

# **City of Country Club Hills, Illinois**

Financial Report  
April 30, 2009

## City of Country Club Hills, Illinois

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# City of Country Club Hills, Illinois

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### Financial Section (Continued)

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Honorable Mayor and Members  
of the City Council  
City of Country Club Hills, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Country Club Hills, Illinois, as of and for the year ended April 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Country Club Hills, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Country Club Hills, Illinois, as of April 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information which includes management's discussion and analysis (pages 2 – 13), pension related schedules (pages 55 – 58) and budgetary comparison information (pages 59 - 60) is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Country Club Hills, Illinois. The combining and individual fund financial statements and the other schedules listed in the table of contents as supplemental data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
October 29, 2009

**Management's Discussion  
and Analysis (MD&A)**

**CITY OF COUNTRY CLUB HILLS, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**APRIL 30, 2009**

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This section of the City of Country Club Hills's (the "City") Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2009.

**USING THE FINANCIAL SECTION OF THIS REPORT**

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 14-16) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (see pages 14-15) is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources management focus.

The Statement of Activities (see page 16) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the City's basic services, including police, fire fighting, public works, community development and administration. Shared state sales and income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Sewer), where the fee for the service typically covers all or most of the cost of operation, including depreciation.

**Fund Financial Statements**

The Governmental Funds (see pages 17-20) presentation is presented on a sources and uses of liquid resources basis (modified accrual). This is the manner in which the financial plan (the budget) is typically developed.

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters' Pension, see page 25-26). While this fund represents trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-Type Fund Financial Statements (see pages 21-24) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 18 and 20). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and other liabilities) into the Governmental Activities column (in the Governmental-wide financial statements).

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Assets**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$2.87 million as of April 30, 2009.

A significant portion of the City's net assets reflects its investment in capital assets (i.e., land, storm sewers, water mains, streets, sidewalks and bridges, building and improvements). The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The following reflects the condensed Statement of Net Assets. For more detailed information see the Statement of Net Assets (pages 14-15).

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Government-Wide Financial Statements (continued)**

**Table 1  
Statement of Net Assets  
As of April 30, 2009**

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$ 22,287,148	\$ 1,327,310	\$ 23,614,458
Capital Assets, net	46,933,726	1,842,367	48,776,093
<b>Total Assets</b>	<b>\$ 69,220,874</b>	<b>\$ 3,169,677</b>	<b>\$ 72,390,551</b>
Current Liabilities	\$ 12,378,385	\$ 263,159	\$ 12,641,544
Noncurrent Liabilities	56,883,211	-	56,883,211
<b>Total Liabilities</b>	<b>\$ 69,261,596</b>	<b>\$ 263,159</b>	<b>\$ 69,524,755</b>
Net Assets:			
Invested in Capital Assets, net of related debt	\$ (8,701,274)	\$ 1,842,367	\$ (6,858,907)
Unrestricted	8,660,552	1,064,151	9,724,703
<b>Total Net Assets</b>	<b>\$ (40,722)</b>	<b>\$ 2,906,518</b>	<b>\$ 2,865,796</b>

**Statement of Net Assets  
As of April 30, 2008**

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$ 27,217,463	\$ 2,151,073	\$ 29,368,536
Capital Assets, net	44,184,592	2,010,677	46,195,269
<b>Total Assets</b>	<b>\$ 71,402,055</b>	<b>\$ 4,161,750</b>	<b>\$ 75,563,805</b>
Current Liabilities	\$ 16,327,553	\$ 458,864	\$ 16,786,417
Noncurrent Liabilities	48,621,809	-	48,621,809
<b>Total Liabilities</b>	<b>\$ 64,949,362</b>	<b>\$ 458,864</b>	<b>\$ 65,408,226</b>
Net Assets:			
Invested in Capital Assets, net of related debt	\$ 6,465,133	\$ 2,010,677	\$ 8,475,810
Unrestricted	(12,440)	1,692,209	1,679,769
<b>Total Net Assets</b>	<b>\$ 6,452,693</b>	<b>\$ 3,702,886</b>	<b>\$ 10,155,579</b>



**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Government-Wide Financial Statements (continued)**

**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

**Net Results of Activities** – which will impact (increase/decrease) current assets and unrestricted net assets.

**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 in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

**Spending of Non-borrowed Current Assets on New Capital** – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Reduction of Capital Assets through Depreciation** – which will reduce capital assets and invested in capital assets, net of debt.

**Current Year Impacts**

The City's combined net assets decreased from \$10.16 million to \$2.87 million during fiscal year 2009. Of this \$7.29 million decrease, \$6.49 million is attributable to governmental activities and \$.80 million related to business-type activities. The decrease is attributable to an increase in governmental activity expenses.

**Analysis of Changes in Net Assets**

The following chart compares the revenue and expenses for the current and prior fiscal year.

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Government-Wide Financial Statements (continued)**

**Table 2  
Changes in Net Assets  
For the Fiscal Year Ended April 30, 2009**

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 4,936,569	\$ 3,232,046	\$ 8,168,615
Operating Grants and Contributions	1,045,834	-	1,045,834
General Revenues			
Property Taxes	17,408,140	-	17,408,140
Other Taxes	5,608,376	-	5,608,376
Investment Income	312,470	15,975	328,445
Miscellaneous	288,302	-	288,302
<b>Total Revenues</b>	<b>29,599,691</b>	<b>3,248,021</b>	<b>32,847,712</b>
<b>EXPENSES</b>			
General Government	19,381,905	-	19,381,905
Public Safety	12,517,999	-	12,517,999
Public Works	1,910,528	3,795,330	5,705,858
Interest Expense	2,531,733	-	2,531,733
<b>Total Expenses</b>	<b>36,342,165</b>	<b>3,795,330</b>	<b>40,137,495</b>
<b>EXCESS REVENUES (EXPENSES)</b>	<b>(6,742,474)</b>	<b>(547,309)</b>	<b>(7,289,783)</b>
Transfers in (out)	249,059	(249,059)	-
<b>CHANGE IN NET ASSETS</b>	<b>(6,493,415)</b>	<b>(796,368)</b>	<b>(7,289,783)</b>
<b>BEGINNING NET ASSETS</b>	<b>6,452,693</b>	<b>3,702,886</b>	<b>10,155,579</b>
<b>ENDING NET ASSETS</b>	<b>\$ (40,722)</b>	<b>\$ 2,906,518</b>	<b>\$ 2,865,796</b>

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

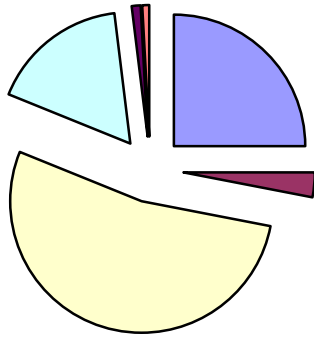
**Government-Wide Financial Statements (continued)**

**Changes in Net Assets  
For the Fiscal Year Ended April 30, 2008**

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 3,856,693	\$ 3,235,077	\$ 7,091,770
Operating Grants and Contributions	871,275	-	871,275
General Revenues			
Property Taxes	10,295,479	-	10,295,479
Other Taxes	6,396,591	-	6,396,591
Investment Income	346,822	51,681	398,503
Miscellaneous	368,457	-	368,457
<b>Total Revenues</b>	<b>22,135,317</b>	<b>3,286,758</b>	<b>25,422,075</b>
<b>EXPENSES</b>			
General Government	17,949,370	-	17,949,370
Public Safety	11,093,016	-	11,093,016
Public Works	2,302,998	3,575,451	5,878,449
Interest Expense	1,377,287	-	1,377,287
<b>Total Expenses</b>	<b>32,722,671</b>	<b>3,575,451</b>	<b>36,298,122</b>
<b>EXCESS REVENUES (EXPENSES)</b>	<b>(10,587,354)</b>	<b>(288,693)</b>	<b>(10,876,047)</b>
Transfers in (out)	248,792	(248,792)	-
<b>CHANGE IN NET ASSETS</b>	<b>(10,338,562)</b>	<b>(537,485)</b>	<b>(10,876,047)</b>
<b>BEGINNING NET ASSETS</b>	<b>16,791,255</b>	<b>4,240,371</b>	<b>21,031,626</b>
<b>ENDING NET ASSETS</b>	<b>\$ 6,452,693</b>	<b>\$ 3,702,886</b>	<b>\$ 10,155,579</b>

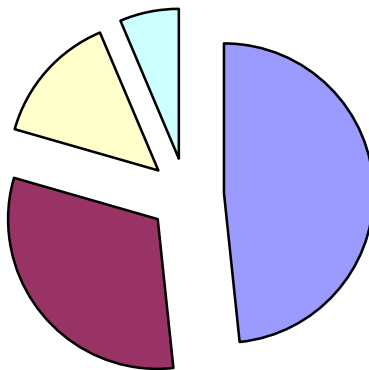
Government-Wide Financial Statements (continued)

### 2009 Governmental Activities Revenue



■ Charges for Services   ■ Operating Grants   ■ Property Taxes  
■ Other Taxes   ■ Investment Income   ■ Miscellaneous

### 2009 Governmental Activities Expenditures



■ General Government   ■ Public Safety   ■ Public Works   ■ Interest

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Government-Wide Financial Statements (continued)**

There are eight basic impacts on revenues and expenses as reflected below:

*Normal Impacts*

**Revenues:**

**Economic Condition** – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income and sales tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**Increase/Decrease in City Council approved rates** – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment Income** – the City's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

**Expenses:**

**Introduction of New Programs** – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** – changes in service demand may cause the City Council to increase/decrease authorized staffing.

**Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

**Inflation** – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as contractual services, supplies, fuel and water. Some functions may experience unusual commodity specific increases.

**Current Year Impacts**

**Revenues:**

For the fiscal year ended April 30, 2009, revenues from all activities totaled \$31.8 million. The City has a very diversified revenue structure and depends on several key revenue sources to help pay for the services it provides.

While the City's property tax revenues increased \$7.1 million, its tax rate per \$100 of equalized assessed valuation (EAV) increased from to \$3.7392 to \$5.3933. The 2008 EAV (used by Cook County in calculating 2008 tax levy bills) increased by 8% to \$302.1 million from \$279.7 million for the 2007 levy year.

Total taxes increased from a combined total of \$16,692,071 in 2008 to a combined total of \$23,016,516 in 2009. In FY2009, these revenue sources accounted for 77.76% of the governmental activities revenue.

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Government-Wide Financial Statements (continued)**

Charges for services increased in the current year due to a significant increase in revenue earned at the City's Amphitheater. The total revenue earned by the Amphitheater includes ticket sales, parking fees, sponsorships and food/drink ticket sales.

Water and Sewer rates increased 3% during the fiscal year.

**Expenses:**

The City's total expenses for all activities for the year ended April 30, 2009 were \$40.14 million. The General Government activities at \$19.35 million accounted for 44.72% of the total.

The City maintains its own water storage and distribution system. The City provides Lake Michigan water to its customers by purchasing its water supply through a contract with the City of Oak Lawn. The water and sewer functions accounted for approximately 66.52% of the total Public Works activities. The remaining public works activities relate to maintaining the City's streets.

Public safety expenses related to the operations of the Police and Fire Departments accounted for approximately \$12.44 million or 31.19% of the total expenses.

The cost of providing employee benefits continued to increase and represents a significant factor in the overall cost increase over prior year.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds**

At April 30, 2009, the governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$11.1 million. Expenditures and other financing uses exceeded revenues and other financing sources in the fiscal year by \$761,404. This is mainly attributable to the capital projects that were completed.

**Major Governmental Funds Highlights**

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased by \$1,252,037 from the FY2008 balance of \$(1,040,702). The General Fund revenues increased by \$5,982,253 (29.8%) and expenditures decreased by \$1,159,137 (3.80%). The revenue increase resulted mostly from an increase in property taxes, as well as additional revenue from the Amphitheater. The reason for the decrease in expenditures resulted from departmental cost reductions, as well as reductions in capital outlay.

**General Fund Budgetary Highlights**

For each fiscal year, management prepares a budget for approval by the City Council. When needed, year-end budget adjustments are also made in order to provide formal spending authority for activity that took place during the year that was not anticipated when the original budget document was prepared. There were no budget adjustments for the FY2009. The table below highlights the original budget and the actual for the revenues and expenditures for the General Fund.

**Table 3  
General Fund Budgetary Highlights**

	Original and Final Budgets (in 000s)	Actual (in 000s)
<b>Revenues and financing sources</b>		
Property Taxes	\$ 12,300	\$ 14,898
Other Taxes	4,757	3,996
All Other	8,909	7,163
Other Financing Sources	-	7,063
<b>Total Revenues</b>	<b>25,966</b>	<b>33,120</b>
<b>Expenditures and financing uses</b>		
Expenditures	30,635	29,828
Financing Uses	-	2,040
<b>Total Expenditures</b>	<b>30,635</b>	<b>31,868</b>
<b>Changes in Fund Balance</b>	<b>\$ (4,669)</b>	<b>\$ 1,252</b>

**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Financial Analysis of the City's Funds (continued)**

One item that affects both the General Fund revenue and expenditures is the pension contribution to the Police and Fire Pension Funds, which amounts to \$1,127,474. Both the property taxes and Public Safety expenditure include this amount for financial statement purposes.

**Capital Assets**

At the end of the fiscal year 2009, the City had a combined total of capital assets of \$48.78 million (after accumulated depreciation of \$36.65 million) invested in a broad range of capital assets including land, building and improvements, equipment, streets, sidewalks, bridges, water mains and sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of \$2.58 million from the prior year balances.

