenues:						
Property Taxes	1,325,566	1,269,035	-	-	1,325,566	1,269,035
Other Taxes	2,860,328	2,712,934	-	-	2,860,328	2,712,934
Other	94,486	104,434	38,808	32,078	133,294	136,512
Total Revenues	<u>5,963,037</u>	<u>5,928,060</u>	<u>16,950,098</u>	<u>17,759,060</u>	<u>22,913,135</u>	<u>23,687,120</u>
EXPENSES						
General Government	705,936	779,204	-	-	705,936	779,204
Cemetery	31,561	31,770	-	-	31,561	31,770
Culture and Recreation	532,094	538,307	-	-	532,094	538,307
Public Safety	3,918,156	3,156,536	-	-	3,918,156	3,156,536
Public Works	1,695,556	1,418,716	-	-	1,695,556	1,418,716
Electric	-	-	10,078,219	10,017,887	10,078,219	10,017,887
Water and Sewer	-	-	7,088,810	6,716,079	7,088,810	6,716,079
Interest on Long-Term Debt	15,765	16,679	-	-	15,765	16,679
Total Expenses	<u>6,899,068</u>	<u>5,941,212</u>	<u>17,167,029</u>	<u>16,733,966</u>	<u>24,066,097</u>	<u>22,675,178</u>
Change in Net Position	<u>(936,031)</u>	<u>(13,152)</u>	<u>(216,931)</u>	<u>1,025,094</u>	<u>(1,152,962)</u>	<u>1,011,942</u>
Net position beginning of the year	15,006,558	17,209,013	20,827,842	20,672,552	35,834,400	37,881,565
Prior period adjustment	-	(2,189,303)	-	(869,804)	-	(3,059,107)
Net position beginning of the year, restated	15,006,558	15,019,710	20,827,842	19,802,748	35,834,400	34,822,458
Net position end of the year	<u>\$14,070,527</u>	<u>\$15,006,558</u>	<u>\$20,610,911</u>	<u>\$20,827,842</u>	<u>\$34,681,438</u>	<u>\$35,834,400</u>

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

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

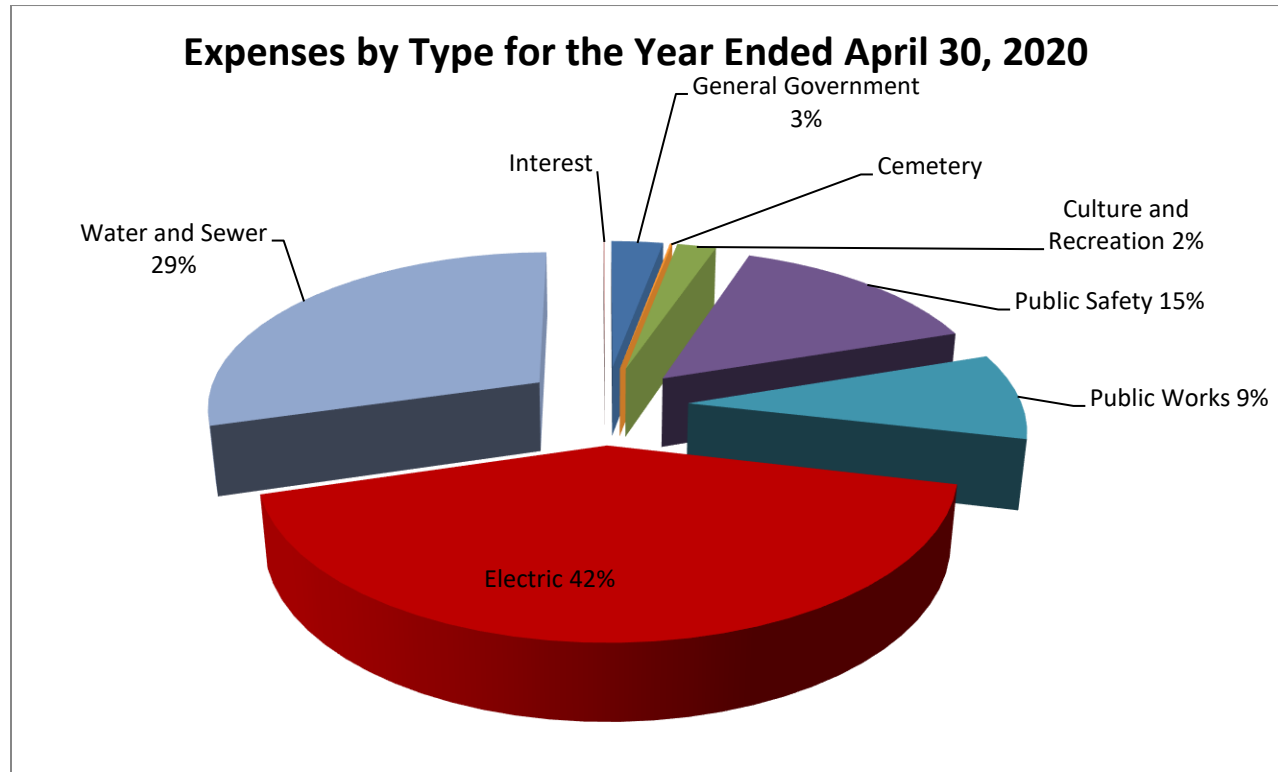


For the fiscal year ended April 30, 2020, revenues totaled \$22,913,135. The Village's largest revenue source is from charges for services, which consist of charges from the electric, water and sewer system as well as franchise fees, business permit fees and administrative utility fees. Other taxes include sales tax, income tax, telecommunications tax, local use tax, road and bridge taxes and video gaming taxes.

Charges for services are down 1.2% from \$18,358,031 in fiscal year 2019 to \$18,145,986 in fiscal year 2020. Service charges for the electric system and water and sewer system are down \$604,181 over fiscal year 2019, which represents a 3.5% decrease over the previous year and service charges from governmental activities increased \$392,136 or 46%. The decrease in service charges for electric and water and sewer is due to a decline in electric and water and sewer consumption associated with the milder summer and winter seasons during fiscal year 2020. The increase in governmental service charges is due to the doubling of the monthly green fee assessed to Village residents and received in the Yard Waste, Recycling and Refuse Fund. The Village's capital grants and contributions also decreased from \$886,598 in fiscal year 2019 to \$5,447 in fiscal year 2020. The Village did not receive any contributions of infrastructure from developers of streets, sidewalks, storm sewers, sanitary sewers or water main of new subdivisions in fiscal year 2020.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

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



The Village of Chatham's expenses totaled \$24,066,097 in 2020. The largest portion of these expenses is for the electric system which represents 42% followed by expenses for the water and sewer systems at 29%. 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 \$433,063 over last year, which represents an increase of 2.6%.

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. Governmental activities experienced an increase in expenses of \$957,856 as a result of recognizing expenses related to OPEB and pension liabilities.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

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.

At the end of fiscal year 2020, the Village's governmental funds reported combined ending fund balances of \$3,559,407 an increase of \$433,733 in comparison to the prior year. Approximately 11% of this total amount \$391,055 constitutes nonspendable fund balance, which is amounts held in the Village's Cemetery Perpetual Care Fund. Approximately 12% or \$431,879 constitutes restricted fund balance which is restricted for Motor Fuel Tax, public safety or debt service. Approximately 12% or \$411,966 constitutes committed fund balance, which is earmarked by the Village Board for future use. Approximately 15% of this total amount or \$548,842 is assigned fund balance, which has been authorized by the Village Board to be spent during the subsequent fiscal year. Approximately \$1,775,665 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 \$1,775,665 while total fund balance was \$2,332,682. 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 36.4% of total General Fund expenditures, while total fund balance represents 47.8% of that same amount.

The total fund balance of the Village's General Fund increased by \$225,318 during the current fiscal year and the combined fund balance of the Village's remaining governmental funds increased by \$208,415. The increase in the General fund was due to an increase in the utility administration fee and intergovernmental revenues. The increase in the nonmajor governmental funds was due to an excess of Motor Fuel Tax Fund revenues in comparison to program expenditures.

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.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

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 4.6% decrease in total revenues. The decrease is due to a decline in electric and water and sewer consumption associated with the milder summer and winter seasons during fiscal year 2020. The Village also did not receive any contributed capital of water and sewer lines from developers during fiscal year 2020. Expenses for business type activities increased 2.6%. The result was a decrease in net position for business activities for fiscal year 2020 of \$216,931.

Table 3
General Fund Budgetary Highlights for the
Fiscal Year Ended April 30, 2020
With Comparative Actual Totals for the Year Ended April 30, 2019

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual 2020</u>	<u>Actual 2019</u>
REVENUES				
Taxes	\$ 4,110,416	\$ 4,110,416	\$ 4,152,614	\$ 3,937,459
Licenses, Permits, and Fees	1,015,085	1,015,085	957,855	695,638
Other	<u>84,075</u>	<u>84,075</u>	<u>100,268</u>	<u>113,067</u>
Total Revenues	<u>5,209,576</u>	<u>5,209,576</u>	<u>5,210,737</u>	<u>4,746,164</u>
EXPENDITURES				
Expenditures	<u>(5,618,120)</u>	<u>(5,618,120)</u>	<u>(4,884,161)</u>	<u>(4,517,719)</u>
Total Expenditures	<u>(5,618,120)</u>	<u>(5,618,120)</u>	<u>(4,884,161)</u>	<u>(4,517,719)</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(408,544)	(408,544)	326,576	228,445
Transfers out	(101,340)	(101,340)	(101,258)	(449,348)
Change in Fund Balance	<u>\$ (509,884)</u>	<u>\$ (509,884)</u>	<u>\$ 225,318</u>	<u>\$ (220,903)</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 2020 and April 2020 for transfers between operational line items within the General Fund Departments.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

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 more than the amount estimated by \$1,161 and expenditures were \$733,959 less than the amended budget.

Capital Assets

The following schedule reflects the Village's capital asset balances as of April 30, 2020.

Capital Assets
Table 4

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land, not Depreciated	\$ 629,600	\$ 629,600	\$ 318,734	\$ 318,734	\$ 948,334	\$ 948,334
Construction in Progress	520,908	1,051,476	-	1,549,604	520,908	2,601,080
Improvements	1,383,369	1,333,629	82,022	82,022	1,465,391	1,415,651
Buildings	953,990	953,990	1,076,078	1,076,078	2,030,068	2,030,068
Vehicles	1,146,653	1,043,589	1,465,953	1,465,953	2,612,606	2,509,542
Equipment	995,765	910,126	1,470,965	1,411,253	2,466,730	2,321,379
Infrastructure	23,754,773	23,095,400	-	-	23,754,773	23,095,400
Utility Plant	-	-	40,381,982	38,416,243	40,381,982	38,416,243
Less:						
Accumulated Depreciation	<u>(8,076,983)</u>	<u>(7,455,421)</u>	<u>(22,711,002)</u>	<u>(21,509,091)</u>	<u>(30,787,985)</u>	<u>(28,964,512)</u>
Total	<u>\$ 21,308,075</u>	<u>\$ 21,562,389</u>	<u>\$ 22,084,732</u>	<u>\$ 22,810,796</u>	<u>\$ 43,392,807</u>	<u>\$44,373,185</u>

At year-end the Village's investment in capital assets for governmental and business type activities amounts to \$43,392,807 (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 2020 included the following:

Governmental Activities

Infrastructure additions in streets \$ 659,373

Business-type Activities

Utility Plant additions in electric and water distribution system
sanitary sewers \$ 1,965,739

Additional information on the Village's capital assets can be found in Note 4 on pages 31 – 35.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (Continued)

Long-Term Debt

As of April 30, 2020, the Village had a total of \$4,683,921 of bonded and similar indebtedness outstanding. Of this amount, \$441,000 comprises debt backed by the full faith and credit of the government. \$2,335,000 of the debt represents bonds that are secured by specified revenue sources (i.e., revenue and alternative source revenue bonds). The Village also had \$1,907,921 of debt consisting of notes payable and capital leases.

During Fiscal Year 2020, the Village entered into a five-year lease agreement for a street sweeper to be paid for from the Yard Waste, Recycling and Refuse Fund in the amount of \$175,497. The Village also entered into two separate capital lease agreements for the purchase of police vehicles; one in the amount of \$36,795 with a payback period of three years and one in the amount of \$37,480 with a payback period of four years. Both capital leases will be paid from the Police and Public Works Utility Tax Fund.

Table 5
Bonded and Similar Indebtedness

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 441,000	\$ 460,500	\$ -	\$ -	\$ 441,000	\$ 460,500
Electric Alternate Source						
Revenue Bonds	-	-	2,335,000	2,598,000	2,335,000	2,598,000
Notes Payable	108,541	131,457	1,335,060	1,573,838	1,443,601	1,705,295
Capital Leases	<u>226,261</u>	<u>30,570</u>	<u>238,059</u>	<u>311,115</u>	<u>464,320</u>	<u>341,685</u>
Total	<u>\$ 775,802</u>	<u>\$ 622,527</u>	<u>\$ 3,908,119</u>	<u>\$ 4,482,953</u>	<u>\$ 4,683,921</u>	<u>\$5,105,480</u>

Additional information on the Village's long-term debt can be found in Note 6 on pages 38 – 46.

Economic Factors

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

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.

During fiscal year 2020, the Village made changes to their yard waste recycling and refuse program that resulted in the increase in the monthly fee from \$2 a month to \$4 a month. The Village began contracting out the services of leaf bag and branch pickup and expanded the program to include increased street sweeping.

VILLAGE OF CHATHAM, ILLINOIS
MANAGEMENT’S DISCUSSIONS AND ANALYSIS (Continued)

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 2020, the Village increased the sewer consumption charge to pass along a sewer rate increase from the Village’s water supplier.

Currently Known Issues of Future Significance

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continued to spread rapidly. The economic impact of the State of Illinois’ Executive Order imposing “stay at home” restrictions will be widespread and last for several years. As a result, the Village has already begun planning for the decline in revenues that will impact the Village in 2020 and beyond. Management believes that the strong financial position of the Village headed into this event will lessen the direct impact in 2020. Management will continue to carefully monitor the situation and evaluate its options for the current year and following year’s budgetary position as the situation continues to unfold.

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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,384,027	\$ 4,612,144	\$ 7,996,171
Restricted accounts - cash	16,900	256,258	273,158
Receivables, net			
Accounts	-	1,390,803	1,390,803
Taxes	1,630,870	-	1,630,870
Other	120,594	-	120,594
Inventory	-	474,155	474,155
Due from other governments	82,605	5,447	88,052
Total current assets	5,234,996	6,738,807	11,973,803
Capital Assets:			
Capital assets, not being depreciated	1,150,508	318,734	1,469,242
Property and equipment	28,234,550	44,477,000	72,711,550
Less: accumulated depreciation	(8,076,983)	(22,711,002)	(30,787,985)
Total capital assets	21,308,075	22,084,732	43,392,807
Total assets	26,543,071	28,823,539	55,366,610
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,591,106	379,351	1,970,457
Total deferred outflows of resources	1,591,106	379,351	1,970,457
Total assets and deferred outflows of resources	\$ 28,134,177	\$ 29,202,890	\$ 57,337,067

This statement is continued on the following page.

