

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

UNIT CODE 088-060-30
ANNUAL FINANCIAL STATEMENTS

APRIL 30, 2016

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
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CITY OF FAIRVIEW HEIGHTS, ILLINOIS
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

INDEPENDENT AUDITOR'S REPORT

December 14, 2016

To the Honorable Mayor and the City Council
City of Fairview Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois as of April 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and pension information on pages 45-65 and 66-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

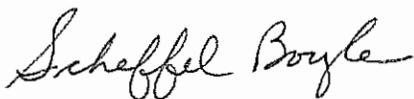
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and combining general fund accounts are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2016 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.



Belleville, Illinois

FINANCIAL SECTION

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2016

ASSETS		<u>GOVERNMENTAL ACTIVITIES</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 8,639,107	
Certificates of Deposit	2,956,775	
Due from Fiduciary Fund	126,871	
Receivables	5,677,900	
Restricted Cash and Cash Equivalents	<u>2,460,868</u>	
Total Current Assets		\$ 19,861,521
NONCURRENT ASSETS:		
Capital Assets, Net	<u>\$ 63,227,026</u>	
Total Noncurrent Assets		\$ 63,227,026
Total Assets		\$ 83,088,547
DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 4,180,530</u>	
Total Deferred Outflows of Resources		\$ 4,180,530
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	\$ 959,954	
Accrued Payroll	333,823	
Accrued Interest Payable	18,037	
Compensated Absences, Current	60,109	
Capital Lease Payable, Current	570	
Bonds Payable, Current	<u>880,000</u>	
Total Current Liabilities		\$ 2,252,493
NONCURRENT LIABILITIES:		
Compensated Absences, Noncurrent	\$ 501,685	
Other Postemployment Benefit Obligation	1,919,840	
Bonds Payable, Noncurrent	1,614,750	
Net Pension Liability	<u>17,956,797</u>	
Total Noncurrent Liabilities		\$ 21,993,072
Total Liabilities		\$ 24,245,565
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources		
Unavailable Revenue - Property Tax	\$ 908,672	
Related to Pensions	<u>2,304,157</u>	
Total Deferred Inflows of Resources		\$ 3,212,829
NET POSITION		
Net Investment in Capital Assets	\$ 60,731,706	
Restricted Net Position	11,676,757	
Unrestricted Net Position	<u>(12,597,780)</u>	
Total Net Position		\$ 59,810,683

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF ACTIVITIES
APRIL 30, 2016

	PROGRAM REVENUES			NET (EXPENSE)
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES
FUNCTIONS/PROGRAMS:				
Governmental Activities				
General Government				
Executive Department	\$ 3,596,703	\$ 279,328	\$ -	\$ (3,317,375)
Municipal Complex	689,149	45,128	37,639	(606,382)
Public Safety				
Police	8,203,014	699,318	134,250	(7,369,446)
Emergency Services and Disaster Agency	73,071	-	5,852	(67,219)
Street and Public Works				
Engineering/Streets	3,035,462	1,900	30,000	(3,003,562)
Public Works Maintenance	631,379	-	-	(631,379)
Land Use and Development	2,971,992	232,947	-	(2,739,045)
Culture and Recreation				
Parks	1,074,635	79,411	-	(995,224)
Library	662,402	19,419	402	(642,581)
Tourism	151,080	-	-	(151,080)
Interest on Long-Term Debt	66,617	-	-	(66,617)
Total Governmental Activities	<u>\$ 21,155,504</u>	<u>\$ 1,357,451</u>	<u>\$ 208,143</u>	<u>\$ (19,589,910)</u>
GENERAL REVENUES:				
Taxes				
Sales Tax				\$ 7,890,500
Home Rule Tax				6,923,936
Food and Beverage Tax				2,179,786
Hotel and Motel Tax				924,337
State Income Tax				1,743,265
Use Tax				396,176
Property Tax				796,102
Franchise Tax				276,406
Motor Fuel Tax				436,836
Business District Tax				88,326
Video Game Tax				102,299
Investment Earnings				52,028
Miscellaneous				74,354
Total General Revenues				<u>21,884,351</u>
Change in Net Position				<u>\$ 2,294,441</u>
Net Position, Beginning of Year, as Previously Reported				\$ 73,329,696
Cumulative Change in Accounting Principle - GASB 68				(15,813,454)
Net Position, Beginning of Year, Restated				<u>\$ 57,516,242</u>
Net Position, End of Year				<u>\$ 59,810,683</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2016

ASSETS			HOTEL AND	FOOD AND	TAX	TIF #2	TIF #3	OTHER	TOTAL
	GENERAL	HOME RULE	MOTEL TAX	BEVERAGE	REBATES	SHOPPES OF ST. CLAIR	LINCOLN TRAIL	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
Cash and Cash Equivalents	\$ 2,566,606	\$ 3,022,609	\$ 1,109,931	\$ 437,065	\$ 505,336	\$ (3,417)	\$ -	\$ 1,000,977	\$ 8,639,107
Certificates of Deposit	590,000	1,109,502	195,015	370,027	-	-	-	692,231	2,956,775
Receivables	2,515,891	1,433,344	131,563	225,309	452,855	346,347	285,017	287,574	5,677,900
Due from Other Funds	805,887	-	-	-	-	2,274	1,737	1,566	811,464
Due from Fiduciary Fund	126,871	-	-	-	-	-	-	-	126,871
Restricted Cash and Cash Equivalents	127,639	120,696	-	-	-	-	1,622,806	589,727	2,460,868
Total Assets	\$ 6,732,894	\$ 5,686,151	\$ 1,436,509	\$ 1,032,401	\$ 958,191	\$ 345,204	\$ 1,909,560	\$ 2,572,075	\$ 20,672,985
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES:									
Accounts Payable	\$ 220,396	\$ 107,615	\$ 20,964	\$ -	\$ 554,033	\$ -	\$ 32,263	\$ 24,683	\$ 959,954
Accrued Payroll	319,368	-	-	-	-	-	-	14,455	333,823
Due to Other Funds	5,577	731,184	-	74,703	-	-	-	-	811,464
Total Liabilities	\$ 545,341	\$ 838,799	\$ 20,964	\$ 74,703	\$ 554,033	\$ -	\$ 32,263	\$ 39,138	\$ 2,105,241
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Property Taxes	\$ 28,600	\$ -	\$ -	\$ -	\$ -	\$ 346,347	\$ 285,017	\$ 248,708	\$ 908,672
Total Deferred Inflows of Resources	\$ 28,600	\$ -	\$ -	\$ -	\$ -	\$ 346,347	\$ 285,017	\$ 248,708	\$ 908,672
FUND BALANCES:									
Restricted for:									
Rebate and Financing Agreements	\$ 127,639	\$ 120,696	\$ -	\$ -	\$ 404,158	\$ -	\$ 1,592,280	\$ -	\$ 2,244,773
Sewer Improvements	-	-	-	-	-	-	-	572,265	572,265
Infrastructure	-	-	-	-	-	-	-	786,178	786,178
Special Revenue Funds	-	4,726,656	1,415,545	957,698	-	-	-	973,642	8,073,541
Unassigned:									
General Funds	6,031,314	-	-	-	-	-	-	-	6,031,314
Special Revenue Funds	-	-	-	-	-	(1,143)	-	(47,856)	(48,999)
Total Fund Balances	\$ 6,158,953	\$ 4,847,352	\$ 1,415,545	\$ 957,698	\$ 404,158	\$ (1,143)	\$ 1,592,280	\$ 2,284,229	\$ 17,659,072
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,732,894	\$ 5,686,151	\$ 1,436,509	\$ 1,032,401	\$ 958,191	\$ 345,204	\$ 1,909,560	\$ 2,572,075	\$ 20,672,985

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2016

Total fund balance - total governmental funds	\$ 17,659,072
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets of \$105,430,057 net of accumulated depreciation of \$42,203,031 are not financial resources and, therefore, are not reported in the funds.	\$ 63,227,026
Certain liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at April 30, 2016, were:	
Compensated absences	\$ (561,794)
Accrued interest on bonds payable	(18,037)
Capital lease payable	(570)
Other post employment benefit obligation	(1,919,840)
Net pension liability	(17,956,797)
General obligation bonds payable	<u>(2,494,750)</u> \$ <u>(22,951,788)</u>
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore are reported in the governmental funds, as follows:	
Deferred outflows of resources (related to pensions)	4,180,530
Deferred inflows of resources (related to pensions)	<u>(2,304,157)</u>
Net position of governmental activities	<u>\$ 59,810,683</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

	GENERAL	HOME RULE	HOTEL AND MOTEL TAX	FOOD AND BEVERAGE	TAX REBATES	TIF #2 SHOPPES OF ST. CLAIR	TIF #3 LINCOLN TRAIL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:									
Sales Taxes	\$ 7,415,905	\$ -	\$ -	\$ -	\$ 474,595	\$ -	\$ -	\$ -	\$ 7,890,500
Food and Beverage Taxes	1,623,978	-	-	555,808	-	-	-	-	2,179,786
Home Rule Taxes	4,082,636	2,423,206	-	-	418,094	-	-	-	6,923,936
Income Taxes	1,743,265	-	-	-	-	-	-	-	1,743,265
Property Taxes	38,216	-	-	-	-	311,426	237,930	208,530	796,102
Use Taxes	396,176	-	-	-	-	-	-	-	396,176
Hotel and Motel Taxes	262,867	-	661,470	-	-	-	-	-	924,337
Utility/Franchise Taxes	276,406	-	-	-	-	-	-	-	276,406
Video Game Taxes	102,299	-	-	-	-	-	-	-	102,299
Motor Fuel Taxes	-	-	-	-	-	-	-	436,836	436,836
Business District Taxes	-	-	-	-	88,326	-	-	-	88,326
Licenses and Permits	287,617	-	-	-	-	-	-	-	287,617
Grant	171,662	30,000	-	-	-	-	-	-	201,662
Fines and Fees	505,481	-	-	-	-	-	-	199,547	705,028
Rental	45,128	-	-	-	-	-	-	-	45,128
Donations	6,079	-	-	-	-	-	-	402	6,481
Interest Income	12,567	14,983	3,927	5,027	1,468	190	5,339	8,527	52,028
OPEB Insurance Contributions	-	-	-	-	-	-	-	192,439	192,439
Miscellaneous	162,297	3,837	-	34	-	-	-	35,425	201,593
Total Revenues	\$ 17,132,579	\$ 2,472,026	\$ 665,397	\$ 560,869	\$ 982,483	\$ 311,616	\$ 243,269	\$ 1,081,706	\$ 23,449,945
EXPENDITURES:									
Current									
General Government									
Mayor's Department	\$ 423,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,367
Clerk's Department	1,656,940	-	-	-	-	-	-	142,276	1,799,216
Finance Department	316,972	-	-	1,200	-	-	-	-	318,172
Administration Department	1,038,004	33,903	-	-	-	-	-	-	1,071,907
Municipal Complex	512,688	64,546	-	-	-	-	-	-	577,234
Public Safety									
Police	7,195,368	21,563	-	-	-	-	-	197,437	7,414,368
Emergency Services and Disaster Agency	28,876	-	-	-	-	-	-	-	28,876
Streets and Public Works									
Engineering/Streets	1,543,240	129,447	-	-	-	-	-	-	1,672,687
Public Works	-	-	-	-	-	-	-	-	-
Maintenance	621,438	-	-	-	-	-	-	-	621,438
Land Use and Development	661,397	77,223	-	-	-	-	-	-	738,620
Sales Tax Rebates	-	-	-	-	1,219,269	-	-	-	1,219,269
Tax Increment Financing	-	-	-	-	-	344,393	39,548	613,014	996,955
Culture and Recreation									
Parks	791,243	153,248	28,067	-	-	-	-	-	972,558
Library	102,986	10,216	-	-	-	-	-	508,500	621,702
Tourism	-	-	75,148	-	-	-	-	-	75,148
Debt Service									
Principal	-	-	260,000	985,250	-	-	-	-	1,245,250
Interest	-	-	45,444	27,428	-	-	-	-	72,872
Capital Outlay	104,180	3,069,599	-	-	-	-	-	42,612	3,216,391
Total Expenditures	\$ 14,996,699	\$ 3,559,745	\$ 408,659	\$ 1,013,878	\$ 1,219,269	\$ 344,393	\$ 39,548	\$ 1,503,839	\$ 23,086,030
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,135,880	\$ (1,087,719)	\$ 256,738	\$ (453,009)	\$ (236,786)	\$ (32,777)	\$ 203,721	\$ (422,133)	\$ 363,915
OTHER FINANCING SOURCES (USES):									
Transfers Out	\$ (2,016,649)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,016,649)
Transfers In	1,420,001	-	-	-	-	31,143	23,793	541,712	2,016,649
Total Other Financing Sources (Uses)	\$ (596,648)	\$ -	\$ -	\$ -	\$ -	\$ 31,143	\$ 23,793	\$ 541,712	\$ -
Net Change in Fund Balances	\$ 1,539,232	\$ (1,087,719)	\$ 256,738	\$ (453,009)	\$ (236,786)	\$ (1,634)	\$ 227,514	\$ 119,579	\$ 363,915
Fund Balances, Beginning of Year	4,619,721	5,935,071	1,158,807	1,410,707	640,944	491	1,364,766	2,164,650	17,295,157
Fund Balances, End of Year	\$ 6,158,953	\$ 4,847,352	\$ 1,415,545	\$ 957,698	\$ 404,158	\$ (1,143)	\$ 1,592,280	\$ 2,284,229	\$ 17,659,072