**Table 4  
Total Capital Assets at Year-End  
Net of Depreciation**

	Balance May 1, 2008 (in 000s)	Net Additions/Deletions (in 000s)	Balance April 30, 2009 (in 000s)
Land/Right of Way	\$ 9,943	\$ -	\$ 9,943
Land and Leasehold Improvements	1,270	563	1,833
Buildings	16,613	2,179	18,792
Vehicles and Equipment	2,167	132	2,299
Roads, Sidewalks	5,025	(76)	4,949
Street Lights	535	(35)	500
Storm Drains and Culverts	2,740	(218)	2,522
Water Storage and Distribution	940	(84)	856
Sanitary Sewer Lines	562	(57)	505
Water Pumping and Meters	214	(19)	195
Construction	6,186	197	6,383
<b>Total Capital Assets, net</b>	<b>\$ 46,195</b>	<b>\$ 2,582</b>	<b>\$ 48,777</b>

The Governmental Activities net capital assets increased over the previous fiscal year by \$2.75 million (6.22%). For the Business-Type Activities, the net capital assets decreased by \$.17 million (8.37%). These decreases were mainly due to depreciation on existing capital assets while having limited new acquisitions.

**Debt Outstanding**

The City has \$56.17 million of general obligation bonds outstanding as of April 30, 2009. See Note 7 for details on these outstanding obligations. During the year, the City issued \$8.77 million of bonds and retired \$.515 million of outstanding general obligation bonds. Being a "home-rule" governmental unit, the City is not subject to a legal debt limit.



**CITY OF COUNTRY CLUB HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Pensions**

The City is managing increasing levels of costs to fund its Police, Firefighters and IMRF pension funds. As the City continues to grow and the number of employees increase, that cost will grow as well. The City is currently looking at managing the unfunded status to result in a higher funded status.

**Economic Factors**

The City's property tax base consists mainly of residential property. Property taxes imposed on property within the City's corporate limits provide a stable revenue source. The City continues to market the City for new commercial and industrial growth.

The financial condition of the Federal and State governments has had a dramatic effect on the City of Country Club Hills during 2009 and is expected to continue into 2010. Grant assistance is extremely competitive and previously reliable state shared revenues (especially the income tax and use tax) have been materially reduced. The City will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments rebound from their financial problems.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Alison Brothen, Finance Director, City of Country Club Hills, 4200 W. 183<sup>rd</sup> Street, Country Club Hills, IL 60478.

## **Basic Financial Statements**

**Government-Wide Financial Statements**

**City of Country Club Hills, Illinois**

**Statement of Net Assets**

**April 30, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 11,522,214	\$ 853,768	\$ 12,375,982
Receivables:			
Property taxes	8,656,976	-	8,656,976
Intergovernmental	171,945	-	171,945
Accounts, customers, net of allowance for doubtful accounts of \$35,000	-	554,306	554,306
Other	1,720,050	-	1,720,050
Due from fiduciary funds	135,199	-	135,199
Internal balances	80,764	(80,764)	-
<b>Total current assets</b>	<b>22,287,148</b>	<b>1,327,310</b>	<b>23,614,458</b>
Capital assets, not being depreciated	16,172,282	153,874	16,326,156
Capital assets, net of accumulated depreciation	30,761,444	1,688,493	32,449,937
<b>Total noncurrent assets</b>	<b>46,933,726</b>	<b>1,842,367</b>	<b>48,776,093</b>
 Total assets	 <b>\$ 69,220,874</b>	 <b>\$ 3,169,677</b>	 <b>\$ 72,390,551</b>

See Notes to Financial Statements.

**City of Country Club Hills, Illinois**

**Statement of Net Assets - Continued**

**April 30, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Line of credit	\$ 1,000,000	\$ -	\$ 1,000,000
Accounts payable	878,670	145,398	1,024,068
Accrued payroll	220,173	17,007	237,180
Deferred revenue	8,323,896	-	8,323,896
Deposits	662,405	77,398	739,803
Compensated absences	426,574	23,356	449,930
Installment purchase contracts	286,479	-	286,479
General obligation bonds	535,000	-	535,000
Other liabilities	45,188	-	45,188
<b>Total current liabilities</b>	<u>12,378,385</u>	<u>263,159</u>	<u>12,641,544</u>
Noncurrent			
Pollution remediation obligation	98,000	-	98,000
Net pension liability	244,204	-	244,204
Net other post-employment obligation	149,817	-	149,817
Installment purchase contracts	800,316	-	800,316
Unamortized discount/premium	(44,126)	-	(44,126)
General obligation bonds	55,635,000	-	55,635,000
<b>Total noncurrent liabilities</b>	<u>56,883,211</u>	<u>-</u>	<u>56,883,211</u>
Total liabilities	<u>69,261,596</u>	<u>263,159</u>	<u>69,524,755</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	(8,701,274)	1,842,367	(6,858,907)
Unrestricted	8,660,552	1,064,151	9,724,703
Total net assets	<u>\$ (40,722)</u>	<u>\$ 2,906,518</u>	<u>\$ 2,865,796</u>

See Notes to Financial Statements.

City of Country Club Hills, Illinois

Statement of Activities  
Year Ended April 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities						
General government	\$ 19,345,771	\$ 4,936,569	\$ 427,169	\$ (13,982,033)	\$ -	\$ (13,982,033)
Public safety	12,441,134	-	618,665	(11,822,469)	-	(11,822,469)
Public works	2,023,527	-	-	(2,023,527)	-	(2,023,527)
Interest expense	2,531,733	-	-	(2,531,733)	-	(2,531,733)
Total governmental activities	36,342,165	4,936,569	1,045,834	(30,359,762)	-	(30,359,762)
Business-type activities						
Water and sewer	3,795,330	3,232,046	-	-	(563,284)	(563,284)
Total	\$ 40,137,495	\$ 8,168,615	\$ 1,045,834	(30,359,762)	(563,284)	(30,923,046)
General revenues						
Taxes:						
Property				17,408,140	-	17,408,140
Replacement				28,385	-	28,385
Sales and use				2,362,088	-	2,362,088
Income				1,443,687	-	1,443,687
Utility				1,432,927	-	1,432,927
Other				341,289	-	341,289
Investment income				312,470	15,975	328,445
Miscellaneous				288,302	-	288,302
Transfers in (out)				249,059	(249,059)	-
Total general revenues				23,866,347	(233,084)	23,633,263
Change in net assets				(6,493,415)	(796,368)	(7,289,783)
Net assets - May 1, 2008				6,452,693	3,702,886	10,155,579
Net assets - April 30, 2009				\$ (40,722)	\$ 2,906,518	\$ 2,865,796

See Notes to Financial Statements.

## **Fund Financial Statements**

City of Country Club Hills, Illinois

Balance Sheet - Governmental Funds  
April 30, 2009

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and equivalents	\$ 4,075,584	\$ 5,047,072	\$ 746,159	\$ 1,633,399	\$ 11,502,214
Receivables					
Property taxes	7,797,509	-	859,467	-	8,656,976
Other:					
Sales and local taxes	624,745	-	-	-	624,745
Replacement taxes	4,884	-	-	-	4,884
Franchise fees	12,049	-	-	-	12,049
Garbage collection	231,373	-	-	-	231,373
Illinois income tax	423,578	-	-	-	423,578
Circuit court fines	5,717	-	-	-	5,717
Utility tax	267,890	-	-	-	267,890
Motor fuel tax allotments	-	-	-	32,288	32,288
Intergovernmental	167,299	-	-	4,646	171,945
Prepaid items	95,500	-	-	-	95,500
Due from other funds	610,088	2,207,135	1,510,235	33,175	4,360,633
<b>Total assets</b>	<b>\$ 14,316,216</b>	<b>\$ 7,254,207</b>	<b>\$ 3,115,861</b>	<b>\$ 1,703,508</b>	<b>\$ 26,389,792</b>
<b>Liabilities</b>					
Accounts payable	\$ 799,935	\$ -	\$ -	\$ 56,565	\$ 856,500
Accrued payroll	220,173	-	-	-	220,173
Bank loan payable	1,000,000	-	-	-	1,000,000
Refundable deposits	662,405	-	-	-	662,405
Deferred revenue	7,500,092	-	823,804	-	8,323,896
Due to other funds	3,898,879	-	-	245,791	4,144,670
Other liabilities	23,397	-	21,791	-	45,188
<b>Total liabilities</b>	<b>14,104,881</b>	<b>-</b>	<b>845,595</b>	<b>302,356</b>	<b>15,252,832</b>
<b>Fund Balances</b>					
Reserved for debt service	-	-	2,270,266	-	2,270,266
Unreserved (deficits):					
General fund	211,335	-	-	-	211,335
Special revenue funds	-	-	-	402,027	402,027
Capital projects funds	-	7,254,207	-	999,125	8,253,332
<b>Total fund balances</b>	<b>211,335</b>	<b>7,254,207</b>	<b>2,270,266</b>	<b>1,401,152</b>	<b>11,136,960</b>
Total liabilities and fund balances	\$ 14,316,216	\$ 7,254,207	\$ 3,115,861	\$ 1,703,508	\$ 26,389,792

See Notes to Financial Statements.



**City of Country Club Hills, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2009**

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Total fund balances-governmental funds	\$ 11,136,960
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Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,933,726
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Some liabilities reported in the Statement of Net Assets do not  
require the use of current financial resources and, therefore, are  
not reported as liabilities in governmental funds. These  
activities consist of:

Compensated absences	(426,574)
Net pension liability	(244,204)
Net other post-employment obligation	(149,817)
Installment purchase contracts	(1,086,795)
Pollution remediation obligation	(98,000)
Unamortized bond issuance costs and premiums	44,126
General obligation bonds	(56,170,000)

A portion of the net assets of the internal service funds are included in the governmental activities in the Statement of Net Assets	<u>19,856</u>
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Net assets of governmental activities	<u><u>\$ (40,722)</u></u>
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See Notes to Financial Statements.

City of Country Club Hills, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2009

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Program:					
Charges for services	\$ 2,817,718	\$ -	\$ -	\$ -	\$ 2,817,718
Licenses and permits	724,070	-	-	-	724,070
Intergovernmental	1,927,983	-	-	561,538	2,489,521
Fines and fees	451,096	-	-	-	451,096
General:					
Property taxes	14,897,649	-	1,566,363	944,128	17,408,140
Other taxes	3,995,933	-	-	168,756	4,164,689
Registration fees	943,685	-	-	-	943,685
Investment income	11,414	290,240	-	10,816	312,470
Miscellaneous	288,302	-	-	-	288,302
Total revenues	26,057,850	290,240	1,566,363	1,685,238	29,599,691
Expenditures					
Current:					
Legislative services	398,971	-	-	-	398,971
Executive services	332,021	-	-	-	332,021
Administrative services	6,339,439	-	-	-	6,339,439
Police department	8,173,609	-	-	74,212	8,247,821
Fire department	2,389,732	-	-	-	2,389,732
Building	966,700	-	-	-	966,700
Legal services	280,970	-	-	-	280,970
Public works department	2,023,527	-	-	-	2,023,527
Boards and commissions	115,420	-	-	-	115,420
Public relations	666,872	-	-	-	666,872
Ground maintenance	1,450,314	-	-	-	1,450,314
Oak room	89,126	-	-	-	89,126
Motor fuel tax projects	-	-	-	908,178	908,178
Community development services	-	-	-	62,946	62,946
Emergency preparedness	17,122	-	-	-	17,122
Parks and recreation	1,211,929	-	-	-	1,211,929
Garbage	1,008,312	-	-	-	1,008,312
Amphitheater	3,531,864	-	-	-	3,531,864
Capital outlay	79,581	5,767,351	-	529,172	6,376,104
Debt service:					
Principal	547,012	-	382,182	132,819	1,062,013
Bond issuance costs	-	279,056	-	-	279,056
Interest and fiscal charges	205,908	-	2,251,730	66,870	2,524,508
Total expenditures	29,828,429	6,046,407	2,633,912	1,774,197	40,282,945
Excess (deficiency) of revenues over expenditures	(3,770,579)	(5,756,167)	(1,067,549)	(88,959)	(10,683,254)
Other financing sources (uses)					
Bond/installment contract issuance	858,763	8,765,000	-	-	9,623,763
Bond premium	-	49,028	-	-	49,028
Transfers in	6,204,059	-	2,633,912	-	8,837,971
Transfers (out)	(2,040,206)	(6,543,706)	-	(5,000)	(8,588,912)
Total other financing sources (uses)	5,022,616	2,270,322	2,633,912	(5,000)	9,921,850
Change in fund balance	1,252,037	(3,485,845)	1,566,363	(93,959)	(761,404)
Fund balances - May 1, 2008	(1,040,702)	10,740,052	703,903	1,495,111	11,898,364
Fund balances - April 30, 2009	\$ 211,335	\$ 7,254,207	\$ 2,270,266	\$ 1,401,152	\$ 11,136,960

See Notes to Financial Statements.

## City of Country Club Hills, Illinois

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended April 30, 2009

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Net change in fund balances-total governmental funds	\$ (761,404)
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Amounts reported for governmental activities in the Statement of  
Activities are different because:

Governmental funds report capital outlays as expenditures while  
governmental activities report depreciation expense to allocate  
those expenditures over the lives of the assets.

Capital outlay	4,990,796
Depreciation	(2,241,662)

Repayment of principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the  
Statement of Net Assets.

1,062,012
-----------

Installment purchase contract proceeds is another financing source in the government  
funds, but increased long-term liabilities in the statement of net assets.

(858,763)
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Bond proceeds is another financing source in the government  
funds, but increased long-term liabilities in the statements of net assets.

(8,765,000)
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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:

Compensated absences	(39,566)
Net pension liability	103,616
Net other post-employment obligation	(149,817)
Pollution remediation obligation	(98,000)
Issuance costs	279,056
Bond premium	(49,028)
Amortization of bond issuance costs and premiums	(7,225)

The change in net assets of certain activities of internal service funds,  
excluding depreciation, is included in governmental activities

<u>41,570</u>
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Change in net assets of governmental activities

<u>\$ (6,493,415)</u>
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See Notes to Financial Statements.

