

VILLAGE OF SOUTH CHICAGO HEIGHTS, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

Village of South Chicago Heights, Illinois

Annual Financial Report
December 31, 2016

Table of Contents

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Fund Net Position - Proprietary Funds.....	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position.....	26
Notes to the Financial Statements	27
 Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: General Fund	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Non-home Rule Sales Taxes Special Revenue Fund	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Tax Increment Financing Special Revenue Fund	86
Schedule of Employer Contributions (GASB 67) - Illinois Municipal Retirement Fund	87
Schedule of Investment Returns (GASB 67) - Illinois Municipal Retirement Fund.....	88
Schedule of Changes in the Employer's Net Pension Liability (GASB 67) - Illinois Municipal Retirement Fund	89

Village of South Chicago Heights, Illinois

Annual Financial Report
December 31, 2016

Table of Contents (continued)

	Page
Required Supplementary Information (continued)	
Schedule of Employer Contributions (GASB 67) – Police Pension Fund	91
Schedule of Investment Returns (GASB 67) – Police Pension Fund	92
Schedule of Changes in the Employer's Net Pension Liability (GASB 67) - Police Pension Fund	93
Schedule of Employer Contributions (GASB 67) – Firefighters Pension Fund.....	95
Schedule of Investment Returns (GASB 67) – Firefighters Pension Fund.....	96
Schedule of Changes in the Employer's Net Pension Liability (GASB 67) - Firefighters Pension Fund	97
Schedule of Funding Progress – Retiree Health Insurance Plan	99
Schedule of Employer Contributions – Retiree Health Insurance Plan	99
Other Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Debt Service Fund	100
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Capital Project Fund	101
Combining Balance Sheet - Nonmajor Governmental Funds.....	103
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	104
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Motor Fuel Tax Special Revenue Fund	105
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: E-911 Services Special Revenue Fund	106
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual: Community Development Block Grant Special Revenue Fund	107
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual: Water Enterprise Fund	108
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual: Sewer Enterprise Fund	112
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual: Property Management Fund	114
Combining Schedule of Fiduciary Net Position.....	115
Combining Schedule of Changes in Fiduciary Net Position	116
Schedules of Long-term Debt Requirements.....	117



INDEPENDENT AUDITORS' REPORT

May 10, 2017

The Honorable Village President
Members of the Board of Trustees
Village of South Chicago Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of South Chicago Heights, Illinois, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of South Chicago Heights, Illinois, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of South Chicago Heights, Illinois' basic financial statements. The other supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach + Amen LLP
LAUTERBACH & AMEN, LLP

Management's Discussion and Analysis

As management of the Village of South Chicago Heights, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Village of South Chicago Heights for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic and supplementary financial information provided in this report.

Financial Highlights

The assets of the Village of South Chicago Heights exceeded its liabilities at the close of the most recent fiscal year by \$5,016,732 (net position). Of this amount, -\$5,196,469 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.

The Village's total net position increased by \$267,353 in fiscal year 2016. Construction of capital facilities increased the net investment in capital assets by \$177,664. Restricted net position decreased by \$1,634,276 and unrestricted net position increased \$1,723,965. The increase in net position from governmental activities was \$114,083 compared to the prior fiscal year and increase in net position from business-type activities was \$153,270 compared to the prior fiscal year.

As of the close of the current fiscal year the Village's governmental funds reported combined ending fund balances of \$3,511,999, a decrease of \$1,447,163 in comparison with the prior year. Of this total amount, \$767,791 is available for spending at the Village's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$766,641, or 17.7% of annualized total General Fund expenditures. The General Fund posted a net increase of \$1,124,315 from operations and a total change in fund balance of \$156,715 after transfers to and from other funds.

The Village's total debt decreased by \$599,785 (10.1%) during the current fiscal year. No new debt was issued and installment note and one capital lease were retired.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of South Chicago Heights' basic financial statements. The Village's basic financial statements are comprised of three components: 1) governmental-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The governmental-wide financial statements are designed to provide readers with a broad overview of the Village of South Chicago Heights' finances, in a manner similar to a private sector business.

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

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, highways and street and culture and recreation. The business-type activities of the Village include water and sewer operations.

The government-wide financial statements can be found on pages 14-16 of this report.

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

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of South Chicago Heights maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Non-home Rule Sales Taxes Fund, Tax Increment Financing Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriations ordinance for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this ordinance.

The basic governmental fund financial statements can be found on pages 17-21 of this report.

Proprietary funds - used by the Village are of the enterprise type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water operation, sewer operation and rental of property held for future use.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sewer Fund and Property Management Fund, which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

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

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 27-61 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 62-99 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 100-120 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of South Chicago Heights, assets / deferred outflows exceeded liabilities / deferred inflows by \$5,016,732 at the close of the most recent fiscal year.

The largest portion of the Village of South Chicago Heights's net position reflects its investment in capital assets (land, buildings, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors.

Village of South Chicago Heights Net Position

	Governmental activities		Business-type activities		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Current assets	\$ 7,006,258	\$ 9,445,397	\$ 20,196	\$ 195,836	\$ 7,026,454	\$ 9,641,233
Capital assets	5,925,899	3,641,482	4,780,985	4,873,365	10,706,884	8,514,847
Deferred outflows of resources	1,263,369	1,651,035	61,681	88,897	1,325,050	1,739,932
Total assets and deferred outflows	<u>\$ 14,195,526</u>	<u>\$ 14,737,914</u>	<u>\$ 4,862,862</u>	<u>\$ 5,158,098</u>	<u>\$ 19,058,388</u>	<u>\$ 19,896,012</u>
Current liabilities	\$ 1,036,638	\$ 1,955,101	\$ 1,093,870	\$ 949,842	\$ 2,130,508	\$ 2,904,943
Long-term liabilities	9,278,901	10,020,321	2,632,247	3,224,781	11,911,148	13,245,102
Total liabilities	<u>\$ 10,315,539</u>	<u>\$ 11,975,422</u>	<u>\$ 3,726,117</u>	<u>\$ 4,174,623</u>	<u>\$ 14,041,656</u>	<u>\$ 16,150,045</u>
Net position						
Invested in capital assets						
net of related debt	\$ 3,460,918	\$ 3,529,218	\$ 3,665,000	\$ 3,419,036	\$ 7,125,918	\$ 6,948,254
Restricted	3,087,283	4,721,559	-	-	3,087,283	4,721,559
Unrestricted	(2,668,214)	(4,484,873)	(2,528,255)	(2,435,561)	(5,196,469)	(6,920,434)
Total net position	<u>\$ 3,879,987</u>	<u>\$ 3,765,904</u>	<u>\$ 1,136,745</u>	<u>\$ 983,475</u>	<u>\$ 5,016,732</u>	<u>\$ 4,749,379</u>

At the end of the current fiscal year the Village is able to report positive balances in two of three categories of net position for the government as a whole. The Village's net position increased by \$267,353 during the current fiscal year. A significant portion of current assets from the prior fiscal year were converted to capital assets in 2016 as the Village completed construction of its new Public Safety facility. Likewise, total net position was positively affected as the Village pays off long-term debt without issuing any new debt in the year. These capital costs and debt payoffs reduced the Village's overall cash and investment position 46% from the prior year.

Governmental activities

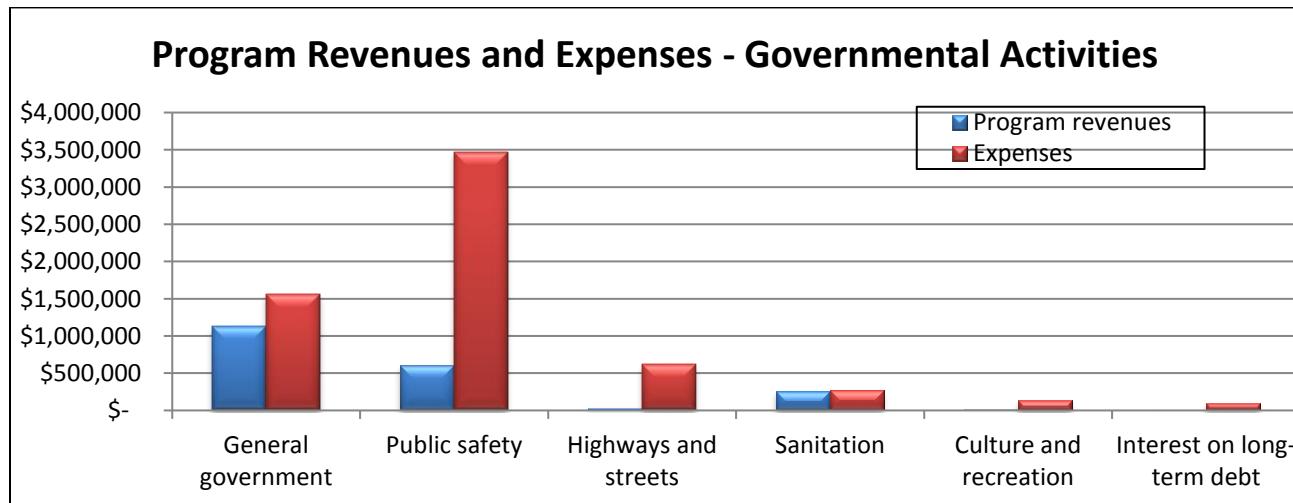
Governmental activities increased the Village's net position by \$114,083 in the current year. Compared to last fiscal year revenues increased 7.7% and expenses decreased 3.9%.

Overall property tax revenue decreased 10.9% on an accrual basis but only 4.7% on a cash basis during the year, the difference resulting from a large increase in receivables from a new debt service levy in the prior year. Due to the weak real estate market in the South Suburbs collection rates for the 2010 through 2016 tax levy years have fallen from the historic range of 98% - 100% to the 89% - 95% range for corporate levies. This trend is even more negative in the Village's TIF areas where declining market values and property owner disinvestment has dropped collection rates below 90%. The Village continues to levy the maximum amount allowed under State tax caps, but new growth in assessed value has been near zero for several years.

State shared taxes has become an increasingly important portion of the Village's governmental revenue, particularly sales and income taxes. State income taxes decreased 11.2% and sales taxes decreased 4.4% while all other intergovernmental sources (use, motor fuel telecommunications, personal property replacement and video gaming taxes) increased 6.3% from the prior year. The largest percentage increase again has come from the State video gaming tax which rose 26.9% from the prior fiscal year; while we expect this revenue to flatten over time it has been a welcome supplement to the Village's intergovernmental sources. Tax distributions from the State of Illinois remained at three months in arrears at the end of 2016 while other state distributions are released on an erratic schedule as a result of the ongoing State budget impasse.

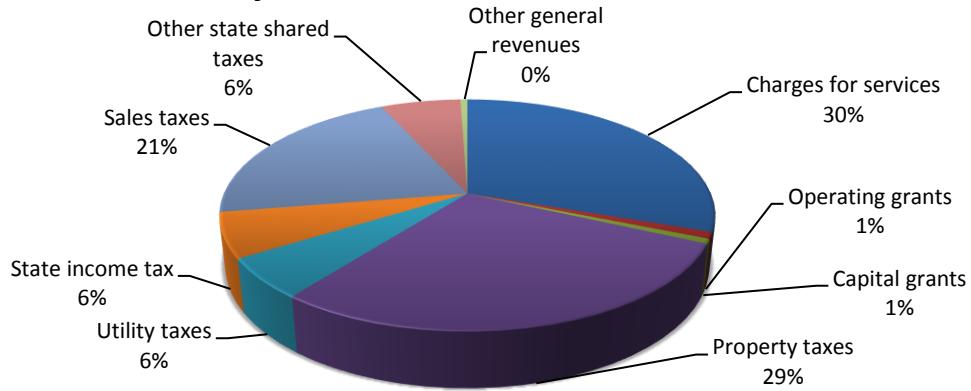
Village of South Chicago Heights Changes in Net Position

	Governmental activities		Business-type activities		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Revenues:						
Program revenues						
Charges for services	\$ 1,923,871	\$ 1,032,013	\$ 1,322,105	\$ 1,329,550	\$ 3,245,976	\$ 2,361,563
Operating grants & contributions	56,801	91,089	-	-	56,801	91,089
Capital grants & contributions	41,698	130,339	-	1,048,616	41,698	1,178,955
General revenues						
Property taxes	1,827,640	2,052,348	461,157	487,981	2,288,797	2,540,329
State shared taxes	2,116,332	2,202,936	-	-	2,116,332	2,202,936
Other taxes	357,328	361,404	-	-	357,328	361,404
Other revenues	34,313	36,676	800	7,000	35,113	43,676
Total revenues	\$ 6,357,983	\$ 5,906,805	\$ 1,784,062	\$ 2,873,147	\$ 8,142,045	\$ 8,779,952
Expenses:						
General government	\$ 1,563,389	\$ 2,087,516	\$ -	\$ -	\$ 1,563,389	\$ 2,087,516
Public safety	3,463,584	3,211,660	-	-	3,463,584	3,211,660
Highways & streets	619,486	573,864	-	-	619,486	573,864
Sanitation	271,961	263,605	-	-	271,961	263,605
Culture & recreation	132,477	177,456	-	-	132,477	177,456
Interest on long-term debt	97,453	84,099	-	-	97,453	84,099
Water system	-	-	1,456,063	3,570,559	1,456,063	3,570,559
Sewer system	-	-	156,749	90,502	156,749	90,502
Property management	-	-	113,530	184,360	113,530	184,360
Total expenses	\$ 6,148,350	\$ 6,398,200	\$ 1,726,342	\$ 3,845,421	\$ 7,874,692	\$ 10,243,621
Transfers	\$ (95,550)	\$ (200,000)	\$ 95,550	\$ 200,000	\$ -	\$ -
Increase (decrease) in net position	\$ 114,083	\$ (691,395)	\$ 153,270	\$ (772,274)	\$ 267,353	\$ (1,463,669)
Net position, January 1	\$ 3,765,904	\$ 4,457,299	\$ 983,475	\$ 1,755,749	\$ 4,749,379	\$ 6,213,048
Net position, December 31	\$ 3,879,987	\$ 3,765,904	\$ 1,136,745	\$ 983,475	\$ 5,016,732	\$ 4,749,379



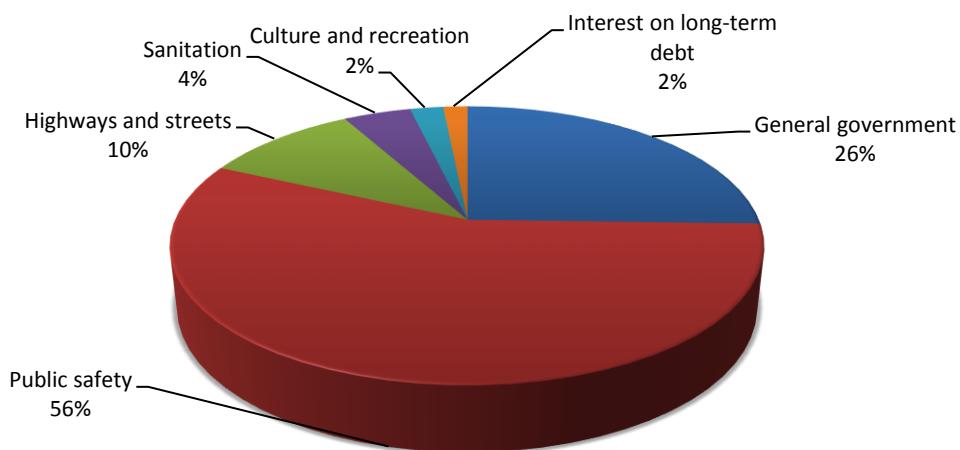
Overall charges for services increased 86.4%, mostly from a one-time recognition of \$900,000 of previously deferred rental income, but also from a significant increase in fine revenue, which was up 18.7%. Positive changes were also seen in garbage fees, up 3.1% while ambulance fees declined 1.9%.

Revenues by Source - Governmental Activities



The Village actively seeks grants to offset costs that cannot be recovered through user charges. In 2016 the Village received over \$24,000 from the Cook County Department of Homeland Security for Police technology upgrades and over \$20,500 from the Illinois Housing Development Authority for the demolition of abandoned buildings. In addition, the Village continues to apply for and be awarded State and local grants for various public safety enforcement programs.

Expenses - Governmental Activities

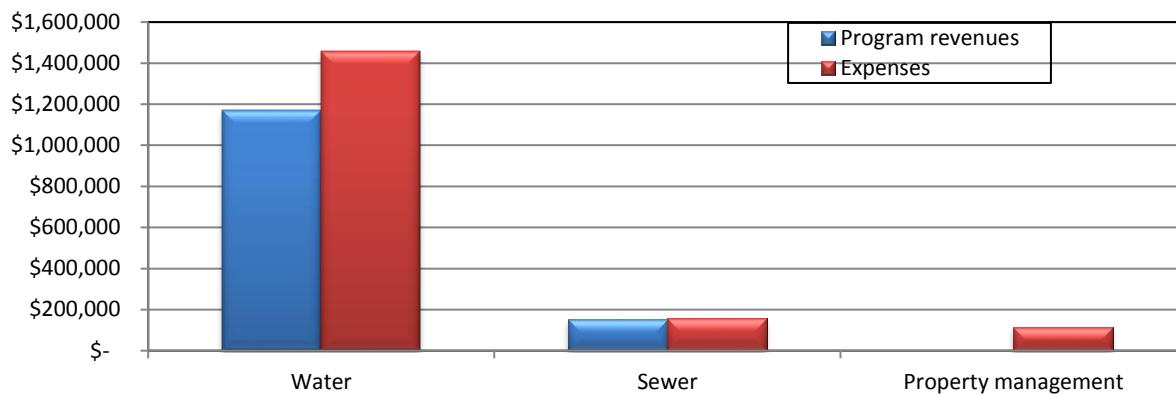


In 2015 the Village implemented a change in accounting principle regarding pension costs, so a direct comparison to 2016 expenses is difficult and will be much more meaningful when future years are compared on a comparable basis. As it is, overall expenses decreased 3.9% from the last fiscal year. The effect of the 2015 change in pension costing mostly affected the general government and public safety functions, and while general government expenses decreased 25.1% in 2016 public safety expenses rose 7.8% primarily from expenses incurred from the abandoned building program noted above and from additional increases in pension costs. Additionally recreation program expenses decreased 25.3% as non-recurring maintenance items were completed in 2015; highways & streets services increased 7.9%; sanitation services increased 2.3%; and interest on debt increased 15.9% in the first full year after the issuance of general obligation bonds in 2015.

Business-type activities

Business-type activities increased the Village's net position by \$153,270, with positive results (exclusive of depreciation) in both the Water and Sewer funds. With no changes to users rates, revenues from water and sewer services were within 0.6% of the prior year. Although expenses decreased 55.1% this was entirely to the completion of the meter replacement program during 2015 and no costs were charged in 2016 for it. Water Fund operations came closer to break-even on a cash basis, however 2016 included an interest-only payment on the new water meter debt with full payments due going forward.

Program Revenues and Expenses - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the Village of South Chicago Heights uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,511,999, a decrease of \$1,447,163 in comparison with the prior year. Of this total amount \$2,320,167 is restricted for capital projects and/or tax relief, \$231,934 is restricted for improvements within the Village's TIF area, \$141,041 is restricted for State approved street projects, \$17,198 is restricted for debt service, and \$33,868 is non-spendable; the remainder constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$766,641. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 17.7% of total annualized General Fund expenditures.

The fund balance of the Village's General Fund increased by \$156,715 during the current fiscal year which included a non-recurring \$150,000 transfer from the Non-home Rule Sales Taxes Fund. Actual expenditures were \$492,879 less than what was budgeted and revenues were \$202,178 more than estimated. Other than a one-time \$900,000 recognition of deferred rent, revenues increased 6.0% from 2015 however without new sources they are expected to trend level with inflation.

The Non-home Rule Sales Taxes Fund accounts for revenues from the Village's specially implemented 1% non-home rule sales tax. Revenues are being accumulated in this fund to finance, via transfers, capital projects in other funds. For the year, revenues were 4.9% less than the prior year with a fund balance increase of \$61,319. Without a significant addition to the retail sales base within the Village, fund revenues are expected to remain within a narrow range with some year-to-year changes but with little future growth.

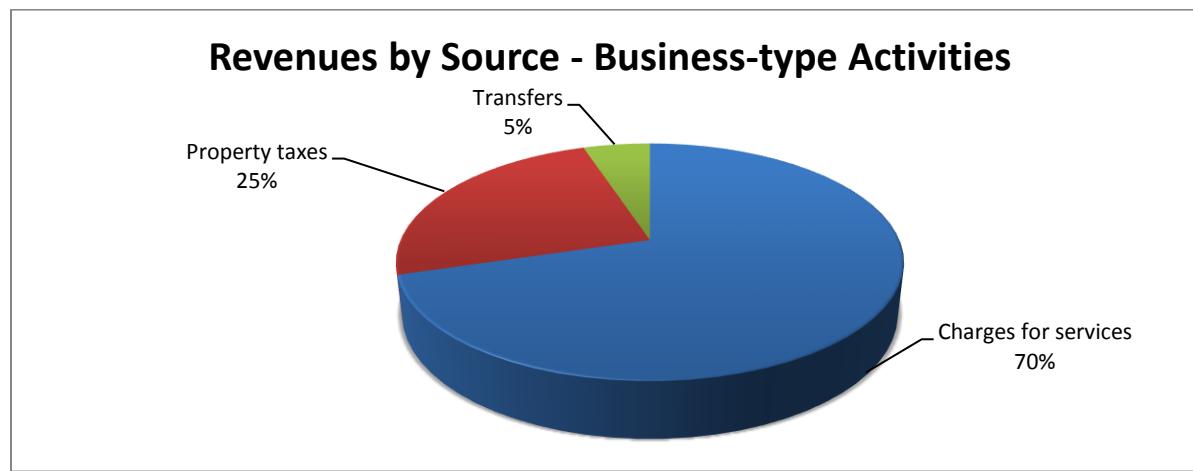
The Debt Service Fund accounts for debt payments for the Series 2015 GO bonds, and one equipment note. Fund balance remains at a minimal level since revenues and expenditures approximate break-even each year.

The fund balance of the Tax Increment Financing Fund increased by \$44,256 during the current fiscal year but actual revenues were 12.1% less than estimated because of a continued decline in assessed values for Area #1. Since Areas #2 and #3 have not produced any increment, the Village terminated Area #3 in late 2015 and recreated it as Area #4 with a new lower base assessment level in order to capture new growth that would have been unrealized under the older, higher base.

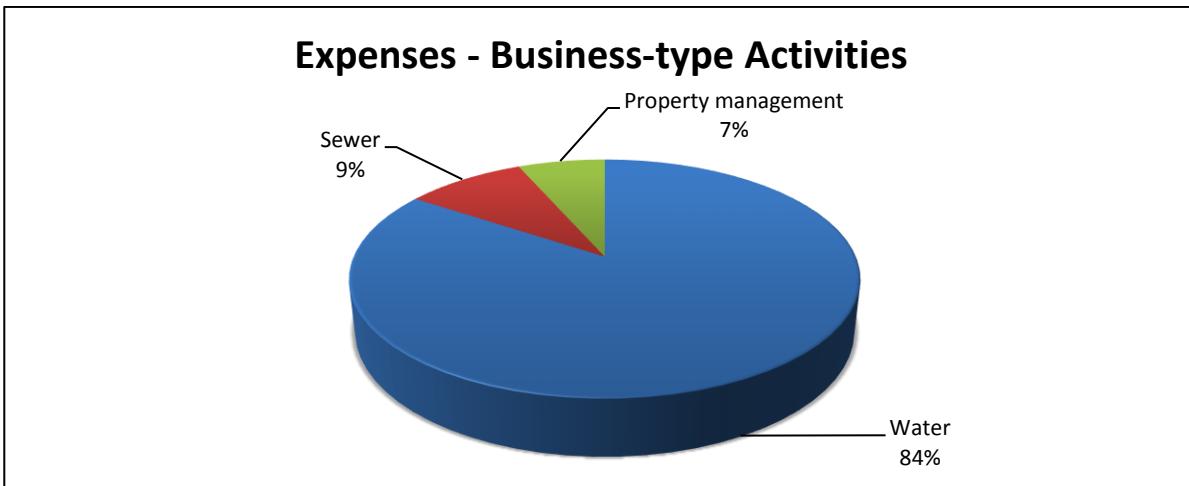
The Capital Projects Fund was created to account for the cost of constructing the new Public Safety facility, mostly financed through the sale of general obligation bonds. The drawdown of those bond proceeds was the primary reason for the overall decrease in fund balance in the governmental funds in 2016; At year-end fund balance in this fund was essentially depleted.