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2016

Net change in fund balances - total governmental funds		\$ 363,915
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported depreciation expense. This is the amount by which capital assets of \$3,216,391 exceeded depreciation of \$2,114,640 in the current period.		\$ 1,101,751
Capital lease proceeds provide current financial resources to governmental funds, but issuing capital leases increases long-term liabilities in the statement of net position. While repayment of lease principal is an expenditure in the governmental funds it reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds.		24,084
Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,245,250
Some income/expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This includes the following:		
(Increase) in compensated absences	\$ (45,876)	
Pension income (expense)	(142,112)	
Decrease in accrued interest	6,255	
(Increase) in other postemployment benefit and pension obligation	<u>(258,826)</u>	
		<u>\$ (440,559)</u>
Change in net position of governmental activities		<u>\$ 2,294,441</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
APRIL 30, 2016

	<u>PENSION TRUST FUND</u>
ASSETS	
Pooled Cash and Cash Equivalents	\$ <u>1,092,024</u>
Total Cash	\$ <u>1,092,024</u>
Interest and Dividends Receivable	\$ 50,363
Prepaid Benefits	\$ 132,719
Investments, at Fair Value	
Common Stock	\$ 11,795,058
Mutual Funds	2,096,178
Government Securities/Fixed Income	<u>9,485,067</u>
Total Investments	\$ <u>23,376,303</u>
Total Assets	\$ <u>24,651,409</u>
LIABILITIES	
Due to General Fund	\$ <u>126,871</u>
Total Liabilities	\$ <u>126,871</u>
NET POSITION	
Held in Trust for Pension Benefits	\$ <u>24,524,538</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
POLICE PENSION TRUST FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>PENSION TRUST FUND</u>
ADDITIONS:	
Contributions	
Employer	\$ 1,300,000
Plan Members	308,697
Buy Back of Creditable Service	<u>69,871</u>
Total Contributions	<u>\$ 1,678,568</u>
Investment Income	
Net Depreciation in Fair Value of Investments	\$ (986,024)
Realized Gain on Sale of Investments	426,980
Interest	154,339
Dividends	<u>252,167</u>
	\$ (152,538)
Less: Investment Expense	<u>\$ 115,577</u>
Total Investment (Loss)	\$ (268,115)
Other Income	<u>\$ 14,368</u>
Total Additions	<u>\$ 1,424,821</u>
DEDUCTIONS:	
Retirement Benefits	\$ 1,494,745
Disability	123,122
Transfer of Contribution	10,000
Taxes Withheld	18
Administrative Expenses	<u>19,439</u>
Total Deductions	<u>\$ 1,647,324</u>
Change in Net Position	\$ (222,503)
Beginning of Year	<u>24,747,041</u>
End of Year	<u>\$ 24,524,538</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Fairview Heights (the "City") was incorporated on October 2, 1969.

The City provides the following services: general government, planning and zoning, police protection, parks and recreation, library, road improvements, and road maintenance. The City is governed by an elected Mayor and City Council members by wards.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and 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 (when applicable). The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City reporting entity, as set forth in Section 2100 of GASB's – Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the Fairview Heights Library is a blended component unit. The Library is governed by a nine-member Board of Trustees appointed by the City's Mayor. The Library is financially accountable to the City as the City's approval is needed for the levy of property taxes for Library operations and to issue bonded debt on behalf of the Library. Separately audited financial statements of the Library are not available.

As required by generally accepted accounting principles, these financial statements present the City and all related organizations for which the City exercises financial accountability. The Police Pension fund has been included as a fiduciary fund due to the fiduciary responsibility exercised over this Pension fund.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or identifiable activity. The City does not allocate indirect expenses to functions in the statement of activities. *Program revenues*, include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements; all non-major funds are aggregated and presented in a single column. The City does not have any proprietary funds.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. 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 reported only when payment is due.

Sales and use taxes, hotel and motel taxes, home rule taxes, franchise taxes (fees), intergovernmental revenue, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of the special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

All other revenue items are considered to be measurable and available only when cash is received by the City.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. The same element of the individual governmental fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental funds combined.
3. In addition, any other governmental fund that the City believes is particularly important to financial statement users may be reported as a major fund. Management has designated the Hotel and Motel Tax fund and Food and Beverage Tax as major.

The City reports the following major governmental funds:

General Fund

General fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not to be paid through other funds are paid from the General fund.

Special revenue funds - Special revenue funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or assigned or committed to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds, all of which are reported as major funds:

<u>FUND</u>	<u>BRIEF DESCRIPTION</u>
Home Rule Fund	A fund established by City ordinance to account for home rule tax revenues and expenditures as legally restricted for City use.
Hotel and Motel Tax Fund	A fund established by City ordinance to account for hotel and motel tax revenues and expenditures as legally restricted.
Food and Beverage Fund	A fund established by City ordinance to account for food and beverage tax revenues and expenditures as legally restricted.
Tax Rebate Fund	A fund established by the City to account for activities related to all tax rebate financing agreements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

<u>FUND</u>	<u>BRIEF DESCRIPTION</u>
TIF #2 Shoppes of St. Clair	A fund established by the City to account for activities related to the Shoppes of St. Clair's tax increment financing district.
TIF #3 Lincoln Trail	A fund established by the City to account for activities related to Lincoln Trail's tax increment financing district.
<u>Other fund types</u>	

The City also reports the following fund types:

Pension trust fund - The pension trust fund reports fiduciary resources held in trust and the receipt, investment, and distribution of retirement contributions. The City's pension trust fund is limited to eligible police officers.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statement.

E. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of less than thirty days.

The City Council adopted formal deposit and investment policies. These policies apply to all City funds not contained in pension trusts. The Finance Director manages all unrestricted investments. Pension trust funds have investment policies separately approved by their respective oversight boards.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund manager based on quoted sales price of the underlying securities. Cash deposits are reported at carrying amounts which reasonably estimates fair value. The composition of pension trust investments, additional cash and investment information, and fair values are presented in Note 2.

Investment income related to other immaterial residual balances in certain other funds is assigned and transferred to the general fund.

F. Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

\$15,000 or more as purchase or construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation is computed using the straight-line method based on various estimated useful asset lives as follows:

Building	20 years
Improvements	20 years
Equipment, Furniture and Fixtures	5 years
Water System	40 years
Sewer, Sidewalks, Streets and Roads	40 years

G. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

H. Compensated Absences

Full-time, part-time, and permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure and departments (police contract varies) within the City. Sick leave accrues to full-time, permanent employees to specified maximums. Permanent part-time employees under Local 148 receive sick time to specified maximums. Generally vacation must be used on a calendar year basis or it is lost. Employees are entitled to a percentage of accrued vacation upon termination. Sick leave carries over, but is lost if the employee quits, but may be credited towards IMRF when they retire. The police contract includes a buyout of sick leave upon retirement. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued liabilities in the government-wide and fiduciary financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

I. Long-Term Obligations

In the government-wide financial statements outstanding debt is reported as liabilities. Bond discounts and premiums are deferred and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources in the current period. Issuance costs are reported as expenditures.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Net Position

Net positions represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

1. Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
2. Restricted Net Position - This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
3. Unrestricted Net Position - This is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

K. Program Revenues

In the statement of activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

1. General Government - Licenses, permits and administration fees. Rental of municipal buildings.
2. Public Safety - Fine revenue, outside employment; operating and capital grants includes U.S. Department of Justice, State of Illinois, Illinois Emergency Management Agency.
3. Streets and Public Works - Permit and developer fees; commercial vehicle and gasoline excise tax shared by the state; operating grants from Illinois Department of Revenue.
4. Culture and Recreation - Rental income, recreation fees and operating grants including state per capita tax.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

L. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net assets and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund Loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund Services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund Reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund Transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government - Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal Balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental activities columns of the statement of net position, except for the residual amounts due between governmental activities, which are reported as internal balances.
2. Internal Activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities. The effects of interfund services between funds, if any, are not eliminated in the statement of activities.

M. Fund Equity

Beginning with fiscal year 2012, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purpose by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Committed Fund Balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used by any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assigned actions.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 during the reporting period. Actual results could differ from those estimates.

O. Deferred Inflows of Resources

The statement of net position and balance sheet - governmental funds reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. These statements report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. New Accounting Pronouncements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, an amendment of GASB Statement No. 27 and No. 50, is effective for periods beginning after June 15, 2014. This standard provides financial reporting guidance for pension plans that are administered through trusts or equivalent arrangements. The City has implemented this reporting for the year ended April 30, 2016.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB No. 68, is effective for periods beginning after June 15, 2014. This standard is to be reported in conjunction with GASB No. 68. The City has implemented this reporting for the year ended April 30, 2016.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS

As of April 30, 2016, the City, had the following certificates of deposit:

<u>INVESTMENTS</u>	<u>MATURITY</u>	<u>COST</u>
First Niagara Bank - Certificate of Deposit	5/27/2016	\$ 245,000
Beal Bank USA - Certificate of Deposit	6/1/2016	245,000
Everbank - Certificate of Deposit	6/5/2017	245,000
State Bank of India - Certificate of Deposit	12/21/2017	129,502
Medallion Bank - Certificate of Deposit	6/4/2018	245,000
Compass Bank - Certificate of Deposit	5/29/2018	245,000
Morton Community Bank - Certificate of Deposit	1/28/2019	245,000
Goldman Sachs Bank USA- Certificate of Deposit	6/3/2020	100,000
Townebank - Certificate of Deposit	5/27/2016	80,000
Discover Bank - Certificate of Deposit	11/14/2017	90,300
American Express Centurion Bank - Certificate of Deposit	5/29/2018	94,711
Goldman Sachs Bank USA- Certificate of Deposit	6/3/2019	80,000
Townebank - Certificate of Deposit	5/27/2016	50,000
Discover Bank - Certificate of Deposit	11/14/2017	50,167
American Express Centurion Bank - Certificate of Deposit	5/29/2018	49,850
Goldman Sachs Bank USA- Certificate of Deposit	6/3/2019	45,000
Townebank - Certificate of Deposit	5/27/2016	100,000
Discover Bank - Certificate of Deposit	11/14/2017	90,300
American Express Centurion Bank - Certificate of Deposit	5/29/2018	89,726
Peoples State Bank of Plainview - Certificate of Deposit	12/10/2019	<u>90,000</u>
Total		<u>\$ 2,609,556</u>

As of April 30, 2016, the Library fund, a blended component unit of the City, had the following certificates of deposit:

<u>INVESTMENTS</u>	<u>MATURITY</u>	<u>COST</u>
Providence Bank- Certificate of Deposit	5/9/2018	\$ 29,486
Providence Bank- Certificate of Deposit	7/9/2016	105,470
First Clover Leaf Bank - Certificate of Deposit	7/28/2018	108,488
First Clover Leaf Bank - Certificate of Deposit	3/25/2020	<u>103,775</u>
		<u>\$ 347,219</u>

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation Insurance (FDIC). Deposited funds may be invested in financial institutions with an established record of fiscal health and service and a long history of dealing with public funds. Collateral agreements must be approved prior to deposit of funds as provided by law.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (CONT'D)

Pension trust investment policy restricts uninvested cash to minimal balances generally covered by the FDIC.

