

VILLAGE OF SOUTH CHICAGO HEIGHTS,
ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

**Village Of South Chicago Heights, Illinois
Annual Financial Report
For The Fiscal Year Ended December 31, 2015**

Prepared by:

**John F. Dolasinski
Finance Director /
Treasurer**

Village of South Chicago Heights, Illinois

Annual Financial Report
December 31, 2015

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INDEPENDENT AUDITORS' REPORT

October 5, 2016

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, 2015, 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, 2015, 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

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, 2015. 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 Village implemented Governmental Accounting Standards Board Statement Number 68 regarding the accounting and financial reporting for pensions. Implementation required the restatement of the Village's net position at the beginning of the year, decreasing governmental activities net position \$2,594,403 and decreasing business-type activities net position \$155,187.

The assets of the Village of South Chicago Heights exceeded its liabilities at the close of the most recent fiscal year by \$5,021,039 (net position). Of this amount, -\$6,648,774 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.

The Village's total net position decreased by \$1,191,009 in fiscal year 2015. Construction of capital facilities and donations of water system infrastructure, increased the net investment in capital assets by \$2,009,106. Restricted net position increased by \$1,966,276 and unrestricted net position decreased \$7,928,219. The decrease in net position from governmental activities was \$997,308 compared to the prior fiscal year and decrease in net position from business-type activities was \$970,063 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 \$4,959,162, an increase of \$1,899,905 in comparison with the prior year. Of this total amount, \$611,649 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 \$611,349, or 14.2% of annualized total General Fund expenditures. The General Fund posted a net increase of \$1,131 from operations and a total change in fund balance of \$17,296 after transfers to and from other funds.

The Village's total debt increased by \$3,231,323 (119.4%) during the current fiscal year. One series of General Obligation bonds and one long-term capital lease were issued, and no debt was 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 and liabilities, 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, Debt Service Fund, and Tax Increment Financing Fund, all of which are considered to be major funds. Data from the other four 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 government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-62 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 63-93 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 94-116 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 exceeded liabilities by \$5,021,039 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.

Village of South Chicago Heights Net Position

	Governmental activities		Business-type activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2013
Current assets	\$ 9,445,397	\$ 6,628,136	\$ 195,836	\$ 261,437	\$ 9,641,233	\$ 6,889,573
Capital assets	3,641,482	2,996,298	4,873,365	4,107,234	8,514,847	7,103,532
Deferred outflows of resources	1,650,035	-	88,897	-	1,738,932	-
Total assets and deferred outflows	<u>\$ 14,736,914</u>	<u>\$ 9,624,434</u>	<u>\$ 5,158,098</u>	<u>\$ 4,368,671</u>	<u>\$ 19,895,012</u>	<u>\$ 13,993,105</u>
Current liabilities	\$ 1,954,101	\$ 1,337,726	\$ 949,842	\$ 1,079,667	\$ 2,903,943	\$ 2,417,393
Long-term liabilities	8,745,249	1,223,768	3,224,781	1,378,068	11,970,030	2,601,836
Total liabilities	<u>\$ 10,699,350</u>	<u>\$ 2,561,494</u>	<u>\$ 4,174,623</u>	<u>\$ 2,457,735</u>	<u>\$ 14,873,973</u>	<u>\$ 5,019,229</u>
Net position						
Invested in capital assets						
net of related debt	\$ 3,529,218	\$ 2,847,928	\$ 3,419,036	\$ 2,091,220	\$ 6,948,254	\$ 4,939,148
Restricted	4,721,559	2,755,283	-	-	4,721,559	2,755,283
Unrestricted	(4,213,213)	1,459,729	(2,435,561)	(180,284)	(6,648,774)	1,279,445
Total net position	<u>\$ 4,037,564</u>	<u>\$ 7,062,940</u>	<u>\$ 983,475</u>	<u>\$ 1,910,936</u>	<u>\$ 5,021,039</u>	<u>\$ 8,973,876</u>

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.

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 decreased by \$1,191,009 during the current fiscal year. Operating results for both governmental and business-type activities were impacted by the change in accounting for pension costs which caused increases in expenses. Likewise, both governmental and business-type activities took on new debt during the year without adding like amounts of capital assets, the governmental debt financing construction-in-progress and the business-type debt financing a complete water meter change out, a non-recurring operation cost..

Governmental activities

Governmental activities decreased the Village's net position by \$418,735 in the current year. Compared to last fiscal year revenues increased 4.9% and expenses increased 23.8%.

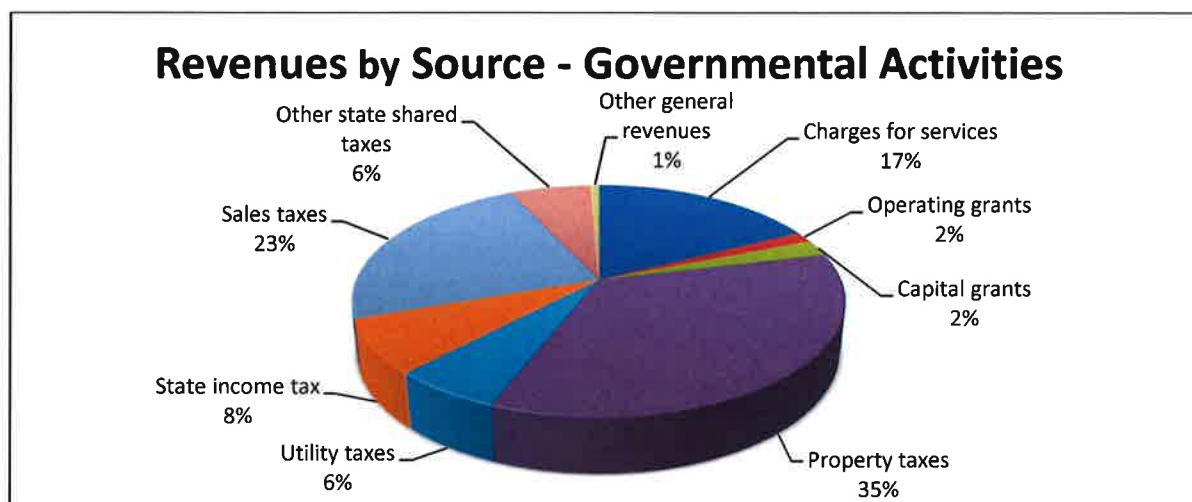
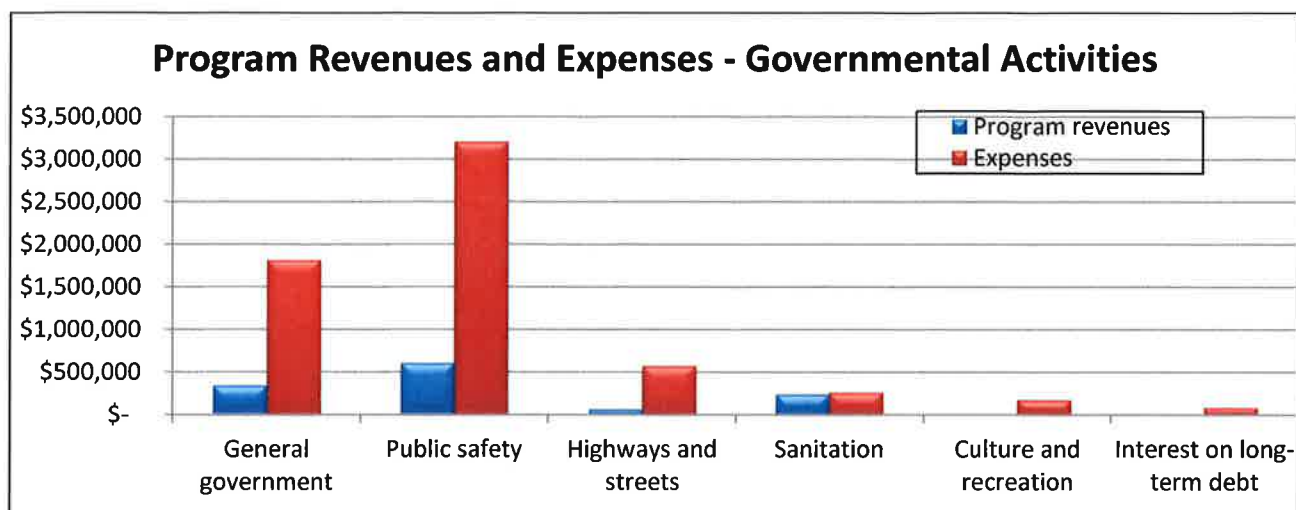
Although overall property tax revenue increased 24.9% during the year, much of it resulted from an increase in receivables and not in cash flow although a significant portion did come from a new debt service levy. Due to the weak real estate market in the South Suburbs collection rates for the 2010 through 2014 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.

Village of South Chicago Heights Changes in Net Position

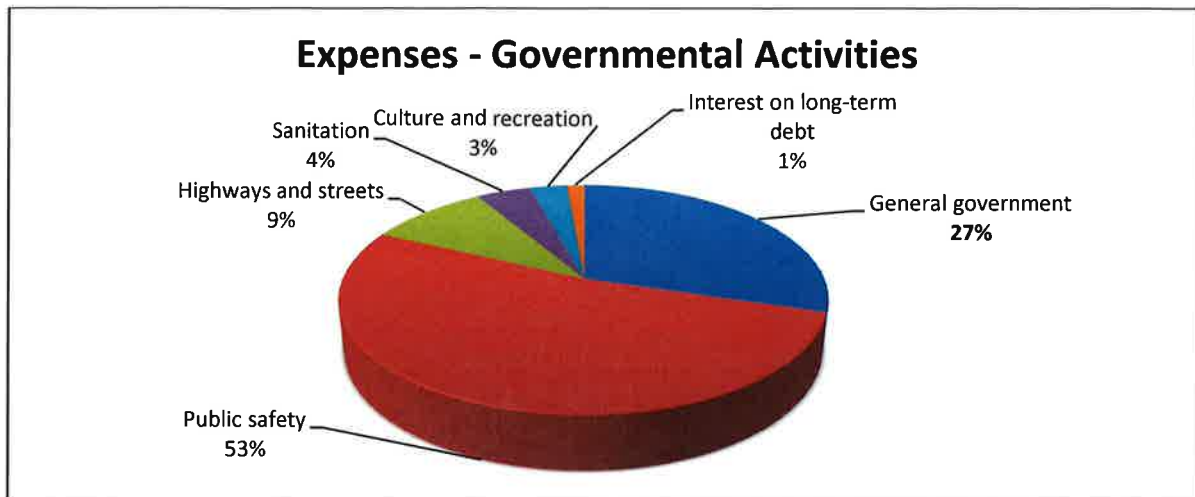
	Governmental activities		Business-type activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Revenues:						
Program revenues						
Charges for services	\$ 1,032,013	\$ 965,078	\$ 1,329,550	\$ 1,087,430	\$ 2,361,563	\$ 2,052,508
Operating grants & contributions	91,089	63,208	-	-	91,089	63,208
Capital grants & contributions	130,339	419,725	1,048,616	-	1,178,955	419,725
General revenues						
Property taxes	2,052,348	1,643,000	487,981	483,351	2,540,329	2,126,351
State shared taxes	2,202,936	2,106,272	-	-	2,202,936	2,106,272
Other taxes	361,404	395,064	-	-	361,404	395,064
Other revenues	36,676	40,803	7,000	-	43,676	40,803
Total revenues	<u>\$ 5,906,805</u>	<u>\$ 5,633,150</u>	<u>\$ 2,873,147</u>	<u>\$ 1,570,781</u>	<u>\$ 8,779,952</u>	<u>\$ 7,203,931</u>
Expenses:						
General government	\$ 1,814,856	\$ 1,406,990	\$ -	\$ -	\$ 1,814,856	\$ 1,406,990
Public safety	3,211,660	2,625,129	-	-	3,211,660	2,625,129
Highways & streets	573,864	527,261	-	-	573,864	527,261
Sanitation	263,605	250,838	-	-	263,605	250,838
Culture & recreation	177,456	124,600	-	-	177,456	124,600
Interest on long-term debt	84,099	13,459	-	-	84,099	13,459
Water system	-	-	3,570,559	1,269,501	3,570,559	1,269,501
Sewer system	-	-	90,502	109,182	90,502	109,182
Property management	-	-	184,360	100,609	184,360	100,609
Total expenses	<u>\$ 6,125,540</u>	<u>\$ 4,948,277</u>	<u>\$ 3,845,421</u>	<u>\$ 1,479,292</u>	<u>\$ 9,970,961</u>	<u>\$ 6,427,569</u>
Transfers	<u>\$ (200,000)</u>	<u>\$ (106,300)</u>	<u>\$ 200,000</u>	<u>\$ 106,300</u>	<u>\$ -</u>	<u>\$ -</u>
Increase (decrease) in net position	\$ (418,735)	\$ 578,573	\$ (772,274)	\$ 197,789	\$ (1,191,009)	\$ 776,362
Net position, January 1, as restated	\$ 4,456,299	\$ 6,484,367	\$ 1,755,749	\$ 1,713,147	\$ 6,212,048	\$ 8,197,514
Net position, December 31	<u>\$ 4,037,564</u>	<u>\$ 7,062,940</u>	<u>\$ 983,475</u>	<u>\$ 1,910,936</u>	<u>\$ 5,021,039</u>	<u>\$ 8,973,876</u>

State shared taxes accounted for an increasingly significant portion of the Village's change in revenue, particularly sales and income taxes. State income taxes increased 14.2% and sales taxes increased 0.5% while all other intergovernmental sources (use, motor fuel telecommunications and personal property replacement taxes) increased 10.0% from the prior year. The largest percentage increase again has come from the State video gaming tax which rose 60.4% 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 2015 while other state shared revenues were held in limbo by the ongoing State budget impasse.



The Village continues to apply for grants from the Community Development Block Grant program administered by Cook County. In 2015 the Village received a \$145,225 CDBG grant disbursement that was approved the previous year, however was turned down for future funding from this source. In addition, the Village continues to apply for and be awarded State and local grants for various public safety enforcement programs however actual disbursement of the funds has been delayed by the State budget impasse. The decision to pursue future grants will hinge on the State's ability to pay.

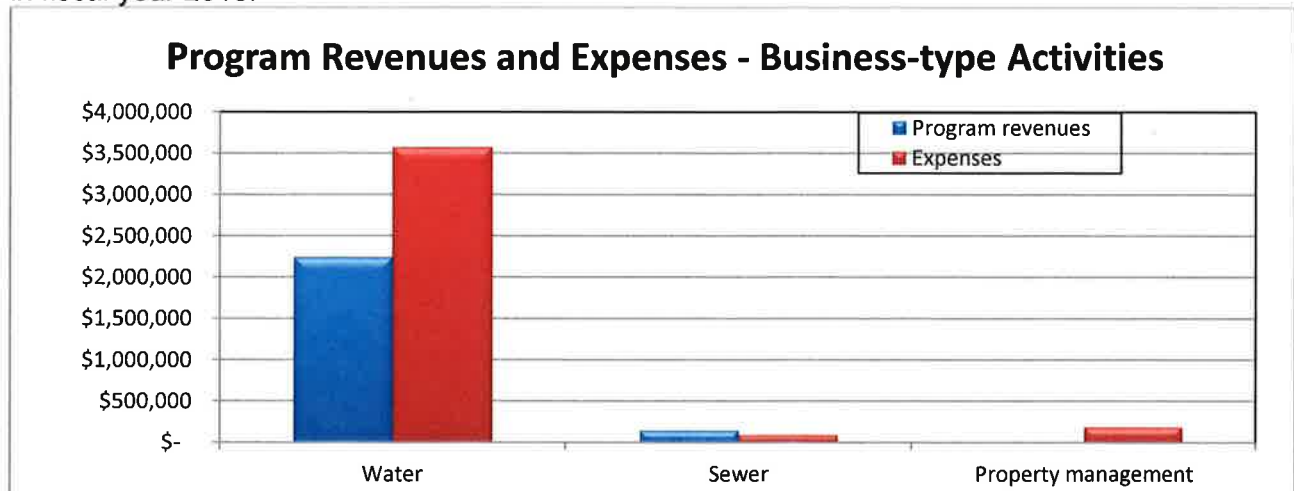
Overall charges for services increased 6.9%, with the greatest change in fine and forfeiture revenue generated by public safety operations (46.9%). Positive changes were also seen in ambulance fees, up 8.2% and rents up 29.7% while garbage fees declined 10.8%.



The previously mentioned change in accounting principle regarding pension costs increased expenses so greatly that a direct comparison to 2014 is difficult and will be much more meaningful when future years are compared. As it is, overall expenses increased 23.8% from the last fiscal year with increased pension costs most significantly affecting both general government and public safety expenses (29.0 and 22.3% respectively). Additionally recreation program expenses increased 42.4% mostly due to non-recurring maintenance, highways & streets services increased 8.8%, sanitation services increased 5.1% and interest on debt increased 524% because of the new issuance of general obligation bonds.

Business-type activities

Business-type activities decreased the Village's net position by \$772,274, with positive results (exclusive of depreciation) in only the Sewer fund. A significant, non-recurring cost for replacement of all water meters in the system had a large impact of operating income of the Water Fund in 2015. Increased collections resulting from more accurate usage readings, and a newly implemented meter charge are expected to cover the annual lease cost of this project by the end of 2016. Rental income in the Property Management Fund is insufficient to cover all of its start-up costs so it will require support from the TIF Fund until its outstanding debt is retired in fiscal year 2015.



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 \$4,959,162, an increase of \$1,899,905 in comparison with the prior year. Of this total amount \$4,090,460 is restricted for capital projects and/or tax relief, \$187,678 is restricted for improvements within the Village's TIF area, \$25,901 is restricted for State approved street projects, \$10,020 is restricted for debt service, and \$33,454 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 \$628,361. 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 14.6% of total annualized General Fund expenditures.

The fund balance of the Village's General Fund increased by \$17,296 during the current fiscal year including a non-recurring \$250,000 transfer from the Non-home Rule Sales Taxes Fund. Actual expenditures were \$432,809 less than what was budgeted and revenues were \$76,753 more than estimated. Revenues were essentially unchanged from 2014 and are trending to merely stay level with inflationary increases in expenditures, leaving little opportunity for improvements to existing service levels.

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 4.3% greater than estimate and fund balance increased \$219,380. Like the general fund, fund revenues were unchanged from 2014 with little future growth forecasted.

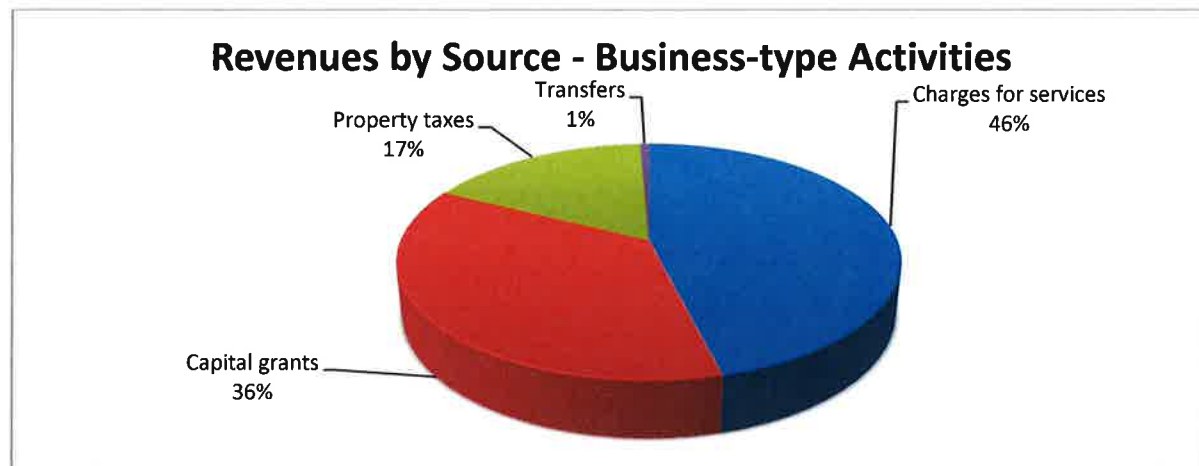
The Debt Service Fund accounts for debt payments for the Series 2015 GO bonds, one equipment note and one capital lease. Fund balance remains at a minimal level since revenues and expenditures approximate break even each year although in 2015 tax revenues were 8.9% lower than estimate in the first year of the new debt service levy.