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

Net position of the Water Fund at the end of the current fiscal year amounted to -\$703,514, with \$1,925,082 of this amount being the Village's net investment in capital assets of the water system. A project to replace all of the meters in the water system, which was intended to improve billing accuracy, has helped to improve revenues, however the fund continued to show a loss from operations (-\$158,487) and on a cash flow basis (-\$63,794) for the year.



Net position of the Sewer Fund at the end of the current fiscal year amounted to \$1,568,156 with \$1,195,593 of this amount being the Village's net investment in capital assets of the sewer system. The total increase in net position was \$946 despite a cash flow decrease of \$42,809.



Net position of the Property Management Fund amounted to \$272,103 with \$544,325 of this amount being the Village's net investment in capital assets. The total decrease in net position was \$17,980 entirely attributable to depreciation expense on fund capital assets. The long-term plans for the real property assets of this fund will need to be reviewed as the original planned use as a Metra commuter rail station becomes more unlikely in the foreseeable future.

General Fund Budgetary Highlights

The Village made no supplemental appropriation and one transfer of appropriations during the fiscal year. Overall actual expenditures were \$495,134 less than budgeted, however program costs associated with the demolition of abandoned buildings exceeded expectations and required transfers from other departments to the Building and Code Enforcement budget in the amount of \$57,400; changes in staff allocation required a transfer of \$5,185 to the Recreation Department and additional program costs of the Beautification Committee required a transfer of \$1,150, both coming from the General Administration Department.

Capital Asset and Debt Administration

Capital assets - The Village of South Chicago Heights's net investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$10,706,884. This investment in capital assets includes land, buildings, improvements, systems, machinery and equipment, park facilities, streets and bridges. The total increase in the Village's investment in capital assets for the current fiscal year was \$2,848,613. Depreciation of these assets reduced the total amount by \$656,576 (\$436,810 for governmental activities and \$219,766 for business-type activities).

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

	Governmental activities		Business-type activities		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Land	\$ 513,274	\$ 513,274	\$ 291,500	\$ 291,500	\$ 804,774	\$ 804,774
Construction in progress	-	510,437	-	-	-	510,437
Buildings	3,910,696	935,900	345,861	372,492	4,256,557	1,308,392
Equipment	62,041	97,947	37,828	-	99,869	97,947
Vehicles	99,971	146,226	22,477	-	122,448	146,226
Street infrastructure	1,339,917	1,437,698	-	-	1,339,917	1,437,698
Sewer system	-	-	1,157,765	1,150,244	1,157,765	1,150,244
Water system	-	-	2,925,554	3,059,129	2,925,554	3,059,129
Total	<u>\$ 5,925,899</u>	<u>\$ 3,641,482</u>	<u>\$ 4,780,985</u>	<u>\$ 4,873,365</u>	<u>\$ 10,706,884</u>	<u>\$ 8,514,847</u>

Additional information on the Village's capital assets can be found in the notes to the financial statements of this report.

Long-term debt - At the end of the current fiscal year, the Village of South Chicago Heights had total outstanding bonded debt of \$3,271,842, along with long-term notes payable of \$79,981 and capital lease obligations of \$1,985,438. These amounts are comprised of debt backed by the full faith and credit of the Village. The Village's total long-term debt decreased by \$599,785 (10.1%) during the current fiscal year; no new debt was issued.

Village of South Chicago Heights Outstanding Debt

	Governmental activities		Business-type activities		Total	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
General obligation bonds	\$ 2,295,000	\$ 2,385,000	\$ 976,842	\$ 1,418,166	\$ 3,271,842	\$ 3,803,166
Long-term notes payable	79,981	109,531	-	36,163	79,981	145,694
Capital lease obligations	-	2,748	1,985,438	1,985,438	1,985,438	1,988,186
Total	<u>\$ 2,374,981</u>	<u>\$ 2,497,279</u>	<u>\$ 2,962,280</u>	<u>\$ 3,439,767</u>	<u>\$ 5,337,261</u>	<u>\$ 5,937,046</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total equalized assessed valuation. The current debt limitation for the Village of South Chicago Heights is \$5,370,540. The business-type general obligation bonds are exempt from this limitation because they were issued to finance the conversion from a well based water supply to a Lake Michigan water supply.

Additional information on the Village's long-term debt can be found in the notes to the financial statements of this report.

Economic Factors and Next Year's Budgets and Rates

Despite the positive economic trends reported in the national media, economic growth in South Chicago Heights and all of South Cook County remains painfully slow. While business activity seems to have halted its downward trend of the recent recession, a full recovery has not yet materialized. Within the Village's retail core, the stores with national or large regional recognition continue to provide the Village with a stable sales tax base, however the large number of vacancies within the Village's main business corridors are evidence that small, local

owners are not as secure. Privately-funded capital improvements within the business district are still being made, but again only by the strongest property owners. In addition, when the Cook County Assessor's office changed its assessment method it resulted in assessed values within the Village's tax increment financing areas falling appreciably leading to significantly lower tax increment generated for redevelopment. Housing prices remain weak but stable.

The Village's 2017 budget is intended to serve as a brief pause between the large capital costs from 2016's construction of a new public safety headquarters and renewed investment in the water system anticipated for 2018 along with updating the Village's information technology system. In 2017 the Village will implement the final phase of the last year's construction project by demolishing the old police and fire stations while maintain some ancillary operations on the site. Street rehab projects remain on temporary hold while the Village renews its effort to again receive Cook County CDBG grant funding.

An anticipated water rate increase from the Village's supplier has been built into the 2017 rate estimate, however it will not be implemented until the supplier rate increase is confirmed. Likewise, the Village garbage disposal program is intended to operate on a break-even basis from customer charges and will likely require an inflation adjustment during the year. As a non-home rule government, the Village has little control over its property tax rates, so the 2017 budget include only a minimal tax increase to the extent allowed under the State cap,

Requests for Information

This financial report is designed to provide a general overview of the Village of South Chicago Heights's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of South Chicago Heights Finance Director, 3317 Chicago Road, South Chicago Heights, Illinois 60412.

BASIC FINANCIAL STATEMENTS

Village of South Chicago Heights, Illinois

Statement of Net Position
December 31, 2016

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

	Primary Government			
	Governmental Activities	Business-type Activities		Total Primary Government
Assets				
Current assets				
Cash and cash equivalents	\$ 2,707,357	\$ 33,782	\$	2,741,139
Investments	150,926	-		150,926
Receivables (net of allowance for uncollectibles)	3,231,882	837,301		4,069,183
Internal balances	882,225	(882,225)		-
Inventories	5,258	31,338		36,596
Prepaid items	28,610	-		28,610
Total current assets	\$ 7,006,258	\$ 20,196	\$	7,026,454
Noncurrent assets				
Capital assets (net of accumulated depreciation)				
Land	\$ 513,274	\$ 291,500	\$	804,774
Buildings and system	3,910,696	4,429,180		8,339,876
Improvements other than buildings	62,041	-		62,041
Machinery and equipment	99,971	60,305		160,276
Infrastructure	1,339,917	-		1,339,917
Construction in progress	-	-		-
Total noncurrent assets	\$ 5,925,899	\$ 4,780,985	\$	10,706,884
Total assets	\$ 12,932,157	\$ 4,801,181	\$	17,733,338
Deferred outflows of resources				
Deferred Items - IMRF	\$ 224,554	\$ 61,681	\$	286,235
Deferred Items - Police Pension	1,037,258	-		1,037,258
Deferred Items - Firefighters' Pension	1,557	-		1,557
Total deferred outflows of resources	\$ 1,263,369	\$ 61,681	\$	1,325,050
Total assets and deferred outflows of resources	\$ 14,195,526	\$ 4,862,862	\$	19,058,388
Liabilities				
Current liabilities				
Accounts payable and other current liabilities	\$ 736,089	\$ 388,345	\$	1,124,434
Accrued interest payable	7,613	47,439		55,052
Unearned revenue	144,965	-		144,965
Current portion on long term liabilities				
Notes Payable	15,512	139,143		154,655
Bonds Payable	95,000	515,000		610,000
Compensated Absences	37,459	3,943		41,402
Total current liabilities	\$ 1,036,638	\$ 1,093,870	\$	2,130,508
Noncurrent liabilities:				
Notes Payable	\$ 64,469	\$ 1,846,295	\$	1,910,764
Bonds Payable	2,200,000	461,842		2,661,842
Net Pension Liability - IMRF	1,192,219	316,709		1,508,928
Net Pension Liability - Police Pension	3,895,934	-		3,895,934
Net Pension Liability - Firefighters' Pension	463,415	-		463,415
Net OPEB Obligation	1,390,359	-		1,390,359
Compensated Absences	72,505	7,401		79,906
Total noncurrent liabilities	\$ 9,278,901	\$ 2,632,247	\$	11,911,148
Total liabilities	\$ 10,315,539	\$ 3,726,117	\$	14,041,656
Net Position				
Net Investment in capital assets	\$ 3,460,918	\$ 3,665,000	\$	7,125,918
Restricted for:				
Economic development	608,877	-		608,877
Highways & streets	141,041	-		141,041
Debt service	17,198	-		17,198
Capital projects / tax relief	2,320,167	-		2,320,167
Unrestricted	(2,668,214)	(2,528,255)		(5,196,469)
Total net position	\$ 3,879,987	\$ 1,136,745	\$	5,016,732

Village of South Chicago Heights, Illinois

Statement of Activities

For the Year Ended December 31, 2016

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

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,563,389	\$ 1,120,252	\$ 7,805	\$ -
Public safety	3,463,584	541,059	17,767	41,698
Highways and streets	619,486	669	31,229	-
Sanitation	271,961	253,624	-	-
Culture and recreation	132,477	8,267	-	-
Interest on long-term debt	97,453	-	-	-
Total governmental activities	\$ 6,148,350	\$ 1,923,871	\$ 56,801	\$ 41,698
Business-type activities:				
Water	\$ 1,456,063	\$ 1,171,440	\$ -	\$ -
Sewer	156,749	150,665	-	-
Property Management	113,530	-	-	-
Total business-type activities	\$ 1,726,342	\$ 1,322,105	\$ -	\$ -
Total primary government	\$ 7,874,692	\$ 3,245,976	\$ 56,801	\$ 41,698

General revenues:

Property taxes
 Utility taxes
 State income tax
 Sales taxes
 Motor fuel tax
 Other state shared taxes
 Unrestricted investment earnings
 Other general revenues
 Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, January 1

Net position, December 31

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	
\$ (435,332)	\$ -	\$ (435,332)	
(2,863,060)	-	(2,863,060)	
(587,588)	-	(587,588)	
(18,337)	-	(18,337)	
(124,210)	-	(124,210)	
(97,453)	-	(97,453)	
\$ (4,125,980)	\$ -	\$ (4,125,980)	
\$ -	\$ (284,623)	\$ (284,623)	
-	(6,084)	(6,084)	
-	(113,530)	(113,530)	
\$ -	\$ (404,237)	\$ (404,237)	
\$ (4,125,980)	\$ (404,237)	\$ (4,530,217)	
\$ 1,827,640	\$ 461,157	\$ 2,288,797	
357,328	-	357,328	
397,637	-	397,637	
1,321,237	-	1,321,237	
105,382	-	105,382	
292,076	-	292,076	
27,415	-	27,415	
6,898	-	6,898	
-	800	800	
\$ (95,550)	\$ 95,550	\$ -	
\$ 4,240,063	\$ 557,507	\$ 4,797,570	
\$ 114,083	\$ 153,270	\$ 267,353	
\$ 3,765,904	\$ 983,475	\$ 4,749,379	
\$ 3,879,987	\$ 1,136,745	\$ 5,016,732	

Village of South Chicago Heights, Illinois

Governmental Funds

Balance Sheet

December 31, 2016

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

	General Fund	Non-home rule Sales Taxes Fund	Tax Increment Financing Fund	Debt Service Fund
Assets				
Assets				
Cash and cash equivalents	\$ 593,758	\$ 1,366,766	\$ 352,456	\$ 41
Investments	150,926	-	-	-
Receivable (net of allowance for uncollectibles)	2,523,343	111,310	386,407	198,856
Due from other funds	-	882,225	-	-
Prepaid items	14,269	-	-	-
Inventory	4,166	-	-	-
Total assets	\$ 3,286,462	\$ 2,360,301	\$ 738,863	\$ 198,897
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts / vouchers payable	\$ 176,782	\$ -	\$ 129,986	\$ -
Accrued payroll	111,739	-	-	-
Deposits payable	54,544	-	-	-
Total liabilities	\$ 343,065	\$ -	\$ 129,986	\$ -
Deferred inflows of resources				
Property and intergovernmental taxes	\$ 1,750,950	\$ 40,134	\$ 376,943	\$ 181,699
Charges for services, fines and grants	407,371	-	-	-
Total deferred inflows of resources	\$ 2,158,321	\$ 40,134	\$ 376,943	\$ 181,699
Fund Balances				
Nonspendable	\$ 18,435	\$ -	\$ -	\$ -
Restricted for capital projects / tax relief	-	2,320,167	-	-
Restricted for economic development	-	-	231,934	-
Restricted for highways & streets	-	-	-	-
Restricted for debt service	-	-	-	17,198
Unassigned	766,641	-	-	-
Total fund balances	\$ 785,076	\$ 2,320,167	\$ 231,934	\$ 17,198
Total liabilities, deferred inflows of resources and fund balances	\$ 3,286,462	\$ 2,360,301	\$ 738,863	\$ 198,897

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds
\$ 256,641	\$ 137,695	\$ 2,707,357
-	-	150,926
-	11,966	3,231,882
-	-	882,225
-	14,341	28,610
-	1,092	5,258
<u>\$ 256,641</u>	<u>\$ 165,094</u>	<u>\$ 7,006,258</u>
\$ 256,630	\$ 6,408	\$ 569,806
-	-	111,739
-	-	54,544
<u>\$ 256,630</u>	<u>\$ 6,408</u>	<u>\$ 736,089</u>
\$ -	\$ -	\$ 2,349,726
<u>-</u>	<u>1,073</u>	<u>408,444</u>
<u>\$ -</u>	<u>\$ 1,073</u>	<u>\$ 2,758,170</u>
\$ -	\$ 15,433	\$ 33,868
-	-	2,320,167
-	-	231,934
-	141,041	141,041
-	-	17,198
<u>11</u>	<u>1,139</u>	<u>767,791</u>
<u>\$ 11</u>	<u>\$ 157,613</u>	<u>\$ 3,511,999</u>
<u>\$ 256,641</u>	<u>\$ 165,094</u>	

\$ 5,925,899

2,605,592

(8,163,503)
\$ 3,879,987

Village of South Chicago Heights, Illinois

Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2016

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

	General Fund	Non-home rule Sales Taxes Fund	Tax Increment Financing Fund	Debt Service Fund
Revenues				
Local taxes	\$ 1,842,008	\$ -	\$ 175,712	\$ 189,486
State shared taxes	1,578,382	446,169	-	-
Licenses and permits	228,670	-	-	-
Charges for services	399,376	-	-	-
Fines and forfeitures	318,456	-	-	-
Rent	985,575	-	-	-
Grants	69,987	-	-	-
Interest	24,257	-	730	-
Reimbursements	6,640	-	-	-
Other revenue	12,757	-	-	-
Total revenues	\$ 5,466,108	\$ 446,169	\$ 176,442	\$ 189,486
Expenditures				
Current				
General government	\$ 1,114,984	\$ -	\$ 132,186	\$ -
Public safety	2,290,746	-	-	-
Highways and streets	474,477	-	-	-
Sanitation	271,961	-	-	-
Culture and recreation	84,887	-	-	-
Total current expenditures	\$ 4,237,055	\$ -	\$ 132,186	\$ -
Capital outlay	\$ 104,738	\$ -	\$ -	\$ -
Debt service				
Principal	\$ -	\$ -	\$ -	\$ 122,283
Interest and fiscal charges	-	-	-	97,625
Total debt service expenditures	\$ -	\$ -	\$ -	\$ 219,908
Total expenditures	\$ 4,341,793	\$ -	\$ 132,186	\$ 219,908
Excess (deficiency) of revenues over (under) expenditures	\$ 1,124,315	\$ 446,169	\$ 44,256	\$ (30,422)
Other financing sources and uses				
Transfers in	\$ 150,000	\$ -	\$ -	\$ 37,600
Transfers out	(1,117,600)	(384,850)	-	-
Total other financing sources and uses	\$ (967,600)	\$ (384,850)	\$ -	\$ 37,600
Net change in fund balances	\$ 156,715	\$ 61,319	\$ 44,256	\$ 7,178
Fund balances, January 1	\$ 628,361	\$ 2,258,848	\$ 187,678	\$ 10,020
Fund balances, December 31	\$ 785,076	\$ 2,320,167	\$ 231,934	\$ 17,198

Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 241	\$ 2,207,447
-	105,382	2,129,933
-	-	228,670
-	-	399,376
-	-	318,456
-	-	985,575
-	5,368	75,355
2,102	326	27,415
-	31,229	37,869
853	-	13,610
\$ 2,955	\$ 142,546	\$ 6,423,706
\$ 88,018	\$ -	\$ 1,335,188
-	179,024	2,469,770
-	28,552	503,029
-	-	271,961
-	-	84,887
\$ 88,018	\$ 207,576	\$ 4,664,835
\$ 2,785,838	\$ -	\$ 2,890,576
\$ -	\$ -	\$ 122,283
-	-	97,625
\$ -	\$ -	\$ 219,908
\$ 2,873,856	\$ 207,576	\$ 7,775,319
\$ (2,870,901)	\$ (65,030)	\$ (1,351,613)
\$ 1,039,300	\$ 180,000	\$ 1,406,900
-	-	(1,502,450)
\$ 1,039,300	\$ 180,000	\$ (95,550)
\$ (1,831,601)	\$ 114,970	\$ (1,447,163)
\$ 1,831,612	\$ 42,643	\$ 4,959,162
\$ 11	\$ 157,613	\$ 3,511,999

Village of South Chicago Heights, Illinois

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016

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

Amounts reported for governmental activities in the statement of activities (pages 15-16)
are different because:

Net change in fund balances - total governmental funds (pages 19-20) \$ (1,447,163)

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense. This is the amount by which
depreciation exceeded capital outlays in the current period. 2,284,417

Revenues in the statement of activities that do not provide current financial resources
are not reported as revenues in the funds. (65,723)

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	(110,045)
Change in Deferred Items - Police Pension	(278,045)
Change in Deferred Items - Firefighters Pension	424

Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures in
governmental funds.

Principal Payments on General Obligation Bonds	90,000
Principal Payments on Notes and Capital Leases Payable	32,283
Increase in Net Pension Obligation - IMRF	(2,473)
Increase in Net Pension Obligation - Police Pension	(252,260)
Increase in Net Pension Obligation - Firefighters Pension	(9,275)
Increase in Net OPEB Obligation	(114,200)
Increase in Compensated Absences Payable	(14,029)
Decrease in Accrued Interest	172

Change in net position of governmental activities (pages 15-16) \$ 114,083

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Fund Net Position

December 31, 2016

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

Business-type activities - Enterprise funds						
	Water Fund	Sewer Fund	Property Management Fund	Totals		
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,383	\$ 29,024	\$ 375	\$ 33,782		
Accounts receivable (net of allowance for uncollectibles)	785,063	52,238	-	837,301		
Due from other funds	-	325,000	-	325,000		
Inventories	<u>31,338</u>	<u>-</u>	<u>-</u>	<u>31,338</u>		
Total current assets	<u>820,784</u>	<u>406,262</u>	<u>375</u>	<u>1,227,421</u>		
Non-current assets:						
Capital assets (net of accumulated depreciation)						
Land	750	-	290,750	291,500		
Buildings and system	3,017,840	1,157,765	253,575	4,429,180		
Machinery and equipment	<u>22,477</u>	<u>37,828</u>	<u>-</u>	<u>60,305</u>		
Total non-current assets	<u>3,041,067</u>	<u>1,195,593</u>	<u>544,325</u>	<u>4,780,985</u>		
Total assets	\$ 3,861,851	\$ 1,601,855	\$ 544,700	\$ 6,008,406		
Deferred outflows of resources						
Deferred items - IMRF	<u>61,681</u>	<u>-</u>	<u>-</u>	<u>61,681</u>		
Total assets and deferred outflows of resources	<u>\$ 3,923,532</u>	<u>\$ 1,601,855</u>	<u>\$ 544,700</u>	<u>\$ 6,070,087</u>		
Liabilities						
Accounts payable	\$ 147,133	\$ 94	\$ 372	\$ 147,599		
Accrued payroll	12,591	-	-	12,591		
Compensated absences	11,344	-	-	11,344		
Due to other governments	-	33,605	-	33,605		
Due to other funds	935,000	-	272,225	1,207,225		
Customer deposits	194,550	-	-	194,550		
Accrued interest payable	47,439	-	-	47,439		
Noncurrent liabilities:						
Due within one year						
Notes payable	139,143	-	-	139,143		
Bonds payable	515,000	-	-	515,000		
Due in more than one year						
Net pension liability - IMRF	316,709	-	-	316,709		
Notes payable	1,846,295	-	-	1,846,295		
Bonds payable	<u>461,842</u>	<u>-</u>	<u>-</u>	<u>461,842</u>		
Total liabilities	<u>\$ 4,627,046</u>	<u>\$ 33,699</u>	<u>\$ 272,597</u>	<u>\$ 4,933,342</u>		
Net position						
Net Investment in capital assets	\$ 1,925,082	\$ 1,195,593	\$ 544,325	\$ 3,665,000		
Unrestricted	<u>(2,628,596)</u>	<u>372,563</u>	<u>(272,222)</u>	<u>(2,528,255)</u>		
Total net position	<u>\$ (703,514)</u>	<u>\$ 1,568,156</u>	<u>\$ 272,103</u>	<u>\$ 1,136,745</u>		

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Year Ended December 31, 2016

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

	Business-type activities - Enterprise funds				
	Water Fund	Sewer Fund	Property Management Fund	Totals	
Operating revenues					
Water sales	\$ 1,145,581	\$ -	\$ -	\$ 1,145,581	
Sewer charges	-	149,706	-	149,706	
Fines	25,857	959	-	26,816	
Interest	2	-	-	2	
Total operating revenues	\$ 1,171,440	\$ 150,665	\$ -	\$ 1,322,105	
Operating expenses					
Administration	\$ 245,298	\$ 1,498	\$ -	\$ 246,796	
Cost of sales and services	940,037	39,108	95,417	1,074,562	
Depreciation	144,592	71,462	18,113	234,167	
Total operating expenses	\$ 1,329,927	\$ 112,068	\$ 113,530	\$ 1,555,525	
Operating income (loss)	\$ (158,487)	\$ 38,597	\$ (113,530)	\$ (233,420)	
Nonoperating revenues (expenses)					
Property tax	\$ 454,127	\$ 7,030	\$ -	\$ 461,157	
Capital outlay	-	(44,681)	-	(44,681)	
Gain on sale of capital assets	800	-	-	800	
Interest expense	(126,136)	-	-	(126,136)	
Total nonoperating revenues (expenses)	\$ 328,791	\$ (37,651)	\$ -	\$ 291,140	
Income (loss) before contributions and transfers	\$ 170,304	\$ 946	\$ (113,530)	\$ 57,720	
Transfers in	\$ -	\$ -	\$ 95,550	\$ 95,550	
Change in net position	\$ 170,304	\$ 946	\$ (17,980)	\$ 153,270	
Total net position, January 1	\$ (873,818)	\$ 1,567,210	\$ 290,083	\$ 983,475	
Total net position, December 31	\$ (703,514)	\$ 1,568,156	\$ 272,103	\$ 1,136,745	