At April 30, 2016, the book balance of the City's cash and investments was \$14,056,750 and the bank balance was \$14,620,366. Of the bank balance, \$3,475,368 was covered by federal depository insurance and \$11,144,998 was covered by collateralized securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City or applicable public trust and \$-0- was uncollateralized.

	CARRYING AMOUNT	BANK VALUE
Cash on Hand	\$ 396	\$ -
Pooled Cash and Cash Equivalents	\$ 10,950,315	\$ 11,514,327
Certificates of Deposit	2,956,775	2,956,775
	\$ 13,907,090	\$ 14,471,102
External Investment Pool:		
The Illinois Funds - Money Market Fund	149,264	149,264
	\$ 14,056,750	\$ 14,620,366

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City policy provides that to the extent practical, investments are matched with anticipated cash flows. The City currently has limited investments to certificate of deposits with short-term maturities to help limit its exposure to fair value losses from increasing rates.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City currently carries operating cash balances in several financial institutions and requires collateral for all amounts over the insured limits. Money market accounts are also used as an intermediary investment to mitigate risk.

Investment Policies

City Policy

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City's investing activities are managed under the custody of the Finance Director. Investing is performed in accordance with investment policies adopted by the City (1) direct obligations of the United States government, its agencies or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged or obligations to the payment of which the full faith and credit of the State is pledged; (2) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations and credit unions located in the City when secured by appropriate collateral; (3) with certain limitations; negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations; (4) public treasurers' investment pool administered by the Illinois State Treasurer; and (5)

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (CONT'D)

other available bank investments, pass books, and savings accounts provided securities are pledged to secure those funds.

The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. U.S. Bank, N.A. serves as custodian for The Illinois Funds. The fair value of the City's investment in The Illinois Funds is the same as the value of the pool shares. Although not subject to direct regulatory oversight, The Illinois Funds is administered in accordance with the provisions of Illinois statute 30 ILCS 235 "Public Funds Investment Act". The Illinois Funds - Money Market Fund is rated AAA by Standard & Poor's. The rating signifies an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

Pension Trust policy

The City's pension trust is the police pension fund.

The Pension Trust is permitted to invest in securities as authorized by the legal list contained in the Illinois Pension Code Section 3-135 and subsequent amendments and by the Public Funds Investment Act (30 ILCS 235/0.01). All investments made by the Pension Trust were authorized.

Investment policies provide for investment managers who have full discretion of assets allocated to them subject to the overall investment guidelines set out in the policies. Manager performance is reviewed by the pension board. Overall investment guidelines provide for diversification and allow investments as described above. The plan addresses custodial credit risk with policy providing for the engagement of a custodian who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items, and provides periodic accounting to the pension board.

Asset allocation guidelines for the plan are as follows:

	<u>MINIMUM</u>	<u>MAXIMUM</u>
Equities	20%	65%
Fixed Income (Greater than One Year)	33%	78%
Cash Equivalents	2%	20%

The composition of pension trust fund investments at fair value is shown on the following table, collateral risk categories are not included:

<u>DESCRIPTION</u>	<u>VALUE</u>	<u>COST</u>
Domestic Common Stocks	\$ 11,795,057	\$ 9,997,016
U.S. Treasury Notes	4,067,075	4,038,028
FHLMC	655,008	704,848
FNMA	1,406,360	1,345,555
Corporate Bonds	3,100,908	3,038,553
Municipal Bonds	255,717	252,024
Mutual Funds	2,096,178	2,080,545
	<u>\$ 23,376,303</u>	<u>\$ 21,456,569</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 2. CASH, CERTIFICATES OF DEPOSIT, AND INVESTMENTS (CONT'D)

Credit Risk - The fund limits credit risk based on its investment policy by investing in top rated securities generally in government and government agency securities.

The City was in compliance with all investment policies at April 30, 2016.

NOTE 3. PROPERTY TAXES RECEIVABLE

The City has not levied any property taxes in the current or prior years. The City receives from the townships, one-half of the township road tax produced by the property within the limits of the municipality. Within one year of receipt of the money, the amount must either be budgeted or returned. These governments levy taxes annually prior to December 31 of each year. Property taxes are attached as an enforceable lien on property as of January 1st. Property taxes are mailed in the year following the assessment year. 2014 property taxes were payable in two installments; July 1, 2015 and September 1, 2015. The County Treasurer bills and collects the property taxes. The City receives its portion from these governments after those dates. Taxes recorded in these financial statements are from the 2014 and prior tax levies.

NOTE 4. CAPITAL ASSETS

Changes in Capital Assets

The following provides a summary of changes in capital assets:

	<u>BALANCE AT</u> <u>MAY 1, 2015</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE AT</u> <u>APRIL 30, 2016</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 9,270,628	\$ -	\$ -	\$ 9,270,628
Construction in Progress	<u>789,824</u>	<u>356,824</u>	<u>(562,194)</u>	<u>584,454</u>
 Total Capital Assets Not Being Depreciated	 <u>\$ 10,060,452</u>	 <u>\$ 356,824</u>	 <u>\$ (562,194)</u>	 <u>\$ 9,855,082</u>
 Other Capital Assets				
Buildings	\$ 14,328,889	\$ 386,249	\$ -	\$ 14,715,138
Other Improvements	3,054,688	533,242	-	3,587,930
Machinery and Equipment	11,204,971	729,082	(400,190)	11,533,863
Infrastructure	<u>63,964,857</u>	<u>1,773,187</u>	<u>-</u>	<u>65,738,044</u>
 Total Other Capital Assets at Historical Costs (Carried Forward)	 <u>\$ 92,553,405</u>	 <u>\$ 3,421,760</u>	 <u>\$ (400,190)</u>	 <u>\$ 95,574,975</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 4. CAPITAL ASSETS (CONTD)

	<u>BALANCE AT</u> <u>MAY 1, 2015</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE AT</u> <u>APRIL 30, 2016</u>
Total Other Capital Assets at Historical Costs (Brought Forward)	\$ 92,553,405	\$ 3,421,760	\$ (400,190)	\$ 95,574,975
Less Accumulated Depreciation for				
Buildings	\$ 6,195,086	\$ 398,346	\$ -	\$ 6,593,432
Other Improvements	2,224,066	101,413	-	2,325,479
Machinery and Equipment	8,485,292	510,877	(400,190)	8,595,979
Infrastructure	<u>23,584,137</u>	<u>1,104,004</u>	<u>-</u>	<u>24,688,141</u>
Total Accumulated Depreciation	<u>\$ 40,488,581</u>	<u>\$ 2,114,640</u>	<u>\$ (400,190)</u>	<u>\$ 42,203,031</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,125,276</u>	<u>\$ 1,663,944</u>	<u>\$ (562,194)</u>	<u>\$ 63,227,026</u>

For the year ended April 30, 2016, the City received donated streets of \$-0- .

Depreciation expense was charged to functions as follows in the statement of activities:

PRIMARY GOVERNMENT:

Governmental Activities	
General Government	
Executive	\$ 30,606
Municipal Complex	87,191
Police Safety	
Police	285,716
EDSA	44,408
Street and Public Works	
Engineering/Streets	1,386,732
Public Works Maintenance	15,409
Land Use and Development	-
Culture and Recreation	
Parks	139,932
Library	48,713
Tourism	75,933
Total Depreciation for Governmental Activities	<u>\$ 2,114,640</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 5. LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds are issued by the City for various municipal projects. These bonds are secured by property taxes, with the levy annually abated and payments made from the general revenues of the City. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City. The City has no debt outstanding subject to legal debt limitations. The City's borrowing capacity is restrained by maintaining the City's debt at a reasonable level. Other debt issued to support governmental activities is repaid as follows: compensated absences are paid from the fund responsible for the employee's compensation with significant liabilities payable from the general fund; lease obligations are primarily paid from the general fund.

Changes in long-term debt

The following is a summary of changes in long-term debt for the year ended April 30, 2016:

DESCRIPTION AND PURPOSE	BALANCE MAY 1, 2015	ISSUED	RETIRED	BALANCE APRIL 30, 2016	DUE WITHIN ONE YEAR
Governmental Activities					
Compensated					
Absences	\$ 515,918	\$ 662,899	\$ 617,023	\$ 561,794	\$ 60,109
General Obligation					
Bonds	3,740,000	-	1,245,250	2,494,750	880,000
Total	<u>\$ 4,255,918</u>	<u>\$ 662,899</u>	<u>\$ 1,862,273</u>	<u>\$ 3,056,544</u>	<u>\$ 940,109</u>

The City has general obligation debt service requirements at April 30, 2016, on bond issues as follows:

1. A general obligation bond issue of \$2,080,000 dated December 23, 2014 provides for the serial retirement of the principal at varying rates annually over the life of the issue with final payment on January 1, 2019. Interest is payable on these bonds on January 1 and July 1 of each year at a rate of 1.29 percent per annum. The proceeds from this issue were used to advance refund \$2,045,000 of General Obligation Bonds Series 2005 dated September 15, 2015.
2. A general obligation bond issue of \$2,630,000 dated January 1, 2011, provides for the serial retirement of the principal at varying rates over the life of the issue with final payment on January 1, 2021. Interest is payable on these bonds on January 1 and July 1 of each year at rates varying from 2 percent to 3.125 percent per annum with an average interest rate of 2.59 percent. The proceeds of this issue were used to advance refund \$2,525,000 of General Obligation Bonds Series 2001 dated March 15, 2001.

The annual debt service requirements of the City for retirement of General Obligation bond principal and payment of interest coupons by fiscal year are as follows at April 30, 2016:

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 5. LONG-TERM DEBT (CONT'D)

PAYABLE DURING THE YEAR ENDED	GENERAL OBLIGATION BOND SERIES DTD 12/23/14		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2017	\$ 629,126	\$ 615,000	\$ 14,126
April 30, 2018	246,192	240,000	6,192
April 30, 2019	242,846	239,750	3,096
	<u>\$ 1,118,164</u>	<u>\$ 1,094,750</u>	<u>\$ 23,414</u>

PAYABLE DURING THE YEAR ENDED	GENERAL OBLIGATION BOND SERIES DTD 1/1/11		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2017	\$ 304,984	\$ 265,000	\$ 39,984
April 30, 2018	309,419	275,000	34,419
April 30, 2019	306,167	280,000	26,167
April 30, 2020	302,769	285,000	17,769
April 30, 2021	304,219	295,000	9,219
	<u>\$ 1,527,558</u>	<u>\$ 1,400,000</u>	<u>\$ 127,558</u>

PAYABLE DURING THE YEAR ENDED	TOTAL ALL BONDS		
	TOTAL	PRINCIPAL	INTEREST
April 30, 2017	\$ 934,110	\$ 880,000	\$ 54,110
April 30, 2018	555,611	515,000	40,611
April 30, 2019	549,013	519,750	29,263
April 30, 2020	302,769	285,000	17,769
April 30, 2021	304,219	295,000	32,633
	<u>\$ 2,645,722</u>	<u>\$ 2,494,750</u>	<u>\$ 174,386</u>

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Generally, outstanding balances between funds are reported as "due to/from other funds" including outstanding charges by one fund to another for services or goods outstanding at year-end, and other miscellaneous, receivable/payables between funds.