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2020

	Governmental Activities	Business-Type Activities	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current Liabilities:			
Accounts payable	\$ 163,903	\$ 516,261	\$ 680,164
Unearned revenue	1,256	145,473	146,729
Accrued payroll	79,460	56,097	135,557
Other payables	10,335	11,549	21,884
Accrued compensated absences payable	30,193	33,865	64,058
Customer deposits	-	205,150	205,150
Accrued interest payable	4,395	28,172	32,567
OPEB liability - current	106,795	41,586	148,381
G.O. bonds payable - current	20,500	-	20,500
G.O. bonds (Alternate Revenue Source) payable - current	-	273,000	273,000
Notes payable - current	23,381	245,203	268,584
Capital lease payable - current	59,670	95,128	154,798
Total current liabilities	499,888	1,651,484	2,151,372
Noncurrent Liabilities:			
Accrued compensated absences payable	317,799	281,832	599,631
OPEB liability	3,701,943	1,441,530	5,143,473
Net pension liability	6,884,054	1,035,914	7,919,968
G.O. bonds payable	420,500	-	420,500
G.O. bonds (Alternate Revenue Source) payable	-	2,062,000	2,062,000
Notes payable	85,160	1,089,857	1,175,017
Capital lease payable	166,591	142,931	309,522
Total noncurrent liabilities	11,576,047	6,054,064	17,630,111
Total liabilities	12,075,935	7,705,548	19,781,483
Deferred Inflows of Resources:			
Deferred revenue - property taxes	1,420,635	-	1,420,635
Deferred inflows related to pensions	567,080	886,431	1,453,511
Total deferred inflows of resources	1,987,715	886,431	2,874,146
Total liabilities and deferred inflows of resources	14,063,650	8,591,979	22,655,629
Net Position:			
Net Investment in capital assets	20,532,271	18,472,646	39,004,917
Restricted for maintenance of roadways	381,027	-	381,027
Restricted for cemetery care (nonexpendable)	391,055	-	391,055
Restricted for public safety	33,952	-	33,952
Restricted for debt service	16,900	256,258	273,158
Unrestricted	(7,284,678)	1,882,007	(5,402,671)
Total net position	\$ 14,070,527	\$ 20,610,911	\$ 34,681,438

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

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 705,936	\$ 736,440	\$ -	\$ -	\$ 30,504	\$ -	\$ 30,504
Cemetery	31,561	30,040	-	-	(1,521)	-	(1,521)
Culture and recreation	532,094	11,210	-	-	(520,884)	-	(520,884)
Public safety	3,918,156	64,021	14,409	-	(3,839,726)	-	(3,839,726)
Public works/transportation	1,695,556	398,432	428,105	-	(869,019)	-	(869,019)
Interest on long-term debt	15,765	-	-	-	(15,765)	-	(15,765)
Total governmental activities	6,899,068	1,240,143	442,514	-	(5,216,411)	-	(5,216,411)
Business-type activities							
Electric	10,078,219	10,053,650	-	5,447	-	(19,122)	(19,122)
Waterworks and Sewerage	7,088,810	6,852,193	-	-	-	(236,617)	(236,617)
Total business-type activities	17,167,029	16,905,843	-	5,447	-	(255,739)	(255,739)
TOTAL PRIMARY GOVERNMENT	\$ 24,066,097	\$ 18,145,986	\$ 442,514	\$ 5,447	(5,216,411)	(255,739)	(5,472,150)
General revenues:							
Taxes							
Property taxes, levied for general purposes					1,325,566	-	1,325,566
Road and bridge taxes					24,433	-	24,433
Local use taxes					396,816	-	396,816
Telecommunications taxes					166,400	-	166,400
Video gaming taxes					91,263	-	91,263
Intergovernmental revenues					2,181,416	-	2,181,416
Investment income					28,460	38,808	67,268
Miscellaneous					66,026	-	66,026
Total general revenues					4,280,380	38,808	4,319,188
Change in net position					(936,031)	(216,931)	(1,152,962)
Net position beginning of year					15,006,558	20,827,842	35,834,400
Net position end of year					\$ 14,070,527	\$ 20,610,911	\$ 34,681,438

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

VILLAGE OF CHATHAM, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2020

	<u>General</u>	<u>Aggregate Nonmajor</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,084,650	\$ 1,299,377	\$ 3,384,027
Restricted accounts - cash	16,900	-	16,900
Taxes receivable	1,630,870	-	1,630,870
Other receivables	91,232	29,362	120,594
Due from other funds	71,685	-	71,685
Due from other governments	48,497	34,108	82,605
TOTAL ASSETS	<u>\$ 3,943,834</u>	<u>\$ 1,362,847</u>	<u>\$ 5,306,681</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 101,815	\$ 62,088	\$ 163,903
Accrued payroll	78,550	910	79,460
Other payables	10,152	183	10,335
Unearned revenue	-	1,256	1,256
Due to other funds	-	71,685	71,685
Total liabilities	<u>190,517</u>	<u>136,122</u>	<u>326,639</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	1,420,635	-	1,420,635
Total deferred inflows of resources	<u>1,420,635</u>	<u>-</u>	<u>1,420,635</u>
Total liabilities and deferred inflows of resources	<u>1,611,152</u>	<u>136,122</u>	<u>1,747,274</u>
FUND BALANCES			
Nonspendable			
Corpus of permanent fund	-	391,055	391,055
Restricted			
Debt service	16,900	-	16,900
Public works	-	381,027	381,027
Public safety	33,952	-	33,952
Unrestricted			
Committed			
Veteran's memorial brick	-	11,644	11,644
Yard waste	-	310,692	310,692
Public safety	-	8,407	8,407
Public works	-	627	627
Cemetery	-	80,596	80,596
Assigned			
Capital projects	-	42,677	42,677
Future operations	506,165	-	506,165
Unassigned	1,775,665	-	1,775,665
Total fund balances	<u>2,332,682</u>	<u>1,226,725</u>	<u>3,559,407</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,943,834</u>	<u>\$ 1,362,847</u>	<u>\$ 5,306,681</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, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 3,559,407
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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.	21,308,075
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Deferred outflows related to pensions	1,591,106
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Deferred inflows related to pensions	(567,080)
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Long-term liabilities are not due and payable in the current period and,
therefore, are not reported in the governmental funds.

Compensated absences payable	(347,992)
Accrued interest payable	(4,395)
G.O. bonds payable, current	(20,500)
Notes payable, current	(23,381)
Capital lease payable, current	(59,670)
G.O. bonds payable, noncurrent	(420,500)
Notes payable, noncurrent	(85,160)
Capital lease payable, noncurrent	(166,591)
Net pension liability	(6,884,054)
Net OPEB obligation	(3,808,738)
	<u>(11,820,981)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 14,070,527</u></u>
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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, 2020

	General	Aggregate Nonmajor	Total
REVENUES			
Property taxes	\$ 1,325,566	\$ -	\$ 1,325,566
Road and bridge taxes	24,433	-	24,433
Local use tax	396,816	-	396,816
Motor fuel taxes	-	428,105	428,105
Telecommunications tax	133,120	33,280	166,400
Video gaming tax	91,263	-	91,263
Licenses, permits, fees, fines, and service charges	957,855	282,288	1,240,143
Investment income	19,833	8,627	28,460
Other	66,026	-	66,026
Intergovernmental revenues	2,181,416	-	2,181,416
Federal grants	10,671	-	10,671
State grants	3,738	-	3,738
	<hr/>	<hr/>	<hr/>
Total revenues	5,210,737	752,300	5,963,037
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current operations:			
General government	714,740	-	714,740
Cemetery	30,250	-	30,250
Culture and recreation	444,148	404	444,552
Public safety	2,966,600	91,422	3,058,022
Public works/transportation	560,742	449,046	1,009,788
Capital outlay	109,305	354,043	463,348
Debt service:			
Principal	42,416	-	42,416
Interest	15,960	-	15,960
	<hr/>	<hr/>	<hr/>
Total expenditures	4,884,161	894,915	5,779,076
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	326,576	(142,615)	183,961
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	101,258	101,258
Transfer out	(101,258)	-	(101,258)
Capital leases issued	-	249,772	249,772
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(101,258)	351,030	249,772
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	225,318	208,415	433,733
	<hr/>	<hr/>	<hr/>
FUND BALANCE - MAY 1, 2019	2,107,364	1,018,310	3,125,674
	<hr/>	<hr/>	<hr/>
FUND BALANCE - APRIL 30, 2020	<u>\$ 2,332,682</u>	<u>\$ 1,226,725</u>	<u>\$ 3,559,407</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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 433,733
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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	537,399
Depreciation	(791,713)

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	(5,280)
Pension expense	(313,084)
Other post-employment benefits	(644,006)

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	19,500
Repayment of capital lease payable	54,081
Repayment of notes payable	22,916
Capital lease issued	(249,772)
Accrued interest payable	195
	<hr/>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (936,031)</u>
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The accompanying notes are an integral part of these financial statements.

VILLAGE OF CHATHAM, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2020

	Electric	Waterworks and Sewerage	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,244,705	\$ 1,367,439	\$ 4,612,144
Restricted accounts - cash	202,252	54,006	256,258
Accounts receivable	802,216	588,587	1,390,803
Due from other government	5,447	-	5,447
Inventory	333,294	140,861	474,155
Total current assets	4,587,914	2,150,893	6,738,807
Other Assets:			
Interfund advance receivable	179,414	-	179,414
Total other assets	179,414	-	179,414
Capital Assets:			
Capital assets, not being depreciated	279,734	39,000	318,734
Property and equipment	20,769,569	23,707,431	44,477,000
Less: accumulated depreciation	(10,300,305)	(12,410,697)	(22,711,002)
Capital assets, net	10,748,998	11,335,734	22,084,732
Total assets	15,516,326	13,486,627	29,002,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	224,900	154,451	379,351
Total deferred outflows	224,900	154,451	379,351
Total assets and deferred outflows of resources	\$ 15,741,226	\$ 13,641,078	\$ 29,382,304

This statement is continued on the following page.

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2020

	<u>Electric</u>	<u>Waterworks and Sewerage</u>	<u>Total</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 91,012	\$ 425,249	\$ 516,261
Accrued payroll	31,575	24,522	56,097
Accrued compensated absences payable	31,890	1,975	33,865
Unearned revenue	89,824	55,649	145,473
Customer deposits	138,250	66,900	205,150
Accrued interest payable	26,507	1,665	28,172
Other payables	6,511	5,038	11,549
Current maturities of long term debt:			
OPEB liability	24,615	16,971	41,586
G.O. bonds (Alternate Revenue Source) payable	273,000	-	273,000
Loan payable	-	245,203	245,203
Capital lease payable	27,893	67,235	95,128
Total current liabilities	<u>741,077</u>	<u>910,407</u>	<u>1,651,484</u>
Long-Term Liabilities:			
Accrued compensated absences payable	183,850	97,982	281,832
Interfund advance payable	-	179,414	179,414
OPEB liability	853,251	588,279	1,441,530
Net pension liability	614,147	421,767	1,035,914
G.O. bonds (Alternate Revenue Source) payable	2,062,000	-	2,062,000
Loan payable	-	1,089,857	1,089,857
Capital lease payable	63,410	79,521	142,931
Total long-term liabilities	<u>3,776,658</u>	<u>2,456,820</u>	<u>6,233,478</u>
Total liabilities	<u>4,517,735</u>	<u>3,367,227</u>	<u>7,884,962</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>525,525</u>	<u>360,906</u>	<u>886,431</u>
Total liabilities and deferred inflows of resources	<u>5,043,260</u>	<u>3,728,133</u>	<u>8,771,393</u>
NET POSITION			
Net Investment in capital assets	8,322,695	10,149,951	18,472,646
Restricted for debt service	202,252	54,006	256,258
Unrestricted	<u>2,173,019</u>	<u>(291,012)</u>	<u>1,882,007</u>
Total net position	<u>\$ 10,697,966</u>	<u>\$ 9,912,945</u>	<u>\$ 20,610,911</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, 2020

	Electric	Waterworks and Sewerage	Total
OPERATING REVENUES			
User charges	\$ 9,993,329	\$ 6,710,074	\$ 16,703,403
Other income	60,321	142,119	202,440
Total operating revenues	10,053,650	6,852,193	16,905,843
OPERATING EXPENSES			
Electricity purchases	6,908,110	-	6,908,110
Water purchases/sewer expenses	-	4,640,951	4,640,951
Distribution and customer service	2,502,969	1,793,921	4,296,890
Depreciation	596,938	613,463	1,210,401
Total operating expenses	10,008,017	7,048,335	17,056,352
OPERATING INCOME (LOSS)	45,633	(196,142)	(150,509)
NONOPERATING INCOME (EXPENSE)			
Investment income	26,519	12,289	38,808
Grant income	5,447	-	5,447
Interest expense	(70,202)	(40,475)	(110,677)
Total nonoperating income (expense)	(38,236)	(28,186)	(66,422)
CHANGE IN NET POSITION	7,397	(224,328)	(216,931)
NET POSITION - MAY 1, 2019	10,690,569	10,137,273	20,827,842
NET POSITION - APRIL 30, 2020	<u>\$ 10,697,966</u>	<u>\$ 9,912,945</u>	<u>\$ 20,610,911</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, 2020

	Electric	Waterworks and Sewerage	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 10,037,696	\$ 6,829,826	\$ 16,867,522
Payments to suppliers	(7,914,360)	(5,301,146)	(13,215,506)
Payments to employees	(1,409,244)	(992,876)	(2,402,120)
Net cash from operating activities	<u>714,092</u>	<u>535,804</u>	<u>1,249,896</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Proceeds from interfund advance	89,707	-	89,707
Principal paid on interfund advance	-	(89,707)	(89,707)
Net cash from non-capital financing activities	<u>89,707</u>	<u>(89,707)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(194,602)	(264,095)	(458,697)
Principal paid on capital debt	(295,621)	(304,853)	(600,474)
Interest paid on capital debt	(89,391)	(40,869)	(130,260)
Net cash from capital and related financing activities	<u>(579,614)</u>	<u>(609,817)</u>	<u>(1,189,431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	26,519	12,289	38,808
Net cash from investing activities	<u>26,519</u>	<u>12,289</u>	<u>38,808</u>
Net increase (decrease) in cash	250,704	(151,431)	99,273
Cash and cash equivalents, beginning	3,196,253	1,572,876	4,769,129
Cash and cash equivalents, ending	<u>\$ 3,446,957</u>	<u>\$ 1,421,445</u>	<u>\$ 4,868,402</u>
Cash and cash equivalents consists of the following:			
Cash and cash equivalents	\$ 3,244,705	\$ 1,367,439	\$ 4,612,144
Restricted accounts - cash	202,252	54,006	256,258
	<u>\$ 3,446,957</u>	<u>\$ 1,421,445</u>	<u>\$ 4,868,402</u>

This statement is continued on the following page.

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Electric	Waterworks and Sewerage	Total
Reconciliation of operating (loss) to net cash from operating activities:			
Operating income (loss)	\$ 45,633	\$ (196,142)	\$ (150,509)
Adjustments to reconcile income (loss) to net cash from operating activities:			
Depreciation	596,938	613,463	1,210,401
(Increase) decrease in assets:			
Accounts receivable	(15,954)	(22,367)	(38,321)
Inventories	14,252	10,476	24,728
Deferred outflows of resources	322,780	185,392	508,172
(Decrease) increase in liabilities:			
Accounts payable	43,143	(72,812)	(29,669)
Unearned revenue	4,662	669	5,331
Accrued payroll	7,824	6,464	14,288
Compensated absences	18,994	20,591	39,585
Net OPEB obligation	72,455	158,289	230,744
Net pension liability	(451,348)	(236,868)	(688,216)
Deferred inflows of resources	38,986	60,152	99,138
Deposits payable	13,750	6,900	20,650
Other payables	1,977	1,597	3,574
Net cash from operating activities	<u>\$ 714,092</u>	<u>\$ 535,804</u>	<u>\$ 1,249,896</u>
Non-cash capital and related financing activities:			
Capital lease issuance	\$ -	\$ 25,640	\$ 25,640
Total non-cash capital and related financing activities	<u>\$ -</u>	<u>\$ 25,640</u>	<u>\$ 25,640</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, 2020

ASSETS

Cash	\$ 355,019
Investments	
Mutual funds	3,826,472
Non-negotiable certificates of deposit	1,288,359
Corporate bonds	1,631,699
Government mortgage pool	246,001
Agency securities	351,346
U.S. Treasuries	428,804
CMO & asset backed securities	2,627
Accrued interest receivable	<u>25,939</u>
 Total Assets	 <u>8,156,266</u>

LIABILITIES

Accounts payable	<u>2,336</u>
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NET POSITION, RESTRICTED FOR PENSIONS	<u><u>\$ 8,153,930</u></u>
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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, 2020

ADDITIONS

Contributions	
Employer (property taxes)	\$ 633,707
Employee	<u>122,579</u>
Total contributions	<u>756,286</u>
Investment income	
Net depreciation in fair value of investments	(388,563)
Interest	280,016
Investment fees	<u>(18,683)</u>
Total net investment income	<u>(127,230)</u>
Total additions	<u>629,056</u>

DEDUCTIONS

Benefits and refunds	
Retiree benefits	401,279
Administration	<u>13,835</u>
Total deductions	<u>415,114</u>

NET INCREASE	213,942
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NET POSITION, RESTRICTED FOR PENSIONS

MAY 1, 2019	<u>7,939,988</u>
APRIL 30, 2020	<u><u>\$ 8,153,930</u></u>

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

VILLAGE OF CHATHAM, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

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 Police Pension Plan is reported as if they were a part of the Village. The data is included in the Village's fiduciary fund financial statements because the fund is fiscally dependent on the Village and provides services entirely to the Village's current and former employees. The Police Pension Plan does not issue a separate component unit report.

Other than the Police Pension Plan, 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.

In 2009, the Village, along with the Village of New Berlin, Illinois, established the South Sangamon Water Commission. A jointly operated Commission established to provide water service primarily to the Village of Chatham and Village of New Berlin. The Board of Trustees of the Commission are appointed, one each, by Sangamon County, the Village of New Berlin and the Village of Chatham and has the authority to make decisions, hire employees, and significantly influence operations. The Commission also has the primary accountability for fiscal matters.

- (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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (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.

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.

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)

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.

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.

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)

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.