The fund balance of the Tax Increment Financing Fund decreased by \$203,181 during the current fiscal year and actual revenues were 21.6% less than estimated because of a continued decline in assessed values for the area. Areas #2 and #3 have not produced any increment and the Village plans to terminate them early with the intent of re-establishing them with new bases at their current, lower assessment level values.

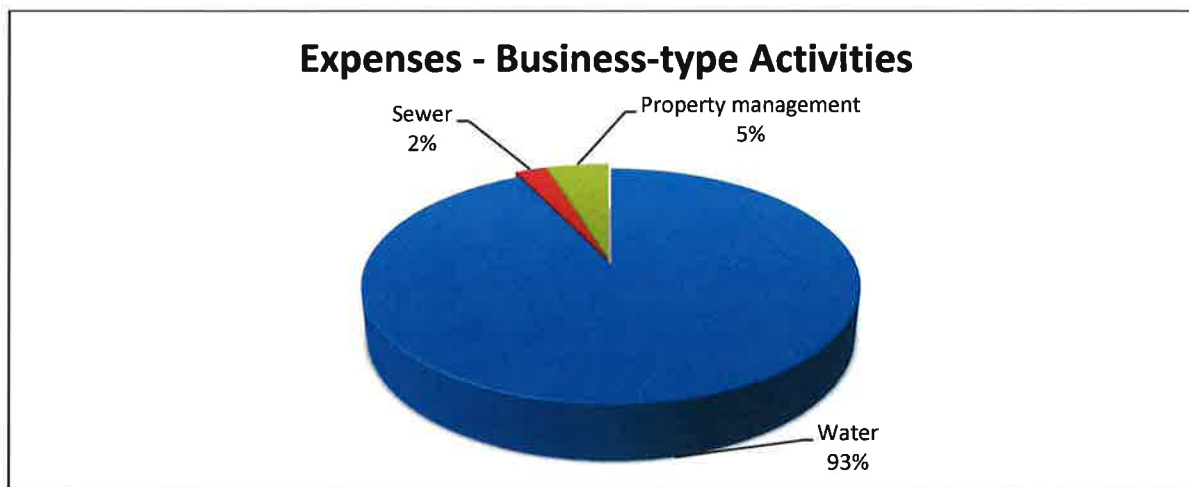
The new Capital Projects Fund accounts for the majority of the increase in fund balance for the governmental funds. Most of the \$2,566,237 Series 2015 GO bond proceeds remained in the fund at year end, as construction of the Public Safety facility began late in the year. Fund balance in the fund should be completely expended by the end of fiscal year 2016.

Proprietary funds - The Village's proprietary funds 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 -\$873,818, with \$1,706,355 of this amount being the Village's net investment in capital assets of the water system. A \$1,928,213 project to replace all of the meters in the water system was the primary cause of the operating loss for the year; the project was financed through a long-term capital lease.



Net position of the Sewer Fund at the end of the current fiscal year amounted to \$1,567,210 with \$1,150,243 of this amount being the Village's net investment in capital assets of the sewer system. The total increase in net position was \$55,791 and actual expenses were \$159,088 less than what was budgeted.



Net position of the Property Management Fund amounted to \$290,083 with \$562,438 of this amount being the Village's net investment in capital assets. The total increase in net position was \$15,640 entirely attributable to a cash transfer from the Tax Increment Financing Fund. Continuing annual subsidies to this fund are expected in the near-term until the held properties are further developed as part of the planned Metra commuter rail expansion.

General Fund Budgetary Highlights

The Village made no supplemental appropriation and one transfer of appropriations during the fiscal year. Overall actual expenditures were \$432,809 less than budgeted, however changes in actual staffing levels required transfers of the originally budgeted amounts in other departments to the Recreation and Parks Maintenance budgets in the amounts of \$5,900 and \$6,200 respectively and \$18,995 of the originally budgeted amounts in other departments was transferred to the Senior Center Maintenance budget to cover higher than anticipated capital improvement and maintenance costs

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, 2015, amounts to \$8,514,847. 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 \$1,989,384. Depreciation of these assets reduced the total amount by \$578,069 (\$250,256 for governmental activities and \$327,813 for business-type activities).

Village of South Chicago Heights Capital Assets

(net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Land	\$ 513,274	\$ 513,274	\$ 291,500	\$ 291,500	\$ 804,774	\$ 804,774
Construction in progress	510,437	-	-	-	510,437	-
Buildings	935,900	1,053,532	372,492	399,124	1,308,392	1,452,656
Equipment	97,947	41,469	-	48,823	97,947	90,292
Vehicles	146,226	93,407	-	6,579	146,226	99,986
Street infrastructure	1,437,698	1,294,616	-	-	1,437,698	1,294,616
Sewer system	-	-	1,150,244	1,124,878	1,150,244	1,124,878
Water system	-	-	3,059,129	2,236,330	3,059,129	2,236,330
Total	<u>\$ 3,641,482</u>	<u>\$ 2,996,298</u>	<u>\$ 4,873,365</u>	<u>\$ 4,107,234</u>	<u>\$ 8,514,847</u>	<u>\$ 7,103,532</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 \$3,803,166, along with long-term notes payable of \$145,679 and capital lease obligations of \$1,988,186. These amounts are comprised of debt backed by the full faith and credit of the Village.

The Village's total long-term debt increased by \$3,231,323 (119.4%) during the current fiscal year; two new debt instruments were issued, General Obligation bonds in the governmental activities to finance the construction of a new public safety building, and a long-term capital lease in the business-type activities to finance the purchase and installation of new water meters for the entire system.

Village of South Chicago Heights Outstanding Debt

	Governmental activities		Business-type activities		Total	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
General obligation bonds	\$ 2,385,000	\$ -	\$ 1,418,166	\$ 2,214,712	\$ 3,803,166	\$ 2,214,712
Long-term notes payable	109,516	137,774	36,163	327,574	145,679	465,348
Capital lease obligations	2,748	10,600	1,985,438	15,048	1,988,186	25,648
Total	<u>\$ 2,497,264</u>	<u>\$ 148,374</u>	<u>\$ 3,439,767</u>	<u>\$ 2,557,334</u>	<u>\$ 5,937,031</u>	<u>\$ 2,705,708</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.

A major capital project is anticipated to dominate management's efforts and the overall Village budget for 2016. In 2014 voters approved, by referendum, the sale of general obligation bonds for the purpose of constructing a new combined police and fire public safety facility. While groundbreaking of the site was made in 2015 the bulk of construction will be progressing through the first half of 2016 with completion scheduled for mid-year.

Water rates are expected to increase in 2016 through both an increase in user rates and implementation of a new meter fee which will help to offset the cost of the meter replacement program. Sewer rates are also scheduled for an incremental increase as this revenue source keeps up with the cost of living. As a non-home rule government, the Village has little control over its property tax rates, so the 2016 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, 2015**

(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	\$ 4,186,903	\$ 105,126	\$ 4,292,029
Investments	1,108,140	-	1,108,140
Receivables (net of allowance for uncollectibles)	3,269,675	893,040	4,162,715
Internal balances	847,225	(847,225)	-
Inventories	5,066	44,895	49,961
Prepaid items	28,388	-	28,388
Total current assets	<u>\$ 9,445,397</u>	<u>\$ 195,836</u>	<u>\$ 9,641,233</u>
Noncurrent assets			
Capital assets (net of accumulated depreciation)			
Land	\$ 513,274	\$ 291,500	\$ 804,774
Buildings and system	935,900	4,538,291	5,474,191
Improvements other than buildings	66,998	-	66,998
Machinery and equipment	177,175	43,574	220,749
Infrastructure	1,437,698	-	1,437,698
Construction in progress	510,437	-	510,437
Total noncurrent assets	<u>\$ 3,641,482</u>	<u>\$ 4,873,365</u>	<u>\$ 8,514,847</u>
Total assets	<u>\$ 13,086,879</u>	<u>\$ 5,069,201</u>	<u>\$ 18,156,080</u>
Deferred outflows of resources			
Deferred Items - IMRF	\$ 334,599	\$ 88,897	\$ 423,496
Deferred Items - Police Pension	1,315,303	-	1,315,303
Deferred Items - Firefighters' Pension	133	-	133
Total deferred outflows of resources	<u>1,650,035</u>	<u>88,897</u>	<u>1,738,932</u>
Total assets and deferred outflows of resources	<u>\$ 14,736,914</u>	<u>\$ 5,158,098</u>	<u>\$ 19,895,012</u>
Liabilities			
Current liabilities			
Accounts payable and other current liabilities	\$ 763,066	\$ 361,240	\$ 1,124,306
Accrued interest payable	7,785	47,439	55,224
Unearned revenue	1,044,241	-	1,044,241
Current portion on long term liabilities			
Notes Payable	15,820	36,163	51,983
Bonds Payable	90,000	505,000	595,000
Compensated Absences	33,189	3,606	36,795
Total current liabilities	<u>\$ 1,954,101</u>	<u>\$ 953,448</u>	<u>\$ 2,907,549</u>
Noncurrent liabilities:			
Notes Payable	\$ 96,444	\$ 1,985,438	\$ 2,081,882
Bonds Payable	2,295,000	913,166	3,208,166
Net Pension Liability - IMRF	1,189,746	316,097	1,505,843
Net Pension Liability - Police Pension	3,643,674	-	3,643,674
Net Pension Liability - Firefighters' Pension	454,140	-	454,140
Net OPEB Obligation	1,003,499	-	1,003,499
Compensated Absences	62,746	6,474	69,220
Total noncurrent liabilities	<u>\$ 8,745,249</u>	<u>\$ 3,221,175</u>	<u>\$ 11,966,424</u>
Total liabilities	<u>\$ 10,699,350</u>	<u>\$ 4,174,623</u>	<u>\$ 14,873,973</u>
Net Position			
Net Investment in capital assets	\$ 3,529,218	\$ 3,419,036	\$ 6,948,254
Restricted for:			
Economic development	595,178	-	595,178
Highways & streets	25,901	-	25,901
Debt service	10,020	-	10,020
Capital projects / tax relief	4,090,460	-	4,090,460
Unrestricted	(4,213,213)	(2,435,561)	(6,648,774)
Total net position	<u>\$ 4,037,564</u>	<u>\$ 983,475</u>	<u>\$ 5,021,039</u>

Village of South Chicago Heights, Illinois

Statement of Activities

For the Year Ended December 31, 2015

(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	\$ 1,814,856	\$ 266,897	\$ 10,050	\$ 66,327
Public safety	3,211,660	524,217	78,799	3,000
Highways and streets	573,864	70	2,240	61,012
Sanitation	263,605	238,378	-	-
Culture and recreation	177,456	2,451	-	-
Interest on long-term debt	84,099	-	-	-
Total governmental activities	\$ 6,125,540	\$ 1,032,013	\$ 91,089	\$ 130,339
Business-type activities:				
Water	\$ 3,570,559	\$ 1,190,385	\$ -	\$ 1,048,616
Sewer	90,502	139,165	-	-
Property Management	184,360	-	-	-
Total business-type activities	\$ 3,845,421	\$ 1,329,550	\$ -	\$ 1,048,616
Total primary government	\$ 9,970,961	\$ 2,361,563	\$ 91,089	\$ 1,178,955

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, as restated

Net position, December 31

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,471,582)	\$ -	\$ (1,471,582)
(2,605,644)	-	(2,605,644)
(510,542)	-	(510,542)
(25,227)	-	(25,227)
(175,005)	-	(175,005)
(84,099)	-	(84,099)
<u>\$ (4,872,099)</u>	<u>\$ -</u>	<u>\$ (4,872,099)</u>
 \$ -	 \$ (1,331,558)	 \$ (1,331,558)
-	48,663	48,663
-	(184,360)	(184,360)
-	<u>\$ (1,467,255)</u>	<u>\$ (1,467,255)</u>
<u>\$ (4,872,099)</u>	<u>\$ (1,467,255)</u>	<u>\$ (6,339,354)</u>
 \$ 2,052,348	 \$ 487,981	 \$ 2,540,329
361,404	-	361,404
447,546	-	447,546
1,381,450	-	1,381,450
101,188	-	101,188
272,752	-	272,752
12,599	-	12,599
17,537	-	17,537
6,540	7,000	13,540
<u>\$ (200,000)</u>	<u>\$ 200,000</u>	<u>-</u>
<u>\$ 4,453,364</u>	<u>\$ 694,981</u>	<u>\$ 5,148,345</u>
 \$ (418,735)	 \$ (772,274)	 \$ (1,191,009)
<u>\$ 4,456,299</u>	<u>\$ 1,755,749</u>	<u>\$ 6,212,048</u>
<u>\$ 4,037,564</u>	<u>\$ 983,475</u>	<u>\$ 5,021,039</u>

Village of South Chicago Heights, Illinois

Governmental Funds

Balance Sheet

December 31, 2015

(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	\$ 417,705	\$ 1,333,497	\$ 318,732	\$ 7,779
Investments	1,108,140	-	-	-
Receivable (net of allowance for uncollectibles)	2,455,569	118,775	407,500	193,964
Due from other funds	-	847,225	-	-
Prepaid items	14,309	-	-	-
Inventory	2,703	-	-	-
Total assets	\$ 3,998,426	\$ 2,299,497	\$ 726,232	\$ 201,743
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts / vouchers payable	\$ 136,253	\$ -	\$ 131,054	\$ -
Accrued payroll	95,971	-	-	-
Deposits payable	54,544	-	-	-
Total liabilities	\$ 286,768	\$ -	\$ 131,054	\$ -
Deferred inflows of resources				
Property and intergovernmental taxes	\$ 1,726,243	\$ 40,649	\$ 407,500	\$ 191,723
Charges for services, fines and grants	1,357,054	-	-	-
Total deferred inflows of resources	\$ 3,083,297	\$ 40,649	\$ 407,500	\$ 191,723
Fund Balances				
Nonspendable	\$ 17,012	\$ -	\$ -	\$ -
Restricted for capital projects / tax relief	-	2,258,848	-	-
Restricted for economic development	-	-	187,678	-
Restricted for highways & streets	-	-	-	-
Restricted for debt service	-	-	-	10,020
Unassigned	611,349	-	-	-
Total fund balances	\$ 628,361	\$ 2,258,848	\$ 187,678	\$ 10,020
Total liabilities, deferred inflows of resources and fund balances	\$ 3,998,426	\$ 2,299,497	\$ 726,232	\$ 201,743

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
\$ 2,084,254	\$ 24,936	\$ 4,186,903
-	-	1,108,140
-	93,867	3,269,675
-	-	847,225
-	14,079	28,388
-	2,363	5,066
<u>\$ 2,084,254</u>	<u>\$ 135,245</u>	<u>\$ 9,445,397</u>

\$ 252,642	\$ 92,602	\$ 612,551
-	-	95,971
-	-	54,544
<u>\$ 252,642</u>	<u>\$ 92,602</u>	<u>\$ 763,066</u>

\$ -	\$ -	2,366,115
-	-	1,357,054
<u>\$ -</u>	<u>\$ -</u>	<u>3,723,169</u>

\$ -	\$ 16,442	33,454
1,831,612	-	4,090,460
-	-	187,678
-	25,901	25,901
-	-	10,020
-	300	611,649
<u>\$ 1,831,612</u>	<u>\$ 42,643</u>	<u>\$ 4,959,162</u>

<u>\$ 2,084,254</u>	<u>\$ 135,245</u>	
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\$ 3,641,482

2,671,143

(7,234,223)

\$ 4,037,564

Village of South Chicago Heights, Illinois

Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2015**

(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	\$ 1,556,987	\$ -	\$ 156,745	\$ 172,631
State shared taxes	1,626,498	469,380	-	-
Licenses and permits	228,801	-	-	-
Charges for services	401,947	-	-	-
Fines and forfeitures	268,303	-	-	-
Rent	139,887	-	-	-
Grants	40,716	-	-	-
Interest	10,347	-	1,287	-
Reimbursements	19,512	-	-	-
Other revenue	13,365	-	-	-
Total revenues	\$ 4,306,363	\$ 469,380	\$ 158,032	\$ 172,631
Expenditures				
Current				
General government	\$ 1,114,377	\$ -	\$ 161,213	\$ -
Public safety	2,189,960	-	-	-
Highways and streets	390,816	-	-	-
Sanitation	263,605	-	-	-
Culture and recreation	137,783	-	-	-
Total current expenditures	\$ 4,096,541	\$ -	\$ 161,213	\$ -
Capital outlay	\$ 208,691	\$ -	\$ -	\$ -
Debt service				
Principal	\$ -	\$ -	\$ -	\$ 151,110
Interest and fiscal charges	-	-	-	76,416
Total debt service expenditures	\$ -	\$ -	\$ -	\$ 227,526
Total expenditures	\$ 4,305,232	\$ -	\$ 161,213	\$ 227,526
Excess (deficiency) of revenues over (under) expenditures	\$ 1,131	\$ 469,380	\$ (3,181)	\$ (54,895)
Other financing sources and uses				
Proceeds from sale of capital assets	\$ 6,540	\$ -	\$ -	\$ -
Proceeds from sale of long-term bonds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	250,000	-	-	57,100
Transfers out	(240,375)	(250,000)	(200,000)	-
Total other financing sources and uses	\$ 16,165	\$ (250,000)	\$ (200,000)	\$ 57,100
Net change in fund balances	\$ 17,296	\$ 219,380	\$ (203,181)	\$ 2,205
Fund balances, January 1	\$ 611,065	\$ 2,039,468	\$ 390,859	\$ 7,815
Fund balances, December 31	\$ 628,361	\$ 2,258,848	\$ 187,678	\$ 10,020

Capital Project Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 6,793	\$ 1,893,156
-	101,188	2,197,066
-	-	228,801
-	-	401,947
-	-	268,303
-	-	139,887
-	221,012	261,728
892	73	12,599
-	-	19,512
300	-	13,665
\$ 1,192	\$ 329,066	\$ 5,436,664
215,870	\$ -	\$ 1,491,460
-	178,411	2,368,371
-	70,072	460,888
-	-	263,605
-	-	137,783
\$ 215,870	\$ 248,483	\$ 4,722,107
\$ 510,437	\$ 240,865	\$ 959,993
\$ -	\$ -	\$ 151,110
-	-	76,416
\$ -	\$ -	227,526
\$ 726,307	\$ 489,348	5,909,626
\$ (725,115)	\$ (160,282)	(472,962)
\$ -	\$ -	\$ 6,540
2,500,000	-	2,500,000
66,327	-	66,327
-	183,275	490,375
-	-	(690,375)
\$ 2,566,327	\$ 183,275	\$ 2,372,867
\$ 1,841,212	\$ 22,993	\$ 1,899,905
\$ (9,600)	\$ 19,650	\$ 3,059,257
\$ 1,831,612	\$ 42,643	\$ 4,959,162

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, 2015

(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)	\$ 1,899,905
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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.	645,180
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	397,274
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The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	61,708
Change in Deferred Items - Police Pension	1,182,195
Change in Deferred Items - Firefighters' Pension	(10,123)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,566,327)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Principal Payments on General Obligation Bonds	115,000
Principal Payments on Notes and Capital Leases Payable	36,110
Increase in Net Pension Obligation - IMRF	(332,755)
Increase in Net Pension Obligation - Police Pension	(1,656,886)
Increase in Net Pension Obligation - Firefighters' Pension	(237,312)
Increase in Compensated Absences Payable	(11,348)
Decrease in Accrued Interest	(7,683)

Change in net position of governmental activities (pages 15-16)	<u>\$ (485,062)</u>
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Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Fund Net Position