City of Country Club Hills, Illinois

Statement of Net Assets - Proprietary Funds  
Year Ended April 30, 2009

	Business-Type Activities Enterprise Fund Water and Sewer Fund	Governmental Activities Internal Service Fund Risk Management Fund
<b>Assets</b>		
Current		
Cash and equivalents	\$ 853,768	\$ 20,000
Receivables:		
Accounts, net of allowance for doubtful accounts of \$35,000	554,306	-
Other	-	22,026
<b>Total current assets</b>	<u>1,408,074</u>	<u>42,026</u>
Noncurrent		
Capital assets not being depreciated		
Construction in progress	153,874	-
Capital assets (net of accumulated depreciation)		
Water storage and distribution	854,698	-
Sanitary sewer lines	506,102	-
Water pumping	194,527	-
Equipment, vehicles and office furniture and fixtures	133,166	-
<b>Total noncurrent assets</b>	<u>1,842,367</u>	<u>-</u>
Total assets	<u>\$ 3,250,441</u>	<u>\$ 42,026</u>
<b>Liabilities</b>		
Current		
Accounts payable	\$ 145,398	\$ 22,170
Accrued payroll	17,007	-
Deposits	77,398	-
Compensated absences	23,356	-
Due to other funds	80,764	-
<b>Total liabilities</b>	<u>343,923</u>	<u>22,170</u>
<b>Net Assets</b>		
Invested in capital assets	1,842,367	-
Unrestricted	1,064,151	19,856
Total net assets	<u>\$ 2,906,518</u>	<u>\$ 19,856</u>

See Notes to Financial Statements.

City of Country Club Hills, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds  
Year Ended April 30, 2009

	Business-Type Activities Enterprise Fund Water and Sewer Fund	Governmental Activities Internal Service Fund Risk Management Fund
Operating revenues		
Charges for services	\$ 3,232,046	\$ 245,819
Operating expenses		
Operations	3,564,252	-
Claims and insurance	-	204,249
Depreciation	231,078	-
<b>Total operating expenses</b>	<b>3,795,330</b>	<b>204,249</b>
<b>Operating income (loss)</b>	<b>(563,284)</b>	<b>41,570</b>
Nonoperating revenues		
Investment income	15,975	-
<b>Income (loss) before transfers</b>	<b>(547,309)</b>	<b>41,570</b>
Transfers out	(249,059)	-
<b>Net income (loss)</b>	<b>(796,368)</b>	<b>41,570</b>
Net assets - May 1, 2008	3,702,886	(21,714)
Net assets - April 30, 2009	\$ 2,906,518	\$ 19,856

See Notes to Financial Statements.

**City of Country Club Hills, Illinois**

**Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2009**

	Business-Type Activities Enterprise Fund Water and Sewer Fund	Governmental Activities Internal Service Fund Risk Management Fund
Cash flows from operating activities		
Cash received from residents for services	\$ 3,180,214	\$ -
Receipts from internal service transactions	-	223,793
Payments to employees	(768,633)	-
Payments to suppliers	(3,002,691)	(192,367)
Net cash provided by (used in) operating activities	<u>(591,110)</u>	<u>31,426</u>
Cash flows from noncapital financing activities		
Decrease in due from other funds	2,232	-
Increase (decrease) in due to other funds	80,764	(11,426)
Net cash flows provided by (used in) noncapital financing activities	<u>82,996</u>	<u>(11,426)</u>
Cash flows from investing activities		
Cash receipts from interest income	575,457	-
Purchases of equipment	(62,768)	-
Operating transfers out	(249,059)	-
Net cash flows provided by investing activities	<u>263,630</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	(244,484)	20,000
Cash and equivalents - May 1, 2008	<u>1,098,252</u>	<u>-</u>
Cash and equivalents - April 30, 2009	<u>\$ 853,768</u>	<u>\$ 20,000</u>

(continued)

**City of Country Club Hills, Illinois**

**Statement of Cash Flows – Proprietary Funds - Continued**  
**Year Ended April 30, 2009**

	Business-Type Activities Enterprise Fund Water and Sewer Fund	Governmental Activities Internal Service Fund Risk Management Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (563,284)	\$ 41,570
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	231,078	-
Changes in assets and liabilities:		
Accounts receivable	(63,199)	-
Other receivable	-	(22,026)
Accounts payable	(204,856)	11,882
Accrued liabilities	(2,375)	-
Compensated absences	159	-
Other liabilities	11,367	-
Total adjustments	(27,826)	(10,144)
Net cash provided by (used in) operating activities	\$ (591,110)	\$ 31,426

See Notes to Financial Statements.

**City of Country Club Hills, Illinois**

**Statement of Fiduciary Net Assets**

**Pension Trust Funds**

**April 30, 2009**

	Total
<b>Assets</b>	
Cash and equivalents	\$ 2,539,553
Investments:	
U.S. government and agency obligations	8,664,430
Equity mutual funds	3,541,053
Annuities	26,234
Accrued interest	61,340
Prepaid expenses	11,367
Due from other funds	148,334
	<hr/>
Total assets	14,992,311
	<hr/>
<b>Liabilities</b>	
Accounts payable	1,635
Due to other funds	283,533
	<hr/>
Total liabilities	285,168
	<hr/>
<b>Net Assets</b>	
Restricted for pension benefits	\$ 14,707,143
	<hr/> <hr/>

See Notes to Financial Statements.



City of Country Club Hills, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2009

	Total
Additions	
Contributions:	
Employer	\$ 1,127,474
Plan member	714,075
	<u>1,841,549</u>
Investment income:	
Net depreciation in fair value of investments	(1,943,171)
Interest and dividends	564,053
	<u>(1,379,118)</u>
Total additions	<u>462,431</u>
Deductions	
Benefits and refunds	714,131
Administrative expenses	162,640
Total deductions	<u>876,771</u>
<b>Change in net assets</b>	(414,340)
Net assets restricted for employee pension benefits:	
May 1, 2008	<u>15,121,483</u>
April 30, 2009	<u>\$ 14,707,143</u>

See Notes to Financial Statements.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The City of Country Club Hills, Illinois (City), is located in Cook County, Illinois and was first incorporated in 1958 under the provisions of the constitution and general statutes of the State of Illinois. The City operates under a mayor-aldermanic form of government and provides a full range of services including public safety, roads, sanitation, health, social services, education, planning, zoning, and general administrative services.

The accounting policies of the City of Country Club Hills conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

##### *(a) Financial Reporting Entity*

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (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.

Based upon the application criteria, no component units have been included within the reporting entity.

##### *(b) Government-wide and Fund Financial Statements*

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the City. Eliminations have been made to minimize the double-counting of internal activities of the City. The financial activities of the City consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the City's non-fiduciary assets and liabilities with the difference reported in three categories:

**Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** consist of net assets that do not meet the criteria of the two preceding categories.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general government, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, the proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the City's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The City administers the following major governmental funds:

**General Fund** – This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the City and accounted for in the general fund include general government, public safety and public works.

**Capital Projects Fund** – This fund accounts for the City's major construction projects. All activities necessary to undertake and complete these construction projects are accounted for in this fund including administration and contractual services.

**Debt Service Fund** – This fund accounts for the accumulation of resources for, and the payment of, principal, interest and related costs of general long-term debt.

The City administers the following major proprietary fund:

**Water and Sewer Fund** – This fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the City reports the following internal service fund:

**Risk Management Fund** – This fund accounts for the City's self-insured risk management program which includes workers compensation, vehicle insurance coverage and general liability insurance.

The City reports the following fiduciary funds:

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and the Firefighters' Pension Fund.

**Note 1. Summary of Significant Accounting Policies (Continued)**

*(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the City has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

*(d) Assets, Liabilities, and Net Assets or Equity*

**1. Cash and Cash Equivalents**

The City considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### 2. Investments

Investments are reported at fair value. Fair value is based on quoted market prices, except for annuity contracts which are carried at contract value which approximates fair value.

##### 3. Interfund Receivables, Payables and Activity

The City has the following types of transactions between funds:

*Loans*—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

*Reimbursements*—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

*Transfers*—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

##### 4. Capital Assets

Capital assets which include land, streets and bridges, buildings, storm sewers, sanitary sewers, water mains and vehicles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Land improvements	15 years
Vehicles	3 - 5 years
Equipment	5 years
Buildings	40 years
Roads	40 years
Sidewalks	40 years
Storm drainage	40 years
Streetlights	40 years
Culverts	40 years
Water storage and distribution	10 - 40 years
Sanitary sewer lines	40 years
Water pumping	10 - 40 years
Meters	15 years

Gains or losses from sales or retirements of capital assets are included in operations on the Statement of Activities.

#### 5. Deferred Revenue

The City defers revenue recognition in connection with resources that have been received or are receivable, but not yet earned.

#### 6. Compensated Absences

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

#### 7. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs or gains or losses on bond sales, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs or gains or losses on bond sales, during the year the bonds are sold. 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.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

**8. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

**9. Capital Contributions**

Capital contributions reported in the governmental and business-type activities represent capital assets donated from outside parties, principally developers.

**10. Elimination and Reclassification**

In the process of aggregating data for the Government-Wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the Fund Financial Statements are eliminated or reclassified.

*(e) Accounting Estimates*

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

**Note 2. Stewardship, Compliance and Accountability**

**(a) Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- i. The City Manager submits to the City Council a proposed operating budget ordinance, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget ordinance includes proposed expenditures and the means of financing them.
- ii. Public hearings are conducted by the City to obtain taxpayer comments.
- iii. Subsequently, the budget is legally enacted through passage of an ordinance.
- iv. Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and capital projects funds.

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 2. Stewardship, Compliance and Accountability (Continued)**

- v. Budgets for the general, special revenue, debt service and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- vi. Budgetary authority lapses at year-end.
- vii. State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require City Council approval. Legal budgetary control is maintained at fund level.
- viii. Budgeted amounts are as originally adopted.

**b) Budget Overexpenditures**

The following governmental funds overexpended their budget for the year ended April 30, 2009

	Budget		Actual
Nonmajor Funds			
Motor Fuel Tax	\$ 556,500	\$	908,178

**(c) Deficit Fund Balances**

As of April 30, 2009 the following fund had a deficit fund balance:

	Amount	Intended Financing
Nonmajor Governmental Funds:		
Community Development Block Grant (Special Revenue)	\$ (6,025)	Future grant revenues



## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 3. Deposits and Investments

The City's investment policy is to establish cash management and investment guidelines for City Officials responsible for the stewardship of public funds. The City has established specific objectives to meet their guidelines.

The City deposits and invests all its monies in investments allowed by state statutes. The statutes authorize the City to make deposits in commercial banks and savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may also invest in other investments as allowed by Illinois Compiled Statutes.

##### (a) Deposits

###### *Custodial Credit Risks – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk.

##### (b) Investments

###### *Investments*

As of April 30, 2009 the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Agencies	\$ 8,664,430	\$ 304,178	\$ 3,454,605	\$ 720,749	\$ 4,184,898

*Interest Rate Risk* – The City's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest in investments as allowed by Illinois Compiled Statutes. The City's investment policy follows state statutes.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 3. Deposits and Investments (Continued)

As of April 30, 2009 the City's investments in U.S. Government agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The City's investments in bond mutual funds were not rated.

*Concentration of Credit Risk* – The City's investment policy does not restrict the amount of investments in any one issuer. As of April 30, 2009 more than 5% of the City's investments are in (a) U.S. Government Agencies FNMA (8.5%) and (b) stock equities (7.66%).

*Custodial Credit Risk* – For an investment, this is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. agency securities and annuity contracts are held by the City's agent in the Village's name. The Illinois Funds Investment Pool, Illinois Metropolitan Investment Funds, Mutual Funds, and Money Market Funds are not subject to custodial credit risk. The City's investment policy does not address custodial credit risk for investments.

The City has equity securities totaling \$3,541,053 and annuities totaling \$26,234 as of April 30, 2009 which are not included in the investments above.

The above deposits and investments totaling \$27,127,252 are reported in the financial statements as follows:

Governmental and business-type activities:	
Cash and cash equivalents	<u>\$ 12,375,982</u>
Fiduciary funds:	
Cash and cash equivalents	2,539,553
Investments	<u>12,231,717</u>
	<u>14,771,270</u>
<b>Total</b>	<u><u>\$ 27,147,252</u></u>

#### Note 4. Property Taxes

The City annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the City Council. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about February 1 and September 1, and are payable in two installments which become delinquent on or about March 1 and October 1.

Property taxes are billed, collected and remitted periodically by the County Treasurer of Cook County, Illinois. A reduction for collection losses based on historical collection experience has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year-end is not considered to pay current liabilities and is, therefore, shown as deferred revenue.

