



CITY OF CHICAGO HEIGHTS

ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED

APRIL 30, 2025

Prepared by:

Treasurer's Office

City of Chicago Heights, Illinois

**City of Chicago Heights, Illinois
Annual Comprehensive Financial Report
For the Year Ended April 30, 2025**

Table of Contents

Introductory Section

Organization Chart	i
List of Principal Officials	ii

Financial Section

Independent Auditor's Report	1 - 3
-------------------------------------	-------

Management's Discussion and Analysis	MD&A 1-11
---	-----------

Basic Financial Statements:

Government-wide Financial Statements:	
Statement of Net Position	4 - 5

Statement of Activities	6 - 7
-------------------------	-------

Fund Financial Statements:	
Balance Sheet - Governmental Funds	8 - 9

Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position	10 - 11
---	---------

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12 - 13
--	---------

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14 - 15
---	---------

Statement of Net Position - Proprietary Funds	16 - 17
---	---------

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	18
--	----

Statement of Cash Flows - Proprietary Funds	19
---	----

City of Chicago Heights, Illinois
Annual Comprehensive Financial Report
For the Year Ended April 30, 2025

Table of Contents (cont'd)

Financial Section (cont'd)

Basic Financial Statements (cont'd):

Fund Financial Statements (cont'd):

Statement of Fiduciary Net Position - Fiduciary Funds - Pension Trust Funds	20
--	----

Statement of Changes in Fiduciary Net Position - Fiduciary Funds - Pension Trust Fund	21
--	----

Notes to the Financial Statements	22 - 72
-----------------------------------	---------

Required Supplementary Information:

Multiyear Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios - Post-employment Benefit Plan	73 - 74
---	---------

Multiyear Schedule of Employer Contributions:

Illinois Municipal Retirement Fund	75 - 76
Police Pension Fund	75 - 76
Firefighters' Pension Fund	75 - 76

Multiyear Schedule of Changes in the Net Pension Liability,
Total Pension Liability and Related Ratios:

Illinois Municipal Retirement Fund	77 - 78
Police Pension Fund	79 - 80
Firefighters' Pension Fund	81 - 82

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	83
--	----

Notes to required supplementary information	84 - 86
---	---------

Supplementary Information:

Governmental Funds:

Major Governmental Funds:

Schedule of Revenues - Budget and Actual - General Fund	87 - 88
---	---------

Schedule of Expenditures - Budget and Actual - General Fund	89 - 91
---	---------

(cont'd)

City of Chicago Heights, Illinois
Annual Comprehensive Financial Report
For the Year Ended April 30, 2025

Table of Contents (cont'd)

Financial Section (cont'd)

Supplementary Information (cont'd):

Governmental Funds (cont'd):

Major Governmental Funds (cont'd):

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	92
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	93
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Eastern Industrial Redevelopment TIF - Capital Projects Fund	94
---	----

Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	95
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	96
---	----

Special Revenue Funds:

Combining Balance Sheet - Nonmajor Special Revenue Funds	97 - 98
--	---------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Special Revenue Funds	99 - 100
--	----------

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Library Fund	101
--	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Illinois Municipal Retirement Fund	102
--	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Motor Fuel Tax Fund	103
---	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Social Security Fund	104
--	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 911 Emergency Fund	105
--	-----

(cont'd)

City of Chicago Heights, Illinois
Annual Comprehensive Financial Report
For the Year Ended April 30, 2025

Table of Contents (cont'd)

Financial Section (cont'd)

Supplementary Information (cont'd):

Governmental Funds (cont'd):

Major Governmental Funds (cont'd):

Special Revenue Funds (cont'd):

Schedule of Revenues, Expenditures and Changes in Fund (Deficit) - Budget and Actual - Landfill Fund	106
---	-----

Capital Projects Fund:

Combining Balance Sheet - Nonmajor Capital Projects Funds	107 - 108
---	-----------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Nonmajor Capital Projects Funds	109 - 110
---	-----------

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Community Development Block Grants Fund	111
--	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Bloom Plaza TIF Fund	112
--	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - South State Stret TIF Fund	113
--	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Downtown TIF Fund	114
---	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - East Lincoln Highway Corridor TIF Fund	115
---	-----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Cub Foods TIF Fund	116
--	-----

Enterprise Funds:

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water and Sewer Fund	117
--	-----

Schedule of Operating Expenses - Budget and Actual - Employee Health Insurance Fund	118
--	-----

(cont'd)

City of Chicago Heights, Illinois
Annual Comprehensive Financial Report
For the Year Ended April 30, 2025

Table of Contents (cont'd)

Financial Section (cont'd)

Supplementary Information (cont'd):

Long-term Debt Requirements:

General Obligation Taxable Bonds of 2017A	119
General Obligation Taxable Bonds of 2017B	120
General Obligation Taxable Bonds of 2018A	121
General Obligation Taxable Bonds of 2018B	122
General Obligation Taxable Bonds of 2020	120
General Obligation Taxable Bonds of 2021	124
General Obligation Taxable Bonds of 2024	125
Loans Payable	126

Statistical Section

Net Position by Component - Last Ten Fiscal Years	127 - 128
Changes in Net Position - Last Ten Fiscal Years	129 - 132
Fund Balances of Governmental Funds - Last Ten Fiscal Years	133 - 134
Changes in Fund Balances and Percentage of Debt Service to Noncapital Expenditures of Governmental Funds - Last Ten Fiscal Years	135 - 136
Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years	137
Property Tax Rates - Direct and Overlapping Governments - Last Ten Levy Years	138 - 139
Principal Property Taxpayers - Current Fiscal Year and Nine Years Ago	140
Property Tax Levies and Collections - Last Ten Fiscal Years	141
Ratios of Outstanding Debt - By Type - Last Ten Fiscal Years	142 - 143
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	144
Schedule of Direct and Overlapping Governmental Activities Debt	145
Schedule of Legal Debt Margin	146

(cont'd)

**City of Chicago Heights, Illinois
Annual Comprehensive Financial Report
For the Year Ended April 30, 2025**

Table of Contents (cont'd)

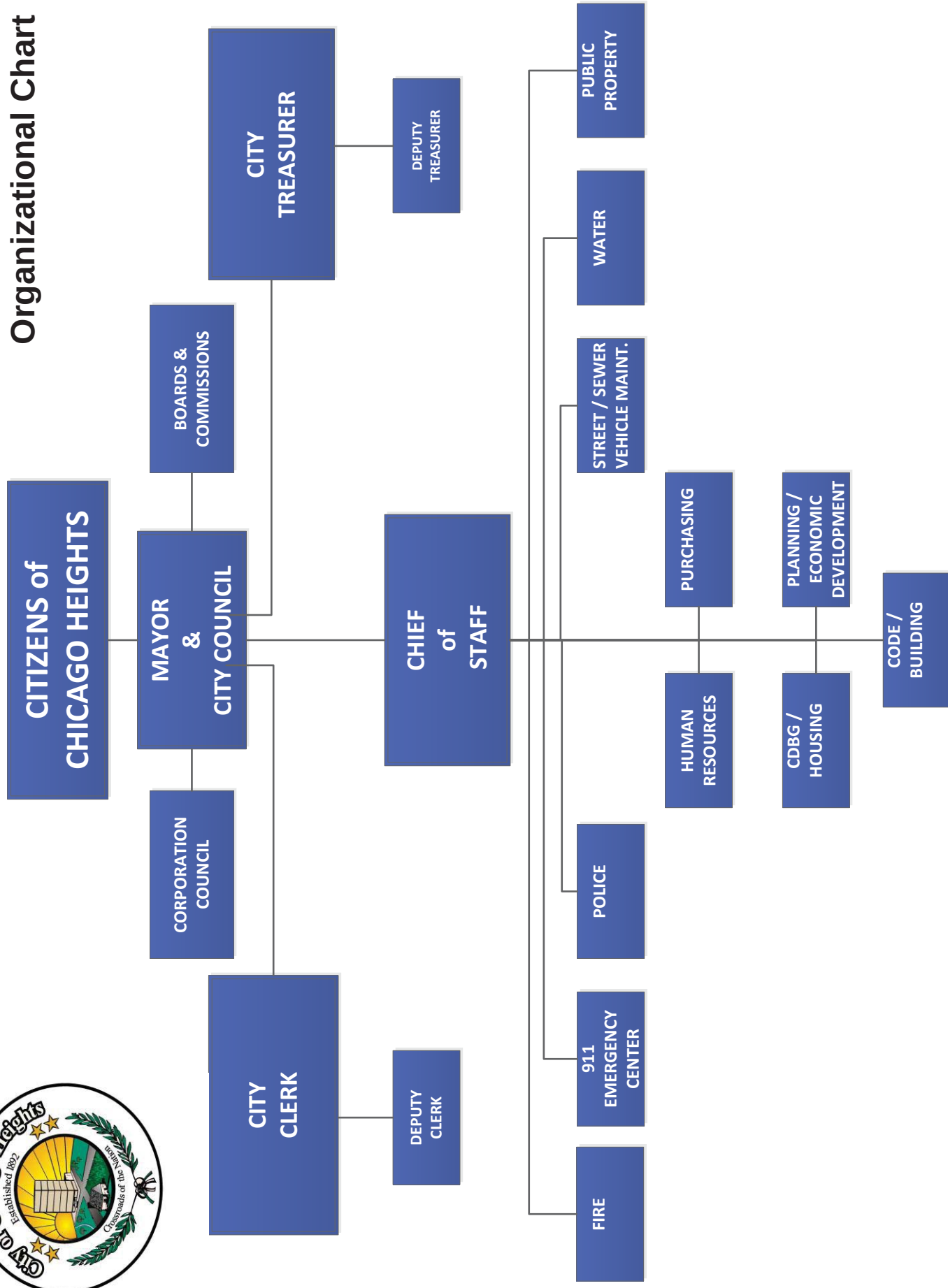
Statistical Section (cont'd)

Demographic and Economic Statistics - Last Ten Calendar Years	147
Principal Property Taxpayers - Current Fiscal Year and Nine Years Ago	148
Full-time Equivalent City Government Employees By Function - Last Ten Calendar Years	149 - 150
Operating Indicators by Function/Program - Last Ten Calendar Years	151 - 152
Capital Asset Statistics and Function/Program - Last Ten Fiscal Years	153 - 154

INTRODUCTORY SECTION



Organizational Chart





Elected Officials

Mayor David A. Gonzalez

Clerk Rachel Vega

Treasurer Cassandra Everett

Alderman Renee Smith, Ward 1

Alderman Sonia Perez, Ward 2

Alderman Wanda Rodgers, Ward 3

Alderman Chris Baikauskas, Ward 4

Alderman George Brassea, Ward 5

Alderman Vincent J. Zaranti, Ward

6 Alderman Kelli Merrick, Ward 7

Board of Fire and Police

Joanna Panici, Secretary

Karla Fiaoni, Commissioner

Thomas Kennedy, Commissioner

Vacancy

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And City Council
Chicago Heights, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **City of Chicago Heights, Illinois**, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Chicago Heights, Illinois, as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standards

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective May 1, 2024. This statement updated the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The impact of the adoption was not material to the financial statements and primarily resulted in modifications to existing disclosures as disclosed in Note I.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages MD&A – 1 - 11), and pension and other postemployment benefit related information and budgetary comparison information and related notes on pages 73-86. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information consisting of combining and individual fund financial statements and schedules, and long-term debt requirements schedules 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, and long-term debt requirements schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2026, on our consideration of the City of Chicago Heights, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Chicago Heights, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Chicago Heights, Illinois' internal control over financial reporting and compliance.

Selden Fox, Ltd.

April 28, 2026

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

Our discussion and analysis of the City of Chicago Heights's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2025. Please read it in conjunction with the City's transmittal letter, which begins on page i and the City's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The City's net position decreased by \$2,054,105 as a result of this year's operations. Net position of the governmental activities decreased by \$2,527,343 or 1.98 percent, net position of business-type activities increased by \$473,238, or 1.54 percent.
- At April 30, 2025, the City reported \$36,527,607 net investment in capital assets. Additionally, the City reported restricted net position of \$30,451,791 at year-end.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-7) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 4-7 of this report.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, 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 City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

The Statement of Activities presents information showing how the government'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 leave).

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public affairs, accounting and finance, public safety, streets and public improvements, insurance and benefits, public property, vehicle maintenance, library, and employee benefits services. The business-type activities of the City include water and sewer operations.

Fund Financial Statements

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

Because the focus of 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 the comparison between governmental funds and governmental activities.

The City maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Eastern Industrial Redevelopment TIF Fund, which are considered major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of the governmental funds. Budgetary comparison schedules for the budgeted funds have been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 8-15 of this report.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds

The City maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes an enterprise fund to account for its water and sewer operations. Internal service funds are used as a mechanism to allocate shared cost within the City. The City utilizes its internal service fund to account for the employee health insurance portion of its risk financing activities provided to the City funds and departments.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Operations Fund, and Employee Health Insurance-Internal Service Fund. The Water and Sewer Operations Fund is considered to be a major fund of the City.

The proprietary fund financial statements can be found on pages 16-19 of this report.

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

The fiduciary fund financial statements can be found on pages 20-21 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 22-72 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's IMRF, Police and Fire employee pension obligations, the City's Other Post-employment Benefit Plan obligation, and the General Fund budgetary comparison schedule. Required supplementary information can be found on pages 73-86 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 87-118 of this report.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City, liabilities/deferred inflows exceeded assets/deferred outflows by \$99,026,542.

Statement of Net Position

	Governmental Activities			Business-Type Activities					
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Current and other assets	\$ 76,155,329	\$ 78,902,705	(3.5%)	\$ 14,630,951	\$ 16,800,092	(12.9%)	\$ 90,786,280	\$ 95,702,797	(5.1%)
Capital assets, net	44,326,878	39,088,788	13.4%	26,674,351	24,411,073	9.3%	71,001,229	63,499,861	11.8%
Total assets	120,482,207	117,991,493	2.1%	41,305,302	41,211,165	0.2%	161,787,509	159,202,658	1.6%
Deferred outflows of resources	18,433,986	20,654,815	(10.8%)	292,064	771,671	(62.2%)	18,726,050	21,426,486	(12.6%)
Current liabilities	16,797,266	14,438,907	16.3%	2,940,756	3,423,609	(14.1%)	19,738,022	17,862,516	10.5%
Noncurrent liabilities	228,853,953	222,890,215	2.7%	7,307,069	7,695,898	(5.1%)	236,161,022	230,586,113	2.4%
Total liabilities	245,651,219	237,329,122	3.5%	10,247,825	11,119,507	(7.8%)	255,899,044	248,448,629	3.0%
Deferred inflows of resources	23,497,558	29,022,427	(19.0%)	143,499	130,525	9.9%	23,641,057	29,152,952	(18.9%)
Net position (deficit):									
Net investment in capital assets	17,262,363	12,403,080	39.2%	19,265,244	15,954,077	20.8%	36,527,607	28,357,157	28.8%
Restricted	29,559,767	24,339,681	21.4%	892,024	-	-	30,451,791	24,339,681	25.1%
Unrestricted (deficit)	(177,054,714)	(164,448,002)	7.7%	11,048,774	14,778,727	(25.2%)	(166,005,940)	(149,669,275)	10.9%
Total net position (deficit)	\$ (130,232,584)	\$ (127,705,241)	2.0%	\$ 31,206,042	\$ 30,732,804	1.5%	\$ (99,026,542)	\$ (96,972,437)	2.1%

A portion of the City's net position, \$36,527,607, reflects its investment in capital assets (for example, land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 themselves cannot be used to liquidate these liabilities.

An additional portion, \$30,451,791 of the City's net position, represents resources that are subject to external restrictions on how they may be used. The major contributor to the increase over the previous year is due to additional revenue in the capital projects funds restricted for streets and public improvements.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position for the year decreased by \$2,527,343 for governmental activities, while net position for business-type activities increased \$473,238. Current assets decreased by \$4.9 million primarily from a decrease in cash and investments of \$1.4 million and a decrease in receivables of \$2.9 million. Capital assets, net of accumulated depreciation increased \$7.5 million in FY25. In FY 25, current liabilities increased by \$2.3 million, primarily due to increased legal settlements for matters pre-dating April 30, 2025, that were resolved subsequent to year end. Non-current liabilities increased by \$5.6 million primarily due to an increase in public safety pension liabilities of \$6.6 million and compensated absences balance increase of \$1.9 million, offset by scheduled bond payments of \$2.9 million.

There are certain transactions that will affect the comparability of the Statement of Net Position summary presentation.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt which will not change the net investment in capital assets. The City's net investment in capital assets increased \$8,170,450. The City's net increase of capital assets was \$7,501,368, which is attributable to the City's additions of \$18,865,506, net of depreciation expense of \$4,617,901 and completed construction projects placed into service of \$6,746,237.

Principal Payment on Debt – which will reduce current assets, reduce long-term debt, reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets. As previously stated, the City reported depreciation expense of \$4,617,901 for the governmental and business-type activities.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Governmental Activities			Business-Type Activities			Total		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Revenues:									
Program revenues:									
Charges for services	\$ 10,842,358	\$ 10,380,544	4.4%	\$ 19,838,634	\$ 20,401,885	(2.8%)	\$ 30,680,992	\$ 30,782,429	(0.3%)
Operating grants/contribution	1,607,960	1,629,580	(1.3%)	-	-	-	1,607,960	1,629,580	(1.3%)
Capital grants/contribution	2,957,969	3,609,720	(18.1%)	-	1,607,742	(100.0%)	2,957,969	5,217,462	(43.3%)
General revenues:									
Property taxes	29,880,224	31,642,596	(5.6%)	-	-	-	29,880,224	31,642,596	(5.6%)
Sales and other taxes	20,173,858	20,407,511	(1.1%)	-	-	-	20,173,858	20,407,511	(1.1%)
Interest	1,567,900	1,536,152	2.1%	2,519	2,012	25.2%	1,570,419	1,538,164	2.1%
Miscellaneous	4,646,988	2,760,972	68.3%	55,616	36,464	52.5%	4,702,604	2,797,436	68.1%
Total revenues	71,677,257	71,967,075	(0.4%)	19,896,769	22,048,103	(9.8%)	91,574,026	94,015,178	(2.6%)
Expenses:									
General government	15,421,373	11,749,879	31.2%	-	-	-	15,421,373	11,749,879	31.2%
Public safety	37,798,069	31,263,060	20.9%	-	-	-	37,798,069	31,263,060	20.9%
Street and public improvements	11,555,059	6,664,518	73.4%	-	-	-	11,555,059	6,664,518	73.4%
Culture and recreation	881,079	1,192,017	(26.1%)	-	-	-	881,079	1,192,017	(26.1%)
Community development	3,443,076	9,332,615	(63.1%)	-	-	-	3,443,076	9,332,615	(63.1%)
Interest and amortization	3,056,737	3,482,716	(12.2%)	-	-	-	3,056,737	3,482,716	(12.2%)
Water and sewer	-	-	-	21,472,738	17,977,270	19.4%	21,472,738	17,977,270	19.4%
Total expenses	72,155,393	63,684,805	13.3%	21,472,738	17,977,270	19.4%	93,628,131	81,662,075	14.7%
Change in net position before transfers	(478,136)	8,282,270	(105.8%)	(1,575,969)	4,070,833	(138.7%)	(2,054,105)	12,353,103	(116.6%)
Transfers	(2,049,207)	-	-	2,049,207	-	-	-	-	-
Change in net position	(2,527,343)	8,282,270	(130.5%)	473,238	4,070,833	(88.4%)	(2,054,105)	12,353,103	(116.6%)
Net position (deficit) - beginning	(127,705,241)	(135,987,511)	(6.1%)	30,732,804	26,661,971	15.3%	(96,972,437)	(109,325,540)	(11.3%)
Net position (deficit) - ending	\$ (130,232,584)	\$ (127,705,241)	2.0%	\$ 31,206,042	\$ 30,732,804	1.5%	\$ (99,026,542)	\$ (96,972,437)	2.1%

Net position of the City's governmental activities decreased by \$2,527,343. The governmental funds reported a decrease in total fund balances of \$3,569,474. Approximately \$2.3 million of that decrease relates to legal settlements noted previously. These fund level activities were offset by the adjustments outlined on pages 14-15 of the financial statements and as outlined on page MD&A-5.

Net position of business-type activities increased by \$473,238 or 1.54 percent (\$30,732,804 in 2024 compared to \$31,206,042 in 2025). At April 30, 2025, the business-type activities have \$19,265,244 of net position invested in capital assets (net of related debt), \$892,024 of net position restricted for pensions and \$11,048,774 of unrestricted net position.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

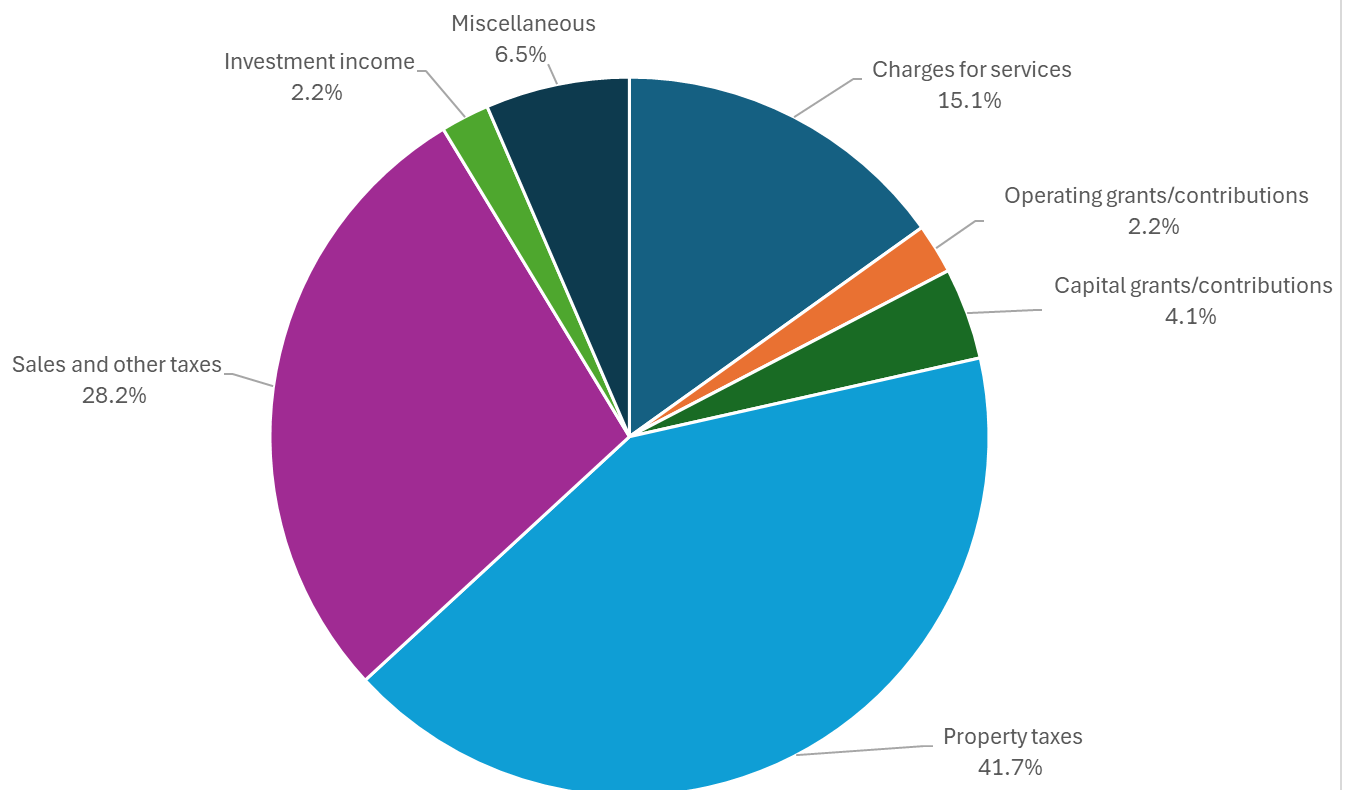
Governmental Activities

Revenues for governmental activities totaled \$71,677,257, while the cost of all governmental functions totaled \$72,155,393. This resulted in a decrease in net position of \$2,527,343, after a transfer to business-type activities of \$2,049,207.

The following table graphically depicts the major revenue sources of the City. It clearly depicts the reliance of property taxes and state shared revenues to fund governmental activities. It also clearly identifies the less significant percentage the City receives from charges for services, interest and miscellaneous income.

The following table graphically depicts the major revenue sources of the City.