December 31, 2015

(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	\$ 24,177	\$ 80,833	\$ 116	\$ 105,126
Accounts receivable (net of allowance for uncollectibles)	839,261	53,779	-	893,040
Due from other funds	-	316,000	-	316,000
Inventories	44,895	-	-	44,895
Total current assets	908,333	450,612	116	1,359,061
Non-current assets:				
Capital assets (net of accumulated depreciation)				
Land	750	-	290,750	291,500
Buildings and system	3,159,934	1,106,669	271,688	4,538,291
Machinery and equipment	-	43,574	-	43,574
Total non-current assets	3,160,684	1,150,243	562,438	4,873,365
Total assets	\$ 4,069,017	\$ 1,600,855	\$ 562,554	\$ 6,232,426
Deferred outflows of resources				
Deferred items - IMRF	88,897	-	-	88,897
Total assets and deferred outflows of resources	\$ 4,157,914	\$ 1,600,855	\$ 562,554	\$ 6,321,323
Liabilities				
Accounts payable	\$ 138,442	\$ 39	\$ 246	\$ 138,727
Accrued payroll	9,096	-	-	9,096
Compensated absences	10,080	-	-	10,080
Due to other governments	-	33,606	-	33,606
Due to other funds	891,000	-	272,225	1,163,225
Customer deposits	179,811	-	-	179,811
Accrued interest payable	47,439	-	-	47,439
Noncurrent liabilities:				
Due within one year				
Notes payable	36,163	-	-	36,163
Bonds payable	505,000	-	-	505,000
Due in more than one year				
Net pension liability - IMRF	316,097	-	-	316,097
Notes payable	1,985,438	-	-	1,985,438
Bonds payable	913,166	-	-	913,166
Total liabilities	\$ 5,031,732	\$ 33,645	\$ 272,471	\$ 5,337,848
Net position				
Net Investment in capital assets	\$ 1,706,355	\$ 1,150,243	\$ 562,438	\$ 3,419,036
Unrestricted	(2,580,173)	416,967	(272,355)	(2,435,561)
Total net position	\$ (873,818)	\$ 1,567,210	\$ 290,083	\$ 983,475

Village of South Chicago Heights, Illinois

Proprietary Funds

**Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Year Ended December 31, 2015**

(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	
Operating revenues				
Water sales	\$ 1,178,453	\$ -	\$ -	\$ 1,178,453
Sewer charges	-	138,392	-	138,392
Fines	9,696	773	-	10,469
Interest	86	-	-	86
Reimbursements	2,150	-	-	2,150
Total operating revenues	\$ 1,190,385	\$ 139,165	\$ -	\$ 1,329,550
Operating expenses				
Administration	\$ 316,542	\$ 630	\$ -	\$ 317,172
Cost of sales and services	2,879,319	20,589	163,437	3,063,345
Depreciation	240,418	69,283	18,112	327,813
Total operating expenses	\$ 3,436,279	\$ 90,502	\$ 181,549	\$ 3,708,330
Operating income (loss)	\$ (2,245,894)	\$ 48,663	\$ (181,549)	\$ (2,378,780)
Nonoperating revenues (expenses)				
Property tax	\$ 480,853	\$ 7,128	\$ -	\$ 487,981
Gain on sale of capital assets	7,000	-	-	7,000
Interest expense	(134,280)	-	(2,811)	(137,091)
Total nonoperating revenues (expenses)	\$ 353,573	\$ 7,128	\$ (2,811)	\$ 357,890
Income (loss) before contributions and transfers	\$ (1,892,321)	\$ 55,791	\$ (184,360)	\$ (2,020,890)
Capital contributions	\$ 1,048,616	\$ -	\$ -	\$ 1,048,616
Transfers in	\$ -	\$ -	\$ 200,000	\$ 200,000
Change in net position	\$ (843,705)	\$ 55,791	\$ 15,640	\$ (772,274)
Total net position, January 1, as restated	\$ (30,113)	\$ 1,511,419	\$ 274,443	\$ 1,755,749
Total net position, December 31	\$ (873,818)	\$ 1,567,210	\$ 290,083	\$ 983,475

Village of South Chicago Heights, Illinois

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2015

(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
Cash flows from operating activities:				
Cash received from customers	\$ 1,115,199	\$ 315,886	\$ 5,325	\$ 1,436,410
Cash payments for goods and services	(2,880,478)	(238,322)	(100,519)	(3,219,319)
Cash payments for salaries and benefits	(302,090)	-	-	(302,090)
Net cash provided (used) by operating activities	\$ (2,067,369)	\$ 77,564	\$ (95,194)	\$ (2,084,999)
Cash flows from noncapital financing activities				
Interfund borrowing	\$ 166,000	\$ (16,000)	\$ -	\$ 150,000
Transfers from other funds	-	-	200,000	200,000
Property tax receipts	474,319	6,658	-	480,977
Proceeds from equipment lease	1,985,438	-	-	1,985,438
Net cash provided (used) by noncapital financing activities	\$ 2,625,757	\$ (9,342)	\$ 200,000	\$ 2,816,415
Cash flows from capital and related financing activities				
Principal paid on debt	\$ (542,365)	\$ -	\$ (102,205)	\$ (644,570)
Interest paid on debt	(3,955)	-	(3,166)	(7,121)
Gain on sale of capital assets	7,000	-	-	7,000
Purchase of plant, property and equipment	-	(45,330)	-	(45,330)
Net cash provided (used) by capital and related financing activities	\$ (539,320)	\$ (45,330)	\$ (105,371)	\$ (690,021)
Cash flows from investing activities				
Interest receipts	\$ 86	\$ -	\$ -	\$ 86
Net cash provided (used) by investing activities	\$ 86	\$ -	\$ -	\$ 86
Net increase (decrease) in cash	\$ 19,154	\$ 22,892	\$ (565)	\$ 41,481
Cash and cash equivalents, January 1	\$ 5,023	\$ 57,941	\$ 681	\$ 63,645
Cash and cash equivalents, December 31	\$ 24,177	\$ 80,833	\$ 116	\$ 105,126
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ (2,245,894)	\$ 48,663	\$ (181,549)	\$ (2,378,780)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	\$ 240,418	\$ 69,283	\$ 18,112	\$ 327,813
(Increase) decrease in net accounts receivable	(85,781)	(1,676)	69,275	(18,182)
(Increase) decrease in inventory	(17,717)	-	-	(17,717)
Increase (decrease) in accounts payable	(44,033)	(38,706)	(1,032)	(83,771)
Increase (decrease) in accrued salaries and benefits	664	-	-	664
Increase (decrease) in compensated absences	(693)	-	-	(693)
Increase (decrease) in customer deposits	13,654	-	-	13,654
Total adjustments	\$ 106,512	\$ 28,901	\$ 86,355	\$ 221,768
Net cash provided (used) by operating activities	\$ (2,139,382)	\$ 77,564	\$ (95,194)	\$ (2,157,012)

Village of South Chicago Heights, Illinois

Fiduciary Funds

Statement of Fiduciary Net Position

December 31, 2015

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

	<u>Pension Trust Funds</u>
Assets	
Cash and cash equivalents	\$ 414,246
Investments, at fair value:	
US Treasury securities	314,957
US government agency securities	100,007
State and municipal securities	597,336
Asset backed securities	60,879
Equity mutual funds	757,506
Corporate bonds	593,291
Annuities	526,952
Interest receivable	19,352
Total assets	<u>\$ 3,384,526</u>
Liabilities	
Accounts / vouchers payable	\$ 1,130
Total liabilities	<u>\$ 1,130</u>
Net position	
Held in trust for pension benefits	<u>\$ 3,383,396</u>
Total net position	<u>\$ 3,383,396</u>

Village of South Chicago Heights, Illinois

Fiduciary Funds

**Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2015**

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

	<u>Pension Trust Funds</u>
Additions:	
Contributions	
Employer	\$ 144,364
Plan member	<u>75,304</u>
Total contributions	<u>\$ 219,668</u>
Investment income	
Net appreciation in fair value of investments	\$ (171,167)
Interest	79,972
Dividends	<u>48,695</u>
Total investment income	<u>\$ (42,500)</u>
Less investment expense	<u>13,991</u>
Net investment income	<u>\$ (56,491)</u>
Total additions	<u>\$ 163,177</u>
Deductions:	
Benefits	\$ 326,946
Administrative expense	<u>5,914</u>
Total deductions	<u>\$ 332,860</u>
Change in net position	<u>\$ (169,683)</u>
Net position held in trust for pension benefits	
January 1	<u>\$ 3,553,079</u>
December 31	<u><u>\$ 3,383,396</u></u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015

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, 2015
(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, 2015
(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, 2015
(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 building purchase 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.

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, 2015
(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 stated at fair value. Fair value of investments is determined using quoted market prices, except for insurance contracts which are carried at contract value, which approximates fair value.

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

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.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

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

4. Capital Assets (continued)

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, 2015
(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, 2015 the following fund had a deficit in fund equity:

Water Fund

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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 Sales Taxes	Debt Service	Tax Increment Financing	Capital Project	Nonmajor Funds	Total
Fund balances							
Nonspendable							
Inventories / prepaids	\$ 17,012	\$ -	\$ -	\$ -	\$ -	\$ 16,442	\$ 33,454
Restricted							
Capital projects/tax relief	-	2,258,848	-	-	1,831,612	-	4,090,460
Economic development	-	-	-	187,678	-	-	187,678
Highways & streets	-	-	-	-	-	25,901	25,901
Debt service reserves	-	-	10,020	-	-	-	10,020
Unassigned	611,349	-	-	-	-	300	611,649
Total fund balance	<u>\$ 628,361</u>	<u>\$ 2,258,848</u>	<u>\$ 10,020</u>	<u>\$ 187,678</u>	<u>\$ 1,831,612</u>	<u>\$ 42,643</u>	<u>\$ 4,959,162</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, 2015 the Village's cash, cash equivalents and investments consisted of the following:

Deposits at carrying amount	\$ 4,705,324
Cash on hand	951
Investments at fair value	4,059,068
Total	<u>\$ 8,765,343</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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	\$ 4,292,029
Investments at fair value:	1,108,140
Statement of Fiduciary Net Position:	
Cash and cash equivalents	414,246
Investments at fair value:	
US Treasury securities	314,957
US government agency securities	100,007
State and municipal securities	597,336
Asset backed securities	60,879
Corporate bonds	593,291
Equity mutual funds	757,506
Annuities	526,952
	<u>\$ 8,765,343</u>

Investments – As of December 31, 2015, 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*	\$ 3,624,005	\$ 3,624,005	\$ -	\$ -	\$ -	\$ -
Corporate obligations	98,723	-	-	98,723	-	-
State of Washington obligations	121,739	-	121,739	-	-	-
State of Illinois obligations	825,013	100,581	405,812	318,620	-	-
Total primary government	<u>\$ 4,669,480</u>	<u>\$ 3,724,586</u>	<u>\$ 527,551</u>	<u>\$ 417,343</u>	<u>\$ -</u>	<u>\$ -</u>
Pension Trust Funds						
Illinois Funds*	\$ 34,517	\$ 34,517	\$ -	\$ -	\$ -	\$ -
Corporate obligations	593,291	460,176	-	99,126	-	33,989
State of Illinois obligations	597,336	597,336	-	-	-	-
GNMA obligations	60,879	-	-	-	-	60,879
FHLMC obligations	100,007	-	-	100,007	-	-
US Treasury notes	314,957	-	-	-	200,550	114,407
Total pension trust funds	<u>\$ 1,700,987</u>	<u>\$ 1,092,029</u>	<u>\$ -</u>	<u>\$ 199,133</u>	<u>\$ 200,550</u>	<u>\$ 209,275</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, 2015 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, 2015

(continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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, 2015. 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, 2015, 2.9%, 1.8% and 17.8% of the Pension Trust Funds' investment portfolios consisted of investments in the the Federal Home Loan Mortgage Corporation (FHLMC), 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.

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.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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 2015 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, 2015 are listed in the table above.

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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	\$ 2,000,469	\$ -	\$ 456,199	\$ 204,896	\$ -	\$ 2,661,564
Other taxes	29,316	-	-	-	-	29,316
Intergovernmental	392,887	118,775	-	-	9,341	521,003
Accounts	184,510	-	-	-	1,478	185,988
Fines	109,426	-	-	-	-	109,426
Grants	31,296	-	-	-	83,048	114,344
Interest	18,764	-	-	-	-	18,764
Gross receivables	2,766,668	118,775	456,199	204,896	93,867	3,640,405
Less: allowance for uncollectible	311,099	-	48,699	10,932	-	370,730
Net total receivables	<u>\$ 2,455,569</u>	<u>\$ 118,775</u>	<u>\$ 407,500</u>	<u>\$ 193,964</u>	<u>\$ 93,867</u>	<u>\$ 3,269,675</u>

C. Interfund Receivables, Payables and Transfers

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

Receivable Fund	Payable Fund	Amount	Purpose
NHRST Fund	Water Fund	\$575,000	Short-term cash loan
Sewer Fund	Water Fund	\$316,000	Short-term cash loan
NHRST Fund	Property Management Fund	\$272,225	Short-term cash loan

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

III. Detailed Notes on All Funds (continued)

C. Interfund Receivables, Payables and Transfers (continued)

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	\$250,000	Fund current operations
E-911 Fund	General Fund	\$170,500	Fund current operations
Debt Service Fund	General Fund	\$ 57,100	Source of funds – long-term notes
CDBG Fund	General Fund	\$ 12,775	Source of funds – engineering
Property Management Fund	TIF Fund	\$200,000	Source of funds – long-term notes

D. Capital Assets

A summary of changes in governmental capital assets follows:

Capital assets not being depreciated				
Land	\$ 513,274	\$ -	\$ -	\$ 513,274
Construction in progress	-	510,437	-	510,437
Subtotal	<u>513,274</u>	<u>510,437</u>	<u>-</u>	<u>1,023,711</u>
Capital assets being depreciated				
Land improvements	219,116	-	-	219,116
Buildings	2,745,588	39,986	11,268	2,774,306
Equipment	2,253,076	135,311	19,892	2,368,495
Infrastructure	1,711,459	240,866	-	1,952,325
Subtotal	<u>6,929,239</u>	<u>416,163</u>	<u>31,160</u>	<u>7,314,242</u>
Accumulated depreciation	<u>4,446,215</u>	<u>281,416</u>	<u>31,160</u>	<u>4,696,471</u>
Total capital assets being depreciated, net	<u>2,483,024</u>	<u>134,747</u>	<u>-</u>	<u>2,617,771</u>
Governmental Activities capital assets, net	<u>\$ 2,996,298</u>	<u>\$ 645,184</u>	<u>\$ -</u>	<u>\$ 3,641,482</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 37,607
Public safety	96,901
Highways and streets	113,352
Culture and recreation	33,556
	<u>\$ 281,416</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2015	Additions	Deletions	Balance at December 31, 2015
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	2,573,929	1,048,616	-	3,622,545
Water tower	2,134,198	-	-	2,134,198
Sewer system	2,449,302	45,328	-	2,494,630
Vehicles & equipment	104,986	-	-	104,986
Subtotal	<u>7,973,673</u>	<u>1,093,944</u>	<u>-</u>	<u>9,067,617</u>
Accumulated depreciation	<u>4,157,939</u>	<u>327,813</u>	<u>-</u>	<u>4,485,752</u>
Business-type Activities capital assets, net	<u>\$ 4,107,234</u>	<u>\$ 766,131</u>	<u>\$ -</u>	<u>\$ 4,873,365</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 2015 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 are due June 30, September 30, December 31 and March 31 through 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, 2015
(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, 2015. The note was subsequently extended on July 7, 2015 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.

In 2010 the Village executed a note in the amount of \$460,000 for the purpose purchasing land within the Tax Increment Financing area. This land parcel has been identified and designated as the location of a future commuter rail station along the proposed METRA Southeast Service Line. The final Principal and interest payment was made December 15, 2015.

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, 2015, changes in long-term debt principal was as follows:

Governmental Activities	Balance			Balance	Amounts
	1/1/2015			12/31/2015	Due Within
	as restated	Issuances	Retirements		One Year
2004 fire truck purchase note	\$ 137,774	\$ -	\$ 28,258	\$ 109,516	\$ 13,072
Capital lease payable	10,600	-	7,852	2,748	2,748
2015 G.O. bonds	-	2,500,000	115,000	2,385,000	90,000
Net pension liability - IMRF	856,991	332,755	-	1,189,746	-
Net pension liability - police pension	1,986,788	1,656,886	-	3,643,674	-
Net pension liability - firefighters' pension	216,828	237,312	-	454,140	-
Net OPEB obligation	1,003,499	-	-	1,003,499	-
Compensated absences	84,587	11,348	-	95,935	33,189
Total	\$ 4,297,067	\$ 4,738,301	\$ 151,110	\$ 8,884,258	\$ 139,009

Business-type Activities	Balance			Balance	Amounts
	1/1/2015	Issuances	Retirements	12/31/2015	Due Within
					One Year
Series 1998B G.O. Bonds	\$ 1,830,281	\$ 82,885	\$ 495,000	\$ 1,418,166	\$ 505,000
2001 water system improvement note	83,528	-	47,365	36,163	36,163
2010 TIF land purchase note	102,205	-	102,205	-	-
Capital lease payable	-	1,985,438	-	1,985,438	-
Net pension liability - IMRF	227,689	88,408	-	316,097	-
Compensated absences	10,773	-	693	10,080	3,606
Total	\$ 2,254,476	\$ 2,156,731	\$ 645,263	\$ 3,765,944	\$ 544,769

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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	Note Payable	
2016	\$ 182,450	\$ 18,995	\$ 505,000	\$ 37,235	\$ 743,680
2017	\$ 185,650	\$ 18,995	\$ 515,000	\$ -	\$ 719,645
2018	\$ 183,750	\$ 18,995	\$ 525,000	\$ -	\$ 727,745
2019	\$ 185,900	\$ 66,545	\$ -	\$ -	\$ 252,445
2020	\$ 182,900	\$ -	\$ -	\$ -	\$ 182,900
2021-25	\$ 924,900	\$ -	\$ -	\$ -	\$ 924,900
2026-30	\$ 919,050	\$ -	\$ -	\$ -	\$ 919,050
2031-34	\$ 735,825	\$ -	\$ -	\$ -	\$ 735,825
Total	\$ 3,500,425	\$ 123,530	\$ 1,545,000	\$ 37,235	\$ 5,206,190
Less interest portion	\$ 1,115,425	\$ 14,014	\$ 126,834	\$ 1,072	\$ 1,257,345
Outstanding principal	<u>\$ 2,385,000</u>	<u>\$ 109,516</u>	<u>\$ 1,418,166</u>	<u>\$ 36,163</u>	<u>\$ 3,948,845</u>

F. Long-term deferred revenue

In 2014 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 2015 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 2015 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 2015 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 two capital leases at December 31, 2015. The liability represents the present value of the balance due in future years for the leased vehicle discounted at a rate of 6.15%. The liability is payable in equal monthly installments of \$692 including interest, through April 16, 2016.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2015 follows:

	Governmental activities	Business-type activities	Total
2016	\$ 2,783	\$ 61,402	\$ 64,185
2017	-	200,545	\$ 200,545
2018	-	200,545	\$ 200,545
2019	-	200,545	\$ 200,545
2020	-	200,545	\$ 200,545
2021-25	-	1,002,725	\$ 1,002,725
2026-28	-	601,634	\$ 601,634
Total minimum lease payments	2,783	2,467,941	2,470,724
Less amount representing interest	35	482,503	482,538
Present value of minimum lease payments	<u>\$ 2,748</u>	<u>\$ 1,985,438</u>	<u>\$ 1,988,186</u>

The cost of the vehicle acquired under the capital leases was \$22,804. Amortization expense for the year ended December 31, 2015 was \$7,400 and accumulated amortization on the vehicles at December 31, 2015 was \$12,204.

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.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund

Plan Descriptions

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).