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2016

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

	Business-type activities - Enterprise funds				Totals
	Water Fund	Sewer Fund	Property Management Fund		
Cash flows from operating activities:					
Cash received from customers	\$ 1,236,198	\$ 349,855	\$ -	\$ 1,586,053	
Cash payments for goods and services	(833,513)	(237,862)	(95,291)	(1,166,666)	
Cash payments for salaries and benefits	(295,124)	-	-	(295,124)	
Net cash provided (used) by operating activities	\$ 107,561	\$ 111,993	\$ (95,291)	\$ 124,263	
Cash flows from noncapital financing activities					
Interfund borrowing	\$ 44,000	\$ (9,000)	\$ -	\$ 35,000	
Transfers from other funds	-	-	95,550	95,550	
Property tax receipts	456,440	6,691	-	463,131	
Net cash provided (used) by noncapital financing activities	\$ 500,440	\$ (2,309)	\$ 95,550	\$ 593,681	
Cash flows from capital and related financing activities					
Principal paid on debt	\$ (541,163)	\$ -	\$ -	\$ (541,163)	
Interest paid on debt	(62,460)	-	-	(62,460)	
Gain on sale of capital assets	800	-	-	800	
Purchase of plant, property and equipment	(24,974)	(161,493)	-	(186,467)	
Net cash provided (used) by capital and related financing activities	\$ (627,797)	\$ (161,493)	\$ -	\$ (789,290)	
Cash flows from investing activities					
Interest receipts	\$ 2	\$ -	\$ -	\$ 2	
Net cash provided (used) by investing activities	\$ 2	\$ -	\$ -	\$ 2	
Net increase (decrease) in cash	\$ (19,794)	\$ (51,809)	\$ 259	\$ (71,344)	
Cash and cash equivalents, January 1	\$ 24,177	\$ 80,833	\$ 116	\$ 105,126	
Cash and cash equivalents, December 31	\$ 4,383	\$ 29,024	\$ 375	\$ 33,782	
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ (158,487)	\$ 38,597	\$ (113,530)	\$ (233,420)	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	\$ 144,592	\$ 71,462	\$ 18,113	\$ 234,167	
(Increase) decrease in net accounts receivable	51,885	1,880	-	53,765	
(Increase) decrease in inventory	13,556	-	-	13,556	
Increase (decrease) in accounts payable	8,690	54	126	8,870	
Increase (decrease) in accrued salaries and benefits	31,323	-	-	31,323	
Increase (decrease) in compensated absences	1,263	-	-	1,263	
Increase (decrease) in customer deposits	14,739	-	-	14,739	
Total adjustments	\$ 266,048	\$ 73,396	\$ 18,239	\$ 357,683	
Net cash provided (used) by operating activities	\$ 107,561	\$ 111,993	\$ (95,291)	\$ 124,263	

Village of South Chicago Heights, Illinois

Fiduciary Funds

Statement of Fiduciary Net Position

December 31, 2016

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

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 249,421
Investments, at fair value:	
US Treasury securities	443,454
US government agency securities	399,950
State and municipal securities	381,568
Asset backed securities	44,964
Equity mutual funds	833,117
Corporate bonds	483,238
Annuities	498,919
Interest receivable	<u>11,145</u>
Total assets	<u>\$ 3,345,776</u>
Liabilities	
Accounts / vouchers payable	\$ 1,110
Accrued benefit liability	<u>1,504</u>
Total liabilities	<u>\$ 2,614</u>
Net position	
Held in trust for pension benefits	<u>\$ 3,343,162</u>
Total net position	<u>\$ 3,343,162</u>

Village of South Chicago Heights, Illinois

Fiduciary Funds

Statement of Changes in Fiduciary Net Position For the Year Ended December 31, 2016

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

	<u>Pension Trust Funds</u>
Additions:	
Contributions	
Employer	\$ 148,230
Plan member	<u>42,911</u>
Total contributions	<u>\$ 191,141</u>
Investment income	
Net appreciation in fair value of investments	\$ (53,183)
Interest	60,306
Dividends	<u>25,738</u>
Total investment income	<u>\$ 32,861</u>
Less investment expense	<u>13,337</u>
Net investment income	<u>\$ 19,524</u>
Total additions	<u>\$ 210,665</u>
Deductions:	
Benefits	\$ 245,172
Administrative expense	<u>5,727</u>
Total deductions	<u>\$ 250,899</u>
Change in net position	<u>\$ (40,234)</u>
Net position held in trust for pension benefits	
January 1	<u>\$ 3,383,396</u>
December 31	<u>\$ 3,343,162</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016

I. Summary of Significant Accounting Policies

The accounting policies of the Village of South Chicago Heights, Illinois conform to accounting principles generally accepted in the United States of America as applicable to local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (where applicable). The following is a summary of the more significant policies.

A. Reporting Entity

The Village of South Chicago Heights, Illinois is a municipal corporation, organized with powers and authorities as established in the Illinois Municipal Code (Chapter 65 of the Illinois Compiled Statutes), is governed by an elected Village President and six member Board of Trustees and operates under the President / Trustee form of government. As required by accounting principles generally accepted in the United States of America, these financial statements present the Village of South Chicago Heights and its component units, entities for which the Village is considered to be financially accountable.

Blended component units: The Village's full-time police and firefighter employees participate in the South Chicago Heights Police Pension Fund and South Chicago Heights Firefighters' Pension Fund respectively. The South Chicago Heights Police Pension Fund functions for the benefit of those employees and is governed by a five member board. Two members are elected by active fund members, one is elected by beneficiaries and two are appointed by the Village Board of Trustees. The South Chicago Heights Firefighters' Pension Fund functions for the benefit of those members and is governed by a five member board. Two members are elected by active fund members, one is elected by beneficiaries, and two are appointed by the Village Board of Trustees. The participants of both Funds are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining Fund costs based upon actuarially determined levels. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although they are legally separate from the Village, the Funds are reported as if they were part of the primary government because their sole purpose is to provide retirement benefits for the Village's sworn police officers and firefighters. The Funds are reported as pension trust funds.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Village's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

I. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements - The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets / deferred outflows, liabilities / deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is of major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Government-wide Financial Statements - The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets / deferred outflows and liabilities / deferred inflows (whether current or non-current) are included on the statements of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

I. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained, consistent with legal and managerial requirements. The various funds are grouped in the financial statements in this report into six generic fund types and three broad fund categories as follows:

Governmental funds are used to account for the Village's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (when they are "measurable" and "available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers taxpayer assessed and sales taxes available when in the hands of intermediary collecting governments and agencies. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues considered to be susceptible to accrual are:

- | | |
|--------------------------|---|
| - Real estate tax | - Utility tax |
| - Telecommunications tax | - Personal property replacement tax |
| - State sales tax | - 911 telephone surcharge |
| - State income tax | - Circuit court and local ordinance fines |
| - Local use tax | - Intergovernmental reimbursements |
| - Motor fuel tax | - Grants |
| - Video gaming tax | - Charges for services |

Governmental funds include the following fund types:

General Fund - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - is used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs.

Capital Project Fund - is used to account for the financial resources used for the acquisition and construction of major capital facilities.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

The Village reports the following major governmental funds:

- General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
- Non-home Rule Sales Taxes Fund – The Non-home Rule Sales Taxes Fund is used to account for taxes generated by the referendum approved non-home rule sales tax which are restricted in use for capital improvements and/or tax relief.
- Debt Service Fund - The Debt Service Fund is used to account for taxes levied for the retirement of general obligation bond debt and equipment installment contract debt.
- Tax Increment Financing Fund – The Tax Increment Financing Fund is used to account for the taxes generated by increases in real property assessed valuation in the Village's two tax increment financing areas and are restricted in use for redevelopment projects and/or activities within the designated tax increment financing area.
- Capital Project Fund - The Capital Project Fund is used to account for costs associated with the construction of the Public Safety facility which was financed with general obligation bond debt.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund type:

Enterprise Funds - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Village reports the following major proprietary funds:

- Water Fund - The Water Fund accounts for the operating activities of the Village's water utility service.
- Sewer Fund - The Sewer Fund accounts for the operating activities of the Village's sewer utility service.
- Property Management Fund - The Property Management Fund accounts for the operating activities of rental property being held for future development.

Fiduciary funds account for assets held by the Village in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the Village under the terms of a formal trust agreement.

Pension Trust Funds - are accounted for in essentially the same manner as proprietary funds using the same measurement focus and basis of accounting.

The Village has pension trust funds for both the Police and Firefighters' Pension Plans.

C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity

1. Deposits and Investments

Unrestricted deposits and investments are pooled into one common interest-earning bank account in order to maximize investment opportunities. Each fund with monies deposited in the pooled accounts has an equity therein, and interest earned on these monies is allocated based upon relative equity at each month end.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity (continued)

1. Deposits and Investments (continued)

Cash equivalents, for the preparation of these financial statements, are considered to be demand deposits with banks, money markets and negotiable certificates of deposit and marketable securities that were purchased with a maturity of ninety days or less. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. Receivables and Payables

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County Clerk and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. Property taxes receivable are initially recorded at the gross levy less a 3 percent allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

3. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Special reporting treatments are also applied to governmental fund inventories to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of \$5,000 or more and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50	Years
Improvements	20-40	Years
Infrastructure - roads	20	Years
Water & sewer system	30-50	Years
Vehicles	3-10	Years
Equipment	5-10	Years

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity (continued)

4. Capital Assets (continued)

Infrastructure assets include roads, sidewalks, traffic signals, etc. The retroactive reporting of infrastructure is optional for the Village and it has not elected to do so, therefore infrastructure assets acquired prior to May 1, 2004 are not reported in the basic financial statements. The reported infrastructure assets only include those acquired subsequent to April 30, 2004.

Property, plant and equipment in the proprietary funds are recorded at cost. Donated property, plant and equipment are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

6. Compensated Absences

Accumulated unpaid compensated absences are reflected in the financial statements in accordance with GASB Codification Section C60 and in the government-wide financial statements. Accumulated unpaid compensated absences are accrued when incurred in proprietary funds (using the accrual basis of accounting). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities.

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Village considers the entire amount to be a long-term obligation and thus has recorded liabilities in the Government wide statements and Water and Sewer Fund statements.

7. Interfund Receivable, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures / expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

8. Long-term Obligations

The Village reports long-term debt of governmental funds at face value in the government wide statements. Certain other governmental fund obligations not expected to be financed with current available resources are also reported in the government wide statement. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate fund.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed at the time of debt issuance.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Assets / Deferred Outflows, Liabilities / Deferred Inflows, and Equity (continued)

9. Fund Equity

Restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Restrictions of equity are limited to outside third-party restrictions. Commitments and assignments of fund balance represent tentative management plans that are subject to change. In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Net position represent the difference between assets / deferred outflows and liabilities / deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

10. Estimates

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for most funds. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

The Village Administrator submits to the Board of Trustees a proposed appropriation ordinance for the fiscal year commencing the following January 1. The appropriation ordinance includes proposed expenditures and the means of financing them. Appropriation hearings are conducted. The appropriation is legally enacted through the passage of an ordinance. The appropriation ordinance may be amended by the vote of four members of the Board of Trustees. For consistency purposes, all financial statements utilize the term "Budget" to indicate estimated revenues or appropriations.

Actual expenditures for any object may not legally exceed the total appropriated for that object. Management does not have the authority to alter appropriations without approval of the Board of Trustees. The appropriation ordinance was amended this year. The level of control (level at which the governing body must approve expenditures in excess of appropriations, or transfer appropriated amounts) is the fund. Appropriations lapse at year end.

B. Deficit Fund Equity

At December 31, 2016 the following fund had a deficit in fund equity:

Water Fund \$703,514

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

II. Stewardship, Compliance, and Accountability (continued)

C. Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Non-home Rules Taxes	Debt Service	Tax Increment Financing	Capital Project	Nonmajor Funds	Total
Fund balances							
Nonspendable							
Inventories / prepaids	\$ 18,435	\$ -	\$ -	\$ -	\$ -	\$ 15,433	\$ 33,868
Restricted							
Capital projects/tax relief	-	2,320,167	-	-	-	-	2,320,167
Economic development	-	-	-	231,934	-	-	231,934
Highways & streets	-	-	-	-	-	141,041	141,041
Debt service reserves	-	-	17,198	-	-	-	17,198
Unassigned	<u>769,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>1,139</u>	<u>770,766</u>
Total fund balance	<u>\$788,051</u>	<u>\$ 2,320,167</u>	<u>\$ 17,198</u>	<u>\$ 231,934</u>	<u>\$ 11</u>	<u>\$157,613</u>	<u>\$ 3,514,974</u>

Fund balance in the Non-home Rule Sales Taxes Fund is restricted by the State statutes that authorized the special revenue. Fund balance in the Debt Service Fund is restricted by local bond ordinances. Fund balance in the Tax Increment Financing Fund is restricted by enabling State legislation and local ordinances that created the TIF area. Fund balances in the Motor Fuel Tax and CDBG Funds (Nonmajor) are restricted by enabling State legislation and grant agreements. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance, as applicable.

III. Detailed Notes on All Funds

A. Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and/or "investments". Illinois statutes authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short term commercial paper rated within the three highest classifications by at least two rating services, and the Illinois Funds (public treasurer's investment pool). Pension funds may also invest in certain non-U.S. obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts.

At December 31, 2016 the Village's cash, cash equivalents and investments consisted of the following:

Deposits at carrying amount	\$ 2,989,410
Cash on hand	1,150
Investments at fair value	3,236,136
Total	<u><u>\$ 6,226,696</u></u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

These amounts are presented in the financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 2,741,139
Investments at fair value:	150,926

Statement of Fiduciary Net Position:

Cash and cash equivalents	249,421
Investments at fair value:	
US Treasury securities	443,454
US government agency securities	399,950
State and municipal securities	381,568
Asset backed securities	44,964
Corporate bonds	483,238
Equity mutual funds	833,117
Annuities	498,919
	<u>\$ 6,226,696</u>

Investments – As of December 31, 2016, the Village and the Pension Trust Funds had the following investment maturities in debt securities:

	Fair value	Investment maturities				
		0 to 6 months	6 months to 1 year	1 to 5 years	6 to 10 years	More than 10 years
Primary government						
Illinois Funds*	\$ 1,523,247	\$ 1,523,247	\$ -	\$ -	\$ -	\$ -
State of Illinois obligations	150,926	150,926	-	-	-	-
Total primary government	<u>\$ 1,674,173</u>	<u>\$ 1,674,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Pension Trust Funds						
Illinois Funds*	\$ 19,951	\$ 19,951	\$ -	\$ -	\$ -	\$ -
Corporate obligations	483,238	201,836	100,021	-	-	181,381
State of Illinois obligations	381,568	100,617	-	280,951	-	-
GNMA obligations	44,964	-	-	-	-	44,964
FHLB obligations	399,950	399,950	-	-	-	-
US Treasury notes	443,454	-	-	-	334,290	109,164
Total pension trust funds	<u>\$ 1,773,125</u>	<u>\$ 722,354</u>	<u>\$ 100,021</u>	<u>\$ 280,951</u>	<u>\$ 334,290</u>	<u>\$ 335,509</u>

* - The Illinois Funds Investment Pool is not registered with the SEC. The Pool is administered by the Illinois State Treasurer and oversight is provided by the Auditor General's office of the State of Illinois. The fair value of the positions in the Pool is the same as the value of the Pool shares. Because the Pool had a weighted average maturity of less than 6 months at December 31, 2016 it has been presented as an investment with a maturity of less than 6 months.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At year-end the Village had the following recurring fair value measurements:

	December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	(Level 1)	(Level 2)	(Level 3)	
Debt Securities				
U.S. Treasuries	\$ 443,454	443,454	-	-
U.S. Agencies	444,914	-	444,914	-
Corporate Bonds	483,238	-	483,238	
State and Local Obligations	532,494	-	532,494	-
Equity Securities				
Annuities	498,919	498,919	-	-
Mutual Funds	833,117	833,117	-	-
Total Investments by Fair Value Level	3,236,136	1,775,490	1,460,646	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds		1,543,198		
Total Investments Measured at Fair Value		4,779,334		

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village had no custodial credit risk for its investments at December 31, 2016. The Pension Trust Funds limit the exposure to custodial credit risk by utilizing an independent, third party institution, selected by the pension boards, to act as a custodian for the securities.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village and the Pension Trust Funds minimize the risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in short-term securities or similar investment pools. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village investment policy limits at least half of the Village's investment portfolio to maturities of less than one year.

Credit and concentration of credit risk – For an investment, credit risk is the risk that the issuer or other counterparty to an investment in debt securities will not fulfill its obligation. The Village and the Pension Trust Funds limit the exposure to credit risk by primarily investing in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. The Illinois Funds are "AAAm" rated funds and credit risk is very marginal. Concentration risk is defined as positions of 5% or greater in the securities of a single issuer. The investment policies of the Village and Pension Trust Funds do not include any limitations on how much U.S. Treasury and Agency securities can be held in the portfolio. At December 31, 2016, 12.0%, 1.3% and 11.4% of the Pension Trust Funds' investment portfolios consisted of investments in the Federal Home Loan Bank (FHLB), the Government National Mortgage Association (GNMA) and the State of Illinois respectively. The FNMA and GNMA are "AAA" rated and credit risk is marginal; the State of Illinois is rated "Baa1-" and credit risk is low.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	53%	1.3%
Domestic Equities	20%	5.4%
International Equities	10%	5.5%
Real Estate	5%	4.5%
Blended	10%	3.5%
Cash and Cash Equivalents	2%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are listed in the table above.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.83% for the Police Pension Fund and 0.01% for the Firefighters Pension Fund. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

III. Detailed Notes on All Funds (continued)

B. Receivables

Governmental funds receivables as of year-end, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Non-home Rule Sales Tax Fund	Tax Increment Financing Fund	Debt Service Fund	Non-major Governmental Funds	Total
Receivables:						
Property taxes	\$ 2,194,863	\$ -	\$ 439,826	\$ 226,011	\$ -	\$ 2,860,700
Other taxes	31,247	-	-	-	-	31,247
Intergovernmental Accounts	358,135	111,310	-	-	9,819	479,264
Fines	204,146	-	-	-	-	204,146
Grants	89,516	-	-	-	-	89,516
Interest	4,115	-	-	-	2,147	6,262
	2,683	-	-	-	-	2,683
Gross receivables	2,884,705	111,310	439,826	226,011	11,966	3,673,818
Less: allowance for uncollectible	361,362	-	53,419	27,155	-	441,936
Net total receivables	\$ 2,523,343	\$ 111,310	\$ 386,407	\$ 198,856	\$ 11,966	\$ 3,231,882

C. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances at year end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
NHRST Fund	Water Fund	\$610,000	Short-term cash loan
Sewer Fund	Water Fund	\$325,000	Short-term cash loan
NHRST Fund	Property Management Fund	\$272,225	Short-term cash loan

Transfers for the fiscal year were as follows:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	NHRST Fund	\$150,000	Fund current operations
E-911 Fund	General Fund	\$174,500	Fund current operations
Debt Service Fund	General Fund	\$ 37,600	Source of funds – long-term notes
Capital Project Fund	General Fund	\$900,000	Source of funds - capital acquisition
Capital Project Fund	NHRST Fund	\$139,300	Source of funds – capital acquisition
CDBG Fund	General Fund	\$ 5,500	Source of funds – engineering
Property Management Fund	NHRST Fund	\$ 95,550	Source of funds – long-term notes

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
(continued)

III. Detailed Notes on All Funds (continued)

D. Capital Assets

A summary of changes in governmental capital assets follows:

	Balance at January 1, 2016	Additions	Deletions	Balance at December 31, 2016
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 513,274	\$ -	\$ -	\$ 513,274
Construction in progress	510,437	-	510,437	-
Subtotal	<u>1,023,711</u>	<u>-</u>	<u>510,437</u>	<u>513,274</u>
Capital assets being depreciated				
Land improvements	219,116	-	-	219,116
Buildings	2,774,306	3,308,208	7,595	6,074,919
Equipment	2,368,495	-	68,949	2,299,546
Infrastructure	1,952,325	-	-	1,952,325
Subtotal	<u>7,314,242</u>	<u>3,308,208</u>	<u>76,544</u>	<u>10,545,906</u>
Accumulated depreciation	<u>4,696,471</u>	<u>513,354</u>	<u>76,544</u>	<u>5,133,281</u>
Total capital assets being depreciated, net	<u>2,617,771</u>	<u>2,794,854</u>	<u>-</u>	<u>5,412,625</u>
Governmental Activities capital assets, net	<u>\$ 3,641,482</u>	<u>\$ 2,794,854</u>	<u>\$ 510,437</u>	<u>\$ 5,925,899</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 61,796
Public safety	302,490
Highways and streets	115,526
Culture and recreation	33,542
	<u>\$ 513,354</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

III. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

A summary of changes in business-type capital assets follows:

	Balance at January 1, 2016	Additions	Deletions	Balance at December 31, 2016
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 291,500	\$ -	\$ -	\$ 291,500
Subtotal	<u>291,500</u>	<u>-</u>	<u>-</u>	<u>291,500</u>
Capital assets being depreciated				
Buildings	\$ 711,258	\$ -	\$ -	\$ 711,258
Water system	3,622,545	-	-	3,622,545
Water tower	2,134,198	-	-	2,134,198
Sewer system	2,494,630	116,812	-	2,611,442
Vehicles & equipment	104,986	24,974	14,400	115,560
Subtotal	<u>9,067,617</u>	<u>141,786</u>	<u>14,400</u>	<u>9,195,003</u>
Accumulated depreciation	<u>4,485,752</u>	<u>234,166</u>	<u>14,400</u>	<u>4,705,518</u>
Business-type Activities capital assets, net	<u>\$ 4,873,365</u>	<u>\$ (92,380)</u>	<u>\$ -</u>	<u>\$ 4,780,985</u>

E. Long-Term Liabilities

1. General Obligation Bonds

On November 1, 1998 the Village issued \$1,347,702 of Series 1998B General Obligation Bonds for the purpose of advance refunding a portion of the Series 1994 General Obligation Bonds and for improvements to the Village's water supply system. The bonds are payable on November 1 of each year from 2014 to 2018 to provide for a compounded accreted value at maturity using yields from 4.50 percent to 4.75 percent.

On March 5, 2015 the Village issued \$2,500,000 of Series 2015 General Obligation Bonds for the purpose of financing the construction of a new Public Safety building. Principal is payable on December 1 and interest is payable on June 1 and December 1 of each year from 2015 to 2034. The interest rate ranges from 2.00 percent to 4.50 percent. Property taxes are pledged to repay these bonds which are a general obligation of the Village.

2. Notes Payable

In 2001 the Village executed a note in the amount of \$500,000 for the purpose of refunding advances from the governmental funds to the Water Fund. Quarterly principal and interest payments are \$12,830 and are due March 31, June 30, September 30, and December 31. The final principal and interest payment was made September 30, 2016. The interest rate is 6 percent. Water revenues are pledged to repay this note, which is a general obligation of the Village.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

III. Detailed Notes on All Funds (continued)

E. Long-Term Liabilities (continued)

2. Notes Payable (continued)

In 2004 the Village executed a five year note in the amount of \$250,000 for the purpose of financing the purchase of a new fire truck with a balloon payment due on February 25, 2009. The repayment schedule for this note was based upon a 20 year amortization at an interest rate of 4.5 percent and the Village's intent is to refinance the remaining balance over the 20 year expected front-line life of the truck. A new note was executed on July 7, 2009 under the same terms with a final balloon payment due on June 25, 2014. The note was subsequently extended on July 7, 2014 under the same terms with semi-annual principal and interest payments due on June 25 and December 25 each year and a final balloon payment due on June 25, 2019. This note is a general obligation of the Village.