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

**Note 5. Capital Assets**

*Governmental Activities*

A summary of the changes in capital assets for governmental activities of the City is as follows:

	Balance, May 1, 2008	Additions	Deletions and Transfers	Balance, April 30, 2009
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,874,826	\$ -	\$ -	\$ 2,874,826
Right of way	7,068,118	-	-	7,068,118
Construction in progress	6,032,655	2,898,342	2,701,659	6,229,338
	<u>15,975,599</u>	<u>2,898,342</u>	<u>2,701,659</u>	<u>16,172,282</u>
Capital assets being depreciated:				
Land improvements	2,223,076	798,888	-	3,021,964
Buildings	18,943,545	2,720,296	-	21,663,841
Equipment	1,588,286	305,097	-	1,893,383
Vehicles	3,447,939	655,085	142,329	3,960,695
Roads	10,956,162	-	-	10,956,162
Sidewalks	5,271,645	282,322	-	5,553,967
Storm drainage	9,382,692	-	-	9,382,692
Streetlights	1,531,103	-	-	1,531,103
Culverts	716,975	-	-	716,975
Leasehold improvements	126,629	32,425	-	159,054
	<u>54,188,052</u>	<u>4,794,113</u>	<u>142,329</u>	<u>58,839,836</u>
Less accumulated depreciation for:				
Land improvements	1,079,089	190,805	-	1,269,894
Buildings	2,330,567	541,596	-	2,872,163
Equipment	577,065	305,259	-	882,324
Vehicles	2,433,359	515,162	142,329	2,806,192
Roads	7,456,228	233,893	-	7,690,121
Sidewalks	3,746,775	124,442	-	3,871,217
Storm drainage	6,659,599	209,669	-	6,869,268
Streetlights	996,142	34,955	-	1,031,097
Culverts	700,235	8,370	-	708,605
Leasehold improvements	-	77,511	-	77,511
	<u>25,979,059</u>	<u>2,241,662</u>	<u>142,329</u>	<u>28,078,392</u>
Total capital assets being depreciated, net	<u>28,208,993</u>	<u>2,552,451</u>	<u>-</u>	<u>30,761,444</u>
Governmental activities capital assets, net	<u>\$ 44,184,592</u>	<u>\$ 5,450,793</u>	<u>\$ 2,701,659</u>	<u>\$ 46,933,726</u>

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

**Note 5. Capital Assets (Continued)**

*Business-Type Activities*

A summary of changes in capital assets for business-type activities of the City is as follows:

	Balance, May 1, 2008	Additions	Deletions	Balance, April 30, 2009
Business-type activities				
Capital assets not being depreciated:				
Construction in progress	\$ 153,874	\$ -	\$ -	\$ 153,874
Capital assets being depreciated:				
Water storage and distribution	5,517,554	-	-	5,517,554
Sanitary sewer lines	2,265,980	-	-	2,265,980
Water pumping	839,660	-	-	839,660
Meters	660,366	-	-	660,366
Equipment, vehicles and office furniture and fixtures	918,795	62,768	-	981,563
	<u>10,202,355</u>	<u>62,768</u>	<u>-</u>	<u>10,265,123</u>
Less accumulated depreciation for:				
Water storage and distribution	4,578,432	84,424	-	4,662,856
Sanitary sewer lines	1,703,228	56,650	-	1,759,878
Water pumping	625,872	19,261	-	645,133
Meters	660,366	-	-	660,366
Equipment, vehicles and office furniture and fixtures	777,654	70,743	-	848,397
	<u>8,345,552</u>	<u>231,078</u>	<u>-</u>	<u>8,576,630</u>
Total capital assets being depreciated, net	<u>1,856,803</u>	<u>(168,310)</u>	<u>-</u>	<u>1,688,493</u>
Total Business-type activities capital assets, net	<u>\$ 2,010,677</u>	<u>\$ (168,310)</u>	<u>\$ -</u>	<u>\$ 1,842,367</u>

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 5. Capital Assets (Continued)**

**Depreciation Charged to Functions / Activities**

Depreciation was charged to functions/activities as follows:

Governmental activities:	
General government	\$ 996,443
Public safety	886,869
Public works	358,351
	<u>\$ 2,241,662</u>
Business-type activities:	
Water and sewer	<u>\$ 231,078</u>

**Note 6. Line of Credit**

The City has an unsecured revolving line-of-credit agreement with Charter One, which provides for borrowings up to \$2,950,000. \$1,000,000 was outstanding under the line-of-credit agreement at April 30, 2009. The line-of-credit agreement expires on December 31, 2009. The interest rate is at 2.57%.

Interest expense of \$205,908 was paid out of the General Fund during the fiscal year ending April 30, 2009.

**Note 7. Long-Term Obligations**

*Governmental Activities*

The following is a summary of long-term obligation activity for the City associated with governmental activities for the year ended April 30, 2009:

	Balance May 1	Additions	Retirements	Balance April 30	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 47,920,000	\$ 8,765,000	\$ (515,000)	\$ 56,170,000	\$ 535,000
Issuance costs and premium/discount	178,677	(230,028)	7,225	(44,126)	-
Installment purchase contracts	775,044	858,763	(547,012)	1,086,795	286,479
Net other post-employment obligation	-	149,817	-	149,817	-
Net pension liability	347,820	-	(103,616)	244,204	-
Pollution remediation obligation	-	98,000	-	98,000	-
Outstanding debt as of					
April 30, 2009	<u>\$ 49,221,541</u>	<u>\$ 9,641,552</u>	<u>\$ (1,158,403)</u>	<u>\$ 57,704,690</u>	<u>\$ 821,479</u>

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 7. Long-Term Obligations (Continued)**

*Debt Service Requirements to Maturity*

Annual debt service requirements to maturity for the City for general obligation bonds are as follows:

Fiscal year	General Obligation Bonds		Installment Purchase Contracts	
	Principal	Interest	Principal	Interest
2009	\$ 515,000	\$ 2,318,600	\$ 84,732	\$ 30,805
2010	535,000	2,497,832	286,479	48,007
2011	555,000	2,577,379	120,234	41,580
2012	890,000	2,556,289	127,036	34,778
2013	920,000	2,521,839	134,234	27,580
2014	1,695,000	2,487,474	76,150	19,961
2015-2019	9,560,000	11,359,394	342,662	41,778
2020-2024	12,585,000	9,046,881	-	-
2025-2029	15,875,000	5,749,849	-	-
2030-2033	13,555,000	1,679,075	-	-
	<u>\$ 56,170,000</u>	<u>\$ 40,476,013</u>	<u>\$ 1,086,795</u>	<u>\$ 213,684</u>

Debt outstanding as of April 30, 2009, consists of the following:

General Obligation Bonds:

A general obligation refunding bond issue dated November 1, 2003 requires annual payments of principal of \$495,000 in 2008, \$515,000 in 2009, \$535,000 in 2010, \$555,000 in 2011, \$575,000 in 2012, and \$180,000 in 2013. Interest is payable at a fixed rate of 3.8%. The General Obligation Bond fund is responsible for 74.21% and the Tax Incremental Finance Bond fund is responsible for 25.79% of this debt. \$ 1,845,000

A general obligation refunding bond issue dated November 1, 2003 requires annual payments of principal of \$415,000 in 2013, \$615,000 in 2014, \$640,000 in 2015, \$660,000 in 2016, \$685,000 in 2017, \$715,000 in 2018 and \$740,000 in 2019. Interest is payable at rates varying from 3.5% to 4.05%. The General Obligation Bond fund is responsible for 74.21% and the Tax Incremental Finance Bond fund is responsible for 25.79% of this debt. 4,470,000

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 7. Long-Term Obligations (Continued)

A general obligation sales tax bond issue dated May 4, 2006 requires annual payments of principal of \$910,000 in 2020, \$955,000 in 2021, \$1,005,000 in 2022, \$1,055,000 in 2023, \$1,105,000 in 2024, \$1,160,000 in 2025, \$1,220,000 in 2026, \$1,280,000 in 2027, \$1,345,000 in 2028, \$1,410,000 in 2029, \$1,475,000 in 2030, \$1,545,000 in 2031 and \$1,625,000 in 2032. Interest is payable at a variable from 4.8% - 5.0%. The General Obligation Bond fund is responsible for this debt. \$ 16,090,000

A general obligation bond issue dated October 22, 2007 requires annual payments of principal of \$740,000 in 2014, \$775,000 in 2015, \$805,000 in 2016, \$840,000 in 2017, \$875,000 in 2018, \$915,000 in 2019, \$950,000 in 2020, \$1,000,000 in 2021, \$1,040,000 in 2022, \$1,090,000 in 2023, \$1,145,000 in 2024, \$1,195,000 in 2025, \$1,250,000 in 2026, \$1,310,000 in 2027, \$1,375,000 in 2028, \$1,445,000 in 2029, \$1,515,000 in 2030, \$1,595,000 in 2031, \$1,675,000 in 2032 and \$3,465,000 in 2033. Interest is payable at a variable from 4.25% - 5.0%. The General Obligation Bond fund is responsible for this debt. 25,000,000

A general obligation bond issue dated April 7, 2009 requires annual payments of principal of \$315,000 in 2012, \$325,000 in 2013, \$340,000 in 2014, \$355,000 in 2015, \$370,000 in 2016, \$380,000 in 2017, \$395,000 in 2018, \$410,000 in 2019, \$425,000 in 2020, \$450,000 in 2021, \$465,000 in 2022, \$485,000 in 2023, \$505,000 in 2024, \$530,000 in 2025, \$550,000 in 2026, \$575,000 in 2027, \$600,000 in 2028, \$630,000 in 2029 and \$660,000 in 2030. Interest is payable at a variable from 4.0% - 4.625%. The General Obligation Bond fund is responsible for this debt. 8,765,000

#### **Total General Obligation Bonds**

8,765,000  
\$ 56,170,000

#### Installment Purchase Contracts:

A master equipment lease-purchase agreement dated September 26, 2007 requires annual payments of principal of \$66,744 in 2009, \$63,210 in 2010, \$66,223 in 2011, \$69,379 in 2012, \$72,686 in 2013, \$76,150 in 2014, \$79,779 in 2015, \$83,582 in 2016, \$87,565 in 2017 and \$91,738 in 2018. Interest is payable at a fixed rate of 4.77%. \$ 690,312

A vehicle lease-purchase agreement dated August 11, 2008 requires an annual payment of principal of \$172,943 in 2010. Interest is payable at a fixed rate of 5.7%. 172,673

A vehicle lease-purchase agreement dated January 15, 2009 requires annual payments of principal of \$50,596 in 2010, \$54,011 in 2011, \$57,657 in 2012 and \$61,548 in 2013. Interest is payable at a fixed rate of 6.75%. 223,810

223,810  
\$ 1,086,795

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 8. Employee Retirement Systems

The City adopted GASB Statement No. 50, *Pension Disclosures, an amendment of GASB Statement Nos. 25 and 27*, as of April 30, 2009.

Substantially all City employees are covered under one of the following employee retirement plans:

#### Illinois Municipal Retirement Fund

*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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy* - As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.63 percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost* - For 2008, the City's annual pension cost of \$478,089 for the regular plan was equal to the City's required and actual contributions.

#### Three-Year Trend Information for the Regular Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 478,089	100%	\$ -
12/31/07	371,275	100%	-
12/31/06	298,963	100%	-

The required contribution was determined as part of the December 31, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increase ranging from 0.4 to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006, valuation was 24 years.



## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### **Note 8. Employee Retirement Systems (Continued)**

*Funded Status and Funding Progress.* As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 58.73 percent funded. The actuarial accrued liability for benefits was \$7,810,284 and the actuarial value of assets was \$5,509,859, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,300,425. The covered payroll (annual payroll of active employees covered by the plan) was \$4,964,577 and the ratio of the UAAL to the covered payroll was 46 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **Defined Benefit Pension Plans for Public Safety Employees**

The information in this section pertaining to the City's Police and Fire pension funds, is based on actuarial valuations performed April 30, 2008. Those actuarial valuations were performed to determine the City's required contributions and annual pension costs for those plans for its fiscal year ended April 30, 2009.

#### **Police Pension**

*Plan Description* - Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The City accounts for the Plan as a pension trust fund. The Plan does not issue separate financial statements.

Membership in the plan consisted of the following as of April 30, 2008 (latest available):

Retirees and beneficiaries receiving benefits	12
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	15
Active nonvested plan members	31
	<hr/>
<b>Total members</b>	<b>59</b>
	<hr/>

*Funding Policy* - Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for fiscal year ended April 30, 2008 was 19.45% of covered payroll. For the fiscal year ended April 30, 2009, the City's contribution was \$913,398.

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 8. Employee Retirement Systems (Continued)**

**Police Pension (Continued)**

*Annual Pension Cost and Net Pension Asset* - At April 30, 2008 (latest available), the City's annual pension cost was \$515,612. The City's actual contribution was \$605,073. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

Annual required contribution (ARC)	\$ 507,833
Interest on net pension liability	26,086
Adjustment to ARC	<u>(18,307)</u>
Annual pension cost	515,612
Contributions made	<u>605,073</u>
Decrease in net pension liability	(89,461)
Net pension liability beginning of year	<u>372,662</u>
Net pension liability end of year	<u><u>\$ 283,201</u></u>

The net pension liability of \$283,201 is also reported by the City in the government-wide Statement of Net Assets at April 30, 2009.

Three-Year Trend Information for the Police Pension

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/08	\$ 515,612	117.40%	\$ 283,201
04/30/07	394,689	-	372,662
04/30/05	395,418	108.00	(22,027)

\*An actuarial valuation report was not performed for the year ended April 30, 2006.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 8. Employee Retirement Systems (Continued)

##### Firefighters' Pension

*Plan Description* - Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The City accounts for the Plan as a pension trust fund. The Plan does not issue separate financial statements.

Membership in the plan consisted of the following as of April 30, 2008 (latest available):

Retirees and beneficiaries receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	1
Active vested plan members	6
Active nonvested plan members	<u>12</u>
<b>Total members</b>	<u><u>22</u></u>

*Funding Policy* - Covered employees are required to contribute 9.45% of their salary to the Firefighters' Pension Plan. The City is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2008 was 17.67% of covered payroll. For the fiscal year ended April 30, 2009, the City's contribution was \$214,076.

*Annual Pension Cost and Net Pension Asset* - At April 30, 2008 (latest available), the City's annual pension cost was \$201,775. The City's actual contribution was \$215,930. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The City's annual pension cost and net pension asset to the Plan for the fiscal year ended April 30, 2008 (latest available), was as follows:

Annual required contribution (ARC)	\$ 202,294
Interest on net pension asset	(1,739)
Adjustment to ARC	<u>1,220</u>
Annual pension cost	201,775
Contributions made	<u>215,930</u>
Increase in net pension asset	(14,155)
Net pension asset beginning of year	<u>(24,842)</u>
Net pension asset end of year	<u><u>\$ (38,997)</u></u>

The net pension asset of \$(38,997) is also reported by the City in the government-wide Statement of Net Assets at April 30, 2009.

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 8. Employee Retirement Systems (Continued)**  
**Firefighters' Pension (Continued)**

Three-Year Trend Information for the Firefighters' Pension

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/2008	\$ 201,775	107.0%	\$ (38,997)
04/30/2006	93,016	109.3	(24,842)
04/30/2005	93,149	106.6	(16,226)

\*An actuarial report was not performed for the year ended April 30, 2007.

**Summary of Significant Accounting Policies and Plan Asset Matters**

The financial statements for the Police and Firefighters' Pension Trust Funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs for the Police and Firefighters' Pension Plans are financed primarily through investment earnings. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

**Funded Status and Funding Progress – Pension Trust Funds**

The funded status of the Police and Firefighter's Pension Plans as of April 30, 2008, the most recent actuarial valuation date, is as follows:

	(1)	(2)	(2)-(1)		(3)	UAAL as a Percentage of Covered Payroll ((2-1)/3)
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	(1)/(2)	Covered Payroll	
Police	\$10,327,587	\$16,746,390	\$6,418,803	61.7%	\$3,110,528	206.4%
Firefighters	4,793,898	6,236,225	1,442,327	76.9%	1,222,020	118.0%

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 8. Employee Retirement Systems (Continued)**

**Funded Status and Funding Progress – Pension Trust Funds (Continued)**

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL's for benefits.