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. The Chief Financial Officer has the ability to designate if a portion of fund balance should be assigned. 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. It is the Village's policy to maintain an unassigned fund balance of a minimum of 17% to 25% of the total budgeted annual expenditures of the most recently approved budget.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fund Balance/Net Position (Continued)

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.

- (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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Long-Term Obligations (Continued)

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.

(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) Interest Costs on Construction – Interest costs incurred before the end of a construction period are recognized as an expenditure or expense in the period in which the costs are incurred.

(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.

(q) Postponement of Implementation of Certain Authoritative Guidance – In accordance with the provisions of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, the Village has delayed the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No 84, *Fiduciary Activities*, and GASB Statement No. 90, *Majority Equity Interests* to April 30, 2021.

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, 2018.
- The annual tax levy ordinance for 2018 taxes received during fiscal year 2020 was passed December 2018.
- 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 2018 were distributed to the Village in June and September of 2019.

The annual tax levy ordinance for 2019 taxes to be received during fiscal year 2021 was passed December 2019. The 2019 taxes are intended to finance the 2021 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue. The 2020 tax levy has not been recorded as a receivable at April 30, 2020. Although the tax attached as a lien on property as of January 1, 2020, the tax will not be levied until December 2020, and, accordingly, is not measurable at April 30, 2020.

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.

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

Interest rate risk is the risk that the fair 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.

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 concertation 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, 2020.

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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

Police Pension Funds (Continued)

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. During the year, no changes to the investment policy were approved by the Board of Trustees except for the rate of return for the overall fund increasing from 6.00% to 6.25%

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 fair 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, 2020, 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	\$ 428,804	\$ 203,313	\$ 225,491	\$ -	\$ -
Agency Securities	351,346	-	-	351,346	-
Corporate Bonds	1,631,699	252,246	966,107	413,346	-
Mortgage Pools	246,001	-	-	-	246,001
Subject to interest rate risk	2,657,850	<u>\$ 455,559</u>	<u>\$ 1,191,598</u>	<u>\$ 764,692</u>	<u>\$ 246,001</u>
CMO & Asset					
Backed Securities	2,627				
Equity Mutual Funds	3,826,472				
Certificates of Deposits	1,288,359				
Total	<u>\$ 7,775,308</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 limits its exposure to credit risk by requiring corporate bonds to be rated as investment grade by one of the two largest rating services at the time of purchase. If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded.

At April 30, 2020, 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
Agency Securities	\$ 351,346	\$ 351,346	\$ -	\$ -	\$ -
Corporate Bonds	1,631,699	169,718	1,246,722	215,259	-
Mortgage Pools	246,001	-	-	-	246,001
CMO & Asset					
Backed Securities	2,627	-	-	-	2,627
Subject to credit risk	2,231,673	<u>\$ 521,064</u>	<u>\$ 1,246,722</u>	<u>\$ 215,259</u>	<u>\$ 248,628</u>
U.S. Treasuries	428,804				
Equity Mutual Funds	3,826,472				
Certificates of Deposits	1,288,359				
Total	<u>\$ 7,775,308</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.

3. DEPOSITS AND INVESTMENTS (Continued)

Police Pension Funds (Continued)

B. Investments (Continued)

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.

The book value of total equities may not exceed 35% for mutual funds, separate account of an insurance company, or separate accounts of a money manager. This is in addition to the 10% equity investment allowed in Section 1-113.2 and 1-113.3 of 40 ILCS 5 through equity mutual funds and equity separate accounts. In addition, the Pension Fund must comply with State statutes which dictate that individual holding must meet certain criteria, and no individual investment held (with the exception of mutual funds) may exceed 5% of the invested assets in total. At April 30, 2020, the total equities held by the Pension Fund made up 47% of the total assets.

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, 2020.

- U.S. Treasuries and equity mutual funds: Valued at the closing quoted price in an active market
- Corporate bonds: 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.
- 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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

Police Pension Funds (Continued)

B. Investments (Continued)

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 428,804	\$ 428,804	\$ -	\$ -
Agency Securities	351,346	-	351,346	-
Corporate Bonds	1,631,699	-	1,631,699	-
Mortgage Pools	246,001	-	246,001	-
CMO & Asset Backed Securities	2,627	-	-	2,627
Equity Mutual Funds	3,826,472	3,826,472	-	-
	6,486,949	\$ 4,255,276	\$ 2,229,046	\$ 2,627
Certificates of Deposits*	1,288,359			
Total	\$ 7,775,308			

*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, 2020 consists of the following:

	Balances May 1	Additions	Retirements	Balances April 30
Land, not depreciated	\$ 629,600	\$ -	\$ -	\$ 629,600
Construction in progress, not depreciated	<u>1,051,476</u>	<u>-</u>	<u>530,568</u>	<u>520,908</u>
Total capital assets, not depreciated	<u>1,681,076</u>	<u>-</u>	<u>530,568</u>	<u>1,150,508</u>
Improvements	1,333,629	49,740	-	1,383,369
Buildings and grounds	953,990	-	-	953,990
Vehicles	1,043,589	147,015	43,951	1,146,653
Equipment	910,126	211,839	126,200	995,765
Infrastructure	<u>23,095,400</u>	<u>659,373</u>	<u>-</u>	<u>23,754,773</u>
Total capital assets being depreciated	<u>27,336,734</u>	<u>1,067,967</u>	<u>170,151</u>	<u>28,234,550</u>
Total capital assets	<u>29,017,810</u>	<u>1,067,967</u>	<u>700,719</u>	<u>29,385,058</u>
Less accumulated depreciation for:				
Improvements	255,452	34,200	-	289,652
Buildings and grounds	442,551	26,312	-	468,863
Vehicles	906,294	87,555	43,951	949,898
Equipment	858,331	52,332	126,200	784,463
Infrastructure	<u>4,992,793</u>	<u>591,314</u>	<u>-</u>	<u>5,584,107</u>
Total accumulated depreciation	<u>7,455,421</u>	<u>791,713</u>	<u>170,151</u>	<u>8,076,983</u>
Total capital assets being depreciated, net	<u>19,881,313</u>	<u>276,254</u>	<u>-</u>	<u>20,157,567</u>
Total capital assets, net of accumulated depreciation	<u>\$ 21,562,389</u>	<u>\$ 276,254</u>	<u>\$ 530,568</u>	<u>\$ 21,308,075</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, 2020 consists of the following:

<u>ELECTRIC</u>	<u>Balances May 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances April 30</u>
Land, not depreciated	\$ 279,734	\$ -	\$ -	\$ 279,734
Total capital assets, not being depreciated	279,734	-	-	279,734
Improvements	68,691	-	-	68,691
Buildings and grounds	701,109	-	-	701,109
Vehicles	933,562	-	-	933,562
Equipment	859,515	16,261	4,245	871,531
Utility plant	18,016,335	178,341	-	18,194,676
Total capital assets being depreciated	20,579,212	194,602	4,245	20,769,569
Total capital assets	20,858,946	194,602	4,245	21,049,303
Less accumulated depreciation for:				
Improvements	36,476	1,428	-	37,904
Buildings and grounds	420,911	12,574	-	433,485
Vehicles	815,930	31,936	-	847,866
Equipment	696,338	54,853	4,245	746,946
Utility plant	7,737,957	496,147	-	8,234,104
Total accumulated depreciation	9,707,612	596,938	4,245	10,300,305
Total capital assets being depreciated, net	10,871,600	(402,336)	-	10,469,264
Total capital assets, net of accumulated depreciation	\$ 11,151,334	\$ (402,336)	\$ -	\$ 10,748,998

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

4. CAPITAL ASSETS (Continued)

B. Business-type activities (Continued)

<u>WATERWORKS & 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	<u>1,549,604</u>	<u>-</u>	<u>1,549,604</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,588,604</u>	<u>-</u>	<u>1,549,604</u>	<u>39,000</u>
Improvements	13,331	-	-	13,331
Buildings and grounds	374,969	-	-	374,969
Vehicles	532,391	-	-	532,391
Equipment	551,738	51,941	4,245	599,434
Utility plant	<u>20,399,908</u>	<u>1,787,398</u>	<u>-</u>	<u>22,187,306</u>
Total capital assets being depreciated	<u>21,872,337</u>	<u>1,839,339</u>	<u>4,245</u>	<u>23,707,431</u>
Total capital assets	<u>23,460,941</u>	<u>1,839,339</u>	<u>1,553,849</u>	<u>23,746,431</u>
Less accumulated depreciation for:				
Improvements	1,605	413	-	2,018
Buildings and grounds	74,443	9,546	-	83,989
Vehicles	287,404	77,826	-	365,230
Equipment	426,747	46,307	4,245	468,809
Utility plant	<u>11,011,280</u>	<u>479,371</u>	<u>-</u>	<u>11,490,651</u>
Total accumulated depreciation	<u>11,801,479</u>	<u>613,463</u>	<u>4,245</u>	<u>12,410,697</u>
Total capital assets being depreciated, net	<u>10,070,858</u>	<u>1,225,876</u>	<u>-</u>	<u>11,296,734</u>
Total capital assets, net of accumulated depreciation	<u>\$ 11,659,462</u>	<u>\$ 1,225,876</u>	<u>\$ 1,549,604</u>	<u>\$ 11,335,734</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	<u>1,549,604</u>	<u>-</u>	<u>1,549,604</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,868,338</u>	<u>-</u>	<u>1,549,604</u>	<u>318,734</u>
Improvements	82,022	-	-	82,022
Buildings and grounds	1,076,078	-	-	1,076,078
Vehicles	1,465,953	-	-	1,465,953
Equipment	1,411,253	68,202	8,490	1,470,965
Utility plant	<u>38,416,243</u>	<u>1,965,739</u>	<u>-</u>	<u>40,381,982</u>
Total capital assets being depreciated	<u>42,451,549</u>	<u>2,033,941</u>	<u>8,490</u>	<u>44,477,000</u>
Total capital assets	<u>44,319,887</u>	<u>2,033,941</u>	<u>1,558,094</u>	<u>44,795,734</u>
Less accumulated depreciation for:				
Improvements	38,081	1,841	-	39,922
Buildings and grounds	495,354	22,120	-	517,474
Vehicles	1,103,334	109,762	-	1,213,096
Equipment	1,123,085	101,160	8,490	1,215,755
Utility plant	<u>18,749,237</u>	<u>975,518</u>	<u>-</u>	<u>19,724,755</u>
Total accumulated depreciation	<u>21,509,091</u>	<u>1,210,401</u>	<u>8,490</u>	<u>22,711,002</u>
Total capital assets being depreciated, net	<u>20,942,458</u>	<u>823,540</u>	<u>-</u>	<u>21,765,998</u>
Total capital assets, net of accumulated depreciation	<u>\$ 22,810,796</u>	<u>\$ 823,540</u>	<u>\$ 1,549,604</u>	<u>\$ 22,084,732</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	\$ 6,262
Culture and recreation	68,784
Public safety	51,168
Public works/transportation	<u>665,499</u>
Total depreciation expense – governmental activities	<u>\$ 791,713</u>
Business-type activities:	
Electric	\$ 596,938
Waterworks and Sewerage	<u>613,463</u>
Total depreciation expense – business-type activities	<u>\$ 1,210,401</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, 2020.

Electric Fund:	
Cash:	
Electric GO Bond and Interest	<u>\$ 202,252</u>

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

5. RESTRICTED ASSETS (Continued)

Electric Fund (Continued)

As of April 30, 2020, 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, 2020.

Waterworks and Sewerage Fund:

Cash:

Water Note Fund	\$ <u>54,006</u>
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As of April 30, 2020, 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, 2020, the account was funded as required by the ordinance.

General Fund

Cash:

2017 Debt Service	\$ <u>16,900</u>
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Total	\$ <u>16,900</u>
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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% \$ 441,000

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

<u>Years ending April 30,</u>	Principal	Interest	Total
2021	\$ 20,500	\$ 13,186	\$ 33,686
2022	21,000	12,573	33,573
2023	21,500	11,945	33,445
2024	22,000	11,302	33,302
2025	23,000	10,644	33,664
2026-2030	124,500	42,564	167,064
2031-2035	144,500	22,755	167,255
2036-2037	<u>64,000</u>	<u>2,886</u>	<u>66,886</u>
Total	<u>\$ 441,000</u>	<u>\$ 127,855</u>	<u>\$ 568,855</u>

Street Shop Building Note (Direct Borrowing)

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, 2020 is \$108,541 and the principal balance for the business-type activities as of April 30, 2020 is \$108,542 for a combined total of \$217,083.

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

6. LONG-TERM DEBT (Continued)

Governmental activities (Continued)

Street Shop Building Note (Direct Borrowing) (Continued)

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>
2021	\$ 23,381	\$ 1,726	\$ 25,107
2022	23,796	1,311	25,107
2023	24,219	888	25,107
2024	24,649	458	25,107
2025	12,496	63	12,559
Total	<u>\$ 108,541</u>	<u>\$ 4,446</u>	<u>\$ 112,987</u>

Capital Lease

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 \$4,493 at April 30, 2020. 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, 2020:

<u>Year ending April 30, 2021</u>	
Future minimum lease payments	\$ 4,666
Less: Amount representing interest	<u>12</u>
Present value of minimum lease payments	<u>\$ 4,654</u>

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 \$36,758 at April 30, 2020. 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, 2020:

<u>Years ending April 30,</u>	
2021	\$ 9,785
2022	9,785
2023	9,785
2024	<u>9,785</u>
Future minimum lease payments	39,140
Less: Amount representing interest	<u>1,659</u>
Present value of minimum lease payments	<u>\$ 37,481</u>

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

6. LONG-TERM DEBT (Continued)

Governmental activities (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 \$31,097 at April 30, 2020. 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, 2020:

<u>Years ending April 30,</u>	
2021	\$ 12,875
2022	12,874
2023	<u>3,193</u>
Future minimum lease payments	28,942
Less: Amount representing interest	<u>1,029</u>
Present value of minimum lease payments	<u>\$ 27,913</u>

The Village is obligated under a vehicle lease accounted for as a capital lease. The leased assets (street sweeper) and related obligation are accounted for as governmental activities. The asset under the capital lease net of depreciation totaled \$153,170 at April 30, 2020. 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, 2020:

<u>Years ending April 30,</u>	
2021	\$ 37,645
2022	37,645
2023	37,645
2024	37,645
2025	<u>15,504</u>
Future minimum lease payments	166,084
Less: Amount representing interest	<u>9,871</u>
Present value of minimum lease payments	<u>\$ 156,213</u>

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

6. LONG-TERM DEBT (Continued)

Governmental activities (Continued)

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, 2020.

	Balance May 1, 2019	Additions	Reductions	Balance April 30, 2020
G.O. bonds	\$ 460,500	\$ -	\$ 19,500	\$ 441,000
Notes payable	131,457	-	22,916	108,541
Capital lease	30,570	249,772	54,081	226,261
Net pension liability	6,538,350	345,704	-	6,884,054
OPEB liability	3,218,874	589,864	-	3,808,738
Compensated absences	342,712	347,992	342,712	347,992
	<u>\$ 10,722,463</u>	<u>\$ 1,533,332</u>	<u>\$ 439,209</u>	<u>\$ 11,816,586</u>

The General Fund and Yard Waste Recycling and Refuse Fund generally liquidate the pension, OPEB, and compensated absences liabilities.

Following are governmental activities obligations due within one year:

G.O. bonds	\$ 20,500
Notes payable	23,381
Capital lease	59,670
OPEB liability	106,795
Compensated absences	30,193
Total	<u>\$ 240,539</u>

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

Debt Service (General Fund)	<u>\$ 16,900</u>
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VILLAGE OF CHATHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

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
 1.70 % to 2.40% \$ 2,335,000

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>
2021	\$ 273,000	\$ 50,208	\$ 323,208
2022	279,000	42,760	321,760
2023	295,000	37,738	332,738
2024	306,000	32,134	338,134
2025	314,000	26,014	340,014
2026-2029	<u>868,000</u>	<u>39,416</u>	<u>907,416</u>
Total	<u>\$ 2,335,000</u>	<u>\$ 228,270</u>	<u>\$ 2,563,270</u>

Water Shop Building Note (Direct Borrowing)

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, 2020 is \$108,541 and the principal balance for the business-type activities as of April 30, 2020 is \$108,542 for a combined total of \$217,083.