**Program Revenues – Governmental Activities
Year Ended April 30, 2025**



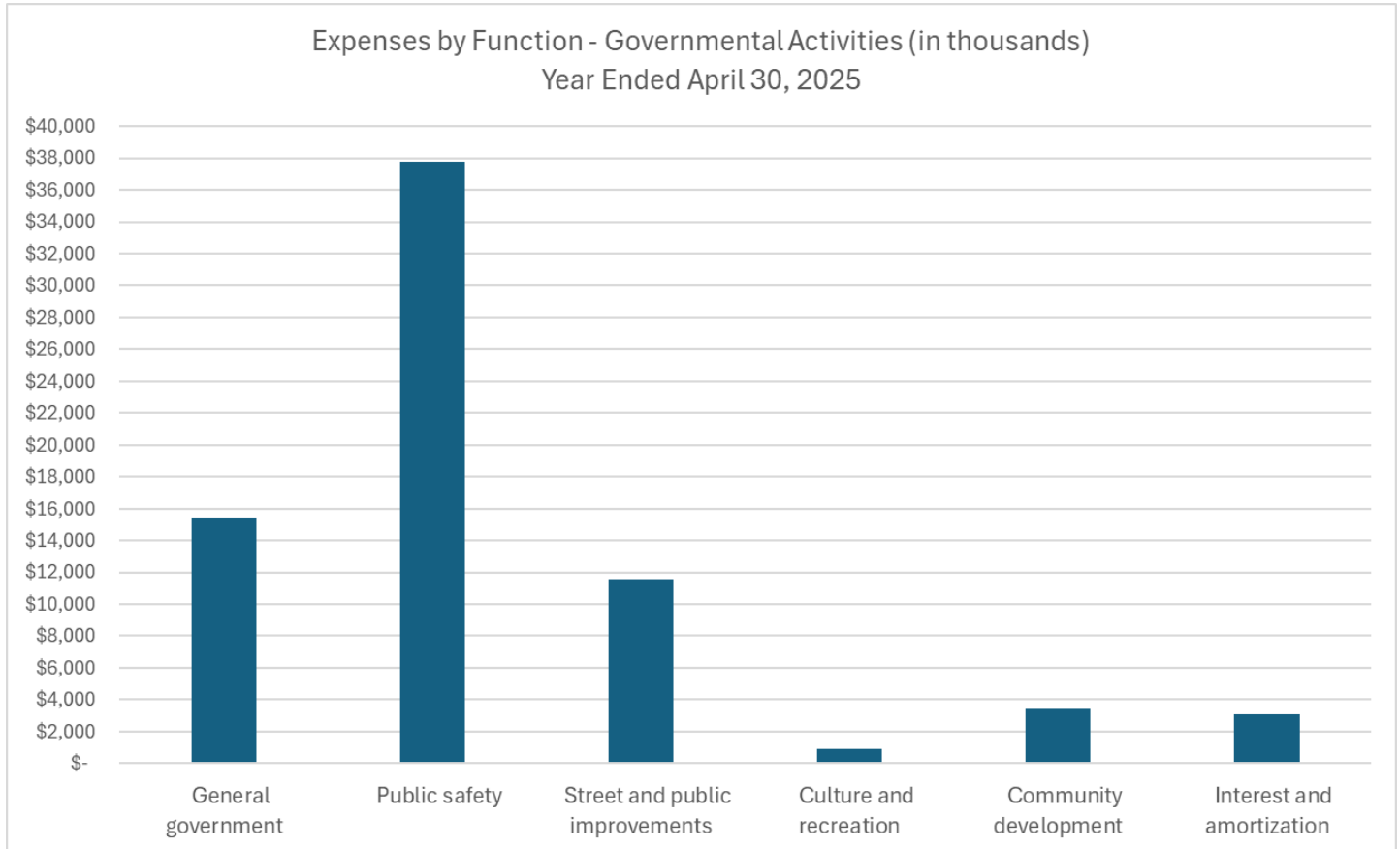
The Statement of Activities "Net Expense / Revenue" total column identifies those governmental functions where program expenses greatly exceed revenues. Because program revenues (charges for services and operating/capital grants and contributions) for local governments are normally never sufficient to cover operating costs, general revenues like property taxes, state shared revenues and interest are used to subsidize the functional costs of the City.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued



Business-Type Activities

Business-type activities reported total revenues of \$19,896,769, while the cost of all business-type activities totaled \$21,472,738. This results in an operating deficit of \$1,575,969, before transfers. In 2024, revenues of \$22,048,103 exceeded expenses of \$17,977,270, resulting in an operating surplus of \$4,070,833. During FY 25 water purchases increased by \$496K, contracted work increased by \$1.7 million due to increase in water main breaks. In FY 25 the Sewer fund reported \$1.6 less in grant revenues due to the West Side drainage project being completed in FY24.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular,

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combined ending fund balances of \$48,380,521, which is \$3,569,474 lower than last year's total of \$51,949,995. Of the \$48,380,521 total, \$18,294,308 of the fund balance constitutes unassigned fund balance.

The General Fund reported a decrease in fund balance for the year of \$2,521,638, resulting in ending fund balance of \$25,363,707. Total tax and intergovernmental revenue in 2025 was higher than 2024 by \$2.8 million, primarily due to ARPA funds were used to reimburse public safety costs for \$1.3 million, and an increase in state and local grants of \$1.7 million. PPRT revenue decreased by \$890K, however that decrease was offset by an increase in sales tax of \$441K and an increase in Income tax by \$327K. These revenue increases were offset with increased public safety costs in FY25.

The General Fund is the chief operating fund of the City. At April 30, 2025, unassigned fund balance in the General Fund was \$20,783,117. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 4.6 months of total General Fund expenditures. The Government Finance Officers Association recommends maintaining an unrestricted fund balance in the General Fund of no less than two months of regular general fund operating revenues or general fund operating expenses.

The Debt Service Fund reported a net decrease in fund balance of \$127,525 for the year ended April 30, 2025. The net decrease was primarily due to a decrease in property revenue of \$129k. The fund balance of \$604,419 is restricted to future debt service costs.

The City reports the Capital Projects Fund as a major fund. Intergovernmental revenues were \$299,280 for the year ended April 30, 2025. Capital outlay totaled \$7,784,121, resulting in a current year decrease in fund balance of \$3,123,214 restricted to qualifying capital project expenditures. This includes a \$5,000,000 transfer from the General Fund.

The Eastern Industrial Redevelopment TIF reported a net increase in fund balance of \$2,342,512 for the year ended April 30, 2025. The net increase was lower than the previous year's increase of \$4.5 million primarily due to a FY25 transfer of \$2 million to the Water Fund for TIF related expenditures consisting of water main replacements. The fund balance of \$12,749,533 is restricted to future capital projects.

Proprietary Funds

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

The City reports the Water and Sewer Fund as a major proprietary fund. The Water and Sewer Fund accounts for all of the operations of the municipal water and sewer system. Water is purchased from Hammond, Indiana and distributed to City residents as well as several other

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds - continued

communities. The Water and Sewer Fund's operating revenues of \$19,894,250 reflect a decrease of \$544,099, or 2.60 percent. Operating expenses of \$21,347,355 were \$3,510,566 greater than 2024 or 19.68 percent, as the City experienced increases in water purchases of \$496K, increase of \$933K for water main breaks due to aging infrastructure and a write off bad debt for \$452K. Depreciation expense represents 4.14 percent of total operating expenses for the Water and Sewer Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$55,515,865, compared to budgeted revenues of \$51,635,150. Actual revenues were higher than budget due to increase in state income tax of \$500K over budget, and revenue from remaining ARPA funds of \$1.3 million. Grant revenue exceeded budget by \$2.3 million, and fines and forfeiture exceeded budget amount by \$1.2 million.

The General Fund actual expenditures for the year were \$2,687,555 more than budgeted (\$54,012,155 actual compared to \$51,324,600 budgeted). Accrued legal settlements caused the general government department to come in over budget, while Code department and Residential services exceeded budget. Code Department exceeded budget by \$513K due to increase in demolition expenditures that were offset by a grant to reimburse the city for that cost. Resident services exceeded the budget by \$1.1 million due to an increase in grant expenditures that was also reimbursed by a state grant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's total capital assets for its governmental and business-type activities as of April 30, 2025, was \$63,499,861, which reflects an increase of \$6,762,191 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure and equipment. The City reported depreciation expense of \$4,617,901 which decreases capital assets.

City of Chicago Heights, Illinois

Management's Discussion and Analysis April 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION - continued

Capital Assets - continued

	Capital Assets, Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$ 3,572,002	\$ 3,572,002	\$ -	\$ -	\$ 3,572,002	\$ 3,572,002
Construction in progress	2,795,360	1,017,871	817,552	1,505,606	3,612,912	2,523,477
Buildings and improvements	1,735,847	1,658,176	1,919,062	1,823,430	3,654,909	3,481,606
Vehicles and equipment	7,385,503	5,785,295	1,211,653	730,566	8,597,156	6,515,861
Infrastructure	28,615,320	26,624,936	22,722,184	20,347,181	51,337,054	46,972,117
Land improvements	11,365	15,909	3,900	4,290	15,265	20,199
Subscription assets	136,203	306,415	-	-	136,203	306,415
Lease assets: Equipment	75,278	108,184	-	-	75,278	108,184
Total	\$44,326,878	\$39,088,788	\$26,674,351	\$24,411,073	\$71,001,229	\$63,499,861

Additional information on the City's capital assets can be found in Note IV on pages 39-40 of this report.

Debt Administration

At year-end, the City had total outstanding debt of \$63,668,177 as compared to \$65,364,461 the previous year, a decrease of 2.60 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$55,935,000	\$56,005,000	\$6,795,000	\$7,625,000	\$62,730,000	\$63,630,000
Loans payable	716,797	1,323,247	-	-	716,797	1,323,247
Subscriptions liability	142,947	300,305	-	-	142,947	300,305
Leases payable	78,433	110,909	-	-	78,433	110,909
Total	\$56,873,177	\$57,739,461	\$6,795,000	\$7,625,000	\$63,668,177	\$65,364,461

Additional information on the City's long-term debt can be found in Note VI on pages 42-45 of this report.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Treasurer, City of Chicago Heights, 1601 Chicago Road, Chicago Heights, Illinois 60411.

BASIC FINANCIAL STATEMENTS

City of Chicago Heights, Illinois
Statement of Net Position
April 30, 2025

Assets	Governmental Activities	Business-type Activities	Total
Current:			
Cash and investments	\$ 32,931,504	\$ 9,034,063	\$ 41,965,567
Receivables - net of allowance	16,078,421	4,936,228	21,014,649
Due from other governments	2,097,191	-	2,097,191
Restricted cash and investments	21,299,621	-	21,299,621
Prepays/inventories	1,185,171	-	1,185,171
Total current assets	73,591,908	13,970,291	87,562,199
Noncurrent:			
Capital assets:			
Nondepreciable	6,367,362	817,552	7,184,914
Depreciable	103,221,170	80,609,415	183,830,585
Accumulated depreciation	(65,261,654)	(54,752,616)	(120,014,270)
Net pension asset - IMRF	2,563,421	660,660	3,224,081
Total noncurrent assets	46,890,299	27,335,011	74,225,310
Total assets	120,482,207	41,305,302	161,787,509
Deferred Outflows of Resources			
Deferred loss on refunding	1,498,128	-	1,498,128
Deferred items - IMRF	947,397	244,169	1,191,566
Deferred items - police pension	7,251,787	-	7,251,787
Deferred items - firefighters' pension	7,524,172	-	7,524,172
Deferred items - OPEB	1,212,502	47,895	1,260,397
Total deferred outflows of resources	18,433,986	292,064	18,726,050
Total assets and deferred outflows of resources	138,916,193	41,597,366	180,513,559

See accompanying notes to the financial statements.

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current:			
Accounts payable and accrued expenses	\$ 5,442,087	\$ 1,754,193	\$ 7,196,280
Accrued payroll	858,662	58,746	917,408
Accrued interest	709,407	113,250	822,657
Unearned revenue	476,299	77,653	553,952
Due to other governments	2,085,694	-	2,085,694
Deposits	1,313,313	-	1,313,313
Current portion of long-term liabilities	5,911,804	936,914	6,848,718
Total current liabilities	16,797,266	2,940,756	19,738,022
Noncurrent:			
Compensated absences payable	4,472,731	131,534	4,604,265
Net pension liability - police pension	72,954,389	-	72,954,389
Net pension liability - firefighters' pension	71,289,778	-	71,289,778
Total OPEB liability	15,858,511	626,428	16,484,939
Loans payable	307,508	-	307,508
General obligations bonds payable - net	53,344,404	6,549,107	59,893,511
Leases payable	44,834	-	44,834
Subscriptions payable	10,516	-	10,516
Amounts payable to pension fund	738,694	-	738,694
Landfill post closure care costs	9,832,588	-	9,832,588
Total noncurrent liabilities	228,853,953	7,307,069	236,161,022
Total liabilities	245,651,219	10,247,825	255,899,044
Deferred Inflows of Resources			
Deferred items - IMRF	49,684	12,805	62,489
Deferred items - police pension	6,994,662	-	6,994,662
Deferred items - firefighters' pension	946,641	-	946,641
Deferred items - OPEB	3,308,620	130,694	3,439,314
Property taxes	12,197,951	-	12,197,951
Total deferred inflows of resources	23,497,558	143,499	23,641,057
Net Position			
Net investment in capital assets	17,262,363	19,265,244	36,527,607
Restricted for:			-
Employee benefits	1,378,761	-	1,378,761
Pensions	3,726,239	892,024	4,618,263
Streets and public improvements	21,334,969	-	21,334,969
Library services	1,676,000	-	1,676,000
Community development	79,532	-	79,532
Public safety	538,102	-	538,102
Drug enforcement	826,164	-	826,164
Unrestricted (deficit)	(177,054,714)	11,048,774	(166,005,940)
Total net position	\$ (130,232,584)	\$ 31,206,042	\$ (99,026,542)

City of Chicago Heights, Illinois
Statement of Activities
For the Year Ended April 30, 2025

Functions/Programs	<u>Expenses</u>
Governmental activities:	
General government	\$ 15,421,373
Public safety	37,798,069
Streets and public improvements	11,555,059
Culture and recreation	881,079
Community development	3,443,076
Interest and amortization	3,056,737
Total governmental activities	<u>72,155,393</u>
Business-type activities:	
Water and sewer	<u>21,472,738</u>
Total business-type activities	<u>21,472,738</u>
Total government	<u>\$ 93,628,131</u>
General revenues:	
Taxes:	
Property	
Utility	
Home Rule Sales	
Other taxes	
Intergovernmental - unrestricted:	
Income taxes	
Replacement taxes	
Sales taxes	
Use taxes	
Gaming taxes	
Grants - American Recovery Plan Funds	
Interest	
Gain on sale of assets	
Miscellaneous	
Transfers	
Total general revenue and transfers	
Changes in net position	
Net position, beginning of year	
Net position, end of year	

See accompanying notes to the financial statements.

Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 3,550,730	\$ -	\$ 2,358,689	(9,511,954)	\$ -	\$ (9,511,954)
7,276,360	298,489	-	(30,223,220)	-	(30,223,220)
13,665	1,234,060	599,280	(9,708,054)	-	(9,708,054)
1,603	75,411	-	(804,065)	-	(804,065)
-	-	-	(3,443,076)	-	(3,443,076)
-	-	-	(3,056,737)	-	(3,056,737)
10,842,358	1,607,960	2,957,969	(56,747,106)	-	(56,747,106)
19,838,634	-	-	-	(1,634,104)	(1,634,104)
19,838,634	-	-	-	(1,634,104)	(1,634,104)
\$ 30,680,992	\$ 1,607,960	\$ 2,957,969	(56,747,106)	(1,634,104)	(58,381,210)
			29,880,224	-	29,880,224
			2,256,503	-	2,256,503
			2,299,264	-	2,299,264
			775,795	-	775,795
			4,900,677	-	4,900,677
			2,116,107	-	2,116,107
			3,143,938	-	3,143,938
			2,108,825	-	2,108,825
			2,572,749	-	2,572,749
			1,377,634	-	1,377,634
			1,567,900	2,519	1,570,419
			978,652	-	978,652
			2,290,702	55,616	2,346,318
			(2,049,207)	2,049,207	-
			54,219,763	2,107,342	56,327,105
			(2,527,343)	473,238	(2,054,105)
			(127,705,241)	30,732,804	(96,972,437)
			\$ (130,232,584)	\$ 31,206,042	\$ (99,026,542)

City of Chicago Heights, Illinois
Balance Sheet - Governmental Funds
April 30, 2025

	General	Debt Service	Capital Projects
Assets			
Cash and investments	\$ 24,917,321	\$ -	\$ -
Receivables - net of allowances:			
Property taxes	9,680,770	2,904,918	-
Other taxes	1,667,513	-	-
Accounts	1,144,891	-	-
Intergovernmental	1,964,480	-	-
Due from other funds	1,657,577	-	-
Advances to other funds	2,463,095	-	-
Restricted cash and investments	1,013,846	2,599,182	-
Prepaid items	1,011,447	-	173,724
Total assets	\$ 45,520,940	\$ 5,504,100	\$ 173,724
Liabilities			
Accounts payable and accrued expenses	\$ 4,202,629	\$ -	\$ 514,752
Accrued payroll	752,280	-	-
Unearned revenues	476,299	-	-
Due to other governments	2,085,694	-	-
Due to other funds	-	-	1,655,014
Deposits	1,313,313	-	-
Amounts payable to pension fund	738,694	-	-
Advance from other funds	475,372	2,149,158	-
Total liabilities	10,044,281	2,149,158	2,169,766
Deferred Inflows of Resources			
Property taxes	8,833,227	2,750,523	-
Other taxes	42,656	-	-
Intergovernmental revenues	1,237,069	-	-
Total deferred inflows of resources	10,112,952	2,750,523	-
Total liabilities and deferred inflows of resources	20,157,233	4,899,681	2,169,766
Fund Balances			
Nonspendable	3,474,542	-	173,724
Restricted	1,106,048	604,419	-
Unassigned	20,783,117	-	(2,169,766)
Total fund balances	25,363,707	604,419	(1,996,042)
Total liabilities, deferred inflows of resources and fund balances	\$ 45,520,940	\$ 5,504,100	\$ 173,724

See accompanying notes to the financial statements.

Eastern Industrial Redevelopment TIF	Nonmajor	Total Governmental Funds
\$ -	\$ 7,195,221	\$ 32,112,542
-	680,329	13,266,017
-	-	1,667,513
-	-	1,144,891
-	132,711	2,097,191
-	-	1,657,577
-	475,372	2,938,467
12,808,012	4,878,581	21,299,621
-	-	1,185,171
<u>\$ 12,808,012</u>	<u>\$ 13,362,214</u>	<u>\$ 77,368,990</u>
\$ 58,479	\$ 666,227	\$ 5,442,087
-	106,382	858,662
-	-	476,299
-	-	2,085,694
-	2,563	1,657,577
-	-	1,313,313
-	-	738,694
-	313,937	2,938,467
<u>58,479</u>	<u>1,089,109</u>	<u>15,510,793</u>
-	614,201	12,197,951
-	-	42,656
-	-	1,237,069
<u>-</u>	<u>614,201</u>	<u>13,477,676</u>
<u>58,479</u>	<u>1,703,310</u>	<u>28,988,469</u>
-	475,372	4,123,638
12,749,533	11,502,575	25,962,575
-	(319,043)	18,294,308
<u>12,749,533</u>	<u>11,658,904</u>	<u>48,380,521</u>
<u>\$ 12,808,012</u>	<u>\$ 13,362,214</u>	<u>\$ 77,368,990</u>

City of Chicago Heights, Illinois
Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Position
April 30, 2025

Total fund balance - governmental funds (page 9)	\$ 48,380,521
--	---------------

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' balance sheet.	44,326,878
---	------------

Certain revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	1,279,725
--	-----------

Discounts/premiums on bonds that are an other financing use in the fund financial statements are assets that are netted with General Obligation Bonds and amortized over the life of the bonds in the government-wide financial statements.	370,596
---	---------

Deferred losses on debt refunding are deferred outflows of resources that are amortized over the life of the bond in the government-wide financial statements.	1,498,128
--	-----------

Certain pension and OPEB related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.

Deferred outflows of resources:

Illinois Municipal Retirement Fund	947,397
Police pension	7,251,787
Firefighters' pension	7,524,172
OPEB plan	1,212,502

Certain pension and OPEB related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.

Deferred inflows of resources:

Illinois Municipal Retirement Fund	(49,684)
Police pension	(6,994,662)
Firefighters' pension	(946,641)
OPEB plan	(3,308,620)

(cont'd)

City of Chicago Heights, Illinois
Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Position (cont'd)
April 30, 2025

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds:

General obligation bonds	\$ (55,935,000)
Loans payable	(716,797)
Lease liability	(78,433)
Subscription liability	(142,947)
Compensated absences	(5,796,675)
Net pension asset - Illinois Municipal Retirement Fund	2,563,421
Net pension liability - Police pension	(72,954,389)
Net pension liability - Firefighters' pension	(71,289,778)
Total OPEB liability	(16,852,561)
Landfill post closure care costs	(9,832,588)
Accrued interest payable	(709,407)

An internal service fund is used by management to charge the costs of insurance. A portion of the assets and liabilities are included in the governmental activities in the statement of net position (deficit).

20,471

Net position (deficit) of governmental activities (page 7)

\$ (130,232,584)

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
For the Year Ended April 30, 2025

	General	Debt Service	Capital Projects
Revenues:			
Taxes	\$ 22,555,639	\$ 4,819,008	\$ -
Intergovernmental	19,084,639	-	299,280
Licenses and permits	1,496,881	-	-
Charges for services	5,709,396	-	-
Fines, forfeitures and rentals	3,187,693	-	-
Interest	1,243,930	102,680	39
Miscellaneous	2,237,687	-	-
Total revenues	55,515,865	4,921,688	299,319
Expenditures:			
Current:			
General government	14,664,043	-	-
Public safety	32,237,417	-	-
Streets/public improvements	6,908,602	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Capital outlay	-	-	7,784,121
Debt service:			
Principal retirement	189,834	2,070,000	606,450
Interest and fiscal charges	12,259	2,979,213	31,962
Total expenditures	54,012,155	5,049,213	8,422,533
Revenues over (under) expenditures before other financing sources (uses)	1,503,710	(127,525)	(8,123,214)
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on issuance of debt	-	-	-
Proceeds from sale of assets	978,652	-	-
Transfers in	-	-	5,000,000
Transfers out	(5,004,000)	-	-
Total other financing sources (uses)	(4,025,348)	-	5,000,000
Net changes in fund balances	(2,521,638)	(127,525)	(3,123,214)
Fund balances, beginning of the year	27,885,345	731,944	1,127,172
Fund balances (deficit), end of the year	\$ 25,363,707	\$ 604,419	\$ (1,996,042)

See accompanying notes to the financial statements.

Eastern Industrial Redevelopment TIF	Nonmajor	Total Governmental Funds
\$ 5,538,636	\$ 2,239,688	\$ 35,152,971
-	1,915,656	21,299,575
-	-	1,496,881
-	42,401	5,751,797
-	1,603	3,189,296
1,458	219,726	1,567,833
-	-	2,237,687
5,540,094	4,419,074	70,696,040
-	656,216	15,320,259
-	-	32,237,417
-	990,545	7,899,147
-	2,769,996	2,769,996
1,148,275	2,146,026	3,294,301
-	-	7,784,121
-	-	2,866,284
-	92,800	3,116,234
1,148,275	6,655,583	75,287,759
4,391,819	(2,236,509)	(4,591,719)
-	2,000,000	2,000,000
-	92,800	92,800
-	-	978,652
-	4,100	5,004,100
(2,049,307)	-	(7,053,307)
(2,049,307)	2,096,900	1,022,245
2,342,512	(139,609)	(3,569,474)
10,407,021	11,798,513	51,949,995
\$ 12,749,533	\$ 11,658,904	\$ 48,380,521

City of Chicago Heights, Illinois
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2025

Net changes in fund balances - total governmental funds (page 13) \$ (3,569,474)

Amounts reported for governmental activities in the statement of activities (pages 6-7) are different because:

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which Capital outlays exceeded depreciation expense in the current period:

Capital outlays	8,971,311
Depreciation expense	(3,733,221)

Certain revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements. 44,899

In governmental funds, issuance of long-term debt is considered other financing sources, but in the statement of net position, debt is reported as a liability. This is the amount of debt issues in the current period.

Bonds payable	(2,000,000)
Premium on bonds	(92,800)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position (deficit).

Bond principal	2,070,000
Loans payable principal retirement	606,450
Leases payable principal retirement	32,476
Subscription liability principal retirement	157,358

Discounts and premiums on bonds that are other financing sources/uses in the fund financial statements are amortized over the life of the bond and netted with the General Obligation Bond liability in the government-wide financial statements.

Amortization of discount on bonds	(96,012)
-----------------------------------	----------

Losses on refunding's of bonds are not reflected in the fund financial statements but are recorded as part of liabilities in the statement of net position (deficit).

Amortization of deferred amounts on refunding	(390,987)
---	-----------

(cont'd)

City of Chicago Heights, Illinois
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Statement of Activities - Governmental Activities (cont'd)
For the Year Ended April 30, 2025

Items related to pension expense are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements.

Deferred outflows of resources related to pension expense:	
Illinois Municipal Retirement Fund	\$ (1,024,995)
Police pension	(2,912,384)
Firefighters' pension	2,092,920
Deferred inflows of resources related to pension expense:	
Illinois Municipal Retirement Fund	223,214
Police pension	3,926,090
Firefighters' pension	796,803

Items related to OPEB are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements:

Deferred outflows of resources related to OPEB	14,617
Deferred inflows of resources related to OPEB	(255,900)

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. These activities consist of:

Change in compensated absences	(1,862,849)
Change in net pension asset - Illinois Municipal Retirement Fund	(206,877)
Change in net pension liability - Police pension	(1,436,786)
Change in net pension liability - Firefighters' pension	(5,232,992)
Change in total other post employment benefits liability	1,132,359
Change in landfill post closure care costs	(251,285)
Change in accrued interest payable	546,496

Internal service funds are used by management to charge insurance costs to individual funds.	(75,774)
--	----------

Changes in net position of governmental activities (page 7)	<u>\$ (2,527,343)</u>
---	-----------------------

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois
Proprietary Funds
Statement of Net Position
April 30, 2025

	Business-type Activities - Enterprise Funds	Internal Service
	Water & Sewer	Employee Health Insurance
Assets		
Current assets:		
Cash and investments	\$ 9,034,063	\$ 818,962
Receivables - net of allowances - accounts	4,936,228	-
Due from other governments	-	-
Total current assets	13,970,291	818,962
Noncurrent:		
Capital assets:		
Nondepreciable	817,552	-
Depreciable	80,609,415	-
Accumulated depreciation	(54,752,616)	-
Net pension asset - IMRF	660,660	-
Total noncurrent assets	27,335,011	-
Total assets	41,305,302	818,962
Deferred Outflows of Resources		
Deferred items - IMRF	244,169	-
Deferred items - OPEB	47,895	-
Total assets and deferred outflows of resources	\$ 41,597,366	\$ 818,962

(cont'd)

City of Chicago Heights, Illinois
Proprietary Funds
Statement of Net Position (cont'd)
April 30, 2025

	Business-type Activities - Enterprise Funds	Internal Service
	Water & Sewer	Employee Health Insurance
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,754,193	\$ -
Accrued payroll	58,746	-
Claims payable	-	798,491
Accrued interest	113,250	-
Unearned revenue	77,653	-
Compensated absences payable	37,648	-
Total OPEB liability	39,266	-
Bonds payable	860,000	-
Total current liabilities	2,940,756	798,491
Noncurrent liabilities:		
Compensated absences payable	131,534	-
Total OPEB liability	626,428	-
Bonds payable	6,549,107	-
Total noncurrent liabilities	7,307,069	-
Total liabilities	10,247,825	798,491
Deferred Inflows of Resources		
Deferred items - IMRF	12,805	-
Deferred items - OPEB	130,694	-
Total liabilities and deferred inflows of resources	10,391,324	798,491
Net Position		
Net investment in capital assets	19,265,244	-
Pensions	892,024	-
Unrestricted	11,048,774	20,471
Total net position	\$ 31,206,042	\$ 20,471

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended April 30, 2025

	Business-type Activities - Enterprise Funds	Internal Service
	Water & Sewer	Employee Health Insurance
Operating revenues:		
Charges for services	\$ 19,838,634	\$ -
Interfund services	-	4,068,000
Miscellaneous	55,616	1,769,020
Total operating revenues	19,894,250	5,837,020
Operating expenses:		
Operations	20,462,675	5,912,861
Depreciation	884,680	-
Total operating expenses	21,347,355	5,912,861
Operating income (loss)	(1,453,105)	(75,841)
Nonoperating revenues (expenses):		
Interest income	2,519	67
Interest expense	(125,383)	-
Total nonoperating revenues (expenses)	(122,864)	67
Transfers	2,049,207	-
Changes in net position	473,238	(75,774)
Net position, beginning of the year:	30,732,804	96,245
Net position, end of the year	\$ 31,206,042	\$ 20,471

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois
Proprietary Funds
Statement of Cash Flows
For the Year Ended April 30, 2025

	Business-type Activities - Enterprise Funds	Internal Service Employee Health Insurance
	Water & Sewer	Health Insurance
Cash flows from operating activities:		
Receipts for customers and users	\$ 20,837,632	\$ 1,769,020
Interfund services provided	-	4,068,000
Payments to suppliers	(17,993,358)	(5,803,009)
Payments to employees	(1,774,885)	
Net cash provided by (used in) operating activities	1,069,389	34,011
Cash flows from noncapital financing activities:		
Grant proceeds	2,097,475	-
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,098,751)	-
Principal paid on debt	(830,000)	-
Interest paid on debt	(305,000)	-
Cash used in capital and related financing activities	(2,233,751)	-
Cash flows from investing activities:		
Interest received	2,519	67
Net change in cash and equivalents	935,632	34,078
Cash and equivalents, beginning of the year	8,098,431	784,884
Cash and equivalents, end of the year	\$ 9,034,063	\$ 818,962
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (1,453,105)	\$ (75,841)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	884,680	-
Changes in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:		
Accounts receivable, net	943,382	-
Accounts payable	(543,967)	109,852
Accrued payroll and compensated absences	23,068	-
Net pension asset and total OPEB liability	722,750	-
Deferred amounts related to pension and OPEB	492,581	-
Net cash flows from operating activities	\$ 1,069,389	\$ 34,011

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois
Statement of Fiduciary Net Position -
Fiduciary Funds - Pension Trust Funds
April 30, 2025

	Pension Trust
Assets	
Cash and cash equivalents	\$ 5,984,054
Investments:	
External investment pool	98,539,779
Receivables:	
Amounts receivable from City	738,694
Prepaid expenses	4,149
Total assets	105,266,676
Liabilities	
Liabilities - accounts payable	3,928
Net Position	
Net position restricted for pension benefits	\$ 105,262,748

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Trust Fund
April 30, 2025

	Pension Trust
Additions:	
Contributions:	
Employer	\$ 10,658,858
Plan members	<u>1,376,889</u>
Total contributions	<u>12,035,747</u>
Investment earnings:	
Investment income	8,191,117
Less investment expenses	<u>(240,850)</u>
Net investment income	<u>7,950,267</u>
Total additions	<u>19,986,014</u>
Deductions:	
Administration	139,447
Benefits and refunds	<u>13,563,703</u>
Total deductions	<u>13,703,150</u>
Change in net position	6,282,864
Net position - beginning of the year	<u>98,979,884</u>
Net position - end of year	<u>\$ 105,262,748</u>

See accompanying notes to the financial statements.