The following schedule reports receivables and payables within the reporting entity at fiscal year-end:

DUE FROM	DUE TO	AMOUNT
Governmental Activities/Major Governmental Funds	Governmental Activities/Major Governmental Funds	
General Fund	TIF #1 Bunkum Road	\$ 1,566
General Fund	TIF #2 Shoppes of St. Clair	2,274
General Fund	TIF #3 Lincoln Trail	1,737
Food and Beverage Fund	General Fund	74,703
Home Rule Fund	General Fund	731,184
		<u>\$ 811,464</u>

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONT'D)

DUE FROM	DUE TO	AMOUNT
	Governmental Activities/Major	
Fiduciary Funds	Governmental Funds	
Police Pension Fund	General Fund/Police Pension Fund	<u>\$ 126,871</u>

The following is a summary of transfers during the year ended April 30, 2016:

TRANSFER FROM	TRANSFER TO	AMOUNT
General Fund	General Fund/Capital Reserve Fund	\$ 110,000
General Fund	Library	520,859
General Fund	Police Pension	1,310,001
General Fund	TIF #1 Bunkum Road	20,853
General Fund	TIF #2 Shoppes of St. Clair	31,143
General Fund	TIF #3 Lincoln Trail	<u>23,793</u>
		<u>\$ 2,016,649</u>

The general fund transfer to the capital reserve fund was used to increase the equity in the capital reserve fund.

The general fund transfer to the library fund was used to transfer additional revenue to the library fund to meet the fiscal needs of the Library Board in lieu of assessing their property tax levy request.

The general fund transfer to the police pension fund was used to transfer revenue to the police pension fund to cover the City's retirement contribution.

The general fund transfers to TIF #1 Bunkum Road as required by Illinois TIF Section 11-74.4-3 was used to pay the developer the additional 10 percent add on for non-corporate taxes.

The general fund transfer to TIF #2 Shoppes of St. Clair as required by Illinois TIF Section 11-74.4-3 was used to pay the developer the additional 10 percent add on for non-corporate taxes.

The general fund transfer to TIF #3 Lincoln Trail as required by Illinois TIF Section 11-74.4-3 was used to reimburse TIF #3 Lincoln Trail the additional 10 percent contribution for the current year and all prior years.

NOTE 7. SALES TAX REBATES

Pursuant to Ordinance Number 1037-2001, and as subsequently amended, approving the Lincoln Place Phase II Businesses District Plan, the City authorized a sales tax rebate program with the developer (The Koman Group). The agreement calls for the City to pay the developer 80 percent of the sales tax collected from stores located in the development. The City pursuant to Ordinance 1079-2002 provided for the issuance of a developer note in the amount of \$5,045,000 plus interest at 6.5 percent payable annually on April 28 for 20 years from the date of the note. The note was dated February 5, 2002, with

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 7. SALES TAX REBATES (CONT'D)

the first installment to be paid April, 2002. The City made a current payment of \$539,316. Cash representing the amount of rebate due under terms of this agreement has been set aside and restrictions have been placed on the accounts. At April 30, 2016, the amount of cash restricted for current and future payments under this agreement was \$123,926. The developer (The Koman Group) sold the notes listed here underlying the sales tax rebate agreements to the Southwestern Illinois Development Authority (SWIDA) during the April 30, 2003 year. SWIDA issued bonds supported by the payment of the notes. The only change relating to the City based on this sale was a change in the location for the payments. The City's payments and all subsequent payments will be made to UMB Bank, NA as trustee for the bond holder. The balance owed is not presented in the accompanying financial statements because they are considered to be commitments and will not be a liability unless certain events occur in the future.

Pursuant to Ordinance Number 1620-2013, the City authorized a sales tax rebate program with Fairview Heights 881 Fee, LLC, the developer of Fairview City Centre. The agreement calls for the City to pay the developer 12.5 percent of the sales tax collected from stores located in the development. The developer met the requirements of the agreement as of January 1, 2016. Current year payment is payable in the amount of \$69,567 as of April 30, 2016. Cash representing the amount of rebate due under terms of this agreement has been set aside and restrictions have been placed on the accounts. At April 30, 2016, the amount of cash restricted for current and future payments under this agreement was \$20,944.

Pursuant to Ordinance Number 1273-05 authorizing a sales tax rebate program with PK Fairview, LLC requiring a payment equal to 75 percent of the incremental sales tax revenue arising from sales by retailers in the development, the City is responsible for reimbursing up to \$1,500,000 in costs and had received documentation of \$1,041,654. The agreement began on November 15, 2005 and continues thereafter for a maximum period of 10 years. The City made payments under this agreement of \$12,487 in fiscal year 2016. The agreement terminated November 2015 therefore there is no amount due as of April 30, 2016.

Pursuant to Ordinance Number 1259-2005 authorizing a pledge of limited incremental sales tax revenues and the creation of business district tax with the developer (Shoppes of St. Clair Square, LLC), the City is responsible to pay the developer 100 percent of all sales tax revenue within the development. The City is entitled to receive annually for a maximum of 20 years of which the increase in the aggregate amount of sales and similar taxes paid to the City arising from sales within the redevelopment project area over and above the amount of such taxes paid to the City during the calendar year preceding the agreement, minus any amounts paid under the TIF revenue. The business district tax the City imposed is 1/2 percent sales tax on all retailers and servicemen operating within the Business District Area. The City agrees to reimburse the developer for verified reimbursable redevelopment project costs in an amount not to exceed \$5,000,000 plus insurance costs. The developer shall delineate the portion that shall be TIF notes, business district tax notes, and/or limited incremental sales tax notes. The developer has requested \$1,316,000 as business district tax notes for a term of 23 years. The remaining balance of \$3,684,000 is pledged by TIF revenues and limited incremental sales tax revenues. The City made payments under this agreement of \$482,884 in fiscal year 2016. Cash representing the amount of rebate due under the terms of this agreement have been set aside and restrictions have been placed on the accounts. At April 30, 2016, the amount of cash restricted for current and future payment under this agreement was \$103,464. The balance owed is not presented in the accompanying financial statements because they are considered to be commitments and will not be a liability unless certain events occur in the future.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 8. TAX INCREMENT FINANCING DISTRICTS

Pursuant to Ordinance 1259-2005 approving the redevelopment plan authorizing reimbursement of development costs under the "TIF Act" with the developer (Shoppes of St. Clair, LLC). The agreement calls for the City to pay the developer TIF revenues which represent the amount attributable to the increase in the current equalized assessed valuation. The TIF note in conjunction with the limited incremental sales tax note is for \$3,684,000 and will be for a term of 23 years from issuance. The City made payments under this agreement of \$342,560 in fiscal year 2016. Cash representing the amount of taxes due under the terms of this agreement has been set aside and restrictions have been placed on the accounts. At April 30, 2016, the amount of cash restricted for current and future payments under this agreement was \$-0-. The City signed an Intergovernmental Cooperation Agreement with the other Taxing Districts located within the TIF area. In an effort to replace tax revenues lost by the Taxing Districts and facilitate the redevelopment of the TIF area and the Business District in accordance with the TIF plan, the proposed business district plan, the TIF Act and the Business District Act, the City hereby pledges and agrees to pay from the limited incremental sales tax revenues to the Taxing Districts an amount equal to 66.67 percent of the Business District tax revenues but not more than a maximum amount equal to 75 percent of the TIF revenues. The distribution percentage share for each Taxing District is based on their respective portion of the real estate tax rate at the time of the agreement to the total of all the Taxing Districts. The City made payments under this agreement of \$58,340 by April 30, 2016.

Pursuant to Ordinances 1379-07, 1380-07, and 1381-07 approving the Tax Increment Redevelopment Plan and Project for the Lincoln Trail Redevelopment Project Area authorizing reimbursement of development costs under the "TIF Act" with the developers. The agreement calls for the City to pay the developers TIF revenues which represent the amount attributable to the increase in the current equalized assessed valuation. The City signed an Intergovernmental Cooperation Agreement with some of the taxing districts located within the TIF area. The taxing districts desire to undertake capital improvements that qualify as redevelopment project costs and have said costs paid, in whole or in part, from funds from the TIF area. The City had a balance payable to taxing districts under this agreement of \$32,263. Cash representing the amount of taxes due under terms of this agreement have been set aside and restrictions have been placed on the accounts. At April 30, 2016, the amount of cash restricted for current and future payments under this agreement was \$1,622,806.

NOTE 9. LEASE REVENUE

The City has a lease agreement with Crown Castle International Corp. for rental of a parcel of property on which an antenna and equipment base is stationed. The terms of the agreement are based on 5 year increments. After each 5 year period, the next term will be automatically renewed for 5 years unless canceled by either party. Rent under this agreement will be paid in annual installments of \$10,000 and increase at each renewal date as set forth in the contract.

The City has a lease agreement with AT&T Mobility for rental of a parcel of property on which communications equipment will be stationed. The terms of this agreement are based on 5 year increments. After each 5 year period, the next term will be automatically renewed for 5 years unless canceled by either party. Rent under this agreement will be paid in monthly increments of \$480 and increase at each renewal date as set forth in the contract.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 9. LEASE REVENUE (CONT'D)

The City has a lease agreement with the Fountains at Fairview Heights L.L.C. for rental of a conference/convention center located in the Fountains of Fairview Development. This is a lease for 20 years and rent under this agreement is \$1 due and payable on the first day of each year.

Minimal rentals on leases for the next five years are as follows:

5/1/16 - 4/30/17	\$ 45,730
5/1/17 - 4/30/18	45,730
5/1/18 - 4/30/19	45,730
5/1/19 - 4/30/20	45,730
5/1/20 - 4/30/21	45,730

Several of the leases included in the balances shown in the previous schedule include rental amounts that are determined annually based on formulas prescribed in the individual lease agreements. The minimum future rentals for these leases were determined using the rates in effect at fiscal year-end.

NOTE 10. OPERATING LEASES

The City has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For the year ended April 30, 2016, rentals approximated \$65,000 for such leases. These leases primarily support governmental activities.

Minimum rentals on leases for future years are as follows:

5/1/16 - 4/30/17	\$ 40,234
5/1/17 - 4/30/18	30,107
5/1/18 - 4/30/19	29,148
5/1/19 - 4/30/20	18,441
5/1/19 - 4/30/20	2,268

NOTE 11. CAPITAL LEASES

The City entered into a capital lease agreement with US Bancorp on September 7, 2011, to purchase a Toshiba eStudio copier with a cost of \$6,064. This lease has an interest rate of 4.84 percent and requires monthly payments of \$114 for a period of five years.

Minimum lease payments for future years are as follows:

	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
5/1/16 - 4/30/17	570	563	7

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 12. RESTRICTED ASSETS

The City, pursuant to ordinances establishing sales tax rebate agreements and tax increment financing agreements, was required to establish bank accounts to be used to hold the income generated by these agreements between payment dates. The balance of \$1,871,141 represents amounts due and payable either currently or in the future based on the terms of these agreements. The funds are not available for use by the City until the rebates have been paid in full or the time period for payments has elapsed.

The City restricted a portion of the real estate tax collected under the TIF #1 Bunkum Road tax increment financing agreement for future sewer projects. At April 30, 2016, an amount of \$589,727, was restricted to pay for the future sewer projects.

NOTE 13. RETIREMENT PLANS

A. Illinois Municipal Retirement Fund defined benefit pension plan

Plan Description - The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

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).

All three IMRF benefit plans have two tiers. 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.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 13. RETIREMENT PLANS (CONT'D)

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.

Employees covered by benefit terms - As of December 31, 2015, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	71
Inactive Plan Members entitled to but not yet receiving benefits	65
Active Plan Members	80
Total	216

Contributions - As set by statute, the City'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 City's annual contribution rate for calendar year 2015 was 11.79%. For the calendar year December 31, 2015, the City contributed \$496,412 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net pension liability - The City'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 following are the methods and assumptions used to determine total pension liability at December 31, 2015:

The **Actuarial Cost Method** used was Entry Age Normal.