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

6. LONG-TERM DEBT (Continued)

Business-type activities (Continued)

Water Shop Building Note (Direct Borrowing) (Continued)

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>
2021	\$ 23,382	\$ 1,725	\$ 25,107
2022	23,796	1,311	25,107
2023	24,219	888	25,107
2024	24,649	458	25,107
2025	12,496	63	12,559
Total	<u>\$ 108,542</u>	<u>\$ 4,445</u>	<u>\$ 112,987</u>

Ground Storage Tank and Tower Painting Note (Direct Borrowing)

On January 31, 2019, the Village entered into an agreement with a financial institution to finance costs associated with improvements to the above ground storage tank and tower. The Village borrowed \$1,112,800 at an interest rate of 2.98% to be paid in monthly installments of \$14,693 beginning March 1, 2019, with a final payment due February 1, 2026. 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, 2020 was \$930,485. 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>
2021	\$ 150,263	\$ 26,058	\$ 176,321
2022	154,803	21,518	176,321
2023	159,480	16,841	176,321
2024	164,270	12,051	176,321
2025	169,260	7,061	176,321
2026	132,409	1,986	134,395
Total	<u>\$ 930,485</u>	<u>\$ 85,515</u>	<u>\$ 1,016,000</u>

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

6. LONG-TERM DEBT (Continued)

Business-type activities (Continued)

Water Promissory Note, Series 2014 (Direct Borrowing)

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, 2020 was \$296,033. 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>
2021	\$ 71,558	\$ 6,660	\$ 78,218
2022	73,168	5,050	78,218
2023	74,814	3,404	78,218
2024	76,493	1,720	78,213
Total	<u>\$ 296,033</u>	<u>\$ 16,834</u>	<u>\$ 312,867</u>

Capital Leases

The Village is obligated under an equipment lease accounted for as a capital lease. The leased asset (mini-excavator) and related obligation are accounted for as business-type activities. The asset under the capital lease net of depreciation totaled \$21,518 at April 30, 2020. 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, 2020:

<u>Years ended April 30,</u>	
2021	\$ 5,410
2022	5,410
2023	5,410
2024	<u>5,410</u>
Future minimum lease payments	21,640
Less: Amount representing interest	<u>1,410</u>
Present value of minimum lease payments	<u>\$ 20,230</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 \$150,478 at April 30, 2020. 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, 2020:

Year ending April 30,

2021	\$ 65,960
2022	<u>65,960</u>
Future minimum lease payments	131,920
Less: Amount representing interest	<u>5,394</u>
Present value of minimum lease payments	<u>\$ 126,526</u>

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 \$85,695 at April 30, 2020. 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, 2020:

Years ended April 30,

2021	\$ 30,326
2022	30,326
2023	30,326
2024	<u>4,992</u>
Future minimum lease payments	95,970
Less: Amount representing interest	<u>4,667</u>
Present value of minimum lease payments	<u>\$ 91,303</u>

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

6. LONG-TERM DEBT (Continued)

Business-type activities (Continued)

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, 2020.

	Balance May 1, 2019	Additions	Reductions	Balance April 30, 2020
G.O. bonds (Alternate Revenue Source)	\$ 2,598,000	\$ -	\$ 263,000	\$ 2,335,000
Notes payable	1,573,838	-	238,778	1,335,060
Capital leases	311,115	25,640	98,696	238,059
Net pension liability	1,724,130	-	688,216	1,035,914
OPEB liability	1,252,372	230,744	-	1,483,116
Compensated absences	276,112	315,697	276,112	315,697
	<u>\$ 7,735,567</u>	<u>\$ 572,081</u>	<u>\$ 1,564,802</u>	<u>\$ 6,742,846</u>

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

G.O. bonds (Alternate Revenue Source)	\$ 273,000
Notes payable	245,203
Capital leases	95,128
OPEB liability	41,586
Compensated absences	33,865
Total	<u>\$ 688,782</u>

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 \$2,563,270. Principal and interest paid and total revenues for fiscal year 2020 were \$352,391 and \$10,053,650, respectively.

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

8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances at April 30, 2020 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Aggregate Nonmajor Governmental Fund	\$ 71,685	\$ -
Aggregate Nonmajor Governmental Fund:		
General Fund	-	71,685
Total	<u>\$ 71,685</u>	<u>\$ 71,685</u>

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

- \$71,685 due from the Aggregate Nonmajor Governmental funds to the General fund. \$69,486 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. \$2,199 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>Interfund Advance Payables</u>
Electric Fund:		
Waterworks and Sewerage Fund	\$ 179,414	\$ -
Waterworks and Sewerage Fund:		
Electric Fund	-	179,414
Total	<u>\$ 179,414</u>	<u>\$ 179,414</u>

- \$179,414 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.

During fiscal year 2020, the General Fund made a \$101,258 budgeted transfer of Series 2017 bond proceeds to the Capital Projects Fund for street infrastructure projects. For the statement of activities, interfund transfers within the governmental or business-types activities are netted and eliminated.

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

9. RETIREMENT PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, and the Police Pension Plan, which is a single-employer pension plan. The table below is a summary for all pension plans as of and for the year ended April 30, 2020:

	IMRF	Police Pension	Total
Net Pension Liability	\$ 1,613,170	\$ 6,306,798	\$7,919,968
Deferred Outflows of Resources	590,741	1,379,716	1,970,457
Deferred Inflows of Resources	1,380,388	73,123	1,453,511
Pension Expense	143,494	1,034,194	1,177,688

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.

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, 2019, the date of the most recent actuarial valuation, the IMRF membership consisted of:

Retirees and beneficiaries currently receiving benefits	28
Inactive employees entitled to, but not yet receiving benefits	12
Active plan members	40
Total	<u>80</u>

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

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

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 contribution for the fiscal year ended April 30, 2020 was 12.06% of covered 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, 2019. 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, 2019.

Actuarial valuation date	December 31, 2019
Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Price inflation	2.50%
Salary increases	3.35% to 14.25%
Cost of living adjustment	3.50%
Investment rate of return	7.25%

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

Single Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially 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 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is the expected rate of return on pension plan investments of 7.25%.

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

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability.

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2019	\$ 12,558,459	\$ 9,842,437	\$ 2,716,022
Changes for the period:			
Service cost	263,876	-	263,876
Interest	902,963	-	902,963
Difference between expected and actual experience	10,587	-	10,587
Changes in assumptions	-	-	-
Employer contributions	-	315,961	(315,961)
Employee contributions	-	182,229	(182,229)
Net investment income	-	1,791,167	(1,791,167)
Benefit payments and refunds	(471,468)	(471,468)	-
Other	-	(9,079)	9,079
Net changes	705,958	1,808,810	(1,102,852)
Balances at December 31, 2019	\$ 13,264,417	\$ 11,651,247	\$ 1,613,170

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 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 3,603,212	\$ 1,613,170	\$ (3,536)

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

9. RETIREMENT PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended April 30, 2020, the Village reported recognized total pension expense of \$1,177,688, of which \$143,494 related to IMRF. At April 30, 2020, 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	\$ 177,371	\$ 710,427
Changes in assumption	293,771	251,422
Net difference between projected and actual earnings on pension plan investments	-	418,539
Contributions made after measurement date	119,599	-
TOTAL	\$ 590,741	\$ 1,380,388

\$119,559 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year ended April 30,</u>	
2020	\$ (225,241)
2021	(275,229)
2022	(134,273)
2023	(278,252)
2024	3,170
Thereafter	579
TOTAL	\$ (909,246)

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

9. RETIREMENT PLANS (Continued)

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 May 1, 2019, the date of the most recent actuarial valuation, the Police Pension membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	6
Inactive plan members, but not yet receiving benefits	1
Active plan members	<u>14</u>
Total	<u>21</u>

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.

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

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

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 1st 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 102.21% of the actuarially determined contribution which is based on 100% amortization of the unfunded actuarially accrued liability. For the year ended April 30, 2020, the Village's contribution was 51.19% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of April 30, 2020. The total pension liability was determined by an actuarial valuation as of May 1, 2019 and rolled forward to the measurement date of April 30, 2020.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total pension liability as of April 30, 2020.

Actuarial valuation date	May 1, 2019
Actuarial cost method	Entry Age Normal
Asset valuation	Market Value
Long-term expected rate of return	6.25%
Salary increases	3.75% to 21.01%
Increase in total payroll	3.25%
Price inflation	2.25%
Percent married	80.0%

Mortality rates were based on Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described. Retirement rates were based on L&A 2020 Illinois Police Retirement Rates Capped at age 65.

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

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

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

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 3.79% to 2.56% 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	3.30%	2.90%	0.40%	2.50%

Discount Rate. The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Changes in the Net Pension Liability.

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at May 1, 2019	\$ 13,486,446	\$ 7,939,988	\$ 5,546,458
Changes for the period:			
Service cost	359,618	-	359,618
Interest	830,363	-	830,363
Changes in benefit terms	110,840	-	110,840
Actuarial experience	156,600	-	156,600
Employer contributions	-	633,707	(633,707)
Employee contributions	-	122,579	(122,579)
Net investment income	-	(127,230)	127,230
Changes in assumptions	(81,860)	-	(81,860)
Benefit payments and refunds	(401,279)	(401,279)	-
Administrative expense	-	(13,835)	13,835
Net changes	974,282	213,942	760,340
Balances at April 30, 2020	\$ 14,460,728	\$ 8,153,930	\$ 6,306,798

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)	\$ 8,883,203	\$ 6,306,798	\$ 4,270,232

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

9. RETIREMENT PLANS (Continued)

Police Pension Fund (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended April 30, 2020, the Village reported recognized total pension expense of \$1,177,688, of which \$1,034,194 was related to the Police pension. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 288,599	\$ -
Changes in assumption	516,078	73,123
Net difference between projected and actual earnings on pension plan investments	575,039	-
	<hr/>	<hr/>
TOTAL	\$ 1,379,716	\$ 73,123
	<hr/>	<hr/>

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

<u>Year ended April 30,</u>	
2021	\$ 265,822
2022	286,660
2023	274,317
2024	253,020
2025	126,195
Thereafter	<hr/> 100,579
TOTAL	<hr/> \$ 1,306,593

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. No contributions are made by the Village or its employees to fund a reserve for payment of benefits. Accordingly, there are no assets accumulated in a GASB-compliant trust. Since no reserve is maintained for benefit payments, the plan does not issue a separate stand-alone financial report. The OPEB obligation is generally liquidated through the funds in which the related employees' wages are paid.

Benefits Provided

The Village provides post retirement health benefits, as per the requirements of local ordinances and labor agreements. Retirees 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, with the exception of retirees under the International Fraternal Order of Police, Local Unit 821. Such retirees shall be at least fifty years of age. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

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

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

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Membership

At April 30, 2020 (census date), membership consisted of:

Inactive employees currently receiving benefit payments	6
Inactive employees entitled to but not but not yet receiving benefit payments	-
Active employees	<u>53</u>
Total	<u>59</u>

Total OPEB Liability

The Village's total OPEB liability of \$5,291,854 was measured as of April 30, 2020 and was determined by an actuarial valuation as of May 1, 2018 using the alternative measurement method and rolled forward to the measurement date of April 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to April 30, 2020 including updating the discount rate at April 30, 2020 as noted below.

Actuarial cost method	Entry-age normal
Assumptions	
Payroll increases	2.75%
Discount rate	2.56%
Inflation	2.25%
Healthcare cost trend rates	2.81% to 6.56% 5.00% ultimate
Asset valuation method	Market value

The payroll increase assumption is based on a review of the IMRF December 31, 2017 actuarial valuation and the L&A assumption study for Police 2020.

The discount rate was based on the municipal bond rate for the Bond Buyer 20-Bond G.O. Index. The 2.56% rate shown is the April 30, 2020. The 20-Bond G.O. Index is based on an average of certain general obligation bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The initial healthcare trend rate is based on the 2019 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.

Mortality rates were based on the RP-2014 Study, with blue collar adjustments for IMRF employees. These rates are improved generationally using MP-2016 improvement rates. Mortality rates for active police officers were based on the sex distinct raw rates as developed in the PubS-2010(A) study improved to 2017 using MP-2019 improvement rates.

Coverage election at retirement is assumed to be 100% for IMRF employees and 33% for IMRF employees currently waiving health insurance coverage. Of the employees assumed to elect coverage at retirement, 50% are assumed to elect spouse coverage and female spouses are assumed to be 3 years younger than male spouses. The assumptions are based on the current population.

Changes in the Total OPEB Liability

Balances beginning May 1, 2019	\$ 4,471,246
Changes for the year:	
Service cost	105,826
Interest	166,632
Assumption changes	696,531
Benefit payments	(148,381)
Net changes	<u>820,608</u>
Balances ending April 30, 2020	<u>\$ 5,291,854</u>

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.56% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.56%) or 1 percentage point higher (3.56%) than the current rate:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
Total OPEB Liability	\$ 5,908,653	\$ 5,291,854	\$ 4,768,514

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

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 2.81% to 6.56% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.81% to 5.56%) or 1 percentage point higher (3.81% to 7.56%) than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 4,597,436	\$ 5,291,854	\$ 6,122,080

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2020, the Village reported recognized total OPEB expense of \$820,609. The Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
TOTAL	\$ -	\$ -

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

Year ended April 30,	
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	-
TOTAL	\$ -

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.

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 \$3,057,746 to the Commission during fiscal year 2020 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 at PO Box 83 New Berlin, Illinois 62670-0083.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CHATHAM, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Calendar Years

MEASUREMENT DATE DECEMBER 31	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY					
Service cost	\$ 263,876	\$ 230,684	\$ 244,533	\$ 249,095	\$ 248,975
Interest	902,963	879,549	898,328	882,777	782,200
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	10,587	(353,775)	(516,855)	(469,473)	681,972
Changes of assumptions	-	423,617	(410,496)	(68,605)	33,697
Benefit payments, including refunds of member contributions	(471,468)	(467,190)	(450,749)	(443,799)	(297,513)
	705,958	712,885	(235,239)	149,995	1,449,331
Total pension liability - beginning	12,558,459	11,845,574	12,080,813	11,930,818	10,481,487
TOTAL PENSION LIABILITY - ENDING	\$ 13,264,417	\$ 12,558,459	\$ 11,845,574	\$ 12,080,813	\$ 11,930,818
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 315,961	\$ 343,850	\$ 355,417	\$ 339,165	\$ 425,528
Contributions - member	182,229	146,776	136,795	108,548	114,457
Net investment income	1,791,167	(862,097)	1,306,357	594,756	43,111
Benefit payments, including refunds of member contributions	(471,468)	(467,190)	(450,749)	(443,799)	(297,513)
Other income (expense)	(9,079)	(16,315)	45,042	61,553	(142,279)
	1,808,810	(854,976)	1,392,862	660,223	143,304
Plan fiduciary net position - beginning	9,842,437	10,697,413	9,304,551	8,644,328	8,501,024
PLAN FIDUCIARY NET POSITION - ENDING	\$ 11,651,247	\$ 9,842,437	\$ 10,697,413	\$ 9,304,551	\$ 8,644,328
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,613,170	\$ 2,716,022	\$ 1,148,161	\$ 2,776,262	\$ 3,286,490
Plan fiduciary net position as a percentage of the total pension liability	87.84%	78.37%	90.31%	77.02%	72.45%
Covered payroll	\$ 2,735,596	\$ 2,440,390	\$ 2,313,911	\$ 2,263,499	\$ 2,443,509
Employer's net pension liability (asset) as a percentage of covered-employee payroll	58.97%	111.29%	49.62%	122.65%	134.50%

Year Ended December 31, 2019- Changes in assumptions related to salary increases decreased from 3.39% -14.25% to 3.35% - 14.25%

Year Ended December 31, 2018 - Changes in assumptions related to investment rate of return were made since the prior measurement date. Investment rate of return decreased from 7.50% to 7.25%.

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 Six Fiscal Years

MEASUREMENT DATE MAY 1	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service cost	\$ 359,618	\$ 374,057	\$ 365,889	\$ 344,366	\$ 306,768	\$ 330,691
Interest	830,363	783,679	737,681	670,000	582,946	491,643
Changes of benefit terms	110,840	-	-	-	-	-
Differences between expected and actual experience	156,600	5,608	14,574	98,527	143,983	675,793
Changes of assumptions	(81,860)	-	-	291,257	659,242	525,246
Benefit payments, including refunds of member contributions	(401,279)	(431,512)	(332,855)	(309,649)	(290,496)	(211,806)
	974,282	731,832	785,289	1,094,501	1,402,443	1,811,567
Total pension liability - beginning	13,486,446	12,754,614	11,969,325	10,874,824	9,472,381	7,660,814
TOTAL PENSION LIABILITY - ENDING	\$ 14,460,728	\$ 13,486,446	\$ 12,754,614	\$ 11,969,325	\$ 10,874,824	\$ 9,472,381
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 633,707	\$ 604,324	\$ 530,523	\$ 510,127	\$ 326,628	\$ 341,113
Contributions - member	122,579	109,075	118,016	111,324	108,237	107,716
Net investment income	(127,230)	359,011	363,359	480,550	(52,244)	295,773
Benefit payments, including refunds of member contributions	(401,279)	(431,512)	(332,855)	(309,649)	(290,496)	(211,806)
Administrative expense	(13,835)	(15,416)	(15,672)	(13,463)	(13,674)	(4,221)
	213,942	625,482	663,371	778,889	78,451	528,575
Plan fiduciary net position - beginning	7,939,988	7,314,506	6,651,135	5,872,246	5,793,795	5,265,220
PLAN FIDUCIARY NET POSITION - ENDING	\$ 8,153,930	\$ 7,939,988	\$ 7,314,506	\$ 6,651,135	\$ 5,872,246	\$ 5,793,795
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 6,306,798	\$ 5,546,458	\$ 5,440,108	\$ 5,318,190	\$ 5,002,578	\$ 3,678,586
Plan fiduciary net position as a percentage of the total pension liability	56.39%	58.87%	57.35%	55.57%	54.00%	61.17%
Covered payroll	\$ 1,236,916	\$ 1,195,048	\$ 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	509.88%	464.12%	434.70%	438.77%	421.83%	323.60%

Year ended April 30, 2020 - The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.79% to 2.56%, Projected Individual Pay Increases was changed from 4.00%-21.25% to 3.75%-21.01%, Consumer Price Index was changed from 2.50% to 2.25% and the Inflation Rate was changed from 2.50% to 2.25%. Also, changes to demographic assumptions were made based on a study of Police officers and Police Pension Funds in Illinois.