3. Changes in General Long-term Liabilities

For governmental activities, debt service payments for all general obligation bonds, installment contracts and notes payable are made by the Debt Service Fund; payments on the net pension obligation and long-term compensated absences are made by the General Fund. For business-type activities, all payments for long-term liabilities are made by the Water Fund. For the year ended December 31, 2016, changes in long-term debt principal was as follows:

Governmental Activities

	Balance 1/1/2016	Issuances	Retirements	Balance 12/31/2016	Amounts Due Within One Year
2004 fire truck purchase note	\$ 109,531	\$ -	\$ 29,550	\$ 79,981	\$ 15,512
2015 G.O. bonds	2,385,000	-	90,000	2,295,000	95,000
Capital lease payable	2,748	-	2,748	-	-
Net pension liability - IMRF	1,189,746	2,473	-	1,192,219	-
Net pension liability - police pension	3,643,674	252,260	-	3,895,934	-
Net pension liability - firefighters pension	454,140	9,275	-	463,415	-
Net OPEB obligation	1,276,159	114,200	-	1,390,359	-
Compensated absences	95,935	14,029	-	109,964	37,459
Total	\$ 9,156,933	\$ 392,237	\$ 122,298	\$ 9,426,872	\$ 147,971

Business-type Activities

	Balance 1/1/2016	Issuances	Retirements	Balance 12/31/2016	Amounts Due Within One Year
Series 1998B G.O. Bonds	\$ 1,418,166	\$ 63,676	\$ 505,000	\$ 976,842	\$ 515,000
2001 water system improvement note	36,163	-	36,163	-	-
Capital lease payable	1,985,438	-	-	1,985,438	139,143
Net pension liability - IMRF	316,097	612	-	316,709	-
Compensated absences	10,080	1,264	-	11,344	3,943
Total	\$ 3,765,944	\$ 65,552	\$ 541,163	\$ 3,290,333	\$ 658,086

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

III. Detailed Notes on All Funds (continued)

E. Long-Term Liabilities (continued)

4. Debt Service to Maturity

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

Year Ending December 31	Governmental Activities		Business-type Activities		Total
	G.O. bonds	Note Payable	G.O. bonds		
2017	\$ 185,650	\$ 18,995	\$ 515,000		\$ 719,645
2018	\$ 183,750	\$ 18,995	\$ 525,000		\$ 727,745
2019	\$ 185,900	\$ 49,331	\$ -		\$ 235,231
2020	\$ 182,900	\$ -	\$ -		\$ 182,900
2021	\$ 184,900	\$ -	\$ -		\$ 184,900
2022-26	\$ 923,350	\$ -	\$ -		\$ 923,350
2027-31	\$ 920,400	\$ -	\$ -		\$ 920,400
2032-34	\$ 551,125	\$ -	\$ -		\$ 551,125
Total	\$ 3,317,975	\$ 87,321	\$ 1,040,000		\$ 4,445,296
Less interest portion	\$ 1,022,975	\$ 7,340	\$ 63,158		\$ 1,093,473
Outstanding principal	<u>\$ 2,295,000</u>	<u>\$ 79,981</u>	<u>\$ 976,842</u>		<u>\$ 3,351,823</u>

F. Long-term deferred revenue

In 2013 the Village approved an amendment to its existing ground lease with American Tower Asset Sub, LLC to grant a long-term extension to the term in exchange for a modification of rent payments. Under the amended agreement American Tower paid a lump sum rent of \$800,000 for a fifty year extension of the lease term through 2076. For fiscal year 2016 the Village recognized a portion of this receipt as current year revenue and classified the remainder as long-term deferred revenue. A portion of this deferred amount will be recognized as current year revenue each year during the term of the lease agreement.

In 2014 the Village approved a five year site lease, with options to extend the term for five additional five year terms with New Cingular Wireless PCS. In 2016 the Village assigned this lease along with an exclusive easement to the property to Melody Telecom Land Holdings III for the sum of \$302,000. For fiscal year 2016 the Village recognized a portion of this receipt as current year revenue and classified the remainder as long-term deferred revenue. A portion of this deferred amount will be recognized as current year revenue each year during the term of the lease agreement.

G. Capital Lease Obligations

The Village is liable under one capital lease at December 31, 2016. The liability represents the present value of the balance due in future years for water meters discounted at a rate of 3.093%. The liability is payable in equal annual installments of \$200,545 including interest, through March 24, 2028.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

III. Detailed Notes on All Funds (continued)

F. Capital Lease Obligation (continued)

The future minimum payments required under the lease, together with the present value as of December 30, 2016 follows:

	Business-type activities
2017	200,545
2018	200,545
2019	200,545
2020	200,545
2021	200,545
2022-26	1,002,725
2027-28	<u>401,340</u>
Total minimum lease payments	2,406,790
Less amount representing interest	<u>421,352</u>
Present value of minimum lease payments	<u>\$ 1,985,438</u>

IV. Other Information

A. Employee Retirement Systems and Plans

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Fund which is a single-employer pension plan; and, the Firefighters' Pension Fund, which is also a single-employer pension plan. The Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 3317 Chicago Road, South Chicago Heights, Illinois 60412. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

1. Illinois Municipal Retirement Fund

Plan Description

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

Plan Description (continued)

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

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2016, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	22
Active Plan Members	<u>24</u>
Total	<u>76</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 was 18.84% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

Plan Description (continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50% including inflation
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 2,264,337	1,508,928	881,364

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 6,075,591	\$ 4,569,748	\$ 1,505,843
Changes for the year:			
Service Cost	82,955	-	82,955
Interest on the Total Pension Liability	444,704	-	444,704
Difference Between Expected and Actual Experience of the Total Pension Liability	99,762	-	99,762
Changes of Assumptions	(56,140)	-	(56,140)
Contributions - Employer	-	157,995	(157,995)
Contributions - Employees	-	38,821	(38,821)
Net Investment Income	-	314,545	(314,545)
Benefit Payments, including Refunds of Employee Contributions	(247,501)	(247,501)	-
Other (Net Transfer)	-	56,835	(56,835)
Net Changes	323,780	320,695	3,085
Balances at December 31, 2016	<u>6,399,371</u>	<u>4,890,443</u>	<u>1,508,928</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

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

For the year ended December 31, 2016, the Village recognized pension expense of \$298,342. At December 31, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 78,719	-	78,719
Change in Assumptions	1,664	(32,353)	(30,689)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	238,205	-	238,205
Total Deferred Amounts Related to IMRF	<u>318,588</u>	<u>(32,353)</u>	<u>286,235</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 122,950
2018	88,234
2019	69,366
2020	5,685
2021	-
Thereafter	-
Total	<u>286,235</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

2. Police Pension Plan

Plan Description

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

Plan Membership. At December 31, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	5
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	8
Total	<u>14</u>

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

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

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

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

2. Police Pension Plan (continued)

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2016, the Village's contribution was 25.16% of covered payroll.

Concentrations. At year end, the Pension Plan did not have any investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	5.50%
Salary Increases	3.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on 2016 Illinois Police Mortality Rate. The actuarial assumptions used in the December 31, 2016 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of the Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

2. Police Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.5%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

		Current		
	1% Decrease	Discount Rate	1% Increase	
	(4.50%)	(5.50%)	(6.50%)	
Net Pension Liability	\$ 5,043,004	3,895,934	2,971,539	

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

2. Police Pension Plan (continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 6,992,553	\$ 3,348,879	\$ 3,643,674
Changes for the year:			
Service Cost	143,946	-	143,946
Interest on the Total Pension Liability	378,509	-	378,509
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(110,343)	-	(110,343)
Changes of Assumptions	34,629	-	34,629
Contributions - Employer	-	136,901	(136,901)
Contributions - Employees	-	42,911	(42,911)
Net Investment Income	-	19,439	(19,439)
Benefit Payments, including Refunds of Employee Contributions		-	
Administrative Expense	(221,149)	(221,149)	-
	-	(4,770)	4,770
Net Changes	225,592	(26,668)	252,260
Balances at December 31, 2016	<u>7,218,145</u>	<u>3,322,211</u>	<u>3,895,934</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

2. Police Pension Plan (continued)

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

For the year ended December 31, 2016, the Village recognized pension expense of \$667,205. At December 31, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 60,509	\$ (94,020)	\$ (33,511)
Change in Assumptions	792,049	-	792,049
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	278,720	-	278,720
Total Deferred Amounts Related to Police	<u>1,131,278</u>	<u>(94,020)</u>	<u>1,037,258</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 365,812
2018	365,812
2019	303,855
2020	21,493
2021	(11,200)
Thereafter	<u>(8,514)</u>
Total	<u>1,037,258</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan (continued)

Plan Descriptions

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

Plan Membership. At December 31, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	<u>0</u>
Total	<u><u>1</u></u>

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

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

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

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan (continued)

Plan Descriptions (continued)

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2016, the Village's contribution was not available.

Concentrations. At year end, the Pension Plan did not have any investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	3.50%
Salary Increases	Not applicable
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on 2014 Illinois Firefighters' Mortality Rate. The actuarial assumptions used in the December 31, 2016 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The rates are experience weighted with the raw rates as developed in the RP-2014 study, with Blue Collar adjustment and improved generationally using MP-2016 improvement rates.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2016

(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

		Current		
	1% Decrease	Discount Rate	1% Increase	
	(2.50%)	(3.50%)	(4.50%)	
Net Pension Liability	\$ 523,658	463,415	412,857	

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

3. Firefighters' Pension Plan (continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 488,657	\$ 34,517	\$ 454,140
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	16,683	-	16,683
Difference Between Expected and Actual			
Experience of the Total Pension Liability	6,607	-	6,607
Changes of Assumptions	(3,557)	-	(3,557)
Contributions - Employer	-	11,329	(11,329)
Contributions - Employees	-	-	-
Net Investment Income	-	85	(85)
Benefit Payments, including Refunds			
of Employee Contributions	(24,024)	(24,024)	-
Administrative Expense	-	(956)	956
Net Changes	(4,291)	(13,566)	9,275
Balances at December 31, 2016	484,366	20,951	463,415

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

B. Employee Retirement Systems and Plans (continued)

4. Firefighters' Pension Plan (continued)

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

For the year ended December 31, 2016, the Village recognized pension expense of \$20,181. At December 31, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ -	\$ -	\$ -
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,557	-	1,557
Total Deferred Amounts Related to Police	1,557	-	1,557

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

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 461
2018	461
2019	458
2020	177
2021	-
Thereafter	-
Total	1,557

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

B. Other Post Employment Benefits

1. Plan Description, Provisions and Funding Policy

In addition to providing the pension benefits described, the Village provides postemployment healthcare insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and collective bargaining agreements. The plan is not accounted for as a trust fund, and an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment healthcare benefits to its retirees. To be eligible for benefits an employee must have been hired prior to September 18, 2006 and qualify for retirement under one of the Village's retirement plans.

All healthcare benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services, dental care and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

Upon separation from Village service, unless removed for cause, after completing a minimum of 15 years of active service for the Village, some or all of the related cost of health insurance premiums will be paid by the Village in accordance with the following schedule:

<u>Years of active service</u>	<u>Premiums paid by the Village</u>
15	50%
18	75%
20	100%

For the fiscal year ending December 31, 2016, retirees contributed \$0. Active employees do not contribute to the plan in anticipation of future participation in the Village's retiree healthcare insurance benefit at retirement. Contributions to the plan begin only at retirement.

At December 31, 2016 membership consisted of:

Retirees and beneficiaries currently receiving benefits	9
Active fully eligible to retire	5
Active not yet fully eligible to retire	17
Total	<u>31</u>

The Village does not currently have a funding policy.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
 December 31, 2016
 (continued)

IV. Other Information (continued)

B. Other Post Employment Benefits (continued)

2. Annual OPEB Costs and Net OPEB Obligations

The net OPEB obligation (NOPEBO) as of December 31, 2016 was calculated as follows:

Annual Required Contributions	\$ 209,594
Interest on Net OPEB Obligation	51,046
Adjustment to Annual Required Contribution	<u>(42,538)</u>
Annual OPEB Cost	218,102
Actual Contribution	<u>103,902</u>
Increase to the Net OPEB Obligation	114,200
Net OPEB Obligation - Beginning of Year	<u>1,276,159</u>
Net OPEB Obligation - End of Year	<u>\$ 1,390,359</u>

3. Trend Information

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	\$ 263,813	28.7%	\$ 747,600
12/31/2015	\$ 335,565	23.7%	\$ 1,003,499
12/31/2016	\$ 218,102	47.6%	\$ 1,390,359

4. Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Ratio of Unfunded Actuarial Accrued Liability to Annual Covered Payroll
12/31/2014	\$ -	\$ 4,669,750	\$ 4,669,750	0.00%	\$ 1,010,089	462.31%
12/31/2015	\$ -	\$ 4,669,750	\$ 4,669,750	0.00%	\$ 1,034,571	451.37%
12/31/2016	\$ -	\$ 3,003,712	\$ 3,003,712	0.00%	\$ 1,452,937	206.73%

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2016
(continued)

IV. Other Information (continued)

B. Other Post Employment Benefits (continued)

4. Funded Status and Funding Progress (continued)

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

5. Actuarial Methods and Assumptions

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

In the December 31, 2015 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, including a 2.5% inflation assumption and an initial healthcare cost trend rate of 7.6%, with an ultimate rate of 5.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of pay on an open basis. The remaining amortization period at December 31, 2016 was 30 years.

C. Commitments

At December 31, 2016, the Village had an outstanding purchase commitment of \$1,465 for road salt.

D. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased for all coverage except workers' compensation, as noted below. The Village retains the risk on the first \$1,000 loss per occurrence, and also for losses above the policy's \$8,000,000 coverage limit. At fiscal year end, the Village determined there were no probable unpaid claims for which it retained risk, and as such did not record a claims liability.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements

December 31, 2016

(continued)

IV. Other Information (continued)

D. Risk Management (continued)

Illinois Public Risk Fund (IPRF)

The Village participates in the Illinois Public Risk Fund (IPRF) to provide for the defense and payment of workers' compensation claims. The Fund is a not-for-profit corporation organized and operating as an intergovernmental joint insurance pool within the meaning of the Workers' Compensation Act. The Fund's membership consists of over 500 Illinois municipal units. Membership in the Fund is limited to public entities. The minimum initial term of membership is one year and membership may not be terminated by the member prior to the last day of the initial year. A member may withdraw its membership in subsequent years upon giving 90 days notice.

In the event of depletion of all reserves and reduction of members' equity below zero, pro rata assessments of participating members may be made to cover deficits that may occur. In the event of termination of IML-RMA by its members, after payment of all claims and expenses, the remaining assets are to be distributed pro rata among the members.

The Village's payments to IPRF are displayed on the financial statements as expenditures/expenses in appropriate funds.

E. Significant Contingencies

The Village was a party to several pending lawsuits at December 31, 2016. After consultation with legal counsel and application of the criteria set out in NCGA-4 and SFAS-5, the Village has determined that none of these lawsuits meets both the "probable" and "measurable" standards, and as such an estimated loss contingency amount for this judgment has been recorded as an expenditure in the current year.

REQUIRED SUPPLEMENTARY INFORMATION

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

Revenues	Budgeted Amounts			Actual Amounts		Variance with Final Budget	
	Original	Final				Positive (Negative)	
Local Taxes							
Property Tax - Corporate Levy	\$ 240,500	\$ 240,500		\$ 254,885	\$ 14,385		
Property Tax - Audit Levy	22,450	22,450		23,718	1,268		
Property Tax - Crossing Guards Levy	4,500	4,500		4,746	246		
Property Tax - Fire Pension Levy	11,575	11,575		12,322	747		
Property Tax - Fire Protection Levy	278,250	278,250		297,304	19,054		
Property Tax - Garbage Levy	6,725	6,725		6,065	(660)		
Property Tax - IMRF Levy	125,675	125,675		135,758	10,083		
Property Tax - Liability Insurance Levy	157,075	157,075		164,059	6,984		
Property Tax - Police Pension Levy	139,225	139,225		148,793	9,568		
Property Tax - Police Protection Levy	329,825	329,825		351,374	21,549		
Property Tax - Street & Bridge Levy	54,975	54,975		58,971	3,996		
Property Tax - Road & Bridge Levy	19,000	19,000		20,321	1,321		
Utility Tax - Electric	310,000	310,000		312,093	2,093		
Utility Tax - Natural Gas	65,000	65,000		45,235	(19,765)		
Foreign Fire Insurance Tax	7,500	7,500		6,364	(1,136)		
Total Local Taxes	\$ 1,772,275	\$ 1,772,275		\$ 1,842,008	\$ 69,733		
State Shared Taxes							
State Sales Tax	\$ 925,000	\$ 925,000		\$ 884,028	\$ (40,972)		
Telecommunications Tax	95,000	95,000		86,584	(8,416)		
State Income Tax	400,000	400,000		402,907	2,907		
State Use Tax	80,000	80,000		98,775	18,775		
Personal Property Replacement Tax	23,600	23,600		24,267	667		
Video Gaming Tax	55,000	55,000		81,821	26,821		
Total State Shared Taxes	\$ 1,578,600	\$ 1,578,600		\$ 1,578,382	\$ (218)		
Licenses and Permits							
License - Auto body shops	\$ 900	\$ 900		\$ 1,600	\$ 700		
License - Auto courts & mobile home pks	1,275	1,275		1,275	-		
License - Auto parts dealers	1,500	1,500		1,400	(100)		
License - Auto repair & tire repair shops	5,000	5,000		5,500	500		
License - Auto sales, new & used	3,500	3,500		3,100	(400)		
License - Barber & beauty shops	2,000	2,000		2,375	375		
License - Billiards tables	750	750		1,200	450		
License - Business, general	35,000	35,000		36,336	1,336		
License - Cigarette & tobacco dealer	800	800		900	100		
License - Coin op amusement & game rms	1,500	1,500		800	(700)		
License - Coin operated vending	4,200	4,200		4,625	425		
License - Contractors	20,000	20,000		17,575	(2,425)		
License - Delivery trucks & truckers	200	200		-	(200)		
License - Food dealers	6,500	6,500		7,150	650		
License - Food delivery vehicles	100	100		100	-		
License - Gasoline storage	400	400		250	(150)		
License - Ice cream & milk dealers	100	100		-	(100)		
License - Junk dealers & scavengers	1,000	1,000		1,115	115		
License - Machine plants	2,200	2,200		2,200	-		
License - Nursing homes	1,000	1,000		1,000	-		
License - Outdoor advertisers	1,500	1,500		1,500	-		

continued***

C:\Users\John Dolanski\Documents\FY 18 CAFR Report\FY 18 CAFR statements\slat\General AS date\ 5/6/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final		Positive (Negative)		
Revenues (continued)						
Licenses and Permits (continued)						
License - Paint shops	\$ 300	\$ 300	\$ 300	\$ -		
License - Peddlers, flea mkt & itinerant dtrs	600	600	300	(300)		
License - Restaurants	4,500	4,500	5,100	600		
License - Service stations	600	600	600	-		
License - Tattoo & body piercing	200	200	200	-		
License - Taxicabs	650	650	575	(75)		
License - Alcoholic Liquor Class A	3,750	3,750	3,750	-		
License - Alcoholic Liquor Class B	750	750	1,600	850		
License - Alcoholic Liquor Class C	3,700	3,700	3,700	-		
License - Alcoholic Liquor Class E1 & E2	500	500	-	(500)		
License - Alcoholic Liquor Class F1 & F2	2,000	2,000	1,400	(600)		
License - Alcoholic Liquor Class H	500	500	500	-		
License - Alcoholic Liquor Class T	1,000	1,000	900	(100)		
License - Alcoholic Liquor Class J	100	100	800	700		
Vehicle License - Passenger Car	100	100	72	(28)		
License - Domestic Animal	200	200	125	(75)		
Permit Fee - Plan Review	500	500	-	(500)		
Permit Fee - Residential Remodeling	22,500	22,500	23,514	1,014		
Permit Fee - Comm/Indstrl Remodeling	22,500	22,500	9,477	(13,023)		
Permit Fee - Comm/Indstrl New Constructio	10,000	10,000	-	(10,000)		
Permit Fee - Plumbing	100	100	-	(100)		
Permit Fee - Electrical	200	200	-	(200)		
Rental Unit Inspection Fee	25,000	25,000	28,745	3,745		
Permit Violation / Reinspection Fee	100	100	50	(50)		
Permit Fee - Excavation	500	500	-	(500)		
Certificate of Occupancy Fee	15,000	15,000	18,575	3,575		
Permit Fee - Solicitor	50	50	-	(50)		
Franchise Fee - Cable TV	36,000	36,000	37,941	1,941		
Permit Fee - Other	500	500	445	(55)		
Total Licenses and Permits	\$ 241,825	\$ 241,825	\$ 228,670	\$ (13,155)		
Charges for Services						
Ambulance & EMS Fee	\$ 160,000	\$ 160,000	\$ 140,994	\$ (19,006)		
Board-up / Violation Remediation Charge	2,500	2,500	5,441	2,941		
Delinquent Bill Lein Release Charge	100	100	42	(58)		
FOIA / Copying Charge	25	25	-	(25)		
Garbage Bag / Recycling Bin Fee	260,000	260,000	249,912	(10,088)		
Inspection Fee	5,000	5,000	-	(5,000)		
License Application Fee	500	500	650	150		
Police / Fire Report Fee	950	950	1,260	310		
50/50 Sidewalk Replacement Sales	500	500	-	(500)		
Other Charges For Services	250	250	50	(200)		
Program Fees - Other Recreation	500	500	1,027	527		
Total Charges for Services	\$ 430,325	\$ 430,325	\$ 399,376	\$ (30,949)		

continued...

C:\Users\John.Dolanski\Documents\FY18 CAFR\Report\FY 18 CAFR statements\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	Positive (Negative)
Revenues (continued)					
Fines and Forfeitures					
Building Code Violation Fines	\$ -	\$ -	\$ 220	\$ 220	
Circuit Court DUI Fines	1,000	1,000	4,226	3,226	
Circuit Court Fines	20,000	20,000	13,523	(6,477)	
"C" Ticket Fines	110,000	110,000	115,245	5,245	
General Ordinance Violation Fines	42,000	42,000	118,793	76,793	
Late Payment Penalty	5,750	5,750	4,362	(1,388)	
NSF Check Charge	200	200	75	(125)	
"P" Ticket Fines	-	-	9,958	9,958	
Police Forfeiture Income	25,000	25,000	52,054	27,054	
Total Fines and Forfeitures	\$ 203,950	\$ 203,950	\$ 318,456	\$ 114,506	
Rent					
Building Rentals	\$ 51,225	\$ 51,225	\$ 51,228	\$ 3	
Antenna Site Lease	924,850	924,850	926,807	1,957	
Senior Center Rentals	2,500	2,500	5,700	3,200	
Pavilion Rentals	2,000	2,000	1,540	(460)	
Other Rentals	250	250	300	50	
Total Rent	\$ 980,825	\$ 980,825	\$ 985,575	\$ 4,750	
Grants					
State Grants	\$ 7,500	\$ 7,500	\$ 32,862	\$ 25,362	
County Grants	1,500	1,500	24,363	22,863	
Corporate / Private Grants	13,480	13,480	13,482	2	
Total Grants	\$ 22,480	\$ 22,480	\$ 70,707	\$ 48,227	
Interest					
Interest From Deposits	\$ 450	\$ 450	\$ 6,056	\$ 5,606	
Interest From Investments	20,000	20,000	24,041	4,041	
Increase in Fair Value of Investments	-	-	(5,840)	(5,840)	
Total Interest	\$ 20,450	\$ 20,450	\$ 24,257	\$ 3,807	
Reimbursements					
Gasoline Tax Reimbursement	\$ 1,500	\$ 1,500	\$ 1,320	\$ (180)	
Expense Reimbursement	2,600	2,600	2,907	307	
Insurance Reimbursement	1,000	1,000	1,961	961	
Intergovernmental Reimbursement	1,500	1,500	-	(1,500)	
Workers Compensation Reimbursement	-	-	452	452	
Total Reimbursements	\$ 6,600	\$ 6,600	\$ 6,640	\$ 40	
Other Revenue					
Donations	\$ 3,500	\$ 3,500	\$ 7,805	\$ 4,305	
Donations - Firefighters Association	3,000	3,000	3,000	-	
Merchandise Sales	-	-	1,694	1,694	
Special Event Fund Raising	-	-	250	250	
Miscellaneous	100	100	8	(92)	
Total Other Revenue	\$ 6,600	\$ 6,600	\$ 12,757	\$ 6,157	
Total revenues	\$ 5,263,930	\$ 5,263,930	\$ 5,466,828	\$ 202,898	

continued...

C:\Users\John.Doleman\Documents\Y18 CAFR\Report\Y18 CAFR statements.xlsx\General AS data\1 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final		Positive (Negative)		
Expenditures						
General government						
Nondepartmental						
Personal Services						
Benefits						
Insurance - Group Medical	\$ 65,896	\$ 65,896	\$ 59,394	\$ 6,502		
Insurance - Group Dental	4,098	4,098	3,635	463		
Total Benefits	\$ 69,994	\$ 69,994	\$ 63,029	\$ 6,965		
Total Personal Services	\$ 69,994	\$ 69,994	\$ 63,029	\$ 6,965		
Contingency						
Contingencies	\$ 27,500	\$ -	\$ 8,286	\$ (8,286)		
Total Contingency	\$ 27,500	\$ -	\$ 8,286	\$ (8,286)		
Total Nondepartmental	\$ 97,494	\$ 69,994	\$ 71,315	\$ (1,321)		
Mayor and Village Board						
Personal Services						
Compensation						
Salary - Elected and Appointed Officials	\$ 80,740	\$ 67,910	\$ 59,125	\$ 8,785		
Total Compensation	\$ 80,740	\$ 67,910	\$ 59,125	\$ 8,785		
Personal Services						
Benefits						
Employer FICA / Medicare	\$ 4,611	\$ 4,611	\$ 4,523	\$ 88		
Employer IMRF	11,055	11,055	10,844	211		
Insurance - Group Life and AD&D	2,621	2,621	2,094	527		
Insurance - Group Medical	52,158	51,508	45,286	6,222		
Insurance - Group Dental	6,925	6,925	6,556	369		
Insurance - Workers Compensation	4,047	4,697	4,685	12		
Insurance - Unemployment Compensation	597	597	-	597		
Total Benefits	\$ 82,014	\$ 82,014	\$ 73,988	\$ 8,026		
Total Personal Services	\$ 162,754	\$ 149,924	\$ 133,113	\$ 16,811		
Contractual Services						
Repair and Maintenance						
R & M - Vehicles	\$ 550	\$ 1,715	\$ 1,711	\$ 4		
Total Repair and Maintenance	\$ 550	\$ 1,715	\$ 1,711	\$ 4		

continued...