The **Asset Valuation Method** used was Market Value of Assets.

The **Inflation Rate** was assumed to be 2.75%.

Salary Increases were expected to be 3.75% to 14.50%, including inflation.

The **Investment Rate of Return** was assumed to be 7.48%.

Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 13. RETIREMENT PLANS (CONT'D)

For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

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

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>ASSET CLASS</u>	<u>PORTFOLIO TARGET PERCENTAGE</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN</u>
Domestic Equity	38 %	7.60 %
International Equity	17	7.80
Fixed Income	27	3.00
Real Estate	8	6.15
Alternative Investments	9	5.25-8.50
Cash Equivalents	1	2.25
Total	<u>100</u>	

Single discount rate - A Single Discount Rate of 7.48% 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 7.48%.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 13. RETIREMENT PLANS (CONT'D)

Changes in Net Pension Liability

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY (A)-(B)
Balance at December 31, 2014	\$ 25,965,521	\$ 24,107,044	\$ 1,858,477
Changes for the year:			
Service Cost	\$ 452,292	\$ -	\$ 452,292
Interest on the Total Pension Liability	1,915,308	-	1,915,308
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(111,131)	-	(111,131)
Changes of Assumptions	32,279	-	32,279
Contributions - Employer	-	496,412	(496,412)
Contributions - Employees	-	189,470	(189,470)
Net Investment Income	-	119,149	(119,149)
Benefit Payments, Including Refunds of Employee Contributions	(1,240,272)	(1,240,272)	-
Other (Net Transfer)	-	152,432	(152,432)
Net Changes	<u>\$ 1,048,476</u>	<u>\$ (282,809)</u>	<u>\$ 1,331,285</u>
Balance at December 31, 2015	<u>\$ 27,013,997</u>	<u>\$ 23,824,235</u>	<u>\$ 3,189,762</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, 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 6.48%	CURRENT SINGLE DISCOUNT RATE 7.48%	1% INCREASE 8.48%
Net Pension Liability	\$ 6,692,639	\$ 3,189,762	\$ 311,261

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

For the year ended December 31, 2015 the City recognized pension expense of \$547,628. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 13. RETIREMENT PLANS (CONT'D)

DEFERRED AMOUNTS RELATED TO PENSIONS	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Deferred Amounts to Be Recognized in Pension Expense in Future Periods:		
Difference Between Expected and Actual Experience	\$ -	\$ 83,119
Changes of Assumption	24,143	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,339,045	-
Total Deferred Amounts to Be Recognized in Pension Expense in Future Periods		
Pension Contributions Made Subsequent to the Measurement Date	356,015	-
Total Deferred Amounts Related to Pensions	\$ 1,719,203	\$ 83,119

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	\$ 670,900
2017	314,885
2018	315,537
2019	334,762
2020	-
Thereafter	-
Total	\$ 1,636,084

B. Police Officers' Pension

Plan Description

Plan Administration

The Plan is administered by a Board of Trustees comprised of:

- Two members appointed by the City,
- Two active members of the Police Department elected by the Membership
and one retired Member of the Police Department elected by the Membership.

At April 30, 2016, the Police Pension membership consisted of:

Active plan members	44
Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	7
Total	77

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 13. RETIREMENT PLANS (CONT'D)

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Age: Tier 1: Age 50 and 20 years of service.

Tier 2: Age 55 with 10 years of service.

Benefit: 2.50% of Average Final Compensation times Credited Service.

Early Retirement:

Age: Tier 1: Age 60 and 8 years of service.

Tier 2: Age 50 with 10 years of service.

Benefit: Determined as for Normal Retirement; Benefit for members hired after January 1, 2011 is reduced 6.00% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination):

Tier 1: Less than 8 years: Refund of accumulated contributions without interest. 8 or more: Refund of Contributions or accrued benefit payable at retirement age.

Tier 2: Less than 10 years: Refund of accumulated contributions without interest. 10 or more: Refund of Contributions or accrued benefit payable at retirement age.

Disability:

Eligibility: Total and permanent as determined by the Board of Trustees.

Benefit: Benefit accrued to date of disability. Minimum benefit for Service Incurred is 65% of AFC.

For Non-Service Incurred benefit is 50% of Salary.

Pre-Retirement Death Benefits:

Service Incurred: 100% of Salary.

Non-Vested: Refund of Required Contribution Account.

Cost-of-Living Adjustments:

Tier 1: Retirees - 3.00% per year upon attaining age 55. For retirements prior to age 55, 1/12 of 3.00% per month benefit commences prior to reaching age 55. Disabled Retirees - annual increase of 3.00% of the original benefit amount upon attaining age 60. For disablements prior to age 60, 3.00% of original benefit per year benefit commenced prior to age 60.

Tier 2: An annual increase equal to the lesser of 3.00% per year or 1/2 the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1 of the original pension after attaining age 60.

Contributions

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2041.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 13. RETIREMENT PLANS (CONT'D)

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of April 30, 2016:

ASSET CLASS	TARGET ALLOCATION
Cash (US\$ 90-day T-bill)	3%
US Short Term Investment Grade Bonds	10%
US Investment Grade Bonds	28%
US Large-Cap Value Stocks	19%
US Large-Cap Growth Stocks	19%
US Mid-Cap Core Stocks	6%
US Small-Cap Core Stocks	5%
International Equities	10%
Total	100%

Rate of Return:

For the year ended April 30, 2016, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was not available.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Employer

The components of the net pension liability of the employer on April 30, 2016 were as follows:

Total Pension Liability	\$ 39,291,574
Plan Fiduciary Net Position	(24,524,539)
Employer's Net Pension Liability	\$ 14,767,035

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.42%
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Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of May 1, 2016 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.50%

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 13. RETIREMENT PLANS (CONT'D)

Mortality Rate: RP-2000 Combined Healthy Mortality, projected to the valuation date with Scale BB. Disabled Mortality Rate: RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB. Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.

The demographic assumptions used in the May 1, 2016 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance in 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of April 30, 2016 are summarized in the following table:

ASSET CLASS	LONG-TERM EXPECTED REAL RATE OF RETURN
Cash (US\$ 90-Day T-bill)	0.8%
US Short Term Investment Grade Bonds	1.4%
US Investment Grade Bonds	2.5%
US Large-Cap Value Stocks	7.5%
US Large-Cap Growth Stocks	7.8%
US Mid-Cap Core Stocks	8.2%
US Small-Cap Core Stocks	9.2%
International Equities	7.6%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 6.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For purpose of this valuation, the expected rate of return on pension plan investments is 6.50 percent; the municipal bond rate is 3.32 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve); and the resulting single discount rate is 6.50 percent.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 13. RETIREMENT PLANS (CONT'D)

Changes in Net Pension Liability

	TOTAL PENSION LIABILITY	PLAN FIDUCIARY NET POSITION	NET PENSION LIABILITY
Balances at April 30, 2015	\$ 38,936,454	\$ 24,747,040	\$ 14,189,414
Changes For a Year:			
Service Cost	\$ 839,355	\$ -	\$ 839,355
Interest	2,532,522	-	2,532,522
Differences Between Expected and Actual Experience	(2,591,212)	-	(2,591,212)
Changes of Assumptions	1,132,453	-	1,132,453
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,300,000	(1,300,000)
Contributions - Employee	-	308,698	(308,698)
Contributions - Buy Back	69,871	69,871	-
Net Investment Income	-	(253,744)	253,744
Benefit Payments, Including Refunds of Employee Contributions	(1,627,869)	(1,627,869)	-
Administrative Expenses	-	(19,457)	19,457
Net Changes	<u>\$ 355,120</u>	<u>\$ (222,501)</u>	<u>\$ 577,621</u>
Balances at April 30, 2016	<u>\$ 39,291,574</u>	<u>\$ 24,524,539</u>	<u>\$ 14,767,035</u>

Sensitivity of the net pension liability to changes in the discount rate

	1% DECREASE 5.50%	CURRENT DISCOUNT RATE 6.50%	1% INCREASE 7.50%
Employer's Net Pension Liability	\$ 20,514,262	\$ 14,767,035	\$ 10,083,469

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

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

For the year ended April 30, 2016, the employer will recognize pension expense of \$1,637,332. On April 30, 2016, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 13. RETIREMENT PLANS (CONT'D)

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

YEAR ENDED APRIL 30,	
2017	\$ 164,270
2018	164,269
2019	164,269
2020	164,269
2021	(208,394)
Thereafter	(208,394)

Related party transactions

There are no related party transactions that need to be disclosed.

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Difference Between Expected and Actual Experience	\$ -	\$ 2,221,038
Changes of Assumptions	970,674	-
Net Difference Between Projected and Actual Earnings on Pension		
Plan Investments	1,490,653	-
Total	\$ 2,461,327	\$ 2,221,038

NOTE 14. OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description - The City of Fairview Heights' defined other postemployment benefit plan (OPEB) is a single-employer defined benefit healthcare Plan that is administered by the City and covers retired employees of the City and their dependents. The Plan provides for the continuation of health care benefits for eligible retired employees. The City has the authority to establish and amend benefit provisions of the plan. The Plan does not issue a separate publicly available report.

Funding Policy - The Plan makes available to all employees who retire and their dependents the option to continue healthcare coverage under the City's group health program by contributing the monthly premium. Retirees contribute 100 percent of the premium for the level and type of coverage. The City pays 100 percent of the premium for duty-disabled police officers and their families. For the 2016 fiscal year, the annual pay-as-you-go cost is approximately \$189,570 (2.8 percent of payroll).

As of April 30, 2016, the Plan has ten retirees and five disabled officers receiving benefits and ninety-eight active participants.

Annual OPEB Cost and Net OPEB Obligation - The City engaged an actuarial firm to determine the estimated obligation associated with OPEB as of April 30, 2016, as well as the annual required contribution (ARC) for funding this obligation in accordance with the parameters of GASB Statement No. 45 for employers with more than one hundred total plan members. Based on this report, including

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 14. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

assumptions that the ARC is not fully funded, the ARC for the City in fiscal year 2016 was \$473,925. The City's annual OPEB cost is calculated based on the ARC. The ARC represents a level of funding, that if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year ended April 30, 2016, the actual amount contributed to the plan, and changes in the City's net OPEB obligation to the plan:

	<u>POLICE</u>	<u>MUNICIPAL</u>	<u>TOTAL</u>
Annual Required Contribution	\$ 399,390	\$ 74,535	\$ 473,925
Interest on OPEB Obligation	62,754	3,686	66,440
Adjustment to Annual Required Contribution	(87,237)	(5,124)	(92,361)
Annual OPEB Cost (Expense)	\$ 374,907	\$ 73,097	\$ 448,004
Contributions Made	(145,563)	(43,615)	(189,178)
Increase in Net OPEB Obligation	\$ 229,344	\$ 29,482	\$ 258,826
Net OPEB obligation - May 1, 2015	<u>1,568,854</u>	<u>92,160</u>	<u>1,661,014</u>
 Net OPEB Obligation - April 30, 2016	 <u>\$ 1,798,198</u>	 <u>\$ 121,642</u>	 <u>\$ 1,919,840</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended April 30, 2016 and the two preceding years are as follows:

<u>YEAR ENDED</u>	<u>ANNUAL OPEB COST</u>	<u>PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED</u>	<u>NET OPEB OBLIGATION</u>
04/30/16	\$ 448,004	42.20 %	\$ 1,919,840
04/30/15	457,798	43.00	1,661,014
04/30/14	461,129	39.60	1,400,282

Funded status and funding progress - The funded status of the Plan based on the most recent actuarial valuation as of April 30, 2016 is as follows:

	<u>POLICE</u>	<u>MUNICIPAL</u>	<u>TOTAL</u>
Actuarial accrued liability (AAL)	\$ 4,286,462	\$ 784,152	\$ 5,070,614
Actuarial value of plan assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,286,462</u>	<u>\$ 784,152</u>	<u>\$ 5,070,614</u>
Funded ratio (actuarial value of plan assets / AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan members)	\$ 3,903,243	\$ 2,821,541	\$ 6,724,784
UAAL as a percentage of covered payroll	109.8%	27.8%	75.4%

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 14. OTHER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

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.