City of Chicago Heights, Illinois Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The City of Chicago Heights (the City), Illinois, was incorporated in 1892 under the provisions of the Illinois Revised Statutes, as amended. The City is a Home Rule Unit of Government under the Home Rule Provision of the Illinois State Constitution. The City operates under a mayor/aldermanic form of government providing the following services: public safety (police, fire and health), public affairs (building, planning and zoning, and civil defense), streets and public improvements (garbage, sewer, water and forestry) and general administrative services. Education, recreation and social services are provided by separate governing bodies that are beyond the direct or indirect control of the City's government.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

A. Reporting Entity

As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable

Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

1. The primary government is legally entitled to or has access to the component unit's resources.
2. The primary government is legally required or has assumed the obligation to finance the deficits of, or provide support to, the component unit.
3. The primary government is obligated in some manner for the other component unit's debt.

City of Chicago Heights, Illinois Notes to the Financial Statements

I. **Summary of Significant Accounting Policies** (cont'd)

A. **Reporting Entity** (cont'd)

Police Pension Employees Retirement System – The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, with the advice and consent of the City Council, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as part of the reporting entity because it is fiscally dependent and there is a benefit/burden relationship. The PPERS is reported as a fiduciary fund and specifically as a pension trust fund and does not issue a stand-alone financial report..

Firefighters' Pension Employees Retirement System – The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Mayor with the advice and consent of the City Council, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as part of the reporting entity because it is fiscally dependent and there is a benefit/burden relationship. The FPERS is reported as a fiduciary fund and specifically as a pension trust fund and does not issue a stand-alone financial report.

Library – The City reports the Library as a blended component unit due to the Library Board being substantively the same as the City and the City can impose its will on the Library. The Library is reported as a special revenue fund of the City.

B. **Basis of Presentation**

Government-wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's water and sewer maintenance services are classified as business-type activities.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Basis of presentation (cont'd)

Government-wide Financial Statements (cont'd)

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, public works, building and planning, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, human resources, purchasing, legal, technology management, etc.). Interfund services provided and used are not eliminated in the process of consolidation.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Basis of presentation (cont'd)

Fund Financial Statements (cont'd)

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund – General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains six special revenue funds.

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and records all of the City's long-term debt activity.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Basis of presentation (cont'd)

Fund Financial Statements (cont'd)

Governmental Funds (cont'd)

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains eight capital projects funds. The Capital Projects Fund is a major fund and accounts for revenues and expenditures for capital projects within the City. The Eastern Industrial Redevelopment TIF Fund is a major fund and accounts for revenues and expenditures for the Eastern Industrial Redevelopment TIF.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains one major enterprise fund. The Water & Sewer Maintenance Fund is used to account for providing water and sewer maintenance to the general public where all or most of the costs are financed or recovered primarily by charges to users for the services.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains one internal service fund. The Health Insurance Fund is used to account for payment of health insurance premiums. Financing is provided by contributions from employees, retirees and other funds. The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Basis of Presentation (cont'd)

Fund Financial Statements (cont'd)

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and, therefore, are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Police Department. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus and Basis of Accounting (cont'd)

Measurement Focus (cont'd)

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows (if applicable). All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred, or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal, interest, and other long-term obligations which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, utility taxes, hotel/motel taxes, grant revenues, fines, interest revenue and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus and Basis of Accounting (cont'd)

Basis of Accounting (cont'd)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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 nonoperating revenues and expenses.

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits and cash with a fiscal agent. For the purpose of the proprietary funds Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with a fiscal agent and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes and grants. Business-type activities report utility charges as their major receivable.

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. For building improvements, infrastructure and group purchases of equipment and machinery, the threshold is increased to \$20,000, with buildings at \$50,000. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets and storm sewers are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and improvements	10 – 50 years
Vehicles and equipment	3 – 25 years
Infrastructure	14 – 100 years
Land improvements	20 years

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

Lease equipment	5 years
Subscription assets	2 – 5 years

Deferred Inflows or Deferred Outflows of Resources and Unearned Revenue

Deferred inflows of resources are the acquisition of net assets that applies to future reporting periods and will be recognized as revenue in the future period to which it applies. Deferred outflows of resources are the acquisition of net assets that applies to future reporting periods and will be recognized as expenditures in the future period to which it applies.

Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financial statements and government-wide financial statements. Intergovernmental revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the “measurable” and “available” criteria for recognition in the current period.

For pension and other postemployment benefit plans, the net difference between projected and actual earnings on plan investments, changes in proportion and deferrals for other actuarial items, as well as contributions made subsequent to the pension liability measurement date are reported as deferred outflows or inflows of resources on the government-wide financial statements. See Notes IX and X for pension related disclosures and Note XI for other postemployment benefit related disclosures.

Unearned revenues arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Compensated Absences

The City implemented GASB Statement 101, *Compensated Absences*, in fiscal 2025. Vested or accumulated vacation and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The impact of the adoption

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

was not material to the financial statements and primarily resulted in modifications to existing disclosures.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types 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 type 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 reported as expenses at the time of issuance. Deferred losses on refundings are amortized over the life of the bonds and are reported as deferred outflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

Leases

The City is a lessee in leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the City's financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its lease term or its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value and (2) the lease term.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

Leases (cont'd)

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease liability and lease asset if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscription-Based Information Technology Arrangements (SBITAs)

The City is a subscriber to software from various vendors. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the City's financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of its subscription term or its useful life.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value and (2) the subscription term.

- The City uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription liability and subscription asset if certain changes occur that are expected to significantly affect the amount of the subscription liability.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

Subscription-Based Information Technology Arrangements (SBITAs) (cont'd)

The City has committed to a SBITA involving new accounting software. The SBITA is currently being implemented, and the City has paid a total of \$173,724 related to the agreement. These outflows were recorded as prepayments as of April 30, 2025.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, deferred losses on refundings of capital related debt, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Balance

Within the governmental fund types, the City’s fund balances are reported in one of the following classifications:

Nonspendable – Includes amounts that cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – Includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

Fund Balance (cont'd)

authority. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City's highest level of decision-making authority rests with the City Council. The City passes formal resolutions to commit its fund balances. At April 30, 2025, the City had no committed fund balances.

Assigned – Includes amounts that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the City Council itself; or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City Council has not delegated the authority to assign amounts to be used for specific purposes. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At April 30, 2025, the City had no assigned fund balances.

Unassigned – Includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund and deficit fund balances of other governmental funds.

Property Taxes

Property taxes for 2024 attach as an enforceable lien on January 1 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property taxes are recognized under the modified accrual basis of accounting. The current year tax levy, reduced by an allowance for estimated uncollectible taxes (15 percent), is recorded as property taxes receivable and deferred tax revenue. As the taxes become available to finance current expenditures, they are recognized as revenues. The City defers approximately 55 percent of the current levy to finance future expenditures.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balances

The following funds had deficit fund balances as of April 30, 2025:

Fund	Deficit
Capital Projects Fund	\$ 1,996,042
Nonmajor funds:	
Landfill	316,480
Western Fairview TIF	2,563

B. Expenditures in Excess of Budget

The following funds had expenditures in excess of budget as of April 30, 2025:

Fund	Excess
General	\$ 2,687,555
Capital Projects	647,533
Employee Health Insurance	102,561

III. Cash and Investments

The City maintains a cash and investment pool that is available for use by most funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. The fair value of the positions in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from the pool. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

III. Cash and Investments (cont'd)

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. The Net Asset Value (NAV) of the Police Pension Fund's pooled investment in IPOPIF was \$58,404,019 at April 30, 2025. There are no unfunded commitments at April 30, 2025. The plan may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Fund transferred all eligible assets to the Investment Fund on October 1, 2021. Investments in IFPIF are valued at the Net Asset Value (NAV) per share as determined by the pool. The Net Asset Value (NAV) of the Firefighters' Pension Fund's pooled investment in IPOPIF was \$40,135,760 at April 30, 2025. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2025. The fund may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

III. Cash and Investments (cont'd)

The City's non-pension investments consist only of Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy indicates that investments held for longer periods are subject to increased risk of adverse interest rate changes. Investments are diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. The carrying value of the Illinois Funds at April 30, 2025 is \$18,121,713.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City helps limit its exposure to credit risk by diversifying investments to minimize the risk of loss resulting from over concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. At year-end, the City's investments in Illinois funds were rated Aaa by Moody's Investor Services.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy does not address custodial credit risk for deposits. At April 30, 2025, all of the City's bank balances were covered by federal depository or equivalent collateral. Illinois Funds is not subject to custodial credit risk. The Police Pension Fund retains all of its available cash with two financial institutions, while the Firefighters' Pension Fund retains all of its available cash with one financial institution. At April 30, 2025, the entire amount of the bank balance of the applicable deposits was covered by federal depository or equivalent insurance. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF or IFPIF for purposes of the long-term investment for the plan.

Custodial Credit Risk – Investments. In the case of investments, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk for investments.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy does not address concentration of credit risk. At April 30, 2025, none of the City's investment represents issuers holding more than 5 percent of the total cash and investment portfolio.

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

III. Cash and Investments (cont'd)

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

IV. Capital Assets

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Balance May 1, 2024	Increases	Decreases	Balance April 30, 2025
Capital assets not being depreciated:				
Land	\$ 3,572,002	\$ -	\$ -	\$ 3,572,002
Construction in progress	1,017,871	5,489,881	3,712,392	2,795,360
Total capital assets not being depreciated	4,589,873	5,489,881	3,712,392	6,367,362
Capital assets being depreciated:				
Buildings and improvements	9,260,840	270,247	-	9,531,087
Land improvements	377,188	-	-	377,188
Vehicles and equipment	20,562,554	3,070,493	-	23,633,047
Infrastructure	65,181,233	3,853,082	-	69,034,315
Lease assets	203,766	-	-	203,766
Subscription assets	441,767	-	-	441,767
Total capital assets being depreciated	96,027,348	7,193,822	-	103,221,170
Accumulated depreciation:				
Buildings and improvements	7,602,664	192,576	-	7,795,240
Land improvements	361,279	4,544	-	365,823
Vehicles and equipment	14,777,259	1,470,285	-	16,247,544
Infrastructure	38,556,297	1,862,698	-	40,418,995
Lease assets	95,582	32,906	-	128,488
Subscription assets	135,352	170,212	-	305,564
Total accumulated depreciation	61,528,433	3,733,221	-	65,261,654
Total capital assets being depreciated, net	34,498,915	3,460,601	-	37,959,516
Governmental activities, capital assets, net	\$ 39,088,788	\$ 8,950,482	\$ 3,712,392	\$ 44,326,878

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IV. Capital Assets (cont'd)

Governmental Activities (cont'd)

Depreciation was charged to governmental activities as follows:

General government	\$ 116,087
Public safety	1,529,673
Street and public improvements	2,078,846
Culture and recreation	8,615
	<u> </u>
Total depreciation – governmental activities	<u>\$ 3,733,221</u>

Business-type Activities

Business-type capital asset activity for the year was as follows:

	Balance May 1, 2024	Increases	Decreases	Balance April 30, 2025
Capital assets not being depreciated:				
Construction in progress	\$ 1,505,606	\$ 2,345,791	\$ 3,033,845	<u>\$ 817,552</u>
Capital assets being depreciated:				
Land improvements	25,400	-	-	25,400
Infrastructure and improvements	67,464,381	3,033,845	-	70,498,226
Buildings and improvements	5,915,130	192,907	-	6,108,037
Equipment	3,368,492	609,260	-	<u>3,977,752</u>
Total capital assets being depreciated	<u>76,773,403</u>	<u>3,836,012</u>	<u>-</u>	<u>80,609,415</u>
Accumulated depreciation:				
Land improvements	21,100	390	-	21,500
Infrastructure and improvements	47,117,200	658,842	-	47,776,042
Building and improvements	4,091,700	97,275	-	4,188,975
Equipment	2,637,926	128,173	-	<u>2,766,099</u>
Total accumulated depreciation	<u>53,867,936</u>	<u>884,680</u>	<u>-</u>	<u>54,752,616</u>
Total capital assets being depreciated, net	<u>22,905,467</u>	<u>2,951,332</u>	<u>-</u>	<u>25,856,799</u>
Business-type activities capital assets, net	<u>\$ 24,411,073</u>	<u>\$ 5,297,123</u>	<u>\$ 3,033,845</u>	<u>\$ 26,674,351</u>

Depreciation was charged to business-type activities as follows:

Water and Sewer Fund	<u>\$ 884,680</u>
-----------------------------	--------------------------

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

V. Interfund Receivables, Payables and Transfers (cont'd)

Interfund Transfers

Interfund transfers for the year consisted of the following at April 30, 2025:

Receivable Fund	Payable Fund	Amount
Capital Projects	General	\$ 5,000,000
Nonmajor Governmental	General	4,000
Nonmajor Governmental	Eastern Industrial Redevelopment TIF	100
Water	Eastern Industrial Redevelopment TIF	<u>2,049,207</u>
		<u>\$ 7,053,307</u>

Interfund transfers are to cover expenses incurred in funds where work is related to other funds.

Interfund Advances

Interfund advances for the year consisted of the following at April 30, 2025:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 2,149,158
General	Nonmajor Governmental	313,937
Nonmajor Governmental	General	<u>475,372</u>
		<u>\$ 2,938,467</u>

Interfund advances are amounts that will be paid over several years and relate to expenditures paid by a fund that were intended to be paid by another fund.

Interfund Balances

Interfund balances reflect operating loans which are expected to be repaid in the following fiscal year. The composition of interfund balances as of April 30, 2025, are as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 1,655,014
General	Nonmajor Governmental	<u>2,563</u>
		<u>\$ 1,657,577</u>

Interfund receivables and payables are short-term in nature based on expected payments and relate to expenditures paid by a fund that were intended to be paid by another fund.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

V. Interfund Receivables, Payables and Transfers (cont'd)

Additionally, the General Fund has amounts payable to the police and firefighters' pension funds for \$318,738 and \$419,956, respectively, for owed personal property replacement tax contributions and is being paid down in annual installments.

VI. Long-term Obligations

For governmental activities the net pension liabilities, the total other postemployment benefit liability, leases, loans, subscriptions, claims and the landfill post closure care costs are generally liquidated by the General Fund. Payments on the general obligation bonds are made by the Debt Service Fund. Payments on the loans payable are paid out of the Capital Projects Fund. For business-type activities, the net pension liability is liquidated by the Water and Sewer Fund.

The following is a summary of changes in long-term liabilities for the year ended April 30, 2025:

	Balance May 1, 2024	Additions	Reductions	Balance April 30, 2025	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 56,005,000	\$ 2,000,000	\$ 2,070,000	\$ 55,935,000	\$ 2,220,000
Less: unamortized discount	(559,408)	-	(96,012)	(463,396)	-
Plus: unamortized premium	-	92,800	-	92,800	-
Loans payable	1,323,247	-	606,450	716,797	409,289
Leases payable	110,909	-	32,476	78,433	33,599
Subscription liability	300,305	-	157,358	142,947	132,431
Compensated absences	3,933,826	1,862,849	-	5,796,675	1,323,944
Net pension liability:					
Police pension	71,517,603	1,436,786	-	72,954,389	-
Firefighters' pension	66,056,786	5,232,992	-	71,289,778	-
Total OPEB liability	17,984,920	-	1,132,359	16,852,561	994,050
Estimated liability for claims	688,639	5,234,879	5,125,027	798,491	798,491
Landfill post closure care costs	9,581,303	251,285	-	9,832,588	-
	<u>\$ 226,943,130</u>	<u>\$ 16,111,591</u>	<u>\$ 9,027,658</u>	<u>\$ 234,027,063</u>	<u>\$ 5,911,804</u>
Business-type activities:					
General obligation bonds	\$ 7,625,000	\$ -	\$ 830,000	\$ 6,795,000	\$ 860,000
Plus: unamortized premium	779,891	-	165,784	614,107	-
Compensated absences	151,259	17,923	-	169,182	37,648
Total OPEB liability	-	665,694	-	665,694	39,266
	<u>\$ 8,556,150</u>	<u>\$ 683,617</u>	<u>\$ 995,784</u>	<u>\$ 8,243,983</u>	<u>\$ 936,914</u>

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

VI. Long-term Obligations (cont'd)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to provide working capital. General obligation bonds have been issued for general governmental purposes and are direct obligations that pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	Beginning Balances	Issuances	Retirements	Ending Balances
Governmental activities:				
\$5,110,000 general obligation taxable refunding bonds of 2017A dated April 12, 2017, due in annual installments of \$2,485,000 to \$2,625,000 commencing December 1, 2028, plus interest at 5.50% through December 1, 2029. The bonds were used to refinance outstanding debt.	\$ 5,110,000	\$ -	\$ -	\$ 5,110,000
\$4,150,000 general obligation bonds of 2017B dated April 12, 2017, due in annual installments of \$2,030,000 to \$2,120,000 commencing December 1, 2028, plus interest at 4.50% through December 1, 2029. The bonds were used to finance capital projects.	4,150,000	-	-	4,150,000
\$10,815,000 general obligation bonds of 2018A dated December 14, 2018, due in annual installments of \$1,870,000 to \$2,475,000 commencing December 1, 2030, plus interest at 7.25% through December 1, 2034. The bonds were used for working capital and to refinance outstanding debt.	10,815,000	-	-	10,815,000
\$2,615,000 general obligation bonds of 2018B dated December 14, 2018, due in annual installments of \$470,000 to \$580,000 commencing December 1, 2030, plus interest at 5.25% through December 1, 2034. The bonds were used to refinance outstanding debt.	2,615,000	-	-	2,615,000
\$40,000,000 general obligation refunding bonds, Series 2020, dated May 11, 2020, due in annual installments of \$525,000 to \$4,785,000 commencing December 1, 2021, plus interest ranging from 3.227% to 5.231% through December 1, 2039. The bonds were used to refinance outstanding debt.	33,315,000	-	2,070,000	31,245,000
\$2,000,000 general obligation library bonds, Series 2024, dated August 28, 2024, (direct placement) due in annual installments of \$75,000 to \$180,000 commencing December 1, 2025, plus interest of 4.53% through December 1, 2039. The bonds were used to finance library improvements.	-	2,000,000	-	2,000,000
	<u>\$ 56,005,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,070,000</u>	<u>\$ 55,935,000</u>

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

VI. Long-term Obligations (cont'd)

General Obligation Bonds (cont'd)

	Beginning Balances	Issuances	Retirements	Ending Balances
Business-type activities:				
\$9,200,000 general obligation bonds of 2021 dated December 1, 2021, due in annual installments of \$780,000 to \$1,090,000 commencing December 1, 2022, plus interest at 4.00% through December 1, 2031. The bonds were used for capital projects for water delivery improvements and enhancements.	\$ 7,625,000	\$ -	\$ 830,000	\$ 6,795,000

Loans Payable

The City enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the City. Loans payable currently outstanding are as follows:

	Beginning Balances	Issuances	Retirements	Ending Balances
\$699,999 loan payable dated September 23, 2019, due in annual installments of \$60,223 to \$80,661 including interest at 3.30% through September 23, 2029.	\$ 446,919	\$ -	\$ 68,574	\$ 378,345
\$1,618,000 loan payable dated August 21, 2020, due in semi-annual installments of \$171,832 including interest at 2.05% through December 1, 2025.	670,071	-	331,619	338,452
\$842,617 loan payable dated March 1, 2021, due in annual installments, including interest at 2.49%, of \$224,299 through May 31, 2023, and a final payment of \$211,479 on May 31, 2024.	206,257	-	206,257	-
	\$ 1,323,247	\$ -	\$ 606,450	\$ 716,797

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

VI. Long-term Obligations (cont'd)

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Governmental Activities								
Fiscal Year	General Obligation Bonds		Loans Payable		Leases Payable		Subscriptions Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 2,220,000	\$ 3,008,753	\$409,289	\$17,698	\$33,599	\$2,562	\$132,431	\$2,766
2027	2,320,000	2,903,594	73,175	10,148	27,060	1,205	10,516	-
2028	2,410,000	2,813,483	75,589	7,733	10,351	522	-	-
2029	4,625,000	2,717,564	78,084	5,239	7,423	117	-	-
2030	4,860,000	2,484,556	80,660	2,662	-	-	-	-
2031 – 2035	16,975,000	9,162,696	-	-	-	-	-	-
2036 – 2040	22,525,000	3,613,567	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-
Totals	<u>\$55,935,000</u>	<u>\$26,704,211</u>	<u>\$716,797</u>	<u>\$43,479</u>	<u>\$78,433</u>	<u>\$4,370</u>	<u>\$142,947</u>	<u>\$2,766</u>

Business-type Activities		
Fiscal Year	General Obligation Bonds	
	Principal	Interest
2026	860,000	\$ 271,800
2027	895,000	237,400
2028	930,000	201,600
2029	970,000	164,400
2030	1,005,000	125,600
2031 – 2035	2,135,000	129,000
Totals	<u>6,795,000</u>	<u>\$1,129,800</u>

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

VII. Net Investment in Capital Assets and Fund Balances

A. Net Investment and Capital Assets

Net investment in capital assets was comprised of the following as of April 30, 2025:

Governmental activities:	
Capital assets – net of accumulated depreciation	\$ 44,326,878
Less capital-related debt:	
General obligation taxable bonds of 2017A	(2,836,299)
General obligation taxable bonds of 2017B	(4,150,000)
General obligation taxable bonds of 2018A	(2,461,093)
General obligation taxable bonds of 2018B	(2,467,404)
General obligation taxable bonds of Series 2020, capital related portion	(12,875,615)
General obligation taxable bonds of 2024	(2,000,000)
Loans payable	(716,797)
Leases payable	(78,433)
Subscriptions payable	(142,947)
Less unamortized bond premiums	(92,800)
Plus deferred loss on refundings	552,569
Plus unamortized bond discounts	<u>204,304</u>
Net investment in capital assets	<u>\$ 17,262,363</u>

B. Fund Balance Classifications

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

VII. Net Investment in Capital Assets and Fund Balances (cont'd)

B. Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of April 30, 2025:

	General	Debt Service	Capital Projects	Eastern Industrial Development TIF	Nonmajor	Totals
Fund balances:						
Nonspendable:						
Advances to other funds	\$ 2,643,095	\$ -	\$ -	\$ -	\$ 475,372	\$ 2,938,467
Prepaid items	<u>1,011,447</u>	<u>-</u>	<u>173,724</u>	<u>-</u>	<u>-</u>	<u>1,185,171</u>
	<u>3,474,542</u>	<u>-</u>	<u>173,724</u>	<u>-</u>	<u>475,372</u>	<u>4,123,638</u>
Restricted:						
Streets/Pub Imp	-	-	-	12,749,533	8,585,436	21,334,969
Employee benefits	-	-	-	-	1,378,761	1,378,761
Comm development	-	-	-	-	79,532	79,532
Public safety	279,884	-	-	-	258,218	538,102
Library services	-	-	-	-	1,200,628	1,200,628
Drug enforcement	826,164	-	-	-	-	826,164
Debt service	<u>-</u>	<u>604,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>604,419</u>
	<u>1,106,048</u>	<u>604,419</u>	<u>-</u>	<u>12,749,533</u>	<u>11,502,575</u>	<u>25,962,575</u>
Unassigned	<u>23,770,772</u>	<u>-</u>	<u>(2,169,766)</u>	<u>-</u>	<u>(319,043)</u>	<u>21,281,963</u>
	<u>\$ 28,351,362</u>	<u>\$ 604,419</u>	<u>\$ (1,996,042)</u>	<u>\$ 12,749,533</u>	<u>\$ 11,658,904</u>	<u>\$ 51,368,176</u>

VIII. Risk Management and Contingent Liabilities

The City is self-insured for health and prescription drugs for eligible employees and dependents. The City maintains an employee Health Insurance Fund in order to finance all claims paid, estimated future payments with respect to claims made and estimated claims incurred but not reported. Participation begins the first day of full-time employment and ends at termination. Coverage can be continued during an approved leave of absence or as a retiree. A \$798,491 liability provision for claims incurred but not paid at April 30, 2025, was estimated from information provided to the City by its third-party administrator. The City also has a non-experience-rated excess medical risk policy with Blue Cross Blue Shield which provides stop-loss protection for health claims expense. Under the terms of the policy, individual participant claim expenses incurred within the policy year in excess of \$100,000 are reimbursed to the City by the insurance company.