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, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	28
Inactive Plan Members Entitled to but not yet Receiving Benefits	32
Active Plan Members	<u>22</u>
Total	<u><u>82</u></u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

Plan Descriptions (continued)

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 2015 was 16.77% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	3.00%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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 2014). 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 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (continued)

Discount Rate

A Single Discount Rate of 7.42% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.42%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.42%, 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 (6.42%)	Current Discount Rate (7.42%)	1% Increase (8.42%)
Net Pension Liability	\$ 2,237,915	1,505,843	899,170

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

1. Illinois Municipal Retirement Fund (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, 2014	\$ 5,630,313	\$ 4,545,633	\$ 1,084,680
Changes for the year:			
Service Cost	84,291	-	84,291
Interest on the Total Pension Liability	413,233	-	413,233
Difference Between Expected and Actual Experience of the Total Pension Liability	170,869	-	170,869
Changes of Assumptions	13,388	-	13,388
Contributions - Employer	-	127,517	(127,517)
Contributions - Employees	-	44,071	(44,071)
Net Investment Income	-	22,566	(22,566)
Benefit Payments, including Refunds of Employee Contributions	(236,503)	(236,503)	-
Other (Net Transfer)	-	66,464	(66,464)
Net Changes	445,278	24,115	421,163
Balances at December 31, 2015	6,075,591	4,569,748	1,505,843

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2015, the Village recognized pension expense of \$343,060. At December 31, 2015, 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	\$ 101,626	-	101,626
Change in Assumptions	30,506	-	30,506
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	291,364	-	291,364
Total Deferred Amounts Related to IMRF	423,496	-	423,496

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
2016	\$ 185,134
2017	98,784
2018	75,895
2019	63,683
2020	-
Thereafter	-
Total	423,496

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

IV. Other Information (continued)

A. Employee Retirement Systems and Plans (continued)

2. Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The 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, 2015, 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	<u>6</u>
Total	<u><u>12</u></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, 2015
(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, 2015, the Village's contribution was 38.08% 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, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
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, 2015 valuation were based on the assumption study prepared by the independent actuary 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, 2015
(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:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net Pension Liability	\$ 4,753,606	3,643,674	2,745,366

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2014	\$ 5,492,486	\$ 3,505,698	\$ 1,986,788
Changes for the year:			
Service Cost	96,896	-	96,896
Interest on the Total Pension Liability	293,737	-	293,737
Difference Between Expected and Actual Experience of the Total Pension Liability	103,887	-	103,887
Changes of Assumptions	1,309,169	-	1,309,169
Contributions - Employer	-	133,108	(133,108)
Contributions - Employees	-	75,304	(75,304)
Net Investment Income	-	(56,507)	56,507
Benefit Payments, including Refunds of Employee Contributions	(303,622)	(303,622)	-
Other (Net Transfer)	-	(5,102)	5,102
Net Changes	1,500,067	(156,819)	1,656,886
Balances at December 31, 2015	6,992,553	3,348,879	3,643,674

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2015, the Village recognized pension expense of \$474,691. At December 31, 2015, 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	\$ 82,198	\$ -	\$ 82,198
Change in Assumptions	1,035,856	-	1,035,856
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	197,249	-	197,249
Total Deferred Amounts Related to Police	1,315,303	-	1,315,303

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
2016	\$ 344,315
2017	344,315
2018	344,315
2019	282,358
2020	-
Thereafter	-
Total	1,315,303

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2015, 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, 2015
(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, 2015, 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, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	5.50%
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on 2016 Illinois Firefighters' Mortality Rate. The actuarial assumptions used in the December 31, 2015 valuation were based on the assumption study prepared by the independent actuary in 2016. The table combines observed experience of the Illinois Firefighters' 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, 2015
(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:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net Pension Liability	\$ 516,848	454,140	401,708

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net Pension Liability	\$ 516,848	454,140	401,708

Village of South Chicago Heights, Illinois**Notes to the Financial Statements**

December 31, 2015

(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, 2015, the Village recognized pension expense of \$247,435. At December 31, 2015, 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	1,133	-	1,133
Total Deferred Amounts Related to Police	1,133	-	1,133

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
2016	\$ 284
2017	284
2018	284
2019	281
2020	-
Thereafter	-
Total	1,133

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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, 2015, retirees contributed \$2,622. 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, 2015 membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated plan members entitled to but not receiving benefits	-
Active vested plan members	19
Active nonvested plan members	6
Total	<u>33</u>

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(continued)

IV. Other Information (continued)

B. Other Post Employment Benefits (continued)

1. Plan Description, Provisions and Funding Policy (continued)

The Village does not currently have a funding policy.

2. Annual OPEB Costs and Net OPEB Obligations

The Village first had an actuarial valuation performed for the plan as of April 30, 2010 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2010. The current valuation covers the subsequent 20 month period.

The net OPEB obligation (NOPEBO) as of December 31, 2015 was calculated as follows:

Annual Required Contributions	\$ 330,581
Interest on Net OPEB Obligation	29,904
Adjustment to Annual Required Contribution	<u>(24,920)</u>
Annual OPEB Cost	335,565
Actual Contribution	<u>79,666</u>
Increase to the Net OPEB Obligation	255,899
Net OPEB Obligation - Beginning of Year	<u>747,600</u>
Net OPEB Obligation - End of Year	<u>\$ 1,003,499</u>

3. Trend Information

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 265,849	19.9%	\$ 559,422
12/31/2013	\$ 263,813	28.7%	\$ 747,600
12/31/2014	\$ 335,565	23.7%	\$ 1,003,499

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
12/31/2012	\$ -	\$ 3,374,049	\$ 3,374,049	0.00%	\$1,031,606	327.07%
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%

Village of South Chicago Heights, Illinois

Notes to the Financial Statements
December 31, 2015
(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 3.0% inflation assumption and an initial healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. 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, 2015 was 30 years.

C. Commitments

At December 31, 2015, the Village had an outstanding purchase commitment of \$5,977 for road salt.

The Village had one active construction contract as of December 31, 2015 for the construction of a new public safety building. The total contract amount was \$3,100,000 and \$510,437 in contract value has been completed at year end, leaving a remaining commitment of \$2,589,563. This construction commitment is being financed by Series 2015 General Obligation bonds and by long-term deferred revenues.

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, 2015
(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, 2015. 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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Local Taxes				
Property Tax - Corporate Levy	\$ 242,685	\$ 242,685	\$ 204,196	\$ (38,489)
Property Tax - Audit Levy	22,050	22,050	19,420	(2,630)
Property Tax - Crossing Guards Levy	4,410	4,410	3,883	(527)
Property Tax - Fire Pension Levy	11,025	11,025	9,735	(1,290)
Property Tax - Fire Protection Levy	269,100	269,100	236,536	(32,564)
Property Tax - Garbage Levy	6,615	6,615	6,380	(235)
Property Tax - IMRF Levy	123,515	123,515	108,661	(14,854)
Property Tax - Liability Insurance Levy	154,400	154,400	134,697	(19,703)
Property Tax - Police Pension Levy	132,340	132,340	116,968	(15,372)
Property Tax - Police Protection Levy	332,825	332,825	283,750	(49,075)
Property Tax - Street & Bridge Levy	55,470	55,470	47,082	(8,388)
Property Tax - Road & Bridge Levy	18,500	18,500	16,540	(1,960)
Utility Tax - Electric	310,000	310,000	306,429	(3,571)
Utility Tax - Natural Gas	70,000	70,000	54,975	(15,025)
Foreign Fire Insurance Tax	4,000	4,000	7,735	3,735
Total Local Taxes	\$ 1,756,935	\$ 1,756,935	\$ 1,556,987	\$ (199,948)
State Shared Taxes				
State Sales Tax	\$ 850,000	\$ 850,000	\$ 914,577	\$ 64,577
Telecommunications Tax	100,000	100,000	90,391	(9,609)
State Income Tax	400,000	400,000	440,403	40,403
State Use Tax	75,000	75,000	91,401	16,401
Personal Property Replacement Tax	23,625	23,625	25,261	1,636
Video Gaming Tax	32,000	32,000	64,465	32,465
Total State Shared Taxes	\$ 1,480,625	\$ 1,480,625	\$ 1,626,498	\$ 145,873
Licenses and Permits				
License - Auto body shops	\$ 900	\$ 900	\$ 900	\$ -
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	6,000	6,000	4,800	(1,200)
License - Auto sales, new & used	4,000	4,000	3,500	(500)
License - Barber & beauty shops	2,500	2,500	2,000	(500)
License - Billiards tables	500	500	900	400
License - Business, general	35,000	35,000	34,935	(65)
License - Cigarette & tobacco dealer	800	800	850	50
License - Coin op amusement & game rms	1,600	1,600	550	(1,050)
License - Coin operated vending	4,100	4,100	5,063	963
License - Contractors	19,000	19,000	21,850	2,850
License - Delivery trucks & truckers	50	50	250	200
License - Food dealers	6,500	6,500	1,700	(4,800)
License - Food delivery vehicles	200	200	100	(100)
License - Gasoline storage	300	300	425	125
License - Ice cream & milk dealers	100	100	-	(100)
License - Junk dealers & scavengers	1,000	1,000	1,185	185
License - Machine plants	2,200	2,200	2,200	-
License - Nursing homes	1,000	1,000	1,000	-
License - Outdoor advertisers	1,600	1,600	1,150	(450)

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued)				
Licenses and Permits (continued)				
License - Paint shops	\$ 300	\$ 300	\$ 300	\$ -
License - Peddlers, flea mkt & itinerent dlrs	700	700	600	(100)
License - Plumbing & heating suppliers	-	-	25	25
License - Raffles	-	-	25	25
License - Restaurants	4,500	4,500	4,900	400
License - Service stations	700	700	600	(100)
License - Tattoo & body piercing	-	-	200	200
License - Taxicabs	600	600	645	45
License - Alcoholic Liquor Class A	3,750	3,750	3,750	-
License - Alcoholic Liquor Class B	750	750	750	-
License - Alcoholic Liquor Class C	3,700	3,700	3,700	-
License - Alcoholic Liquor Class E1 & E2	500	500	475	(25)
License - Alcoholic Liquor Class F1 & F2	1,400	1,400	2,100	700
License - Alcoholic Liquor Class H	500	500	500	-
License - Alcoholic Liquor Class T	1,200	1,200	900	(300)
License - Alcoholic Liquor Class J	500	500	100	(400)
Vehicle License - Passenger Car	100	100	70	(30)
License - Domestic Animal	150	150	210	60
Permit Fee - Plan Review	600	600	-	(600)
Permit Fee - Residential Remodeling	21,500	21,500	24,275	2,775
Permit Fee - Comm/Indstrl Remodeling	20,000	20,000	21,021	1,021
Permit Fee - Demolition	500	500	620	120
Permit Fee - Sign	500	500	-	(500)
Permit Fee - Plumbing	300	300	45	(255)
Permit Fee - Electrical	250	250	170	(80)
Rental Unit Inspection Fee	25,000	25,000	24,465	(535)
Permit Violation / Reinspection Fee	100	100	125	25
Permit Fee - Excavation	-	-	700	700
Certificate of Occupancy Fee	15,000	15,000	14,200	(800)
Permit Fee - Solicitor	50	50	50	-
Franchise Fee - Cable TV	36,000	36,000	36,772	772
Permit Fee - Other	500	500	475	(25)
Total Licenses and Permits	\$ 229,775	\$ 229,775	\$ 228,801	\$ (974)
Charges for Services				
Ambulance & EMS Fee	\$ 130,000	\$ 130,000	\$ 143,744	\$ 13,744
Board-up / Violation Remediation Charge	5,500	5,500	5,880	380
Delinquent Bill Lein Release Charge	200	200	25	(175)
FOIA / Copying Charge	25	25	-	(25)
Garbage Bag / Recycling Bin Fee	270,000	270,000	242,378	(27,622)
Inspection Fee	1,500	1,500	5,850	4,350
License Application Fee	200	200	1,345	1,145
Police / Fire Report Fee	450	450	1,764	1,314
50/50 Sidewalk Replacement Sales	500	500	-	(500)
Other Charges For Services	500	500	275	(225)
Program Fees - Other Recreation	500	500	686	186
Total Charges for Services	\$ 409,375	\$ 409,375	\$ 401,947	\$ (7,428)

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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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (continued)				
Fines and Forfeitures				
Building Code Violation Fines	\$ -	\$ -	\$ 4,495	\$ 4,495
Circuit Court DUI Fines	500	500	1,226	726
Circuit Court Fines	20,000	20,000	16,191	(3,809)
"C" Ticket Fines	110,000	110,000	54,114	(55,886)
General Ordinance Violation Fines	27,500	27,500	102,961	75,461
Late Payment Penalty	5,750	5,750	5,669	(81)
NSF Check Charge	200	200	325	125
"P" Ticket Fines	-	-	10,745	10,745
Police Forfeiture Income	15,000	15,000	72,577	57,577
Total Fines and Forfeitures	\$ 178,950	\$ 178,950	\$ 268,303	\$ 89,353
Rent				
Building Rentals	\$ 51,225	\$ 51,225	\$ 51,228	\$ 3
Antenna Site Lease	38,500	38,500	86,744	48,244
Senior Center Rentals	2,500	2,500	265	(2,235)
Pavilion Rentals	1,000	1,000	1,500	500
Other Rentals	200	200	150	(50)
Total Rent	\$ 93,425	\$ 93,425	\$ 139,887	\$ 46,462
Grants				
State Grants	\$ 35,000	\$ 35,000	\$ 27,605	\$ (7,395)
County Grants	-	-	1,557	1,557
Corporate / Private Grants	9,900	9,900	11,554	1,654
Other Grants	2,500	2,500	-	(2,500)
Total Grants	\$ 47,400	\$ 47,400	\$ 40,716	\$ (6,684)
Interest				
Interest From Deposits	\$ 225	\$ 225	\$ 745	\$ 520
Interest From Investments	20,000	20,000	43,943	23,943
Increase in Fair Value of Investments	-	-	(34,341)	(34,341)
Total Interest	\$ 20,225	\$ 20,225	\$ 10,347	\$ (9,878)
Reimbursements				
Gasoline Tax Reimbursement	\$ 1,500	\$ 1,500	\$ 1,499	\$ (1)
Expense Reimbursement	2,600	2,600	13,135	10,535
Insurance Reimbursement	-	-	2,638	2,638
Intergovernmental Reimbursement	1,500	1,500	2,240	740
Total Reimbursements	\$ 5,600	\$ 5,600	\$ 19,512	\$ 13,912
Other Revenue				
Donations	\$ 3,500	\$ 3,500	\$ 10,050	\$ 6,550
Donations - Firefighters Association	3,000	3,000	3,000	-
Merchandise Sales	700	700	350	(350)
Miscellaneous	100	100	(35)	(135)
Total Other Revenue	\$ 7,300	\$ 7,300	\$ 13,365	\$ 6,065
Total revenues	\$ 4,229,610	\$ 4,229,610	\$ 4,306,363	\$ 76,753

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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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government				
Nondepartmental				
Personal Services				
Benefits				
Insurance - Group Medical	\$ 64,288	\$ 64,223	\$ 58,444	\$ 5,779
Insurance - Group Dental	3,330	3,395	3,391	4
Total Benefits	\$ 67,618	\$ 67,618	\$ 61,835	\$ 5,783
Total Personal Services	\$ 67,618	\$ 67,618	\$ 61,835	\$ 5,783
Contingency				
Contingencies	\$ 11,000	\$ 11,000	\$ 10,392	\$ 608
Total Contingency	\$ 11,000	\$ 11,000	\$ 10,392	\$ 608
Total Nondepartmental	\$ 78,618	\$ 78,618	\$ 72,227	\$ 6,391
Mayor and Village Board				
Personal Services				
Compensation				
Salary - Elected and Appointed Officials	\$ 80,740	\$ 74,525	\$ 54,800	\$ 19,725
Total Compensation	\$ 80,740	\$ 74,525	\$ 54,800	\$ 19,725
Personal Services				
Benefits				
Employer FICA / Medicare	\$ 4,611	\$ 4,611	\$ 4,192	\$ 419
Employer IMRF	10,109	10,109	9,262	847
Insurance - Group Life and AD&D	2,519	2,519	2,422	97
Insurance - Group Medical	50,886	50,886	45,661	5,225
Insurance - Group Dental	6,490	6,490	6,075	415
Insurance - Workers Compensation	4,462	4,902	4,900	2
Insurance - Unemployment Compensation	644	204	-	204
Total Benefits	\$ 79,720	\$ 79,720	\$ 72,512	\$ 7,208
Total Personal Services	\$ 160,460	\$ 154,245	\$ 127,312	\$ 26,933
Contractual Services				
Repair and Maintenance				
R & M - Vehicles	\$ 825	\$ 1,385	\$ 1,383	\$ 2
Total Repair and Maintenance	\$ 825	\$ 1,385	\$ 1,383	\$ 2
Other Contractual				
Intergovernmental Fees and Dues	\$ 138	\$ 138	\$ 101	\$ 37
Professional Assn Memberships & Dues	4,345	7,210	7,207	3
Purchased Program Services	1,100	100	-	100
Telephone - Local, LD, Wireless, Pager	990	1,365	1,361	4
Training Services	110	10	-	10
Total Other Contractual	\$ 6,683	\$ 8,823	\$ 8,669	\$ 154
Total Contractual Services	\$ 7,508	\$ 10,208	\$ 10,052	\$ 156

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
General government (continued)				
Mayor and Village Board (continued)				
Commodities				
Awards	\$ 165	\$ 165	\$ 40	\$ 125
Concessions and Food	2,200	1,600	1,516	84
Fuel	1,650	1,250	1,211	39
Postage	-	100	98	2
Program Supplies	275	100	89	11
Stationery	110	165	163	2
Other Materials and Supplies	3,850	6,450	6,442	8
Total Commodities	\$ 8,250	\$ 9,830	\$ 9,559	\$ 271
Travel				
Conference and Meeting Registration	\$ 1,650	\$ 2,605	\$ 2,605	\$ -
Local Mileage, Parking and Tolls	660	290	286	4
Lodging	1,375	1,630	1,630	-
Meals	1,375	2,115	625	1,490
Total Travel	\$ 5,060	\$ 6,640	\$ 5,146	\$ 1,494
Total Mayor and Village Board	\$ 181,278	\$ 180,923	\$ 152,069	\$ 28,854
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	\$ 50	\$ -	\$ 50
Medical	550	50	-	50
Total Professional Services	\$ 1,100	\$ 100	\$ -	\$ 100
Other Contractual				
Professional Assn Memberships & Dues	\$ 413	\$ 753	\$ 750	\$ 3
Purchased Program Services	-	900	900	-
Training Services	825	585	355	230
Total Other Contractual	\$ 1,238	\$ 2,238	\$ 2,005	\$ 233
Total Contractual Services	\$ 2,338	\$ 2,338	\$ 2,005	\$ 333
Commodities				
Books and Publications	\$ 385	\$ 385	\$ -	\$ 385
Total Commodities	\$ 385	\$ 385	\$ -	\$ 385

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
General government (continued)				
Board of Police & Fire Commissioners (continued)				
Travel				
Local Mileage, Parking and Tolls	\$ 220	\$ 220	\$ 23	\$ 197
Lodging	660	660	133	527
Meals	165	165	-	165
Total Travel	\$ 1,045	\$ 1,045	\$ 156	\$ 889
Total Board of Police & Fire Commissioner:	\$ 4,318	\$ 4,318	\$ 2,161	\$ 2,157
Health Officer				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 4,853	\$ 4,853	\$ 4,412	\$ 441
Total Compensation	\$ 4,853	\$ 4,853	\$ 4,412	\$ 441
Benefits				
Employer FICA / Medicare	\$ 371	\$ 371	\$ 337	\$ 34
Employer IMRF	814	814	740	74
Total Compensation	\$ 1,185	\$ 1,185	\$ 1,077	\$ 108
Total Personal Services	\$ 6,038	\$ 6,038	\$ 5,489	\$ 549
Contractual Services				
Other Contractual				
Rodent / Mosquito Abatement	\$ 22,000	\$ 22,000	\$ 20,151	\$ 1,849
Total Other Contractual	\$ 22,000	\$ 22,000	\$ 20,151	\$ 1,849
Total Contractual Services	\$ 22,000	\$ 22,000	\$ 20,151	\$ 1,849
Total Health Officer	\$ 28,038	\$ 28,038	\$ 25,640	\$ 2,398
Zoning Board of Appeals				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 825	\$ 825	\$ 720	\$ 105
Total Compensation	\$ 825	\$ 825	\$ 720	\$ 105
Total Personal Services	\$ 825	\$ 825	\$ 720	\$ 105
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 550	\$ 550	\$ -	\$ 550
Legal - Review	22,275	22,175	21,577	598
Other professional services	-	100	95	5
Total Professional Services	\$ 22,825	\$ 22,825	\$ 21,672	\$ 1,153