Actuarial methods and assumptions - The projection of future benefit payments for an ongoing plan involves 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 trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the City and employees) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs to the City to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the actuarial valuation for the fiscal year ended April 30, 2016, the entry age normal cost method was used.

The following simplifying assumptions were made:

Retirement age for active employees - Active plan members were assumed to retire at age 50 (police) or 55 (municipal) or the first year thereafter in which the member would qualify for benefits. If an employee would not yet qualify for 5 years of benefits, then the employee is assumed to work until he/she has accumulated enough years of vested service to obtain benefits until they reach Medicare eligibility (age 65).

Mortality - Probabilities of death for participants were according to RP2000 Blue Collar table projected to 2016 using scale AA for Police. For all others the RP2000 table projected to 2016 using scale AA was used. No additional provision was included for mortality improvements beyond 2016.

Healthcare cost trend rate - An annual healthcare cost trend rate of 8.5% initially, reduced to an ultimate rate of 4.5% after eight years. Rates include a 2.5% general inflation assumption.

Health insurance premiums - Health insurance premiums for employees for the year ended April 30, 2016 were used as the basis for the calculation of the present value of total benefits to be paid.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 4 percent was used.

The unfunded actuarial accrued liability (UAAL) is being amortized over 30 years as a level dollar amount.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 15. CONTINGENT LIABILITIES

A. Litigation

Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the City. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

In the opinion of management, all other such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the City if disposed of unfavorably.

B. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

C. State Motor Fuel Tax Fund

This fund is under the direct supervision of state authorities and is subject to audit and review by them. Therefore, this report does not constitute final approval. Under current procedures, the allotments of the City are being received from the State of Illinois each month. These allotments, however, may be expended only for specific expenditures that have been approved by the Department of Transportation, State of Illinois.

D. Capital Improvements

The City has entered into construction contracts for approximately \$560,177 for road and bridge improvements. The City is in the preliminary design and planning phases for various other capital improvements.

NOTE 16. DEFERRED COMPENSATION PLAN

The City has two deferred compensation plans set up in accordance with the Internal Revenue Code Section 457. The plans are administered by independent plan administrators through administrative service agreements. Employees defer a portion of their salary until future years.

Deferred compensation is not available to employees until termination, retirement, death or financial hardship. The City's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust, with the City serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purposes. The City's beneficial ownership of plan assets will

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 16. DEFERRED COMPENSATION PLAN (CONT'D)

be held for the future exclusive benefit of the plan for the exclusive benefit of participants and beneficiaries and as such the total of these investments are not included in this statement.

It is the opinion of the City's legal counsel that the City, as trustee, has no liability for plan losses but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters for which the City purchases commercial insurance or participates in a risk management association, which is a statewide association of local governments that share costs and risk by membership with no direct assessment based on specific annual claims of participants. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years. The City is responsible for remitting its required contributions each year and reduces risk of loss through these payments. Management believes such coverage is sufficient to preclude any significant unissued losses to the City.

NOTE 18. COMMITMENTS

On August 23, 2011 the City entered into an Intergovernmental agreement with Caseyville Township to pay a portion of the costs incurred by the Township resulting from providing sanitary sewer services to Weinel Hills. The agreement calls for the City to pay the Township a maximum of \$85,000 per year in two lump sums of \$42,500 for twenty years once said sewer services have begun under the agreement. Sewer services have started and the final agreement calls for the City to pay the Township \$60,682 per year in two lump sums of \$30,341 starting in October 2014. A total of \$60,682 was made in fiscal year 2015.

NOTE 19. SUBSEQUENT EVENTS

The City entered into contracts totaling \$1,260,471 for various road improvements and professional services.

NOTE 20. EXPENDITURES OVER BUDGET

The City operated within the legal confines of the budget during the fiscal year ended April 30, 2016 except the following:

TIF #2 Shoppes of St. Clair Fund	\$ <u>14,393</u>
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NOTE 21. CHANGE IN ACCOUNTING PRINCIPLES

During the fiscal year ended April 30, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

NOTE 21. CHANGE IN ACCOUNTING PRINCIPLES (CONT'D)

resources, and expense/expenditures. This statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirement of GASB Statement No. 50, Pension Disclosures.

Due to the changes in accounting principles described above, beginning net position as of April 30, 2015 has been restated as follows:

	<u>GOVERNMENTAL ACTIVITIES</u>
Net Position, As Previously Reported	\$ 73,329,696
Deferred Outflows Related to Pensions	234,436
Net Pension Asset (Liability)	<u>(16,047,890)</u>
Net Position, As Restated	<u>\$ 57,516,242</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH</u>
			<u>BUDGETARY</u>	<u>FINAL</u>
			<u>BASIS</u>	<u>BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUE:				
Permits				
Building Permits	\$ 50,000	\$ 50,000	\$ 49,065	\$ (935)
Plumbing Permits	700	700	540	(160)
Electric Permits	3,500	3,500	3,505	5
Demo, Satellite and Grade	1,000	1,000	620	(380)
Sign Permits	10,000	10,000	8,127	(1,873)
Building Maintenance Permits	45,000	45,000	60,681	15,681
Total Permits	<u>\$ 110,200</u>	<u>\$ 110,200</u>	<u>\$ 122,538</u>	<u>\$ 12,338</u>
Income Tax				
Income Tax	\$ 1,666,000	\$ 1,666,000	\$ 1,819,951	\$ 153,951
Interest	6,100	6,100	12,567	6,467
Total Income Taxes	<u>\$ 1,672,100</u>	<u>\$ 1,672,100</u>	<u>\$ 1,832,518</u>	<u>\$ 160,418</u>
Miscellaneous Revenue				
Liquor Licenses	\$ 45,000	\$ 45,000	\$ 55,307	\$ 10,307
Miscellaneous	-	-	71,705	71,705
Total Miscellaneous Revenue	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 127,012</u>	<u>\$ 82,012</u>
Other Taxes				
Food and Beverage Tax	\$ 1,500,000	\$ 1,500,000	\$ 1,623,978	\$ 123,978
Hotel and Motel Collection Tax	350,000	350,000	262,867	(87,133)
Video Gaming Tax	52,000	52,000	100,233	48,233
Total Other Taxes	<u>\$ 1,902,000</u>	<u>\$ 1,902,000</u>	<u>\$ 1,987,078</u>	<u>\$ 85,078</u>
Use Taxes				
Sales Tax	\$ 7,447,000	\$ 7,447,000	\$ 7,369,350	\$ (77,650)
Home Rule Tax	4,393,188	4,393,188	4,082,636	(310,552)
Use Tax	323,000	323,000	392,929	69,929
Road and Bridge Allotments	38,000	38,000	38,216	216
Total Use Taxes	<u>\$ 12,201,188</u>	<u>\$ 12,201,188</u>	<u>\$ 11,883,131</u>	<u>\$ (318,057)</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>BUDGETARY</u> <u>BASIS</u>	<u>WITH</u> <u>FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
Grants				
Franchises	\$ 190,000	\$ 190,000	\$ 276,190	\$ 86,190
Special Grants	201,200	201,200	165,810	(35,390)
E.S.D.A. Grant	3,500	3,500	5,852	2,352
Total Grants	<u>\$ 394,700</u>	<u>\$ 394,700</u>	<u>\$ 447,852</u>	<u>\$ 53,152</u>
Charges for Service				
City Services	\$ 1,000	\$ 1,000	\$ 31,914	\$ 30,914
School Resource Officer Duty	45,000	45,000	10,187	(34,813)
Police Reports	5,000	5,000	5,735	735
Use of Copy/Fax Equipment	250	250	305	55
Bulk Trash Pick-Up	500	500	-	(500)
Total Charges for Services	<u>\$ 51,750</u>	<u>\$ 51,750</u>	<u>\$ 48,141</u>	<u>\$ (3,609)</u>
Police Revenue				
Police Fines	\$ 125,000	\$ 125,000	\$ 98,918	\$ (26,082)
Residential Rental License Fee	100,000	100,000	78,400	(21,600)
Police Outside Employment	85,000	85,000	75,076	(9,924)
Licenses - Other Than Liquor	25,000	25,000	31,222	6,222
Towing Fees	210,000	210,000	251,050	41,050
Fugitive Failure to Appear Fee	15,000	15,000	11,253	(3,747)
Bail Bond Fee	22,000	22,000	20,745	(1,255)
Sex Offender Registration	1,000	1,000	3,300	2,300
Donations	3,000	3,000	6,079	3,079
Total Police Revenue	<u>\$ 586,000</u>	<u>\$ 586,000</u>	<u>\$ 576,043</u>	<u>\$ (9,957)</u>
Other Financing Sources				
Zoning Permits	\$ 100	\$ 100	\$ 150	\$ 50
Waste Haulers' Fee	1,500	1,500	1,900	400
Advertising Revenue	2,000	2,000	-	(2,000)
Users' Fees - Parks	70,000	70,000	79,411	9,411
Rents, Leases, Sharecrop	91,000	91,000	45,128	(45,872)
Sales Tax Rebate Application Fee	1,000	1,000	-	(1,000)
Interfund Transfer	1,410,000	1,410,000	1,420,002	10,002
Total Other Financing Sources	<u>\$ 1,575,600</u>	<u>\$ 1,575,600</u>	<u>\$ 1,546,591</u>	<u>\$ (29,009)</u>
Total Revenue	<u>\$ 18,538,538</u>	<u>\$ 18,538,538</u>	<u>\$ 18,570,904</u>	<u>\$ 32,366</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	EXPENDITURES:			
Executive Department				
Semi-Monthly Salaries	\$ 215,950	\$ 215,950	\$ 165,366	\$ 50,584
Elected and Appointed Officials	9,600	9,600	6,810	2,790
Overtime Compensation	300	300	-	300
Christmas Bonus	800	800	450	350
Unemployment Insurance	1,250	1,250	828	422
Social Security	14,100	14,100	8,107	5,993
Medicare	3,325	3,325	2,638	687
Retirement Funds	27,200	27,200	29,288	(2,088)
Health and Life Insurance	97,700	97,700	73,272	24,428
OPEB Employer Contribution	3,800	3,800	1,846	1,954
Education	1,700	1,700	910	790
Legal Fees	500	500	88	412
Travel and Meeting Expense	3,875	3,875	1,141	2,734
Bonds and Notary Fees	100	100	-	100
Membership Dues	2,600	2,600	2,490	110
Advertising and Public Notice	10,000	10,000	13,699	(3,699)
Public Relations	6,300	6,300	6,078	222
Equipment Rental	975	975	969	6
Technical and Outside Services	5,300	5,300	5,233	67
Insurance Liability	1,422,091	1,422,091	1,312,980	109,111
Insurance Deductible	30,000	30,000	3,511	26,489
Postage	12,000	12,000	11,970	30
Office Furniture and Equipment	1,250	1,250	240	1,010
Petty Cash	75	75	10	65
Subscriptions-Books	250	250	290	(40)
Supplies	16,000	16,000	9,421	6,579
Total Executive Department	<u>\$ 1,887,041</u>	<u>\$ 1,887,041</u>	<u>\$ 1,657,635</u>	<u>\$ 229,406</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	BUDGETARY	WITH
			BASIS	FINAL
				BUDGET
				POSITIVE
				(NEGATIVE)
Mayor's Department				
Elected and Appointed Officials	\$ 117,600	\$ 117,600	\$ 120,239	\$ (2,639)
Social Security	7,300	7,300	7,056	244
Medicare	1,750	1,750	1,650	100
Boards and Committees	3,500	1,500	-	1,500
Elected Official Expense	900	900	190	710
Legal Fees	269,500	269,500	285,799	(16,299)
Travel and Meeting Expense	15,000	17,000	13,786	3,214
Membership Dues	400	400	(5,740)	6,140
Advertising and Public Notice	-	-	125	(125)
Public Relations	200	200	513	(313)
Technical and Outside Services	4,200	4,200	1,192	3,008
Office Furniture and Equipment	700	700	540	160
Renovation or Remodeling	1,500	1,500	-	1,500
Supplies	-	-	(27)	27
Transfer to Capital Reserve Fund	10,000	10,000	10,000	-
Transfer to Library Fund	520,859	520,859	520,859	-
Total Mayor's Department	\$ 953,409	\$ 953,409	\$ 956,182	\$ (2,773)
Finance Department				
Semi-Monthly Salaries	\$ 192,300	\$ 192,300	\$ 173,590	\$ 18,710
Elected and Appointed Officials	12	12	6	6
Overtime Compensation	-	-	261	(261)
Christmas Bonus	600	600	300	300
Unemployment Insurance	900	900	344	556
Social Security	12,000	12,000	10,441	1,559
Medicare	2,800	2,800	2,442	358
Retirement Funds	22,800	22,800	16,364	6,436
Health and Life Insurance	40,200	40,200	34,973	5,227
OPEB Employer Contribution	3,400	3,400	1,591	1,809
Audit Fees	61,500	61,500	34,800	26,700
Travel and Meeting Expense	9,600	9,600	4,306	5,294
Membership Dues	900	900	250	650
Technical and Outside Services	1,400	1,400	15,124	(13,724)
Office Furniture and Equipment	5,000	5,000	-	5,000
IT Software	19,775	19,775	27,615	(7,840)
Supplies	5,500	5,500	3,899	1,601
Total Finance Department	\$ 378,687	\$ 378,687	\$ 326,306	\$ 52,381