The City appointed a third-party administrator to process the plan claims. Total claims paid during the year ended April 30, 2025, were \$5,125,027.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

VIII. Risk Management and Contingent Liabilities (cont'd)

	Year Ended April 30,	
	2025	2024
Claims payable – beginning balance	\$ 688,639	\$ 998,353
Incurring claims	5,234,879	4,718,052
Claims paid	(5,125,027)	(5,027,766)
Claims payable – beginning balance	\$ 798,491	\$ 688,639

Litigation

The City is a defendant in various lawsuits wherein substantial amounts are claimed. In the opinion of the City's legal counsel, certain of these suits are without substantial merit and should not result in judgments where the aggregate would have a material adverse effect on the City's financial statements. For some cases, settlements were reached. Approximately \$3,000,000 has been included with General Fund accrued expenses related to certain cases that existed on April 30, 2025, where settlements were reached and paid after year end.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

IX. Employee Retirement Systems

A. Employee Retirement System – Defined Benefit Pension Plans

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

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

B. Illinois Municipal Retirement Fund (IMRF)

The following is a summary of amounts reported by the City:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability (asset)	\$ (3,224,081)	\$ 72,954,389	\$ 71,289,778	\$ 141,020,086
Deferred outflows of resources	1,191,566	7,251,787	7,524,172	15,967,525
Deferred inflows of resources	62,489	6,994,662	946,641	8,003,792
Pension expense (income)	1,534,987	5,596,180	7,252,386	14,383,553

Plan Description. The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent, multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section of this note below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

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

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

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

Inactive plan members currently receiving benefits	172
Inactive plan members entitled to but not yet receiving benefits	92
Active plan members	<u>94</u>
Total	<u>358</u>

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar years 2025 and 2024 were 0.82 percent and 1.00 percent, respectively. For the fiscal year ended April 30, 2025, the City contributed \$57,790 to the plan. The contributions as of April 30, 2025, are reported in the financial statements as follows:

Governmental activities	\$ 45,948
Business-type activities	<u>11,842</u>
Total	<u>\$ 57,790</u>

The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, which the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset). The City's net pension liability (asset) was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

Actuarial Assumptions (cont'd)

- The Inflation Rate was assumed to be 2.25 percent.
- Salary Increases were expected to be 2.85 percent to 13.75 percent, including inflation.
- The Investment Rate of Return was assumed to be 7.25 percent.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For Non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108 percent) and Female (adjusted 106.4 percent) tables, and future mortality improvements projected using scale MP-2021.
- For Disabled Retirees, the Pub 2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of the one year arithmetic and the ten-year geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equities	33.5%	4.35%
International equities	18.0%	5.40%
Fixed income	24.5%	5.20%
Real estate	10.5%	6.40%
Alternatives:	12.5%	
Private equity		6.25%
Commodities		4.85%
Cash equivalents	1.0%	3.60%
	<u>100.0%</u>	

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

Single Discount Rate. A Single Discount Rate of 7.25 percent was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return (7.25 percent) on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate (4.08 percent) 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.

IMRF's fiduciary net position as of December 31, 2024, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients of the plan. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate and the resulting single discount rate of 7.25 percent.

Changes in the Net Pension (Asset). The following table shows the components of the total pension liability and fiduciary net position for the year ended April 30, 2025.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) – (B)
Balances beginning of year	\$ 42,749,545	\$ 46,237,559	\$ (3,488,014)
Changes for the year:			
Service cost	545,568	-	545,568
Interest on the total pension liability	3,030,301	-	3,030,301
Differences between expected and actual experience of the total pension liability	(122,951)	-	(122,951)
Changes of assumptions	-	-	-
Contributions - employer	-	60,473	(60,473)
Contributions - employee	-	270,554	(270,554)
Net investment income	-	4,563,145	(4,563,145)
Benefit payments, including refunds of employee contributions	(2,450,149)	(2,450,149)	-
Other (net transfer)	-	(1,750,187)	(1,750,187)
Net changes	1,002,769	738,836	263,933
Balances at end of year	\$ 43,752,314	\$ 46,976,395	\$ (3,224,081)

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate. The following presents the plan's net pension liability as of April 30, 2025, calculated using a Single Discount Rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,536,044	\$ (3,224,081)	\$ (7,062,874)

The total net pension (asset) of \$(3,224,081) is reported in the financial statements as follows:

Governmental activities	\$ 2,563,421
Business-type activities	<u>660,660</u>
Total	<u>\$ 3,224,081</u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2025, the City recognized pension expense of \$1,534,987. Total pension expense is reported in the financial statements as follows:

Governmental activities	\$ 1,220,446
Business-type activities	<u>314,541</u>
Total	<u>\$ 1,534,987</u>

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and actual experience	\$ 9,215	\$ 62,485
Changes in assumptions	-	4
Net difference between projected and actual earnings in pension plan investments	<u>1,163,737</u>	<u>-</u>
Subtotal	1,172,952	62,489
Pension contributions made subsequent to the measurement date	<u>18,614</u>	<u>-</u>
Total	<u>\$ 1,191,566</u>	<u>\$ 62,489</u>
Governmental activities	\$ 947,397	\$ 49,684
Business-type activities	<u>244,169</u>	<u>12,805</u>
Total	<u>\$ 1,191,566</u>	<u>\$ 62,489</u>

Pension contributions of \$18,614 subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2026	\$ 497,231
2027	1,487,119
2028	(603,978)
2028	<u>(269,909)</u>
	<u>\$ 1,110,463</u>

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

C. Police Pension Plan

Plan Descriptions

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

Plan Membership. At April 30, 2025, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	88
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	<u>77</u>
Total	<u>183</u>

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

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

Covered employees hired on or after January 1, 2011 (Tier 2 employees), upon 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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 $\frac{1}{2}$ of the

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

C. Police Pension Plan (cont'd)

Plan Descriptions (cont'd)

annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten 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. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recorded when due in accordance with the terms of the plan.

Contributions. Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. For the year ended April 30, 2025, the City's contribution was 66.35 percent of covered payroll of \$7,796,104.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US large	23.00%	3.20%
US small	5.00%	4.10%
International developed	19.00%	4.20%
International developed - Small	5.00%	5.10%
Emerging markets	6.00%	4.50%
Private equity (direct)	7.00%	5.50%
High yield corp. credit	3.00%	4.30%
Emerging market debt	3.00%	4.55%
Bank loans	3.00%	4.80%
Private credit	5.00%	5.70%
Real estate	5.00%	4.40%
Infrastructure	3.00%	5.60%
Cash	1.00%	1.40%
Short-term Gov't/credit	3.00%	1.80%
US Treasury	3.00%	1.60%
US TIPS	3.00%	1.60%
Core fixed income	3.00%	2.40%

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

C. Police Pension Plan (cont'd)

Plan Descriptions (cont'd)

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55 percent. Securities in any one company should not exceed 5 percent of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2025 are listed in the table above.

Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2025, using the following actuarial methods and assumptions:

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry Age Normal
Asset valuation method	Market
Actuarial assumptions:	
Discount rate used by the total pension liability	6.81%
Expected rate of return on investments	7.00%
Projected individual pay increases	3.25%
Projected total payroll increases	2.50% - 30.05%
Consumer price index (urban)	2.50%
Inflation	2.50%
Retirement rates	100% of L&A Assumption Study for Police 2024 Cap Age 65
Disability rates	100% of L&A Assumption Study for Police 2024
Mortality rates	Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis
Termination rates	150% of L&A Assumption Study for Police 2024
Percent married	80%

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

C. Police Pension Plan (cont'd)

Actuarial Assumptions (cont'd)

The following actuarial assumptions were changed during the year:

- The discount rate used in the determination of the total pension liability was changed from 6.77 percent to 6.81 percent.
- The high-quality 20-year tax-exempt general obligation bond rate assumption was changed from 4.07 percent to 5.24 percent to reflect the change in the rate from the prior year.
- The projected individual pay increases assumption was updated to reflect the wage schedule between the City of Chicago Heights, Illinois and Unit 64, Policemen's Benevolent & Protective Association of Illinois for the period May 1, 2024 through April 30, 2028.
- Other assumptions changed based on review of a comprehensive study of Police Officers and Police Pension Funds in Illinois as well as the demographic experience of the Fund to better reflect the future anticipated experience of the Plan include Inflation Rate (CPI-U), Retirement Rates, Termination Rates, Disability Rates, Mortality Rates, Mortality Improvement Rates, and Duty Death Probability.

Discount Rate

The discount rate used to measure the total pension liability is 6.81 percent. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to make all projected future benefit payments of current plan members through 2069. Therefore, the long-term expected rate of return of 7.00 percent was blended with the Municipal bond rate of 5.24 percent to arrive at a discount rate of 6.81 percent used to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (5.81%)	Current Discount Rate (6.81%)	1% Increase (7.81%)
Net pension liability (asset)	\$ 91,444,004	\$ 72,954,389	\$ 57,798,026

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

C. Police Pension Plan (cont'd)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) – (B)
Balances beginning of year	\$ 131,588,461	\$ 60,070,858	\$ 71,517,603
Changes for the year:			
Service cost	1,919,527	-	1,919,527
Interest on the total pension liability	8,670,232	-	8,670,232
Differences between expected and actual experience of the total pension liability	1,446,446	-	1,446,446
Changes of assumptions	(108,594)	-	(108,594)
Contributions - employer	-	5,173,099	(5,173,099)
Contributions - employee	-	791,325	(791,325)
Contributions – other	-	576,643	(576,643)
Net investment income	-	4,021,888	(4,021,888)
Benefit payments, including refunds of employee contributions	(7,040,071)	(7,040,071)	-
Other (net transfer)	-	(72,130)	72,130
Net changes	4,887,540	3,450,754	1,436,786
Balances at end of year	\$ 136,476,001	\$ 63,521,612	\$ 72,954,389

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

For the year ended April 30, 2025, the City recognized pension expense of \$5,596,180. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,872,862	\$ 1,686,803
Changes in assumptions	2,421,007	5,307,859
Net difference between projected and actual earnings in pension plan investments	2,957,918	-
Total	\$ 7,251,787	\$ 6,994,662

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

C. Police Pension Plan (cont'd)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (cont'd)

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

Fiscal Year	Net Deferred Outflows of Resources
2026	\$ 1,478,322
2027	(954,743)
2028	(570,020)
2029	168,819
2030	134,747
	<u>\$ 257,125</u>

D. Firefighters' Pension Plan

Plan Description

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

Plan Membership. At April 30, 2025, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	83
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>57</u>
Total	<u>147</u>

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

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

D. Firefighters' Pension Plan (cont'd)

Plan Description (cont'd)

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

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

Contributions. Covered employees are required to contribute 9.455 percent of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. For the year ended April 30, 2025, the City's contribution was 79.32 percent of covered payroll of \$6,189,222.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

D. Firefighters' Pension Plan (cont'd)

Plan Description (cont'd)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	25.00%	5.10%
Developed Market Equity (non-US)	13.00%	5.20%
Emerging Market Equity	7.00%	5.90%
Private Equity	10.00%	9.00%
Public Credit	3.00%	2.90%
Private Credit	7.00%	7.10%
Core Fixed Income	9.00%	2.50%
Core Plus Fixed Income	9.00%	3.00%
Short-term Treasuries	3.00%	1.00%
Real Estate	10.00%	3.90%
Infrastructure	4.00%	4.40%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55 percent. Securities in any one company should not exceed 5 percent of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2025, are listed in the table above.

Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.28 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

D. Firefighters' Pension Plan (cont'd)

Actuarial Assumptions

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry Age Normal
Asset valuation method	Market
Actuarial assumptions:	
Discount rate used by the total pension liability	6.83%
Expected rate of return on investments	7.00%
Projected individual pay increases	3.25%
Projected total payroll increases	3.75% - 9.50%
Consumer price index (urban)	2.50%
Inflation	2.50%
Retirement rates	125% of L&A Assumption Study for Firefighters 2024 Cap Age 65
Disability rates	100% of L&A Assumption Study for Firefighters 2024
Mortality rates	Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis
Termination rates	100% of L&A Assumption Study for Firefighters 2024
Percent married	80%

The following actuarial assumptions were changed during the year:

- The discount rate used in the determination of the total pension liability was changed from 7.00 percent to 6.83 percent.
- The high-quality 20-year tax-exempt general obligation bond rate assumption was changed from 4.07 percent to 5.24 percent to reflect the change in the rate from the prior year.
- Other assumptions changed based on review of a comprehensive study of Firefighters and Firefighters' Pension Funds in Illinois as well as the demographic experience of the Fund to better reflect the future anticipated experience of the Plan include Inflation Rate (CPI-U), Individual Pay Increases, Retirement Rates, Termination Rates, Disability Rates, Mortality Rates, Mortality Improvement Rates, and Duty Death Probability.

Discount Rate

A Single Discount Rate of 6.83 percent was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects the long-term expected rate of return (7.00 percent) on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and the tax-exempt municipal bond rate (5.24 percent) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

D. Firefighters' Pension Plan (cont'd)

Discount Rate (cont'd)

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).

The Plan's net position as of April 30, 2025, was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients of the Plan through 2070. Therefore, the long-term expected rate of return of 7.00 percent was blended with the Municipal bond rate of 5.24 percent to arrive at a discount rate of 6.83 percent used to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Net pension liability (asset)	\$ 85,942,351	\$ 71,289,778	\$ 59,229,693

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) – (B)
Balances beginning of year	\$ 104,965,812	\$ 38,909,026	\$ 66,056,786
Changes for the year:			
Service cost	1,434,262	-	1,434,262
Interest on the total pension liability	7,119,280	-	7,119,280
Differences between expected and actual experience of the total pension liability	1,939,160	-	1,939,160
Changes of assumptions	4,096,032	-	4,096,032
Contributions - employer	-	4,909,116	(4,909,116)
Contributions - employee	-	585,564	(585,564)
Net investment income	-	3,928,379	(3,928,379)
Benefit payments, including refunds of employee contributions	(6,523,632)	(6,523,632)	-
Other (net transfer)	-	(67,317)	67,317
Net changes	8,065,102	2,832,110	5,232,992
Balances at end of year	\$ 113,030,914	\$ 41,741,136	\$ 71,289,778

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

IX. Employee Retirement Systems (cont'd)

D. Firefighters' Pension Plan (cont'd)

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

For the year ended April 30, 2025, the City recognized pension expense of \$7,252,386. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,498,413	\$ 946,641
Changes in assumptions	3,688,724	-
Net difference between projected and actual earnings in pension plan investments	337,035	-
Total	\$ 7,524,172	\$ 946,641

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

Fiscal Year	Net Deferred Outflows of Resources
2026	\$ 2,503,608
2027	1,560,590
2028	1,127,422
2029	959,639
2030	426,272
	\$ 6,577,531

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

X. Pension Trust Funds – Financial Data

Combining Statement of Fiduciary Net Position - April 30, 2025

	Police Pension	Firefighters' Pension	Total
Assets:			
Cash and cash equivalents	\$ 4,798,328	\$ 1,185,726	\$ 5,984,054
Investments:			
External investment pool	58,404,019	40,135,760	98,539,779
Amounts receivable from City	318,738	419,956	738,694
Prepays	2,632	1,517	4,149
	<u>63,523,717</u>	<u>41,742,959</u>	<u>105,266,676</u>
Total assets			
Liabilities:			
Accounts payable	2,105	1,823	3,928
	<u>2,105</u>	<u>1,823</u>	<u>3,928</u>
Net position restricted for pension benefits	<u>\$ 63,521,612</u>	<u>\$ 41,741,136</u>	<u>\$ 105,262,748</u>

Combining Statement of Changes in Fiduciary Net Position - Year Ended April 30, 2025

	Police Pension	Firefighters' Pension	Total
Additions:			
Contributions:			
Employer	\$ 5,749,742	\$ 4,909,116	\$ 10,658,858
Plan members	791,325	585,564	1,376,889
	<u>6,541,067</u>	<u>5,494,680</u>	<u>12,035,747</u>
Total contributions			
Investment earnings:			
Investment income	4,198,818	3,992,299	8,191,117
Less investment expenses	(176,930)	(63,920)	(240,850)
	<u>4,021,888</u>	<u>3,928,379</u>	<u>7,950,267</u>
Net investment income			
	<u>4,021,888</u>	<u>3,928,379</u>	<u>7,950,267</u>
Total additions	<u>10,562,955</u>	<u>9,423,059</u>	<u>19,986,014</u>
Deductions:			
Administration	72,130	67,317	137,447
Benefit and refunds	7,040,071	6,523,632	13,563,703
	<u>7,112,201</u>	<u>6,590,949</u>	<u>13,703,150</u>
Total deductions			
	<u>7,112,201</u>	<u>6,590,949</u>	<u>13,703,150</u>
Change in net position	3,450,754	2,832,110	6,282,864
Beginning of the year	60,070,858	38,909,026	98,979,884
End of the year	<u>\$ 63,521,612</u>	<u>\$ 41,741,136</u>	<u>105,262,748</u>

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

XI. Other Post-Employment Benefits

The City provides post-employment benefits for certain eligible employees through a single-employer benefit plan. The benefits, benefit levels, employee contributions, and any employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. Illinois Compiled Statutes (ILCS) grant authority to establish and amend the benefit terms and financing requirements to the City Council. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. Pursuant to City Code of Ordinances, Chapter 2, Section 2-137.3, any City employee, except sworn police and firemen, who is at least 55 years of age and retires with a minimum of 15 years of full-time service with the City, will be eligible for retiree health insurance benefits with 50 percent of the health care premium for single or dependent coverage paid for by the City until the employee acquires other health insurance coverage or is eligible for Medicare; and, any mayor or alderman who may qualify as a retired employee for the purpose of receiving health insurance benefits may elect to continue under the City's covered health insurance plan, along with their legal dependents, until the retiree acquires other health insurance coverage or is eligible for Medicare, with 50 percent of the premium for single or dependent coverage paid for by the City.

For police patrol officers and police sergeants who have 20 years of full-time service with the City and are at least age 50, the City pays the full cost of the health insurance premium for each eligible retiree and 25 percent of the cost for the retiree's dependent coverage unless otherwise modified by a labor contract, until the retiree acquires other health insurance coverage or becomes eligible for Medicare. For police sergeants who have 20 years of full-time service with the City and are at least age 50, the City pays 75 percent of the health insurance premium for each eligible retiree and 25 percent of the cost for the retiree's dependent coverage unless otherwise modified by a labor contract, until the retiree acquires other health insurance coverage or becomes eligible for Medicare.

Firefighters hired after Jan 1, 2017, are no longer eligible for retiree insurance. For other firemen who have 20 years of full-time service with the City and are at least age 50, the City pays 75% of the health insurance premium for each eligible retiree and 25 percent of the cost for the retiree's dependent coverage unless otherwise modified by a labor contract, until the retiree acquires other health insurance coverage or becomes eligible for Medicare.

Under police and fire labor contracts, the City is responsible for a portion of postemployment health benefits for police and fire employees retiring between May 1, 1987, and December 31, 1990. For the year ended April 30, 2025, retirees contributed \$244,125. Active employees do not contribute to the plan until retirement. The City does not currently have a funding policy.

Employees Covered by Benefit Terms. At April 30, 2025, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>160</u>
Total	<u>210</u>

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

XI. Other Post-Employment Benefits (cont'd)

Total OPEB Liability. The City's total OPEB liability was measured as of April 30, 2025, and was determined by an actuarial valuation as of May 1, 2024 rolled forward to April 30, 2025.

	<u>Total OPEB Liability</u>
Changes in total OPEB liability:	
Balance at April 30, 2024	\$ 17,984,920
Changes for the year:	
Service cost	900,118
Interest on the total OPEB liability	831,127
Differences between expected and actual experience	429,819
Changes of assumptions	(1,017,548)
Changes of benefit terms	(576,865)
Benefit payments	<u>(1,033,316)</u>
Net changes	<u>(466,665)</u>
Balance at April 30, 2025	\$ 17,518,255
Governmental activities	\$ 16,852,561
Business-type activities	<u>665,694</u>
Total	<u>17,518,255</u>

Actuarial Assumptions. The following are the methods and assumptions used to determine total OPEB liability at April 30, 2025:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Discount Rate** used to measure the OPEB liability was 4.64 percent, the 20 year municipal bond yield from the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2025.
- **Inflation** was assumed to be 3.00 percent per year.
- **Salary Increases** was assumed to be 3.50 percent.
- For **Healthcare Cost Trend Rates**, an initial rate of 6.50% was used for fiscal year 2025. For fiscal years after 2025, trend starts at 6.25 percent and gradually decreases to an ultimate trend of 4.00 percent in 2075.
- **Mortality Rates** used for IMRF active lives were based on PubG-2010 amount-weighted, below median income with scale MP-2021; healthy inactive lives used PubG-2010 amount-weighted, below median income, Male (adjusted 106%) and Female (adjusted 105%) with scale MP-2021; and disabled lives used PubG-2010 amount weighted, with scale MP-2021. For Police and Firefighters' active lives were based on PubS-2010 Employee mortality projected 5 years past the valuation date with Scale MP-2021; inactive employees used the

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

XI. Other Post-Employment Benefits (cont'd)

PubS-2010 Healthy Retiree mortality projected 5 years past the valuation date with Scale MP-2021; for beneficiaries, the PubG-2010 amount-weighted, below median income, Survivor with scale MP-2021 and for disabled lives, the PubS-2010 Disabled mortality projected 5 years past the valuation date with Scale MP-2021.

Actuarial assumptions were changed from the prior year. The discount rate was changed from 4.42 percent to 4.64 percent to reflect the change in the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2025. Also reflected as assumption changes are updated healthcare costs and premiums, and updated mortality, termination, disability, and retirement rates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the plan's total OPEB liability, calculated using a Discount Rate of 4.64 percent, as well as what the plan's total OPEB liability would be if it were calculated using a Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Total OPEB liability	\$ 19,012,231	\$ 17,518,255	\$ 16,156,678

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the plan's total OPEB liability, calculated using the healthcare cost trend rates, as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower than the current healthcare cost trend rates. The key trend rates are 6.75 percent in 2025 decreasing to an ultimate trend rate of 4.00 percent in 2075.

	1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
Total OPEB liability	\$ 15,662,263	\$ 17,518,255	\$ 19,684,913

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended April 30, 2025, the City recognized OPEB expense of \$896,683.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

XI. Other Post-Employment Benefits (cont'd)

At April 30, 2025, the City 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
Differences between expected and actual experience	\$ 459,877	\$ 261,864
Changes in assumptions	800,520	3,177,450
Total	\$ 1,260,397	\$ 3,439,314
Governmental activities	\$ 1,212,502	\$ 3,308,620
Business-type activities	47,895	130,694
Total	\$ 1,260,397	\$ 3,439,314

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

Fiscal Year	Net Deferred Inflows of Resources
2026	\$ (263,647)
2027	(316,465)
2028	(433,950)
2029	(447,298)
2030	(531,981)
Thereafter	(185,576)
	\$ 2,178,917

XII. Landfill Closure Costs

Previously, the City Council approved closing the landfill depending on the final outcome of federal regulations. The post-closure costs of \$9,832,588 are based on 100 percent landfill capacity used to date and have been estimated by an independent consultant. The City annually reviews these costs and adjusts them as necessary. The post-closure costs will be funded by the General Fund operations. This amount is based on the estimated cost to perform all future post-closure care. Actual cost may be higher due to inflation, changes in technology or changes in regulations. If additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by future tax revenue.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

XIII. Cook County Incentives

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County and within the City's boundaries, encourage certain industrial and commercial development by offering real estate tax incentive programs (such as Class 6a, 6b, 7, 8 and 9) for the development of new industrial facilities, the rehabilitation of existing industrial structures and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years. The City estimates its portion of annual abatement of property taxes to various local companies under this development incentive approximates \$3.63 million. The City did not make any commitments as part of these programs other than to reduce taxes.

XIV. Related Organization

The Chicago Heights Development Corporation (the Corporation) is a nonprofit corporation organized for the purposes of developing plans and resources intended to improve the overall economic conditions of the City, encouraging the growth of the local economy and promoting the creation of jobs. The City officials are responsible for appointing the 3 members of the board of the Corporation, but the City's accountability for this Corporation does not extend beyond making the appointments. For the year ended April 30, 2025, the City made no appropriations to the Corporation.

XV. Contractual Commitments

The City has entered into various contracts for projects throughout the City. Below is a schedule outlining the various projects that are currently under contract:

	<u>Remaining Commitment</u>
State Street pump station rehabilitation and tank painting	\$ 7,189,868
Meter exchange program	1,824,187
Otto Boulevard	1,089,948
Piacenti Lane	2,330,331

XVI. Pronouncements Issued But Not Yet Adopted

At April 30, 2025, GASB has issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 102, *Certain Risk Disclosures*, will provide users of financial statements with essential information about risks related to vulnerabilities due to certain concentrations or constraints. This statement will be effective for the City with its year ending April 30, 2026.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

City of Chicago Heights, Illinois
Notes to the Financial Statements (cont'd)

XVI. Pronouncements Issued But Not Yet Adopted (cont'd)

This statement also addresses certain application issues. The statement will be effective for the City with its year ending April 30, 2027.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The statement will be effective for the City with its year ending April 30, 2027.

GASB Statement No. 105, *Subsequent Events*, will improve financial reporting by clarifying the subsequent events time frame and the subsequent events that constitute recognized and unrecognized events and specifying the information items that are required to be disclosed about subsequent events. Statement No. 105 is effective for the fiscal year ending April 30, 2028.

Management of the City is still in the process of determining what effect, if any, the above statements will have on the financial statements and related disclosures.