**Significant Actuarial Assumptions**

	<b>Illinois Municipal Retirement</b>	<b>Police Pension</b>	<b>Fire- fighters' Pension</b>
Actuarial Valuation Date	December 31, 2008	April 30, 2008	April 30, 2008
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Method Used to Determine Actuarial Value of Assets	Five-Year Smoothed Market Value	Market Value	Market Value
Amortization Method	Level Percent- age of Projected Payroll-Closed Basis	Level age of Projected Payroll-Closed Basis	Level Percent- age of Projected Payroll-Closed Basis
Amortization Period Remaining	24 years	25 years	25 years
Significant Actuarial Assumptions			
(a) Rate of Return on Investment of Present and Future Assets	7.50% compounded annually	7.00% compounded annually	7.00% compounded annually
(b) Projected Salary Increases - Attributable to Inflation	4.00% compounded annually	5.00% compounded annually	5.00% compounded annually
(c) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 11.6%	(Note - separate information for (b and c) not available)	
(d) Postretirement Benefit Increases	3.00%	3.00%	3.00%

**Note 9. Other Post-Employment Benefits (OPEB)**

The City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of April 30, 2009 on a prospective basis.

Plan Description.

In addition to providing the pension benefits described in Note 8, the City provides post-employment health care benefits (OPEB) for retired employees. The City of Country Club Hills Retiree Health Insurance Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides medical, dental, vision and life insurance benefits to eligible retirees and their dependents. The benefits, benefit levels, employee contributions and employer contributions are governed by the City Board and can only be amended by the City Board. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The City does not issue a Plan financial report.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 9. Other Post-Employment Benefits (OPEB) (Continued)

##### Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Board and are detailed in the "Plan Document and Summary Plan Description." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009, the City contributed \$68,506 to the plan, including \$68,506 for current premiums (approximately 20 percent of total premiums). Plan members receiving benefits contributed \$19,952, or approximately 80 percent of the total premiums, through their required contribution of \$609.82 per month for retiree-only coverage and \$1,273.50 for retiree and dependent coverage for the PPO plan and \$426.95 per month for retiree-only coverage and \$891.62 for retiree and dependent coverage for the HMO plan.

##### Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution (ARC)	\$ 218,323
Interest on net OPEB obligation	-
Adjustment to ARC	-
	<hr/>
Annual OPEB cost	218,323
Contributions made	68,506
	<hr/>
Increase in OPEB obligation	149,817
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u>\$ 149,817</u>

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### Note 9. Other Post-Employment Benefits (OPEB) (Continued)

##### Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation</u>
04/30/2008	\$ 218,323	31.4%	\$ 149,817

##### Funded Status and Funding Progress

As of April 30, 2009, the plan was 100% unfunded. The actuarial accrued liability for benefits was \$3,211,583, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$3,211,583. The covered payroll (annual payroll of active employees covered by the plan) was \$6,760,399, and the ratio of the UAAL to the covered payroll was 47.51 percent.

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

##### Actuarial Methods and Assumptions

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

In the April 30, 2008 actuarial valuation (most recent available), the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return and an annual medical trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent ultimately. The UAAL is being amortized as a level percentage of payroll. The remaining amortization period at April 30, 2008 was 30 years.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### **Note 10. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Intergovernmental Risk Management Agency (IRMA) which is a public entity risk pool. The City pays annual premiums to IRMA for its workers' compensation, general liability and property coverage. The Cooperative agreement provides that IRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of various individually determined limits.

One representative from each member serves on the IRMA board, and each board member has one vote on the board. None of its members have any direct equity interest in IRMA.

The City, along with IRMA's other members, has a contractual obligation to fund any deficit of IRMA attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. There have been no supplemental contributions in any of the past three years.

The City purchases commercial insurance to cover its employees for health and accident claims.

The City has not had significant reductions in insurance coverage in recent years nor did settlements exceed insurance coverage in any of the last three years.

The City adopted GASB Statement No. 49, *Accounting and Financial Reporting by Employers for Pollution Remediation Obligations*, as of April 30, 2009.

Under current environmental protection laws, the City may be ultimately responsible for the environmental remediation of some of its underground storage tanks. The City has developed a preliminary estimate of environmental remediation costs for this site. The estimated costs at April 30, 2009, are \$98,000. As a result of the implementation of GASB Statement No. 49, it was determined that current estimated costs of \$98,000 will be recognized in the long-term liabilities of the government-wide financial statements. This estimate is subject to change as a result of price increases, changes in technology and new laws and regulations. This estimate was generated using the expected cash flows technique. GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. The scope of the document excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset.



**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

**Note 11. Other Fund Disclosures (FFS Level Only)**

Individual fund interfund receivable and payable balances as of April 30, 2009, were as follows:

	Due from	Due to
Major Governmental Funds:		
General:		
Nonmajor governmental:		
Emergency Telephone System	\$ 1,620	\$ -
Community Block Grant	198,027	-
Debt Service	-	1,510,235
Motor Fuel Tax	46,144	-
Tax Incremental Redevelopment Project Area	-	33,175
Major governmental, Capital Projects	-	2,207,135
Major business, Water and Sewer	80,764	-
Fiduciary:		
Police Pension	-	148,334
Fire Pension	283,533	-
Capital Projects:		
General	2,207,135	-
	2,817,223	3,898,879
Major Business-Type Fund:		
Water and Sewer,		
General	-	80,764
Nonmajor Governmental Funds:		
Motor Fuel Tax, General	-	46,144
Community Development Block Grant, General	-	198,027
Emergency Telephone System, General	-	1,620
Tax Incremental Finance Bond, Tax Incremental Redevelopment Project Area	33,175	-
General Obligation Bond, General	1,510,235	-
	1,543,410	245,791
Fiduciary:		
Police Pension,		
General	148,334	-
Fire Pension,		
General	-	283,533
	-	283,533
<b>Total</b>	<b>\$ 4,508,967</b>	<b>\$ 4,508,967</b>

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

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**Note 11. Other Fund Disclosures (FFS Level Only) (Continued)**

Interfund transfers for the year ended April 30, 2009, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 6,204,059	\$ 2,040,206
Capital Projects	-	6,543,706
Water and Sewer	-	249,059
Nonmajor Governmental:		
Debt Service	2,633,912	-
Capital Projects	-	5,000
	<hr/>	<hr/>
Total	<u>\$ 8,837,971</u>	<u>\$ 8,837,971</u>

Transfers are used to a.) move receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to reimburse for certain administrative costs; b.) move receipts restricted to debt service from the fund collecting the receipts to the debt service funds.

**City of Country Club Hills, Illinois**

**Notes to Financial Statements**

**Note 12. Individual Pension Plan Financial Statement Information as of and for the Year Ended April 30, 2009**

**Fiduciary Net Assets:**

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and equivalents	\$ 1,921,577	\$ 617,976	\$ 2,539,553
Investments:			
U.S. government and agency obligations	4,986,241	3,678,189	8,664,430
Equity mutual funds	2,822,396	718,657	3,541,053
Annuities	-	26,234	26,234
Accrued interest	33,875	27,465	61,340
Prepays	11,367	-	11,367
Due from other funds	143,620	4,714	148,334
	<hr/>		
Total assets	9,919,076	5,073,235	14,992,311
<b>Liabilities</b>			
Accounts payable	1,142	493	1,635
Due to other funds	-	283,533	283,533
	<hr/>		
Total liabilities	1,142	284,026	285,168
<hr/>			
<b>Net Assets</b>			
Restricted for pension benefits (Schedules of funding progress for the plans are presented in the required supplementary information section.)	\$ 9,917,934	\$ 4,789,209	\$ 14,707,143
	<hr/> <hr/>		

City of Country Club Hills, Illinois

Notes to Financial Statements

**Note 12. Individual Pension Plan Financial Statement Information as of and for the Year Ended April 30, 2009 (Continued)**

**Changes in Fiduciary Net Assets:**

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 913,398	\$ 214,076	\$ 1,127,474
Plan member	611,231	102,844	714,075
	<u>1,524,629</u>	<u>316,920</u>	<u>1,841,549</u>
Investment income (loss):			
Net depreciation in fair value of investments	(1,646,776)	(296,395)	(1,943,171)
Dividends	93,511	-	93,511
Interest	298,732	171,810	470,542
	<u>(1,254,533)</u>	<u>(124,585)</u>	<u>(1,379,118)</u>
Total additions	<u>270,096</u>	<u>192,335</u>	<u>462,431</u>
<b>Deductions</b>			
Benefits and refunds	573,457	140,674	714,131
Administrative expenses	106,292	56,348	162,640
Total deductions	<u>679,749</u>	<u>197,022</u>	<u>876,771</u>
<b>Change in net assets</b>	<b>(409,653)</b>	<b>(4,687)</b>	<b>(414,340)</b>
Net assets restricted for employee pension benefits:			
May 1, 2008	<u>10,327,587</u>	<u>4,793,896</u>	<u>15,121,483</u>
April 30, 2009	<u>\$ 9,917,934</u>	<u>\$ 4,789,209</u>	<u>\$ 14,707,143</u>

See Notes to Financial Statements.

## City of Country Club Hills, Illinois

### Notes to Financial Statements

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#### **Note 13. New Governmental Accounting Standards**

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will improve financial reporting by reducing inconsistencies that have developed in accounting and financial reporting for intangible assets. This Statement will be effective for the City beginning with its year ending April 30, 2011.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The City is required to implement this Statement for the first fiscal year beginning after April 30, 2011.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these statements on its financial statements.

**Required Supplemental Information (Unaudited)**

**City of Country Club Hills, Illinois**

**Schedule of Funding Progress  
April 30, 2009**

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ 5,509,859	\$ 7,810,284	\$ 2,300,425	70.55 %	\$ 4,964,577	46.34 %
12/31/2007	5,745,291	6,528,548	783,257	88.00	4,093,445	19.13
12/31/2006	5,284,281	5,889,281	605,000	89.73	3,194,052	18.94
12/31/2005	4,438,897	4,567,546	128,649	97.18	2,409,209	5.34
12/31/2004	4,366,184	4,506,859	140,675	96.88	2,177,824	6.46
12/31/2003	4,015,762	3,843,695	(172,067)	104.48	1,918,095	(8.97)

The 2008 actuarial valuation information is based on the assumptions derived from the 2005-2007 experience study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

**City of Country Club Hills, Illinois**

**Schedule of Funding Progress  
Required Supplemental Information  
Police Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Actuarial Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2009	\$ 10,327,587	\$ 16,746,390	\$ 6,418,803	61.7 %	\$ 3,110,528	206.4 %
04/30/2008	*	*	*	*	*	*
04/30/2007	8,795,151	15,556,059	6,760,908	56.5	2,423,623	279.0
04/30/2006	*	*	*	*	*	*
04/30/2005	8,243,955	12,281,433	4,037,478	67.1	1,954,800	206.5
04/30/2004	*	*	*	*	*	*

**Firefighters' Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2009	\$ 4,793,898	\$ 6,236,225	\$ 1,442,327	76.9 %	\$ 1,222,020	118.0 %
04/30/2008	*	*	*	*	*	*
04/30/2007	4,216,478	5,037,029	820,551	83.7	939,256	87.4
04/30/2006	*	*	*	*	*	*
04/30/2005	3,887,055	4,576,261	689,206	84.9	769,782	89.5
04/30/2004	*	*	*	*	*	*

\* - Actuarial valuation reports were not prepared for the years ended April 30, 2008, 2006 or 2004.

Information is presented for all applicable years.



**City of Country Club Hills, Illinois**

**Employer Contributions  
April 30, 2009**

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/2008	\$ 478,089	100%
12/31/2007	371,275	100%
12/31/2006	298,963	100%
12/31/2005	199,241	100%
12/31/2004	149,616	100%
12/31/2003	121,799	100%

**Police Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2009	\$ 507,833	117%
2008	*	*
2007	395,180	0%
2006	*	*
2005	395,180	108%
2004	*	*

**Firefighters' Pension Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2009	\$ 202,294	107%
2008	*	*
2007	93,399	109%
2006	*	*
2005	93,399	106%
2004	*	*

\* Actuarial valuation reports were not prepared for the years ended April 30, 2008, 2006 or 2004.

**City of Country Club Hills, Illinois**

**Other Post-Employment Benefits  
April 30, 2009**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
04/30/2008	\$ -	\$ 3,211,583	\$ 3,211,583	0%	\$ 6,760,399	47.51%

**Employer Contributions**

Fiscal Year Ending	Required Contribution	Percentage Contributed
04/30/2009	\$ 218,323	31.4%

Information is presented for as many years as is available. The City implemented GASB Statement No. 45 in fiscal year 2009.