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Police Department			
Semi-Monthly Salaries	\$ 4,449,840	\$ 4,449,840	\$ 4,273,315	\$ 176,525
Overtime Compensation	262,580	262,580	214,088	48,492
Shift Premium	13,140	13,140	9,042	4,098
Allowances	4,320	4,320	1,622	2,698
Christmas Bonus	10,950	10,950	7,500	3,450
Unemployment Insurance	23,000	23,000	15,458	7,542
Social Security	55,153	55,153	56,572	(1,419)
Medicare	62,470	62,470	65,681	(3,211)
Retirement Funds	1,405,915	1,405,915	1,397,237	8,678
Health and Life Insurance	828,000	828,000	803,711	24,289
OPEB Employer Contribution	75,240	75,240	31,474	43,766
Boards and Committees	25,975	25,975	21,532	4,443
Educational Expense	34,300	34,300	32,948	1,352
Legal Fees	11,000	11,000	-	11,000
Audit Fees	3,300	3,300	-	3,300
Travel and Meeting Expense	20,000	20,000	14,995	5,005
Bonds and Notary Fees	1,800	1,800	2,418	(618)
Membership Dues	3,610	3,610	2,531	1,079
Public Relations	10,575	10,575	10,387	188
Buildings Rental	5,000	5,000	10,000	(5,000)
Equipment Rental	31,150	31,150	20,863	10,287
Technical and Outside Services	62,550	62,550	35,095	27,455
Uniform Cleaning	4,000	4,000	3,080	920
Postage	6,800	6,800	6,751	49
Petty Cash	300	300	287	13
Uniform Purchase	20,950	20,950	18,195	2,755
Subscriptions-Books	1,200	1,200	763	437
IT Software	68,600	68,600	54,614	13,986
Maintenance to Equipment	45,500	45,500	28,170	17,330
Minor Equipment	10,000	10,000	8,603	1,397
Supplies	34,200	34,200	34,283	(83)
Transfer to Capital Reserve	20,000	20,000	20,000	-
Transfer to Police Pension	1,300,000	1,300,000	1,310,000	(10,000)
Total Police Department	\$ 8,911,418	\$ 8,911,418	\$ 8,511,215	\$ 400,203

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Administration			
Semi-Monthly Salaries	\$ 360,100	\$ 360,100	\$ 479,038	\$ (118,938)
Overtime Compensation	-	-	755	(755)
Allowances	4,560	4,560	3,010	1,550
Christmas Bonus	850	850	750	100
Unemployment Insurance	1,365	1,365	1,873	(508)
Social Security	22,075	22,075	30,030	(7,955)
Medicare	5,460	5,460	7,023	(1,563)
Retirement Funds	41,800	41,800	45,321	(3,521)
Health and Life Insurance	61,800	61,800	67,154	(5,354)
OPEB Employer Contribution	6,200	6,200	4,788	1,412
Economic Development Commission	1,000	1,000	-	1,000
Educational Expense	2,750	2,750	-	2,750
Travel and Meeting Expense	26,000	26,000	13,677	12,323
Bonds and Notary Fees	50	50	50	-
Membership Dues	7,950	7,950	1,859	6,091
Safety Program	1,350	1,350	-	1,350
Advertising and Public Notices	2,500	2,500	3,337	(837)
Public Relations	3,000	3,000	3,618	(618)
Equipment Rental	88,260	94,450	67,797	26,653
Telephone Utility	116,000	116,000	110,143	5,857
Technical and Outside Services	114,600	114,600	98,730	15,870
Postage	1,500	1,500	-	1,500
Office Furniture and Equipment	3,100	3,100	3,044	56
Renovation or Remodeling	10,000	10,000	4,737	5,263
Computers	60,000	60,000	10,213	49,787
IT Hardware	98,050	91,860	110,331	(18,471)
IT Software	126,000	126,000	39,629	86,371
G.I.S Expense	5,000	5,000	-	5,000
Maintenance to Equipment	150	150	-	150
Supplies	1,000	1,000	1,143	(143)
Transfer to Capital Reserve	10,000	10,000	10,000	-
Total Administration	<u>\$ 1,182,470</u>	<u>\$ 1,182,470</u>	<u>\$ 1,118,050</u>	<u>\$ 64,420</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Works - Engineering				
Semi-Monthly Salaries	\$ 621,800	\$ 830,800	\$ 965,371	\$ (134,571)
Overtime Compensation	15,000	15,000	17,392	(2,392)
Shift Premium	-	-	6	(6)
Christmas Bonus	2,600	2,600	2,100	500
Unemployment Insurance	3,650	3,650	3,743	(93)
Social Security	38,400	52,400	59,549	(7,149)
Medicare	9,050	12,250	13,877	(1,627)
Retirement Funds	71,900	71,900	101,986	(30,086)
Health and Life Insurance	206,000	219,500	207,340	12,160
OPEB Employer Contribution	15,400	15,400	14,167	1,233
Survey and Engineer Fees	10,000	10,000	9,359	641
Educational Expense	4,000	4,000	-	4,000
Travel and Meeting Expense	4,000	4,000	2,754	1,246
Bonds and Notary Fees	200	200	77	123
Membership Dues	1,500	1,500	525	975
Public Relations	1,000	1,000	500	500
Equipment Rental	32,000	32,000	29,112	2,888
Electric Utility	2,000	2,000	-	2,000
Technical and Outside Services	231,000	231,000	71,967	159,033
Petty Cash	100	100	-	100
Uniform Purchase	6,500	6,500	5,970	530
Subscriptions-Books	200	200	-	200
Minor Equipment	4,000	4,000	2,917	1,083
Supplies	26,100	26,100	12,595	13,505
Transfer to Capital Reserve	15,000	15,000	15,000	-
Total Public Works - Engineering	<u>\$ 1,321,400</u>	<u>\$ 1,561,100</u>	<u>\$ 1,536,307</u>	<u>\$ 24,793</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Public Works - Maintenance			
Semi-Monthly Salaries	\$ 242,600	\$ 242,600	\$ 223,869	\$ 18,731
Overtime Compensation	5,500	5,500	425	5,075
Christmas Bonus	800	800	450	350
Unemployment Insurance	1,050	1,050	1,379	(329)
Social Security	15,000	15,000	14,258	742
Medicare	3,525	3,525	3,334	191
Retirement Funds	28,500	28,500	24,322	4,178
Health and Life Insurance	61,800	61,800	52,812	8,988
OPEB Employer Contribution	4,250	4,250	2,154	2,096
Educational Expense	1,800	1,800	1,738	62
Travel and Meeting Expense	750	750	-	750
Membership Dues	180	180	155	25
Equipment Rental	200	200	25	175
Technical and Outside Services	5,000	5,000	4,563	437
Uniform Rental	3,200	3,200	3,082	118
Vehicle Operations Costs	240,000	240,000	129,122	110,878
Uniform Purchase	1,500	1,500	1,058	442
Subscriptions-Books	500	500	246	254
Maintenance to Equipment	2,500	2,500	996	1,504
Maintenance to Rolling Stock	59,500	59,500	38,197	21,303
Minor Equipment	16,000	16,000	12,652	3,348
Supplies	114,600	114,600	93,952	20,648
Transfer to Capital Reserve	15,000	15,000	15,000	-
Total Public Works - Maintenance	<u>\$ 823,755</u>	<u>\$ 823,755</u>	<u>\$ 623,789</u>	<u>\$ 199,966</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	BUDGETARY	WITH
			BASIS	FINAL
				BUDGET
				POSITIVE
				(NEGATIVE)
Parks Department				
Semi-Monthly Salaries	\$ 681,600	\$ 472,600	\$ 398,768	\$ 73,832
Overtime Compensation	15,000	15,000	7,803	7,197
Shift Premium	200	200	2	198
Christmas Bonus	2,500	2,500	1,350	1,150
Unemployment Insurance	4,600	4,600	2,708	1,892
Social Security	44,700	30,700	25,891	4,809
Medicare	10,375	7,175	6,055	1,120
Retirement Funds	78,800	78,800	31,222	47,578
Health and Life Insurance	190,550	177,050	156,957	20,093
OPEB Employer Contribution	12,300	12,300	3,584	8,716
Educational Expense	14,000	14,000	-	14,000
Travel and Meeting Expense	3,100	3,100	1,661	1,439
Membership Dues	830	830	474	356
Safety Program	1,500	1,500	2,473	(973)
Public Relations	4,800	4,800	4,400	400
Equipment Rental	2,000	2,000	210	1,790
Electric Utility	16,000	16,000	20,029	(4,029)
Sewer Utility	2,500	2,500	2,942	(442)
Water Utility	11,000	11,000	9,429	1,571
Sanitation Service	14,500	14,500	8,251	6,249
Technical and Outside Services	26,060	26,060	17,140	8,920
Uniform Purchase	3,000	3,000	2,377	623
Minor Equipment	1,900	1,900	2,060	(160)
Supplies	99,000	99,000	90,531	8,469
Postage	7,000	7,000	2,930	4,070
Transfer to Capital Reserve	15,000	15,000	15,000	-
Total Parks Department	\$ 1,262,815	\$ 1,023,115	\$ 814,247	\$ 208,868