XVII. Subsequent Events

The City entered into a new bank loan agreement dated November 20, 2025, for two ambulances and equipment. The loan amount is \$1,117,000, maturing in November 2030. The loan is payable in 9 installments of \$126,518 each, beginning on May 20, 2026. Thereafter, payments will be made each November 20 and May 20, through November 20, 2030, with an irregular final payment estimated at \$126,518 to cover the unpaid balance. The loan bears interest of 5%.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of Changes in the Total OPEB Liability and Related Ratios

Schedule of Employer Contributions

- Illinois Municipal Retirement Fund
- Police Pension Fund
- Firefighters' Pension Fund

Schedule of Changes in the Net Pension Liability, Total Pension Liability and Related Ratios

- Illinois Municipal Retirement Fund
- Police Pension Fund
- Firefighters' Pension Fund

Budgetary Comparison Schedule - General Fund

City of Chicago Heights, Illinois
Required Supplementary Information
Multiyear Schedule of Changes in the Employer's Total OPEB Liability
and Related Ratios - Postemployment Benefit Plan

	2025	2024	2023
Total OPEB liability:			
Service cost	\$ 900,118	\$ 872,718	\$ 846,793
Interest on the Total OPEB liability	831,127	749,099	677,181
Changes in benefit terms	(576,865)	-	-
Differences between expected and actual experience	429,819	-	(392,796)
Changes of assumptions	(1,017,548)	(429,929)	338,106
Benefit payments	(1,033,316)	(848,256)	(769,713)
Other changes	-	-	-
Net change in total OPEB liability	(466,665)	343,632	699,571
Total OPEB liability, beginning of year	17,984,920	17,641,288	16,941,717
Total OPEB liability, end of year	\$ 17,518,255	\$ 17,984,920	\$ 17,641,288
Covered payroll	\$ 14,456,545	\$ 14,355,693	\$ 14,355,693
Total OPEB liability as a percentage of covered payroll	121.18%	121.04%	122.89%

Notes to Schedules:

The information on the scheduled will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75. Information is presented for those years for which information is available.

There are no assets accumulated in a trust that meets the criters of GASB Codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes of assumptions:

For 2025, the discount rate increased to 4.64% from 4.42% the prior year.

For 2024, the discount rate increased to 4.42% from 4.14% the prior year.

For 2023, the discount rate increased to 4.14% from 3.98% the prior year.

For 2022, the discount rate increased to 3.98% from 1.83% the prior year.

For 2021, the discount rate decreased to 1.83% from 2.85% the prior year. Healthcare cost trend rates were changed from starting at 5.97% and decreasing to 4.50% to starting at 7.50% and decreasing to 4.00%.

Additionally, mortality rates were previously based on the December 31, 2018 IMRF Actuarial Valuation Report for IMRF employees and retirees and RP-2014 Combined Mortality with blue collar adjustments improved generationally using MP-2016 rates for police and firefighter employees and retirees. The mortality rates noted above are now used.

For 2020, the discount rate decreased to 2.85% from 3.21% the prior year.

For 2019, the discount rate decreased to 3.21% from 4.50% the prior year.

See independent auditor's report.

2022	2021	2020	2019
\$ 1,234,788	\$ 920,055	\$ 536,809	\$ 489,190
374,788	539,757	545,095	582,493
-	-	-	(11,021)
-	205,786	-	-
(3,547,581)	556,380	657,577	630,534
(728,119)	(848,282)	(976,663)	(1,022,077)
-	-	1,857	242,669
(2,666,124)	1,373,696	764,675	911,788
19,607,841	18,234,145	17,469,470	16,557,682
\$ 16,941,717	\$ 19,607,841	\$ 18,234,145	\$ 17,469,470
\$ 14,501,576	\$ 13,537,376	\$ 18,234,145	\$ 14,314,946
116.83%	144.84%	127.38%	122.04%

City of Chicago Heights, Illinois
IMRF - Police Pension Fund - Firefighters' Pension Fund
Required Supplementary Information -
Multiyear Schedule of Employer Contributions

Illinois Municipal Retirement Fund *

Fiscal year ended:	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 57,790	\$ 273,224	\$ 400,097	\$ 503,106
Contributions in relation to actuarially determined contribution	<u>57,790</u>	<u>204,084</u>	<u>355,507</u>	<u>475,118</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 69,140</u>	<u>\$ 44,590</u>	<u>\$ 27,988</u>
Covered-employee payroll	<u>\$ 6,313,055</u>	<u>\$ 5,704,042</u>	<u>\$ 5,363,229</u>	<u>\$ 5,115,024</u>
Contributions as a percentage of covered-employee payroll	0.92%	3.58%	6.63%	9.29%

Police Pension Plan *

Fiscal year ended:	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 5,123,010	\$ 4,776,374	\$ 5,065,066	\$ 4,894,592
Contributions in relation to actuarially determined contribution	<u>5,173,099</u>	<u>4,989,893</u>	<u>5,333,557</u>	<u>4,894,592</u>
Contribution deficiency (excess)	<u>\$ (50,089)</u>	<u>\$ (213,519)</u>	<u>\$ (268,491)</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 7,796,104</u>	<u>\$ 7,625,210</u>	<u>\$ 6,734,005</u>	<u>\$ 6,689,872</u>
Contributions as a percentage of covered-employee payroll	66.35%	65.44%	79.20%	73.16%

Firefighters' Pension Plan *

Fiscal year ended:	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 4,857,604	\$ 4,536,855	\$ 4,653,167	\$ 4,489,548
Contributions in relation to actuarially determined contribution	<u>4,909,116</u>	<u>4,641,972</u>	<u>5,051,276</u>	<u>4,566,174</u>
Contribution deficiency (excess)	<u>\$ (51,512)</u>	<u>\$ (105,117)</u>	<u>\$ (398,109)</u>	<u>\$ (76,626)</u>
Covered-employee payroll	<u>\$ 6,189,222</u>	<u>\$ 6,133,288</u>	<u>\$ 5,332,682</u>	<u>\$ 5,204,754</u>
Contributions as a percentage of covered-employee payroll	79.32%	75.68%	94.72%	87.73%

See independent auditor's report.

2021	2020	2019	2018	2017	2016
\$ 537,193	\$ 496,243	\$ 541,981	\$ 553,604	\$ 600,421	\$ 654,373
512,385	496,243	541,981	553,604	600,421	657,626
\$ 24,808	\$ -	\$ -	\$ -	\$ -	\$ (3,253)
\$ 4,792,083	\$ 5,176,717	\$ 5,117,955	\$ 4,994,250	\$ 5,509,784	\$ 5,874,080
10.69%	9.59%	10.59%	11.08%	10.90%	11.20%

2021	2020	2019	2018	2017	2016
\$ 4,065,251	\$ 3,919,530	\$ 3,621,640	\$ 3,208,556	\$ 3,036,924	\$ 3,133,548
4,067,751	3,968,256	3,678,263	2,910,067	3,339,899	2,527,865
\$ (2,500)	\$ (48,726)	\$ (56,623)	\$ 298,489	\$ (302,975)	\$ 605,683
\$ 6,788,523	\$ 6,755,872	\$ 6,340,284	\$ 6,776,651	\$ 7,929,122	\$ 6,701,755
59.92%	58.74%	58.01%	42.94%	42.12%	37.72%

2021	2020	2019	2018	2017	2016
\$ 3,692,506	\$ 3,387,978	\$ 3,011,577	\$ 2,667,638	\$ 2,443,548	\$ 2,285,252
3,774,594	3,580,196	3,055,884	2,509,630	2,987,233	2,339,407
\$ (82,088)	\$ (192,218)	\$ (44,307)	\$ 158,008	\$ (543,685)	\$ (54,155)
\$ 5,116,104	\$ 5,050,726	\$ 4,797,396	\$ 4,723,525	\$ 4,341,935	\$ 4,509,531
73.78%	70.88%	63.70%	53.13%	68.80%	51.88%

City of Chicago Heights, Illinois
Illinois Municipal Retirement Fund
Required Supplementary Information - Multiyear Schedule of Changes
in the Net Pension Liability, Total Pension Liability and Related Ratios
April 30, 2025

Measurement Date December 31, Fiscal Year Ended April 30,	2024 2025	2023 2024	2022 2023
Total pension liability:			
Service cost	\$ 545,568	\$ 526,211	\$ 522,675
Interest	3,030,301	2,949,161	2,955,903
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(122,951)	97,607	(952,442)
Changes in assumptions	-	(38)	-
Benefit payments, incl. refunds of member contribs.	(2,450,149)	(2,476,734)	(2,765,080)
Net change in total pension liability	1,002,769	1,096,207	(238,944)
Total pension liability, beginning of year	42,749,545	41,653,338	41,892,282
Total pension liability, end of year	\$ 43,752,314	\$ 42,749,545	\$ 41,653,338
Plan fiduciary net position:			
Contributions - employer	\$ 60,473	\$ 273,223	\$ 400,097
Contributions - members	270,554	271,914	251,100
Net investment income	4,563,145	4,712,408	(6,789,964)
Benefit payments, incl. refunds of member contribs.	(2,450,149)	(2,476,734)	(2,765,080)
Other (net transfer)	(1,705,187)	1,062,635	(914,378)
Net change in plan fiduciary net position	738,836	3,843,446	(9,818,225)
Plan fiduciary net position, beginning of year	46,237,559	42,394,113	52,212,338
Plan fiduciary net position, end of year	\$ 46,976,395	\$ 46,237,559	\$ 42,394,113
Employer's net pension (asset) liability	\$ (3,224,081)	\$ (3,488,014)	\$ (740,775)
Plan fiduciary net position as a percentage of the total pension liability	107.37%	108.16%	101.78%
Covered employee payroll	\$ 6,047,306	\$ 5,704,042	\$ 5,363,229
Employer's net pension liability (asset) as a percentage of covered-employee payroll	-53.31%	-61.15%	-13.81%

Note:

2023 - Changes in assumptions related to salary rates.

2020 - Changes in assumptions related to inflation rates, salary rates, mortality rates, and investment rate of return.

2018 - Changes in assumptions related to investment rate of return.

2017 - Changes in assumptions related to inflation rates, salary rates, and mortality rates.

See independent auditor's report.

2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016
\$ 478,952 2,915,386 - (221,646) - (2,506,315)	\$ 561,420 2,939,638 - (973,986) (367,480) (2,399,408)	\$ 543,068 2,856,415 - 143,085 - (2,408,289)	\$ 521,484 2,809,912 - (12,071) 1,016,267 (2,417,796)	\$ 528,394 2,791,797 - 507,558 (1,236,971) (2,273,799)	\$ 634,466 2,772,159 - (885,112) - (2,139,465)	\$ 667,218 2,730,892 - (688,783) - (2,145,972)
666,377 41,225,905 \$ 41,892,282	(239,816) 41,465,721 \$ 41,225,905	1,134,279 40,331,442 \$ 41,465,721	1,917,796 38,413,646 \$ 40,331,442	316,979 38,096,667 \$ 38,413,646	382,048 37,714,619 \$ 38,096,667	563,355 37,151,264 \$ 37,714,619
\$ 503,106 225,613 8,001,844 (2,506,315) (796,685)	\$ 537,193 215,644 6,241,969 (2,399,408) (603,526)	\$ 464,658 255,772 7,196,313 (2,408,289) 142,888	\$ 580,517 239,336 (2,427,837) (2,417,796) 792,250	\$ 549,249 227,381 6,564,499 (2,273,799) (1,051,348)	\$ 621,043 273,064 2,418,766 (2,139,465) (454,074)	\$ 657,626 272,528 183,799 (2,145,972) (695,823)
5,427,563 46,784,775 \$ 52,212,338 \$ (10,320,056)	3,991,872 42,792,903 \$ 46,784,775 \$ (5,558,870)	5,651,342 37,141,561 \$ 42,792,903 \$ (1,327,182)	(3,233,530) 40,375,091 \$ 37,141,561 \$ 3,189,881	4,015,982 36,359,109 \$ 40,375,091 \$ (1,961,445)	719,334 35,639,775 \$ 36,359,109 \$ 1,737,558	(1,727,842) 37,367,617 \$ 35,639,775 \$ 2,074,844
124.63% \$ 4,879,785 -211.49%	113.48% \$ 4,792,083 -116.00%	103.20% \$ 5,268,220 -25.19%	92.09% \$ 5,043,586 63.25%	105.11% \$ 5,058,870 -38.77%	95.44% \$ 5,692,428 30.52%	94.50% \$ 5,874,080 35.32%

City of Chicago Heights, Illinois
Police Pension Fund
Required Supplementary Information - Multiyear Schedule of Changes
in the Net Pension Liability, Total Pension Liability and Related Ratios
April 30,

	2025	2024	2023
Total pension liability:			
Service cost	\$ 1,919,527	\$ 1,889,893	\$ 1,822,476
Interest	8,670,232	8,425,651	7,950,147
Changes in benefit terms	-	-	216,602
Differences between expected and actual experience	1,446,446	(132,953)	1,606,087
Changes in assumptions	(108,594)	(2,146,859)	(6,126,637)
Benefit payments & refunds, incl. refunds of member contribs.	(7,040,071)	(6,678,058)	(6,466,008)
Net change in total pension liability	4,887,540	1,357,674	(997,333)
Total pension liability, beginning of year	131,588,461	130,230,787	131,228,120
Total pension liability, end of year	\$ 136,476,001	\$ 131,588,461	\$ 130,230,787
Plan fiduciary net position:			
Contributions - employer	\$ 5,173,099	\$ 4,989,893	\$ 5,333,557
Contributions - members	791,325	755,877	743,668
Contributions - other	576,643	81,526	256,548
Net investment income	4,021,888	4,899,882	80,730
Benefit payments & refunds, incl. refunds of member contribs.	(7,040,071)	(6,678,057)	(6,466,008)
Administrative expense	(72,130)	(70,785)	(75,678)
Net change in plan fiduciary net position	3,450,754	3,978,336	(127,183)
Plan fiduciary net position, beginning of year	60,070,858	56,092,522	56,219,705
Plan fiduciary net position, end of year	\$ 63,521,612	\$ 60,070,858	\$ 56,092,522
Employer's net pension liability	\$ 72,954,389	\$ 71,517,603	\$ 74,138,265
Plan fiduciary net position as a percentage of the total pension liability	46.54%	45.65%	43.07%
Covered employee payroll	\$ 7,796,104	\$ 7,625,210	\$ 6,734,005
Employer's net pension liability (asset) as a percentage of covered-employee payroll	935.78%	937.91%	1100.95%
Annual money-weighted rate of return, net of investment expense	7.47%	8.67%	0.01%

Note:

2025 - 2022 - Change in assumptions include the discount rate and the GO bond rate.

2021 - Change in assumptions include the discount rate, GO bond rate, mortality assumptions, and salary increases.

2019 - Change in assumptions include the mortality, retirement, and disability rates.

2017 - Change in assumptions include the discount rate and mortality assumptions.

2016 - Change in assumptions include the discount rate and the GO bond rate.

See independent auditor's report.

2022	2021	2020	2019	2018	2017	2016
\$ 2,194,647	\$ 1,692,084	\$ 1,428,159	\$ 1,530,680	\$ 1,507,366	\$ 1,396,783	\$ 1,788,211
7,825,337	8,117,612	7,775,829	7,234,805	6,874,438	6,490,452	5,397,215
-	-	225,448	-	-	-	-
(6,890,234)	(36,515)	(182,526)	1,226,460	2,052,974	(226,674)	(444,782)
(5,478,387)	20,222,562	-	3,445,094	-	(19,774,955)	15,576,431
(6,328,647)	(6,071,669)	(5,841,381)	(5,369,820)	(5,250,177)	(4,487,546)	(4,172,909)
(8,677,284)	23,924,074	3,405,529	8,067,219	5,184,601	(16,601,940)	18,144,166
139,905,404	115,981,330	112,575,801	104,508,582	99,323,981	115,925,921	97,781,755
<u>\$ 131,228,120</u>	<u>\$ 139,905,404</u>	<u>\$ 115,981,330</u>	<u>\$ 112,575,801</u>	<u>\$ 104,508,582</u>	<u>\$ 99,323,981</u>	<u>\$ 115,925,921</u>
\$ 4,894,592	\$ 4,067,751	\$ 3,968,256	\$ 3,678,263	\$ 2,910,067	\$ 3,339,899	\$ 2,527,865
659,417	700,578	663,210	659,045	703,765	785,776	669,631
-	33,367	-	-	-	-	-
(5,134,940)	13,916,738	152,694	3,793,481	3,815,263	3,599,620	(539,606)
(6,328,647)	(6,071,669)	(5,841,381)	(5,369,820)	(5,250,177)	(4,487,546)	(4,172,909)
(75,378)	(72,060)	(71,244)	(69,881)	(87,315)	(67,926)	(45,439)
(5,984,956)	12,574,705	(1,128,465)	2,691,088	2,091,603	3,169,823	(1,560,458)
62,204,661	49,629,956	50,758,421	48,067,333	45,975,730	42,805,907	44,366,365
<u>\$ 56,219,705</u>	<u>\$ 62,204,661</u>	<u>\$ 49,629,956</u>	<u>\$ 50,758,421</u>	<u>\$ 48,067,333</u>	<u>\$ 45,975,730</u>	<u>\$ 42,805,907</u>
<u>\$ 75,008,415</u>	<u>\$ 77,700,743</u>	<u>\$ 66,351,374</u>	<u>\$ 61,817,380</u>	<u>\$ 56,441,249</u>	<u>\$ 53,348,251</u>	<u>\$ 73,120,014</u>
42.84%	44.46%	42.79%	45.09%	45.99%	46.29%	36.93%
<u>\$ 6,689,872</u>	<u>\$ 6,788,526</u>	<u>\$ 6,755,872</u>	<u>\$ 6,340,284</u>	<u>\$ 6,776,651</u>	<u>\$ 7,929,122</u>	<u>\$ 6,701,755</u>
1121.22%	1144.59%	982.13%	974.99%	832.88%	672.81%	1091.06%
8.43%	29.30%	0.33%	8.23%	8.90%	7.24%	-1.00%

City of Chicago Heights, Illinois
Firefighters' Pension Fund
Required Supplementary Information - Multiyear Schedule of Changes
in the Net Pension Liability, Total Pension Liability and Related Ratios
April 30,

	2025	2024	2023
Total pension liability:			
Service cost	\$ 1,434,262	\$ 1,217,180	\$ 1,267,559
Interest	7,119,280	6,872,000	6,618,468
Changes in benefit terms	-	-	(88,767)
Differences between expected and actual experience	1,939,160	1,815,996	1,875,378
Changes in assumptions	4,096,032	-	54,273
Benefit payments & refunds, incl. refunds of member contribs.	(6,523,632)	(6,219,615)	(6,079,380)
Net change in total pension liability	8,065,102	3,685,561	3,647,531
Total pension liability, beginning of year	104,965,812	101,280,251	97,632,720
Total pension liability, end of year	\$ 113,030,914	\$ 104,965,812	\$ 101,280,251
Plan fiduciary net position:			
Contributions - employer	\$ 4,909,116	\$ 4,641,972	\$ 5,051,276
Contributions - members	585,564	561,918	505,300
Contributions - other	-	-	69,417
Net investment income	3,928,379	3,372,463	229,731
Benefit payments & refunds, incl. refunds of member contribs.	(6,523,632)	(6,219,615)	(6,079,380)
Administrative expense	(67,317)	(65,370)	(64,951)
Net change in plan fiduciary net position	2,832,110	2,291,368	(288,607)
Plan fiduciary net position, beginning of year	38,909,026	36,617,658	36,906,265
Plan fiduciary net position, end of year	\$ 41,741,136	\$ 38,909,026	\$ 36,617,658
Employer's net pension liability	\$ 71,289,778	\$ 66,056,786	\$ 64,662,593
Plan fiduciary net position as a percentage of the total pension liability	36.93%	37.07%	36.15%
Covered employee payroll	\$ 6,189,222	\$ 6,133,288	\$ 5,332,682
Employer's net pension liability (asset) as a percentage of covered-employee payroll	1151.84%	1077.02%	1212.57%
Annual money-weighted rate of return, net of investment expense	11.28%	9.16%	0.45%

Note:

2025-2023 - Change in assumptions include the GO bond rate and salary increases.

2021 - Change in assumptions include the GO bond rate, mortality assumptions, and salary increases.

2019 - Change in assumptions include the mortality, retirement, termination and disability rates.

2017 - Change in assumptions include the discount rate and GO bond rate.

2016 - Change in assumptions include the mortality assumptions and salary increases.

See independent auditor's report.

2022	2021	2020	2019	2018	2017	2016
\$ 1,267,159	\$ 1,321,720	\$ 1,135,076	\$ 1,117,879	\$ 999,689	\$ 1,008,389	\$ 1,161,848
6,403,864	6,583,185	6,224,555	5,837,831	5,661,285	5,331,224	4,878,094
-	-	91,288	-	-	-	-
(3,003,192)	(1,262,070)	(156,077)	666,289	826,056	460,321	(739,511)
-	4,928,518	-	3,063,139	-	(11,830,285)	5,937,152
(5,686,539)	(5,371,137)	(5,261,533)	(5,093,884)	(5,072,389)	(4,741,581)	(4,311,511)
(1,018,708)	6,200,216	2,033,309	5,591,254	2,414,641	(9,771,932)	6,926,072
98,651,428	92,451,212	90,417,903	84,826,649	82,412,008	92,183,940	85,257,868
<u>\$ 97,632,720</u>	<u>\$ 98,651,428</u>	<u>\$ 92,451,212</u>	<u>\$ 90,417,903</u>	<u>\$ 84,826,649</u>	<u>\$ 82,412,008</u>	<u>\$ 92,183,940</u>
\$ 4,566,174	\$ 3,774,594	\$ 3,580,196	\$ 3,055,884	\$ 2,509,630	\$ 2,987,233	\$ 2,339,407
492,518	484,393	478,127	461,338	434,190	410,530	423,699
2,789	-	-	-	-	-	-
(1,794,385)	7,349,651	(235,841)	1,694,245	2,238,552	2,879,042	294,756
(5,686,539)	(5,371,137)	(5,261,533)	(5,093,884)	(5,072,389)	(4,741,581)	(4,311,511)
(69,248)	(68,276)	(64,894)	(72,906)	(61,473)	(88,828)	(90,447)
(2,488,691)	6,169,225	(1,503,945)	44,677	48,510	1,446,396	(1,344,096)
39,394,956	33,225,731	34,729,676	34,684,999	34,636,489	33,190,093	34,534,189
<u>\$ 36,906,265</u>	<u>\$ 39,394,956</u>	<u>\$ 33,225,731</u>	<u>\$ 34,729,676</u>	<u>\$ 34,684,999</u>	<u>\$ 34,636,489</u>	<u>\$ 33,190,093</u>
<u>\$ 60,726,455</u>	<u>\$ 59,256,472</u>	<u>\$ 59,225,481</u>	<u>\$ 55,688,227</u>	<u>\$ 50,141,650</u>	<u>\$ 47,775,519</u>	<u>\$ 58,993,847</u>
37.80%	39.93%	35.94%	38.41%	40.89%	42.03%	36.00%
<u>\$ 5,204,754</u>	<u>\$ 5,116,104</u>	<u>\$ 5,050,726</u>	<u>\$ 4,797,396</u>	<u>\$ 4,723,525</u>	<u>\$ 4,341,935</u>	<u>\$ 4,509,531</u>
1166.75%	1158.23%	1172.61%	1160.80%	1061.53%	1100.33%	1308.20%
4.77%	24.15%	-0.60%	5.52%	7.33%	9.62%	1.30%

City of Chicago Heights, Illinois
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 23,247,500	\$ 22,555,639	\$ (691,861)
Intergovernmental	16,740,000	19,084,639	2,344,639
Licenses and permits	1,455,000	1,496,881	41,881
Charges for services	5,062,000	5,709,396	647,396
Fines and forfeitures	1,985,000	3,187,693	1,202,693
Interest	700,050	1,243,930	543,880
Miscellaneous	2,445,600	2,237,687	(207,913)
Total revenues	51,635,150	55,515,865	3,880,715
Expenditures:			
General government	12,475,500	14,664,043	(2,188,543)
Public safety	32,826,500	32,237,417	589,083
Streets and public improvements	6,022,600	6,908,602	(886,002)
Capital outlay	-	-	-
Debt service:			
Principal	-	189,834	(189,834)
Interest	-	12,259	(12,259)
Total expenditures	51,324,600	54,012,155	(2,687,555)
Excess of revenues over expenditures	310,550	1,503,710	1,193,160
Other financing sources (uses):			
Proceeds from sale of assets	50,000	978,652	928,652
Transfers in	1,000,000	-	(1,000,000)
Transfer (out)	(5,250,000)	(5,004,000)	246,000
Total other financing sources (uses)	(4,200,000)	(4,025,348)	174,652
Net change in fund balance	\$ (3,889,450)	(2,521,638)	\$ 1,367,812
Fund balance - beginning		27,885,345	
Fund balance - ending		\$ 25,363,707	

See independent auditor's report.

City of Chicago Heights, Illinois
Notes to the Required Supplementary Information

1. Budgetary Information

Formal budgetary integration is employed as a management control procedure during the year for the general, special revenue, debt service, capital project and proprietary funds for which annual budgets are legally required to be adopted. For budgetary purposes, the modified accrual basis of accounting is followed for all governmental fund types and the accrual basis of accounting is generally followed for all proprietary funds.

The budget document is available for public inspection for at least ten days prior to the City Council passage of the Annual Appropriations Ordinance.

- The City Council must hold at least one public hearing on the budget prior to its passage.
- The budget is legally enacted in lieu of the Annual Appropriations Ordinance.
- The City Council, by two-thirds vote, is authorized to transfer budgeted amounts among departments within any fund. The City Council must approve any revisions altering the total expenditures of any fund. The budget information stated in the financial statements includes adjustments made during the year.
- The level of control where expenditures may not exceed budget is at the fund level. Unspent budgetary amounts lapse at year-end and, therefore, are not carried over to succeeding years. The City does budget depreciation for the enterprise funds.

The final City budget represents departmental appropriations as authorized by the City Council through the annual budget ordinance, including any changes in overall budgets as approved by the Council. Changes and additions to the budget are made in accordance with Illinois Revised Statutes, which requires a two-thirds vote of the City Council.

The City's fiscal year 2025 budget was originally approved on July 17, 2024.

City of Chicago Heights, Illinois
Notes to the Required Supplementary Information

2. Pension Contributions

The following methods and assumptions were utilized to measure the actuarially determined contribution (ADC) for each applicable pension plan.