C:\Users\John.Delazanek\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xlsx\General AS-Actual 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Mayor and Village Board (continued)				
Contractual Services (continued)				
Other Contractual				
Facility Rental	\$ -	\$ 3,265	\$ 3,265	\$ -
Intergovernmental Fees and Dues	\$ 138	\$ 138	\$ 101	\$ 37
Printing and Copying Services	\$ -	\$ 3,000	\$ 2,996	\$ 4
Professional Assn Memberships & Dues	\$ 3,630	\$ 4,380	\$ 4,377	\$ 3
Purchased Program Services	\$ 1,100	\$ 100	\$ 100	\$ -
Telephone - Local, LD, Wireless, Pager	\$ 1,650	\$ 1,350	\$ 1,344	\$ 6
Training Services	\$ 110	\$ 10	\$ -	\$ 10
Total Other Contractual	\$ 6,628	\$ 12,243	\$ 12,183	\$ 60
Total Contractual Services	\$ 7,178	\$ 13,958	\$ 13,894	\$ 64
Commodities				
Awards	\$ 165	\$ 140	\$ 110	\$ 30
Computer Supplies	\$ -	\$ 210	\$ 210	\$ -
Concessions and Food	\$ 4,400	\$ 5,760	\$ 5,756	\$ 4
Fuel	\$ 1,320	\$ 495	\$ 795	\$ (300)
Office Supplies	\$ -	\$ 35	\$ 33	\$ 2
Postage	\$ -	\$ 1,305	\$ 1,303	\$ 2
Program Supplies	\$ 165	\$ 3,365	\$ 3,362	\$ 3
Stationery	\$ 110	\$ 60	\$ 58	\$ 2
Uniforms	\$ -	\$ 120	\$ 120	\$ -
Other Materials and Supplies	\$ 4,400	\$ 3,600	\$ 3,515	\$ 85
Total Commodities	\$ 10,560	\$ 15,090	\$ 15,262	\$ (172)
Travel				
Conference and Meeting Registration	\$ 2,750	\$ 2,325	\$ 2,310	\$ 15
Local Mileage, Parking and Tolls	\$ 660	\$ 435	\$ 434	\$ 1
Lodging	\$ 1,650	\$ 1,650	\$ 1,633	\$ 17
Meals	\$ 1,100	\$ 1,800	\$ 1,346	\$ 454
Total Travel	\$ 6,160	\$ 6,210	\$ 5,723	\$ 487
Total Mayor and Village Board	\$ 186,652	\$ 185,182	\$ 167,992	\$ 17,190
Board of Police & Fire Commissioners				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 550	\$ 550	\$ -	\$ 550
Total Compensation	\$ 550	\$ 550	\$ -	\$ 550
Total Personal Services	\$ 550	\$ 550	\$ -	\$ 550
Contractual Services				
Professional Services				
Legal - Review	\$ 550	\$ 550	\$ -	\$ 550
Medical	\$ 550	\$ 550	\$ 450	\$ 100
Total Professional Services	\$ 1,100	\$ 1,100	\$ 450	\$ 650

continued...

C:\Users\lora.Dell\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xls\General All detail 5AE2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Board of Police & Fire Commissioners (continued)				
Contractual Services (continued)				
Other Contractual				
Professional Assn Memberships & Dues	\$ 413	\$ 413	\$ -	\$ 413
Purchased Program Services	1,100	1,100	-	1,100
Training Services	550	550	450	100
Other Contractual	\$ 2,063	\$ 2,063	\$ 450	\$ 1,613
Total Contractual Services	\$ 3,163	\$ 3,163	\$ 900	\$ 2,263
Commodities				
Books and Publications	\$ 220	\$ 220	\$ -	\$ 220
Total Commodities	\$ 220	\$ 220	\$ -	\$ 220
Travel				
Local Mileage, Parking and Tolls	\$ 110	\$ 110	\$ -	\$ 110
Lodging	550	550	-	550
Meals	165	165	-	165
Total Travel	\$ 825	\$ 825	\$ -	\$ 825
Total Board of Police & Fire Commissioner:	\$ 4,758	\$ 4,758	\$ 900	\$ 3,858
Health Officer				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 4,974	\$ 4,974	\$ 4,518	\$ 456
Total Compensation	\$ 4,974	\$ 4,974	\$ 4,518	\$ 456
Benefits				
Employer FICA / Medicare	\$ 381	\$ 381	\$ 346	\$ 35
Employer IMRF	912	912	828	84
Total Compensation	\$ 1,293	\$ 1,293	\$ 1,174	\$ 119
Total Personal Services	\$ 6,267	\$ 6,267	\$ 5,692	\$ 575
Contractual Services				
Other Contractual				
Rodent / Mosquito Abatement	\$ 22,275	\$ 22,275	\$ 20,554	\$ 1,721
Total Other Contractual	\$ 22,275	\$ 22,275	\$ 20,554	\$ 1,721
Total Contractual Services	\$ 22,275	\$ 22,275	\$ 20,554	\$ 1,721
Total Health Officer	\$ 28,542	\$ 28,542	\$ 26,246	\$ 2,296

continued...

C:\Users\John Dolan\Downloads\FY 16 CAFR Report\FY 16 CAFR statements\1st\General AG data\ 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final				
Expenditures (continued)						
General government (continued)						
Zoning Board of Appeals						
Personal Services						
Compensation						
Stipend - Boards and Commissions	\$ 825	\$ 1,015	\$ 1,010	\$ 5		
Total Compensation	\$ 825	\$ 1,015	\$ 1,010	\$ 5		
Total Personal Services	\$ 825	\$ 1,015	\$ 1,010	\$ 5		
Contractual Services						
Professional Services						
Engineering and Architectural	\$ 550	\$ 550	\$ -	\$ 550		
Legal - Review	6,875	6,685	-	6,685		
Total Professional Services	\$ 7,425	\$ 7,235	\$ -	\$ 7,235		
Other Contractual						
Advertising & Legal Publishing	\$ 275	\$ 275	\$ 79	\$ 196		
Printing and Copying Services	550	550	-	550		
Total Other Contractual	\$ 825	\$ 825	\$ 79	\$ 746		
Total Contractual Services	\$ 8,250	\$ 8,060	\$ 79	\$ 7,981		
Commodities						
Office Supplies	\$ 55	\$ 55	\$ -	\$ 55		
Postage	\$ 55	\$ 55	\$ -	\$ 55		
Total Commodities	\$ 110	\$ 110	\$ -	\$ 110		
Total Zoning Board of Appeals	\$ 9,185	\$ 9,185	\$ 1,089	\$ 8,096		
General & Financial Administration						
Personal Services						
Compensation						
Wages - Full Time Salaried	\$ 208,412	\$ 204,792	\$ 199,934	\$ 4,858		
Wages - Full Time Hourly	63,158	58,518	50,247	8,271		
Wages - Part Time Hourly	25,301	22,586	20,730	1,856		
Wages - Seasonal Hourly	3,630	8,190	8,187	3		
Wages - Overtime	1,251	1,331	1,326	5		
Auto Allowance	5,280	5,280	4,800	480		
Total Compensation	\$ 307,032	\$ 300,697	\$ 285,224	\$ 15,473		
Benefits						
Employer FICA / Medicare	\$ 23,448	\$ 23,448	\$ 22,019	\$ 1,429		
Employer IMRF	54,986	54,986	49,754	5,232		
Insurance - Group Life and AD&D	252	252	164	88		
Insurance - Group Medical	47,350	47,350	39,251	8,099		
Insurance - Group Dental	4,472	4,472	3,724	748		
Insurance - Workers Compensation	24,098	24,098	22,219	1,879		
Insurance - Unemployment Compensation	664	664	20	644		
Total Benefits	\$ 155,270	\$ 155,270	\$ 137,151	\$ 18,119		

continued ***

C:\Users\John Dolanski\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xlsx\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
General & Financial Administration (continued)				
Total Personal Services	\$ 462,302	\$ 455,967	\$ 422,375	\$ 33,592
Contractual Services				
Professional Services				
Audit	\$ 27,720	\$ 25,220	\$ 25,200	\$ 20
Data Processing	30,580	40,080	40,069	11
Investment Management	2,200	2,400	2,389	11
Total Professional Services	\$ 60,500	\$ 67,700	\$ 67,658	\$ 42
Repair and Maintenance				
R & M - Communications Equipment	\$ 275	\$ 275	\$ -	\$ 275
R & M - Data Processing Equipment	1,320	470	450	20
R & M - Office Equipment	5,390	7,090	7,076	14
R & M - Vehicles	1,100	1,000	983	17
Total Repair and Maintenance	\$ 8,085	\$ 8,835	\$ 8,509	\$ 326
Other Contractual				
Advertising & Legal Publishing	\$ 1,320	\$ 1,120	\$ 1,104	\$ 16
Bank Fees & Charges	6,050	7,420	7,419	1
Equipment Rental	8,470	5,520	5,487	33
Intergovernmental Fees and Dues	550	550	141	409
Intergovernmental Service Contracts	10,945	15,925	15,925	-
ISP's & Data Services	2,558	2,558	2,482	76
Liability Insurance	123,750	110,550	110,519	31
Ordinance Codification Services	2,750	50	-	50
Printing and Copying Services	2,750	5,840	5,838	2
Professional Assn Memberships & Dues	6,820	4,945	3,844	1,101
Purchased Program Services	880	4,415	4,413	2
Telephone - Local, LD, Wireless, Pager	13,200	13,200	11,039	2,161
Training Services	550	550	100	450
Total Other Contractual	\$ 180,593	\$ 172,643	\$ 168,311	\$ 4,332
Total Contractual Services	\$ 249,178	\$ 249,178	\$ 244,478	\$ 4,700
Commodities				
Books and Publications	\$ 165	\$ 165	\$ -	\$ 165
Computer Supplies	3,300	1,800	1,743	57
Concessions and Food	275	535	473	62
Copier Supplies	1,650	1,650	1,386	264
Fuel	990	990	714	276
Office Supplies	4,950	4,950	4,802	148
Postage	2,530	2,245	1,513	732
Program Supplies	4,400	4,400	2,637	1,763
Stationery	550	550	84	466
Uniforms	660	2,025	2,022	3
Other Materials and Supplies	-	160	160	-
Total Commodities	\$ 19,470	\$ 19,470	\$ 15,534	\$ 3,936

continued...

C:\Users\John.Dellash\Documents\FY 18 CAFR\Report\FY 18 CAFR Statement of General Fund 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	Positive (Negative)
Expenditures (continued)					
General government (continued)					
General & Financial Administration (continued)					
Travel					
Conference and Meeting Registration	\$ 1,293	\$ 1,293	\$ 835	\$ 458	
Local Mileage, Parking and Tolls	385	385	256	129	
Lodging	715	715	125	590	
Meals	275	275	149	126	
Total Travel	\$ 2,668	\$ 2,668	\$ 1,365	\$ 1,303	
Total General & Financial Administration	\$ 733,618	\$ 727,283	\$ 683,752	\$ 43,531	
Legal Services					
Contractual Services					
Professional Services					
Legal - Prosecution & Adjudication	\$ 11,550	\$ 11,550	\$ 10,948	\$ 602	
Legal - Litigation	2,750	2,750	1,463	1,287	
Legal - Review	116,600	98,930	72,803	26,127	
Other Professional Services	6,600	6,600	3,990	2,610	
Total Professional Services	\$ 137,500	\$ 119,830	\$ 89,204	\$ 30,626	
Total Contractual Services	\$ 137,500	\$ 119,830	\$ 89,204	\$ 30,626	
Total Legal Services	\$ 137,500	\$ 119,830	\$ 89,204	\$ 30,626	
Building Maintenance					
Contractual Services					
Professional Services					
Engineering and Architectural	\$ -	\$ 4,585	\$ 4,580	\$ 5	
Total Professional Services	\$ -	\$ 4,585	\$ 4,580	\$ 5	
Repair and Maintenance					
R & M - Buildings & Grounds	\$ 22,000	\$ 20,845	\$ 10,609	\$ 10,236	
R & M - Communications Equipment	275	275	-	275	
R & M - Fire & EMS Equipment	550	550	-	550	
Total Repair and Maintenance	\$ 22,825	\$ 21,670	\$ 10,609	\$ 11,061	
Other Contractual					
Equipment Installation Services	\$ -	\$ 350	\$ 350	\$ -	
Equipment Rental	-	70	68	2	
Forestry & Landscaping Services	550	550	170	380	
Intergovernmental Fees and Dues	275	275	-	275	
Janitorial	9,075	9,075	8,638	437	
Purchased Program Services	825	1,560	1,560	-	
Rodent / Mosquito Abatement	1,430	1,430	1,260	170	
Total Other Contractual	\$ 12,155	\$ 13,310	\$ 12,046	\$ 1,264	
Total Contractual Services	\$ 34,980	\$ 39,565	\$ 27,235	\$ 12,330	

continued...

C:\Users\John.Dobalski\Documents\FY 18 CAFR\Report\FY 18 CAFR statements\4a\General AS detail 5/6/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Building Maintenance (continued)				
Commodities				
Cleaning & Maintenance Supplies	\$ 9,900	\$ 9,535	\$ 5,741	\$ 3,794
Program Supplies	2,750	3,115	3,111	4
Service & Repair Parts	550	550	227	323
Utilities - Village Buildings	17,600	17,600	11,627	5,973
Total Commodities	\$ 30,800	\$ 30,800	\$ 20,706	\$ 10,094
Total Building Maintenance	\$ 65,780	\$ 70,365	\$ 47,941	\$ 22,424
Courtesy Car Program				
Personal Services				
Compensation				
Wages - Part Time Hourly	\$ 20,185	\$ 20,185	\$ 19,193	\$ 992
Total Compensation	\$ 20,185	\$ 20,185	\$ 19,193	\$ 992
Benefits				
Employer FICA / Medicare	\$ 1,544	\$ 1,544	\$ 1,468	\$ 76
Insurance - Workers Compensation	1,587	1,587	1,521	66
Insurance - Unemployment Compensation	234	234	-	234
Total Benefits	\$ 3,365	\$ 3,365	\$ 2,989	\$ 376
Total Personal Services	\$ 23,550	\$ 23,550	\$ 22,182	\$ 1,368
Contractual Services				
Professional Services				
Medical	\$ 550	\$ 550	\$ 94	\$ 456
Total Professional Services	\$ 550	\$ 550	\$ 94	\$ 456
Repair and Maintenance				
R & M - Vehicles	\$ 1,870	\$ 1,870	\$ 442	\$ 1,428
R & M - Other Equipment	55	55	-	55
Total Repair and Maintenance	\$ 1,925	\$ 1,925	\$ 442	\$ 1,483
Other Contractual				
Equipment Installation Services	\$ -	\$ 750	\$ 750	\$ -
Equipment Rental	2,420	1,670	776	894
Intergovernmental Fees and Dues	138	138	-	138
Telephone - Local, LD, Wireless, Pager	550	550	399	151
Total Other Contractual	\$ 3,108	\$ 3,108	\$ 1,925	\$ 1,183
Total Contractual Services	\$ 5,583	\$ 5,583	\$ 2,461	\$ 3,122
Commodities				
Fuel	\$ 3,025	\$ 2,865	\$ 1,745	\$ 1,120
Program Supplies	-	5	3	2
Total Commodities	\$ 3,025	\$ 2,870	\$ 1,748	\$ 1,122

continued...

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
Expenditures (continued)					
General government (continued)					
Courtesy Car Program (continued)					
Travel					
Local Mileage, Parking and Tolls	\$ -	\$ 155	\$ 154	\$ 1	
Total Travel	\$ -	\$ 155	\$ 154	\$ 1	
Total Courtesy Car Program	\$ 32,158	\$ 32,158	\$ 26,545	\$ 5,613	
Total general government	\$ 1,295,687	\$ 1,247,297	\$ 1,114,984	\$ 132,313	
Public safety					
Building & Code Enforcement Department					
Personal Services					
Compensation					
Wages - Full Time Salaried	\$ 77,593	\$ 72,093	\$ 71,999	\$ 94	
Wages - Full Time Hourly	28,161	27,876	25,141	2,735	
Wages - Overtime	508	793	791	2	
Total Compensation	\$ 106,262	\$ 100,762	\$ 97,931	\$ 2,831	
Benefits					
Employer FICA / Medicare	\$ 8,121	\$ 7,446	\$ 7,436	\$ 10	
Employer IMRF	15,765	14,465	14,554	(89)	
Insurance - Group Life and AD&D	103	103	92	11	
Insurance - Group Medical	28,393	16,358	16,340	18	
Insurance - Group Dental	2,881	2,881	2,732	149	
Insurance - Workers Compensation	6,758	8,118	8,117	1	
Insurance - Unemployment Compensation	358	358	-	358	
Total Benefits	\$ 62,379	\$ 49,729	\$ 49,271	\$ 458	
Total Personal Services	\$ 168,641	\$ 150,491	\$ 147,202	\$ 3,289	
Contractual Services					
Professional Services					
Data Processing	\$ 550	\$ 675	\$ 675	\$ -	
Engineering and Architectural	8,250	4,200	4,191	9	
Legal - Review	1,100	18,770	18,777	(7)	
Other Professional Services	-	11,205	11,204	1	
Total Professional Services	\$ 9,900	\$ 34,850	\$ 34,847	\$ 3	
Repair and Maintenance					
R & M - Vehicles	\$ 2,750	\$ 825	\$ 812	\$ 13	
Total Repair and Maintenance	\$ 2,750	\$ 825	\$ 812	\$ 13	

continued...

C:\Users\John.Dolak\Downloads\FY 18 CAFR Report\FY 18 CAFR statements.xlsx\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
Building & Code Enforcement Department (continued)				
Contractual Services (continued)				
Other Contractual				
Billing & Collection Services	\$ 2,200	\$ 2,315	\$ 2,315	\$ -
Contract Labor	22,000	20,700	20,675	25
Forestry & Landscaping Services	-	12,750	12,750	-
Garbage & Recycling	-	40,060	40,055	5
Intergovernmental Fees and Dues	-	1,730	1,727	3
ISP's & Data Services	1,650	600	575	25
Printing and Copying Services	825	225	221	4
Purchased Program Services	-	1,070	1,065	5
Telephone - Local, LD, Wireless, Pager	660	660	640	20
Training Services	275	25	-	25
Total Other Contractual	\$ 27,610	\$ 80,135	\$ 80,023	\$ 112
Total Contractual Services	\$ 40,260	\$ 115,810	\$ 115,682	\$ 128
Commodities				
Books and Publications	\$ 220	\$ 220	\$ -	\$ 220
Computer Supplies	825	380	205	175
Concessions and Food	-	55	51	4
Fuel	1,100	800	784	16
Office Supplies	220	190	142	48
Postage	825	865	864	1
Program Supplies	110	10	-	10
Uniforms	165	165	71	94
Other Materials and Supplies	-	450	450	-
Total Commodities	\$ 3,465	\$ 3,135	\$ 2,567	\$ 568
Travel				
Conference and Meeting Registration	\$ -	\$ 330	\$ 330	\$ -
Total Travel	\$ -	\$ 330	\$ 330	\$ -
Total Building & Code Enforcement Department	\$ 212,366	\$ 269,766	\$ 265,781	\$ 3,985
Police Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 195,479	\$ 195,479	\$ 180,247	\$ 15,232
Wages - Full Time Hourly	462,656	449,131	407,429	41,702
Wages - Part Time Hourly	272,396	263,286	234,450	28,836
Wages - Overtime	104,924	118,449	118,448	1
Total Compensation	\$ 1,035,455	\$ 1,026,345	\$ 940,574	\$ 85,771

continued...

C:\Users\John Delisola\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xlsx\General AG detail 3/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Public safety (continued)						
Police Department (continued)						
Personal Services (continued)						
Benefits						
Employer FICA / Medicare	\$ 41,935	\$ 41,935	\$ 36,639	\$ 5,296		
Employer IMRF	12,265	12,265	11,062	1,203		
Employer Police / Fire Pension	154,000	154,000	136,901	17,099		
Insurance - Group Life and AD&D	816	816	591	225		
Insurance - Group Medical	142,451	142,451	124,392	18,059		
Insurance - Group Dental	14,927	14,927	7,969	6,958		
Insurance - Workers Compensation	81,408	81,408	74,524	6,884		
Insurance - Unemployment Compensation	4,547	4,547	-	4,547		
Total Benefits	\$ 452,349	\$ 452,349	\$ 392,078	\$ 60,271		
Total Personal Services	\$ 1,487,804	\$ 1,478,694	\$ 1,332,652	\$ 146,042		
Contractual Services						
Professional Services						
Data Processing	\$ 5,500	\$ 21,125	\$ 21,125	\$ -		
Medical	495	690	686	4		
Total Professional Services	\$ 5,995	\$ 21,815	\$ 21,811	\$ 4		
Repair and Maintenance						
R & M - Buildings & Grounds	\$ 193	\$ 318	\$ 318	\$ -		
R & M - Communications Equipment	605	2,530	2,529	1		
R & M - Data Processing Equipment	110	10	-	10		
R & M - Police Equipment	550	75	51	24		
R & M - Office Equipment	2,640	2,115	2,101	14		
R & M - Vehicles	24,200	23,250	23,093	157		
Total Repair and Maintenance	\$ 28,298	\$ 28,298	\$ 28,092	\$ 206		
Other Contractual						
Billing & Collection Services	\$ 13,750	\$ 7,575	\$ 7,552	\$ 23		
Equipment Installation Services	1,100	100	-	100		
Equipment Rental	2,310	2,035	2,025	10		
Intergovernmental Fees and Dues	660	890	889	1		
Intergovernmental Service Contracts	550	3,200	3,200	-		
ISP's & Data Services	4,950	1,700	1,692	8		
Janitorial	6,490	7,590	7,587	3		
Printing and Copying Services	4,400	4,550	4,548	2		
Professional Assn Memberships & Dues	468	798	795	3		
Purchased Program Services	6,710	5,385	5,372	13		
Telephone - Local, LD, Wireless, Pager	14,850	17,305	17,302	3		
Training Services	6,050	4,450	3,407	1,043		
Total Other Contractual	\$ 62,288	\$ 55,578	\$ 54,369	\$ 1,209		
Total Contractual Services	\$ 96,581	\$ 105,691	\$ 104,272	\$ 1,419		

continued...

C:\Users\John.Dynamit\Documents\FY 18 CAFR\Report\FY 18 CAFR statements\ch1\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
Police Department (continued)				
Commodities				
Ammunition and Range Supplies	\$ 9,900	\$ 9,900	\$ 4,353	\$ 5,547
Books and Publications	880	880	(315)	1,195
Computer Supplies	4,400	4,400	990	3,410
Concessions and Food	385	385	-	385
Copier Supplies	1,320	1,495	1,492	3
Fuel	44,000	43,060	26,882	16,178
Lubricants and Fluids	110	110	-	110
Office Supplies	1,870	2,475	2,474	1
Police Supplies	1,100	1,100	591	509
Postage	2,200	2,200	1,553	647
Program Supplies	550	550	297	253
Protective Clothing & Equipment	1,100	1,100	761	339
Service & Repair Parts	165	165	19	146
Stationery	165	275	275	-
Training Supplies	550	550	-	550
Uniforms	7,700	7,700	3,805	3,895
Other Materials and Supplies	-	50	49	1
Total Commodities	\$ 76,395	\$ 76,395	\$ 43,226	\$ 33,169
Travel				
Conference and Meeting Registration	\$ 1,760	\$ 1,710	\$ 1,665	\$ 45
Local Mileage, Parking and Tolls	440	440	37	403
Lodging	1,320	1,320	1,044	276
Meals	220	220	64	156
Purchased Transportation	660	710	702	8
Total Travel	\$ 4,400	\$ 4,400	\$ 3,512	\$ 888
Total Police Department	\$ 1,665,180	\$ 1,665,180	\$ 1,483,662	\$ 181,518
Fire Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 16,669	\$ 16,669	\$ 15,160	\$ 1,509
Wages - Part Time Hourly	94,292	96,517	96,506	11
Wages - Sleep-in Duty	18,997	18,997	16,524	2,473
Wages - Paid-on-call Duty	57,258	55,033	51,807	3,226
Other Compensation	25,179	25,179	20,149	5,030
Total Compensation	\$ 212,395	\$ 212,395	\$ 200,146	\$ 12,249
Benefits				
Employer FICA / Medicare	\$ 16,248	\$ 16,248	\$ 15,311	\$ 937
Employer Police / Fire Pension	14,300	14,300	11,329	2,971
Insurance - Group Life and AD&D	74	74	66	8
Insurance - Workers Compensation	16,698	16,698	15,858	840
Insurance - Unemployment Compensation	2,098	2,098	-	2,098
Total Benefits	\$ 49,418	\$ 49,418	\$ 42,564	\$ 6,854
Total Personal Services	\$ 261,813	\$ 261,813	\$ 242,710	\$ 19,103

continued...