Year ended April 30, 2019 - The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.97% to 3.79%

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 Five Fiscal Years

FISCAL YEAR ENDING APRIL 30,	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 331,521	\$ 335,774	\$ 351,115	\$ 330,816	\$ 332,775
Contributions in relation to the actuarially determined contribution	<u>331,521</u>	<u>335,774</u>	<u>351,115</u>	<u>330,774</u>	<u>332,775</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,749,884	\$ 2,545,451	\$ 2,351,697	\$ 2,273,112	\$ 2,446,564
Contributions as a percentage of covered payroll	12.06%	13.19%	14.93%	14.55%	13.60%

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 24 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 3.35% to 14.25% 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 Six Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 634,385	\$ 604,307	\$ 531,274	\$ 510,280	\$ 327,052	\$ 306,391
Contributions in relation to the actuarially determined contribution	<u>633,707</u>	<u>604,324</u>	<u>530,523</u>	<u>510,127</u>	<u>326,628</u>	<u>341,113</u>
Contribution deficiency (excess)	<u>\$ 678</u>	<u>\$ (17)</u>	<u>\$ 751</u>	<u>\$ 153</u>	<u>\$ 424</u>	<u>\$ (34,722)</u>
Covered payroll	\$ 1,236,916	\$ 1,195,048	\$ 1,251,466	\$ 1,212,074	\$ 1,185,936	\$ 1,136,776
Contributions as a percentage of covered payroll	51.23%	50.57%	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 3.75% 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
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE MAY 1,	2020	2019
TOTAL OPEB LIABILITY		
Service cost	\$ 105,826	\$ 99,197
Interest	166,632	166,628
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	696,532	82,446
Benefit payments, including refunds of member contributions	<u>(148,381)</u>	<u>(148,503)</u>
	820,609	199,768
Total OPEB liability - beginning	<u>4,471,245</u>	<u>4,271,477</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 5,291,854</u></u>	<u><u>\$ 4,471,245</u></u>
OPEB PLAN NET POSITION	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
EMPLOYER'S NET OPEB LIABILITY	<u><u>\$ 5,291,854</u></u>	<u><u>\$ 4,471,245</u></u>
Covered-employee payroll	\$ 3,978,097	\$ 3,655,376
Employer's net pension liability (asset) as a percentage of covered payroll	133.02%	122.32%

Year ended April 30, 2020 the changes in assumptions included changes in the inflate rate, mortality rates, mortality improvement rates, termination rates, disability rates, and the discount rate was changed from 3.79% to 2.56%.

Year ended April 30, 2019 - Because this is implementation year, the beginning total OPEB liability is based on the same data and plan provisions as the ending total OPEB liability. For the purpose of developing changes in OPEB liability, the only change in assumptions was the discount rate from 3.97% to 3.79%.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No 75.

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 INVESTMENT RETURNS
POLICE PENSION TRUST FUND**

Last Six Fiscal Years

<u>FISCAL YEAR ENDING APRIL 30</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return	-1.54%	4.74%	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, 2020

	Original Budget	Final Budget	Actual	Over/(Under)
REVENUES				
Property taxes	\$ 1,327,916	\$ 1,327,916	\$ 1,325,566	\$ (2,350)
Road and bridge taxes	23,200	23,200	24,433	1,233
Local use tax	364,600	364,600	396,816	32,216
Telecommunications tax	185,000	185,000	133,120	(51,880)
Gaming tax	98,000	98,000	91,263	(6,737)
Franchise fees	257,600	257,600	249,090	(8,510)
Business licenses	22,400	22,400	21,350	(1,050)
Building and zoning fees	81,700	81,700	94,433	12,733
Fines	91,500	91,500	64,021	(27,479)
Recreation program fees and contributions	24,500	24,500	10,710	(13,790)
Cemetery fees	21,185	21,185	15,040	(6,145)
Charges for services	50,200	50,200	37,211	(12,989)
Administration fee	466,000	466,000	466,000	-
Investment income	16,100	16,100	19,833	3,733
Other	38,950	38,950	66,026	27,076
Intergovernmental revenues	2,111,700	2,111,700	2,181,416	69,716
Federal grants	19,400	19,400	10,671	(8,729)
State grants	9,625	9,625	3,738	(5,887)
Total revenues	5,209,576	5,209,576	5,210,737	1,161
EXPENDITURES				
General government:				
Salaries and overtime	264,800	264,800	242,417	(22,383)
Village officials	53,000	53,000	51,600	(1,400)
Other payroll expenditures	92,800	92,800	77,408	(15,392)
Travel and training	9,000	9,000	4,461	(4,539)
Legal fees	128,000	121,000	79,024	(41,976)
Professional services	171,961	165,861	100,198	(65,663)
Accounting and auditing fees	3,600	3,600	3,000	(600)
Building and grounds maintenance	19,968	19,968	10,675	(9,293)
Vehicle and equipment maintenance	2,258	2,258	811	(1,447)
Office expenditures	29,950	29,950	22,738	(7,212)
IT & GIS	31,977	45,077	39,252	(5,825)
Code enforcement	65,350	65,350	48,714	(16,636)
General insurance	32,100	32,100	31,163	(937)
Emergency services	18,250	18,250	2,387	(15,863)
Refunds	4,000	4,000	892	(3,108)
Total general government	927,014	927,014	714,740	(212,274)
				(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, 2020

	Original Budget	Final Budget	Actual	Over/(Under)
Cemetery:				
Salaries and overtime	\$ 14,800	\$ 14,800	\$ 12,321	\$ (2,479)
Other payroll expenditures	6,260	6,260	4,654	(1,606)
Building and grounds maintenance	18,445	18,445	13,275	(5,170)
Total cemetery	39,505	39,505	30,250	(9,255)
Culture and recreation:				
Salaries and overtime	277,000	277,000	254,714	(22,286)
Other payroll expenditures	96,740	96,740	77,615	(19,125)
Travel and training	500	500	389	(111)
Professional services	30,000	30,000	13,500	(16,500)
Building and grounds maintenance	49,414	49,414	41,400	(8,014)
Program expenditures	23,846	20,146	12,771	(7,375)
4th of July	7,400	7,400	7,400	-
Vehicle and equipment maintenance	23,800	26,800	21,317	(5,483)
Office expenditures	1,873	2,573	2,447	(126)
Equipment purchase	10,204	10,204	8,712	(1,492)
Uniforms and supplies	5,388	5,388	3,883	(1,505)
Total culture and recreation	526,165	526,165	444,148	(82,017)
Public safety:				
Salaries and overtime	1,768,000	1,757,500	1,583,340	(174,160)
Other payroll expenditures	602,000	602,000	507,029	(94,971)
Travel and training	14,000	18,500	18,101	(399)
Professional services	5,246	5,246	2,916	(2,330)
Building and grounds maintenance	8,925	8,925	6,755	(2,170)
Vehicle and equipment maintenance	49,400	52,400	47,305	(5,095)
Office expenditures	50,684	55,684	51,585	(4,099)
IT	13,908	17,408	15,623	(1,785)
General insurance	46,050	46,050	44,232	(1,818)
Equipment purchase	26,637	21,137	16,890	(4,247)
Pension contribution	634,385	634,385	633,228	(1,157)
Uniforms and supplies	32,700	32,700	29,853	(2,847)
Crime prevention	23,194	23,194	9,743	(13,451)
Total public safety	3,275,129	3,275,129	2,966,600	(308,529)
				(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, 2020

	Original Budget	Final Budget	Actual	Over/(Under)
Public works/transportation:				
Employee salaries and overtime	\$ 376,400	\$ 355,300	\$ 293,894	\$ (61,406)
Other payroll expenditures	178,400	170,900	145,028	(25,872)
Travel and training	500	500	350	(150)
Building and ground maintenance	14,000	14,000	6,815	(7,185)
Vehicle and equipment maintenance	67,084	90,584	77,016	(13,568)
General insurance	23,600	23,600	22,845	(755)
Equipment purchase	10,122	10,122	2,801	(7,321)
Uniforms and supplies	11,385	16,485	11,267	(5,218)
Office expenditures	1,011	1,011	726	(285)
Total public works/transportation	682,502	682,502	560,742	(121,760)
Debt service				
Principal	42,500	42,500	42,416	(84)
Interest	16,000	16,000	15,960	(40)
Total debt service	58,500	58,500	58,376	(124)
Capital outlays:				
Equipment purchase	109,305	109,305	109,305	-
Total expenditures	5,618,120	5,618,120	4,884,161	(733,959)
EXCESS OR DEFICIENCIES OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(408,544)	(408,544)	326,576	735,120
OTHER FINANCING SOURCES (USES)				
Transfer out	(101,340)	(101,340)	(101,258)	82
Total other financing (uses)	(101,340)	(101,340)	(101,258)	82
NET CHANGE IN FUND BALANCE	<u>\$ (509,884)</u>	<u>\$ (509,884)</u>	225,318	<u>\$ 735,202</u> (concluded)
FUND BALANCE - MAY 1, 2019			2,107,364	
FUND BALANCE - APRIL 30, 2020			<u>\$ 2,332,682</u>	

VILLAGE OF CHATHAM, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2020

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
FINANCIAL STATEMENTS AND SCHEDULES**

VILLAGE OF CHATHAM, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2020

	Special Revenue				Capital Projects	Permanent	
	Motor Fuel Tax	Veteran's Memorial Brick	Yard Waste, Recycling and Refuse	Police and Public Works Utility Tax	Capital Projects	Cemetery Trust	Total
ASSETS							
Cash and cash equivalents	\$ 438,747	\$ 11,644	\$ 324,478	\$ 11,233	\$ 42,787	\$ 470,488	\$ 1,299,377
Other receivables	-	-	28,199	-	-	1,163	29,362
Due from other governments	34,108	-	-	-	-	-	34,108
 Total current assets	 472,855	 11,644	 352,677	 11,233	 42,787	 471,651	 1,362,847
 TOTAL ASSETS	 \$ 472,855	 \$ 11,644	 \$ 352,677	 \$ 11,233	 \$ 42,787	 \$ 471,651	 \$ 1,362,847
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 22,342	\$ -	\$ 39,636	\$ -	\$ 110	\$ -	\$ 62,088
Accrued payroll	-	-	910	-	-	-	910
Payroll tax liabilities	-	-	183	-	-	-	183
Unearned revenue	-	-	1,256	-	-	-	1,256
Due to other funds	69,486	-	-	2,199	-	-	71,685
 TOTAL LIABILITIES	 91,828	 -	 41,985	 2,199	 110	 -	 136,122
FUND BALANCE							
Nonspendable							
Corpus of permanent fund	-	-	-	-	-	391,055	391,055
Restricted							
Public works	381,027	-	-	-	-	-	381,027
Unrestricted							
Committed							
Veteran's memorial brick	-	11,644	-	-	-	-	11,644
Yard waste	-	-	310,692	-	-	-	310,692
Public safety	-	-	-	8,407	-	-	8,407
Public works	-	-	-	627	-	-	627
Cemetery	-	-	-	-	-	80,596	80,596
Assigned							
Capital projects	-	-	-	-	42,677	-	42,677
 Total fund balance	 381,027	 11,644	 310,692	 9,034	 42,677	 471,651	 1,226,725
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 472,855	 \$ 11,644	 \$ 352,677	 \$ 11,233	 \$ 42,787	 \$ 471,651	 \$ 1,362,847

VILLAGE OF CHATHAM, ILLINOIS

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

For the Year Ended April 30, 2020

	Special Revenue				Capital Projects	Permanent	
	Motor Fuel Tax	Veteran's Memorial Brick	Yard Waste, Recycling and Refuse	Police and Public Works Utility Tax	Capital Projects	Cemetery Trust	Total
REVENUES							
Motor fuel taxes	\$ 428,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,105
Telecommunications tax	-	-	-	33,280	-	-	33,280
Fees and service charges	-	500	266,788	-	-	15,000	282,288
Investment income	1,605	37	2,546	23	310	4,106	8,627
Total revenues	429,710	537	269,334	33,303	310	19,106	752,300
EXPENDITURES							
Current							
Culture and recreation	-	404	-	-	-	-	404
Public safety	-	-	-	91,422	-	-	91,422
Public works/transportation	181,607	-	250,306	17,133	-	-	449,046
Capital outlay	79,754	-	175,497	-	98,792	-	354,043
Total expenditures	261,361	404	425,803	108,555	98,792	-	894,915
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	168,349	133	(156,469)	(75,252)	(98,482)	19,106	(142,615)
OTHER FINANCING SOURCES (USES)							
Transfer in	-	-	-	-	101,258	-	101,258
Capital leases issued	-	-	175,497	74,275	-	-	249,772
Total other financing sources (uses)	-	-	175,497	74,275	101,258	-	351,030
NET CHANGE IN FUND BALANCE	168,349	133	19,028	(977)	2,776	19,106	208,415
FUND BALANCE - MAY 1, 2019	212,678	11,511	291,664	10,011	39,901	452,545	1,018,310
FUND BALANCE - APRIL 30, 2020	\$ 381,027	\$ 11,644	\$ 310,692	\$ 9,034	\$ 42,677	\$ 471,651	\$ 1,226,725

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, 2020

	<u>Motor Fuel Tax</u>		<u>Veteran's Memorial Brick</u>	
	<u>Final</u>		<u>Final</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES				
Motor fuel tax	\$ 292,675	\$ 428,105	\$ -	\$ -
Telecommunications tax	-	-	-	-
Fees and service charges	-	-	1,200	500
Investment income	1,400	1,605	40	37
Total revenues	<u>294,075</u>	<u>429,710</u>	<u>1,240</u>	<u>537</u>
EXPENDITURES				
Salaries and overtime	-	-	-	-
Other payroll expenditures	-	-	-	-
Street maintenance and improvements	221,356	164,331	-	-
Clean-up and beautification	-	-	-	-
Yard waste supplies and services	-	-	-	-
Professional services	17,276	17,276	-	-
Building and grounds maintenance	-	-	1,200	404
Equipment	-	-	-	-
Capital Outlay	107,429	79,754	-	-
Total expenditures	<u>346,061</u>	<u>261,361</u>	<u>1,200</u>	<u>404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(51,986)</u>	<u>168,349</u>	<u>40</u>	<u>133</u>
OTHER FINANCING SOURCES (USES)				
Capital leases issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (51,986)</u>	168,349	<u>\$ 40</u>	133
FUND BALANCE - MAY 1, 2019		<u>212,678</u>		<u>11,511</u>
FUND BALANCE - APRIL 30, 2020		<u>\$ 381,027</u>		<u>\$ 11,644</u>

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, 2020

	Yard Waste, Recycling and Refuse		Police and Public Works Utility Tax	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Motor fuel tax	\$ -	\$ -	\$ -	\$ -
Telecommunications tax	-	-	47,500	33,280
Fees and service charges	261,800	266,788	-	-
Investment income	2,620	2,546	5	23
Total revenues	<u>264,420</u>	<u>269,334</u>	<u>47,505</u>	<u>33,303</u>
EXPENDITURES				
Salaries and overtime	33,100	14,902	-	-
Other payroll expenditures	21,475	7,067	-	-
Street maintenance and improvements	-	-	-	-
Clean-up and beautification	28,600	14,039	-	-
Yard waste supplies and services	192,958	192,338	-	-
Professional services	-	-	-	-
Building and grounds maintenance	-	-	-	-
Equipment	22,600	21,960	112,576	108,555
Capital Outlay	178,000	175,497	-	-
Total expenditures	<u>476,733</u>	<u>425,803</u>	<u>112,576</u>	<u>108,555</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(212,313)</u>	<u>(156,469)</u>	<u>(65,071)</u>	<u>(75,252)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases issued	130,000	175,497	67,130	74,275
Total other financing sources (uses)	<u>130,000</u>	<u>175,497</u>	<u>67,130</u>	<u>74,275</u>
NET CHANGE IN FUND BALANCE	<u>\$ (82,313)</u>	19,028	<u>\$ 2,059</u>	(977)
FUND BALANCE - MAY 1, 2019		<u>291,664</u>		<u>10,011</u>
FUND BALANCE - APRIL 30, 2020		<u>\$ 310,692</u>		<u>\$ 9,034</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, 2020