Police Pension Fund

Actuarial valuation date	May 1, 2023
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay (closed)
Remaining amortization period	90% funded over 17 years
Asset valuation method	5-year smoothed fair value
Inflation	2.25%
Individual pay increases	2.25% - 33.11%
Total payroll increases	3.25%
Investment rate of return	7.00%
Mortality	Pub-2010 Adjusted per Plan Status, Demographics and Illinois Public Pension Data, as described
Retirement rates	100% of L&A 2020 Illinois police retirement rates capped at age 65
Termination rates	100% of L&A 2020 Illinois police termination rates
Disability rates	100% of L&A 2020 Illinois police disability rates

Firefighters' Pension Fund

Actuarial valuation date	May 1, 2023
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay (closed)
Remaining amortization period	90% funded over 17 years
Asset valuation method	5-year smoothed market value
Inflation	2.25%
Individual pay increases	3.50% - 9.25%
Total payroll increases	3.25%
Investment rate of return	7.00%
Mortality	Pub-2010 Adjusted per Plan Status, Demographics and Illinois Public Pension Data, as described
Retirement rates	125% of L&A 2020 Illinois firefighters' retirement rates capped at age 65
Termination rates	100% of L&A 2020 Illinois firefighters' termination rates
Disability rates	100% of L&A 2020 Illinois firefighters' disability rates

City of Chicago Heights, Illinois
Notes to the Required Supplementary Information

2. Pension Contributions (cont'd)

Illinois Municipal Retirement Fund

Actuarial date	Actuarially determined contribution rates are calculated a of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Normal
Actuarial value of assets	5 Year Smoothed Market Value, 20% Corridor
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	19 year Closed Period
Investment rate of return	7.25%
Projected individual salary increases	2.75% - 13.75%
Projected increase in total payroll	2.75%
Inflation rate included	2.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019
Mortality table	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General,, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020

The range for individual pay increases changed from 2.85 percent – 13.75 percent to 2.75 percent – 13.75 percent. Additionally, there were changes to retirement age assumptions and mortality tables.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor are a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary comparison schedules - major governmental funds
- Combining statements - nonmajor governmental funds
- Budgetary comparison schedules - nonmajor governmental funds
- Budgetary comparison schedules - enterprise funds
- Budgetary comparison schedules - internal service fund

City of Chicago Heights, Illinois
General Fund
Schedule of Revenues
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Taxes:			
Property taxes	\$ 17,800,000	\$ 17,282,892	\$ (517,108)
Road and bridge taxes	100,000	91,935	(8,065)
Home rule sales tax	2,300,000	2,259,476	(40,524)
Local fuel tax	180,000	178,569	(1,431)
Utility tax	2,300,000	2,237,476	(62,524)
Real estate transfer tax	350,000	289,636	(60,364)
Hotel tax	2,500	3,155	655
Environmental tax	100,000	97,073	(2,927)
Vehicle storage tax	20,000	27,312	7,312
Foreign fire tax	95,000	88,115	(6,885)
Total taxes	23,247,500	22,555,639	(691,861)
Intergovernmental:			
State income tax	4,400,000	4,900,677	500,677
State sales tax	3,100,000	3,093,304	(6,696)
Personal property replacement taxes	3,150,000	1,817,920	(1,332,080)
Utility use tax	1,300,000	1,287,063	(12,937)
Local use tax	1,200,000	841,625	(358,375)
Environmental grant	-	-	-
American Rescue Plan Act grant	-	1,377,634	1,377,634
Fire protection - Olympia Fields	650,000	499,800	(150,200)
Fire grants	100,000	62,858	(37,142)
DARE	-	525	525
LAP grant	35,000	33,056	(1,944)
COPS grant	200,000	202,050	2,050
Other grant proceeds	-	2,358,689	2,358,689
Tobacco grant	5,000	-	(5,000)
Gaming revenue	2,600,000	2,609,438	9,438
Total intergovernmental	16,740,000	19,084,639	2,344,639
Licenses and permits:			
Residential rental license	150,000	139,015	(10,985)
Building, plumbing and electrical permits	500,000	672,425	172,425
Truck use permits	7,000	13,665	6,665
Release of liens	10,000	4,714	(5,286)
Class 6B/8 license fees	200,000	52,500	(147,500)
Other licenses	588,000	614,562	26,562
Total licenses and permits	1,455,000	1,496,881	41,881

(cont'd)

City of Chicago Heights, Illinois
General Fund
Schedule of Revenues (cont'd)
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Charges for services:			
Police and fire reports	\$ 35,000	\$ 36,954	\$ 1,954
Miscellaneous police income	30,000	76,814	46,814
Registrar fees	30,000	28,531	(1,469)
Refuse fees	1,700,000	1,804,026	104,026
Ambulance service	3,000,000	3,459,584	459,584
Alarm revenue	20,000	25,515	5,515
Other fees	247,000	277,972	30,972
Total charges for services	5,062,000	5,709,396	647,396
Fines and forfeitures:			
Circuit court fines	40,000	26,302	(13,698)
Parking tickets	125,000	170,494	45,494
Police forfeitures	50,000	-	(50,000)
Code enforcement	200,000	199,239	(761)
Vehicle impoundment	60,000	53,500	(6,500)
Vehicle impoundment release	60,000	53,015	(6,985)
Red light photo	1,300,000	2,380,273	1,080,273
Special operations	150,000	234,200	84,200
Narcotics seizures DEA	-	70,670	70,670
Total fines and forfeitures	1,985,000	3,187,693	1,202,693
Interest	700,050	1,243,930	543,880
Miscellaneous:			
Administrative overhead fee	1,447,600	1,447,575	(25)
Other miscellaneous receipts	998,000	790,112	(207,888)
Total miscellaneous	2,445,600	2,237,687	(207,913)
Total revenues	\$ 51,635,150	\$ 55,515,865	\$ 3,880,715

See independent auditor's report.

City of Chicago Heights, Illinois
General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended April, 2025

	Original Budget	Final Budget	Actual	Variance
General government:				
Public affairs:				
Mayor's office:				
Salaries and wages	\$ 404,900	\$ 404,900	\$ 404,847	\$ (53)
Contracted services	27,500	27,500	11,539	(15,961)
Commodities	112,000	112,000	69,994	(42,006)
Miscellaneous	510,000	510,000	223,326	(286,674)
	<u>1,054,400</u>	<u>1,054,400</u>	<u>709,706</u>	<u>(344,694)</u>
Code enforcement:				
Salaries and wages	445,750	435,750	354,172	(81,578)
Contracted services	644,000	644,000	1,257,908	613,908
Commodities	15,500	15,500	6,422	(9,078)
Miscellaneous	-	10,000	14	(9,986)
	<u>1,105,250</u>	<u>1,105,250</u>	<u>1,618,516</u>	<u>513,266</u>
Planning and zoning:				
Salaries and wages	60,000	60,000	57,522	(2,478)
Contracted services	513,000	513,000	319,753	(193,247)
Commodities	1,500	1,500	1,175	(325)
	<u>574,500</u>	<u>574,500</u>	<u>378,450</u>	<u>(196,050)</u>
Total public affairs	<u>2,734,150</u>	<u>2,734,150</u>	<u>2,706,672</u>	<u>(27,478)</u>
Accounting and finance:				
Salaries and benefits	632,500	632,500	573,524	(58,976)
Insurance and settlement costs	6,660,000	6,660,000	9,443,535	2,783,535
Contracted services	821,650	821,650	522,477	(299,173)
Commodities	444,850	444,850	391,524	(53,326)
	<u>8,559,000</u>	<u>8,559,000</u>	<u>10,931,060</u>	<u>2,372,060</u>
City Clerk's office:				
Salaries and wages	251,800	251,800	236,765	(15,035)
Contracted services	19,500	19,500	8,068	(11,432)
Commodities	30,450	30,450	18,835	(11,615)
	<u>301,750</u>	<u>301,750</u>	<u>263,668</u>	<u>(38,082)</u>

(cont'd)

City of Chicago Heights, Illinois
General Fund
Schedule of Expenditures (cont'd)
Budget and Actual
For the Year Ended April, 2025

	Original Budget	Final Budget	Actual	Variance
General government (cont'd):				
Vehicle maintenance department:				
Salaries and wages	\$ 175,600	\$ 175,600	\$ 115,326	\$ (60,274)
Contracted services	600,500	600,500	555,981	(44,519)
Commodities	104,500	104,500	91,336	(13,164)
	<u>880,600</u>	<u>880,600</u>	<u>762,643</u>	<u>(117,957)</u>
Total general government	<u>12,475,500</u>	<u>12,475,500</u>	<u>14,664,043</u>	<u>2,188,543</u>
Public safety:				
Police department:				
Salaries and wages	10,940,450	10,940,450	10,710,199	(230,251)
Employer pension contribution	5,125,000	5,125,000	5,173,099	48,099
Contracted services	1,283,000	1,283,000	1,641,262	358,262
Commodities	814,900	814,900	417,247	(397,653)
Miscellaneous	-	-	9,841	9,841
	<u>18,163,350</u>	<u>18,163,350</u>	<u>17,951,648</u>	<u>(211,702)</u>
Fire department:				
Salaries and wages	8,305,950	8,305,950	7,941,102	(364,848)
Employer pension contribution	4,958,800	4,958,800	4,909,116	(49,684)
Contracted services	902,250	902,250	941,543	39,293
Commodities	320,600	320,600	371,422	50,822
Miscellaneous	90,000	90,000	68,186	(21,814)
	<u>14,577,600</u>	<u>14,577,600</u>	<u>14,231,369</u>	<u>(346,231)</u>
Board of police and fire commissioners:				
Salaries and wages	25,000	25,000	20,208	(4,792)
Contracted services	59,500	59,500	33,391	(26,109)
Commodities	1,050	1,050	801	(249)
	<u>85,550</u>	<u>85,550</u>	<u>54,400</u>	<u>(31,150)</u>
Total public safety	<u>32,826,500</u>	<u>32,826,500</u>	<u>32,237,417</u>	<u>(589,083)</u>

(cont'd)

City of Chicago Heights, Illinois
General Fund
Schedule of Expenditures (cont'd)
Budget and Actual
For the Year Ended April, 2025

	Original Budget	Final Budget	Actual	Variance
Streets and public improvements:				
Street department:				
Salaries and wages	\$ 1,671,000	\$ 1,671,000	\$ 1,640,045	\$ (30,955)
Contracted services	394,000	394,000	218,814	(175,186)
Commodities	155,700	155,700	137,589	(18,111)
Miscellaneous	1,000	1,000	-	(1,000)
	<u>2,221,700</u>	<u>2,221,700</u>	<u>1,996,448</u>	<u>(225,252)</u>
Refuse department:				
Contracted services	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,468,090</u>	<u>68,090</u>
Public works maintenance:				
Salaries and wages	368,500	368,500	328,358	(40,142)
Contracted services	644,000	644,000	615,761	(28,239)
Commodities	<u>171,000</u>	<u>171,000</u>	<u>145,791</u>	<u>(25,209)</u>
	<u>1,183,500</u>	<u>1,183,500</u>	<u>1,089,910</u>	<u>(93,590)</u>
Residential services:				
Salaries and wages	211,800	211,800	198,743	(13,057)
Contracted services	3,000	3,000	1,154,242	1,151,242
Commodities	<u>2,600</u>	<u>2,600</u>	<u>1,169</u>	<u>(1,431)</u>
	<u>217,400</u>	<u>217,400</u>	<u>1,354,154</u>	<u>1,136,754</u>
Total streets and public improvements	<u>6,022,600</u>	<u>6,022,600</u>	<u>6,908,602</u>	<u>886,002</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:				
Principal	-	-	189,834	189,834
Interest	<u>-</u>	<u>-</u>	<u>12,259</u>	<u>12,259</u>
Total debt service	<u>-</u>	<u>-</u>	<u>202,093</u>	<u>202,093</u>
Total expenditures	<u>\$ 51,324,600</u>	<u>\$ 51,324,600</u>	<u>\$ 54,012,155</u>	<u>\$ 2,687,555</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 4,800,000	\$ 4,819,008	\$ 19,008
Interest	50,000	102,680	52,680
Total revenues	4,850,000	4,921,688	71,688
Expenditures:			
Debt service:			
Principal retirement	2,070,000	2,070,000	-
Interest and fiscal charges	3,008,301	2,979,213	(29,088)
Total expenditures	5,078,301	5,049,213	(29,088)
Excess (deficiency) of revenues over (under) expenditures	(228,301)	(127,525)	100,776
Other financing sources:			
Transfer in	(250,000)	-	250,000
Total other financing sources	(250,000)	-	250,000
Net change in fund balance	\$ (478,301)	(127,525)	\$ 350,776
Fund balance - beginning		731,944	
Fund balance - ending		\$ 604,419	

See independent auditor's report.

City of Chicago Heights, Illinois
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Intergovernmental	\$ 2,500,000	\$ 2,500,000	\$ 299,280	\$ (2,200,720)
Interest	-	-	39	39
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>299,319</u>	<u>(2,200,681)</u>
Expenditures:				
Capital outlay	7,775,000	7,135,000	7,784,121	649,121
Debt service:				
Principal retirement	-	640,000	606,450	(33,550)
Interest and fiscal charges	-	-	31,962	31,962
Total expenditures	<u>7,775,000</u>	<u>7,775,000</u>	<u>8,422,533</u>	<u>647,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,275,000)</u>	<u>(5,275,000)</u>	<u>(8,123,214)</u>	<u>(2,848,214)</u>
Other financing sources:				
Transfers in	5,000,000	5,000,000	5,000,000	-
Net change in fund balance	<u>\$ (275,000)</u>	<u>\$ (275,000)</u>	<u>(3,123,214)</u>	<u>\$ (2,848,214)</u>
Fund balance - beginning			<u>1,127,172</u>	
Fund balance (deficit) - ending			<u>\$ (1,996,042)</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
Eastern Industrial Redevelopment TIF - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 3,000,000	\$ 5,538,636	\$ 2,538,636
Interest	-	1,458	1,458
Total revenues	3,000,000	5,540,094	2,540,094
Expenditures:			
Community development	9,244,000	1,148,275	(8,095,725)
Total expenditures	9,244,000	1,148,275	8,095,725
Excess (deficiency) of revenues over (under) expenditures	(6,244,000)	4,391,819	10,635,819
Other financing uses:			
Transfers out	(1,000,000)	(2,049,307)	(1,049,307)
Net change in fund balance	\$ (7,244,000)	2,342,512	\$ 9,586,512
Fund balance - beginning		10,407,021	
Fund balance - ending		\$ 12,749,533	

See independent auditor's report.

City of Chicago Heights, Illinois
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2025

	Special Revenue	Capital Projects	Total
Assets			
Cash and cash equivalents	\$ 7,195,221	\$ -	\$ 7,195,221
Receivables - net of allowances:			
Property taxes:	680,329	-	680,329
Other taxes	-	-	-
Intergovernmental	132,711	-	132,711
Land held for resale	-	-	-
Advances to other funds	475,372	-	475,372
Restricted cash and investments	-	4,878,581	4,878,581
	<u>\$ 8,483,633</u>	<u>\$ 4,878,581</u>	<u>\$ 13,362,214</u>
Liabilities			
Accounts payable	\$ 367,219	\$ 299,008	\$ 666,227
Accrued payroll	106,382	-	106,382
Due to other governments	-	-	-
Due to other funds	-	2,563	2,563
Advances from other funds	313,937	-	313,937
	<u>787,538</u>	<u>301,571</u>	<u>1,089,109</u>
Deferred Inflows of Resources			
Property taxes	614,201	-	614,201
Total liabilities and deferred inflows of resources	<u>1,401,739</u>	<u>301,571</u>	<u>1,703,310</u>
Fund Balances			
Nonspendable	475,372	-	475,372
Restricted	6,923,002	4,579,573	11,502,575
Unassigned	(316,480)	(2,563)	(319,043)
Total fund balances	<u>7,081,894</u>	<u>4,577,010</u>	<u>11,658,904</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,483,633</u>	<u>\$ 4,878,581</u>	<u>\$ 13,362,214</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April, 2025

	Special Revenue	Capital Projects	Total
Revenues:			
Taxes	\$ 1,232,283	\$ 1,007,405	\$ 2,239,688
Intergovernmental	1,615,656	300,000	1,915,656
Charges for services	42,401	-	42,401
Fines, forfeitures and rentals	1,603	-	1,603
Interest	163,803	55,923	219,726
Total revenues	3,055,746	1,363,328	4,419,074
Expenditures:			
Current:			
General government	656,216	-	656,216
Culture and recreation	2,769,996	-	2,769,996
Streets and public improvements	990,545	-	990,545
Community development	-	2,146,026	2,146,026
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	92,800	-	92,800
Total expenditures	4,509,557	2,146,026	6,655,583
Excess (deficiency) of revenues over (under) expenditures	(1,453,811)	(782,698)	(2,236,509)
Other financing sources (uses):			
Issuance of debt	2,000,000	-	2,000,000
Premium on issuance of debt	92,800	-	92,800
Transfers in	-	4,100	4,100
Total other financing sources (uses)	2,092,800	4,100	2,096,900
Net changes in fund balances	638,989	(778,598)	(139,609)
Fund balances, beginning of the year	6,442,905	5,355,608	11,798,513
Fund balances, end of the year	\$ 7,081,894	\$ 4,577,010	\$ 11,658,904

See independent auditor's report.

City of Chicago Heights, Illinois
Combining Balance Sheet
Nonmajor Governmental - Special Revenue Funds
April 30, 2025

	Library	Illinois Municipal Retirement	Motor Fuel Tax
Assets			
Cash and investments	\$ 1,216,599	1,067,517	4,279,379
Receivables - net of allowances:			
Property taxes	444,293	24,846	-
Other taxes	-	-	-
Intergovernmental	-	-	132,711
Advances to other funds	475,372	-	-
Total assets	\$ 2,136,264	\$ 1,092,363	\$ 4,412,090
Liabilities			
Accounts payable	\$ 37,981	\$ -	\$ 326,695
Accrued payroll	16,007	66,493	-
Advances from other funds	-	-	-
Total liabilities	53,988	66,493	326,695
Deferred Inflows of Resources			
Property taxes	406,276	21,886	-
Total deferred inflows of resources	406,276	21,886	-
Total liabilities and deferred inflows of resources	460,264	88,379	326,695
Fund Balances (Deficit)			
Nonspendable	475,372	-	-
Restricted	1,200,628	1,003,984	4,085,395
Unassigned	-	-	-
Total fund balances (deficit)	1,676,000	1,003,984	4,085,395
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 2,136,264	\$ 1,092,363	\$ 4,412,090

See independent auditor's report.

<u>Social Security</u>	<u>911 Emergency</u>	<u>Landfill</u>	<u>Total</u>
\$ 373,502	258,224	\$ -	\$ 7,195,221
211,190	-	-	680,329
-	-	-	-
-	-	-	132,711
-	-	-	475,372
<u>\$ 584,692</u>	<u>\$ 258,224</u>	<u>\$ -</u>	<u>\$ 8,483,633</u>
\$ -	\$ -	2,543	\$ 367,219
23,876	6	-	106,382
-	-	313,937	313,937
<u>23,876</u>	<u>6</u>	<u>316,480</u>	<u>787,538</u>
186,039	-	-	614,201
<u>186,039</u>	<u>-</u>	<u>-</u>	<u>614,201</u>
209,915	6	316,480	1,401,739
-	-	-	475,372
374,777	258,218	-	6,923,002
-	-	(316,480)	(316,480)
<u>374,777</u>	<u>258,218</u>	<u>(316,480)</u>	<u>7,081,894</u>
<u>\$ 584,692</u>	<u>\$ 258,224</u>	<u>\$ -</u>	<u>\$ 8,483,633</u>

City of Chicago Heights, Illinois
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances (Deficit) - Nonmajor Governmental - Special Revenue Funds
April 30, 2025

	Library	Illinois Municipal Retirement	Motor Fuel Tax
Revenues:			
Taxes	\$ 789,983	\$ 46,557	\$ -
Intergovernmental	205,323	79,124	1,242,058
Charges for services	-	-	-
Fines, forfeitures and rentals	1,603	-	-
Interest	277	52	163,410
Total revenues	997,186	125,733	1,405,468
Expenditures:			
Current:			
General government	-	43,089	-
Culture and recreation	2,769,996	-	-
Streets/public improvements	-	-	990,545
Debt service:			
Principal retirement	-	-	-
Interest	92,800	-	-
Total expenditures	2,862,796	43,089	990,545
Excess (deficiency) of revenues over (under) expenditures	(1,865,610)	82,644	414,923
Other financing sources (uses):			
Issuance of debt	2,000,000	-	-
Premium on issuance of debt	92,800	-	-
Total other financing sources (uses)	2,092,800	-	-
Net changes in fund balances (deficit)	227,190	82,644	414,923
Fund balances (deficit), beginning of the year	1,448,810	921,340	3,670,472
Fund balances (deficit), end of the year	\$ 1,676,000	\$ 1,003,984	\$ 4,085,395

See independent auditor's report.

<u>Social Security</u>	<u>911 Emergency</u>	<u>Landfill</u>	<u>Total</u>
\$ 395,743	\$ -	\$ -	\$ 1,232,283
89,151	-	-	1,615,656
-	42,401	-	42,401
-	-	-	1,603
18	46	-	163,803
<u>484,912</u>	<u>42,447</u>	<u>-</u>	<u>3,055,746</u>
600,202	-	12,925	656,216
-	-	-	2,769,996
-	-	-	990,545
-	-	-	-
-	-	-	92,800
<u>600,202</u>	<u>-</u>	<u>12,925</u>	<u>4,509,557</u>
<u>(115,290)</u>	<u>42,447</u>	<u>(12,925)</u>	<u>(1,453,811)</u>
-	-	-	2,000,000
-	-	-	92,800
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,092,800</u>
(115,290)	42,447	(12,925)	638,989
490,067	215,771	(303,555)	6,442,905
<u>\$ 374,777</u>	<u>\$ 258,218</u>	<u>\$ (316,480)</u>	<u>\$ 7,081,894</u>

City of Chicago Heights, Illinois
Library - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 850,000	\$ 789,983	\$ (60,017)
Intergovernmental:			
Personal property replacement	200,000	129,912	(70,088)
Grants	49,200	75,411	26,211
Fines, forfeitures and rentals	3,000	1,603	(1,397)
Interest	300	277	(23)
Total revenues	1,102,500	997,186	(105,314)
Expenditures:			
Culture and recreation	3,578,850	2,769,996	(808,854)
Debt service:			
Principal retirement	-	-	-
Interest	-	92,800	92,800
Total expenditures	3,578,850	2,862,796	(716,054)
Revenues under expenditures	(2,476,350)	(1,865,610)	610,740
Other financing sources:			
Issuance of debt	2,000,000	2,000,000	-
Premium on issuance of debt	-	92,800	92,800
Total other financing sources	2,000,000	2,092,800	92,800
Net change in fund balance	\$ (476,350)	227,190	\$ 703,540
Fund balance - beginning		1,448,810	
Fund balance - ending		\$ 1,676,000	

See independent auditor's report.

City of Chicago Heights, Illinois
Illinois Municipal Retirement - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 10,000	\$ 46,557	\$ 36,557
Intergovernmental:			
Personal property replacement	100,000	79,124	(20,876)
Interest	-	52	52
Total revenues	<u>110,000</u>	<u>125,733</u>	<u>15,733</u>
Expenditures:			
General government	<u>200,000</u>	<u>43,089</u>	<u>(156,911)</u>
Net change in fund balance	<u>\$ (90,000)</u>	<u>82,644</u>	<u>\$ 172,644</u>
Fund balance - beginning		<u>921,340</u>	
Fund balance - ending		<u>\$ 1,003,984</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
Motor Fuel Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental:			
Allotments from State of Illinois	\$ 1,200,000	\$ 1,242,058	\$ 42,058
Interest	-	163,410	163,410
Total revenues	<u>1,200,000</u>	<u>1,405,468</u>	<u>205,468</u>
Expenditures:			
Streets and public improvements	<u>2,189,000</u>	<u>990,545</u>	<u>(1,198,455)</u>
Net change in fund balance	<u>\$ (989,000)</u>	<u>414,923</u>	<u>\$ 1,403,923</u>
Fund balance - beginning		<u>3,670,472</u>	
Fund balance - ending		<u>\$ 4,085,395</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
Social Security - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 200,000	\$ 395,743	\$ 195,743
Intergovernmental:			
Personal property replacement	125,000	89,151	(35,849)
Interest	-	18	18
Total revenues	<u>325,000</u>	<u>484,912</u>	<u>159,912</u>
Expenditures:			
General government	<u>610,000</u>	<u>600,202</u>	<u>(9,798)</u>
Net change in fund balance	<u>\$ (285,000)</u>	<u>(115,290)</u>	<u>\$ 169,710</u>
Fund balance - beginning		<u>490,067</u>	
Fund balance - ending		<u>\$ 374,777</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
911 Emergency - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Charges for services:			
Surcharge revenue	\$ 50,000	\$ 42,401	\$ (7,599)
Interest	-	46	46
Total revenues	<u>50,000</u>	<u>42,447</u>	<u>(7,553)</u>
Expenditures:			
Public safety	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>42,447</u>	<u>\$ 42,447</u>
Fund balance - beginning		<u>215,771</u>	
Fund balance - ending		<u>\$ 258,218</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
Landfill - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Deficit
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ -
Expenditures:			
General government	12,925	12,925	-
Net change in fund deficit	\$ (12,925)	(12,925)	\$ -
Fund deficit - beginning		(303,555)	
Fund deficit - ending		\$ (316,480)	

See independent auditor's report.

City of Chicago Heights, Illinois
Combining Balance Sheet
Nonmajor Governmental - Capital Projects Funds
April 30, 2025

	Community Development Block Grants	Bloom Plaza TIF	South State Street TIF
Assets			
Cash and investments	\$ -	\$ -	\$ -
Due from other governments	-	-	-
Restricted cash and investments	79,532	194,472	1,777,771
Land held for resale	-	-	-
Total assets	\$ 79,532	\$ 194,472	\$ 1,777,771
Liabilities			
Accounts payable	\$ -	\$ 25,541	\$ -
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	-	25,541	-
Fund Balances (Deficit)			
Restricted	79,532	168,931	1,777,771
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	79,532	168,931	1,777,771
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 79,532	\$ 194,472	\$ 1,777,771

See independent auditor's report.