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
Expenditures (continued)					
Public safety (continued)					
Fire Department (continued)					
Contractual Services					
Professional Services					
Data Processing	\$ 11,000	\$ 11,000	\$ 9,525	\$ 1,475	
Medical	1,100	1,100	223	877	
Total Professional Services	\$ 12,100	\$ 12,100	\$ 9,748	\$ 2,352	
Repair and Maintenance					
R & M - Buildings & Grounds	\$ 275	\$ 600	\$ 600	\$ -	
R & M - Communications Equipment	550	785	781	4	
R & M - Data Processing Equipment	1,320	1,500	1,200	300	
R & M - Fire & EMS Equipment	7,700	9,275	9,272	3	
R & M - Office Equipment	1,210	1,210	1,202	8	
R & M - Vehicles	11,000	8,685	4,800	3,885	
Total Repair and Maintenance	\$ 22,055	\$ 22,055	\$ 17,855	\$ 4,200	
Other Contractual					
Ambulance & EMS Service	\$ 238,150	\$ 230,580	\$ 212,001	\$ 18,579	
Billing & Collection Services	9,900	9,900	8,753	1,147	
Equipment Rental	-	205	203	2	
Intergovernmental Fees and Dues	4,125	4,125	3,651	474	
ISP's & Data Services	1,375	1,575	1,573	2	
Janitorial	-	1,400	1,396	4	
Laundry / Uniform Services	825	825	-	825	
Printing and Copying Services	275	1,050	1,047	3	
Professional Assn Memberships & Dues	825	885	884	1	
Purchased Program Services	4,400	6,365	6,364	1	
Telephone - Local, LD, Wireless, Pager	10,725	13,690	13,688	2	
Training Services	550	550	125	425	
Total Other Contractual	\$ 271,150	\$ 271,150	\$ 249,685	\$ 21,465	
Total Contractual Services	\$ 305,305	\$ 305,305	\$ 277,288	\$ 28,017	
Commodities					
Books and Publications	\$ -	\$ 70	\$ 66	\$ 4	
Cleaning & Maintenance Supplies	220	220	192	28	
Computer Supplies	1,375	1,375	1,152	223	
Concessions and Food	330	330	226	104	
Copier Supplies	220	490	489	1	
EMS Supplies	3,300	3,300	2,898	402	
Firefighting Supplies	550	550	-	550	
Fuel	11,000	8,795	4,540	4,255	
Lubricants and Fluids	220	220	73	147	
Office Supplies	440	840	835	5	
Postage	55	345	340	5	
Program Supplies	2,750	3,925	3,455	470	
Protective Clothing & Equipment	5,500	5,500	3,714	1,786	

continued...

C:\Users\John Dolanski\Documents\FY 18 CAFR\Report\FY 18 CAFR statement of General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
Expenditures (continued)					
Highways and Streets					
Fire Department (continued)					
Commodities (continued)					
Service & Repair Parts	1,320	1,320	1,153		167
Small Tools	550	550	66		484
Stationery	275	275	119		156
Training Supplies	1,100	1,100	-		1,100
Uniforms	1,650	1,650	1,269		381
Total Commodities	\$ 30,855	\$ 30,855	\$ 20,587		\$ 10,268
Travel					
Conference and Meeting Registration	\$ 550	\$ 550	\$ 325		\$ 225
Local Mileage, Parking and Tolls	110	110	-		110
Lodging	550	550	393		157
Meals	110	110	-		110
Total Travel	\$ 1,320	\$ 1,320	\$ 718		\$ 602
Total Fire Department	\$ 599,293	\$ 599,293	\$ 541,303		\$ 57,990
Total public safety	\$ 2,476,839	\$ 2,534,239	\$ 2,290,746		\$ 243,493
Public Works Department					
Personal Services					
Compensation					
Wages - Full Time Salaried	\$ 44,585	\$ 41,610	\$ 41,597		\$ 13
Wages - Full Time Hourly	124,616	127,306	127,302		4
Wages - Part Time Hourly	-	29,750	29,738		12
Wages - Seasonal Hourly	7,508	2,883	2,864		19
Wages - Overtime	13,863	10,263	10,248		15
Total Compensation	\$ 190,572	\$ 211,812	\$ 211,749		\$ 63
Benefits					
Employer FICA / Medicare	\$ 14,578	\$ 16,158	\$ 16,157		\$ 1
Employer IMRF	33,574	34,514	34,510		4
Insurance - Group Life and AD&D	311	221	217		4
Insurance - Group Medical	75,458	53,883	53,880		3
Insurance - Group Dental	4,781	3,906	3,893		13
Insurance - Workers Compensation	14,983	16,778	16,777		1
Insurance - Unemployment Compensation	623	23	-		23
Total Benefits	\$ 144,308	\$ 125,483	\$ 125,434		\$ 49
Total Personal Services	\$ 334,880	\$ 337,295	\$ 337,183		\$ 112
Contractual Services					
Professional Services					
Engineering and Architectural	\$ 1,100	\$ 1,100	\$ 680		\$ 420
Medical	440	520	518		2
Total Professional Services	\$ 1,540	\$ 1,620	\$ 1,198		\$ 422

continued...

C:\Users\John.Delashaw\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xlsx\Central AG detail 5/4/2017 11:21 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued)				
Highways and Streets (continued)				
Public Works Department (continued)				
Contractual Services (continued)				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ -	\$ 10	\$ 7	\$ 3
R & M - Public Works Equipment	2,200	2,690	2,686	4
R & M - Street Lights & Signals	2,750	4,660	4,659	1
R & M - Vehicles	11,000	11,000	9,601	1,399
Total Repair and Maintenance	\$ 15,950	\$ 18,360	\$ 16,953	\$ 1,407
Other Contractual				
Animal Control Services	\$ 550	\$ 1,950	\$ 1,946	\$ 4
Equipment Rental	-	2,055	2,050	5
Forestry & Landscaping Services	22,000	13,580	7,598	5,982
Intergovernmental Fees and Dues	-	60	56	4
ISP's & Data Services	2,200	2,200	1,045	1,155
Purchased Program Services	4,400	4,400	4,008	392
Telephone - Local, LD, Wireless, Pager	3,300	3,300	3,279	21
Total Other Contractual	\$ 32,450	\$ 27,545	\$ 19,982	\$ 7,563
Total Contractual Services	\$ 49,940	\$ 47,525	\$ 38,133	\$ 9,392
Commodities				
Cleaning & Maintenance Supplies	\$ -	\$ 45	\$ 44	\$ 1
Computer Supplies	275	325	325	-
Fuel	8,800	5,800	5,547	253
Lubricants and Fluids	715	715	642	73
Office Supplies	165	165	-	165
Postage	28	28	2	26
Program Supplies	3,850	7,825	7,787	38
Protective Clothing & Equipment	550	550	508	42
Service & Repair Parts	4,400	8,705	7,186	1,519
Small Tools	1,100	2,405	2,402	3
Stationery	-	205	204	1
Street Materials - Aggregate	5,500	5,500	665	4,835
Street Materials - Bituminous	-	935	934	1
Street Materials - Signs and Barricades	5,060	4,240	2,104	2,136
Street Materials - Other	3,575	3,575	5,136	(1,561)
Uniforms	275	275	202	73
Utilities - Public Way	77,000	70,000	65,473	4,527
Total Commodities	\$ 111,293	\$ 111,293	\$ 99,161	\$ 12,132
Total Public Works Department	\$ 496,113	\$ 496,113	\$ 474,477	\$ 21,636
Total highways and streets	\$ 496,113	\$ 496,113	\$ 474,477	\$ 21,636

continued...

C:\Users\John Dolanski\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xlsx\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	Positive (Negative)
Expenditures (continued)					
Sanitation					
Garbage Disposal					
Contractual Services					
Professional Services					
Data Processing	\$ 165	\$ 165	\$ -		\$ 165
Total Professional Services	\$ 165	\$ 165	\$ -		\$ 165
Other Contractual					
Garbage and Recycling	\$ 304,425	\$ 292,195	\$ 269,706		\$ 22,489
Other Contractual	\$ 304,425	\$ 292,195	\$ 269,706		\$ 22,489
Total Contractual Services	\$ 304,590	\$ 292,360	\$ 269,706		\$ 22,489
Total Garbage Disposal	\$ 304,590	\$ 292,360	\$ 269,706		\$ 22,654
Total Sanitation	\$ 304,590	\$ 292,360	\$ 269,706		\$ 22,654
Culture and recreation					
Recreation Programs					
Personal Services					
Compensation					
Wages - Full Time Hourly	\$ -	\$ 13,250	\$ 13,250	\$ -	
Wages - Part Time Hourly	\$ 11,714	\$ 1,039	\$ 1,033		\$ 6
Wages - Overtime	\$ -	\$ 75	\$ 74		\$ 1
Total Compensation	\$ 11,714	\$ 14,364	\$ 14,357		\$ 7
Benefits					
Employer FICA / Medicare	\$ 897	\$ 1,177	\$ 1,174		\$ 3
Employer IMRF	\$ 2,148	\$ 2,118	\$ 2,114		\$ 4
Insurance - Group Life and AD&D	\$ -	\$ 20	\$ 16		\$ 4
Insurance - Group Medical	\$ -	\$ 30	\$ 27		\$ 3
Insurance - Group Dental	\$ -	\$ 510	\$ 506		\$ 4
Insurance - Workers Compensation	\$ 921	\$ 1,141	\$ 1,137		\$ 4
Insurance - Unemployment Compensation	\$ 64	\$ 4	\$ -		\$ 4
Total Benefits	\$ 4,030	\$ 5,000	\$ 4,974		\$ 26
Total Personal Services	\$ 15,744	\$ 19,364	\$ 19,331		\$ 33
Contractual Services					
Professional Services					
Data Processing	\$ -	\$ 75	\$ 75		\$ -
Total Professional Services	\$ -	\$ 75	\$ 75		\$ -
Other Contractual					
Equipment Rental	\$ 3,850	\$ 3,560	\$ 3,555		\$ 5
Purchased Program Services	\$ 1,375	\$ 1,075	\$ 1,070		\$ 5
Total Other Contractual	\$ 5,225	\$ 4,635	\$ 4,625		\$ 10
Total Contractual Services	\$ 5,225	\$ 4,710	\$ 4,700		\$ 10

continued...»

C:\Users\John.Dolas\OneDrive\Documents\SFY16 CAFR\Report\SFY16 CAFR statements.xlsx\General All dated 5/4/2017, 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Culture and recreation (continued)						
Recreation Programs						
Commodities						
Concessions and Food	\$ 1,870	\$ 2,720	\$ 2,714	\$ 6		
Postage	-	65	62	3		
Program Supplies	2,200	3,325	3,127	198		
Total Commodities	\$ 4,070	\$ 6,110	\$ 5,903	\$ 207		
Travel						
Local Mileage, Parking, Tolls	\$ -	\$ 40	\$ 37	\$ 3		
Total Travel	\$ -	\$ 40	\$ 37	\$ 3		
Total Recreation Programs	\$ 25,039	\$ 30,224	\$ 29,971	\$ 253		
Park Maintenance						
Personal Services						
Compensation						
Wages - Seasonal Hourly	\$ 7,700	\$ 7,700	\$ 4,046	\$ 3,654		
Total Compensation	\$ 7,700	\$ 7,700	\$ 4,046	\$ 3,654		
Benefits						
Employer FICA / Medicare	\$ 590	\$ 590	\$ 461	\$ 129		
Insurance - Workers Compensation	605	605	321	284		
Insurance - Unemployment Compensation	89	89	-	89		
Total Benefits	\$ 1,284	\$ 1,284	\$ 782	\$ 502		
Total Personal Services	\$ 8,984	\$ 8,984	\$ 4,828	\$ 4,156		
Contractual Services						
Repair and Maintenance						
R & M - Public Works Equipment	\$ -	\$ 490	\$ 489	\$ 1		
Total Repair and Maintenance	\$ -	\$ 490	\$ 489	\$ 1		
Other Contractual						
Equipment Rental	\$ 2,750	\$ 2,750	\$ 2,400	\$ 350		
Forestry & Landscaping Services	27,500	25,635	17,453	8,182		
Total Other Contractual	\$ 30,250	\$ 28,385	\$ 19,853	\$ 8,532		
Total Contractual Services	\$ 30,250	\$ 28,875	\$ 20,342	\$ 8,533		
Commodities						
Landscaping Supplies	\$ 1,100	\$ 1,500	\$ 1,385	\$ 115		
Lubricants & Fluids	-	85	83	2		
Program Supplies	1,650	1,650	389	1,261		
Service & Repair Parts	165	855	839	16		
Small Tools	550	750	745	5		
Total Commodities	\$ 3,465	\$ 4,840	\$ 3,441	\$ 1,399		
Total Park Maintenance	\$ 42,699	\$ 42,699	\$ 28,611	\$ 14,088		

continued...

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Expenditures (continued)						
Culture and recreation (continued)						
Seniors Programs						
Contractual Services						
Other Contractual						
Purchased Program Services	\$ 385	\$ 600	\$ 600	\$ -		
Total Benefits	\$ 385	\$ 600	\$ 600	\$ -		
Total Contractual Services	\$ 385	\$ 600	\$ 600	\$ -		
Commodities						
Awards	\$ 248	\$ 33	\$ -	\$ 33		
Concessions and Food	3,025	3,025	2,113	912		
Program Supplies	1,650	1,650	429	1,221		
Total Commodities	\$ 4,923	\$ 4,708	\$ 2,542	\$ 2,166		
Total Seniors Programs	\$ 5,308	\$ 5,308	\$ 3,142	\$ 2,166		
Senior Center Maintenance						
Contractual Services						
Professional Services						
Engineering and Architectural	\$ 2,200	\$ 1,545	\$ 1,209	\$ 336		
Total Professional Services	\$ 2,200	\$ 1,545	\$ 1,209	\$ 336		
Repair and Maintenance						
R & M - Buildings & Grounds	\$ 5,500	\$ 5,065	\$ 4,094	\$ 971		
R & M - Communications Equipment	-	435	431	4		
Total Repair and Maintenance	\$ 5,500	\$ 5,500	\$ 4,525	\$ 975		
Other Contractual						
Advertising & Legal Publishing	\$ -	\$ -	\$ 155	\$ (155)		
Forestry & Landscaping Services	550	550	435	115		
ISPs & Data Services	1,320	1,320	1,143	177		
Janitorial	385	915	915	-		
Purchased Program Services	1,210	1,210	772	438		
Rodent / Mosquito Abatement	495	495	420	75		
Telephone - Local, LD, Wireless, Pager	660	785	781	4		
Total Other Contractual	\$ 4,620	\$ 5,275	\$ 4,621	\$ 654		
Total Contractual Services	\$ 12,320	\$ 12,320	\$ 10,355	\$ 1,965		
Commodities						
Cleaning & Maintenance Supplies	\$ 165	\$ 165	\$ -	\$ 165		
Program Supplies	110	530	471	59		
Service & Repair Parts	110	110	-	110		
Utilities - Village Buildings	2,200	1,780	1,113	667		
Total Commodities	\$ 2,585	\$ 2,585	\$ 1,584	\$ 1,001		
Total Senior Center Maintenance	\$ 14,905	\$ 14,905	\$ 11,939	\$ 2,966		

continued...

C:\Users\John Dokainish\Documents\FY18 CAFR\Report\FY18 CAFR statements\kia\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture and recreation (continued)				
Beautification Committee				
Contractual Services				
Other Contractual				
Purchased Program Services	\$ 4,620	\$ 5,350	\$ 5,350	\$ -
Total Other Contractual	\$ 4,620	\$ 5,350	\$ 5,350	\$ -
Total Contractual Services	\$ 4,620	\$ 5,350	\$ 5,350	\$ -
Commodities				
Awards	\$ 825	\$ 1,475	\$ 1,475	\$ -
Landscaping Supplies	550	50	-	50
Program Supplies	330	600	600	-
Total Commodities	\$ 1,705	\$ 2,125	\$ 2,075	\$ 50
Total Beautification Committee	\$ 6,325	\$ 7,475	\$ 7,425	\$ 50
Historical Committee				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 3,300	\$ 2,820	\$ 3,000	\$ (180)
Total Compensation	\$ 3,300	\$ 2,820	\$ 3,000	\$ (180)
Benefits				
Employer FICA / Medicare	\$ 253	\$ 253	\$ 230	\$ 23
Total Benefits	\$ 253	\$ 253	\$ 230	\$ 23
Total Personal Services	\$ 3,553	\$ 3,073	\$ 3,230	\$ (157)
Contractual Services				
Other Contractual				
Purchased Program Services	\$ -	\$ 480	\$ 477	\$ 3
Total Other Contractual	\$ -	\$ 480	\$ 477	\$ 3
Total Contractual Services	\$ -	\$ 480	\$ 477	\$ 3
Commodities				
Program Supplies	220	220	92	128
Total Commodities	\$ 220	\$ 220	\$ 92	\$ 128
Total Historical Committee	\$ 3,773	\$ 3,773	\$ 3,799	\$ (26)
Total culture and recreation	\$ 98,049	\$ 104,384	\$ 84,887	\$ 19,497

continued...

C:\Users\John\Downloads\Documents\FY 18 CAFR\Report\FY 18 CAFR statements\var\General AS\detail\SA02017_11.37 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Expenditures (continued)					
Capital outlay					
Mayor and Village Board					
Equipment - Communications	\$	-	\$ 115	\$ 112	\$ 3
Equipment - Data Processing		-	\$ 1,355	\$ 1,351	\$ 4
Total Mayor and Village Board	\$	-	\$ 1,470	\$ 1,463	\$ 7
General & Financial Administration					
Equipment - Data Processing	\$	2,750	\$ 2,750	\$ 764	\$ 1,986
Equipment - Office		5,500	\$ 5,500	\$ 1,899	\$ 3,601
Total General & Financial Administration	\$	8,250	\$ 8,250	\$ 2,663	\$ 5,587
Building Maintenance					
Building Acquisition/Const/Improvements	\$	23,100	\$ 18,515	\$ -	\$ 18,515
Total Building Maintenance	\$	23,100	\$ 18,515	\$ -	\$ 18,515
Building & Code Enforcement Department					
Equipment - Communications	\$	-	\$ 170	\$ 170	\$ -
Equipment - Data Processing		1,375	\$ 1,375	\$ 104	\$ 1,271
Equipment - Office		385	\$ 215	\$ -	\$ 215
Total Building & Code Enforcement Depa	\$	1,760	\$ 1,760	\$ 274	\$ 1,486
Police Department					
Equipment - Data Processing	\$	2,860	\$ 33,355	\$ 33,354	\$ 1
Equipment - Public Safety		12,760	\$ 19,245	\$ 19,243	\$ 2
Equipment - Vehicles		38,500	\$ 1,520	\$ -	\$ 1,520
Total Police Department	\$	54,120	\$ 54,120	\$ 52,597	\$ 1,523
Fire Department					
Equipment - Communications	\$	3,905	\$ 2,200	\$ 1,517	\$ 683
Equipment - Data Processing		4,950	\$ 4,950	\$ 4,595	\$ 355
Equipment - Office		2,750	\$ 2,750	\$ 964	\$ 1,786
Equipment - Public Safety		7,414	\$ 8,374	\$ 8,373	\$ 1
Equipment - Other		-	\$ 745	\$ 744	\$ 1
Total Fire Department	\$	19,019	\$ 19,019	\$ 16,193	\$ 2,826
Park Maintenance					
Equipment - Playground	\$	2,750	\$ 2,750	\$ -	\$ 2,750
Total Park Maintenance	\$	2,750	\$ 2,750	\$ -	\$ 2,750
Senior Center Maintenance					
Building Acquisition/Const/Improvements	\$	51,700	\$ 51,700	\$ 30,600	\$ 21,100
Equipment - Other		2,695	\$ 2,695	\$ 948	\$ 1,747
Total Senior Center Maintenance	\$	54,395	\$ 54,395	\$ 31,548	\$ 22,847
Total capital outlay	\$	163,394	\$ 160,279	\$ 104,738	\$ 55,541
Total expenditures	\$	4,834,672	\$ 4,834,672	\$ 4,339,538	\$ 495,134

continued...

C:\Users\John\Desktop\Documents\FY 18 CAFR\Report\FY 18 CAFR statements.xlsx\General AS-Detail 5/9/2017 11:27 AM

Village of South Chicago Heights, Illinois

General Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Excess (deficiency) of revenues over (under) expenditures	\$ 429,258	\$ 429,258	\$ 1,127,290	\$ 698,032	
Other financing sources and uses					
Transfers in	\$ 200,000	\$ 200,000	\$ 150,000	\$ (50,000)	
Proceeds From Sale of Capital Assets	5,000	5,000	-	(5,000)	
Transfers out	(1,125,000)	(1,125,000)	(1,117,600)	7,400	
Total other financing sources and uses	\$ (920,000)	\$ (920,000)	\$ (967,600)	\$ (47,600)	
Net change in fund balances	\$ (490,742)	\$ (490,742)	\$ 159,690	\$ 650,432	
Fund balances, January 1	\$ 628,361	\$ 628,361	\$ 628,361	\$ -	
Fund balances, December 31	\$ 137,619	\$ 137,619	\$ 788,051	\$ 650,432	

continued...

C:\Users\John.Dolainish\Documents\FY 18 CAFR\Report\FY 18 CAFR statements\state\General AS detail 5/4/2017 11:27 AM

Village of South Chicago Heights, Illinois

Special Revenue - Non-home Rule Sales Tax Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State shared taxes				
Non-home rule sales tax	\$ 475,000	\$ 475,000	\$ 446,169	\$ (28,831)
Total state shared taxes	\$ 475,000	\$ 475,000	\$ 446,169	\$ (28,831)
Total revenues	\$ 475,000	\$ 475,000	\$ 446,169	\$ (28,831)
Excess (deficiency) of revenues over (under) expenditures	\$ 475,000	\$ 475,000	\$ 446,169	\$ (28,831)
Other financing sources and uses				
Transfers out	\$ (200,000)	\$ (200,000)	\$ (384,850)	\$ (184,850)
Total other financing sources and uses	\$ (200,000)	\$ (200,000)	\$ (384,850)	\$ (184,850)
Net change in fund balances	\$ 275,000	\$ 275,000	\$ 61,319	\$ (213,681)
Fund balances, January 1	\$ 2,258,848	\$ 2,258,848	\$ 2,258,848	\$ -
Fund balances, December 31	\$ 2,533,848	\$ 2,533,848	\$ 2,320,167	\$ (213,681)

Village of South Chicago Heights, Illinois

Special Revenue - Tax Increment Financing Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	Positive (Negative)
Revenues					
Local taxes					
TIF #1 increment	\$ 200,000	\$ 200,000	\$ 175,712	\$ (24,288)	
Total local taxes	\$ 200,000	\$ 200,000	\$ 175,712	\$ (24,288)	
Interest					
Interest from deposits	\$ 1,500	\$ 1,500	\$ 730	\$ (770)	
Total interest	\$ 1,500	\$ 1,500	\$ 730	\$ (770)	
Total revenues	\$ 201,500	\$ 201,500	\$ 176,442	\$ (25,058)	
Expenditures					
General government					
Contractual services					
Professional services					
Consulting	\$ 16,500	\$ 16,500	\$ 1,138	\$ 15,362	
Legal - review	1,100	1,100	-	1,100	
Other professional services	2,750	2,750	1,300	1,450	
Total professional services	\$ 20,350	\$ 20,350	\$ 2,438	\$ 17,912	
Other contractual					
Community development grants	\$ 162,800	\$ 162,800	\$ 129,748	\$ 33,052	
Total other contractual	\$ 162,800	\$ 162,800	\$ 129,748	\$ 33,052	
Total contractual services	\$ 183,150	\$ 183,150	\$ 132,186	\$ 50,964	
Total general government	\$ 183,150	\$ 183,150	\$ 132,186	\$ 50,964	
Capital outlay					
Land acquisition	\$ 27,500	\$ 27,500	\$ -	\$ 27,500	
Total capital outlay	\$ 27,500	\$ 27,500	\$ -	\$ 27,500	
Total expenditures	\$ 210,650	\$ 210,650	\$ 132,186	\$ 78,464	
Excess (deficiency) of revenues over (under) expenditures	\$ (9,150)	\$ (9,150)	\$ 44,256	\$ 53,406	
Other financing sources and uses					
Transfers out	(101,000)	(101,000)	-	101,000	
Total other financing sources and uses	\$ (101,000)	\$ (101,000)	\$ -	\$ 101,000	
Net change in fund balances	\$ (110,150)	\$ (110,150)	\$ 44,256	\$ 154,406	
Total fund balances, January 1,	\$ 187,678	\$ 187,678	\$ 187,678	\$ -	
Fund balances, December 31	\$ 77,528	\$ 77,528	\$ 231,934	\$ 154,406	

Village of South Chicago Heights, Illinois

Required Supplementary Information Schedule of Employer Contributions Illinois Municipal Retirement Fund December 31, 2016

Fiscal Year Ending	Contributions In Relation To		Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of	
	Actuarially Determined Contribution	The Actuarially Determined Contribution			Covered Employee Payroll	Covered Employee Payroll
12/31/2014	\$ 127,005	\$ 131,730	\$ 4,725	\$ 731,174	\$	18.02%
12/31/2015	\$ 127,518	\$ 127,517	\$ (1)	\$ 760,394	\$	16.77%
12/31/2016	\$ 153,817	\$ 157,995	\$ 4,178	\$ 838,695	\$	18.84%

Notes:	Actuarial valuation date -	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
	Actuarial cost method -	Aggregate entry age normal.
	Amortization method -	Level percent of payroll, closed period.
	Remaining amortization period -	27 year closed period until remaining period reaches 15 years, then 15 year rolling period.
	Asset valuation method -	5 year smoothed market; 20 percent corridor.
	Wage growth -	3.50 percent.
	Price inflation -	2.75 percent - approximate; no explicit price inflation assumption used.
	Salary increases -	3.75% to 14.50% including inflation.
	Investment rate of return -	7.50 percent.
	Retirement age -	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
	Mortality -	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. 10 years.
	Other information -	There were no benefit changes during the year.