**City of Country Club Hills, Illinois**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended April 30, 2009**

	Original and Final Budget	Actual
Revenues:		
Taxes:		
Property	\$ 12,300,000	\$ 14,897,649
Sales	2,800,000	2,362,088
Utility	1,550,000	1,432,927
Real estate transfer	375,000	164,785
Personal property replacement	32,100	28,385
Foreign fire insurance	-	7,748
Licenses and fees:		
Vehicle licenses	263,000	243,130
Cablevision fees	145,000	149,502
Other licenses	68,800	67,212
Intergovernmental:		
State income tax	1,600,000	1,443,687
Grants	250,000	484,296
Charges for services:		
Amphitheater	2,937,883	1,608,624
Garbage collection fees	1,025,000	1,016,211
Building permits and zoning board	175,750	80,119
Permits and inspections	162,100	112,764
Registration fees	600,000	943,685
Ambulance service fees	200,000	264,226
Fines and forfeitures,		
Traffic and circuit court fines	440,000	451,096
Interest	700,000	11,414
Reimbursement	7,000	8,152
Miscellaneous	334,000	280,150
<b>Total revenues</b>	<b>25,965,633</b>	<b>26,057,850</b>

(continued)

**City of Country Club Hills, Illinois**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended April 30, 2009**

	Original and Final Budget	Actual
Expenditures:		
Current:		
Legislative services	\$ 407,092	\$ 398,971
Executive services	343,629	332,021
Administrative services	5,064,476	6,339,439
Police department	8,344,650	8,173,609
Fire department	3,798,586	2,389,732
Community development	989,950	966,700
Legal services	209,600	280,970
Public works department	2,550,405	2,023,527
Boards and commissions	141,655	115,420
Public relations	667,658	666,872
Ground maintenance	1,941,746	1,450,314
Oak room	117,854	89,126
Emergency preparedness	125,300	17,122
Parks and recreation	1,291,431	1,211,929
Garbage	1,005,300	1,008,312
Amphitheater	3,213,777	3,531,864
Capital projects	141,000	79,581
Debt service		
Principal	280,600	547,012
Interest	-	205,908
<b>Total expenditures</b>	<u>30,634,709</u>	<u>29,828,429</u>
Excess revenues or (expenditures)	<u>(4,669,076)</u>	<u>(3,770,579)</u>
Other financing sources (uses)		
Installment purchase contract proceeds	-	858,763
Transfers out	-	(2,040,206)
Transfers in	-	6,204,059
Total other financing sources	<u>-</u>	<u>5,022,616</u>
Change in fund balance	<u>\$ (4,669,076)</u>	1,252,037
Fund balance:		
May 1, 2008		<u>(1,040,702)</u>
April 30, 2009		<u>\$ 211,335</u>

**City of Country Club Hills, Illinois**

**Note to Required Supplemental Information**

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**Note 1. Budgetary Basis of Accounting**

The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

## Supplemental Data

City of Country Club Hills, Illinois

Balance Sheet  
General Fund  
April 30, 2009

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**Assets**

Cash and cash equivalents	\$	4,075,584
Receivables:		
Property taxes		7,797,509
Other:		
Sales tax		624,745
Replacement taxes		4,884
Franchise fees		12,049
Garbage collection		231,373
State income tax		423,578
Circuit court fines		5,717
Utility tax		267,890
Intergovernmental		167,299
Prepaid		95,500
Due from other funds		610,088

**Total assets** \$ 14,316,216

**Liabilities and Fund Balance**

Liabilities		
Accounts payable	\$	799,935
Accrued payroll		220,173
Bank loan payable		1,000,000
Deposits		662,405
Deferred revenue		7,500,092
Due to other funds		3,898,879
Other liabilities		23,397

**Total liabilities** 14,104,881

**Fund Balance - Unreserved** 211,335

**Total liabilities and fund balance** \$ 14,316,216

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2009**

	Budget	Actual
Legislative services:		
Personnel services, Alderman	\$ 338,966	\$ 305,897
Other operating expenditures	68,126	62,675
Professional development, personal training and conferences	-	30,399
	<u>407,092</u>	<u>398,971</u>
Executive services:		
Personnel services:		
Mayor	132,561	132,558
Treasurer	38,931	36,770
City Clerk	37,417	35,251
Unemployment compensation		
IMRF	20,118	19,734
FICA	15,982	13,838
Group insurance	8,000	6,546
Operating expenditures:		
Office supplies	1,500	-
Other operating costs	26,400	15,054
Professional development:		
Membership dues and subscriptions	595	210
Personnel training and conferences	50,000	65,936
Dues	12,125	6,124
	<u>343,629</u>	<u>332,021</u>
Administrative services:		
Personnel services:		
Senior Accountant	65,000	59,750
City Manager	127,646	127,593
Payroll/Benefits Coordinator	54,568	56,482
Finance Director	113,197	113,143
Collector	64,697	64,659
Fleet Manager	47,512	46,675
Accounts Pay/Licensing	45,827	45,802
Network administrator	101,682	124,241
Risk Manager	83,200	83,105
Public safety network administrator	48,918	48,699
Administrative clerk	76,653	78,967
Administrative assistants	284,100	295,001
Part-time help	235,000	230,565
Overtime pay	5,000	2,148
Unemployment compensation	6,528	5,602
IMRF	130,294	126,489
FICA	103,504	102,911
Group insurance	238,300	201,221
Operating expenditures:		
Office supplies	20,000	36,299
Books and maps	2,000	767
Postal charges	17,000	18,020
Other operating costs	70,000	68,738
Petroleum products	4,000	3,603
Auto allowance	1,000	483
Motor vehicle maintenance	4,000	-
Clothing - Uniforms	25,000	16,171
Office equipment maintenance	16,900	7,087
Licensing and permit supplies	7,200	6,139
Incentive payments	2,165,000	2,074,167

(continued)



**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2009**

	Budget	Actual
Administrative services: (continued)		
Outside services:		
Other professional services	\$ 75,300	\$ 354,755
Accounting and auditing services	125,000	82,869
Computer maintenance and supplies	40,875	40,698
Advertising	7,500	4,041
Printing	10,000	10,612
Banking fees	3,000	18,241
Telephone and fax	59,000	105,136
Casualty liability	550,000	441,004
Professional development:		
Membership dues and subscriptions	5,175	7,286
Personnel training and conferences	18,500	8,749
Equipment purchases - other	6,400	-
Employer pension contribution	-	1,127,471
Economic development	10,000	24,057
Insurance risk charges	-	69,993
	5,064,476	6,339,439
Police Department:		
Personnel services:		
Chief	114,599	114,510
Commander	187,687	183,835
Detectives	285,209	175,911
Lieutenants	514,374	500,004
Deputy chief	106,812	106,761
Sergeants	605,254	589,943
Patrol officers/detectives	1,517,138	1,700,601
Telecomm operators/supervisor	386,691	456,935
Crossing guards	35,797	30,183
Deputy commander of CSO	174,420	162,214
Full time CSO	236,709	242,714
Police records clerks/supervisor	139,324	142,660
Part-time help	710,000	658,254
Overtime pay	225,000	176,783
Unemployment compensation	28,560	20,689
IMRF	170,591	109,390
FICA	406,425	407,007
Group insurance	849,658	662,216
Canine allowance	-	3,783
Operating expenditures:		
Office supplies	15,500	12,213
Postal charges	12,500	22,154
Petroleum products	100,000	161,017

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Police Department: (continued)		
Operating expenditures: (continued)		
Other operating costs	\$ 17,500	\$ -
Motor vehicle maintenance	116,000	-
Shooting range maintenance	31,500	22,606
Community relations programs	25,700	4,464
Auto allowance	1,000	10,417
Clothing - uniforms	135,325	76,998
Training materials costs	99,000	84,806
Office equipment maintenance	16,500	7,012
Government building maintenance	91,400	7,493
Radio maintenance	62,700	54,261
Insurance risk charges	-	99,227
Workers compensation	75,000	-
Outside services:		
Other professional services	128,282	149,074
Computer maintenance supplies	86,700	80,757
Advertising	1,000	528
Printing	15,000	11,007
Animal control services	7,500	5,333
Telephone and fax	60,800	54,288
Professional development:		
Membership dues and subscriptions	16,145	6,798
Equipment purchases,		
Other equipment	234,350	-
Motor vehicle equipment	301,000	858,763
	8,344,650	8,173,609
Fire Department:		
Personnel services:		
Part-time help	525,000	596,198
Overtime pay	75,000	30,639
Unemployment compensation	12,240	7,595
FICA	58,656	58,453
Group insurance	339,764	175,676
Canine allowance	9,000	7,789
Fire Chief	118,266	118,192
Lieutenants	451,919	167,319
Deputy Chief	91,695	91,646
Assistant Chief	92,196	91,811
Engineer	415,261	224,596
Firefighters	540,779	541,488

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Fire Department: (continued)		
Operating expenditures:		
Office supplies	\$ 10,000	\$ 4,130
Postal supplies	1,200	47
Cleaning supplies	6,000	4,281
Petroleum products	30,000	29,281
Miscellaneous operating expenditures	27,000	15,987
Small tools/equipment	11,000	8,967
Medical/hazardous materials supplies	10,094	5,112
Motor vehicle maintenance	110,400	-
Community relations programs	24,000	10,887
Automobile allowance	700	53
Clothing- uniforms	154,600	31,597
Training material and costs	55,050	21,209
Office equipment and maintenance	5,600	3,016
Radio maintenance	8,000	6,823
Government building maintenance	66,000	49,975
Other repairs/maintenance supply	11,200	-
Insurance risk charges	-	13,455
Outside services:		
Other professional services	41,580	18,445
Computer maintenance supplies	19,000	14,549
Advertising	-	219
Printing	3,500	1,757
Telephone/FAX	35,000	20,755
Professional development:		
Membership dues/subscriptions	12,775	8,906
Personnel training/conferences	21,200	8,879
Equipment purchases:		
Other equipment	112,800	-
Motor vehicle equipment	292,111	-
	3,798,586	2,389,732

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Building		
Personnel services:		
Director of inspectional services	\$ 71,021	\$ 70,434
Building inspector	133,000	109,365
Electrical commissioner	-	27,775
Plumbing commissioner	37,492	23,570
Clerk / Typist	41,652	41,561
Part-time help	32,636	30,770
Unemployment compensation	2,856	1,945
IMRF	33,782	26,398
FICA	26,836	23,409
Group insurance	42,653	39,923
Operating expenditures:		
Office supplies	8,500	11,736
Books and maps	7,450	887
Postal charges	9,000	5,592
Petroleum products	23,000	8,664
Clothing - Uniforms	7,500	2,722
Other operating costs	1,850	(75)
Motor vehicle maintenance	3,000	-
Auto allowance	500	46
Other equipment maintenance	175	-
Insurance risk charges	-	8,352
Outside services:		
Other professional services	120,500	155,664
Computer maintenance supplies	6,400	5,044
Advertising	1,500	1,590
Printing	7,000	2,476
Telephone and fax	10,000	6,942
Inspections	9,420	10,800
Engineer/architectural services	180,000	336,303
Professional development:		
Membership dues and subscriptions	15,227	9,700
Personnel training and conferences	7,000	1,236
Equipment - Other		
Housing Rehabilitation Program	150,000	3,871
	989,950	966,700

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Legal services:		
Outside services:		
Special legal services	\$ 60,000	\$ 39,522
Retainer/city attorney	9,600	9,600
Billable services - Attorney	140,000	231,848
	<u>209,600</u>	<u>280,970</u>
Public Works Department:		
Personnel services:		
Public Works Superintendent	95,977	95,689
Crew leader	37,012	44,513
Director of building maintenance	70,721	31,552
Mechanic/mechanic assistant	44,595	44,578
Laborers	212,739	209,307
Part-time help	130,000	145,735
Overtime pay	35,000	47,534
Unemployment compensation	3,060	2,635
IMRF	38,526	48,363
FICA	40,550	48,004
Group insurance	102,500	106,427
Operating expenditures:		
Office supplies	3,000	4,382
Books and maps	200	835
Chemicals	3,000	91
Cleaning supplies	9,000	12,790
Petroleum products	83,000	51,606
Other operating costs	10,000	17,049
Agricultural supplies	12,000	6,461
Small tools and equipment	29,400	29,808
Sign material and maintenance	20,000	17,486
Storm sewer maintenance	3,000	1,371
Street maintenance and repair	16,300	21,337
Motor equipment supplies	160,000	-
Motor vehicle maintenance	-	-
Clothing - Uniforms	21,100	24,685
Radio maintenance	2,000	1,044
Other repairs and maintenance supplies	200	-
Other equipment maintenance	32,400	-
Street repairs	69,000	91,248
Street light maintenance	65,000	13,232

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)**

**Year Ended April 30, 2009**

	Budget	Actual
Public Works Department: (continued)		
Operating expenditures: (continued)		
Government building maintenance	\$ 222,900	\$ 306,137
Grounds maintenance	353,000	202,454
Storm sewer repairs	87,000	135,534
Insurance risk charges	-	30,954
Outside services:		
Other professional services	208,250	28,861
Computer maintenance and supplies	2,000	1,905
Advertising	2,000	1,656
Printing	900	298
Telephone and fax	26,000	42,581
Gas energy/pumps and heating	16,500	20,643
Scavenger and disposal service	8,000	6,667
Engineer/architectural services	81,000	36,967
Equipment rental	7,500	549
Sidewalk repairs and asphalt repairs	81,000	95,857
Miscellaneous services	-	414
Professional development:		
Membership dues and subscriptions	775	70
Personnel training and conferences	7,000	115
Equipment purchases:		
Other equipment	97,300	-
Motor vehicle equipment	-	(5,897)
	2,550,405	2,023,527
Boards and commissions:		
Personnel services:		
Unemployment compensation	225	27
FICA	625	357
Operating expenditures:		
Office supplies	50	704
Postal charges	950	-
Cultural arts commission	3,750	4,439
Pastoral commission	3,500	3,634
Senior citizen commission	5,600	5,094
Veteran's Commission	9,800	7,047
Youth commission	10,000	16,848
Cable commission	3,000	(480)

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Boards and commissions (continued):		
Fish commission	\$ 8,425	\$ 1,901
Blood/organ donor commission	6,000	2,087
Environmental commission	4,500	895
Economic development commission	5,000	3,125
Resident's Day	35,000	53,412
Other operating costs	5,000	488
Outside services:		
Other professional services - Police Commission	20,100	7,676
Advertising	3,000	2,148
Commissions secretaries	7,680	4,663
Printing	-	41
Professional development:		
Membership dues and subscriptions	2,150	-
Personnel training and conferences	7,300	1,314
	<u>141,655</u>	<u>115,420</u>
Public relations:		
Personnel services:		
Director of news and comm affairs	59,754	59,732
Public relations assistant	35,000	69,403
TV crew members	44,720	44,608
Part-time help	35,000	60,583
Unemployment compensation	817	1,249
IMRF	16,802	20,581
FICA	13,347	17,926
Group insurance	32,000	18,742
Operating expenditures:		
Office supplies	5,500	10,362
Postage	20,000	14,779
Petroleum products	7,000	893
Memorial day	15,900	33,476
Park openings	10,000	4,808
Santa fly in	8,000	4,800
Christmas display	5,000	2,206
Earth arbor day	3,000	701
Halloween happenings	40,000	81,743
Spring event	2,500	1,961
Farmers market	10,000	21,981
Summer movie nights	-	2,900
Community relations programs	-	(372)
Clothing - uniforms	-	1,370
Office equipment maintenance	-	687
Other	25,000	38,915
Motor vehicle maintenance	2,000	-
Outside services:		
Other professional services	56,188	18,700
Advertising	18,000	28,713
Printing	32,640	21,090
City newsletter	121,000	83,441
Professional development:		
Membership dues and subscriptions	1,490	667
Personnel training and conferences	7,000	227
Other equipment	40,000	-
Motor vehicle equipment	-	-
	<u>667,658</u>	<u>666,872</u>