	Capital Projects	
	Final Budget	Actual
REVENUES		
Investment income	\$ -	\$ 310
Total revenues	-	310
EXPENDITURES		
Construction	101,340	98,792
Total expenditures	101,340	98,792
(DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	(101,340)	(98,482)
OTHER FINANCING SOURCES		
Transfer in	101,340	101,258
Total other financing sources	101,340	101,258
NET CHANGE IN FUND BALANCE	\$ -	2,776
FUND BALANCE - MAY 1, 2019		39,901
FUND BALANCE - APRIL 30, 2020		\$ 42,677

VILLAGE OF CHATHAM, ILLINOIS

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

For the Year Ended April 30, 2020

	Cemetery Trust	
	Final Budget	Actual
REVENUES		
Fees and service charges	\$ 10,400	\$ 15,000
Investment income	3,700	4,106
Total revenues	<u>14,100</u>	<u>19,106</u>
EXPENDITURES		
Refund	<u>5,000</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,100</u>	19,106
FUND BALANCE - MAY 1, 2019		<u>452,545</u>
FUND BALANCE - APRIL 30, 2020		<u>\$ 471,651</u>

SUPPLEMENTARY FINANCIAL INFORMATION

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF NET POSITION ELECTRIC FUND

April 30, 2020
(With Comparative Actual Amounts for April 30, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,244,705	\$ 2,995,248
Restricted accounts - cash	202,252	201,005
Accounts receivable	802,216	786,262
Due from other government	5,447	-
Inventory	<u>333,294</u>	<u>347,546</u>
Total current assets	<u>4,587,914</u>	<u>4,330,061</u>
Other Assets:		
Interfund advance receivable	<u>179,414</u>	<u>269,121</u>
Total other assets	<u>179,414</u>	<u>269,121</u>
Capital Assets:		
Capital assets, not being depreciated	279,734	279,734
Property and equipment	20,769,569	20,579,212
Less: accumulated depreciation	<u>(10,300,305)</u>	<u>(9,707,612)</u>
Capital assets, net	<u>10,748,998</u>	<u>11,151,334</u>
Total assets	<u>15,516,326</u>	<u>15,750,516</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	224,900	534,004
Deferred outflows related to OPEB	<u>-</u>	<u>13,676</u>
	<u>224,900</u>	<u>547,680</u>
Total assets and deferred outflows of resources	<u>15,741,226</u>	<u>16,298,196</u> (Continued)

VILLAGE OF CHATHAM, ILLINOIS

STATEMENT OF NET POSITION ELECTRIC FUND

April 30, 2020
(With Comparative Actual Amounts for April 30, 2019)

	2020	2019
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 91,012	\$ 47,869
Accrued payroll	31,575	23,751
Accrued compensated absences payable	31,890	10,166
Unearned revenue	89,824	85,162
Customer deposits	138,250	124,500
Accrued interest payable	26,507	45,696
Other payables	6,511	4,534
Current maturities of long term debt:		
OPEB liability	24,615	26,750
G.O. bonds (Alternate Revenue Source) payable	273,000	263,000
Capital lease payable	27,893	32,665
Total current liabilities	<u>741,077</u>	<u>664,093</u>
Long-Term Liabilities:		
Accrued compensated absences payable	183,850	186,580
Net OPEB obligation	853,251	778,661
Net pension liability	614,147	1,065,495
G.O. bonds (Alternate Revenue Source) payable	2,062,000	2,335,000
Capital lease payable	63,410	91,259
Total long-term liabilities	<u>3,776,658</u>	<u>4,456,995</u>
Total liabilities	<u>4,517,735</u>	<u>5,121,088</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	525,525	486,539
Total liabilities and deferred inflows of resources	<u>5,043,260</u>	<u>5,607,627</u>
NET POSITION		
Investment in capital assets	8,322,695	8,429,410
Restricted for debt service	202,252	201,005
Unrestricted	2,173,019	2,060,154
Total net position	<u><u>\$ 10,697,966</u></u>	<u><u>\$ 10,690,569</u></u>

VILLAGE OF CHATHAM, ILLINOIS

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

For the Year Ended April 30, 2020
(With Comparative Actual Amounts for the Year Ended April 30, 2019)

	2020	2019
OPERATING REVENUES		
User charges	\$ 9,993,329	\$ 10,497,291
Other income	60,321	101,217
	<u>10,053,650</u>	<u>10,598,508</u>
OPERATING EXPENSES		
Electricity purchases	6,908,110	6,907,741
Distribution and customer service	2,502,969	2,407,159
Depreciation	596,938	608,514
	<u>10,008,017</u>	<u>9,923,414</u>
OPERATING INCOME	<u>45,633</u>	<u>675,094</u>
NONOPERATING INCOME (EXPENSE)		
Investment income	26,519	20,900
Grant income	5,447	-
Interest expense	(70,202)	(94,473)
	<u>(38,236)</u>	<u>(73,573)</u>
CHANGE IN NET POSITION	<u>7,397</u>	<u>601,521</u>
NET POSITION - MAY 1, 2019	10,690,569	10,663,606
CHANGE IN ACCOUNTING PRINCIPLE	<u>-</u>	<u>(574,558)</u>
NET POSITION - MAY 1, 2019 (restated)	<u>10,690,569</u>	<u>10,089,048</u>
NET POSITION - APRIL 30, 2020	<u><u>\$ 10,697,966</u></u>	<u><u>\$ 10,690,569</u></u>

VILLAGE OF CHATHAM, ILLINOIS

**SCHEDULE OF OUTSTANDING BONDS
GOVERNMENTAL ACTIVITIES**

April 30, 2020

	General Obligation Bonds Series, 2017		Total Debt Service Requirements
	Principal	Interest	
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>\$ 441,000</u>	<u>\$ 127,855</u>	<u>\$ 568,855</u>

VILLAGE OF CHATHAM, ILLINOIS

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

April 30, 2020

	Electric General Obligation (Alternative Revenue Source) Bonds, Series 2014		Total Debt Service Requirements
	Principal	Interest	
2020-2021	\$ 273,000	\$ 50,208	\$ 323,208
2021-2022	279,000	42,760	321,760
2022-2023	295,000	37,738	332,738
2023-2024	306,000	32,134	338,134
2024-2025	314,000	26,014	340,014
2025-2026	321,000	19,420	340,420
2026-2027	336,000	12,518	348,518
2027-2028	106,000	4,958	110,958
2028-2029	105,000	2,520	107,520
	<u>\$ 2,335,000</u>	<u>\$ 228,270</u>	<u>\$ 2,563,270</u>

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF INVESTMENTS

April 30, 2020

	Cost	Fair Value	Interest Rate	Maturity
Police Pension Fund				
<u>Charles Schwab Account:</u>				
Mutual Funds				
Equity Funds:				
Champlain Small Company	\$ 334,294	\$ 347,151		
Ishares Core S & P 500	746,232	852,422		
Longleaf Partners Small	297,669	157,283		
Nuance Concentrated	225,000	210,107		
Oakmark Fund	332,388	328,767		
Primecap Odyssey Growth	334,000	441,006		
Vanguard FTSE Developed	892,252	808,046		
Vanguard Russell 2000	690,843	681,690		
Total Equity Funds	<u>3,852,678</u>	<u>3,826,472</u>		
Fixed Income:				
US Treasuries:				
US Treasur NT	201,446	203,313	2.25%	02/15/2021
INFL Index	102,921	113,676	0.63%	01/15/2024
INFL Index	108,197	111,815	0.25%	01/15/2025
Total US Treasuries	<u>412,564</u>	<u>428,804</u>		
Agencies Securities				
Federal Credit System	50,000	50,430	2.40%	12/16/2027
Federal Farm Credit System	150,000	150,883	2.48%	09/23/2027
Federal Farm Credit System	149,912	150,033	2.07%	05/4/2026
Total Agency Securities	<u>349,912</u>	<u>351,346</u>		
Corporate Bonds:				
Apple Inc	50,101	51,110	2.85%	05/06/2021
Apple Inc	74,548	78,076	2.70%	05/13/2022
Apple Inc	152,272	166,050	3.20%	05/13/2025
Berkshire Hathaway	101,784	105,071	3.00%	05/15/2022
Berkshire Hathaway	50,104	50,375	2.90%	10/15/2020
Chevron Corporation	100,780	100,611	2.42%	11/17/2020
Chevron Corporation	51,915	52,885	3.19%	06/24/2023
Chevron Corporation	235,385	247,296	3.33%	11/17/2025

(Continued)

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF INVESTMENTS

April 30, 2020

	Cost	Fair Value	Interest Rate	Maturity
Corporate Bonds (Continued):				
Coca-Cola Company	\$ 45,119	\$ 48,918	3.20%	11/01/2023
Exxon Mobil Corp	100,121	103,876	2.73%	03/01/2023
Exxon Mobil Corp	104,004	106,398	3.18%	03/15/2024
Microsoft Corp	61,980	65,011	2.65%	11/03/2022
Microsoft Corp	97,263	104,707	2.13%	11/15/2022
Target Corporation	154,987	166,343	3.50%	07/01/2024
Wal-Mart Stores	100,358	101,260	3.25%	10/25/2020
Wal-Mart Stores	79,544	83,712	6.75%	10/15/2023
Total Corporate Bonds	<u>1,560,265</u>	<u>1,631,699</u>		
Mortgage Pools:				
GNMA Pool AE4614	50,933	53,485	3.50%	05/15/2043
GNMA Pool AL2591	58,145	60,772	3.00%	03/15/2045
GNMA Pool AL5347	58,150	60,846	3.00%	03/15/2045
GNMA Pool BD5850	27,305	28,627	3.50%	10/15/2047
GNMA Pool BE7877	40,169	42,271	3.50%	12/15/2047
Total Mortgage Pools	<u>234,702</u>	<u>246,001</u>		
CMO & Asset Backed Securities:				
Government Nation	<u>2,543</u>	<u>2,627</u>	3.50%	07/20/2036
Certificate of Deposits:				
Capital One	99,665	100,545	2.40%	08/19/2020
Capital One	99,515	101,583	2.35%	06/17/2021
Capital One	99,877	103,193	2.10%	08/14/2024
Citibank	149,453	166,155	3.50%	01/09/2026
Morgan Stanley B	99,790	102,937	2.55%	06/06/2022
Morgan Stanley B	100,013	104,053	2.55%	06/13/2023
Morgan Stanley P	49,903	50,871	1.85%	12/05/2022
Morgan Stanley P	99,715	102,305	1.95%	08/22/2023
Synchrony Bank	99,515	102,141	2.60%	09/13/2021
TIAA, FSB	99,765	100,703	1.55%	09/07/2021
Wells Fargo & Co	99,780	102,610	1.95%	10/18/2024
Wells Fargo Bank	149,452	151,263	3.00%	09/04/2026
Total Certificate of Deposit	<u>1,246,443</u>	<u>1,288,359</u>		
Total Charles Schwab	<u><u>\$ 7,659,107</u></u>	<u><u>\$ 7,775,308</u></u>		
		(Concluded)		

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF INSURANCE

April 30, 2020

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- 1920-01	12/1/2019	12/1/2020	General Liability Property Damage	Coverage Applies to: \$1,000,000 General Aggregate \$3,000,000 Products/Completed Operation Annual Aggregate \$1,000,000	\$ 132,235
Excess Liability Illinois Counties Risk Management Trust	P2-1000510- 1920-01	12/1/2019	12/1/2020	Excess Liability	\$10,000,000 limit	
Automobile Liability & Physical Damage Illinois Counties Risk Management Trust	P2-1000510- 1920-01	12/1/2019	12/1/2020	Automobile Liability Automobile Physical Damage	Each Occurrence \$1,000,000 \$1,920,698 Total Physical Damage Scheduled Value	
Property/Inland Marine/Auto Coverage Physical Damage Illinois Counties Risk Management Trust	P2-1000510- 1920-01	12/1/2019	12/1/2020	Property	\$23,596,364 limit	
Worker's Compensation Illinois Public Risk Fund	P1387-2020	1/1/2020	1/1/2021	Workers Compensation Employers Liability	Statutory \$3,000,000 per occurrence	\$ 100,356

VILLAGE OF CHATHAM, ILLINOIS

SCHEDULE OF ELECTRIC RATES CHARGED

April 30, 2020

The Electric System served an average of 5,940 customers during fiscal year 2020. The Village provided 75,859,162 kilowatt hours to its customers during fiscal year 2020. The electric rates as of April 30, 2020 charged by the Village are as follows (effective September 1, 2018):

Standard Residential Service Rates

- (1) Rate: \$0.1135/kwh
- (2) Facility Charge: \$11.57 per month

Senior Citizen Residential and Village Park Service Rate

- (1) Rate: \$0.1022/kwh
- (2) Facility Charge: \$11.57 per month

Governmental Service

- (1) Rate: \$0.1022/kwh
- (2) Demand Charge: \$6.2738/multiplier/demand unit (demand will be the highest average kilowatt demand measured in any 15-minute period during the month)
- (3) Facility Charge: \$24.87 per month

General Service – Commercial without Demand

- (1) Rate: \$0.1339/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) \$11.57 per month single phase
 - b) \$25.87 per month three phase

General Service – Commercial with Demand

- (1) Rate: \$0.1061/kwh
- (2) Demand Charge: \$6.2738/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) \$11.57 per month single phase
 - b) \$24.87 per month three phase

Industrial Service

- (1) Rate: \$0.0928/kwh
- (2) Demand Charge: \$8.3543/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) \$19.90 per month single phase
 - b) \$49.75 per month three phase
- (4) Security Lighting Rate: \$8.45/kwh

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net invested in capital assets	\$ 11,387,806	\$ 11,587,892	\$ 11,580,668	\$ 12,582,113
Restricted	851,430	1,414,203	1,649,568	1,858,516
Unrestricted	<u>(608,258)</u>	<u>(459,984)</u>	<u>(240,600)</u>	<u>(221,764)</u>
Total governmental activities net assets	<u>\$ 11,630,978</u>	<u>\$ 12,542,111</u>	<u>\$ 12,989,636</u>	<u>\$ 14,218,865</u>
Business-type activities				
Net invested in capital assets	\$ 15,010,270	\$ 14,709,783	\$ 14,930,360	\$ 14,069,999
Restricted	204,749	173,114	210,272	162,047
Unrestricted	<u>1,288,850</u>	<u>2,395,753</u>	<u>2,189,915</u>	<u>1,716,996</u>
Total business-type activities net position	<u>\$ 16,503,869</u>	<u>\$ 17,278,650</u>	<u>\$ 17,330,547</u>	<u>\$ 15,949,042</u>
Primary government				
Net invested in capital assets	\$ 26,398,076	\$ 26,297,675	\$ 26,511,028	\$ 26,652,112
Restricted	1,056,179	1,587,317	1,859,840	2,020,563
Unrestricted	<u>680,592</u>	<u>1,935,769</u>	<u>1,949,315</u>	<u>1,495,232</u>
Total primary government net position	<u>\$ 28,134,847</u>	<u>\$ 29,820,761</u>	<u>\$ 30,320,183</u>	<u>\$ 30,167,907</u>

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.

*GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented in fiscal year 2019.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 15,360,931	\$ 15,390,867	\$ 18,787,798	\$ 20,671,241	\$ 20,991,362	\$ 20,532,271
660,783	1,199,613	723,568	636,627	708,852	822,934
<u>(160,710)</u>	<u>(4,086,718)</u>	<u>(3,665,344)</u>	<u>(4,098,855)</u>	<u>(6,693,656)</u>	<u>(7,284,678)</u>
<u>\$ 15,861,004</u>	<u>\$ 12,503,762</u>	<u>\$ 15,846,022</u>	<u>\$ 17,209,013</u>	<u>\$ 15,006,558</u>	<u>\$ 14,070,527</u>
\$ 14,776,580	\$ 14,879,229	\$ 17,241,187	\$ 18,501,744	\$ 18,693,865	\$ 18,472,646
370,231	287,472	291,743	253,524	254,978	256,258
<u>1,298,337</u>	<u>1,102,357</u>	<u>1,439,419</u>	<u>1,917,284</u>	<u>1,878,999</u>	<u>1,882,007</u>
<u>\$ 16,445,148</u>	<u>\$ 16,269,058</u>	<u>\$ 18,972,349</u>	<u>\$ 20,672,552</u>	<u>\$ 20,827,842</u>	<u>\$ 20,610,911</u>
\$ 30,137,511	\$ 30,270,096	\$ 36,028,985	\$ 39,172,985	\$ 39,685,227	\$ 39,004,917
1,031,014	1,487,085	1,015,311	890,151	963,830	1,079,192
<u>1,137,627</u>	<u>(2,984,361)</u>	<u>(2,225,925)</u>	<u>(2,181,571)</u>	<u>(4,814,657)</u>	<u>(5,402,671)</u>
<u>\$ 32,306,152</u>	<u>\$ 28,772,820</u>	<u>\$ 34,818,371</u>	<u>\$ 37,881,565</u>	<u>\$ 35,834,400</u>	<u>\$ 34,681,438</u>

VILLAGE OF CHATHAM, ILLINOIS

CHANGES IN NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 683,104	\$ 975,862	\$ 706,910	\$ 682,431
Cemetery	57,089	53,712	45,142	45,007
Culture and recreation	458,070	472,502	442,815	504,938
Public safety	2,122,145	2,208,626	2,265,947	2,394,534
Public works/transportation	1,168,790	1,019,056	1,424,984	1,380,482
Economic development	55,452	37,361	34,683	45,429
Interest on long-term debt	24,949	21,985	18,388	14,222
Total governmental activities expenses	<u>4,569,599</u>	<u>4,789,104</u>	<u>4,938,869</u>	<u>5,067,043</u>
Business-type activities:				
Electric Fund	7,868,191	7,825,942	8,454,775	9,084,473
Water and Sewer Fund	3,482,330	4,085,172	4,866,833	6,013,821
Total business-type activities expenses	<u>11,350,521</u>	<u>11,911,114</u>	<u>13,321,608</u>	<u>15,098,294</u>
Total primary government expenses	<u><u>\$ 15,920,120</u></u>	<u><u>\$ 16,700,218</u></u>	<u><u>\$ 18,260,477</u></u>	<u><u>\$ 20,165,337</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government	\$ 502,956	\$ 546,841	\$ 549,540	\$ 561,775
Cemetery	39,547	49,925	31,275	33,425
Culture and recreation	19,939	21,708	29,598	41,045
Public safety	61,931	80,271	119,182	126,860
Public works/transportation	89,605	131,096	134,662	149,863
Operating grants and contributions:				
General government	-	250,000	-	-
Public safety	-	14,120	10,308	10,912
Public works/transportation	317,978	367,362	331,740	388,748
Capital grants and contributions:				
Culture and recreation	-	-	-	-
Public safety	-	12,790	-	-
Public works/transportation	368,293	256,158	186,642	831,171
Total governmental activities program revenue	<u>1,400,249</u>	<u>1,730,271</u>	<u>1,392,947</u>	<u>2,143,799</u>

2015	2016	2017	2018	2019	2020
\$ 667,302	\$ 696,626	\$ 1,014,063	\$ 788,007	\$ 779,204	\$ 705,936
46,854	45,791	41,887	31,271	31,770	31,561
530,004	460,039	470,468	479,961	538,307	532,094
2,376,929	2,604,840	3,027,738	3,141,695	3,156,536	3,918,156
1,364,512	1,195,975	1,452,476	1,686,736	1,418,716	1,695,556
49,969	31,276	31,480	-	-	-
11,494	7,914	7,874	16,863	16,679	15,765
5,047,064	5,042,461	6,045,986	6,144,533	5,941,212	6,899,068
9,096,569	9,181,668	9,445,691	9,691,818	10,017,887	10,078,219
5,530,677	5,306,341	5,448,465	6,092,018	6,716,079	7,088,810
14,627,246	14,488,009	14,894,156	15,783,836	16,733,966	17,167,029
\$ 19,674,310	\$ 19,530,470	\$ 20,940,142	\$ 21,928,369	\$ 22,675,178	\$ 24,066,097
\$ 535,026	\$ 443,887	\$ 458,556	\$ 479,117	\$ 476,482	\$ 736,440
37,250	22,000	21,125	23,075	22,755	30,040
42,289	34,120	42,296	32,563	23,192	11,210
93,703	76,157	91,607	82,085	84,114	64,021
215,943	219,568	254,980	229,488	241,464	398,432
-	-	-	-	-	-
12,784	15,611	21,902	13,184	17,066	14,409
341,987	326,385	306,972	308,846	306,944	428,105
-	-	-	-	-	-
-	-	-	-	-	-
1,171,228	289,479	3,043,570	2,426,318	669,640	-
2,450,210	1,427,207	4,241,008	3,594,676	1,841,657	1,682,657

(Continued)

VILLAGE OF CHATHAM, ILLINOIS

CHANGES IN NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2011	2012	2013	2014
Program Revenues				
Business type Activities:				
Charges for Services:				
Electric Fund	\$ 8,485,823	\$ 8,345,357	\$ 8,632,117	\$ 8,759,413
Water and Sewer Fund	3,222,551	4,276,008	4,666,183	4,897,554
Operating grants and contributions:				
Electric Fund	26,146	2,477	-	-
Capital grants and contributions:				
Electric Fund	-	-	-	55,529
Water and Sewer Fund	63,000	102,500	65,500	-
Total business-type activities				
 program revenue	<u>11,797,520</u>	<u>12,726,342</u>	<u>13,363,800</u>	<u>13,712,496</u>
Total primary government				
 program revenue	<u>\$ 13,197,769</u>	<u>\$ 14,456,613</u>	<u>\$ 14,756,747</u>	<u>\$ 15,856,295</u>
Net(expense) revenue:				
Governmental activities	\$ (3,169,350)	\$ (3,058,833)	\$ (3,545,922)	\$ (2,923,244)
Business-type activities	446,999	815,228	42,192	(1,385,798)
Total primary government				
 net expense	<u>\$ (2,722,351)</u>	<u>\$ (2,243,605)</u>	<u>\$ (3,503,730)</u>	<u>\$ (4,309,042)</u>
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
General revenue				
Property tax	\$ 1,352,376	\$ 1,410,938	\$ 1,476,571	\$ 1,556,217
Road and bridge taxes	56,786	58,708	59,688	49,588
Local use taxes	141,818	167,622	183,179	196,316
Telecommunications taxes	309,862	335,144	339,349	332,436
Video gaming taxes	-	-	-	32,163
Intergovernmental revenues	1,570,123	1,847,981	1,889,566	1,912,715
Investment income	7,586	9,854	8,124	8,425
Miscellaneous	186,379	93,455	36,970	64,613
Transfers	-	46,264	-	-
Total governmental activities	<u>3,624,930</u>	<u>3,969,966</u>	<u>3,993,447</u>	<u>4,152,473</u>
Business-type activities:				
Investment income	\$ 2,714	\$ 5,817	\$ 9,705	\$ 4,293
Transfers	-	(46,264)	-	-
Total business-type activities	<u>2,714</u>	<u>(40,447)</u>	<u>9,705</u>	<u>4,293</u>
Total primary government	<u>\$ 3,627,644</u>	<u>\$ 3,929,519</u>	<u>\$ 4,003,152</u>	<u>\$ 4,156,766</u>
Changes in Net Position Post				
Prior Period Adjustment				
Governmental activities	\$ 455,580	\$ 911,133	\$ 447,525	\$ 1,229,229
Business-type activities	449,713	774,781	51,897	(1,381,505)
Total primary government	<u>\$ 905,293</u>	<u>\$ 1,685,914</u>	<u>\$ 499,422</u>	<u>\$ (152,276)</u>

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 9,425,246	\$ 9,770,310	\$ 10,120,727	\$ 10,140,071	\$ 10,598,508	\$ 10,053,650
5,105,633	5,584,652	6,040,429	6,543,655	6,911,516	6,852,193
-	-	-	-	-	-
-	34,482	-	-	-	5,447
589,496	128,300	1,429,415	790,152	216,958	-
15,120,375	15,517,744	17,590,571	17,473,878	17,726,982	16,911,290
<u>\$ 17,570,585</u>	<u>\$ 16,944,951</u>	<u>\$ 21,831,579</u>	<u>\$ 21,068,554</u>	<u>\$ 19,568,639</u>	<u>\$ 18,593,947</u>
\$ (2,596,854)	\$ (3,615,254)	\$ (1,804,978)	\$ (2,549,857)	\$ (4,099,555)	\$ (5,216,411)
493,129	1,029,735	2,696,415	1,690,042	993,016	(255,739)
<u>\$ (2,103,725)</u>	<u>\$ (2,585,519)</u>	<u>\$ 891,437</u>	<u>\$ (859,815)</u>	<u>\$ (3,106,539)</u>	<u>\$ (5,472,150)</u>
\$ 1,621,673	\$ 1,696,421	\$ 1,739,128	\$ 1,217,149	\$ 1,269,035	\$ 1,325,566
26,284	23,867	18,814	22,130	23,141	24,433
221,456	264,653	280,974	298,323	340,021	396,816
251,648	285,038	250,346	232,323	222,548	166,400
46,430	57,601	74,128	87,064	92,477	91,263
2,044,879	2,161,715	1,909,534	1,973,009	2,034,747	2,181,416
6,048	7,099	8,916	9,486	24,907	28,460
20,575	103,382	140,308	73,364	79,527	66,026
-	-	-	-	-	-
4,238,993	4,599,776	4,422,148	3,912,848	4,086,403	4,280,380
\$ 2,977	\$ 3,961	\$ 6,876	\$ 10,161	\$ 32,078	\$ 38,808
-	-	-	-	-	-
2,977	3,961	6,876	10,161	32,078	38,808
<u>\$ 4,241,970</u>	<u>\$ 4,603,737</u>	<u>\$ 4,429,024</u>	<u>\$ 3,923,009</u>	<u>\$ 4,118,481</u>	<u>\$ 4,319,188</u>
\$ 1,642,139	\$ 984,522	\$ 2,617,170	\$ 1,362,991	\$ (13,152)	\$ (936,031)
496,106	1,033,696	2,703,291	1,700,203	1,025,094	(216,931)
<u>\$ 2,138,245</u>	<u>\$ 2,018,218</u>	<u>\$ 5,320,461</u>	<u>\$ 3,063,194</u>	<u>\$ 1,011,942</u>	<u>\$ (1,152,962)</u>

VILLAGE OF CHATHAM, ILLINOIS

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2011	2012	2013	2014
General Fund				
Reserved	\$ 52,717	\$ -	\$ -	\$ -
Unreserved	328,930	-	-	-
Total general fund	<u>381,647</u>	<u>-</u>	<u>-</u>	<u>-</u>
All other governmental funds				
Reserved	\$ 798,713	\$ -	\$ -	\$ -
Unreserved reported in:				
Special revenue funds	162,805	-	-	-
Capital projects funds	133,730	-	-	-
Debt service funds	59,671	-	-	-
Total all other governmental funds	<u>1,154,919</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental funds	<u>\$ 1,536,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	21,618	19,563	19,338
Committed	-	15,479	45,130	33,959
Assigned	-	-	-	-
Unassigned	-	481,246	692,236	820,101
Total general fund	<u>-</u>	<u>518,343</u>	<u>756,929</u>	<u>873,398</u>
All other governmental funds				
Nonspendable	\$ -	\$ 282,093	\$ 301,293	\$ 321,342
Restricted	-	1,110,492	1,328,712	1,517,836
Committed	-	273,920	296,887	308,711
Assigned	-	149,327	214,425	255,231
Unassigned	-	-	-	-
Total all other governmental funds	<u>-</u>	<u>1,815,832</u>	<u>2,141,317</u>	<u>2,403,120</u>
Total governmental funds	<u>\$ -</u>	<u>\$ 2,334,175</u>	<u>\$ 2,898,246</u>	<u>\$ 3,276,518</u>

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

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,446	17,227	516,838	517,386	120,119	50,852
48,821	57,620	34,687	37,969	29,200	-
-	-	-	-	-	506,165
1,076,299	1,745,380	1,792,800	1,772,912	1,958,045	1,775,665
1,143,566	1,820,227	2,344,325	2,328,267	2,107,364	2,332,682
\$ 342,055	\$ 347,655	\$ 358,855	\$ 368,055	\$ 376,055	\$ 391,055
300,282	834,731	347,954	230,686	212,678	381,027
340,547	333,420	366,127	416,986	389,676	411,966
295,568	162,546	162,846	90,634	39,901	42,677
-	-	-	-	-	-
1,278,452	1,678,352	1,235,782	1,106,361	1,018,310	1,226,725
\$ 2,422,018	\$ 3,498,579	\$ 3,580,107	\$ 3,434,628	\$ 3,125,674	\$ 3,559,407

VILLAGE OF CHATHAM, ILLINOIS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2011	2012	2013	2014
Revenue				
Property taxes	\$ 1,352,376	\$ 1,410,938	\$ 1,476,571	\$ 1,556,217
Road and bridge taxes	56,786	58,708	59,688	49,588
Local use tax	141,818	167,622	183,179	196,316
Motor fuel taxes	317,978	334,094	331,740	388,748
Telecommunications tax	309,862	335,144	339,349	332,436
Video gaming tax	-	-	-	32,163
Licenses, permits, fees, fines and service charges	713,978	829,841	864,257	912,968
Investment income	7,586	9,854	8,124	8,425
Other	186,379	93,455	36,970	66,345
Intergovernmental revenues	1,570,123	1,847,981	1,889,566	1,912,715
Federal grants	-	37,058	27,108	47,996
State grants	54,917	306,825	-	-
Total Revenues	4,711,803	5,431,520	5,216,552	5,503,917
Expenditures				
General government	664,500	953,412	676,494	668,651
Cemetery	56,659	53,567	44,432	44,504
Culture and recreation	406,320	423,205	398,880	458,305
Public safety	2,059,417	2,101,532	2,167,279	2,262,674
Public works/transportation	835,723	710,233	1,072,721	1,002,805
Economic Development	55,452	37,361	34,683	45,429
Capital outlay	156,441	343,747	202,592	569,268
Debt service:				
Principal	137,000	138,000	140,000	146,000
Interest	25,574	22,763	19,273	15,209
Total expenditures	4,397,086	4,783,820	4,756,354	5,212,845
Excess of revenues over(under) expenditures	314,717	647,700	460,198	291,072
Other Financing Sources (Uses)				
Transfer in	271,344	219,113	207,022	512,847
Transfer out	(271,344)	(219,113)	(207,022)	(512,847)
Bond proceeds	-	-	-	-
Loan proceeds	-	23,435	-	-
Capital leases issued	-	126,474	103,873	87,200
Total other financing sources (uses)	-	149,909	103,873	87,200
Net change in fund balance	\$ 314,717	\$ 797,609	\$ 564,071	\$ 378,272
Debt service as a percentage of noncapital expenditures	3.83%	3.62%	3.50%	3.47%

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 1,621,673	\$ 1,696,421	\$ 1,739,128	\$ 1,217,149	\$ 1,269,035	\$ 1,325,566
26,284	23,867	18,814	22,130	23,141	24,433
221,456	264,653	280,974	298,323	340,021	396,816
341,987	309,629	306,972	308,846	306,944	428,105
251,648	285,038	250,346	232,323	222,548	166,400
46,430	57,601	74,128	87,064	92,477	91,263
924,212	795,732	868,564	846,328	848,007	1,240,143
6,048	7,099	8,916	9,486	24,907	28,460
34,123	103,382	140,308	73,364	79,527	66,026
2,044,879	2,161,715	1,909,534	1,973,009	2,034,747	2,181,416
12,784	32,367	21,902	13,184	8,109	10,671
-	-	-	-	8,957	3,738
5,531,524	5,737,504	5,619,586	5,081,206	5,258,420	5,963,037
648,907	667,035	985,698	782,639	741,428	714,740
46,000	46,778	41,717	31,084	30,102	30,250
471,989	416,985	413,138	418,366	443,333	444,552
2,334,414	2,280,367	2,703,473	2,778,865	2,791,356	3,058,022
951,169	731,286	900,048	1,051,204	768,794	1,009,788
49,969	31,276	31,480	-	-	-
1,937,423	449,185	932,596	106,378	733,917	463,348
163,575	181,410	57,811	42,687	41,576	42,416
12,578	9,122	5,096	15,462	16,868	15,960
6,616,024	4,813,444	6,071,057	5,226,685	5,567,374	5,779,076
(1,084,500)	924,060	(451,471)	(145,479)	(308,954)	183,961
2,043,107	94,359	763,927	-	449,348	101,258
(2,043,107)	(94,359)	(763,927)	-	(449,348)	(101,258)
-	-	500,000	-	-	-
230,000	152,500	-	-	-	-
-	-	33,000	-	-	249,772
230,000	152,500	533,000	-	-	249,772
\$ (854,500)	\$ 1,076,560	\$ 81,529	\$ (145,479)	\$ (308,954)	\$ 433,733
3.77%	4.37%	1.22%	1.14%	1.21%	1.10%