Note:

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

Village of South Chicago Heights, Illinois

Required Supplementary Information

Schedule of Investment Returns

Illinois Municipal Retirement Fund

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

Note:

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

Village of South Chicago Heights, Illinois

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

Illinois Municipal Retirement Fund

December 31, 2016

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 82,955	\$ 84,291
Interest on the total pension liability	444,704	413,233
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	99,762	170,869
Changes of assumptions	(56,140)	13,388
Benefit payments, including refunds of employee contributions	<u>(247,501)</u>	<u>(236,503)</u>
Net change in total pension liability	323,780	445,278
Total pension liability - beginning	<u>6,075,591</u>	<u>5,630,313</u>
Total pension liability - ending	<u>\$ 6,399,371</u>	<u>\$ 6,075,591</u>
 Plan fiduciary net position		
Contributions - employer	\$ 157,995	\$ 127,517
Contributions - employee	38,821	44,071
Net investment income	314,545	22,566
Benefit payments, including refunds of employee contributions	(247,501)	(236,503)
Other (net transfer)	<u>56,835</u>	<u>66,464</u>
Net change in plan fiduciary net position	320,695	24,115
Plan fiduciary net position - beginning	<u>4,569,748</u>	<u>4,545,633</u>
Plan fiduciary net position - ending	<u>\$ 4,890,443</u>	<u>\$ 4,569,748</u>
 Net pension liability (asset)	<u>\$ 1,508,928</u>	<u>\$ 1,505,843</u>
 Plan fiduciary net position as a percentage of total pension liability	76.42%	75.21%
Covered valuation payroll	\$ 838,695	\$ 760,394
Net pension liability as a percentage of covered valuation payroll	179.91%	198.03%

Note:

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

2014

\$ 93,739
373,544

60,458
249,052
(200,386)

576,407

5,053,906

\$ 5,630,313

\$ 131,730
41,909
259,993
(200,386)
36,827

270,073

4,275,560

\$ 4,545,633

\$ 1,084,680

80.73%

\$ 731,174

148.35%

Village of South Chicago Heights, Illinois

Required Supplementary Information Schedule of Employer Contributions Police Pension Fund December 31, 2016

Fiscal Year Ending	Contributions In Relation To The Actuarially Determined Contribution		Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll	
	Actuarially Determined Contribution	The Actuarially Determined Contribution				
12/31/2014	\$ 107,793	\$ 117,183	\$ 9,390	\$ 325,427	\$ 36.01%	
12/31/2015	\$ 133,619	\$ 133,108	(\$511)	\$ 349,580	\$ 38.08%	
12/31/2016	\$ 155,069	\$ 136,901	(\$18,168)	\$ 544,031	\$ 25.16%	

Notes:	Actuarial valuation date - Actuarial cost method - Amortization method - Remaining amortization period - Asset valuation method - Price inflation - Salary increases - Investment rate of return - Retirement age - Mortality -	December 31, 2016 Aggregate entry age normal. Level percent of payroll, closed period. 24 year closed period 5 year smoothed market 2.50 percent 3.50 percent 5.50 percent. 50 -70 Mortality rates follow the sex distinct raw rates as developed in the RP-2014 study with Blue Collar adjustment and improved generationaly using MP-2016 improvement rates. Retiree mortality were based on a study prepared by Lauterbach & Amen LLP in 2016. The rates are experience weighted with the raw rates developed in the RP-2014 study with Blue Collar adjustment and improved generationaly using MP-2016 improvement rates.
Changes of Assumptions -		The assumed rate on high quality 20 year tax-exempt G.O. bonds was changed from 3.57% to 3.78% The mortality assumption was updated to the MP-2016 table with rates applies on a fully-generational basis
Other information -		There were no benefit changes during the year.

Note:

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

Village of South Chicago Heights, Illinois

Required Supplementary Information
Schedule of Investment Returns
Police Pension Fund
December 31, 2016

Fiscal Year End	Average Money-Weighted Rate of Return, net of Investment Expenses
12/31/2014	1.88%
12/31/2015	-1.62%
12/31/2016	0.83%

Note:

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

Village of South Chicago Heights, Illinois

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Police Pension Fund

December 31, 2016

	2016	2015
Total pension liability		
Service cost	\$ 143,946	\$ 96,896
Interest on the total pension liability	378,509	293,737
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	(110,343)	103,887
Changes of assumptions	34,629	1,309,169
Benefit payments, including refunds of employee contributions	<u>(221,149)</u>	<u>(303,622)</u>
Net change in total pension liability	225,592	1,500,067
Total pension liability - beginning	<u>6,992,553</u>	<u>5,492,486</u>
Total pension liability - ending	<u>\$ 7,218,145</u>	<u>\$ 6,992,553</u>
 Plan fiduciary net position		
Contributions - employer	\$ 136,901	\$ 133,108
Contributions - employee	42,911	75,304
Net investment income	19,439	(56,507)
Benefit payments, including refunds of employee contributions	(221,149)	(303,622)
Administrative expense	(4,770)	(5,102)
Other (net transfer)	-	-
Net change in plan fiduciary net position	(26,668)	(156,819)
Plan fiduciary net position - beginning	<u>3,348,879</u>	<u>3,505,698</u>
Plan fiduciary net position - ending	<u>\$ 3,322,211</u>	<u>\$ 3,348,879</u>
 Net pension liability (asset)		
	<u>\$ 3,895,934</u>	<u>\$ 3,643,674</u>
 Plan fiduciary net position as a percentage of total pension liability	46.03%	47.89%
Covered valuation payroll	\$ 544,031	\$ 349,580
 Net pension liability as a percentage of covered valuation payroll	716.12%	1042.30%

Note:

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

2014

\$ 98,719
345,737

(189,062)
403,248
(210,512)

448,130

5,044,356

\$ 5,492,486

\$ 117,183
32,865
64,722
(210,512)
(4,618)

(360)

3,506,058

\$ 3,505,698

\$ 1,986,788

63.83%

\$ 325,427

610.52%

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Firefighters Pension Fund
 December 31, 2016

Fiscal Year Ending	Contributions In Relation To		Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
	Actuarially Determined Contribution	The Actuarially Determined Contribution			
12/31/2014	\$ 7,121	\$ 10,921	\$ 3,800	\$ -	0.00%
12/31/2015	\$ 8,636	\$ 11,256	\$ 2,620	\$ -	0.00%
12/31/2016	\$ 10,266	\$ 11,329	\$ 1,063	\$ -	0.00%

Notes:	Actuarial valuation date - Actuarial cost method - Amortization method - Remaining amortization period - Asset valuation method - Price inflation - Salary increases - Investment rate of return - Retirement age - Mortality -	December 31, 2016 Aggregate entry age normal. Level percent of payroll, closed period. 19 year closed period 5 year smoothed market 2.50 percent Not applicable 3.50 percent. 50 -70 Mortality rates were based on 2014 Illinois Firefighters' Mortality Rate. Actuarial assumptions used in the December 31, 2016 valuation were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The rates are experience weighted with the raw rates as developed in the RP-2014 study, with Blue Collar adjustment and improved generationally using MP-2016 improvement rates.
Changes of Assumptions -	The assumed rate on high quality 20 year tax-exempt G.O. bonds was changed from 3.57% to 3.78% The mortality assumption was updated to the MP-2016 table with rates applies on a fully-generational basis	
Other information -	There were no benefit changes during the year.	

Note:

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

Village of South Chicago Heights, Illinois

Required Supplementary Information
Schedule of Investment Returns
Firefighters Pension Fund
December 31, 2016

<u>Fiscal Year End</u>	<u>Average Money-Weighted Rate of Return, net of Investment Expenses</u>
12/31/2014	0.01%
12/31/2015	0.01%
12/31/2016	0.01%

Note:

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

Village of South Chicago Heights, Illinois

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Firefighters Pension Fund

December 31, 2016

	2016	2015
Total pension liability		
Service cost	\$ -	\$ -
Interest on the total pension liability	16,683	8,839
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	6,607	26,721
Changes of assumptions	(3,558)	212,212
Benefit payments, including refunds of employee contributions	<u>(24,023)</u>	<u>(23,324)</u>
Net change in total pension liability	(4,291)	224,448
Total pension liability - beginning	<u>488,657</u>	<u>264,209</u>
Total pension liability - ending	<u>\$ 484,366</u>	<u>\$ 488,657</u>
 Plan fiduciary net position		
Contributions - employer	\$ 11,329	\$ 11,256
Contributions - employee	-	-
Net investment income	85	16
Benefit payments, including refunds of employee contributions	(24,023)	(23,324)
Administrative expense	(957)	(812)
Other (net transfer)	-	-
Net change in plan fiduciary net position	(13,566)	(12,864)
Plan fiduciary net position - beginning	<u>34,517</u>	<u>47,381</u>
Plan fiduciary net position - ending	<u>\$ 20,951</u>	<u>\$ 34,517</u>
 Net pension liability (asset)		
	<u>\$ 463,415</u>	<u>\$ 454,140</u>
 Plan fiduciary net position as a percentage of total pension liability	4.33%	7.06%
Covered valuation payroll	\$ -	\$ -
 Net pension liability as a percentage of covered valuation payroll	0.00%	0.00%

Note:

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

2014

\$ -
16,524

4,154
18,792
(22,645)

16,825

247,384

\$ 264,209

\$ 10,921
-
7
(22,645)
(514)

(12,231)

59,612

\$ 47,381

\$ 216,828

17.93%

\$ -
0.00%

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Funding Progress
 Retiree Health Insurance Plan
 Last six valuation years

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Ratio of Unfunded Actuarial Accrued Liability to Annual Covered Payroll
4/30/2010	\$ -	\$ 3,012,056	\$ 3,012,056	0.00%	\$ 926,094	325.24%
12/31/2011	\$ -	\$ 3,374,049	\$ 3,374,049	0.00%	\$ 990,513	340.64%
12/31/2013	\$ -	\$ 4,669,750	\$ 4,669,750	0.00%	\$ 1,010,089	462.31%
12/31/2014	\$ -	\$ 4,669,750	\$ 4,669,750	0.00%	\$ 1,034,571	451.37%
12/31/2015	\$ -	\$ 4,689,750	\$ 4,689,750	0.00%	\$ 934,082	502.07%
12/31/2016	\$ -	\$ 3,003,712	\$ 3,003,712	0.00%	\$ 1,452,937	206.73%

Notes:

Actuarial cost method -	Entry age
Asset valuation method -	Market value
Assumed inflation rate -	3.00 percent
Assumed investment return -	4.00 percent
Assumed projected salary increases -	4.0 percent
Assumed healthcare inflation rate -	8.00 percent initial, 6.00% ultimate
Amortization method -	Level percent of payroll, open period
Amortization period -	30 years
Digest of assumption changes -	The Village of South Chicago Heights implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available. The Village is required to have an actuarial study performed triennially.

Village of South Chicago Heights, Illinois

Required Supplementary Information
 Schedule of Employer Contributions
 Retiree Health Insurance Plan
 Last six fiscal years

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed from Employers	Net OPEB Obligation (Asset)
12/31/2011	\$ 241,604	\$ 68,244	28.25%	\$ 346,356
12/31/2012	\$ 265,849	\$ 52,783	19.85%	\$ 559,422
12/31/2013	\$ 263,813	\$ 75,635	28.67%	\$ 747,600
12/31/2014	\$ 335,565	\$ 79,666	23.74%	\$ 1,003,499
12/31/2015	\$ 337,271	\$ 89,675	26.59%	\$ 1,251,095
12/31/2016	\$ 218,102	\$ 103,902	47.64%	\$ 1,390,359

OTHER SUPPLEMENTARY INFORMATION

Village of South Chicago Heights, Illinois

Debt Service Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	Revenues			
Local taxes				
Property tax - bond & interest	\$ 172,450	\$ 172,450	\$ 189,709	\$ 17,259
Property tax - purchase agreement	-	-	(223)	(223)
Total local taxes	\$ 172,450	\$ 172,450	\$ 189,486	\$ 17,036
Total revenues	\$ 172,450	\$ 172,450	\$ 189,486	\$ 17,036
Expenditures				
Debt service				
Other contractual				
Paying agent fee	-	475	475	-
Total other contractual	\$ -	\$ 475	\$ 475	\$ -
Total contractual services	\$ -	\$ 475	\$ 475	\$ -
Principal				
Principal - 2015 GO bonds	\$ 90,000	\$ 90,000	\$ 90,000	\$ -
Principal - fire truck note	29,540	29,555	29,550	5
Principal - 2013 auto loans	-	2,735	2,733	2
Total principal	\$ 119,540	\$ 122,290	\$ 122,283	\$ 7
Interest				
Interest - 2015 GO bonds	\$ 101,695	\$ 98,485	\$ 92,450	\$ 6,035
Interest - fire truck note	5,144	5,094	4,665	429
Interest - 2013 auto loans	-	35	35	-
Total interest	\$ 106,839	\$ 103,614	\$ 97,150	\$ 6,464
Total debt service	\$ 226,379	\$ 226,379	\$ 219,908	\$ 6,471
Total expenditures	\$ 226,379	\$ 226,379	\$ 219,908	\$ 6,471
Excess (deficiency) of revenues over (under) expenditures	(53,929)	(53,929)	(30,422)	23,507
Other financing sources and uses				
Transfers in	\$ 44,225	\$ 44,225	\$ 37,600	\$ (6,625)
Total other financing sources and uses	\$ 44,225	\$ 44,225	\$ 37,600	\$ (6,625)
Net change in fund balances	\$ (9,704)	\$ (9,704)	\$ 7,178	\$ 16,882
Fund balances, January 1	\$ 10,020	\$ 10,020	\$ 10,020	\$ -
Fund balances, December 31	\$ 316	\$ 316	\$ 17,198	\$ 16,882

Village of South Chicago Heights, Illinois

Capital Project - Capital Project Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
Revenues				
Interest				
Interest From Deposits	\$ 250	\$ 250	\$ 2,102	\$ 1,852
Total interest	\$ 250	\$ 250	\$ 2,102	\$ 1,852
Other revenue				
Miscellaneous revenue	\$ -	\$ -	\$ 853	\$ 853
Total other revenue	\$ -	\$ -	\$ 853	\$ 853
Total revenues	\$ 250	\$ 250	\$ 2,955	\$ 2,705
Expenditures				
General government				
Contractual services				
Professional services				
Data Processing	\$ -	\$ 23,275	\$ 23,275	\$ -
Engineering & architectural	220,000	189,475	54,769	134,706
Other professional services	2,750	3,350	3,350	-
Total professional services	\$ 222,750	\$ 216,100	\$ 81,394	\$ 134,706
Repair & Maintenance				
R&M - Street Lights & Signals	\$ -	\$ 855	\$ 853	\$ 2
Total repair & maintenance	\$ -	\$ 855	\$ 853	\$ 2
Other contractual				
Equipment Installation Services	\$ -	\$ 1,600	\$ 1,600	\$ -
Purchased program services	-	245	245	-
Total other contractual	\$ -	\$ 1,845	\$ 1,845	\$ -
Total contractual services	\$ 222,750	\$ 218,800	\$ 84,092	\$ 134,708
Commodities				
Computer Supplies	\$ -	\$ 2,000	\$ 1,998	\$ 2
Office Supplies	-	225	220	5
Utilities - Village Buildings	-	1,725	1,708	17
Total commodities	\$ -	\$ 3,950	\$ 3,926	\$ 24
Contingencies	\$ 19,250	\$ 19,250	\$ -	\$ 19,250
Total general government	\$ 242,000	\$ 242,000	\$ 88,018	\$ 153,982
Capital outlay				
Building Acquisition/Const/Improvement	\$ 2,926,000	\$ 2,857,375	\$ 2,717,260	\$ 140,115
Equipment - Communications	-	15,925	15,911	14
Equipment - Office	-	51,850	51,834	16
Equipment - Other	-	850	833	17
Total capital outlay	\$ 2,926,000	\$ 2,926,000	\$ 2,785,838	\$ 140,162
Total expenditures	\$ 3,168,000	\$ 3,168,000	\$ 2,873,856	\$ 294,144

Village of South Chicago Heights, Illinois

Capital Project - Capital Project Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	\$ (3,167,750)	\$ (3,167,750)	\$ (2,870,901)	\$ 296,849
Other financing sources and uses				
Transfers in	\$ 900,000	\$ 900,000	\$ 1,039,300	\$ 139,300
Total other financing sources and uses	\$ 900,000	\$ 900,000	\$ 1,039,300	\$ 139,300
Net change in fund balances	\$ (2,267,750)	\$ (2,267,750)	\$ (1,831,601)	\$ 436,149
Fund balances, January 1	\$ 1,831,612	\$ 1,831,612	\$ 1,831,612	\$ -
Fund balances, December 31	\$ (436,138)	\$ (436,138)	\$ 11	\$ 436,149

Village of South Chicago Heights, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2016

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund	
Assets				
Assets				
Cash and cash equivalents	\$ 137,630	\$ 2	\$ 63	\$ 137,695
Accounts / vouchers receivable	9,819	-	-	9,819
Grants receivable	-	2,147	-	2,147
Prepaid items	-	14,341	-	14,341
Inventory	1,092	-	-	1,092
Total assets	\$ 148,541	\$ 16,490	\$ 63	\$ 165,094
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts / vouchers payable	\$ 6,408	\$ -	\$ -	\$ 6,408
Deferred revenue	-	1,073	-	1,073
Total liabilities	\$ 6,408	\$ 1,073	\$ -	\$ 7,481
Fund Balances				
Nonspendable	\$ 1,092	\$ 14,341	\$ -	\$ 15,433
Restricted for highways & streets	141,041	-	-	141,041
Unassigned	-	1,076	63	1,139
Total fund balances	\$ 142,133	\$ 15,417	\$ 63	\$ 157,613
Total liabilities, deferred inflows of resources and fund balances	\$ 148,541	\$ 16,490	\$ 63	\$ 165,094

Village of South Chicago Heights, Illinois

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2016

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund	Total	
Revenues					
Local taxes	\$ -	\$ 241	\$ -	\$ 241	\$ 241
State shared taxes	105,382	-	-	105,382	105,382
Grants	-	5,368	-	5,368	5,368
Interest	306	20	-	326	326
Reimbursements	31,229	-	-	31,229	31,229
Total revenues	\$ 136,917	\$ 5,629	\$ -	\$ 142,546	\$ 142,546
Expenditures					
Current					
Public safety	\$ -	\$ 179,024	\$ -	179,024	\$ 179,024
Highways and streets	23,048	-	5,504	28,552	28,552
Total current expenditures	\$ 23,048	\$ 179,024	\$ 5,504	\$ 207,576	\$ 207,576
Total expenditures	\$ 23,048	\$ 179,024	\$ 5,504	\$ 207,576	\$ 207,576
Excess (deficiency) of revenues over (under) expenditures	\$ 113,869	\$ (173,395)	\$ (5,504)	\$ (65,030)	\$ (65,030)
Other financing sources and uses					
Transfers in	\$ -	\$ 174,500	\$ 5,500	\$ 180,000	\$ 180,000
Total other financing sources and uses	\$ -	\$ 174,500	\$ 5,500	\$ 180,000	\$ 180,000
Net change in fund balances	\$ 113,869	\$ 1,105	\$ (4)	\$ 114,970	\$ 114,970
Fund balances, January 1	\$ 28,264	\$ 14,312	\$ 67	\$ 42,643	\$ 42,643
Fund balances, December 31	\$ 142,133	\$ 15,417	\$ 63	\$ 157,613	\$ 157,613

Village of South Chicago Heights, Illinois

Special Revenue - Motor Fuel Tax Fund

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State shared taxes				
Motor fuel tax	\$ 95,000	\$ 95,000	\$ 105,382	\$ 10,382
Total state shared taxes	\$ 95,000	\$ 95,000	\$ 105,382	\$ 10,382
Interest				
Interest from deposits	\$ 50	\$ 50	\$ 306	\$ 256
Total interest	\$ 50	\$ 50	\$ 306	\$ 256
Reimbursements				
Intergovernmental reimbursement	\$ -	\$ -	\$ 31,229	\$ 31,229
Total reimbursements	\$ -	\$ -	\$ 31,229	\$ 31,229
Total revenues	\$ 95,050	\$ 95,050	\$ 136,917	\$ 41,867
Expenditures				
Highway & streets				
Contractual services				
Professional services				
Engineering & architectural	\$ 22,000	\$ 21,995	\$ 553	\$ 21,442
Total professional services	\$ 22,000	\$ 21,995	\$ 553	\$ 21,442
Repair & maintenance				
R&M - street lights & signals	\$ 9,020	\$ 7,495	\$ 4,210	\$ 3,285
Total repair & maintenance	\$ 9,020	\$ 7,495	\$ 4,210	\$ 3,285
Other contractual				
Forestry & landscaping services	1,100	1,100	-	1,100
Total other contractual	\$ 1,100	\$ 1,100	\$ -	\$ 1,100
Total contractual services	\$ 32,120	\$ 30,590	\$ 4,763	\$ 25,827
Commodities				
Street materials - salt	\$ 16,775	\$ 18,300	\$ 18,285	\$ 15
Total commodities	\$ 16,775	\$ 18,300	\$ 18,285	\$ 15
Total highway & streets	\$ 48,895	\$ 48,890	\$ 23,048	\$ 25,842
Total expenditures	\$ 48,895	\$ 48,890	\$ 23,048	\$ 25,842
Excess (deficiency) of revenues over (under) expenditures	\$ 46,155	\$ 46,160	\$ 113,869	\$ 67,709
Net change in fund balances	\$ 46,155	\$ 46,160	\$ 113,869	\$ 67,709
Fund balances, January 1	\$ 28,264	\$ 28,264	\$ 28,264	\$ -
Fund balances, December 31	\$ 74,419	\$ 74,424	\$ 142,133	\$ 67,709