(continued)

City of Country Club Hills, Illinois

Schedule of General Fund Expenditures - Budget and Actual (Continued)  
 Year Ended April 30, 2009

	Budget	Actual
Grounds maintenance		
Personnel services:		
Part-time help	\$ 130,000	\$ 59,325
Overtime pay	30,000	17,499
Unemployment	3,060	1,285
IMRF	31,438	22,256
FICA	24,974	21,215
Group Insurance	22,570	35,503
Ground maintenance director	70,846	71,480
Assistant crew leader stipend	-	1,250
Laborers	95,608	124,786
Operating Expenditures:		
Office supplies	1,500	133
Books and maps	600	-
Postal charges	-	100
Chemicals	21,200	21,184
Petroleum products	17,500	27,429
Other operating costs	1,500	2,543
Agricultural supplies	31,000	7,640
Small tools and equipment	32,800	8,617
Motor equipment supplies	-	3,654
Motor vehicle maintenance	28,000	-
Clothing - Uniforms	10,000	2,371
Radio maintenance	1,700	874
Other equipment maintenance	8,500	-
Government building maintenance	6,500	14,035
Ground maintenance	848,600	724,906
Insurance risk charges	-	1,594
Outside services:		
Other professional services	272,000	228,628
Computer maintenance and supplies	1,500	-
Printing	1,500	320
Telephone/fax	-	1,590
Gas energy / pumps & heating	10,000	2,931
Scavenger and disposal service	17,500	5,986
Engineer/architectural services	85,000	-
Equipment rental	15,000	19,092
Other miscellaneous services	57,500	18,561
Membership dues and subscriptions	2,350	1,253
Personnel training and conferences	4,500	2,274
Equipment purchases:		
Other equipment	57,000	-
	<u>1,941,746</u>	<u>1,450,314</u>

(continued)



**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Oak Room		
Part-time help	\$ 20,000	\$ 4,495
Oak Coordinator	36,400	36,326
Unemployment compensation	408	254
IMRF	5,431	3,505
FICA	4,315	3,123
Group Insurance	7,000	6,422
Operating expenditures:		
Office supplies	1,500	3,391
Program expenses-trip fees	22,000	15,693
Postal charges	1,500	752
Miscellaneous operating expenditures	15,000	11,913
Operating expenditures (Continued):		
Clothing - Uniforms	-	70
Outside services:		
Other professional services	100	-
Computer maintenance supplies	1,300	582
Advertising	100	-
Printing	1,200	135
Telephone/fax	1,000	2,465
Membership dues and subscriptions	300	-
Personnel training and conferences	300	-
	117,854	89,126
Emergency preparedness		
Office supplies	1,300	(27)
Petroleum products	12,000	8,203
Other operating costs	12,000	429
Motor vehicle maintenance	10,000	-
Clothing - Uniforms	8,000	3,403
Radio maintenance	3,500	5,022
Computer maintenance supplies	12,000	-
Telephone / fax	7,000	-
Equipment rental	2,000	92
Membership dues and subscriptions	2,500	-
Personnel training and conferences	12,000	-
Other equipment	43,000	-
	125,300	17,122

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	<b>Budget</b>	<b>Actual</b>
Parks and Recreation		
Personnel Services:		
Program director	\$ 48,204	\$ 9,250
Supervisor of financial services	48,880	51,738
Sports coordinator	70,000	69,838
Part-time help	290,000	258,621
Camp counselors/summer interns	100,000	87,877
Overtime pay	1,000	-
Unemployment compensation	7,141	5,130
IMRF	44,113	18,080
FICA	42,693	36,516
Group insurance	21,500	20,298
Other operating expenditures:		
Office supplies	10,000	6,214
Books and maps	750	-
Postal charges	5,000	7,111
Cleaning supplies	6,000	4,935
Other operating expenditures	10,000	4,024
Small tools/equipment	4,000	4,529
Clothing-uniforms	10,000	9,646
Office equipment maintenance	5,000	2,861
Government building maintenance	156,650	198,726
Youth baseball	29,500	35,432
Traveling baseball	18,000	2,594
Youth basketball	28,000	37,019
Youth softball	3,000	3,110
Youth taekwondo/ karate	3,500	2,340
Youth golf	3,000	210
Summer day camp	65,000	91,420
Youth dance	3,500	4,340
Youth special events / holiday	2,000	2,368
Youth gymnastics	5,000	2,398
Youth arts and crafts	3,000	750

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Other operating expenditures (continued):		
Youth track and field	\$ 18,000	\$ 16,679
Youth misc classes	5,000	3,119
After day care	28,000	41,911
Youth computer classes	2,500	62
Youth soccer	3,000	1,755
Youth volleyball	-	945
Youth tennis	3,000	2,335
Youth football	8,000	5,900
Adult basketball	3,000	7,022
Adult taekwondo/ tai chi / karate	5,000	2,050
Adult baseball/ softball	3,000	-
Line dancing	5,000	4,694
Adult bellydancing	8,000	660
Adult aerobics / fitness	8,000	12,457
Adult special events / holiday	2,000	710
Adult computer classes	3,000	-
Adult golf	5,000	1,429
Adult flag football	5,000	3,535
Insurance risk charges	-	3,714
Outside Services:		
Other professional services	9,500	29,371
Computer maintenance supplies	3,000	2,805
Advertising	3,000	1,493
Printing	48,000	40,954
Telephone/fax	10,000	7,362
Gas energy/ pumps & heating	50,000	33,822
Engineer/arch. Services	-	6,316
Professional Development:		
Membership dues / subscriptions	1,000	707
Personnel training / conferences	3,500	2,767
Equipment Purchases:		
Other equipment	4,500	(20)
	1,291,431	1,211,929

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Garbage		
Outside Services:		
Computer maintenance and supplies	\$ 1,100	\$ -
Printing	3,500	-
Telephone and fax	1,100	-
Scavenger and disposal services	999,600	1,008,312
	<u>1,005,300</u>	<u>1,008,312</u>
Amphitheater		
Total Personnel Services:		
Director of marketing	65,000	64,769
Director of production	65,000	36,894
Director of operations	65,000	47,269
Marketing assistant	45,000	43,280
Part-time help	100,000	119,679
Overtime pay	3,500	2,994
Unemployment compensation	11,220	2,523
IMRF	33,079	19,040
FICA	26,278	24,090
Group insurance	30,000	23,432
Other Operating Expenditures:		
Office supplies	4,500	4,954
Postal charges	5,000	5,327
Cleaning supplies	-	5,103
Petroleum products	4,000	1,734
Other operating expenditures	40,750	53,479
Small tools/equipment	10,000	556
Sign materials/maintenance	-	7,920
Motor vehicle maintenance	3,000	-
Auto allowance	750	451
Clothing-uniforms	20,000	24,739
Government building maintenance	20,000	128,197
Grounds maintenance	45,000	52,498
Insurance risk charges	-	14,251
Outside Services:		
Other professional services	491,500	524,482
Performances	1,724,000	1,869,864
Computer maintenance supplies	10,000	22,734
Advertising	200,000	298,444
Printing	125,000	58,021
Telephone/fax	10,000	7,897
Gas energy/pumps and heating	18,700	42,039
Equipment rental	17,000	15,154

(continued)

**City of Country Club Hills, Illinois**

**Schedule of General Fund Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009**

	Budget	Actual
Professional Development:		
Membership dues/subscriptions	\$ 1,000	\$ 2,750
Personnel training/conferences	10,000	7,300
Equipment Purchases:		
Other equipment	9,500	-
	<u>3,213,777</u>	<u>3,531,864</u>
Capital Projects		
Capital Outlay		
Outside Services:		
Other professional services	36,000	43,135
Construction cost ward project	105,000	36,446
	<u>141,000</u>	<u>79,581</u>
Debt service:		
Principal	280,600	547,012
Interest	-	205,908
	<u>280,600</u>	<u>752,920</u>
	<u>\$ 30,634,709</u>	<u>\$ 29,828,429</u>

**Nonmajor Governmental Funds – Combining Statements**

**City of Country Club Hills, Illinois**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2009**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and equivalents	\$ 662,999	\$ 970,400	\$ 1,633,399
Receivables:			
Property taxes	-	-	-
Motor fuel tax allotments	32,288	-	32,288
Intergovernmental	4,646	-	4,646
Due from other funds	-	33,175	33,175
Total assets	<u>\$ 699,933</u>	<u>\$ 1,003,575</u>	<u>\$ 1,703,508</u>
<b>Liabilities</b>			
Accounts payable	\$ 52,115	\$ 4,450	\$ 56,565
Deferred revenue	-	-	-
Accrued interest	-	-	-
Due to other funds	245,791	-	245,791
Total liabilities	297,906	4,450	302,356
<b>Fund Balances,</b>			
Unreserved	<u>402,027</u>	<u>999,125</u>	<u>1,401,152</u>
Total liabilities and fund balances	<u>\$ 699,933</u>	<u>\$ 1,003,575</u>	<u>\$ 1,703,508</u>

**City of Country Club Hills, Illinois**

**Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2009**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Program:			
Intergovernmental	\$ 561,538	\$ -	\$ 561,538
General:			
Property taxes	-	944,128	944,128
Other taxes	168,756	-	168,756
Investment income	7,110	3,706	10,816
<b>Total revenues</b>	<u>737,404</u>	<u>947,834</u>	<u>1,685,238</u>
<b>Expenditures</b>			
Current:			
Police department	74,212	-	74,212
Motor fuel tax projects	908,178	-	908,178
Community development services	62,946	-	62,946
Capital outlay	-	529,172	529,172
Debt service:			
Principal	-	132,819	132,819
Interest	-	66,870	66,870
<b>Total expenditures</b>	<u>1,045,336</u>	<u>728,861</u>	<u>1,774,197</u>
Excess (deficiency) of revenues over expenditures	<u>(307,932)</u>	218,973	<u>(88,959)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	(5,000)	(5,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Change in fund balance	(307,932)	213,973	(93,959)
<b>Fund balances:</b>			
May 1, 2008	<u>709,959</u>	<u>785,152</u>	<u>1,495,111</u>
April 30, 2009	<u>\$ 402,027</u>	<u>\$ 999,125</u>	<u>\$ 1,401,152</u>



**City of Country Club Hills, Illinois**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
April 30, 2009**

	Community Development Block Grant	Emergency Telephone System	Motor Fuel Tax	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 205,622	\$ 404,809	\$ 52,568	\$ 662,999
Receivables:				
Motor fuel tax allotments	-	-	32,288	32,288
Intergovernmental	-	4,646	-	4,646
<b>Total assets</b>	<b>\$ 205,622</b>	<b>\$ 409,455</b>	<b>\$ 84,856</b>	<b>\$ 699,933</b>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$ 13,620	\$ -	\$ 38,495	\$ 52,115
Due to other funds	198,027	1,620	46,144	245,791
<b>Total liabilities</b>	<b>211,647</b>	<b>1,620</b>	<b>84,639</b>	<b>297,906</b>
Fund Balances, unreserved (deficit)				
	(6,025)	407,835	217	402,027
<b>Total liabilities and fund balances</b>	<b>\$ 205,622</b>	<b>\$ 409,455</b>	<b>\$ 84,856</b>	<b>\$ 699,933</b>

**City of Country Club Hills, Illinois**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended April 30, 2009**

	Community Development Block Grant	Emergency Telephone System	Motor Fuel Tax	Total
Revenues:				
Taxes:				
911 surcharge taxes	\$ -	\$ 168,756	\$ -	\$ 168,756
Intergovernmental:				
Motor fuel tax allotments	-	-	427,169	427,169
Grants	134,369	-	-	134,369
Interest	142	3,421	3,547	7,110
<b>Total revenues</b>	<b>134,511</b>	<b>172,177</b>	<b>430,716</b>	<b>737,404</b>
Expenditures:				
Current:				
Police department	-	74,212	-	74,212
Motor fuel tax projects	-	-	908,178	908,178
Community development services	62,946	-	-	62,946
<b>Total expenditures</b>	<b>62,946</b>	<b>74,212</b>	<b>908,178</b>	<b>1,045,336</b>
Change in fund balance	71,565	97,965	(477,462)	(307,932)
Fund balances (deficit):				
May 1, 2008	(77,590)	309,870	477,679	709,959
April 30, 2009	\$ (6,025)	\$ 407,835	\$ 217	\$ 402,027

**City of Country Club Hills, Illinois**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Community Development Block Grant Fund  
Year Ended April 30, 2009**

	Budget	Actual
Revenues:		
Intergovernmental, grants	\$ 100,000	\$ 134,369
Interest	-	142
<b>Total revenues</b>	<u>100,000</u>	<u>134,511</u>
Expenditures, current:		
Community development services	<u>100,000</u>	<u>62,946</u>
Change in fund balance	<u>\$ -</u>	71,565
Fund balance (deficit):		
May 1, 2008		<u>(77,590)</u>
April 30, 2009		<u>\$ (6,025)</u>

**City of Country Club Hills, Illinois**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Emergency Telephone System Fund  
Year Ended April 30, 2009**

	Budget	Actual
Revenues:		
911 surcharge	\$ 150,000	\$ 168,756
Interest	3,600	3,421
<b>Total revenues</b>	<u>153,600</u>	<u>172,177</u>
Expenditures,		
current, police department:		
Community relations	7,000	2,301
Other equipment maintenance	30,000	10,904
Other Professional services	-	15,243
Computer maintenance supplies	19,500	6,055
Printing	300	-
Telephone and fax	25,000	16,613
Membership dues and subscriptions	1,000	840
Personnel training and conferences	15,000	10,475
Other equipment	47,000	11,781
<b>Total expenditures</b>	<u>144,800</u>	<u>74,212</u>
Change in fund balance	<u>\$ 8,800</u>	97,965
Fund balance:		
May 1, 2008		<u>309,870</u>
April 30, 2009		<u>\$ 407,835</u>