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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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
General government (continued)				
Other Contractual				
Advertising & Legal Publishing	\$ 275	\$ 275	\$ -	\$ 275
Printing and Copying Services	550	550	-	550
Total Other Contractual	\$ 825	\$ 825	\$ -	\$ 825
Total Contractual Services	\$ 23,650	\$ 23,650	\$ 21,672	\$ 1,978
Commodities				
Office Supplies	\$ 55	\$ 55	\$ -	\$ 55
Postage	55	55	-	55
Total Commodities	\$ 110	\$ 110	\$ -	\$ 110
Total Zoning Board of Appeals	\$ 24,585	\$ 24,585	\$ 22,392	\$ 2,193
General & Financial Administration				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 207,331	\$ 200,561	\$ 194,610	\$ 5,951
Wages - Full Time Hourly	50,432	56,447	56,445	2
Wages - Part Time Hourly	25,532	14,652	10,182	4,470
Wages - Seasonal Hourly	-	4,460	4,458	2
Wages - Overtime	384	789	787	2
Auto Allowance	5,280	5,280	4,800	480
Total Compensation	\$ 288,959	\$ 282,189	\$ 271,282	\$ 10,907
Benefits				
Employer FICA / Medicare	\$ 22,068	\$ 22,068	\$ 20,949	\$ 1,119
Employer IMRF	48,076	47,411	43,520	3,891
Insurance - Group Life and AD&D	222	222	168	54
Insurance - Group Medical	43,556	43,756	43,745	11
Insurance - Group Dental	2,996	3,461	3,456	5
Insurance - Workers Compensation	25,001	25,001	23,829	1,172
Insurance - Unemployment Compensation	601	601	-	601
Total Benefits	\$ 142,519	\$ 142,519	\$ 135,667	\$ 6,852
Total Personal Services	\$ 431,478	\$ 424,708	\$ 406,949	\$ 17,759
Contractual Services				
Professional Services				
Audit	\$ 27,060	\$ 24,660	\$ 24,600	\$ 60
Data Processing	29,700	36,930	36,929	1
Investment Management	-	2,235	2,232	3
Other Professional Services	2,200	850	835	15
Total Professional Services	\$ 58,960	\$ 64,675	\$ 64,596	\$ 79

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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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
General government (continued)				
General & Financial Administration (continued)				
Contractual Services (continued)				
Repair and Maintenance				
R & M - Communications Equipment	\$ 2,310	\$ 1,210	\$ 1,190	\$ 20
R & M - Data Processing Equipment	1,375	1,655	1,655	-
R & M - Office Equipment	5,390	3,835	3,807	28
R & M - Vehicles	1,100	850	839	11
Total Repair and Maintenance	\$ 10,175	\$ 7,550	\$ 7,491	\$ 59
Other Contractual				
Advertising & Legal Publishing	\$ 1,265	\$ 1,270	\$ 1,270	\$ -
Bank Fees & Charges	4,950	5,690	5,686	4
Contract Labor	-	5,100	5,098	2
Equipment Rental	8,250	7,450	7,438	12
Intergovernmental Fees and Dues	5,225	2,360	196	2,164
Intergovernmental Service Contracts	10,560	7,660	7,566	94
ISP's & Data Services	2,035	2,135	2,133	2
Liability Insurance	118,250	116,630	108,817	7,813
Ordinance Codification Services	2,750	250	-	250
Printing and Copying Services	2,475	2,585	2,583	2
Professional Assn Memberships & Dues	6,903	6,903	4,046	2,857
Purchased Program Services	715	715	449	266
Telephone - Local, LD, Wireless, Pager	11,550	12,765	12,763	2
Training Services	-	325	325	-
Total Other Contractual	\$ 174,928	\$ 171,838	\$ 158,370	\$ 13,468
Total Contractual Services	\$ 244,063	\$ 244,063	\$ 230,457	\$ 13,606
Commodities				
Books and Publications	\$ 165	\$ 165	\$ 84	\$ 81
Computer Supplies	2,750	3,265	3,262	3
Concessions and Food	-	750	750	-
Copier Supplies	1,980	1,980	1,697	283
Fuel	2,475	1,960	881	1,079
Office Supplies	4,950	3,250	3,248	2
Postage	2,750	2,750	2,388	362
Program Supplies	3,300	4,115	4,113	2
Stationery	550	550	-	550
Uniforms	550	550	137	413
Total Commodities	\$ 19,470	\$ 19,335	\$ 16,560	\$ 2,775
Travel				
Conference and Meeting Registration	\$ 660	\$ 1,160	\$ 1,155	\$ 5
Local Mileage, Parking and Tolls	825	325	252	73
Lodging	605	605	603	2
Meals	275	275	234	41
Total Travel	\$ 2,365	\$ 2,365	\$ 2,244	\$ 121
Total General & Financial Administration	\$ 697,376	\$ 690,471	\$ 656,210	\$ 34,261

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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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
General government (continued)				
Legal Services				
Contractual Services				
Professional Services				
Legal - Prosecution & Adjudication	\$ 13,200	\$ 13,200	\$ 9,189	\$ 4,011
Legal - Litigation	2,200	2,200	-	2,200
Legal - Review	116,600	115,350	78,755	36,595
Other Professional Services	6,600	7,850	7,849	1
Total Professional Services	\$ 138,600	\$ 138,600	\$ 95,793	\$ 42,807
Total Contractual Services	\$ 138,600	\$ 138,600	\$ 95,793	\$ 42,807
Total Legal Services	\$ 138,600	\$ 138,600	\$ 95,793	\$ 42,807
Building Maintenance				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 19,800	\$ 21,725	\$ 21,711	\$ 14
R & M - Communications Equipment	275	25	-	25
R & M - Fire & EMS Equipment	550	50	-	50
Total Repair and Maintenance	\$ 20,625	\$ 21,800	\$ 21,711	\$ 89
Other Contractual				
Forestry & Landscaping Services	\$ 550	\$ 50	\$ -	\$ 50
Intergovernmental Fees and Dues	275	25	-	25
Janitorial	8,800	8,650	8,600	50
Purchased Program Services	1,925	8,500	8,497	3
Rodent / Mosquito Abatement	1,430	1,280	1,260	20
Total Other Contractual	\$ 12,980	\$ 18,505	\$ 18,357	\$ 148
Total Contractual Services	\$ 33,605	\$ 40,305	\$ 40,068	\$ 237
Commodities				
Cleaning & Maintenance Supplies	\$ 9,900	\$ 7,400	\$ 7,375	\$ 25
Program Supplies	1,650	2,250	2,235	15
Service & Repair Parts	550	150	130	20
Small Tools	110	10	-	10
Utilities - Village Buildings	17,600	9,800	9,768	32
Total Commodities	\$ 29,810	\$ 19,610	\$ 19,508	\$ 102
Total Building Maintenance	\$ 63,415	\$ 59,915	\$ 59,576	\$ 339
Courtesy Car Program				
Personal Services				
Compensation				
Wages - Part Time Hourly	\$ 19,677	\$ 19,677	\$ 19,513	\$ 164
Total Compensation	\$ 19,677	\$ 19,677	\$ 19,513	\$ 164

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
General government (continued)				
Courtesy Car Program (continued)				
Personal Services (continued)				
Benefits				
Employer FICA / Medicare	\$ 1,505	\$ 1,505	\$ 1,465	\$ 40
Insurance - Workers Compensation	1,705	1,755	1,745	10
Insurance - Unemployment Compensation	241	191	-	191
Total Benefits	\$ 3,451	\$ 3,451	\$ 3,210	\$ 241
Total Personal Services	\$ 23,128	\$ 23,128	\$ 22,723	\$ 405
Contractual Services				
Professional Services				
Medical	\$ -	\$ -	\$ 670	\$ (670)
Other Professional Services	-	675	-	675
Total Professional Services	\$ -	\$ 675	\$ 670	\$ 5
Repair and Maintenance				
R & M - Vehicles	\$ 2,200	\$ 1,800	\$ 1,736	\$ 64
R & M - Other Equipment	55	55	-	55
Total Repair and Maintenance	\$ 2,255	\$ 1,855	\$ 1,736	\$ 119
Other Contractual				
Intergovernmental Fees and Dues	\$ 138	\$ 1,003	\$ 1,000	\$ 3
Telephone - Local, LD, Wireless, Pager	550	550	421	129
Total Other Contractual	\$ 688	\$ 1,553	\$ 1,421	\$ 132
Total Contractual Services	\$ 2,943	\$ 4,083	\$ 3,827	\$ 256
Commodities				
Fuel	\$ 3,300	\$ 2,155	\$ 1,758	\$ 397
Program Supplies	-	5	1	4
Total Commodities	\$ 3,300	\$ 2,160	\$ 1,759	\$ 401
Total Courtesy Car Program	\$ 29,370	\$ 29,370	\$ 28,309	\$ 1,061
Total general government	\$ 1,245,597	\$ 1,234,837	\$ 1,114,377	\$ 120,460
Public safety				
Building & Code Enforcement Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 75,700	\$ 75,700	\$ 70,332	\$ 5,368
Wages - Full Time Hourly	27,467	21,492	13,240	8,252
Wages - Part Time Hourly	-	5,975	5,970	5
Wages - Overtime	495	495	396	99
Total Compensation	\$ 103,662	\$ 103,662	\$ 89,938	\$ 13,724

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Public safety (continued)				
Building & Code Enforcement Department (continued)				
Personal Services (continued)				
Benefits				
Employer FICA / Medicare	\$ 7,922	\$ 7,922	\$ 6,957	\$ 965
Employer IMRF	14,062	14,062	11,372	2,690
Insurance - Group Life and AD&D	103	103	95	8
Insurance - Group Medical	11,136	10,496	8,953	1,543
Insurance - Group Dental	2,695	2,695	2,633	62
Insurance - Workers Compensation	7,268	7,908	7,903	5
Insurance - Unemployment Compensation	385	385	-	385
Total Benefits	\$ 43,572	\$ 43,572	\$ 37,913	\$ 5,659
Total Personal Services	\$ 147,234	\$ 147,234	\$ 127,851	\$ 19,383
Contractual Services				
Professional Services				
Consulting	\$ -	\$ 920	\$ 916	\$ 4
Data Processing	275	4,275	4,275	-
Engineering and Architectural	5,500	3,650	3,632	18
Legal - Review	1,100	10,630	10,629	1
Total Professional Services	\$ 6,875	\$ 19,475	\$ 19,452	\$ 23
Repair and Maintenance				
R & M - Vehicles	\$ 825	\$ 825	\$ 87	\$ 738
Total Repair and Maintenance	\$ 825	\$ 825	\$ 87	\$ 738
Other Contractual				
Advertising & Legal Publishing	\$ -	\$ 100	\$ 96	\$ 4
Billing & Collection Services	2,200	2,200	1,988	212
Contract Labor	16,500	19,615	19,615	-
Equipment Installation Services	-	125	125	-
Intergovernmental Fees and Dues	1,100	1,100	280	820
ISP's & Data Services	2,200	1,850	825	1,025
Printing and Copying Services	330	640	636	4
Professional Assn Memberships & Dues	220	220	-	220
Purchased Program Services	27,500	11,600	11,512	88
Telephone - Local, LD, Wireless, Pager	660	660	412	248
Training Services	550	315	-	315
Total Other Contractual	\$ 51,260	\$ 38,425	\$ 35,489	\$ 2,936
Total Contractual Services	\$ 58,960	\$ 58,725	\$ 55,028	\$ 3,697

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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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Public safety (continued)				
Building & Code Enforcement Department (continued)				
Commodities				
Books and Publications	\$ 220	\$ 220	\$ -	\$ 220
Computer Supplies	880	880	271	609
Concessions and Food	275	275	-	275
Fuel	1,540	1,540	921	619
Office Supplies	220	220	160	60
Postage	1,100	1,100	754	346
Program Supplies	165	165	-	165
Uniforms	110	110	-	110
Total Commodities	\$ 4,510	\$ 4,510	\$ 2,106	\$ 2,404
Travel				
Conference and Meeting Registration	\$ -	\$ 165	\$ 165	\$ -
Meals	-	70	67	3
Total Travel	\$ -	\$ 235	\$ 232	\$ 3
Total Building & Code Enforcement Department	\$ 210,704	\$ 210,704	\$ 185,217	\$ 25,487
Police Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 190,711	\$ 190,711	\$ 175,834	\$ 14,877
Wages - Full Time Hourly	360,216	360,216	320,913	39,303
Wages - Part Time Hourly	351,325	351,325	336,088	15,237
Wages - Overtime	95,192	95,192	86,936	8,256
Total Compensation	\$ 997,444	\$ 997,444	\$ 919,771	\$ 77,673
Benefits				
Employer FICA / Medicare	\$ 45,810	\$ 45,810	\$ 42,449	\$ 3,361
Employer IMRF	10,527	10,527	10,317	210
Employer Police / Fire Pension	118,756	133,106	133,105	1
Insurance - Group Life and AD&D	668	668	505	163
Insurance - Group Medical	133,392	119,042	95,313	23,729
Insurance - Group Dental	11,107	11,107	10,610	497
Insurance - Workers Compensation	86,445	86,445	82,248	4,197
Insurance - Unemployment Compensation	5,616	5,616	-	5,616
Total Benefits	\$ 412,319	\$ 412,319	\$ 374,547	\$ 37,772
Total Personal Services	\$ 1,409,762	\$ 1,409,762	\$ 1,294,318	\$ 115,444
Contractual Services				
Professional Services				
Data Processing	\$ 5,500	\$ 7,200	\$ 7,200	\$ -
Medical	440	540	537	3
Total Professional Services	\$ 5,940	\$ 7,740	\$ 7,737	\$ 3

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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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public safety (continued)				
Police Department (continued)				
Contractual Services (continued)				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 193	\$ 193	\$ -	\$ 193
R & M - Communications Equipment	2,750	4,440	4,436	4
R & M - Data Processing Equipment	275	275	-	275
R & M - Police Equipment	550	550	-	550
R & M - Office Equipment	2,530	2,530	2,437	93
R & M - Vehicles	28,930	18,720	18,000	720
Total Repair and Maintenance	\$ 35,228	\$ 26,708	\$ 24,873	\$ 1,835
Other Contractual				
Billing & Collection Services	\$ 11,000	\$ 12,875	\$ 12,872	\$ 3
Equipment Installation Services	1,650	10,165	10,164	1
Equipment Rental	2,255	2,030	2,024	6
Intergovernmental Fees and Dues	1,375	460	455	5
Intergovernmental Service Contracts	550	65	60	5
ISP's & Data Services	990	5,445	5,443	2
Janitorial	8,580	5,105	5,100	5
Printing and Copying Services	3,300	5,220	5,220	-
Professional Assn Memberships & Dues	275	440	438	2
Purchased Program Services	7,700	6,675	6,667	8
Telephone - Local, LD, Wireless, Pager	14,300	14,740	14,739	1
Training Services	10,450	5,900	5,899	1
Other Contractual	-	25	25	-
Total Other Contractual	\$ 62,425	\$ 69,145	\$ 69,106	\$ 39
Total Contractual Services	\$ 103,593	\$ 103,593	\$ 101,716	\$ 1,877
Commodities				
Ammunition and Range Supplies	\$ 9,900	\$ 9,900	\$ 5,021	\$ 4,879
Books and Publications	990	1,180	1,180	-
Computer Supplies	5,500	5,500	3,120	2,380
Concessions and Food	440	440	-	440
Copier Supplies	880	1,575	1,572	3
Fuel	55,000	42,445	31,665	10,780
Lubricants and Fluids	110	110	-	110
Office Supplies	2,200	2,200	1,325	875
Police Supplies	990	2,155	2,153	2
Postage	1,760	2,510	2,505	5
Program Supplies	550	605	601	4
Protective Clothing & Equipment	6,600	12,050	12,050	-
Service & Repair Parts	275	275	62	213
Small Tools	-	195	193	2
Stationery	165	165	-	165
Street Materials - Signs & Barricades	-	110	109	1
Training Supplies	275	525	524	1
Uniforms	7,150	10,000	9,998	2
Other Materials and Supplies	-	145	142	3
Total Commodities	\$ 92,785	\$ 92,085	\$ 72,220	\$ 19,865

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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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Expenditures (continued)				
Public safety (continued)				
Police Department (continued)				
Travel				
Conference and Meeting Registration	\$ 1,705	\$ 1,675	\$ 1,670	\$ 5
Local Mileage, Parking and Tolls	275	545	544	1
Lodging	1,265	1,500	1,499	1
Meals	330	120	115	5
Purchased Transportation	-	435	431	4
Total Travel	\$ 3,575	\$ 4,275	\$ 4,259	\$ 16
Total Police Department	\$ 1,609,715	\$ 1,609,715	\$ 1,472,513	\$ 137,202
Fire Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 16,269	\$ 16,269	\$ 14,791	\$ 1,478
Wages - Part Time Hourly	91,986	91,986	88,012	3,974
Wages - Sleep-in Duty	18,532	18,532	17,044	1,488
Wages - Paid-on-call Duty	56,837	56,837	52,976	3,861
Other Compensation	24,576	24,576	20,751	3,825
Total Compensation	\$ 208,201	\$ 208,201	\$ 193,574	\$ 14,627
Benefits				
Employer FICA / Medicare	\$ 15,927	\$ 15,927	\$ 15,038	\$ 889
Employer Police / Fire Pension	11,358	11,358	11,256	102
Insurance - Group Life and AD&D	74	74	67	7
Insurance - Workers Compensation	18,044	18,044	17,310	734
Insurance - Unemployment Compensation	2,214	2,214	-	2,214
Total Benefits	\$ 47,617	\$ 47,617	\$ 43,671	\$ 3,946
Total Personal Services	\$ 255,817	\$ 255,817	\$ 237,245	\$ 18,572
Contractual Services				
Professional Services				
Data Processing	\$ 8,250	\$ 12,000	\$ 12,000	\$ -
Medical	1,100	1,100	688	412
Total Professional Services	\$ 9,350	\$ 13,100	\$ 12,688	\$ 412
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 193	\$ 43	\$ (76)	\$ 119
R & M - Communications Equipment	550	1,460	1,457	3
R & M - Data Processing Equipment	550	900	900	-
R & M - Fire & EMS Equipment	6,600	9,325	9,320	5
R & M - Office Equipment	1,100	1,100	1,073	27
R & M - Vehicles	11,000	8,800	8,757	43
Total Repair and Maintenance	\$ 19,993	\$ 21,628	\$ 21,431	\$ 197

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Public safety (continued)				
Fire Department (continued)				
Contractual Services (continued)				
Other Contractual				
Ambulance & EMS Service	\$ 237,050	\$ 222,285	\$ 211,998	\$ 10,287
Billing & Collection Services	11,000	8,900	8,881	19
Intergovernmental Fees and Dues	4,125	4,125	3,668	457
ISP's & Data Services	1,375	1,375	1,083	292
Laundry / Uniform Services	825	825	-	825
Printing and Copying Services	275	275	152	123
Professional Assn Memberships & Dues	935	935	344	591
Purchased Program Services	4,400	7,740	7,735	5
Telephone - Local, LD, Wireless, Pager	5,720	9,810	9,806	4
Training Services	1,100	1,100	-	1,100
Total Other Contractual	\$ 266,805	\$ 257,370	\$ 243,667	\$ 13,703
Total Contractual Services	\$ 296,148	\$ 292,098	\$ 277,786	\$ 14,312
Commodities				
Cleaning & Maintenance Supplies	\$ 110	\$ 350	\$ 347	\$ 3
Computer Supplies	1,650	1,650	1,172	478
Concessions and Food	358	358	27	331
Copier Supplies	220	220	181	39
EMS Supplies	3,025	3,140	3,138	2
Firefighting Supplies	825	825	379	446
Fuel	15,400	15,045	5,308	9,737
Lubricants and Fluids	220	220	105	115
Office Supplies	550	550	266	284
Postage	55	55	31	24
Program Supplies	3,300	3,300	2,909	391
Protective Clothing & Equipment	3,300	3,300	79	3,221
Service & Repair Parts	1,375	1,375	1,157	218
Small Tools	330	330	96	234
Stationery	220	220	-	220
Training Supplies	825	825	407	418
Uniforms	1,650	1,650	687	963
Total Commodities	\$ 33,413	\$ 33,413	\$ 16,289	\$ 17,124
Travel				
Conference and Meeting Registration	\$ 550	\$ 550	\$ 450	\$ 100
Local Mileage, Parking and Tolls	275	275	-	275
Lodging	550	550	460	90
Meals	110	110	-	110
Total Travel	\$ 1,485	\$ 1,485	\$ 910	\$ 575
Total Fire Department	\$ 586,862	\$ 582,812	\$ 532,230	\$ 50,582
Total public safety	\$ 2,407,281	\$ 2,403,231	\$ 2,189,960	\$ 213,271