Village of South Chicago Heights, Illinois

Special Revenue - E-911 Services Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local taxes				
E-911 surcharge	\$ 6,750	\$ 6,750	\$ 241	\$ (6,509)
Total local taxes	\$ 6,750	\$ 6,750	\$ 241	\$ (6,509)
Grants				
State grants	\$ -	\$ -	\$ 5,368	\$ 5,368
Total grants	\$ -	\$ -	\$ 5,368	\$ 5,368
Interest				
Interest From Deposits	\$ 25	\$ 25	\$ 20	\$ (5)
Total interest	\$ 25	\$ 25	\$ 20	\$ (5)
Total revenues	\$ 6,775	\$ 6,775	\$ 5,629	\$ (1,146)
Expenditures				
Public safety				
Contractual services				
Repair & maintenance				
R&M - communications equipment	\$ 7,205	\$ 7,205	\$ 6,652	\$ 553
Total repair & maintenance	\$ 7,205	\$ 7,205	\$ 6,652	\$ 553
Other contractual				
Intergovernmental service contracts	\$ 192,500	\$ 192,500	\$ 171,719	\$ 20,781
Telephones & pagers	1,100	1,100	653	447
Total other contractual	\$ 193,600	\$ 193,600	\$ 172,372	\$ 21,228
Total contractual services	\$ 200,805	\$ 200,805	\$ 179,024	\$ 21,781
Total public safety	\$ 200,805	\$ 200,805	\$ 179,024	\$ 21,781
Total expenditures	\$ 200,805	\$ 200,805	\$ 179,024	\$ 21,781
Excess (deficiency) of revenues over (under) expenditures	\$ (194,030)	\$ (194,030)	\$ (173,395)	\$ 20,635
Other financing sources and uses				
Transfers in	\$ 175,775	\$ 175,775	\$ 174,500	\$ (1,275)
Total other financing sources and uses	\$ 175,775	\$ 175,775	\$ 174,500	\$ (1,275)
Net change in fund balances	\$ (18,255)	\$ (18,255)	\$ 1,105	\$ 19,360
Fund balances, January 1	\$ 14,312	\$ 14,312	\$ 14,312	\$ -
Fund balances, December 31	\$ (3,943)	\$ (3,943)	\$ 15,417	\$ 19,360

Village of South Chicago Heights, Illinois

Special Revenue - Community Development Block Grant Project Fund

Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Highways & streets				
Contractual services				
Professional services				
Engineering & architectural	\$ 5,500	\$ 5,505	\$ 5,504	\$ 1
Total professional services	\$ 5,500	\$ 5,505	\$ 5,504	\$ 1
Total contractual services	\$ 5,500	\$ 5,505	\$ 5,504	\$ 1
Total highways & streets	\$ 5,500	\$ 5,505	\$ 5,504	\$ 1
Total expenditures	\$ 5,500	\$ 5,505	\$ 5,504	\$ 1
Excess (deficiency) of revenues over (under) expenditures	\$ (5,500)	\$ (5,505)	\$ (5,504)	\$ 1
Other financing sources and uses				
Transfers in	\$ 5,000	\$ 5,000	\$ 5,500	\$ 500
Total other financing sources and uses	\$ 5,000	\$ 5,000	\$ 5,500	\$ 500
Net change in fund balances	\$ (500)	\$ (505)	\$ (4)	\$ 501
Fund balances, January 1	\$ 67	\$ 67	\$ 67	\$ -
Fund balances, December 31	\$ (433)	\$ (438)	\$ 63	\$ 501

Village of South Chicago Heights, Illinois

Enterprise - Water Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Charges for Services				
Water Sales	\$ 1,200,000	\$ 1,200,000	\$ 1,131,517	\$ (68,483)
Water Meter Installation / Replacement	2,500	2,500	9,974	7,474
Water Turn On Fees	1,500	1,500	1,740	240
Water / Sewer Tap Fees	500	500	600	100
Temporary Water Turn On Charge	-	-	1,750	1,750
Total Charges for Services	\$ 1,204,500	\$ 1,204,500	\$ 1,145,581	\$ (58,919)
Fines and Forfeitures				
Late Payment Penalty	\$ 10,000	\$ 10,000	\$ 25,857	\$ 15,857
Total Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 25,857	\$ 15,857
Interest				
Interest From Deposits	\$ -	\$ -	\$ 2	\$ 2
Total Interest	\$ -	\$ -	\$ 2	\$ 2
Reimbursements				
Insurance Reimbursement	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total Reimbursements	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total operating revenues	\$ 1,217,000	\$ 1,217,000	\$ 1,171,440	\$ (45,560)
Operating expenses				
Administrative				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 23,157	\$ 23,157	\$ 22,573	\$ 584
Wages - Full Time Hourly	59,518	59,518	56,621	2,897
Wages - Part Time Hourly	6,376	8,566	8,561	5
Wages - Overtime	974	3,495	3,495	-
Total Compensation	\$ 90,025	\$ 94,736	\$ 91,250	\$ 3,486
Benefits				
Employer FICA / Medicare	\$ 6,935	\$ 6,935	\$ 6,836	\$ 99
Employer IMRF	16,625	16,625	30,850	(14,225)
Insurance - Group Life and AD&D	126	126	85	41
Insurance - Group Medical	19,094	19,094	19,085	9
Insurance - Group Dental	2,773	2,773	2,629	144
Insurance - Workers Compensation	7,232	7,232	7,230	2
Insurance - Unemployment Compensation	268	268	-	268
Total Benefits	\$ 53,053	\$ 53,053	\$ 66,715	\$ (13,662)
Total Personal Services	\$ 143,078	\$ 147,789	\$ 157,965	\$ (10,176)

continued...

Q:\Report Files\Reports\South Chicago Heights\AFR\afr_1216\FY 16 CAFR statements\Water AS 5/24/2017 2:17 PM

Village of South Chicago Heights, Illinois

Enterprise - Water Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Administrative (continued)				
Contractual Services				
Professional Services				
Data Processing	\$ 33,000	\$ 42,225	\$ 42,225	\$ -
Total Professional Services	\$ 33,000	\$ 42,225	\$ 42,225	\$ -
Repair and Maintenance				
R & M - Data Processing Equipment	\$ -	\$ 2,700	\$ 2,700	\$ -
Total Repair and Maintenance	\$ -	\$ 2,700	\$ 2,700	\$ -
Other Contractual				
Liability Insurance	\$ 33,000	\$ 30,100	\$ 30,000	\$ 100
Printing and Copying Services	5,500	2,850	2,821	29
Telephone - Local, LD, Wireless, Pager	880	1,205	1,190	15
Total Other Contractual	\$ 39,380	\$ 34,155	\$ 34,011	\$ 144
Total Contractual Services	\$ 72,380	\$ 79,080	\$ 78,936	\$ 144
Commodities				
Computer Supplies	\$ -	\$ 1,000	\$ 992	\$ 8
Office Supplies	275	275	-	275
Postage	8,800	8,800	6,700	2,100
Equipment - Data Processing	770	770	705	65
Total Commodities	\$ 9,845	\$ 10,845	\$ 8,397	\$ 2,448
Total Administrative	\$ 225,303	\$ 237,714	\$ 245,298	\$ (7,584)
Cost of Sales				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 29,723	\$ 29,723	\$ 28,199	\$ 1,524
Wages - Full Time Hourly	83,077	68,887	43,436	25,451
Wages - Overtime	9,242	18,721	18,720	1
Total Compensation	\$ 122,042	\$ 117,331	\$ 90,355	\$ 26,976
Benefits				
Employer FICA / Medicare	\$ 9,336	\$ 9,336	\$ 6,824	\$ 2,512
Employer IMRF	22,383	22,383	27,563	(5,180)
Insurance - Group Life and AD&D	207	207	145	62
Insurance - Group Medical	48,205	48,205	35,927	12,278
Insurance - Group Dental	3,187	3,187	2,595	592
Insurance - Workers Compensation	9,490	9,490	7,159	2,331
Insurance - Unemployment Compensation	357	357	-	357
Total Benefits	\$ 93,165	\$ 93,165	\$ 80,213	\$ 12,952
Total Personal Services	\$ 215,207	\$ 210,496	\$ 170,568	\$ 39,928

continued...

Q:\Report Files\Reports\South Chicago Heights\AFR\afr1216\FY 16 CAFR statements\Water AS 5/24/2017 2:17 PM

Village of South Chicago Heights, Illinois

Enterprise - Water Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Cost of Sales (continued)				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 1,650	\$ 900	\$ 850	\$ 50
Testing Labs	2,750	1,250	1,154	96
Total Professional Services	\$ 4,400	\$ 2,150	\$ 2,004	\$ 146
Repair and Maintenance				
R & M - Buildings & Grounds	\$ -	\$ 350	\$ 337	\$ 13
R & M - Vehicles	1,100	650	646	4
R & M - Water & Sewer System Equipment	11,000	13,750	13,735	15
Total Repair and Maintenance	\$ 12,100	\$ 14,750	\$ 14,718	\$ 32
Other Contractual				
Equipment Rental	\$ 3,300	\$ 3,125	\$ 3,017	\$ 108
Garbage & Recycling	-	430	430	-
Intergovernmental fees & dues	-	20	20	-
Purchased Program Services	49,500	71,625	71,614	11
Training Services	1,210	610	580	30
Utilities Location Service	880	880	-	880
Total Other Contractual	\$ 54,890	\$ 76,690	\$ 75,661	\$ 1,029
Total Contractual Services	\$ 71,390	\$ 93,590	\$ 92,383	\$ 1,207
Commodities				
Fuel	\$ 8,800	\$ 5,700	\$ 5,628	\$ 72
Landscaping Supplies	275	380	380	-
Program Supplies	550	550	466	84
Protective Clothing & Equipment	275	275	-	275
Service & Repair Parts	550	1,165	1,161	4
Small Tools	1,100	2,015	2,015	-
Street Materials - Aggregate	3,850	7,015	7,013	2
Street Materials - Bituminous	3,850	9,900	9,897	3
Utilities - Village Buildings	4,400	4,100	4,023	77
Utilities - Public Way	22,000	14,500	14,400	100
Water Purchases	660,000	617,270	597,412	19,858
Water & Sewer System Supplies	5,500	3,600	3,558	42
Water & Sewer System Repair Parts	16,500	31,280	31,133	147
Equipment - Vehicles	28,050	28,050	-	28,050
Total Commodities	\$ 755,700	\$ 725,800	\$ 677,086	\$ 48,714
Total Cost of Sales	\$ 1,042,297	\$ 1,029,886	\$ 940,037	\$ 89,849

continued...

Q:\Report Files\Reports\South Chicago Heights\AFR\afr_1216\FY 16 CAFR statements\Water AS 5/24/2017 2:17 PM

Village of South Chicago Heights, Illinois

Enterprise - Water Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 144,592	\$ (144,592)
Total depreciation	\$ -	\$ -	\$ 144,592	\$ (144,592)
Total operating expenses	\$ 1,267,600	\$ 1,267,600	\$ 1,329,927	\$ (62,327)
Operating income (loss)	\$ (50,600)	\$ (50,600)	\$ (158,487)	\$ (107,887)
Nonoperating revenue (expenses)				
Local taxes				
Property Tax	\$ 6,725	\$ 6,725	\$ 7,030	\$ 305
Property tax - bond & interest	477,225	477,225	447,097	(30,128)
Total local taxes	\$ 483,950	\$ 483,950	\$ 454,127	\$ (29,823)
Gain on sale of capital assets	\$ -	\$ -	\$ 800	\$ (800)
Debt service				
Principal				
Principal - 1998B GO bonds	\$ 505,000	\$ 505,000	\$ -	\$ 505,000
Principal - 2001 Water System Imprvmnt Note	37,265	37,265	-	37,265
Total principal	\$ 542,265	\$ 542,265	\$ -	\$ 542,265
Interest expense				
Interest - 1998B GO bonds	\$ -	\$ -	\$ (63,676)	\$ 63,676
Interest - 2001 Water System Imprvmnt Note	(1,155)	(1,155)	(1,058)	(97)
Interest - Water Meter Installment Contract	(67,542)	(67,542)	(61,402)	(6,140)
Total interest expense	\$ (68,697)	\$ (68,697)	\$ (126,136)	\$ 57,439
Total debt service	\$ 473,568	\$ 473,568	\$ (126,136)	\$ 599,704
Total nonoperating revenue (expenses)	\$ 957,518	\$ 957,518	\$ 328,791	\$ 628,727
Change in net position	906,918	906,918	170,304	(736,614)
Total net position, January 1	\$ (873,818)	\$ (873,818)	\$ (873,818)	\$ -
Total net position, December 31	\$ 33,100	\$ 33,100	\$ (703,514)	\$ (736,614)

continued...

Q:\Report Files\Reports\South Chicago Heights\AFR\afr_1216\FY 16 CAFR statements\Water AS 5/24/2017 2:17 PM

Village of South Chicago Heights, Illinois

Enterprise - Sewer Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Charges for Services				
Sewer Charges	\$ 125,000	\$ 125,000	\$ 135,674	\$ 10,674
Thorn Creek Sewer Charge	200,000	200,000	-	(200,000)
Thorn Creek Meter Reading Charge	16,300	16,300	14,032	(2,268)
Total Charges for Services	<u>341,300</u>	<u>341,300</u>	<u>149,706</u>	<u>(191,594)</u>
Fines and Forfeitures				
Late Payment Penalty	\$ 3,500	\$ 3,500	\$ 959	\$ (2,541)
Total Fines and Forfeitures	<u>3,500</u>	<u>3,500</u>	<u>959</u>	<u>(2,541)</u>
Total operating revenues	\$ 344,800	\$ 344,800	\$ 150,665	\$ (194,135)
Operating expenses				
Administrative				
Contractual Services				
Professional Services				
Data Processing	\$ 165	\$ 165	\$ -	\$ 165
Total Professional Services	<u>\$ 165</u>	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ 165</u>
Other Contractual				
Advertising & Legal Publishing	\$ 275	\$ 275	\$ 105	\$ 170
Printing and Copying Services	550	1,400	1,393	7
Thorn Creek Sewer Pass-thru	<u>220,000</u>	<u>180,735</u>	<u>-</u>	<u>\$ 180,735</u>
Total Other Contractual	<u>\$ 220,825</u>	<u>\$ 182,410</u>	<u>\$ 1,498</u>	<u>\$ 180,912</u>
Contractual Services	<u>\$ 220,990</u>	<u>\$ 182,575</u>	<u>\$ 1,498</u>	<u>\$ 181,077</u>
Total Administration	<u>\$ 220,990</u>	<u>\$ 182,575</u>	<u>\$ 1,498</u>	<u>\$ 181,077</u>
Cost of Sales				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 8,250	\$ 10,600	\$ 10,582	\$ 18
Total Professional Services	<u>\$ 8,250</u>	<u>\$ 10,600</u>	<u>\$ 10,582</u>	<u>\$ 18</u>
Repair and Maintenance				
R & M - Water & Sewer System Equipment	<u>\$ 2,200</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
Total Repair and Maintenance	<u>\$ 2,200</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
Other Contractual				
Intergovernmental Fees and Dues	\$ 1,100	\$ 1,100	\$ 1,000	\$ 100
Purchased Program Services	<u>11,000</u>	<u>25,165</u>	<u>25,161</u>	<u>4</u>
Total Other Contractual	<u>\$ 12,100</u>	<u>\$ 26,265</u>	<u>\$ 26,161</u>	<u>\$ 104</u>
Total contractual services	<u>\$ 22,550</u>	<u>\$ 36,965</u>	<u>\$ 36,743</u>	<u>\$ 222</u>

Village of South Chicago Heights, Illinois

Enterprise - Sewer Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Cost of Sales (continued)				
Commodities				
Service & Repair Parts	\$ 550	\$ 550	\$ -	\$ 550
Small Tools	110	110	-	110
Street Materials - Manhole Cvs & Structures	2,750	1,940	-	1,940
Utilities - Public Way	1,100	1,100	461	639
Water & Sewer System Supplies	550	610	608	2
Water & Sewer System Repair Parts	550	1,300	1,296	4
Total Commodities	\$ 5,610	\$ 5,610	\$ 2,365	\$ 3,245
Total Cost of Sales	\$ 28,160	\$ 42,575	\$ 39,108	\$ 3,467
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 71,462	\$ (71,462)
Total depreciation	\$ -	\$ -	\$ 71,462	\$ (71,462)
Total operating expenses	\$ 249,150	\$ 225,150	\$ 112,068	\$ 113,082
Operating income (loss)	\$ 95,650	\$ 119,650	\$ 38,597	\$ (81,053)
Nonoperating revenue (expenses)				
Property tax	\$ 6,725	\$ 6,725	\$ 7,030	\$ 305
Capital outlay	(137,500)	(161,500)	(44,681)	116,819
Total nonoperating revenue (expenses)	\$ (130,775)	\$ (154,775)	\$ (37,651)	\$ 117,124
Change in net position	\$ (35,125)	\$ (35,125)	\$ 946	\$ 36,071
Total net position, January 1	\$ 1,567,210	\$ 1,567,210	\$ 1,567,210	\$ -
Total net position, December 31	\$ 1,532,085	\$ 1,532,085	\$ 1,568,156	\$ 36,071

Village of South Chicago Heights, Illinois

Enterprise - Property Management Fund

Schedule of Revenues, Expenses and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses				
Nondepartmental				
Contractual Services				
Professional Services				
Other Professional Services	\$ -	\$ 1,750	\$ -	\$ 1,750
Total Professional Services	\$ -	\$ 1,750	\$ -	\$ 1,750
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 550	\$ 550	\$ -	\$ 550
Total Repair and Maintenance	\$ 550	\$ 550	\$ -	\$ 550
Other Contractual				
Intergovernmental Fees and Dues	\$ 101,200	\$ 98,500	\$ 91,464	\$ 7,036
Purchased Program Services		950	944	6
Telephone - Local, LD, Wireless, Pager	385	385	-	385
Total Other Contractual	\$ 101,585	\$ 99,835	\$ 92,408	\$ 7,427
Total contractual services	\$ 102,135	\$ 102,135	\$ 92,408	\$ 9,727
Commodities				
Program Supplies	\$ 275	\$ 275	\$ -	\$ 275
Service & Repair Parts	275	275	-	275
Utilities - Village Buildings	8,360	8,360	3,009	5,351
Total Commodities	\$ 8,910	\$ 8,910	\$ 3,009	\$ 5,901
Total Cost of Sales	\$ 111,045	\$ 111,045	\$ 95,417	\$ 15,628
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 18,113	\$ (18,113)
Total depreciation	\$ -	\$ -	\$ 18,113	\$ (18,113)
Total operating expenses	\$ 111,045	\$ 111,045	\$ 113,530	\$ (2,485)
Operating income (loss)	\$ (111,045)	\$ (111,045)	\$ (113,530)	\$ (2,485)
Income (loss) before transfers and contributions	\$ (111,045)	\$ (111,045)	\$ (113,530)	\$ (2,485)
Transfers in	\$ 101,000	\$ 101,000	\$ 95,550	\$ (5,450)
Change in net position	\$ (10,045)	\$ (10,045)	\$ (17,980)	\$ (7,935)
Total net position, January 1,	\$ 290,083	\$ 290,083	\$ 290,083	\$ -
Total net position, December 31	\$ 280,038	\$ 280,038	\$ 272,103	\$ (7,935)

Village of South Chicago Heights, Illinois

Fiduciary Funds

Combining Schedule of Fiduciary Net Position
December 31, 2016

	Pension Trust Funds			Total	
	Police Pension Fund	Firefighters Pension Fund			
		Police Pension Fund	Firefighters Pension Fund		
Assets					
Cash and cash equivalents	\$ 228,470	\$ 20,951	\$ 249,421		
Investments, at fair value:					
US Treasury securities	443,454	-	443,454		
US government agency securities	399,950	-	399,950		
State and municipal securities	381,568	-	381,568		
Asset backed securities	44,964	-	44,964		
Equity mutual funds	833,117	-	833,117		
Corporate bonds	483,238	-	483,238		
Annuities	498,919	-	498,919		
Interest receivable	11,145	-	11,145		
Total assets	\$ 3,324,825	\$ 20,951	\$ 3,345,776		
Liabilities					
Accounts / vouchers payable	\$ 1,110	\$ -	\$ 1,110		
Accrued benefit liability	1,504	-	1,504		
Total liabilities	\$ 2,614	\$ -	\$ 2,614		
Net position					
Held in trust for pension benefits	\$ 3,322,211	\$ 20,951	\$ 3,343,162		
Total net position	\$ 3,322,211	\$ 20,951	\$ 3,343,162		

Village of South Chicago Heights, Illinois

Fiduciary Funds

Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended December 31, 2016

	Police Pension Fund	Firefighters Pension Fund	Total
Additions:			
Contributions			
Employer	\$ 136,901	\$ 11,329	\$ 148,230
Plan member	<u>42,911</u>	<u>-</u>	<u>42,911</u>
Total contributions	<u>\$ 179,812</u>	<u>\$ 11,329</u>	<u>\$ 191,141</u>
Investment income			
Net appreciation in fair value of investments	\$ (53,183)	\$ -	\$ (53,183)
Interest	<u>60,221</u>	<u>85</u>	<u>60,306</u>
Dividends	<u>25,738</u>	<u>-</u>	<u>25,738</u>
Total investment income	<u>\$ 32,776</u>	<u>\$ 85</u>	<u>\$ 32,861</u>
Less investment expense	<u>13,337</u>	<u>-</u>	<u>13,337</u>
Net investment income	<u>\$ 19,439</u>	<u>\$ 85</u>	<u>\$ 19,524</u>
Total additions	<u>\$ 199,251</u>	<u>\$ 11,414</u>	<u>\$ 210,665</u>
Deductions:			
Benefits	\$ 221,149	\$ 24,023	\$ 245,172
Administrative expense	<u>4,770</u>	<u>957</u>	<u>5,727</u>
Total deductions	<u>\$ 225,919</u>	<u>\$ 24,980</u>	<u>\$ 250,899</u>
Change in net position	<u>\$ (26,668)</u>	<u>\$ (13,566)</u>	<u>\$ (40,234)</u>
Net position held in trust for pension benefits			
January 1	\$ 3,348,879	\$ 34,517	\$ 3,383,396
December 31	<u>\$ 3,322,211</u>	<u>\$ 20,951</u>	<u>\$ 3,343,162</u>

Village of South Chicago Heights, Illinois

Long-Term Debt Requirements
Series 1998B General Obligation (Capital Appreciation) Bonds
Partial Refunding and Water System Improvements

December 31, 2016

Date of Maturity: 11/1/2018
Authorization Issue: \$ 1,347,702
Interest Rate: 4.50% - 4.75%

Current and Future Principal and Interest Requirements

Fiscal Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	472,150	42,850	515,000
2018	<u>504,692</u>	<u>20,308</u>	<u>525,000</u>
Totals	<u>\$ 976,842</u>	<u>\$ 63,158</u>	<u>\$ 1,040,000</u>

Village of South Chicago Heights, Illinois

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

December 31, 2016

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

Current and Future Principal and Interest Requirements

Fiscal Year Ending December 31	Principal	Interest	Total
2017	95,000	90,650	185,650
2018	95,000	88,750	183,750
2019	100,000	85,900	185,900
2020	100,000	82,900	182,900
2021	105,000	79,900	184,900
2022	110,000	76,750	186,750
2023	115,000	72,350	187,350
2024	115,000	67,750	182,750
2025	120,000	63,150	183,150
2026	125,000	58,350	183,350
2027	130,000	53,350	183,350
2028	135,000	48,150	183,150
2029	140,000	42,750	182,750
2030	150,000	36,450	186,450
2031	155,000	29,700	184,700
2032	160,000	22,725	182,725
2033	170,000	15,525	185,525
2034	175,000	7,875	182,875
Totals	\$ 2,295,000	\$ 1,022,975	\$ 3,317,975

Village of South Chicago Heights, Illinois

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

December 31, 2016

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

Current and Future Principal and Interest Requirements

Fiscal Year Ending December 31	Principal	Interest	Total
2017	15,512	3,483	18,995
2018	16,238	2,757	18,995
2019	<u>48,231</u>	<u>1,100</u>	<u>49,331</u>
Totals	\$ 79,981	\$ 7,340	\$ 87,321

Village of South Chicago Heights, Illinois

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

December 31, 2016

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

Current and Future Principal and Interest Requirements

Fiscal Year Ending December 31	Principal	Interest	Total
2017	139,143	61,402	200,545
2018	143,447	57,098	200,545
2019	147,884	52,661	200,545
2020	152,458	48,087	200,545
2021	157,173	43,372	200,545
2022	162,034	38,511	200,545
2023	167,046	33,499	200,545
2024	172,213	28,332	200,545
2025	177,540	23,005	200,545
2026	183,031	17,514	200,545
2027	188,692	11,853	200,545
2028	194,778	6,017	200,795
Totals	\$ 1,985,438	\$ 421,352	\$ 2,406,790