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
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%
2019	258,023,209	32,872,181	904,125	1,112,529	226,168	293,138,212	0.4530	888,297,612	33.00%
2020	270,220,511	33,825,042	850,404	1,292,658	246,932	306,435,547	0.4636	928,592,567	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>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Village	0.4654	0.4654	0.4757	0.4754	0.4698	0.4630	0.4495	0.4488	0.4530	0.4636
Chatham School District Unit #5	4.3131	4.3502	4.4404	4.4852	4.5079	4.4552	4.3887	4.4098	4.4448	4.5344
Lincoln Land Junior College District #526	0.4604	0.4619	0.4650	0.4690	0.4736	0.5021	0.5041	0.4884	0.4917	0.4954
Chatham Township	0.1814	0.1785	0.1786	0.1758	0.1723	0.1683	0.1611	0.1409	0.1185	0.1015
Chatham Township Road & Bridge	0.4020	0.3975	0.3970	0.3878	0.3864	0.3737	0.3604	0.3324	0.2882	0.2713
Chatham Fire Protection District	0.5352	0.5366	0.5435	0.5451	0.5389	0.5320	0.5199	0.5199	0.5249	0.5374
Sangamon County Water Reclamation District	0.0871	0.0886	0.0915	0.0935	0.0955	0.0956	0.0951	0.0959	0.0970	0.1001
Chatham Library	0.2636	0.2647	0.2694	0.2708	0.2682	0.2650	0.2591	0.2590	0.2640	0.2699
Chatham Library Bond	0.0446	0.0440	0.0436	-	0.0680	0.0668	-	-	-	-
Chatham Library Bond #2	0.0414	0.0397	0.0382	0.0698	-	-	0.0635	0.0644	0.0651	0.0642
Sangamon County	0.6940	0.7035	0.7204	0.7360	0.7507	0.7546	0.7512	0.7583	0.7691	0.7854
Total	7.4882	7.5306	7.6633	7.7084	7.7313	7.6763	7.5526	7.5178	7.5163	7.6232
<u>Direct Rates</u>										
General	0.2301	0.2139	0.2379	0.2379	0.2270	0.1693	0.1664	0.1619	0.1633	0.1712
Police Pension	0.1395	0.1561	0.1336	0.1336	0.1367	0.2039	0.1959	0.2136	0.2164	0.2175
IMRF	0.0505	0.0479	0.0489	0.0489	0.0487	0.0464	0.0428	0.0300	0.0290	0.0277
Police Protection	0.0453	0.0475	0.0553	0.0553	0.0574	0.0434	0.0444	0.0433	0.0443	0.0472
Total	0.4654	0.4654	0.4757	0.4757	0.4698	0.4630	0.4495	0.4488	0.4530	0.4636

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 and Curran Townships. One of the township rates would apply depending on the property 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	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Chatham Dev Group LLC	\$ 3,840,998	1	1.25%	\$ -		0.00%
ARHC VHCTMIL01 LLC	1,997,192	2	0.65%	-		0.00%
Lake Area Development Group	1,835,504	3	0.60%	-		0.00%
Chatham Dev Group LLC	1,519,193	4	0.50%	-		0.00%
Foxx LLC	1,360,683	5	0.44%	-		0.00%
RHC Investments Inc.	1,358,139	6	0.44%	-		0.00%
R&M Phillips Inestments LLC	898,770	7	0.29%	-		0.00%
STM Stables LLC	878,442	8	0.29%			0.00%
Envision Chatham LLC	706,677	9	0.23%			0.00%
Hendricks Commercial Prop LLC	663,853	10	0.22%	588,375	1	0.30%
Illinois National Bank				583,164	2	0.29%
Walgreens				497,138	3	0.25%
Chatham Crossing LP				465,611	4	0.24%
Bishop Hardware				418,724	5	0.21%
Memorial Health System				415,346	6	0.21%
Niemann Holdings				410,790	7	0.21%
United Community Bank				347,439	8	0.18%
MACS Convenience Stores				335,757	9	0.17%
Checkpoint Investments Inc.				324,042	10	0.16%
	<u>\$ 15,059,451</u>		<u>4.91%</u>	<u>\$ 4,386,386</u>		<u>2.22%</u>
EAV			306,435,547			197,979,674

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
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%
2019	2017	1,269,605	1,269,035	99.96%
2020	2018	1,327,916	1,325,566	99.82%

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 CALENDAR YEARS

	2010	2011	2012	2013
Food	\$ 170,023	\$ 201,729	\$ 205,513	\$ 208,910
Drinking and eating places	85,445	89,853	99,931	93,832
Apparel	1,757	2,990	5,782	6,511
Furniture/Household/Radio	973 *	1,052 *	1,088 *	740
Lumber/Building/Hardware	117,021	110,937	127,402	102,367
Auto and gas stations	104,056	115,832	118,260	144,609
Drugs and miscellaneous retail	190,760	292,631	194,159	167,929
Agriculture and all others	71,841	81,596	90,858	85,361
Manufacturers	4,571	5,324	3,345	4,532
Total	<u>\$ 746,447</u>	<u>\$ 901,944</u>	<u>\$ 846,338</u>	<u>\$ 814,791</u>
Village sales tax rate	1.00%	1.00%	1.00%	1.00%
Number of Taxpayers	205	218	233	243

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

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

2014	2015	2016	2017	2018	2019
\$ 209,484	\$ 232,308	\$ 212,832	\$ 208,432	\$ 208,548	\$ 201,078
93,192	98,916	101,029	107,521	114,635	121,150
5,642	7,555	9,050	10,186	6,339	3,586
770 *	799	1,341	1,871	1,899	1,664
119,060 *	118,390	119,461	118,945	115,091	98,099
149,599	170,306	138,210	151,999	166,062	176,022
226,485	265,910	246,568	232,261	267,448	283,971
67,347	35,815	37,037	43,749 *	38,788 *	32,870
4,177	3,137	3,672	2,370 *	1,276 *	1,378
<u>\$ 875,756</u>	<u>\$ 933,136</u>	<u>\$ 869,200</u>	<u>\$ 877,334</u>	<u>\$ 920,086</u>	<u>\$ 919,818</u>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
243	249	261	272	259	268

VILLAGE OF CHATHAM, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year	Village Share	Sangamon County Share	Sangamon County School Facility Share	State of Illinois Share	Total Rate
2011	1.00%	0.25%	0.00%	5.00%	6.25%
2012	1.00%	0.25%	0.00%	5.00%	6.25%
2013	1.00%	0.25%	0.00%	5.00%	6.25%
2014	1.00%	0.25%	0.00%	5.00%	6.25%
2015	1.00%	0.25%	0.00%	5.00%	6.25%
2016	1.00%	0.25%	0.00%	5.00%	6.25%
2017	1.00%	0.25%	0.00%	5.00%	6.25%
2018	1.00%	0.25%	0.00%	5.00%	6.25%
2019	1.00%	0.25%	0.00%	5.00%	6.25%
2020	1.00%	0.25%	1.00%	5.00%	7.25%

Source: Village records and Illinois Department of Revenue

VILLAGE OF CHATHAM, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Governmental Activities					Business Type Activities		
Fiscal Year	General Obligation Bonds	Tax Increment Bonds	Notes Payable	Capital Leases	General Obligation Bonds (Electric Alternative Revenue Source)	Debt Certificates	Notes Payable
2011	\$ 193,000	\$ 580,000	\$ -	\$ 25,040	\$ 4,375,000	\$ 200,000	\$ -
2012	165,000	245,000	23,435	107,942	4,190,000	165,000	93,740
2013	135,000	360,000	10,034	155,785	3,990,000	125,000	40,135
2014	104,000	245,000	-	160,243	3,805,000	85,000	910,191
2015	71,000	125,000	219,442	90,484	3,571,000	45,000	1,015,101
2016	36,000	-	198,031	168,408	3,340,000	-	877,156
2017	500,000	-	176,220	133,600	3,105,000	-	737,040
2018	479,500	-	154,033	71,140	2,858,000	-	594,681
2019	460,500	-	131,457	30,570	2,598,000	-	1,573,838
2020	441,000	-	108,541	226,261	2,335,000	-	1,335,060

* - 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.

Business Type Activities

Lines of Credit	Capital Leases	Total Primary Government	Percentage of Estimated Actual Property Value	Chatham Personal Income	Percentage of Personal Income	Per Capita
\$ 175,000	\$ 140,989	\$ 5,689,029	0.95%	446,763,500	1.27%	495
-	57,794	5,047,911	0.80%	464,439,000	1.09%	439
-	33,052	4,849,006	0.74%	466,532,000	1.04%	422
-	7,632	5,317,066	0.78%	476,755,500	1.12%	462
-	142,048	5,279,075	0.73%	490,854,500	1.08%	459
-	97,607	4,717,202	0.62%	503,815,000	0.94%	410
-	52,511	4,704,371	0.57%	512,014,500	0.92%	409
-	274,689	4,432,043	0.52%	532,737,500	0.83%	385
-	311,115	5,105,480	0.57%	562,246,500	0.91%	444
-	238,059	4,683,921	0.50%	*	*	407

VILLAGE OF CHATHAM, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct:			
Village of Chatham	\$ 775,802	100.00%	\$ 775,802
Overlapping:			
Ball Chatham CUSD #5	\$ 68,025,000	38.41%	\$ 26,128,403
Auburn Unit #10	7,924,897	0.11%	8,717
Lincoln Land Junior College District #526	29,055,000	7.34%	2,132,637
Woodside Township	-	3.53%	-
Ball Township	-	78.53%	-
Chatham Township	-	89.03%	-
Curran Township	-	0.68%	-
Springfield Airport Authority	11,488,435	6.76%	776,618
Chatham Fire Protection District	-	78.41%	-
Springfield Metro Expo Authority	6,880,622	0.34%	23,394
Sangamon Mass Transit District	-	0.43%	-
Curran-Gardner Public Water District	8,911,000	0.20%	17,822
Sangamon County Water Reclamation District	210,812,076	9.52%	20,069,310
Chatham Area Library	2,084,000	75.47%	1,572,795
Sangamon County	15,112,420	7.27%	1,098,673
Total Overlapping Debt	360,293,450		51,828,369
Total Direct and Overlapping Debt	\$ 361,069,252		\$ 52,604,171

Source: County Clerks Office and Illinois State Comptroller's website

The Sangamon County Clerk's Office provides an annual overlap report. The report specifies each overlapping district's EAV dollars and percentage. The overlapping district percentage is applied to their outstanding debt. The debt amount is obtained from financial reports filed and available on the Illinois State Comptroller's website.

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
2010	\$ 197,979,674	\$ 368,000	\$ 26,113	\$ 341,887
2011	208,597,498	165,000	21,618	143,382
2012	216,782,554	135,000	19,563	115,437
2013	226,206,007	104,000	19,338	84,662
2014	239,154,938	71,000	18,446	52,554
2015	250,231,664	36,000	17,227	18,773
2016	271,186,153	500,000	16,759	483,241
2017	282,888,892	479,500	16,808	462,692
2018	293,138,212	460,500	16,963	443,537
2019	306,435,547	441,000	16,900	424,100

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).

General Net Bonded Debt to Assessed Value	Debt Limit (1)	Legal Debt Margin	Legal Debt Margin as a % of Debt Limit
0.17%	\$ 17,075,747	\$ 16,733,860	98.00%
0.07%	17,991,534	17,848,152	99.20%
0.05%	18,697,495	18,582,058	99.38%
0.04%	19,510,268	19,425,606	99.57%
0.02%	20,627,113	20,574,559	99.75%
0.01%	21,582,481	21,563,708	99.91%
0.18%	23,389,806	22,906,565	97.93%
0.16%	24,399,167	23,936,475	98.10%
0.15%	25,283,171	24,839,634	98.25%
0.14%	26,430,066	26,005,966	98.40%

VILLAGE OF CHATHAM, ILLINOIS

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

	General Obligation Electric Alternate Revenue Source Bonds					
	Gross	Less	Net	Current Maturities		
	Revenues *	Operating	Available	Debt Service		
Fiscal Year		Expenses*	Revenue	Principal	Interest	Coverage
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
2019	10,598,508	9,314,900	1,283,608	263,000	89,391	3.64
2020	10,053,650	9,411,079	642,571	273,000	50,208	1.99

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

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)
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	46,325	532,737,500	36.1	4807	3.20%
2018	11,500	48,891	562,246,500	36.1	4809	3.00%
2019	11,500	*	*	36.1	4857	11.80%

* Information not available

(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, 2020

<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%
TruGreen	50-99	4	.4%-.9%
United Community Bank	50-99	4	.4%-.9%
Village of Chatham	50-99	4	.4%-.9%
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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Administration and Finance	12	12	12	12	11	10	9	9	10	10
Police	21	21	21	22	22	21	22	20	20	21
Public Utilities	11	10	11	12	11	11	13	13	14	13
Public Properties and Public Works	9	9	10	9	9	9	9	9	9	10
Total Full-Time Equivalent Employees	<u>53</u>	<u>52</u>	<u>54</u>	<u>55</u>	<u>53</u>	<u>51</u>	<u>53</u>	<u>51</u>	<u>53</u>	<u>54</u>

Source: Village records

VILLAGE OF CHATHAM, ILLINOIS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2011	2012	2013	2014
Public Works				
Total Building Permits issued	188	184	160	194
Single Family Homes	71	69	69	69
Duplexes	10	13	14	6
Apartments	3	5	2	-
Commercial	2	6	3	5
Additions	8	7	8	7
Remodel, Alteration or Repair	20	15	10	25
Garages, Sheds, Pool Houses	6	9	4	10
Fences	59	47	38	56
Pools	5	10	9	13
Sprinkler Systems	4	3	3	3
Number of Cemetery Lots Sold	64	78	48	53
Number of grave openings	40	54	33	39
Police - Information presented on Calendar Year Basis				
Calls for Service	6,732	6,818	7,015	7,374
Traffic Violations				
Citations Issued	1,593	1,810	1,631	1,548
Written Warnings Issued	1,458	1,817	1,959	2,278
Index Crimes*	109	64	128	105
Index Crime and Drug Arrests	87	122	155	118
Public Utilities				
Electric Customers	5,041	5,169	5,224	5,311
Water Customers	4,879	5,001	5,202	5,303
Kilowatt hours provided to customers	75,087,003	73,204,068	75,244,700	76,054,006
Gallons of water provided to customers	277,312,703	281,041,869	306,941,537	291,436,700
Administration				
Accounts Payable Checks Processed**	3,726	3,464	2,714	2,171
Liquor Licenses Issued	21	27	29	26

* 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

2015	2016	2017	2018	2019	2020
216	226	188	173	114	139
79	78	62	40	29	41
8	14	8	3	-	2
1	-	4	5	7	6
1	9	7	8	3	2
5	7	2	6	3	4
35	27	20	25	10	22
7	6	5	4	6	2
65	66	52	59	41	42
9	6	16	10	8	5
6	13	12	13	7	13
57	23	28	21	9	30
46	29	30	35	35	35
7,536	7,786	9,153	9,841	9,190	N/A
1,402	1,261	1,381	1,278	1,180	N/A
1,441	1,239	1,398	1,277	1,241	N/A
111	87	117	100	96	N/A
101	93	24	17	25	N/A
5,433	5,496	5,622	5,748	5,877	6,005
5,441	5,522	5,630	5,757	5,894	5,754
75,891,180	75,857,545	76,897,052	77,091,817	81,460,853	75,859,162
276,099,100	278,235,000	281,997,700	286,688,900	291,726,800	279,122,500
2,157	2,044	2,045	1,979	1,946	1,958
23	25	26	28	26	28

VILLAGE OF CHATHAM, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Village										
Number of Vehicles	48	53	53	54	52	52	54	56	54	56
Number of Buildings	14	14	14	14	14	14	14	14	14	14
Public Works										
Miles of Streets	73.25	73.25	73.37	73.37	74.38	74.63	76.17	78.21	79.42	79.42
Miles of Storm Sewer	53.61	53.61	53.77	53.77	54.78	55.07	55.5	56.65	57.37	57.37
Public Utilities										
Miles of Primary Underground Electric Lines (1)	33.05	33.05	33.29	33.29	34.99	35.3	38.5	40.16	42.23	42.23
Miles of Secondary Underground Electric Lines(1)	28.63	28.63	28.63	28.63	30.66	31.14	33.9	35.67	37.43	37.43
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	77.53	77.53	77.68	77.68	78.75	79.07	82.63	85.19	87.07	87.07
Miles of Sanitary Sewer	68.04	68.04	68.25	68.25	69.32	69.55	70.70	72.36	73.39	73.39

Source: Various Village Departments

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

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