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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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Highways and Streets				
Public Works Department				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 43,497	\$ 43,497	\$ 40,579	\$ 2,918
Wages - Full Time Hourly	82,809	81,154	76,763	4,391
Wages - Part Time Hourly	14,617	20,842	20,834	8
Wages - Seasonal Hourly	15,015	2,590	649	1,941
Wages - Overtime	11,527	11,527	5,447	6,080
Total Compensation	\$ 167,465	\$ 159,610	\$ 144,272	\$ 15,338
Benefits				
Employer FICA / Medicare	\$ 12,812	\$ 11,437	\$ 11,037	\$ 400
Employer IMRF	24,341	25,716	25,712	4
Insurance - Group Life and AD&D	222	222	202	20
Insurance - Group Medical	51,517	50,927	47,245	3,682
Insurance - Group Dental	2,696	3,286	3,281	5
Insurance - Workers Compensation	14,513	14,513	12,901	1,612
Insurance - Unemployment Compensation	715	715	-	715
Total Benefits	\$ 106,817	\$ 106,817	\$ 100,378	\$ 6,439
Total Personal Services	\$ 274,282	\$ 266,427	\$ 244,650	\$ 21,777
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 1,100	\$ 400	\$ 382	\$ 18
Medical	330	330	321	9
Total Professional Services	\$ 1,430	\$ 730	\$ 703	\$ 27
Repair and Maintenance				
R & M - Public Works Equipment	\$ 1,100	\$ 5,550	\$ 5,549	\$ 1
R & M - Street Lights & Signals	2,200	2,250	2,241	9
R & M - Vehicles	8,250	18,765	18,761	4
Total Repair and Maintenance	\$ 11,550	\$ 26,565	\$ 26,551	\$ 14
Other Contractual				
Animal Control Services	\$ 550	\$ 1,275	\$ 1,270	\$ 5
Equipment Installation Services	-	220	219	1
Equipment Rental	1,100	500	497	3
Forestry & Landscaping Services	3,300	19,820	19,820	-
Intergovernmental Fees and Dues	138	13	-	13
ISP's & Data Services	550	440	431	9
Printing & Copying Services	-	130	126	4
Purchased Program Services	3,850	4,025	4,023	2
Telephone - Local, LD, Wireless, Pager	2,750	3,000	2,994	6
Training Services	275	25	-	25
Total Other Contractual	\$ 12,513	\$ 29,448	\$ 29,380	\$ 68
Total Contractual Services	\$ 25,493	\$ 56,743	\$ 56,634	\$ 109

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Highways and Streets (continued)				
Public Works Department (continued)				
Commodities				
Computer Supplies	\$ 275	\$ 100	\$ 95	\$ 5
Fuel	11,000	7,100	7,069	31
Landscaping Supplies	660	10	-	10
Lubricants and Fluids	1,100	750	746	4
Office Supplies	165	65	48	17
Postage	55	5	2	3
Program Supplies	3,025	4,525	4,525	-
Protective Clothing & Equipment	550	100	99	1
Service & Repair Parts	5,500	6,355	6,351	4
Small Tools	1,100	1,205	1,204	1
Street Materials - Aggregate	8,250	50	25	25
Street Materials - Bituminum	6,600	100	-	100
Street Materials - Salt and Sand	-	35	35	-
Street Materials - Signs and Barricades	3,850	2,700	2,685	15
Street Materials - Other	4,400	3,750	3,731	19
Uniforms	275	150	126	24
Utilities - Public Way	72,600	62,800	62,783	17
Other Materials & Supplies	-	10	8	2
Total Commodities	\$ 119,405	\$ 89,810	\$ 89,532	\$ 278
Total Public Works Department	\$ 419,179	\$ 412,979	\$ 390,816	\$ 22,163
Total highways and streets	\$ 419,179	\$ 412,979	\$ 390,816	\$ 22,163
Sanitation				
Garbage Disposal				
Contractual Services				
Professional Services				
Data Processing	\$ 165	\$ 165	\$ -	\$ 165
Total Professional Services	\$ 165	\$ 165	\$ -	\$ 165
Other Contractual				
Garbage and Recycling	\$ 295,048	\$ 293,893	\$ 262,461	\$ 31,432
Printing and Copying Services	-	605	601	4
Other Contractual	\$ 295,048	\$ 294,498	\$ 263,062	\$ 31,436
Total Contractual Services	\$ 295,213	\$ 294,663	\$ 263,062	\$ 31,436
Commodities				
Postage	\$ -	\$ 550	\$ 543	\$ 7
Total Commodities	\$ -	\$ 550	\$ 543	\$ 7
Total Garbage Disposal	\$ 295,213	\$ 295,213	\$ 263,605	\$ 31,608
Total Sanitation	\$ 295,213	\$ 295,213	\$ 263,605	\$ 31,608

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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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture and recreation				
Recreation Programs				
Personal Services				
Compensation				
Wages - Part Time Hourly	\$ 12,245	\$ 17,120	\$ 11,132	\$ 5,988
Wages - Overtime	446	46	-	46
Total Compensation	<u>\$ 12,691</u>	<u>\$ 17,166</u>	<u>\$ 11,132</u>	<u>\$ 6,034</u>
Benefits				
Employer FICA / Medicare	\$ 945	\$ 1,310	\$ 852	\$ 458
Employer IMRF	2,072	1,772	1,279	493
Insurance - Workers Compensation	1,071	1,561	1,529	32
Insurance - Unemployment Compensation	69	9	-	9
Total Benefits	<u>\$ 4,158</u>	<u>\$ 4,653</u>	<u>\$ 3,660</u>	<u>\$ 993</u>
Total Personal Services	<u>\$ 16,849</u>	<u>\$ 21,819</u>	<u>\$ 14,792</u>	<u>\$ 7,027</u>
Contractual Services				
Other Contractual				
Equipment Rental	\$ 2,750	\$ 3,500	\$ 3,500	\$ -
Printing and Copying Services	385	10	-	10
Purchased Program Services	1,375	1,345	1,345	-
Total Other Contractual	<u>\$ 4,510</u>	<u>\$ 4,855</u>	<u>\$ 4,845</u>	<u>\$ 10</u>
Total Contractual Services	<u>\$ 4,510</u>	<u>\$ 4,855</u>	<u>\$ 4,845</u>	<u>\$ 10</u>
Commodities				
Awards	\$ -	\$ -	\$ -	\$ -
Concessions and Food	1,760	1,760	1,733	27
Postage	28	8	4	4
Program Supplies	1,925	2,530	2,529	1
Total Commodities	<u>\$ 3,713</u>	<u>\$ 4,298</u>	<u>\$ 4,266</u>	<u>\$ 32</u>
Total Recreation Programs	<u>\$ 25,071</u>	<u>\$ 30,971</u>	<u>\$ 23,903</u>	<u>\$ 7,068</u>
Park Maintenance				
Personal Services				
Compensation				
Wages - Seasonal Hourly	\$ 4,180	\$ 14,605	\$ 14,601	\$ 4
Total Compensation	<u>\$ 4,180</u>	<u>\$ 14,605</u>	<u>\$ 14,601</u>	<u>\$ 4</u>
Benefits				
Employer FICA / Medicare	\$ 320	\$ 1,120	\$ 1,117	\$ 3
Insurance - Workers Compensation	362	1,312	1,305	7
Insurance - Unemployment Compensation	53	3	-	3
Total Benefits	<u>\$ 735</u>	<u>\$ 2,435</u>	<u>\$ 2,422</u>	<u>\$ 13</u>
Total Personal Services	<u>\$ 4,915</u>	<u>\$ 17,040</u>	<u>\$ 17,023</u>	<u>\$ 17</u>

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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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Culture and recreation (continued)				
Park Maintenance (continued)				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ -	\$ 1,500	\$ 1,486	\$ 14
R & M - Public Works Equipment	-	100	88	12
Total Repair and Maintenance	\$ -	\$ 1,600	\$ 1,574	\$ 26
Other Contractual				
Equipment Rental	\$ 2,750	\$ 2,350	\$ 2,324	\$ 26
Forestry & Landscaping Services	38,500	32,500	32,354	146
Total Other Contractual	\$ 41,250	\$ 34,850	\$ 34,678	\$ 172
Total Contractual Services	\$ 41,250	\$ 36,450	\$ 36,252	\$ 198
Commodities				
Landscaping Supplies	\$ 550	\$ 1,880	\$ 1,880	\$ -
Program Supplies	1,650	1,175	1,161	14
Service & Repair Parts	165	115	106	9
Small Tools	550	350	330	20
Total Commodities	\$ 2,915	\$ 3,520	\$ 3,477	\$ 43
Total Park Maintenance	\$ 49,080	\$ 57,010	\$ 56,752	\$ 258
Seniors Programs				
Contractual Services				
Professional Services				
Medical	\$ 1,100	\$ 1,100	\$ -	\$ 1,100
Total Professional Services	\$ 1,100	\$ 1,100	\$ -	\$ 1,100
Other Contractual				
Purchased Program Services	\$ -	\$ 350	\$ 350	\$ -
Total Benefits	\$ -	\$ 350	\$ 350	\$ -
Total Contractual Services	\$ 1,100	\$ 1,450	\$ 350	\$ 1,100
Commodities				
Awards	\$ 248	\$ 248	\$ 120	\$ 128
Concessions and Food	2,750	2,800	2,791	9
Program Supplies	2,200	1,800	559	1,241
Total Commodities	\$ 5,198	\$ 4,848	\$ 3,470	\$ 1,378
Total Seniors Programs	\$ 6,298	\$ 6,298	\$ 3,820	\$ 2,478

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Culture and recreation (continued)				
Senior Center Maintenance				
Contractual Services				
Professional Services				
Data Processing	\$ -	\$ 75	\$ 75	\$ -
Engineering and Architectural	1,100	3,650	3,649	1
Total Professional Services	\$ 1,100	\$ 3,725	\$ 3,724	\$ 1
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 19,250	\$ 38,500	\$ 33,225	\$ 5,275
Total Repair and Maintenance	\$ 19,250	\$ 38,500	\$ 33,225	\$ 5,275
Other Contractual				
Advertising & Legal Publishing	\$ 165	\$ 5	\$ -	\$ 5
Forestry & Landscaping Services	550	10	-	10
ISPs & Data Services	-	1,190	1,186	4
Janitorial	385	5	-	5
Purchased Program Services	1,210	1,215	1,211	4
Rodent / Mosquito Abatement	495	425	420	5
Telephone - Local, LD, Wireless, Pager	550	815	811	4
Total Other Contractual	\$ 3,355	\$ 3,665	\$ 3,628	\$ 37
Total Contractual Services	\$ 23,705	\$ 45,890	\$ 40,577	\$ 5,313
Commodities				
Cleaning & Maintenance Supplies	\$ 275	\$ 75	\$ 67	\$ 8
Concessions & Food	-	25	24	1
Program Supplies	-	2,000	1,999	1
Service & Repair Parts	110	20	19	1
Utilities - Village Buildings	2,310	1,185	1,178	7
Total Commodities	\$ 2,695	\$ 3,305	\$ 3,287	\$ 18
Total Senior Center Maintenance	\$ 26,400	\$ 49,195	\$ 43,864	\$ 5,331
Beautification Committee				
Contractual Services				
Other Contractual				
Purchased Program Services	\$ 4,620	\$ 5,220	\$ 5,215	\$ 5
Total Other Contractual	\$ 4,620	\$ 5,220	\$ 5,215	\$ 5
Total Contractual Services	\$ 4,620	\$ 5,220	\$ 5,215	\$ 5
Commodities				
Awards	\$ 385	\$ 735	\$ 730	\$ 5
Concessions and Food	-	25	20	5
Landscaping Supplies	825	5	-	5
Program Supplies	330	255	250	5
Total Commodities	\$ 1,540	\$ 1,020	\$ 1,000	\$ 20
Total Beautification Committee	\$ 6,160	\$ 6,240	\$ 6,215	\$ 25

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Culture and recreation (continued)				
Historical Committee				
Personal Services				
Compensation				
Stipend - Boards and Commissions	\$ 3,300	\$ 3,300	\$ 3,000	\$ 300
Total Compensation	\$ 3,300	\$ 3,300	\$ 3,000	\$ 300
Benefits				
Employer FICA / Medicare	\$ 253	\$ 253	\$ 229	\$ 24
Total Benefits	\$ 253	\$ 253	\$ 229	\$ 24
Total Personal Services	\$ 3,553	\$ 3,553	\$ 3,229	\$ 324
Commodities				
Program Supplies	220	140	-	140
Total Commodities	\$ 220	\$ 140	\$ -	\$ 140
Total Historical Committee	\$ 3,773	\$ 3,693	\$ 3,229	\$ 464
Total culture and recreation	\$ 116,782	\$ 153,407	\$ 137,783	\$ 15,624
Capital outlay				
Mayor and Village Board				
Equipment - Communications	\$ -	\$ 355	\$ 351	\$ 4
Total Mayor and Village Board	\$ -	\$ 355	\$ 351	\$ 4
General & Financial Administration				
Equipment - Data Processing	\$ 1,650	\$ 3,160	\$ 3,155	\$ 5
Equipment - Office	3,300	1,925	1,924	1
Total General & Financial Administration	\$ 4,950	\$ 5,085	\$ 5,079	\$ 6
Building Maintenance				
Building Acquisition/Const/Improvements	\$ 19,250	\$ 3,875	\$ 3,860	\$ 15
Equipment - Communications	-	525	515	10
Equipment - Maintenance	-	225	220	5
Total Building Maintenance	\$ 19,250	\$ 4,625	\$ 4,595	\$ 30
Building & Code Enforcement Department				
Equipment - Data Processing	\$ 1,320	\$ 1,410	\$ 1,407	\$ 3
Equipment - Office	220	130	-	130
Total Building & Code Enforcement Department	\$ 1,540	\$ 1,540	\$ 1,407	\$ 133
Police Department				
Equipment - Communications	\$ 1,980	\$ 1,980	\$ -	\$ 1,980
Equipment - Data Processing	18,480	18,480	-	18,480
Equipment - Public Safety	2,200	2,950	2,937	13
Equipment - Vehicles	101,200	100,450	93,202	7,248
Total Police Department	\$ 123,860	\$ 123,860	\$ 96,139	\$ 27,721

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures (continued)				
Capital outlay (continued)				
Fire Department				
Equipment - Communications	\$ 5,280	\$ 5,725	\$ 5,723	\$ 2
Equipment - Data Processing	4,400	2,600	2,587	13
Equipment - Public Safety	-	9,180	9,179	1
Equipment - Other	9,790	6,015	5,993	22
Total Fire Department	\$ 19,470	\$ 23,520	\$ 23,482	\$ 38
Public Works Department				
Equipment - Construction	\$ -	\$ 1,110	\$ 1,108	\$ 2
Equipment - Vehicles	33,220	31,795	30,114	1,681
Equipment - Other	-	315	314	1
Total Public Works Department	\$ 33,220	\$ 33,220	\$ 31,536	\$ 1,684
Park Maintenance				
Equipment - Maintenance	\$ -	\$ 970	\$ 967	\$ 3
Equipment - Playground	2,750	50	-	50
Total Park Maintenance	\$ 2,750	\$ 1,020	\$ 967	\$ 53
Senior Center Maintenance				
Building Acquisition/Const/Improvements	\$ 48,950	\$ 42,950	\$ 42,938	\$ 12
Equipment - Other	-	2,200	2,197	3
Total Senior Center Maintenance	\$ 48,950	\$ 45,150	\$ 45,135	\$ 15
Total capital outlay	\$ 253,990	\$ 238,375	\$ 208,691	\$ 29,684
Total expenditures	\$ 4,738,041	\$ 4,738,041	\$ 4,305,232	\$ 432,809
Excess (deficiency) of revenues over (under) expenditures	\$ (508,431)	\$ (508,431)	\$ 1,131	\$ 509,562
Other financing sources and uses				
Transfers in	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Proceeds From Sale of Capital Assets	-	-	6,540	6,540
Transfers out	(265,950)	(265,950)	(240,375)	25,575
Total other financing sources and uses	\$ (15,950)	\$ (15,950)	\$ 16,165	\$ 32,115
Net change in fund balances	\$ (524,381)	\$ (524,381)	\$ 17,296	\$ 541,677
Fund balances, January 1	\$ 611,065	\$ 611,065	\$ 611,065	\$ -
Fund balances, December 31	\$ 86,684	\$ 86,684	\$ 628,361	\$ 541,677

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
State shared taxes				
Non-home rule sales tax	\$ 450,000	\$ 450,000	\$ 469,380	\$ 19,380
Total state shared taxes	\$ 450,000	\$ 450,000	\$ 469,380	\$ 19,380
Total revenues	\$ 450,000	\$ 450,000	\$ 469,380	\$ 19,380
Excess (deficiency) of revenues over (under) expenditures	\$ 450,000	\$ 450,000	\$ 469,380	\$ 19,380
Other financing sources and uses				
Transfers out	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ -
Total other financing sources and uses	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ -
Net change in fund balances	\$ 200,000	\$ 200,000	\$ 219,380	\$ 19,380
Fund balances, January 1	\$ 2,039,468	\$ 2,039,468	\$ 2,039,468	\$ -
Fund balances, December 31	\$ 2,239,468	\$ 2,239,468	\$ 2,258,848	\$ 19,380

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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Local taxes				
TIF #1 increment	\$ 200,000	\$ 200,000	\$ 156,745	\$ (43,255)
Total local taxes	\$ 200,000	\$ 200,000	\$ 156,745	\$ (43,255)
Interest				
Interest from deposits	\$ 2,500	\$ 2,500	\$ 1,287	\$ (1,213)
Total interest	\$ 2,500	\$ 2,500	\$ 1,287	\$ (1,213)
Total revenues	\$ 202,500	\$ 202,500	\$ 158,032	\$ (44,468)
Expenditures				
General government				
Contractual services				
Professional services				
Consulting	\$ 13,750	\$ 16,535	\$ 16,532	\$ 3
Legal - review	1,100	1,180	1,177	3
Other professional services	2,200	14,740	14,732	8
Total professional services	\$ 17,050	\$ 32,455	\$ 32,441	\$ 14
Other contractual				
Community development grants	\$ 151,800	\$ 151,800	\$ 128,772	\$ 23,028
Purchased program services	27,500	12,095	-	12,095
Total other contractual	\$ 179,300	\$ 163,895	\$ 128,772	\$ 35,123
Total contractual services	\$ 196,350	\$ 196,350	\$ 161,213	\$ 35,137
Total general government	\$ 196,350	\$ 196,350	\$ 161,213	\$ 35,137
Capital outlay				
Land acquisition	\$ 27,500	\$ 27,500	\$ -	\$ 27,500
Total capital outlay	\$ 27,500	\$ 27,500	\$ -	\$ 27,500
Total expenditures	\$ 223,850	\$ 223,850	\$ 161,213	\$ 62,637
Excess (deficiency) of revenues over (under) expenditures	\$ (21,350)	\$ (21,350)	\$ (3,181)	\$ 18,169
Other financing sources and uses				
Transfers out	(182,800)	(182,800)	(200,000)	(17,200)
Total other financing sources and uses	\$ (182,800)	\$ (182,800)	\$ (200,000)	\$ (17,200)
Net change in fund balances	\$ (204,150)	\$ (204,150)	\$ (203,181)	\$ 969
Total fund balances, January 1,	\$ 390,859	\$ 390,859	\$ 390,859	\$ -
Fund balances, December 31	\$ 186,709	\$ 186,709	\$ 187,678	\$ 969

Village of South Chicago Heights, Illinois

Required Supplementary Information Schedule of Employer Contributions Illinois Municipal Retirement Fund December 31, 2015

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
12/31/2014	\$ 127,005	\$ 131,730	\$ 4,725	\$ 731,174	\$ 18.02%
12/31/2015	\$ 127,517	\$ 127,517	\$ -	\$ 760,394	\$ 16.77%

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 -	29 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 -	4.00 percent.
	Price inflation -	3.00 percent - approximate; no explicit price inflation assumption used.
	Salary increases -	4.40% to 16.00% 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 2011 valuation pursuant to an experience study of the period 2008 - 2010.
	Mortality -	RP-2000 Combined Healthy Mortality table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 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 Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
December 31, 2015

	2014	2015
Total pension liability		
Service cost	\$ 93,739	\$ 84,291
Interest on the total pension liability	373,544	413,233
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	60,458	170,869
Changes of assumptions	249,052	13,388
Benefit payments, including refunds of employee contributions	(200,386)	(236,503)
Net change in total pension liability	576,407	445,278
Total pension liability - beginning	5,053,906	5,630,313
Total pension liability - ending	\$ 5,630,313	\$ 6,075,591
Plan fiduciary net position		
Contributions - employer	\$ 131,730	\$ 127,517
Contributions - employee	41,909	44,071
Net investment income	259,993	22,566
Benefit payments, including refunds of employee contributions	(200,386)	(236,503)
Other (net transfer)	36,827	66,464
Net change in plan fiduciary net position	270,073	24,115
Plan fiduciary net position - beginning	4,275,560	4,545,633
Plan fiduciary net position - ending	\$ 4,545,633	\$ 4,569,748
Employer's Net pension liability (asset)	\$ 1,084,680	\$ 1,505,843
Plan fiduciary net position as a percentage of total pension liability	80.73%	75.21%
Covered valuation payroll	\$ 731,174	\$ 760,394
Net pension liability as a percentage of covered valuation payroll	148.35%	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.