<u>Downtown TIF</u>	<u>East Lincoln Highway Corridor TIF</u>	<u>Cub Foods TIF</u>	<u>Western Fairview TIF</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
141,528	16	2,685,262	-	4,878,581
-	-	-	-	-
<u>\$ 141,528</u>	<u>\$ 16</u>	<u>\$ 2,685,262</u>	<u>\$ -</u>	<u>\$ 4,878,581</u>
\$ 10,900	\$ -	\$ 262,567	\$ -	\$ 299,008
-	-	-	-	-
-	-	-	2,563	2,563
<u>10,900</u>	<u>-</u>	<u>262,567</u>	<u>2,563</u>	<u>301,571</u>
130,628	16	2,422,695	-	4,579,573
-	-	-	(2,563)	(2,563)
<u>130,628</u>	<u>16</u>	<u>2,422,695</u>	<u>(2,563)</u>	<u>4,577,010</u>
<u>\$ 141,528</u>	<u>\$ 16</u>	<u>\$ 2,685,262</u>	<u>\$ -</u>	<u>\$ 4,878,581</u>

City of Chicago Heights, Illinois
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficit) - Nonmajor Governmental - Capital Projects Funds
April 30, 2025

	Community Development Block Grants	Bloom Plaza TIF	South State Street TIF
Revenues:			
Taxes	\$ -	\$ -	\$ 337,257
Intergovernmental	300,000	-	-
Interest	33	38	297
Total revenues	300,033	38	337,554
Expenditures:			
Current:			
Community development	300,000	5,300	4,087
Total expenditures	300,000	5,300	4,087
Revenues over (under) expenditures	33	(5,262)	333,467
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance (deficit)	33	(5,262)	333,467
Fund balances (deficit), beginning of the year	79,499	174,193	1,444,304
Fund balances (deficit), end of the year	\$ 79,532	\$ 168,931	\$ 1,777,771

See independent auditor's report..

Downtown TIF	East Lincoln Highway Corridor TIF	Cub Foods TIF	Western Fairview TIF	Total
\$ 58,983	\$ -	\$ 611,165	\$ -	\$ 1,007,405
-	-	-	-	300,000
25	(7)	55,537	-	55,923
59,008	(7)	666,702	-	1,363,328
49,317	4,077	1,783,245	-	2,146,026
49,317	4,077	1,783,245	-	2,146,026
9,691	(4,084)	(1,116,543)	-	(782,698)
-	4,100	-	-	4,100
-	4,100	-	-	4,100
9,691	16	(1,116,543)	-	(778,598)
120,937	-	3,539,238	(2,563)	5,355,608
\$ 130,628	\$ 16	\$ 2,422,695	\$ (2,563)	\$ 4,577,010

City of Chicago Heights, Illinois
Community Development Block Grants - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Intergovernmental:			
Grants	\$ 300,000	\$ 300,000	\$ -
Interest	-	33	33
Total revenues	300,000	300,033	33
Expenditures:			
Community development	300,000	300,000	-
Total expenditures	300,000	300,000	-
Net change in fund balance	\$ -	33	\$ 33
Fund balance - beginning		79,499	
Fund balance - ending		\$ 79,532	

See independent auditor's report.

City of Chicago Heights, Illinois
Bloom Plaza TIF - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 50,000	\$ -	\$ (50,000)
Interest	-	38	38
Total revenues	<u>50,000</u>	<u>38</u>	<u>(49,962)</u>
Expenditures:			
Community development	<u>50,000</u>	<u>5,300</u>	<u>(44,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>(5,262)</u>	<u>\$ (5,262)</u>
Fund balance - beginning		<u>174,193</u>	
Fund balance - ending		<u>\$ 168,931</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
South State Street TIF - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 350,000	\$ 337,257	\$ (12,743)
Interest	-	297	297
Total revenues	<u>350,000</u>	<u>337,554</u>	<u>(12,446)</u>
Expenditures:			
Community development	<u>254,000</u>	<u>4,087</u>	<u>(249,913)</u>
Net change in fund balance	<u>\$ 96,000</u>	<u>333,467</u>	<u>\$ 237,467</u>
Fund balance - beginning		<u>1,444,304</u>	
Fund balance - ending		<u>\$ 1,777,771</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
Downtown TIF - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ 5,000	\$ 58,983	\$ 53,983
Interest	-	25	25
Total revenues	<u>5,000</u>	<u>59,008</u>	<u>54,008</u>
Expenditures:			
Community development	<u>304,000</u>	<u>49,317</u>	<u>(254,683)</u>
Net change in fund balance	<u>\$ (299,000)</u>	<u>9,691</u>	<u>\$ 308,691</u>
Fund balance - beginning		<u>120,937</u>	
Fund balance - ending		<u>\$ 130,628</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
East Lincoln Highway Corridor TIF - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Interest	-	(7)	(7)
Total revenues	-	(7)	(7)
Expenditures:			
Community development	1,004,000	4,077	(999,923)
Excess of revenues under expenditures	(1,004,000)	(4,084)	999,916
Other financing sources (uses):			
Transfers in	1,000,000	4,100	(995,900)
Total other financing sources (uses)	1,000,000	4,100	(995,900)
Net change in fund balance	\$ (4,000)	16	\$ 4,016
Fund balance - beginning		-	
Fund balance - ending		\$ 16	

See independent auditor's report.

City of Chicago Heights, Illinois
Cub Foods TIF - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended April, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Taxes:			
Property taxes	\$ 1,000,000	\$ 611,165	\$ (388,835)
Interest	25,000	55,537	30,537
Total revenues	<u>1,025,000</u>	<u>666,702</u>	<u>(358,298)</u>
Expenditures:			
Community development	<u>2,524,000</u>	<u>1,783,245</u>	<u>(740,755)</u>
Net change in fund balance	<u>\$ (1,499,000)</u>	<u>(1,116,543)</u>	<u>\$ 382,457</u>
Fund balance - beginning		<u>3,539,238</u>	
Fund balance - ending		<u>\$ 2,422,695</u>	

See independent auditor's report.

City of Chicago Heights, Illinois
Water & Sewer - Enterprise Fund
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual
For the Year Ended April 30, 2025

	Original Budget	Final Budget	Actual	Variance
Operating revenue:				
Charges for services	\$ 21,190,000	\$ 21,190,000	\$ 19,838,634	\$ (1,351,366)
Miscellaneous	31,000	31,000	55,616	24,616
Total operating revenue	21,221,000	21,221,000	19,894,250	(1,326,750)
Operating expenses:				
Operations:				
Salaries and wages	145,000	1,370,000	1,329,490	(40,510)
Benefits	530,000	530,000	1,683,794	1,153,794
Contractual services	3,784,100	3,784,100	3,593,403	(190,697)
Water purchase	12,575,000	12,575,000	11,935,938	(639,062)
Commodities	6,190,000	4,965,000	695,416	(4,269,584)
Capital outlay	2,825,000	2,825,000	866,068	(1,958,932)
Miscellaneous	1,449,583	1,449,583	1,457,317	7,734
Depreciation	442,000	442,000	884,680	442,680
Total operating expenses	27,940,683	27,940,683	22,446,106	(5,494,577)
Operating loss	(6,719,683)	(6,719,683)	(2,551,856)	4,167,827
Nonoperating revenues (expenses):				
Interest income	5,000	5,000	2,519	(2,481)
Interest expense	(336,800)	(336,800)	(125,383)	211,417
Total nonoperating revenues (expenses)	(331,800)	(331,800)	(122,864)	208,936
Transfers	-	-	2,049,207	2,049,207
Change in net position before capitalized items	\$ (7,051,483)	\$ (7,051,483)	(625,513)	\$ 6,425,970
Add: capitalized items			1,098,751	
Change in net position			473,238	
Net position - beginning			30,732,804	
Net position - ending			\$ 31,206,042	

See independent auditor's report.

City of Chicago Heights, Illinois
Employee Health Insurance - Internal Service Fund
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual
For the Year Ended April 30, 2025

	Original and Final Budget	Actual	Variance
Operating revenue:			
Interfund services	\$ 4,400,000	\$ 4,068,000	\$ (332,000)
Miscellaneous:			
Employee contributions	775,000	754,037	(20,963)
Stop-loss income	700,000	1,014,983	314,983
Total operating revenue	5,875,000	5,837,020	(37,980)
Operating expenses:			
Insurance	4,780,000	4,870,553	90,553
Administration	1,030,300	1,042,308	12,008
Total operating expenses	5,810,300	5,912,861	102,561
Operating income (loss)	64,700	(75,841)	(140,541)
Nonoperating revenues:			
Interest income	-	67	67
Change in net position	\$ 64,700	(75,774)	\$ (140,474)
Net position - beginning		96,245	
Net position - ending		\$ 20,471	

See independent auditor's report.

SUPPLEMENTAL SCHEDULES

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2017A
April 30, 2025

Date of issue	April 12, 2017
Date of maturity	December 1, 2029
Authorized issue	\$5,110,000
Interest rates	5.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ -	\$ 281,050	\$ 281,050	2025	\$ 140,525	2025	\$ 140,525
2027	-	281,050	281,050	2026	140,525	2026	140,525
2028	-	281,050	281,050	2027	140,525	2027	140,525
2029	2,485,000	281,050	2,766,050	2028	140,525	2028	140,525
2030	2,625,000	144,375	2,769,375	2042	72,188	2042	72,188
	<u>\$ 5,110,000</u>	<u>\$ 1,268,575</u>	<u>\$ 6,378,575</u>		<u>\$ 634,288</u>		<u>\$ 634,288</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2017B
April 30, 2025

Date of issue	April 12, 2017
Date of maturity	December 1, 2029
Authorized issue	\$4,150,000
Interest rates	4.50%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ -	\$ 186,750	\$ 186,750	2025	\$ 93,375	2025	\$ 93,375
2027	-	186,750	186,750	2026	93,375	2026	93,375
2028	-	186,750	186,750	2027	93,375	2027	93,375
2029	2,030,000	186,750	2,216,750	2028	93,375	2028	93,375
2030	2,120,000	95,400	2,215,400	2042	47,700	2042	47,700
	<u>\$ 4,150,000</u>	<u>\$ 842,400</u>	<u>\$ 4,992,400</u>		<u>\$ 421,200</u>		<u>\$ 421,200</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2018A
April 30, 2025

Date of issue	December 14 2018
Date of maturity	December 1, 2034
Authorized issue	\$10,815,000
Interest rates	7.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ -	\$ 784,088	\$ 784,088	2025	\$ 392,044	2025	\$ 392,044
2027	-	784,088	784,088	2026	392,044	2026	392,044
2028	-	784,088	784,088	2027	392,044	2027	392,044
2029	-	784,088	784,088	2028	392,044	2028	392,044
2030	-	784,088	784,088	2029	392,044	2029	392,044
2031	1,870,000	784,088	2,654,088	2030	392,044	2030	392,044
2032	2,005,000	648,513	2,653,513	2031	324,257	2031	324,257
2033	2,155,000	503,150	2,658,150	2032	251,575	2032	251,575
2034	2,310,000	346,913	2,656,913	2033	173,457	2033	173,457
2035	2,475,000	179,438	2,654,438	2034	89,717	2034	89,717
	<u>\$ 10,815,000</u>	<u>\$ 6,382,542</u>	<u>\$ 17,197,542</u>		<u>\$ 3,191,270</u>		<u>\$ 3,191,270</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2018B
April 30, 2025

Date of issue	December 14, 2018
Date of maturity	December 1, 2034
Authorized issue	\$2,615,000
Interest rates	5.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ -	\$ 137,288	\$ 137,288	2025	\$ 68,644	2025	\$ 68,644
2027	-	137,288	137,288	2026	68,644	2026	68,644
2028	-	137,288	137,288	2027	68,644	2027	68,644
2029	-	137,288	137,288	2028	68,644	2028	68,644
2030	-	137,288	137,288	2029	68,644	2029	68,644
2031	470,000	137,288	607,288	2030	68,644	2030	68,644
2032	495,000	112,613	607,613	2031	56,307	2031	56,307
2033	520,000	86,625	606,625	2032	43,313	2032	43,313
2034	550,000	59,325	609,325	2033	29,663	2033	29,663
2035	580,000	30,450	610,450	2034	15,223	2034	15,223
	<u>\$ 2,615,000</u>	<u>\$ 1,112,741</u>	<u>\$ 3,727,741</u>		<u>\$ 556,370</u>		<u>\$ 556,370</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2020
April 30, 2025

Date of issue	May 28, 2020
Date of maturity	December 1, 2039
Authorized issue	\$40,000,000
Interest rates	5.25%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ 2,145,000	\$ 1,505,574	\$ 3,650,574	2025	\$ 752,787	2025	\$ 752,787
2027	2,220,000	1,427,216	3,647,216	2026	713,608	2026	713,608
2028	2,305,000	1,341,636	3,646,636	2027	670,818	2027	670,818
2029	-	1,250,472	1,250,472	2028	625,236	2028	625,236
2030	-	1,250,472	1,250,472	2029	625,236	2029	625,236
2031	525,000	1,250,472	1,775,472	2030	625,236	2030	625,236
2032	550,000	1,225,714	1,775,714	2031	612,857	2031	612,857
2033	575,000	1,199,776	1,774,776	2032	599,888	2032	599,888
2034	600,000	1,172,658	1,772,658	2033	586,329	2033	586,329
2035	630,000	1,144,362	1,774,362	2034	572,181	2034	572,181
2036	3,925,000	1,114,652	5,039,652	2035	557,326	2035	557,326
2037	4,110,000	929,548	5,039,548	2036	464,774	2036	464,774
2038	4,325,000	714,554	5,039,554	2037	357,277	2037	357,277
2039	4,550,000	488,314	5,038,314	2038	244,157	2038	244,157
2040	4,785,000	250,304	5,035,304	2039	125,152	2039	125,152
	<u>\$ 31,245,000</u>	<u>\$ 16,265,724</u>	<u>\$ 47,510,724</u>		<u>\$ 8,132,862</u>		<u>\$ 8,132,862</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2021
April 30, 2025

Date of issue	December 1, 2021
Date of maturity	December 1, 2031
Authorized issue	\$9,200,000
Interest rates	4.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ 860,000	\$ 271,800	\$ 1,131,800	2025	\$ 135,900	2025	\$ 135,900
2027	895,000	237,400	1,132,400	2026	118,700	2026	118,700
2028	930,000	201,600	1,131,600	2027	100,800	2027	100,800
2029	970,000	164,400	1,134,400	2028	82,200	2028	82,200
2030	1,005,000	125,600	1,130,600	2029	62,800	2029	62,800
2031	1,045,000	85,400	1,130,400	2030	42,700	2030	42,700
2032	1,090,000	43,600	1,133,600	2031	21,800	2031	21,800
	<u>\$ 6,795,000</u>	<u>\$ 1,129,800</u>	<u>\$ 7,924,800</u>		<u>\$ 564,900</u>		<u>\$ 564,900</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
General Obligation Taxable Bonds of 2024
April 30, 2025

Date of issue	August 28, 2024
Date of maturity	December 1, 2039
Authorized issue	\$2,000,000
Interest rates	4.53%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2026	\$ 75,000	\$ 114,005	\$ 189,005	2025	\$ 68,705	2025	\$ 45,300
2027	100,000	87,202	187,202	2026	43,601	2026	43,601
2028	105,000	82,672	187,672	2027	41,336	2027	41,336
2029	110,000	77,916	187,916	2028	38,958	2028	38,958
2030	115,000	72,932	187,932	2029	36,466	2029	36,466
2031	120,000	67,724	187,724	2030	33,862	2030	33,862
2032	125,000	62,288	187,288	2031	31,144	2031	31,144
2033	135,000	56,624	191,624	2032	28,312	2032	28,312
2034	140,000	50,510	190,510	2033	25,255	2033	25,255
2035	145,000	44,168	189,168	2034	22,084	2034	22,084
2036	150,000	37,600	187,600	2035	18,800	2035	18,800
2037	160,000	30,804	190,804	2036	15,402	2036	15,402
2038	165,000	23,556	188,556	2037	11,778	2037	11,778
2039	175,000	16,082	191,082	2038	8,041	2038	8,041
2040	180,000	8,154	188,154	2039	4,077	2039	4,077
	<u>\$ 2,000,000</u>	<u>\$ 832,237</u>	<u>\$ 2,832,237</u>		<u>\$ 427,821</u>		<u>\$ 404,416</u>

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Long-term Debt Requirements
Loans Payable
April 30, 2025

Date of contract	September 23, 2019
Date of maturity	September 23, 2029
Amount of loan	\$699,999
Interest rate	3.30%
Interest date	September 23, 2019
Payable at	Kansas State Bank

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements		
	Principal	Interest	Total
2026	\$ 70,837	\$ 12,485	\$ 83,322
2027	73,175	10,148	83,323
2028	75,589	7,733	83,322
2029	78,084	5,238	83,322
2030	80,660	2,662	83,322
	<u>\$ 378,345</u>	<u>\$ 38,266</u>	<u>\$ 416,611</u>

Date of contract	August 21, 2020
Date of maturity	December 1, 2025
Amount of loan	\$1,618,000
Interest rate	2.05%
Interest date	June 1 and December 1
Payable at	Huntington Public Capital Corporation

Current and Long-term Principal and Interest Requirements

Year Ending April 30,	Requirements		
	Principal	Interest	Total
2026	\$ 338,452	\$ 5,213	\$ 343,665
	<u>\$ 338,452</u>	<u>\$ 5,213</u>	<u>\$ 343,665</u>

(cont'd)

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

This part of the annual 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 City's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City'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 which the City's financial activities take place.

Operating Information

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

City of Chicago Heights, Illinois
Net Position by Component
Last Ten Fiscal Years *
April 30, 2025 (Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Governmental activities:				
Net investment in capital assets	\$ 17,262,363	\$ 12,403,080	\$ 7,704,503	\$ (6,281,357)
Restricted	29,559,767	24,339,681	18,212,983	18,440,494
Unrestricted	<u>(177,054,714)</u>	<u>(164,448,002)</u>	<u>(161,904,997)</u>	<u>(157,325,937)</u>
Total governmental activities	<u>\$(130,232,584)</u>	<u>\$(127,705,241)</u>	<u>\$(135,987,511)</u>	<u>\$(145,166,800)</u>
Business-type activities:				
Net investment in capital assets	\$ 19,265,244	\$ 15,954,077	\$ 11,261,432	\$ 3,894,573
Restricted	892,024	-	-	-
Unrestricted	<u>11,048,774</u>	<u>14,778,727</u>	<u>15,400,539</u>	<u>17,292,370</u>
Total business-type activities	<u>\$ 31,206,042</u>	<u>\$ 30,732,804</u>	<u>\$ 26,661,971</u>	<u>\$ 21,186,943</u>
Primary government:				
Net investment in capital assets	\$ 36,527,607	\$ 28,357,157	\$ 18,965,935	\$ (2,386,784)
Restricted	30,451,791	24,339,681	18,212,983	18,440,494
Unrestricted	<u>(166,005,940)</u>	<u>(149,669,275)</u>	<u>(146,504,458)</u>	<u>(140,033,567)</u>
Total primary government	<u>\$ (99,026,542)</u>	<u>\$ (96,972,437)</u>	<u>\$(109,325,540)</u>	<u>\$(123,979,857)</u>

* Accrual basis of accounting.

Data source: City records.

See independent auditor's report.

2021	2020	2019	2018	2017	2016
\$ (11,125,753)	\$ (16,677,321)	\$ (20,318,721)	\$ (1,980,367)	\$ (23,363,245)	\$ (21,059,875)
15,421,991	13,067,455	13,105,868	12,982,756	8,231,285	7,342,064
<u>(158,826,631)</u>	<u>(154,452,794)</u>	<u>(154,945,366)</u>	<u>(171,166,070)</u>	<u>(135,519,740)</u>	<u>(137,017,469)</u>
<u>\$ (154,530,393)</u>	<u>\$ (158,062,660)</u>	<u>\$ (162,158,219)</u>	<u>\$ (160,163,681)</u>	<u>\$ (150,651,700)</u>	<u>\$ (150,735,280)</u>
\$ 11,354,563	\$ 11,081,921	\$ 10,647,428	\$ 10,775,001	\$ 10,650,565	\$ 10,197,373
-	-	-	-	-	-
<u>7,441,146</u>	<u>5,990,431</u>	<u>4,388,974</u>	<u>3,073,824</u>	<u>2,956,260</u>	<u>2,810,776</u>
<u>\$ 18,795,709</u>	<u>\$ 17,072,352</u>	<u>\$ 15,036,402</u>	<u>\$ 13,848,825</u>	<u>\$ 13,606,825</u>	<u>\$ 13,008,149</u>
\$ 228,810	\$ (5,595,400)	\$ (9,671,293)	\$ 8,794,634	\$ (12,712,680)	\$ (10,862,502)
15,421,991	13,067,455	13,105,868	12,982,756	8,231,285	7,342,064
<u>(151,385,485)</u>	<u>(148,462,363)</u>	<u>(150,556,392)</u>	<u>(168,092,246)</u>	<u>(132,563,480)</u>	<u>(134,206,693)</u>
<u>\$ (135,734,684)</u>	<u>\$ (140,990,308)</u>	<u>\$ (147,121,817)</u>	<u>\$ (146,314,856)</u>	<u>\$ (137,044,875)</u>	<u>\$ (137,727,131)</u>

City of Chicago Heights, Illinois
Changes in Net Position
Last Ten Fiscal Years *
For the Year Ended April 30, 2025 (Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Expenses:			
Governmental activities:			
General government	\$ 15,421,373	\$ 11,749,879	\$ 10,543,572
Public safety	37,798,069	31,263,060	26,243,343
Streets and public improvements	11,555,059	6,664,518	6,192,180
Culture and recreation	881,079	1,192,017	669,562
Community development	3,443,076	9,332,615	14,048,309
Interest on long-term debt	3,056,737	3,482,716	3,544,660
Total government activities expense	72,155,393	63,684,805	61,241,626
Business-type activities:			
Water	21,472,738	17,977,270	17,412,166
Sewer	-	-	-
Total business-type activities expense	21,472,738	17,977,270	17,412,166
Total primary government expense	\$ 93,628,131	\$ 81,662,075	\$ 78,653,792
Program revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 3,550,730	\$ 3,839,785	\$ 3,172,135
Public safety	7,276,360	6,533,964	6,090,217
Streets and public improvements	13,665	6,795	8,235
Culture and recreation	1,603	-	-
Community development	-	-	-
Operating grants/contributions	1,607,960	1,629,580	2,277,590
Capital grants/contributions	2,957,969	3,609,720	9,703,419
Total governmental activities program revenues	15,408,287	15,619,844	21,251,596
Business-type activities:			
Charges for services:			
Water and sewer	19,838,634	20,401,885	19,787,097
Capital grants/contributions	-	1,607,742	3,071,784
Total business-type activities program revenues	19,838,634	22,009,627	22,858,881
Total primary government program revenues	\$ 35,246,921	\$ 37,629,471	\$ 44,110,477
Net (expense) revenue:			
Governmental activities	\$ (56,747,106)	\$ (48,064,961)	\$ (39,990,030)
Business-type activities	(1,634,104)	4,032,357	5,446,715
Total primary government net (expense) revenue	\$ (58,381,210)	\$ (44,032,604)	\$ (34,543,315)

(cont'd)

2022	2021	2020	2019	2018	2017	2016
\$ 10,909,279	\$ 9,822,530	\$ 9,801,472	\$ 9,291,832	\$ 11,119,134	\$ 16,275,732	\$ 15,771,638
28,429,486	26,531,011	25,229,155	23,866,695	22,560,561	16,385,909	31,519,370
6,903,490	6,039,705	5,648,687	5,442,965	5,046,214	7,174,997	7,287,552
849,896	792,318	1,025,670	849,424	816,323	828,703	836,321
6,647,955	3,375,148	4,097,613	4,026,210	2,654,048	1,089,274	848,552
3,654,813	5,428,011	1,553,117	3,198,838	3,115,689	2,843,402	2,759,616
57,394,919	51,988,723	47,355,714	46,675,964	45,311,969	44,598,017	59,023,049
15,236,442	13,520,751	14,167,942	14,524,516	15,542,337	14,673,662	13,768,431
-	-	-	-	-	-	1,165,375
15,236,442	13,520,751	14,167,942	14,524,516	15,542,337	14,673,662	14,933,806
\$ 72,631,361	\$ 65,509,474	\$ 61,523,656	\$ 61,200,480	\$ 60,854,306	\$ 59,271,679	\$ 73,956,855
\$ 3,395,171	\$ 3,390,178	\$ 2,420,092	\$ 2,753,850	\$ 3,264,137	\$ 1,743,513	\$ 668,467
4,819,268	4,758,799	4,923,774	4,469,380	3,798,318	3,346,878	2,745,893
5,000	5,405	4,255	-	483	16,752	813,477
-	-	-	112,621	184,988	182,540	25,154
-	-	-	-	-	-	389,710
2,544,973	2,905,380	620,056	268,276	643,447	732,995	2,704,264
351,066	345,052	379,796	348,952	460,032	606,787	939,312
11,115,478	11,404,814	8,347,973	7,953,079	8,351,405	6,629,465	8,286,277
15,985,447	15,900,524	16,263,605	16,188,799	16,754,660	16,296,940	16,025,236
1,597,529	74,796	-	-	-	-	284,664
17,582,976	15,975,320	16,263,605	16,188,799	16,754,660	16,296,940	16,309,900
\$ 28,698,454	\$ 27,380,134	\$ 24,611,578	\$ 24,141,878	\$ 25,106,065	\$ 22,926,405	\$ 24,596,177
\$ (46,279,441)	\$ (40,583,909)	\$ (39,007,741)	\$ (38,722,885)	\$ (36,960,564)	\$ (37,968,552)	\$ (50,736,772)
2,346,534	2,454,569	2,095,663	1,664,283	1,212,323	1,623,278	1,376,094
\$ (43,932,907)	\$ (38,129,340)	\$ (36,912,078)	\$ (37,058,602)	\$ (35,748,241)	\$ (36,345,274)	\$ (49,360,678)

City of Chicago Heights, Illinois
Changes in Net Position
Last Ten Fiscal Years *
For the Year Ended April 30, 2025 (Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
General revenues and other changes in net position:			
Governmental activities:			
Property taxes	\$ 29,880,224	\$ 31,642,596	\$ 24,034,720
State sales and other	22,530,144	20,407,511	22,052,219
Licenses and permits	-	-	-
Interest	1,567,900	1,536,152	851,033
Miscellaneous	2,290,702	2,760,972	2,231,347
Transfers	(2,049,207)	-	-
Total governmental activities	54,219,763	56,347,231	49,169,319
Business-type activities:			
Interest	2,519	2,012	2,650
Grants	-	-	-
Miscellaneous	55,616	36,464	25,663
Transfers	2,049,207	-	-
Total business-type activities	2,107,342	38,476	28,313
Total primary government	\$ 56,327,105	\$ 56,385,707	\$ 49,197,632
Changes in net position:			
Governmental activities	\$ (2,527,343)	\$ 8,282,270	\$ 9,179,289
Business-type activities	473,238	4,070,833	5,475,028
Total primary government changes in net position	\$ (2,054,105)	\$ 12,353,103	\$ 14,654,317

* Accrual basis of accounting

Data source: City records

See independent auditor's report.