**City of Country Club Hills, Illinois**

**Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2009**

	Budget	Actual
Revenues:		
Intergovernmental, motor fuel tax allotments	\$ 520,000	\$ 427,169
Interest	5,000	3,547
<b>Total revenues</b>	<u>525,000</u>	<u>430,716</u>
Expenditures,		
current, motor fuel tax projects:		
Street maintenance and repair	300,000	596,328
Street lighting power	48,500	50,937
Storm sewer repairs	43,000	1,560
Snow removal/ice control	130,000	195,433
Engineer/architectural services	35,000	63,920
<b>Total expenditures</b>	<u>556,500</u>	<u>908,178</u>
Change in fund balance	<u>\$ (31,500)</u>	(477,462)
Fund balance:		
May 1, 2008		<u>477,679</u>
April 30, 2009		<u>\$ 217</u>

City of Country Club Hills, Illinois

Balance Sheet  
Nonmajor Capital Projects Fund  
April 30, 2009

	Tax Incremental Redevelop- ment Project Area
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 970,400
Due from other funds	<u>33,175</u>
<b>Total assets</b>	<u><u>\$ 1,003,575</u></u>
<b>Liabilities and Fund Balance</b>	
Liabilities	
Accounts payable	\$ 4,450
Fund Balance, unreserved	<u>999,125</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 1,003,575</u></u>

**City of Country Club Hills, Illinois**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget and Actual  
Tax Incremental Redevelopment Project Area Fund  
Year Ended April 30, 2009**

	Budget	Actual
Revenues:		
Property taxes	\$ 815,000	\$ 944,128
Investment income	18,500	3,706
<b>Total revenues</b>	<u>833,500</u>	<u>947,834</u>
Expenditures,		
debt service:		
Principal	132,819	132,819
Interest	66,870	66,870
capital outlay and construction,		
professional services	619,175	529,172
<b>Total expenditures</b>	<u>818,864</u>	<u>728,861</u>
Excess of revenues over expenditures	14,636	218,973
Other financing sources (uses):		
Transfers (out)	<u>(5,000)</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ 9,636</u>	213,973
Fund balance:		
May 1, 2008		<u>785,152</u>
April 30, 2009		<u>\$ 999,125</u>

**City of Country Club Hills, Illinois**

**Schedule of Operating Expenses - Budget and Actual  
Water and Sewer Fund  
Year Ended April 30, 2009**

	Budget	Actual
<b>Operating expenses:</b>		
Personnel services:		
Water superintendent	\$ 104,000	\$ 103,954
Water operators	159,748	123,177
Water sewer maintenance	31,445	78,874
Asst office supervisor	50,122	50,106
Office supervision	84,292	77,867
Part-time help	200,000	128,830
Overtime pay	35,000	23,752
Unemployment compensation	4,080	2,597
Compensated absences	-	159
IMRF/FICA	114,844	96,329
Group insurance	105,880	80,772
Total personnel services	889,411	766,417
Other operating expenses:		
Office supplies	12,000	8,189
Books and maps	800	-
Postal charges	34,000	30,988
Chemicals	7,200	4,544
Cleaning supplies	2,500	325
Petroleum products	42,485	17,581
Other operating costs	6,150	(15,719)
Clothing - uniforms	14,000	6,323
Other equipment maintenance	4,500	504
Government building maintenance	27,200	6,123
Grounds maintenance	5,800	-
Water system repairs	655,650	872,622
Sewer system repairs	200,700	130,544
Lake Michigan water	950,000	1,055,063
Agricultural supplies	39,000	16,583
Small tools and equipment	14,000	8,215
Motor equipment supplies	15,150	9,840
Motor vehicle maintenance	-	693
Radio maintenance	1,600	996
Other repairs and maintenance supplies	1,000	2,650
Office equipment maintenance	27,850	19,068
	2,061,585	2,175,132

(continued)



**City of Country Club Hills, Illinois**

**Schedule of Operating Expenses - Budget and Actual  
Water and Sewer Fund  
Year Ended April 30, 2009**

	Budget	Actual
Outside services:		
Other professional services	\$ 36,000	\$ 41,219
Computer maintenance and supplies	14,950	11,710
Advertising	2,000	-
Telephone and fax	24,500	17,449
Gas energy/pumps and heating	43,750	49,948
Scavenger and disposal services	15,500	5,177
Workers compensation	70,000	-
Engineer/architectural services	111,000	81,794
Equipment rental	1,300	-
Other maintenance and repairs	7,000	421
Sidewalk repairs	44,000	39,033
Printing	10,000	6,730
Bank fees	8,200	23,425
Bad debt expense	-	35,000
Depreciation	249,059	231,078
	<u>637,259</u>	<u>542,984</u>
Professional development:		
Membership dues and subscriptions	1,400	1,077
Personnel training and conferences	7,900	5,420
	<u>9,300</u>	<u>6,497</u>
Equipment purchase, maintenance and repairs:		
Other equipment	105,700	12,985
Meters	287,500	289,387
Homeless shelter	-	1,928
	<u>393,200</u>	<u>304,300</u>
<b>Total operating expenses</b>	<b>3,990,755</b>	<b>3,795,330</b>
Transfers out	-	249,059
<b>Total</b>	<b>\$ 3,990,755</b>	<b>\$ 4,044,389</b>

City of Country Club Hills, Illinois

Schedule Of Assessed Valuations, Tax Rates, Tax Extensions and Collections  
Year Ended April 30, 2009

Tax Levy Year	2007	2006	2005	2004	2003	2002
Assessed Valuations	\$ 279,677,928	\$ 250,607,445	\$ 223,272,009	\$ 185,637,189	\$ 167,298,958	\$ 166,943,676
Tax Rates:						
General:						
Corporate	1.1645	0.8743	0.8516	0.8679	0.9108	0.6036
Police Protection	1.4588	0.9768	1.0507	0.8324	0.8536	0.5497
Fire Protection	1.0134	0.8222	0.6853	0.8245	0.8086	0.8505
Liability Insurance	0.3647	0.2646	0.2969	0.3297	0.2683	0.2505
Police Pension	0.2734	0.2444	0.1896	0.2171	0.2409	0.2005
Fire Pension	0.0738	0.0761	0.0469	0.0513	0.0569	0.0501
Civil Defense	0.0583	0.0729	0.0166	0.0104	0.0161	0.0883
Illinois Municipal Retirement	0.1730	0.1350	0.0688	0.0652	0.0725	0.0540
FICA	0.2351	0.2141	0.1799	0.1955	0.2040	0.2187
Debt Service	0.5783	0.0588	0.0675	0.0798	0.3489	0.2005
<b>Total</b>	<b>5.3933</b>	<b>3.7392</b>	<b>3.4538</b>	<b>3.4738</b>	<b>3.7806</b>	<b>3.0664</b>
Extended Tax Rate	5.393	3.739	3.454	3.474	3.781	3.066
Tax Extensions:						
General:						
Corporate	\$ 3,256,856	\$ 2,190,960	\$ 1,901,280	\$ 1,611,095	\$ 1,523,825	\$ 1,007,595
Road and Bridge	51,373	47,851	48,933	39,976	37,338	34,193
Police Protection	4,080,000	2,448,000	2,346,000	1,545,300	1,428,000	917,627
Fire Protection	2,834,168	2,060,400	1,530,000	1,530,505	1,352,709	1,419,938
Liability Insurance	1,020,000	663,000	663,000	612,000	448,800	418,200
Police Pension	764,665	612,522	423,300	403,084	403,084	334,728
Fire Pension	206,340	190,740	104,721	95,267	95,267	83,607
Civil Defense	162,945	182,784	37,026	19,278	26,928	147,477
Illinois Municipal Retirement	483,766	338,358	153,559	121,012	121,258	90,113
FICA	657,443	536,649	401,721	362,966	341,357	365,071
Tax Incremental Finance	849,537	817,576	706,761	909,132	661,234	661,234
Debt Service	1,617,435	147,388	150,725	148,129	583,685	334,728
<b>Totals</b>	<b>\$ 15,984,528</b>	<b>\$ 10,236,228</b>	<b>\$ 8,467,026</b>	<b>\$ 7,397,744</b>	<b>\$ 7,023,485</b>	<b>\$ 5,814,511</b>
Total Collections	\$ 3,503,299	\$ 3,310,810	\$ 2,548,954	\$ 7,350,925	\$ 6,099,236	\$ 5,293,064
Percent	21.92%	32.34%	30.10%	99.37%	86.84%	91.03%

City of Country Club Hills, Illinois

Schedule of Debt Service Requirements  
April 30, 2009

	Payable Year Ending April 30,	Principal	Interest	Total
General obligation refunding				
bond series 2003A	2010	\$ -	\$ 169,605	\$ 169,605
Dated November 1, 2003	2011	-	169,605	169,605
Interest payable June 1 and	2012	-	169,605	169,605
December 1 of each year at	2013	415,000	169,605	584,605
rates ranging from 3.50% to 4.05%	2014	615,000	155,080	770,080
Paying agent: Chase MB	2015	640,000	132,018	772,018
	2016	660,000	108,978	768,978
	2017	685,000	84,228	769,228
	2018	715,000	57,855	772,855
	2019	740,000	29,970	769,970
		<u>\$ 4,470,000</u>	<u>\$ 1,246,549</u>	<u>\$ 5,716,549</u>
General obligation refunding				
bond series 2003B	2010	\$ 535,000	\$ 70,110	\$ 605,110
Dated November 1, 2003	2011	555,000	49,780	604,780
Interest payable June 1 and	2012	575,000	28,690	603,690
December 1 of each year at	2013	180,000	6,840	186,840
fixed rate of 3.8%		<u>\$ 1,845,000</u>	<u>\$ 155,420</u>	<u>\$ 2,000,420</u>
Paying agent: Chase MB				
General obligation sales tax bond				
bond series 2006	2010	\$ -	\$ 796,040	\$ 796,040
Dated May 4, 2006	2011	-	796,040	796,040
Interest payable June 1 and	2012	-	796,040	796,040
December 1 of each year at	2013	-	796,040	796,040
variable rate 4.8% - 5.0%	2014	-	796,040	796,040
Paying agent: Bank of New York	2015	-	796,040	796,040
	2016	-	796,040	796,040
	2017	-	796,040	796,040
	2018	-	796,040	796,040
	2019	-	796,040	796,040
	2020	910,000	796,040	1,706,040
	2021	955,000	750,540	1,705,540
	2022	1,005,000	702,790	1,707,790
	2023	1,055,000	652,540	1,707,540
	2024	1,105,000	599,790	1,704,790
	2025	1,160,000	544,540	1,704,540
	2026	1,220,000	486,540	1,706,540
	2027	1,280,000	425,540	1,705,540
	2028	1,345,000	361,540	1,706,540
	2029	1,410,000	296,980	1,706,980
	2030	1,475,000	229,300	1,704,300
	2031	1,545,000	158,500	1,703,500
	2032	1,625,000	81,250	1,706,250
		<u>\$ 16,090,000</u>	<u>\$ 14,046,290</u>	<u>\$ 30,136,290</u>

(Continued)

City of Country Club Hills, Illinois

Schedule of Debt Service Requirements (Continued)  
April 30, 2009

	Payable Year Ending April 30,	Principal	Interest	Total
General obligation bond				
bond series 2007	2010	\$ -	\$ 1,187,413	\$ 1,187,413
Dated October 22, 2007	2011	-	1,187,413	1,187,413
Interest payable June 1 and	2012	-	1,187,413	1,187,413
December 1 of each year at	2013	-	1,187,413	1,187,413
variable rate 4.25% - 5.0%	2014	740,000	1,187,413	1,927,413
Paying agent: William Blair & Company	2015	775,000	1,155,963	1,930,963
	2016	805,000	1,123,025	1,928,025
	2017	840,000	1,088,813	1,928,813
	2018	875,000	1,053,113	1,928,113
	2019	915,000	1,015,925	1,930,925
	2020	950,000	979,325	1,929,325
	2021	1,000,000	940,375	1,940,375
	2022	1,040,000	890,375	1,930,375
	2023	1,090,000	838,375	1,928,375
	2024	1,145,000	783,875	1,928,875
	2025	1,195,000	733,781	1,928,781
	2026	1,250,000	681,500	1,931,500
	2027	1,310,000	619,000	1,929,000
	2028	1,375,000	553,500	1,928,500
	2029	1,445,000	484,750	1,929,750
	2030	1,515,000	412,500	1,927,500
	2031	1,595,000	336,750	1,931,750
	2032	1,675,000	257,000	1,932,000
	2033	3,465,000	173,250	3,638,250
		<u>\$ 25,000,000</u>	<u>\$ 20,058,260</u>	<u>\$ 45,058,260</u>
General obligation bond				
bond series 2009	2010	\$ -	\$ 274,664	\$ 274,664
Dated April 7, 2009	2011	-	374,541	374,541
Interest payable January 1 and	2012	315,000	374,541	689,541
July 1 of each year at	2013	325,000	361,941	686,941
variable rate 4.0% - 4.625%	2014	340,000	348,941	688,941
Paying agent: Deutsche Bank National Trust Cc	2015	355,000	335,341	690,341
	2016	370,000	321,141	691,141
	2017	380,000	306,341	686,341
	2018	395,000	291,141	686,141
	2019	410,000	275,341	685,341
	2020	425,000	258,941	683,941
	2021	450,000	241,941	691,941
	2022	465,000	223,491	688,491
	2023	485,000	204,426	689,426
	2024	505,000	184,056	689,056
	2025	530,000	162,341	692,341
	2026	550,000	138,756	688,756
	2027	575,000	114,006	689,006
	2028	600,000	87,413	687,413
	2029	630,000	59,663	689,663
	2030	660,000	30,525	690,525
		<u>\$ 8,765,000</u>	<u>\$ 4,969,495</u>	<u>\$ 13,734,495</u>