**Required Supplementary Information
Schedule of Employer Contributions
Police Pension Fund
December 31, 2015**

Fiscal Year Ending	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Determined Contribution	Contribution Excess / (Deficiency)	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
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%

Notes:	<p>Actuarial valuation date - December 31, 2014</p> <p>Actuarial cost method - Aggregate entry age normal.</p> <p>Amortization method - Level percent of payroll, closed period.</p> <p>Remaining amortization period - 26 year closed period</p> <p>Asset valuation method - 5 year smoothed market; 20 percent corridor.</p> <p>Price inflation - 3.00 percent</p> <p>Salary increases - 5.50 percent</p> <p>Investment rate of return - 7.00 percent.</p> <p>Retirement age - 50 -70</p> <p>Mortality - Mortality rates based on the RP-2000 CHBCA Mortality Table.</p> <p>The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.</p> <p>Other information - There were no benefit changes during the year.</p>
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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, 2015

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

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, 2015

	2014	2015
Total pension liability		
Service cost	\$ 98,719	\$ 96,896
Interest on the total pension liability	345,737	293,737
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	(189,062)	103,887
Changes of assumptions	403,248	1,309,169
Benefit payments, including refunds of employee contributions	(210,512)	(303,622)
Net change in total pension liability	448,130	1,500,067
Total pension liability - beginning	5,044,356	5,492,486
Total pension liability - ending	\$ 5,492,486	\$ 6,992,553
Plan fiduciary net position		
Contributions - employer	\$ 117,183	\$ 133,108
Contributions - employee	32,865	75,304
Net investment income	64,722	(56,507)
Benefit payments, including refunds of employee contributions	(210,512)	(303,622)
Administrative expense	(4,618)	(5,102)
Other (net transfer)	-	-
Net change in plan fiduciary net position	(360)	(156,819)
Plan fiduciary net position - beginning	3,506,058	3,505,698
Plan fiduciary net position - ending	\$ 3,505,698	\$ 3,348,879
Employer's Net pension liability (asset)	\$ 1,986,788	\$ 3,643,674
Plan fiduciary net position as a percentage of total pension liability	63.83%	47.89%
Covered valuation payroll	\$ 325,427	\$ 349,580
Net pension liability as a percentage of covered valuation payroll	610.52%	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.

Village of South Chicago Heights, Illinois

**Required Supplementary Information
Schedule of Employer Contributions
Firefighters Pension Fund
December 31, 2015**

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

Notes:

Actuarial valuation date -	December 31, 2015
Actuarial cost method -	Aggregate entry age normal.
Amortization method -	Level percent of payroll, closed period.
Remaining amortization period -	26 year closed period
Asset valuation method -	5 year smoothed market; 20 percent corridor.
Price inflation -	3.00 percent
Salary increases -	5.50 percent
Investment rate of return -	7.00 percent.
Retirement age -	50 -70
Mortality -	Mortality rates based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.
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, 2015**

<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	0.00%

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, 2015

	2014	2015
Total pension liability		
Service cost	\$ -	\$ -
Interest on the total pension liability	16,524	8,839
Changes in benefit terms	-	-
Difference between expected and actual experience of the total pension liability	4,154	26,721
Changes of assumptions	18,792	212,212
Benefit payments, including refunds of employee contributions	(22,645)	(23,324)
Net change in total pension liability	16,825	224,448
Total pension liability - beginning	247,384	264,209
Total pension liability - ending	\$ 264,209	\$ 488,657
Plan fiduciary net position		
Contributions - employer	\$ 10,921	\$ 11,256
Contributions - employee	-	-
Net investment income	7	16
Benefit payments, including refunds of employee contributions	(22,645)	(23,324)
Administrative expense	(514)	(812)
Other (net transfer)	-	-
Net change in plan fiduciary net position	(12,231)	(12,864)
Plan fiduciary net position - beginning	59,612	47,381
Plan fiduciary net position - ending	\$ 47,381	\$ 34,517
Employer's Net pension liability (asset)	\$ 216,828	\$ 454,140
Plan fiduciary net position as a percentage of total pension liability	17.93%	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.

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%	\$ N/A	N/A

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 is required to have an actuarial study performed triennially.

N/A-Not available

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)
12/31/2010	\$ 153,885	\$ 43,978	28.58%	\$ 282,903
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

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local taxes				
Property tax - bond & interest	\$ 189,350	\$ 189,350	\$ 172,480	\$ (16,870)
Property tax - purchase agreement	-	-	151	151
Total local taxes	\$ 189,350	\$ 189,350	\$ 172,631	\$ (16,719)
Total revenues	\$ 189,350	\$ 189,350	\$ 172,631	\$ (16,719)
Expenditures				
Debt service				
Principal				
Principal - 2015 GO bonds	\$ 95,000	\$ 115,000	\$ 115,000	\$ -
Principal - fire truck note	28,240	28,260	28,258	2
Principal - 2013 auto loans	10,600	10,600	7,852	2,748
Total principal	\$ 133,840	\$ 153,860	\$ 151,110	\$ 2,750
Interest				
Interest - 2015 GO bonds	\$ 94,350	\$ 74,310	\$ 70,010	\$ 4,300
Interest - fire truck note	5,984	5,984	5,957	27
Interest - 2013 auto loans	433	453	449	4
Total interest	\$ 100,767	\$ 80,747	\$ 76,416	\$ 4,331
Total debt service	\$ 234,607	\$ 234,607	\$ 227,526	\$ 7,081
Total expenditures	\$ 234,607	\$ 234,607	\$ 227,526	\$ 7,081
Excess (deficiency) of revenues over (under) expenditures	(45,257)	(45,257)	(54,895)	(9,638)
Other financing sources and uses				
Transfers in	\$ 45,250	\$ 45,250	\$ 57,100	\$ 11,850
Total other financing sources and uses	\$ 45,250	\$ 45,250	\$ 57,100	\$ 11,850
Net change in fund balances	\$ (7)	\$ (7)	\$ 2,205	\$ 2,212
Fund balances, January 1	\$ 7,815	\$ 7,815	\$ 7,815	\$ -
Fund balances, December 31	\$ 7,808	\$ 7,808	\$ 10,020	\$ 2,212

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Interest				
Interest From Deposits	\$ -	\$ -	\$ 892	\$ 892
Total interest	\$ -	\$ -	\$ 892	\$ 892
Other revenue				
Donations	\$ -	\$ -	\$ 300	\$ 300
Total other revenue	\$ -	\$ -	\$ 300	\$ 300
Total revenues	\$ -	\$ -	\$ 1,192	\$ 1,192
Expenditures				
General government				
Contractual services				
Professional services				
Engineering & architectural	\$ 132,000	\$ 211,750	\$ 211,736	\$ 14
Total professional services	\$ 132,000	\$ 211,750	\$ 211,736	\$ 14
Other contractual				
Advertising & legal publishing	\$ -	\$ 285	\$ 285	\$ -
Intergovernmental fees and dues	-	1,660	1,657	3
Printing & copying services	-	2,120	2,117	3
Purchased program services	66,000	1,000	-	1,000
Total other contractual	\$ 66,000	\$ 5,065	\$ 4,059	\$ 1,006
Total contractual services	\$ 198,000	\$ 216,815	\$ 215,795	\$ 1,020
Commodities				
Other Materials & supplies	\$ -	\$ 75	\$ 75	\$ -
Total commodities	\$ -	\$ 75	\$ 75	\$ -
Contingencies	\$ 38,500	\$ 19,610	\$ -	\$ 19,610
Total general government	\$ 236,500	\$ 236,500	\$ 215,870	\$ 20,630
Capital outlay				
Building Acquisition/Const/Improvement	\$ 2,530,000	\$ 2,449,300	\$ 510,437	\$ 1,938,863
Total capital outlay	\$ 2,530,000	\$ 2,449,300	\$ 510,437	\$ 1,938,863
Total expenditures	\$ 2,766,500	\$ 2,685,800	\$ 726,307	\$ 1,959,493
Excess (deficiency) of revenues over (under) expenditures	\$ (2,766,500)	\$ (2,685,800)	\$ (725,115)	\$ 1,960,685
Other financing sources and uses				
Proceeds from sale of long-term bonds	\$ 2,600,000	\$ 2,600,000	\$ 2,500,000	\$ (100,000)
Bond Premium	-	-	66,327	66,327
Total other financing sources and uses	\$ 2,600,000	\$ 2,600,000	\$ 2,566,327	\$ (33,673)
Net change in fund balances	\$ (166,500)	\$ (85,800)	\$ 1,841,212	\$ 1,927,012
Fund balances, January 1	\$ (9,600)	\$ (9,600)	\$ (9,600)	\$ -
Fund balances, December 31	\$ (176,100)	\$ (95,400)	\$ 1,831,612	\$ 1,927,012

Village of South Chicago Heights, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund	
Assets				
Assets				
Cash and cash equivalents	\$ 23,866	\$ 578	\$ 492	\$ 24,936
Accounts / vouchers receivable	85,128	1,478	7,261	93,867
Prepaid items	-	14,079	-	14,079
Inventory	2,363	-	-	2,363
Total assets	\$ 111,357	\$ 16,135	\$ 7,753	\$ 135,245
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts / vouchers payable	\$ 83,093	\$ 1,823	\$ 7,686	\$ 92,602
Total liabilities	\$ 83,093	\$ 1,823	\$ 7,686	\$ 92,602
Fund Balances				
Nonspendable	\$ 2,363	\$ 14,079	\$ -	\$ 16,442
Restricted for highways & streets	25,901	-	-	25,901
Unassigned	-	233	67	300
Total fund balances	\$ 28,264	\$ 14,312	\$ 67	\$ 42,643
Total liabilities, deferred inflows of resources and fund balances	\$ 111,357	\$ 16,135	\$ 7,753	\$ 135,245

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, 2015**

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Motor Fuel Tax Fund	E911 Services Fund	CDBG Project Fund	
Revenues				
Local taxes	\$ -	\$ 6,793	\$ -	\$ 6,793
State shared taxes	101,188	-	-	101,188
Grants	75,787	-	145,225	221,012
Interest	60	13	-	73
Total revenues	\$ 177,035	\$ 6,806	\$ 145,225	\$ 329,066
Expenditures				
Current				
Public safety	\$ -	\$ 178,411	\$ -	\$ 178,411
Highways and streets	57,283	-	12,789	70,072
Total current expenditures	\$ 57,283	\$ 178,411	\$ 12,789	\$ 248,483
Capital outlay	\$ 95,640	\$ -	\$ 145,225	\$ 240,865
Total expenditures	\$ 152,923	\$ 178,411	\$ 158,014	\$ 489,348
Excess (deficiency) of revenues over (under) expenditures	\$ 24,112	\$ (171,605)	\$ (12,789)	\$ (160,282)
Other financing sources and uses				
Transfers in	\$ -	\$ 170,500	\$ 12,775	\$ 183,275
Total other financing sources and uses	\$ -	\$ 170,500	\$ 12,775	\$ 183,275
Net change in fund balances	\$ 24,112	\$ (1,105)	\$ (14)	\$ 22,993
Fund balances, January 1	\$ 4,152	\$ 15,417	\$ 81	\$ 19,650
Fund balances, December 31	\$ 28,264	\$ 14,312	\$ 67	\$ 42,643

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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
State shared taxes				
Motor fuel tax	\$ 102,000	\$ 102,000	\$ 101,188	\$ (812)
Total state shared taxes	\$ 102,000	\$ 102,000	\$ 101,188	\$ (812)
Grants				
State grants	\$ -	\$ -	\$ 75,787	\$ 75,787
Total grants	\$ -	\$ -	\$ 75,787	\$ 75,787
Interest				
Interest from deposits	\$ 50	\$ 50	\$ 60	\$ 10
Total interest	\$ 50	\$ 50	\$ 60	\$ 10
Total revenues	\$ 102,050	\$ 102,050	\$ 177,035	\$ 74,985
Expenditures				
Highway & streets				
Contractual services				
Professional services				
Engineering & architectural	\$ 11,000	\$ 19,630	\$ 19,629	\$ 1
Testing labs	-	2,230	2,229	1
Total professional services	\$ 11,000	\$ 21,860	\$ 21,858	\$ 2
Repair & maintenance				
R&M - street lights & signals	\$ 9,020	\$ 4,200	\$ 4,130	\$ 70
Total repair & maintenance	\$ 9,020	\$ 4,200	\$ 4,130	\$ 70
Other contractual				
Forestry & landscaping services	1,100	100	-	100
Total other contractual	\$ 1,100	\$ 100	\$ -	\$ 100
Total contractual services	\$ 21,120	\$ 26,160	\$ 25,988	\$ 172
Commodities				
Street materials - salt	\$ 38,500	\$ 31,300	\$ 31,295	\$ 5
Total commodities	\$ 38,500	\$ 31,300	\$ 31,295	\$ 5
Total highway & streets	\$ 59,620	\$ 57,460	\$ 57,283	\$ 177
Capital outlay				
Street system const/improvements	\$ 8,800	\$ 91,660	\$ 95,640	\$ (3,980)
Total capital outlay	\$ 8,800	\$ 91,660	\$ 95,640	\$ (3,980)
Total expenditures	\$ 68,420	\$ 149,120	\$ 152,923	\$ (3,803)
Excess (deficiency) of revenues over (under) expenditures	\$ 33,630	\$ (47,070)	\$ 24,112	\$ 71,182

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balances	\$ 33,630	\$ (47,070)	\$ 24,112	\$ 71,182
Fund balances, January 1	\$ 4,152	\$ 4,152	\$ 4,152	\$ -
Fund balances, December 31	\$ 37,782	\$ (42,918)	\$ 28,264	\$ 71,182

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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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Local taxes				
E-911 surcharge	\$ 7,000	\$ 7,000	\$ 6,793	\$ (207)
Total local taxes	\$ 7,000	\$ 7,000	\$ 6,793	\$ (207)
Interest				
Interest From Deposits	\$ 100	\$ 100	\$ 13	\$ (87)
Total interest	\$ 100	\$ 100	\$ 13	\$ (87)
Total revenues	\$ 7,100	\$ 7,100	\$ 6,806	\$ (294)
Expenditures				
Public safety				
Contractual services				
Repair & maintenance				
R&M - communications equipment	\$ 7,181	\$ 7,181	\$ 6,592	\$ 589
Total repair & maintenance	\$ 7,181	\$ 7,181	\$ 6,592	\$ 589
Other contractual				
Intergovernmental service contracts	\$ 198,000	\$ 198,000	\$ 171,241	\$ 26,759
Telephones & pagers	1,100	1,100	578	522
Total other contractual	\$ 199,100	\$ 199,100	\$ 171,819	\$ 27,281
Total contractual services	\$ 206,281	\$ 206,281	\$ 178,411	\$ 27,870
Total public safety	\$ 206,281	\$ 206,281	\$ 178,411	\$ 27,870
Total expenditures	\$ 206,281	\$ 206,281	\$ 178,411	\$ 27,870
Excess (deficiency) of revenues over (under) expenditures	\$ (199,181)	\$ (199,181)	\$ (171,605)	\$ 27,576
Other financing sources and uses				
Transfers in	\$ 180,450	\$ 180,450	\$ 170,500	\$ (9,950)
Total other financing sources and uses	\$ 180,450	\$ 180,450	\$ 170,500	\$ (9,950)
Net change in fund balances	\$ (18,731)	\$ (18,731)	\$ (1,105)	\$ 17,626
Fund balances, January 1	\$ 15,417	\$ 15,417	\$ 15,417	\$ -
Fund balances, December 31	\$ (3,314)	\$ (3,314)	\$ 14,312	\$ 17,626

**Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Grants				
County grants	\$ 160,000	\$ 160,000	\$ 145,225	\$ (14,775)
Total grants	\$ 160,000	\$ 160,000	\$ 145,225	\$ (14,775)
Total revenues	\$ 160,000	\$ 160,000	\$ 145,225	\$ (14,775)
Expenditures				
Highways & streets				
Contractual services				
Professional services				
Engineering & architectural	\$ 24,750	\$ 24,750	\$ 12,789	\$ 11,961
Total professional services	\$ 24,750	\$ 24,750	\$ 12,789	\$ 11,961
Other contractual				
Advertising & legal publication	\$ 825	\$ 825	\$ -	\$ 825
Total other contractual	\$ 825	\$ 825	\$ -	\$ 825
Total contractual services	\$ 25,575	\$ 25,575	\$ 12,789	\$ 12,786
Total highways & streets	\$ 25,575	\$ 25,575	\$ 12,789	\$ 12,786
Capital outlay				
Street system construction	\$ 194,700	\$ 194,700	\$ 145,225	\$ 49,475
Total capital outlay	\$ 194,700	\$ 194,700	\$ 145,225	\$ 49,475
Total expenditures	\$ 220,275	\$ 220,275	\$ 158,014	\$ 62,261
Excess (deficiency) of revenues over (under) expenditures	\$ (60,275)	\$ (60,275)	\$ (12,789)	\$ 47,486
Other financing sources and uses				
Transfers in	\$ 40,250	\$ 40,250	\$ 12,775	\$ (27,475)
Total other financing sources and uses	\$ 40,250	\$ 40,250	\$ 12,775	\$ (27,475)
Net change in fund balances	\$ (20,025)	\$ (20,025)	\$ (14)	\$ 20,011
Fund balances, January 1	\$ 81	\$ 81	\$ 81	\$ -
Fund balances, December 31	\$ (19,944)	\$ (19,944)	\$ 67	\$ 20,011