2022	2021	2020	2019	2018	2017	2016
\$ 31,268,280	\$ 24,234,400	\$ 24,330,358	\$ 21,112,366	\$ 19,481,141	\$ 19,224,757	\$ 18,750,306
21,943,372	16,644,640	15,691,698	15,673,631	14,652,680	14,856,250	12,056,985
-	-	-	-	-	-	-
31,030	19,153	340,098	150,032	54,202	109,021	21,437
2,400,352	2,467,983	1,843,796	2,245,442	2,260,580	2,762,104	1,844,323
-	750,000	750,000	500,000	1,000,000	1,100,000	-
55,643,034	44,116,176	42,955,950	39,681,471	37,448,603	38,052,132	32,673,051
1,489	-	26,452	17,723	-	30	367
-	-	579,723	-	-	-	-
43,211	18,788	84,112	5,571	29,677	75,368	-
-	(750,000)	(750,000)	(500,000)	(1,000,000)	(1,100,000)	-
44,700	(731,212)	(59,713)	(476,706)	(970,323)	(1,024,602)	367
\$ 55,687,734	\$ 43,384,964	\$ 42,896,237	\$ 39,204,765	\$ 36,478,280	\$ 37,027,530	\$ 32,673,418
\$ 9,363,593	\$ 3,532,267	\$ 3,948,209	\$ 958,586	\$ 488,039	\$ 83,580	\$ (18,063,721)
2,391,234	1,723,357	2,035,950	1,187,577	242,000	598,676	1,376,461
\$ 11,754,827	\$ 5,255,624	\$ 5,984,159	\$ 2,146,163	\$ 730,039	\$ 682,256	\$ (16,687,260)

City of Chicago Heights, Illinois
Fund Balance of Governmental Funds
Last Ten Fiscal Years *
April 30, 2025 (Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
General Fund:			
Nonspendable	\$ 3,474,542	\$ 3,330,405	\$ 3,209,373
Restricted	1,106,048	1,539,748	1,537,914
Assigned	-	-	-
Unassigned	20,783,117	23,015,192	21,285,198
Total General Fund	25,363,707	27,885,345	26,032,485
All other governmental funds:			
Nonspendable	649,096	836,328	780,141
Restricted	24,856,527	23,531,877	17,199,789
Committed	-	-	-
Assigned	-	-	200,000
Unassigned	(2,488,809)	(303,555)	(332,321)
Total all other governmental funds	23,016,814	24,064,650	17,847,609
Total governmental funds	\$ 48,380,521	\$ 51,949,995	\$ 43,880,094

* Modified accrual basis of accounting.

Data source: City records.

See independent auditor's report.

2022	2021	2020	2019	2018	2017	2016
\$ 2,871,043	\$ 2,696,069	\$ 2,489,221	\$ 2,327,860	\$ 1,006,938	\$ 1,145,942	\$ 972,208
1,630,830	1,229,112	1,022,992	516,054	490,495	394,040	236,051
-	-	-	-	-	-	-
22,219,909	17,637,115	11,000,826	5,408,483	(1,061,407)	227,879	3,859,696
26,721,782	21,562,296	14,513,039	8,252,397	436,026	1,767,861	5,067,955
330,956	-	3,330,405	-	87,939	-	-
17,674,246	15,559,783	12,090,186	12,589,814	13,946,171	12,249,419	7,866,096
-	-	-	-	-	-	251,079
-	-	-	-	-	980,030	806,244
(277,040)	(263,059)	(1,316,403)	(1,226,137)	(410,318)	(331,059)	(999,913)
17,728,162	15,296,724	14,104,188	11,363,677	13,623,792	12,898,390	7,923,506
\$ 44,449,944	\$ 36,859,020	\$ 28,617,227	\$ 19,616,074	\$ 14,059,818	\$ 14,666,251	\$ 12,991,461

City of Chicago Heights, Illinois
Changes in Fund Balances and Percentage of Debt Service
to Noncapital Expenditures of Governmental Funds
Last Ten Fiscal Years *

	2025	2024	2023	2022
Revenues:				
Taxes	\$ 35,152,971	\$ 37,528,983	\$ 32,004,608	\$ 38,532,851
Intergovernmental	21,299,575	20,232,766	25,379,481	17,370,981
Licenses and permits	1,496,881	1,227,593	1,284,346	1,330,210
Charges for services	5,751,797	5,352,424	6,438,053	4,486,384
Fines and forfeitures	3,189,296	3,321,651	2,024,818	2,214,941
Interest	1,567,833	1,536,152	851,033	31,030
Miscellaneous	2,237,687	2,697,587	2,308,925	2,426,128
Total revenues	70,696,040	71,897,156	70,291,264	66,392,525
Expenditures:				
Current:				
General government	15,320,259	11,076,092	11,240,939	10,381,538
Public safety	32,237,417	30,329,707	29,682,411	27,932,165
Streets/public improvements	7,899,147	6,469,395	6,772,871	6,482,726
Culture and recreation	2,769,996	1,156,449	757,305	835,028
Community development	3,294,301	2,823,425	995,041	1,437,662
Capital outlay	7,784,121	6,309,370	15,154,001	5,394,000
Debt service:				
Principal retirement	2,866,284	2,640,072	2,772,888	3,377,294
Interest and fiscal charges	3,116,234	3,105,381	3,183,703	3,292,144
Total expenditures	75,287,759	63,909,891	70,559,159	59,132,557
Excess (deficiency) of revenues over (under) expenditures	(4,591,719)	7,987,265	(267,895)	7,259,968
Other financing sources (uses):				
Debt issuance	2,000,000	82,636	29,001	-
General obligation bond premium (discount)	92,800	-	-	-
Transfer to escrow agent	-	-	-	-
Proceeds from sale of assets	978,652	-	-	-
Transfers in	5,004,100	4,177,619	5,135,322	8,676,222
Transfers out	(7,053,307)	(4,177,619)	(5,135,322)	(8,676,222)
Total other financing sources (uses)	1,022,245	82,636	29,001	-
Net changes in fund balance	\$ (3,569,474)	\$ 8,069,901	\$ (238,894)	\$ 7,259,968
Debt service as a percentage of noncapital expenditures	9.9%	9.94%	10.60%	12.27%

* Modified accrual basis of accounting.

Data source: City records.

See independent auditor's report.

2021	2020	2019	2018	2017	2016
\$ 29,550,945	\$ 28,259,989	\$ 25,233,248	\$ 23,351,545	\$ 23,170,885	\$ 22,215,293
14,923,174	12,794,211	12,371,893	12,780,564	12,465,199	12,224,248
1,425,779	713,782	904,269	774,355	1,167,478	1,156,268
4,619,987	3,686,282	3,786,475	3,647,191	1,785,016	1,598,314
2,038,469	2,966,013	2,535,515	1,997,442	1,757,263	1,888,119
19,153	340,098	150,032	54,202	37,081	21,264
2,400,495	1,811,300	2,162,093	2,169,770	3,187,882	1,843,905
54,978,002	50,571,675	47,143,525	44,775,069	43,570,804	40,947,411
9,584,067	9,862,858	9,540,374	11,125,730	11,140,367	10,551,020
26,148,938	24,418,128	23,642,525	22,263,596	21,723,613	19,906,444
5,657,541	5,467,101	5,391,841	4,979,792	6,408,454	7,002,769
775,812	883,858	798,419	805,579	804,725	836,321
1,362,357	623,151	1,021,913	1,187,478	1,092,225	848,552
2,264,467	3,451,578	3,009,507	1,431,634	939,307	2,901,371
267,063	268,559	2,993,853	2,211,509	2,237,099	1,554,279
4,059,133	1,375,693	3,627,504	2,725,922	2,907,093	2,955,866
50,119,378	46,350,926	50,025,936	46,731,240	47,252,883	46,556,622
4,858,624	4,220,749	(2,882,411)	(1,956,171)	(3,682,079)	(5,609,211)
42,460,617	699,999	13,712,986	349,738	9,260,000	523,285
-	-	(569,503)	-	(190,827)	-
(36,644,393)	-	(5,204,826)	-	(4,812,304)	-
-	-	-	-	-	-
750,000	750,000	5,957,841	1,305,856	5,103,977	4,923,348
-	-	(5,457,841)	(305,856)	(4,003,977)	(4,923,348)
6,566,224	1,449,999	8,438,657	1,349,738	5,356,869	523,285
\$ 11,424,848	\$ 5,670,748	\$ 5,556,246	\$ (606,433)	\$ 1,674,790	\$ (5,085,926)
9.48%	3.82%	14.16%	11.35%	11.11%	8.21%

City of Chicago Heights, Illinois
Assessed Value and Actual Value of Taxable Property
Last Ten Levy Years
April 30, 2025

Fiscal Year	Tax Levy Year	Real Estate	Air Pollution	Railroad	Total Taxable Assessed Value	Total Direct Tax Rate
2025	2024	\$ 411,500,971	\$ 303	\$ 8,706,370	\$ 420,207,644	6.7057
2024	2023	428,234,824	255	8,625,076	436,860,155	6.3988
2023	2022	338,827,261	258	7,988,340	346,815,859	8.0600
2022	2021	349,951,876	265	7,004,235	356,956,376	7.8310
2021	2020	389,276,646	276	7,020,601	396,297,523	7.0533
2020	2019	335,846,688	284	6,896,454	342,743,426	8.0334
2019	2018	346,887,298	295	6,499,471	353,387,064	7.5969
2018	2017	356,809,122	299	6,165,730	362,975,151	6.5846
2017	2016	323,957,826	314	6,394,650	330,352,790	6.5772
2016	2015	307,512,547	392	6,196,611	313,709,550	6.5608

Data source: Office of the County Clerk

See independent auditor's report.

City of Chicago Heights, Illinois
Property Tax Rates - Direct and Overlapping Governments*
Last Ten Levy Years
April 30, 2025 (Unaudited)

	2024	2023	2022
City Direct Rates *			
General	0.8317	0.8010	0.6759
Bonds and interest	1.4932	1.3840	1.7428
Garbage		-	-
Police pension	1.3351	1.2842	1.7048
Fire pension	1.2565	1.2086	1.5462
IMRF	0.0131	0.0126	0.1427
Fire protection	0.5236	0.5036	0.6343
Police protection	0.9162	0.8813	1.1101
Social Security	0.1113	0.1070	0.1665
Auditing	0.0157	0.0151	0.0190
Liability insurance	0.1309	0.1259	0.1586
Workmen's compensation	0.0785	0.0755	0.1586
Unemployment insurance	-	-	-
Total direct raates	6.7057	6.3988	8.0595
Overlapping rates:			
Cook County	0.3905	0.3860	0.4310
Cook County Forest Preserve District	0.0686	0.0750	0.0810
Metropolitan Water Reclamation District	0.3404	0.3450	0.3740
South Cook County Mosquito Abatement District	0.0174	0.0170	0.0210
General Assistance	0.0762	0.0740	0.0900
Bloom Township	0.2721	0.1830	0.2510
Chicago Heights Park District	0.8865	0.8290	1.0030
Chicago Heights Public Library Fund	0.2356	0.2270	0.2860
School District Number 170	5.7179	5.7730	6.8570
High School District Number 206	3.1382	3.1710	3.9050
Community College District Number 515	0.4288	0.4010	0.5460
Total overlappping rates	11.5723	11.4810	13.8450

* Property tax rates are per \$1,000 of assessed valuation.

Data source: Office of the County Clerk.

See independent auditor's report.

2021	2020	2019	2018	2017	2016	2015
0.6556	1.0270	2.5515	2.4641	0.9122	0.8335	0.5817
1.6934	1.5261	0.4458	0.4117	1.3085	1.4240	1.5310
-	-	-	-	-	0.0885	0.0932
1.6564	1.2685	1.4158	1.2918	1.0925	1.0495	1.0288
1.5023	1.1391	1.2087	1.1050	0.9092	0.8726	0.9368
0.1387	0.1249	0.1364	0.1089	0.1515	0.1637	0.1724
0.6163	0.5551	0.6419	0.6225	0.6061	0.5955	0.6089
1.0786	0.9715	1.1233	1.0895	1.0607	1.0367	1.0599
0.1618	0.1457	0.1524	0.1556	0.1727	0.2027	0.2216
0.0185	0.0167	0.0193	0.0198	0.0212	0.0162	0.0166
0.1541	0.1388	0.1605	0.1556	0.1515	0.1253	0.1319
0.1541	0.1388	0.1765	0.1712	0.1970	0.1671	0.1760
0.0012	0.0011	0.0013	0.0012	0.0015	0.0019	0.0020
7.8310	7.0533	8.0334	7.5969	6.5846	6.5772	6.5608
0.4460	0.4530	0.4540	0.4890	0.4960	0.5330	0.5520
0.0580	0.0580	0.0590	0.0600	0.0620	0.0630	0.0690
0.3820	0.3780	0.3890	0.3960	0.4020	0.4060	0.4260
0.0190	0.0170	0.0180	0.0170	0.0160	0.0170	0.0170
0.0010	0.0800	0.0870	0.0830	0.0790	0.0840	0.0870
0.2310	0.2040	0.2230	0.2140	0.2040	0.2190	0.2260
0.9150	0.7970	0.9070	0.8620	0.8190	0.8760	0.9140
0.2780	0.2500	0.2890	0.2810	0.2730	0.2810	0.3290
6.1270	5.5430	5.4990	5.3370	5.0780	5.8440	6.0590
3.6140	3.2600	3.5880	3.3250	3.5050	4.0850	4.4620
0.5120	0.4500	0.4920	0.4770	0.4540	0.4810	0.4870
12.5830	11.4900	12.0050	11.5410	11.3880	12.8890	13.6280

**City of Chicago Heights, Illinois
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago
April 30, 2025 (Unaudited)**

Taxpayer	Tax Levy Year 2024*			Tax Levy Year 2015		
	Equalized Assessed Valuation*	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ford Motor Co.	\$ 7,540,750	1	1.73%	\$ 6,170,898	2	1.97%
Prairie Manor Nursing Home	6,397,361	2	1.46%	7,943,940	1	2.53%
Riviera Care Center	5,421,960	3	1.24%	2,541,322	9	0.81%
Innophos, Inc.	4,857,871	4	1.11%	2,577,005	8	0.82%
Setzer Properties XGH	4,791,187	5	1.10%			
S&S Steel Warehouse	4,462,748	6	1.02%			
Lincoln Hwy LP	3,940,618	7	0.90%			
FedEx Freight East	3,868,112	8	0.89%	2,393,324	10	0.76%
Olympia Plaza LLC	3,849,719	9	0.88%	3,304,556	7	1.05%
Copart of Connecticut	3,712,448	10	0.85%			
City Asset Management, LLC				4,003,631	5	1.28%
SVT LLC dba Ultra Foods				5,711,473	3	1.82%
Thorton Heights				4,789,296	4	1.53%
Vesuvius USA				3,466,635	6	1.11%
Total	\$ 48,842,774		11.18%	\$ 42,902,080		13.68%

*Tax Levy Year 2025 Not Yet Available

Data source: Office of the County Clerk.

See independent auditor's report.

City of Chicago Heights, Illinois
Property Tax Levies and Collections
Last Ten Levy Years
April 30, 2025 (Unaudited)

Fiscal Levy	Tax Levy Year	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date Net of Refunds	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2025	2024	\$ 27,955,291	\$ 11,133,059	39.82%	\$ -	\$ 11,133,059	39.82%
2024	2023	27,954,681	10,502,580	37.57%	-	10,502,580	37.57%
2023	2022	27,951,843	10,513,866	37.61%	12,150,645	22,664,511	81.08%
2022	2021	27,952,257	11,099,774	39.71%	12,054,519	23,154,293	82.84%
2021	2020	27,954,827	7,016,394	25.10%	16,194,817	23,211,211	83.03%
2020	2019	27,536,007	10,327,209	37.50%	12,434,554	22,761,763	82.66%
2019	2018	26,846,815	9,394,226	34.99%	12,326,937	21,721,163	80.91%
2018	2017	23,901,914	8,503,599	35.58%	11,070,443	19,574,042	81.89%
2017	2016	21,730,607	8,341,304	38.39%	9,340,968	17,682,272	81.37%
2016	2015	20,582,484	7,979,587	38.77%	8,456,739	16,436,326	79.86%

All levies and collections include the City, Police Pension, and Firefighters' Pension, excludes Library Fund.

Excludes municipal share of Township Road and Bridge Levy, which is not under the levy authority or control of the City.

Data source: Office of the Cook County Clerk and Cook County Treasurer.

See independent auditor's report.

City of Chicago Heights, Illinois
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
April 30, 2025 (Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds, Net of Unamortized Premiums/Discounts	Leases Payable	Subscriptions Payable	Loans Payable	General Obligation Bonds, Net of Unamortized Premium	IEPA Loan
2025	\$ 55,564,404	\$ 78,433	\$ 142,947	\$ 716,797	\$ 7,409,107	\$ -
2024	55,445,592	110,909	300,305	1,323,247	8,404,891	-
2023	57,373,439	108,822	-	1,774,747	9,382,960	-
2022	59,236,286	-	-	2,566,888	10,355,209	-
2021	61,914,133	-	-	3,194,182	-	-
2020	56,576,980	-	-	1,005,802	-	-
2019	56,528,683	-	-	574,362	-	-
2018	50,174,889	-	-	580,219	-	-
2017	51,973,520	-	-	606,990	-	101,907
2016	49,332,977	-	-	340,821	-	301,006

Notes: Details of the City's outstanding debt may be found in the Notes to the Financial Statements.

(1) Refer to the Schedule of Demographic and Economic Statistics for Personal Income and Population Data.

See independent auditor's report.

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 63,911,688	9.31%	2,372.55
65,584,944	9.20%	2,604.10
68,639,968	11.98%	2,165.90
72,158,383	11.96%	2,107.74
65,108,315	10.34%	220.46
57,582,782	9.14%	1,963.81
57,103,045	9.84%	1,961.36
50,755,108	8.87%	1,729.07
52,682,417	9.32%	1,777.98
49,974,804	9.51%	1,666.29

City of Chicago Heights, Illinois
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
April 30, 2025 (Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds, Net of Unamortized Discounts</u>	<u>Restrictions</u>	<u>Total</u>	<u>% Total Taxable Assessed Value of Property (1)</u>	<u>Per Capita (2)</u>
2025	\$ 62,973,511	\$ -	\$ 62,973,511	14.99%	2,372.55
2024	63,850,483	-	63,850,483	14.62%	2,177.56
2023	66,756,399	-	66,756,399	19.25%	2,276.66
2022	59,236,286	-	59,236,286	16.59%	2,020.20
2021	61,914,133	-	61,914,133	15.62%	2,253.06
2020	56,576,980	-	56,576,980	16.51%	1,929.51
2019	56,528,683	-	56,528,683	16.00%	1,911.63
2018	50,174,889	-	50,174,889	13.82%	1,678.03
2017	51,973,520	-	51,973,520	15.73%	1,716.66
2016	49,332,977	43,392	49,376,369	15.74%	1,628.01

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Data sources:

- (1) See the Schedule of Assessed Value and Actual Value of Table Property for property value data.
- (2) See the Schedule of Demographic and Economic Statistics for population data.

See independent auditor's report.

City of Chicago Heights, Illinois
Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2025 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt Debt
City	\$ 56,502,581	100.000%	\$ 56,502,581
Overlapping debt:			
Cook County	1,930,661,750	0.197%	3,803,404
Cook County Forest Preserve District	41,835,000	0.197%	82,415
School District Number 161	12,050,000	12.957%	1,561,282
School District Number 163	20,580,000	5.612%	1,155,032
School District Number 167	11,515,000	18.994%	2,187,102
School District Number 169	18,405,000	60.865%	11,202,130
School District Number 170	46,395,000	85.191%	39,524,411
School District Number 194	10,995,000	2.894%	318,151
Township High School District Number 206	30,000,000	38.891%	11,667,420
Township High School District Number 227	74,005,000	0.550%	407,028
High School District Number 233	27,670,000	3.840%	1,062,445
Community College District Number 515	22,290,000	10.023%	2,234,104
Total overlapping debt	2,246,401,750		75,204,924
Total debt and overlapping debt	\$ 2,302,904,331		\$ 131,707,505

(1) Determined by ratio of assessed valuation of property subject to taxation in the City to valuation of property subject to taxation in overlapping unit.

Data source: Cook County Tax Extension Department

See independent auditor's report.

City of Chicago Heights, Illinois
Legal Debt Margin
April 30, 2025

The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities.

See independent auditor's report.

**City of Chicago Heights, Illinois
Demographic and Economic Statistics
Last Ten Calendar Years
April 30, 2025 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income (1)	Assessed
				Unemployment Rate *
2025	26,938	\$ 686,595,744	25,488	6.8%
2024	27,366	712,638,006	26,041	6.2%
2023	26,463	573,162,117	21,659	6.2%
2022	27,480	603,131,040	21,948	7.5%
2021	29,332	629,865,882	21,474	14.0%
2020	29,322	629,865,882	21,481	13.2%
2019	29,571	589,290,888	19,928	5.8%
2018	29,571	576,760,389	19,504	5.9%
2017	29,862	569,975,976	19,087	7.9%
2016	30,146	528,376,752	17,527	8.9%

* 2025 based on June 2025 rate

Data source: Illinois Department of Employment Security (IDES)

See independent auditor's report.

**City of Chicago Heights, Illinois
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago
April 30, 2025 (Unaudited)**

Taxpayer	2025			2016		
	Equalized Assessed Valuation*	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ford Motor Company	\$ 1,071	1	N/A	\$ 1,335		N/A
District No. 170 (Chicago Heights)	562	2	N/A			
Prairie State College	500	3	N/A	615		N/A
Speed SEJA School District No. 802	300	4	N/A			
Chicago Heights Steel	250	5	N/A	250		N/A
Morgan Li	250	6	N/A			
Food 4 Less	208	7	N/A			
Bloom Trail High School District No. 206	204	8	N/A			
Gerresheimer Glass Inc	200	9	N/A			
Prairie Manor Nursing Home & Rehab	160	10	N/A			
YRC Freight				1,500		N/A
St. James Hospital & Health Center				1,200		N/A
Applied Acoustics International (Formerly UGN, Inc.)				200		N/A
New Star				200		N/A
CFC International, Inc.				160		N/A
Behr Process Corporation				150		N/A
Innophos Inc.				130		N/A
Total	\$ 3,705		N/A	\$ 5,740		N/A

N/A - information not available

Data source: Office of the County Clerk.

See independent auditor's report.

City of Chicago Heights, Illinois
Full-Time Equivalent City Government Employees by Function
Last Ten Calendar Years
April 30, 2025 (Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City Hall:				
Supervisory personnel	5	6	6	6
Non-supervisory personnel	19	24	24	23
Public Works:				
Supervisory personnel	2	2	2	2
Non-supervisory personnel	19	18	18	16
Library:				
Supervisory personnel	1	1	1	1
Non-supervisory personnel	9	8	9	9
Municipal Water System:				
Supervisory personnel	1	1	1	2
Non-supervisory personnel	17	17	17	15
Police Protection:				
Supervisory personnel	78	72	72	73
Non-supervisory personnel	22	13	13	16
Fire Protection:				
Supervisory personnel	57	57	58	60
Non-supervisory personnel	1	1	1	1
Total	231	220	222	224

Data source: City Records

See independent auditor's report.

2020	2019	2018	2017	2016	2015
6 20	6 19	6 22	5 20	4 22	6 24
2 19	2 18	2 20	2 21	2 21	2 21
1 8	1 7	1 11	1 10	1 8	1 10
1 14	1 14	2 20	1 26	1 20	1 24
76 15	78 14	80 16	78 16	75 15	83 29
59 1	59 1	60 2	59 2	56 2	63 3
222	220	242	241	227	267

City of Chicago Heights, Illinois
Operating Indicators by Function/Program
Last Ten Calendar Years
April 30, 2025 (Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Fire protection:				
Fire responses	1,134	1,219	1,279	1,945
Alarm responses	798	808	849	544
Accident responses	325	678	660	348
Assist other agencies	35	41	41	19
Ambulance responses	6,828	5,757	6,868	6,723
Police protection:				
Traffic tickets	4,856	3,392	3,048	1,764
Parking and ordinance violations	7,231	5,008	3,097	2,235
Municipal water system customers	8,186	8,106	8,106	8,178

Data source: City records.

See independent auditor's report.

2020	2019	2018	2017	2016	2015
1,874	1,157	981	508	488	485
566	641	829	1,740	1,544	1,148
629	604	573	552	446	436
16	43	41	63	61	61
6,338	6,437	6,319	6,112	5,319	5,166
2,214	4,111	3,456	2,956	3,188	6,283
2,355	4,010	4,212	4,802	4,482	6,009
8,102	8,183	8,154	8,349	8,322	8,410

City of Chicago Heights, Illinois
Capital Asset Statistics and Function/Program
Last Ten Fiscal Years
April 30, 2025 (Unaudited)

	2024	2023	2022	2021
<u>Function/Program</u>				
Fire protection:				
Number of stations	5	5	5	5
Fire fighting vehicles	8	8	8	8
Ambulances	7	7	7	7
Police protection:				
Number of stations	1	1	1	1
Vehicles	58	58	58	61
Public works:				
Streets, miles	92	92	92	92
Alleys, miles	32	32	32	32
Vehicles	44	43	41	41
Municipal water system:				
Sanitary sewer pipe, miles	112	112	112	112
Storm sewer pipe, miles	75	75	75	75
Water mains, miles	139	139	139	139
Pump stations	4	4	4	4
Water storage tanks	4	4	4	4
Water storage capacity, million of gallons	13	13	13	13
Sanitary/storm lift stations	3	3	3	3
Vehicles	24	22	22	22
Elevated tank	1	1	1	1

Data source: City records.

See independent auditor's report.

2020	2019	2018	2017	2016	2015
5	5	5	5	5	5
8	8	8	8	8	8
7	7	7	7	7	7
1	1	1	1	1	1
58	58	59	59	57	59
92	92	92	92	92	92
32	32	32	32	32	32
41	41	27	27	22	31
112	112	112	112	112	112
75	75	75	75	75	75
139	139	139	139	139	139
4	4	4	4	4	4
4	4	4	4	4	4
13	13	13	13	13	13
3	3	3	3	3	3
22	22	21	21	21	21
1	1	1	1	1	1