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, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Charges for Services				
Water Sales	\$ 1,135,000	\$ 1,135,000	\$ 1,166,293	\$ 31,293
Water Meter Installation / Replacement	4,000	4,000	7,860	3,860
Water Turn On Fees	2,300	2,300	2,300	-
Water / Sewer Tap Fees	-	-	1,800	1,800
Construction Water Charge	-	-	50	50
Other Charges For Services	-	-	150	150
Total Charges for Services	\$ 1,141,300	\$ 1,141,300	\$ 1,178,453	\$ 37,153
Fines and Forfeitures				
Late Payment Penalty	\$ 18,500	\$ 18,500	\$ 9,696	\$ (8,804)
Total Fines and Forfeitures	\$ 18,500	\$ 18,500	\$ 9,696	\$ (8,804)
Interest				
Interest From Deposits	\$ -	\$ -	\$ 86	\$ 86
Total Interest	\$ -	\$ -	\$ 86	\$ 86
Reimbursements				
Expense Reimbursement	\$ -	\$ -	\$ 2,150	\$ 2,150
Insurance Reimbursement	2,500	2,500	-	(2,500)
Total Reimbursements	\$ 2,500	\$ 2,500	\$ 2,150	\$ (350)
Total operating revenues	\$ 1,162,300	\$ 1,162,300	\$ 1,190,385	\$ 28,085
Operating expenses				
Administrative				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 23,037	\$ 23,037	\$ 22,167	\$ 870
Wages - Full Time Hourly	40,488	40,488	49,099	(8,611)
Wages - Part Time Hourly	19,918	18,898	922	17,976
Wages - Overtime	-	1,020	1,005	15
Total Compensation	\$ 83,443	\$ 83,443	\$ 73,193	\$ 10,250
Benefits				
Employer FICA / Medicare	\$ 6,454	\$ 6,454	\$ 5,605	\$ 849
Employer IMRF	14,147	14,147	40,712	(26,565)
Insurance - Group Life and AD&D	81	81	88	(7)
Insurance - Group Medical	16,643	15,993	13,173	2,820
Insurance - Group Dental	1,298	1,948	2,349	(401)
Insurance - Workers Compensation	7,311	7,311	6,476	835
Insurance - Unemployment Compensation	344	344	-	344
Total Benefits	\$ 46,278	\$ 46,278	\$ 68,403	\$ (22,125)
Total Personal Services	\$ 129,721	\$ 129,721	\$ 141,596	\$ (11,875)

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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, 2015**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Administrative (continued)				
Contractual Services				
Professional Services				
Consulting	\$ -	\$ 56,975	\$ 56,975	\$ -
Data Processing	13,750	73,480	73,480	-
Total Professional Services	\$ 13,750	\$ 130,455	\$ 130,455	\$ -
Repair and Maintenance				
R & M - Data Processing Equipment	\$ 550	\$ 1,500	\$ 1,500	\$ -
Total Repair and Maintenance	\$ 550	\$ 1,500	\$ 1,500	\$ -
Other Contractual				
Advertising & Legal Publishing	\$ -	\$ 110	\$ 110	\$ -
Bank fees & charges	-	500	500	-
Liability Insurance	33,000	30,500	30,000	500
Printing and Copying Services	3,300	4,815	4,814	1
Total Other Contractual	\$ 36,300	\$ 35,925	\$ 35,424	\$ 501
Total Contractual Services	\$ 50,600	\$ 167,880	\$ 167,379	\$ 501
Commodities				
Computer Supplies	\$ -	\$ 230	\$ 227	\$ 3
Office Supplies	275	25	-	25
Postage	6,600	6,770	6,767	3
Equipment - Data Processing	-	575	573	2
Total Commodities	\$ 6,875	\$ 7,600	\$ 7,567	\$ 33
Total Administrative	\$ 187,196	\$ 305,201	\$ 316,542	\$ (11,341)
Cost of Sales				
Personal Services				
Compensation				
Wages - Full Time Salaried	\$ 28,998	\$ 28,998	\$ 26,609	\$ 2,389
Wages - Full Time Hourly	92,875	92,875	66,261	26,614
Wages - Part Time Hourly	9,745	3,515	-	3,515
Wages - Overtime	12,822	19,052	19,051	1
Total Compensation	\$ 144,440	\$ 144,440	\$ 111,921	\$ 32,519
Benefits				
Employer FICA / Medicare	\$ 11,050	\$ 11,050	\$ 8,610	\$ 2,440
Employer IMRF	23,406	23,406	58,454	(35,048)
Insurance - Group Life and AD&D	222	222	168	54
Insurance - Group Medical	53,549	53,549	40,336	13,213
Insurance - Group Dental	3,296	3,296	2,891	405
Insurance - Workers Compensation	12,518	12,518	10,140	2,378
Insurance - Unemployment Compensation	660	660	-	660
Total Benefits	\$ 104,700	\$ 104,700	\$ 120,599	\$ (15,899)
Total Personal Services	\$ 249,140	\$ 249,140	\$ 232,520	\$ 16,620

continued...

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, 2015**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Cost of Sales (continued)				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 1,650	\$ 19,235	\$ 19,235	\$ -
Testing Labs	2,750	1,050	1,006	44
Total Professional Services	\$ 4,400	\$ 20,285	\$ 20,241	\$ 44
Repair and Maintenance				
R & M - Vehicles	\$ 550	\$ 1,305	\$ 1,301	\$ 4
R & M - Water & Sewer System Equipment	19,800	2,000	1,948	52
Total Repair and Maintenance	\$ 20,350	\$ 3,305	\$ 3,249	\$ 56
Other Contractual				
Equipment Rental	\$ 5,500	\$ 1,250	\$ 1,214	\$ 36
Intergovernmental fees & dues	-	80	80	-
Purchased Program Services	38,500	71,680	71,680	-
Telephone - Local, LD, Wireless, Pager	715	715	502	213
Training Services	660	720	720	-
Utilities Location Service	990	2,230	2,227	3
Total Other Contractual	\$ 46,365	\$ 76,675	\$ 76,423	\$ 252
Total Contractual Services	\$ 71,115	\$ 100,265	\$ 99,913	\$ 352
Commodities				
Fuel	\$ 11,000	\$ 11,000	\$ 5,337	\$ 5,663
Landscaping Supplies	275	275	265	10
Program Supplies	660	685	234	451
Protective Clothing & Equipment	275	25	-	25
Service & Repair Parts	275	400	396	4
Small Tools	1,100	500	484	16
Street Materials - Aggregate	2,750	4,795	4,792	3
Street Materials - Bituminum	825	5,395	5,393	2
Utilities - Village Buildings	880	3,505	3,501	4
Utilities - Public Way	22,000	22,000	15,313	6,687
Water Purchases	770,000	770,000	564,101	205,899
Water & Sewer System Supplies	7,975	7,975	694	7,281
Water & Sewer System Repair Parts	15,400	6,710	5,867	843
Water System Construction/Improvements	2,136,200	2,339,105	1,928,213	410,892
Equipment - Construction	3,850	4,550	3,146	1,404
Equipment - Water system	-	9,150	9,150	-
Total Commodities	\$ 2,973,465	\$ 3,186,070	\$ 2,546,886	\$ 639,184
Total Cost of Sales	\$ 3,293,720	\$ 3,535,475	\$ 2,879,319	\$ 656,156

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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, 2015**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating expenses (continued)				
Depreciation				
Depreciation Expense	\$ 137,500	\$ 137,500	\$ 240,418	\$ (102,918)
Total depreciation	\$ 137,500	\$ 137,500	\$ 240,418	\$ (102,918)
Total operating expenses	\$ 3,618,416	\$ 3,978,176	\$ 3,436,279	\$ 541,897
Operating income (loss)	\$ (2,456,116)	\$ (2,815,876)	\$ (2,245,894)	\$ 569,982
Nonoperating revenue (expenses)				
Local taxes				
Property Tax	\$ 6,615	\$ 6,615	\$ 7,128	\$ 513
Property tax - bond & interest	467,775	467,775	473,725	5,950
Total local taxes	\$ 474,390	\$ 474,390	\$ 480,853	\$ 6,463
Gain on sale of capital assets	\$ 15,000	\$ 15,000	\$ 7,000	\$ 8,000
Debt service				
Principal				
Principal - 1998B GO bonds	\$ 495,000	\$ 495,000	\$ -	\$ 495,000
Principal - 2001 Water System Imprvmnt Note	47,292	47,365	-	47,365
Total principal	\$ 542,292	\$ 542,365	\$ -	\$ 542,365
Interest expense				
Interest - 1998B GO bonds	\$ (82,885)	\$ (82,885)	\$ (82,885)	\$ -
Interest - 2001 Water System Imprvmnt Note	(4,028)	(4,101)	(3,956)	(145)
Interest - Water Meter Installment Contract	-	(47,450)	(47,439)	(11)
Total interest expense	\$ (86,913)	\$ (134,436)	\$ (134,280)	\$ (156)
Total debt service	\$ 455,379	\$ 407,929	\$ (134,280)	\$ 542,209
Total nonoperating revenue (expenses)	\$ 944,769	\$ 897,319	\$ 353,573	\$ 543,746
Income before contributions and transfers	\$ (1,511,347)	\$ (1,918,557)	\$ (1,892,321)	\$ 1,113,728
Capital contributions	\$ -	\$ -	\$ 1,048,616	\$ (1,048,616)
Change in net position	(1,511,347)	(1,918,557)	(843,705)	1,074,852
Total net position, January 1 as restated	\$ 125,074	\$ 125,074	\$ (30,113)	\$ 155,187
Total net position, December 31	\$ (1,386,273)	\$ (1,793,483)	\$ (873,818)	\$ 919,665

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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, 2015**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues				
Charges for Services				
Sewer Charges	\$ 118,000	\$ 118,000	\$ 122,153	\$ 4,153
Thorn Creek Sewer Charge	200,000	200,000	-	(200,000)
Thorn Creek Meter Reading Charge	14,500	14,500	16,239	1,739
Total Charges for Services	332,500	332,500	138,392	(194,108)
Fines and Forfeitures				
Late Payment Penalty	\$ 4,500	\$ 4,500	\$ 773	\$ (3,727)
Total Fines and Forfeitures	4,500	4,500	773	(3,727)
Total operating revenues	\$ 337,000	\$ 337,000	\$ 139,165	\$ (197,835)
Operating expenses				
Administrative				
Contractual Services				
Professional Services				
Data Processing	\$ 165	\$ 165	\$ -	\$ 165
Total Professional Services	\$ 165	\$ 165	\$ -	\$ 165
Other Contractual				
Advertising & Legal Publishing	\$ 275	\$ 275	\$ -	\$ 275
Printing and Copying Services	550	630	630	-
Thorn Creek Sewer Pass-thru	220,000	220,000	-	\$ 220,000
Total Other Contractual	\$ 220,825	\$ 220,905	\$ 630	\$ 220,275
Contractual Services	\$ 220,990	\$ 221,070	\$ 630	\$ 220,440
Total Administration	\$ 220,990	\$ 221,070	\$ 630	\$ 220,440
Cost of Sales				
Contractual Services				
Professional Services				
Engineering and Architectural	\$ 8,250	\$ 2,250	\$ 1,742	\$ 508
Total Professional Services	\$ 8,250	\$ 2,250	\$ 1,742	\$ 508
Repair and Maintenance				
R & M - Water & Sewer System Equipment	\$ 2,750	\$ 1,995	\$ 34	\$ 1,961
Total Repair and Maintenance	\$ 2,750	\$ 1,995	\$ 34	\$ 1,961
Other Contractual				
Intergovernmental Fees and Dues	\$ 1,100	\$ 1,100	\$ 1,000	\$ 100
Purchased Program Services	11,000	17,675	17,671	4
Total Other Contractual	\$ 12,100	\$ 18,775	\$ 18,671	\$ 104
Total contractual services	\$ 23,100	\$ 23,020	\$ 20,447	\$ 2,573

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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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Operating expenses (continued)				
Cost of Sales (continued)				
Commodities				
Service & Repair Parts	\$ 550	\$ 550	\$ -	\$ 550
Street Materials - Manhole Cvr's & Structures	2,750	2,750	-	2,750
Utilities - Public Way	1,100	1,100	-	1,100
Water & Sewer System Supplies	550	550	-	550
Water & Sewer System Repair Parts	550	550	142	408
Total Commodities	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 142</u>	<u>\$ 5,358</u>
Total Cost of Sales	<u>\$ 28,600</u>	<u>\$ 28,520</u>	<u>\$ 20,589</u>	<u>\$ 7,931</u>
Depreciation				
Depreciation Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,283</u>	<u>\$ (69,283)</u>
Total depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,283</u>	<u>\$ (69,283)</u>
Total operating expenses	<u>\$ 249,590</u>	<u>\$ 249,590</u>	<u>\$ 90,502</u>	<u>\$ 159,088</u>
Operating income (loss)	<u>\$ 87,410</u>	<u>\$ 87,410</u>	<u>\$ 48,663</u>	<u>\$ (38,747)</u>
Nonoperating revenue (expenses)				
Property tax	\$ 6,615	\$ 6,615	\$ 7,128	\$ 513
Capital outlay	<u>137,500</u>	<u>137,500</u>	<u>-</u>	<u>(137,500)</u>
Total nonoperating revenue (expenses)	<u>\$ 144,115</u>	<u>\$ 144,115</u>	<u>\$ 7,128</u>	<u>\$ (136,987)</u>
Change in net position	<u>\$ 231,525</u>	<u>\$ 231,525</u>	<u>\$ 55,791</u>	<u>\$ (175,734)</u>
Total net position, January 1	<u>\$ 1,511,419</u>	<u>\$ 1,511,419</u>	<u>\$ 1,511,419</u>	<u>\$ -</u>
Total net position, December 31	<u>\$ 1,742,944</u>	<u>\$ 1,742,944</u>	<u>\$ 1,567,210</u>	<u>\$ (175,734)</u>

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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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Operating expenses				
Nondepartmental				
Contractual Services				
Repair and Maintenance				
R & M - Buildings & Grounds	\$ 550	\$ 550	\$ 123	\$ 427
Total Repair and Maintenance	\$ 550	\$ 550	\$ 123	\$ 427
Other Contractual				
Garbage & recycling	\$ -	\$ 1,250	\$ 1,235	\$ 15
Intergovernmental Fees and Dues	74,800	91,000	90,997	3
Purchased Program Services	-	1,875	1,860	15
Telephone - Local, LD, Wireless, Pager	440	440	194	246
Total Other Contractual	\$ 75,240	\$ 94,565	\$ 94,286	\$ 279
Total contractual services	\$ 75,790	\$ 95,115	\$ 94,409	\$ 706
Commodities				
Program Supplies	\$ 275	\$ 275	\$ -	\$ 275
Service & Repair Parts	275	275	-	275
Utilities - Village Buildings	8,800	5,675	5,078	597
Total Commodities	\$ 9,350	\$ 6,225	\$ 5,078	\$ 1,147
Contingency				
Uncollectible rents	\$ -	\$ -	\$ 63,950	\$ (63,950)
Total contingency	\$ -	\$ -	\$ 63,950	\$ (63,950)
Total Cost of Sales	\$ 85,140	\$ 101,340	\$ 163,437	\$ (62,097)
Depreciation				
Depreciation Expense	\$ -	\$ -	\$ 18,112	\$ (18,112)
Total depreciation	\$ -	\$ -	\$ 18,112	\$ (18,112)
Total operating expenses	\$ 85,140	\$ 101,340	\$ 181,549	\$ (80,209)
Operating income (loss)	\$ (85,140)	\$ (101,340)	\$ (181,549)	\$ (80,209)
Nonoperating revenue (expenses)				
Debt service				
Principal				
Principal - 2010 TIF Note	\$ (102,207)	\$ (118,407)	\$ -	\$ (118,407)
Total principal	\$ (102,207)	\$ (118,407)	\$ -	\$ (118,407)
Interest expense				
Interest - 2010 TIF Note	\$ (3,229)	\$ (3,229)	\$ (2,811)	\$ (418)
Total interest expense	\$ (3,229)	\$ (3,229)	\$ (2,811)	\$ (418)
Total debt service	\$ (105,436)	\$ (121,636)	\$ (2,811)	\$ (118,825)
Total nonoperating revenue (expenses)	\$ (105,436)	\$ (121,636)	\$ (2,811)	\$ (118,825)

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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, 2015**

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Income (loss) before transfers and contributions	\$ (190,576)	\$ (222,976)	\$ (184,360)	\$ 38,616
Transfers in	\$ 182,800	\$ 182,800	\$ 200,000	\$ 17,200
Change in net position	\$ (7,776)	\$ (40,176)	\$ 15,640	\$ 55,816
Total net position, January 1,	\$ 274,443	\$ 274,443	\$ 274,443	\$ -
Total net position, December 31	\$ 266,667	\$ 234,267	\$ 290,083	\$ 55,816

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Village of South Chicago Heights, Illinois

Fiduciary Funds

Combining Schedule of Fiduciary Net Position December 31, 2015

	Pension Trust Funds		
	Police Pension Fund	Firefighters Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 379,729	\$ 34,517	\$ 414,246
Investments, at fair value:			
US Treasury securities	314,957	-	314,957
US government agency securities	100,007	-	100,007
State and municipal securities	597,336	-	597,336
Asset backed securities	60,879	-	60,879
Equity mutual funds	757,506	-	757,506
Corporate bonds	593,291	-	593,291
Annuities	526,952	-	526,952
Interest receivable	19,352	-	19,352
Total assets	\$ 3,350,009	\$ 34,517	\$ 3,384,526
Liabilities			
Accounts / vouchers payable	\$ 1,130	\$ -	\$ 1,130
Total liabilities	\$ 1,130	\$ -	\$ 1,130
Net position			
Held in trust for pension benefits	\$ 3,348,879	\$ 34,517	\$ 3,383,396
Total net position	\$ 3,348,879	\$ 34,517	\$ 3,383,396

Village of South Chicago Heights, Illinois

Fiduciary Funds

Combining Schedule of Changes in Fiduciary Net Position For the Year Ended December 31, 2015

	Police Pension Fund	Firefighters Pension Fund	Total
Additions:			
Contributions			
Employer	\$ 133,108	\$ 11,256	\$ 144,364
Plan member	75,304	-	75,304
Total contributions	\$ 208,412	\$ 11,256	\$ 219,668
Investment income			
Net appreciation in fair value of investments	\$ (171,167)	\$ -	\$ (171,167)
Interest	79,956	16	79,972
Dividends	48,695	-	48,695
Total investment income	\$ (42,516)	\$ 16	\$ (42,500)
Less investment expense	13,991	-	13,991
Net investment income	\$ (56,507)	\$ 16	\$ (56,491)
Total additions	\$ 151,905	\$ 11,272	\$ 163,177
Deductions:			
Benefits	\$ 303,622	\$ 23,324	\$ 326,946
Administrative expense	5,102	812	5,914
Total deductions	\$ 308,724	\$ 24,136	\$ 332,860
Change in net position	\$ (156,819)	\$ (12,864)	\$ (169,683)
Net position held in trust for pension benefits			
January 1	\$ 3,505,698	\$ 47,381	\$ 3,553,079
December 31	\$ 3,348,879	\$ 34,517	\$ 3,383,396

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, 2015

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

Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 441,324	\$ 63,676	\$ 505,000
2017	472,150	42,850	515,000
2018	<u>504,692</u>	<u>20,308</u>	<u>525,000</u>
Totals	<u>\$ 1,418,166</u>	<u>\$ 126,834</u>	<u>\$ 1,545,000</u>

Village of South Chicago Heights, Illinois

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

December 31, 2015

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

Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 90,000	\$ 92,450	\$ 182,450
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	<u>\$ 2,385,000</u>	<u>\$ 1,115,425</u>	<u>\$ 3,500,425</u>

Village of South Chicago Heights, Illinois

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

December 31, 2015

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

Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 14,159	\$ 4,836	\$ 18,995
2017	14,800	4,195	18,995
2018	15,495	3,500	18,995
2019	<u>65,062</u>	<u>1,483</u>	<u>66,545</u>
Totals	<u>\$ 109,516</u>	<u>\$ 14,014</u>	<u>\$ 123,530</u>

Village of South Chicago Heights, Illinois

Long-Term Debt Requirements
Series 2001 Installment Note
Water System Improvements

December 31, 2015

Date of Maturity: 9/30/2016
Authorization Issue: \$ 500,000
Interest Rate: 6.00%

Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>36,163</u>	<u>1,072</u>	<u>37,235</u>
Totals	<u>\$ 36,163</u>	<u>\$ 1,072</u>	<u>\$ 37,235</u>

Village of South Chicago Heights, Illinois

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

December 31, 2015

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

Current and Future Principal and Interest Requirements

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	\$ 61,402	\$ 61,402
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	194,528	6,017	200,545
Totals	<u>\$ 1,985,188</u>	<u>\$ 482,753</u>	<u>\$ 2,467,941</u>