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Municipal Complex			
Semi-Monthly Salaries	\$ 231,500	\$ 231,500	\$ 191,951	\$ 39,549
Overtime Compensation	5,500	5,500	2,959	2,541
Shift Premium	300	300	354	(54)
Christmas Bonus	800	800	300	500
Unemployment Insurance	2,200	2,200	1,387	813
Social Security	14,100	14,100	12,084	2,016
Medicare	3,300	3,300	2,826	474
Retirement Funds	26,400	26,400	13,248	13,152
Health and Life Insurance	43,260	43,260	52,760	(9,500)
OPEB Employer Contribution	4,000	4,000	2,054	1,946
Educational Expense	3,000	3,000	-	3,000
Travel and Meeting Expense	500	500	-	500
Membership Dues	150	150	-	150
Equipment Rental	1,000	1,000	204	796
Electric Utility	120,000	120,000	99,392	20,608
Sewer Utility	9,000	9,000	5,299	3,701
Water Utility	17,000	17,000	16,799	201
Gas Utility	7,500	7,500	2,078	5,422
Technical and Outside Services	90,000	90,000	86,190	3,810
Office Furniture and Equipment	2,000	2,000	1,080	920
Renovation or Remodeling	15,000	15,000	12,646	2,354
Uniform Purchase	2,500	2,500	434	2,066
Computers	-	-	(157)	157
Maintenance to Equipment	16,000	16,000	5,966	10,034
Supplies	50,000	50,000	30,367	19,633
Transfer to Capital Reserve	15,000	15,000	15,000	-
Total Municipal Complex	<u>\$ 680,010</u>	<u>\$ 680,010</u>	<u>\$ 555,221</u>	<u>\$ 124,789</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH
			BUDGETARY	FINAL
			BASIS	BUDGET
				POSITIVE
				(NEGATIVE)
Land Use and Development				
Semi-Monthly Salaries	\$ 425,650	\$ 425,650	\$ 442,759	\$ (17,109)
Elected and Appointed Officials	51,000	51,000	-	51,000
Overtime Compensation	3,000	3,000	4,197	(1,197)
Shift Premium	100	100	5	95
Allowances	1,800	1,800	941	859
Christmas Bonus	1,700	1,700	900	800
Unemployment Insurance	3,300	3,300	2,409	891
Social Security	30,500	30,500	27,859	2,641
Medicare	7,150	7,150	6,516	634
Retirement Funds	55,100	55,100	42,406	12,694
Health and Life Insurance	118,450	118,450	96,953	21,497
OPEB Employer Contribution	8,700	8,700	5,046	3,654
Employee Contributions	-	-	(9)	9
Boards and Committees	2,585	2,585	490	2,095
Educational Expense	250	250	-	250
Legal Fees	1,600	1,600	790	810
Audit Fees	1,825	1,825	-	1,825
Travel and Meeting Expense	2,900	2,900	389	2,511
Membership Dues	1,800	1,800	1,060	740
Advertising and Public Notice	1,000	1,000	395	605
Technical and Outside Services	31,900	31,900	10,672	21,228
Office Furniture and Equipment	750	750	256	494
Petty Cash	60	60	35	25
Uniform Purchase	1,500	1,500	705	795
Subscriptions-Books	1,000	1,000	1,001	(1)
IT Software	10,000	10,000	-	10,000
G.I.S. Expenses	11,500	11,500	10,828	672
Supplies	8,525	8,525	4,490	4,035
Transfer to TIF #1	22,000	22,000	20,853	1,147
Transfer to TIF #2	32,000	32,000	31,143	857
Transfer to TIF #3	25,000	25,000	23,793	1,207
Transfer to Capital Reserve	10,000	10,000	10,000	-
Total Land Use and Development	<u>\$ 872,645</u>	<u>\$ 872,645</u>	<u>\$ 746,882</u>	<u>\$ 125,763</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>WITH</u>
			<u>BUDGETARY</u>	<u>FINAL</u>
			<u>BASIS</u>	<u>BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
Library Department				
Semi-Monthly Salaries	\$ 22,000	\$ 22,000	\$ 26,832	\$ (4,832)
Shift Premium	140	140	122	18
Christmas Bonus	550	550	450	100
Unemployment Insurance	2,700	2,700	3,415	(715)
Social Security	1,400	1,400	1,262	138
Medicare	325	325	1,020	(695)
Retirement Funds	2,700	2,700	2,491	209
Health and Life Insurance	36,050	36,050	35,747	303
OPEB Employer Contribution	5,500	5,500	4,157	1,343
Electric Utility	25,000	25,000	20,445	4,555
Sewer Utility	700	700	673	27
Water Utility	5,000	5,000	5,000	-
Supplies	2,100	2,100	-	2,100
Total Library Department	<u>\$ 104,165</u>	<u>\$ 104,165</u>	<u>\$ 101,614</u>	<u>\$ 2,551</u>
Emergency Services and Disaster Agency				
Elected and Appointed Officials	\$ 10,000	\$ 10,000	\$ 8,766	\$ 1,234
Educational Expenses	500	500	-	500
Travel and Meeting Expense	1,000	1,000	399	601
Membership Dues	130	130	65	65
Public Relations	250	250	-	250
Telephone Utility	1,650	1,650	1,028	622
Technical and Outside Services	17,200	17,200	13,360	3,840
Postage	150	150	-	150
Subscriptions-Books	25	25	-	25
Maintenance to equipment	6,000	6,000	126	5,874
Supplies	1,500	1,500	744	756
Total Emergency Services and Disaster Agency	<u>\$ 38,405</u>	<u>\$ 38,405</u>	<u>\$ 24,488</u>	<u>\$ 13,917</u>
Total Expenditures	<u>\$ 18,416,220</u>	<u>\$ 18,416,220</u>	<u>\$ 16,971,936</u>	<u>\$ 1,444,284</u>

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u> <u>BUDGETARY</u>	<u>VARIANCE</u> <u>WITH</u> <u>FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>BASIS</u>	
Total Expenditures (Brought Forward)	<u>\$ 18,416,220</u>	<u>\$ 18,416,220</u>	<u>\$ 16,971,936</u>	<u>\$ 1,444,284</u>
Net Change in Fund Balance	<u>\$ 122,318</u>	<u>\$ 122,318</u>	<u>\$ 1,598,968</u>	<u>\$ 1,476,650</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ (18,322)	
Effect of Unrecorded Liabilities			(41,414)	
Beginning Fund Balance			<u>4,619,721</u>	
Ending Fund Balance			<u>\$ 6,158,953</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
HOME RULE FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Home Rule Tax Revenues	\$ 2,365,562	\$ 2,365,562	\$ 2,410,955	\$ 45,393
Interest	10,000	10,000	14,983	4,983
Special Grants	1,262,000	1,262,000	30,000	(1,232,000)
Sale of Surplus Property	-	-	3,837	3,837
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenue	\$ 3,637,562	\$ 3,637,562	\$ 2,459,775	\$ (1,177,787)
EXPENDITURES:				
Police Department				
Equipment and Rolling Stock	\$ 221,000	\$ 221,000	\$ 109,160	\$ 111,840
Buildings and Structures	200,000	210,000	120,060	89,940
Streets and Alleys	-	40,000	-	40,000
Other Capital Improvements	50,000	-	-	-
Total Police Department	\$ 471,000	\$ 471,000	\$ 229,220	\$ 241,780
Administration				
Survey and Engineer Fees	\$ 5,500	\$ 5,500	\$ -	\$ 5,500
Equipment and Rolling Stock	150,000	150,000	129,963	20,037
Building and Structures	50,000	50,000	-	50,000
Other Capital Improvements	-	-	60	(60)
Total Administration	\$ 205,500	\$ 205,500	\$ 130,023	\$ 75,477
Public Works - Engineering				
Land	\$ -	\$ 800	\$ 789	\$ 11
Easements	61,000	60,200	-	60,200
Equipment and Rolling Stock	302,000	302,000	257,644	44,356
Survey/Engineering - Capital	505,000	505,000	209,431	295,569
Streets and Alleys	2,478,000	2,328,000	1,624,008	703,992
Storm Drainage	1,472,000	1,372,000	373,047	998,953
Other Capital Improvements	335,000	335,000	91,836	243,164
Other Debt Service	61,000	61,000	-	61,000
Total Public Works - Engineering	\$ 5,214,000	\$ 4,964,000	\$ 2,556,755	\$ 2,407,245

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
HOME RULE FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
	Parks Department			
Equipment and Rolling Stock	\$ 42,000	\$ 42,000	\$ 31,728	\$ 10,272
Buildings and Structures	436,000	586,000	562,183	23,817
Other Capital Improvements	45,000	45,000	19,263	25,737
Total Parks Department	<u>\$ 523,000</u>	<u>\$ 673,000</u>	<u>\$ 613,174</u>	<u>\$ 59,826</u>
Municipal Complex Department				
Survey/Engineer - Capital	\$ 35,000	\$ 35,000	\$ 11,475	\$ 23,525
Buildings and Structures	335,000	585,000	412,752	172,248
Other Capital Improvements	20,000	20,000	-	20,000
Total Municipal Complex Department	<u>\$ 390,000</u>	<u>\$ 640,000</u>	<u>\$ 424,227</u>	<u>\$ 215,773</u>
Land Use and Development				
Demolition Service	\$ 90,000	\$ 90,000	\$ 57,850	\$ 32,150
Streets and Alleys	870,000	870,000	48,373	821,627
Total Land Use and Development	<u>\$ 960,000</u>	<u>\$ 960,000</u>	<u>\$ 106,223</u>	<u>\$ 853,777</u>
Municipal Complex (Library)				
Buildings and Structures	\$ 60,000	\$ 60,000	\$ 10,216	\$ 49,784
Total Municipal Complex (Library)	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 10,216</u>	<u>\$ 49,784</u>
ESDA Department				
Equipment and Rolling Stock	\$ -	\$ -	\$ (600)	\$ 600
Total ESDA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (600)</u>	<u>\$ 600</u>
Total Expenditures	<u>7,823,500</u>	<u>7,973,500</u>	<u>4,069,238</u>	<u>3,904,262</u>
Net Change in Fund Balance	<u>\$ (4,185,938)</u>	<u>\$ (4,335,938)</u>	<u>\$ (1,609,463)</u>	<u>\$ 2,726,475</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ 12,250	
Effect of Unrecorded Liabilities			509,494	
Beginning Fund Balance			<u>5,935,071</u>	
Ending Fund Balance			<u>\$ 4,847,352</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
HOTEL AND MOTEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Hotel and Motel Tax Revenue	\$ 500,000	\$ 500,000	\$ 657,360	\$ 157,360
Interest	1,800	1,800	3,927	2,127
Total Revenues	<u>\$ 501,800</u>	<u>\$ 501,800</u>	<u>\$ 661,287</u>	<u>\$ 159,487</u>
EXPENDITURES:				
Executive Department				
Advertising and Public Notices	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Public Relations	1,000	1,000	721	279
Total Executive Department	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 721</u>	<u>\$ 5,279</u>
Mayor's Department				
Public Relations	\$ 150,000	\$ 150,000	\$ 73,225	\$ 76,775
Other Debt Service	50,000	50,000	-	50,000
Total Mayor's Department	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 73,225</u>	<u>\$ 126,775</u>
Finance Department				
Audit Fees	\$ 1,400	\$ 1,400	\$ 1,200	\$ 200
Technical and Outside Services	1,200	1,200	-	1,200
Debt Service - Principal	260,000	260,000	260,000	-
Debt Service - Interest	45,450	45,450	45,443	7
Total Finance Department	<u>\$ 308,050</u>	<u>\$ 308,050</u>	<u>\$ 306,643</u>	<u>\$ 1,407</u>
Police Department				
Overtime	\$ 18,000	\$ 18,000	\$ -	\$ 18,000
Total Police Department	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ 18,000</u>
Parks Department				
Survey and Engineering	\$ -	\$ -	\$ 20,500	\$ (20,500)
Public Relations	14,000	14,000	7,567	6,433
Total Parks Department	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 28,067</u>	<u>\$ (14,067)</u>
Total Expenditures	<u>\$ 546,050</u>	<u>\$ 546,050</u>	<u>\$ 408,656</u>	<u>\$ 137,394</u>
Net Change in Fund Balance	<u>\$ (44,250)</u>	<u>\$ (44,250)</u>	<u>\$ 252,631</u>	<u>\$ 296,881</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ 4,107	
Beginning Fund Balance			<u>1,158,807</u>	
Ending Fund Balance			<u>\$ 1,415,545</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
FOOD AND BEVERAGE TAX FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE:				
Food and Beverage Tax	\$ 500,000	\$ 500,000	\$ 530,076	\$ 30,076
Interest	3,100	3,100	5,027	1,927
Miscellaneous Items	-	-	35	35
Total Revenue	\$ 503,100	\$ 503,100	\$ 535,138	\$ 32,038
EXPENDITURES:				
Audit Fees	\$ 1,200	\$ 1,200	\$ 1,200	\$ -
Technical and Outside Services	1,400	1,400	-	1,400
Debt - Principal	985,000	985,000	985,250	(250)
Debt - Interest	27,430	27,430	27,428	2
Total Expenditures	\$ 1,015,030	\$ 1,015,030	\$ 1,013,878	\$ 1,152
Net Change in Fund Balance	\$ (511,930)	\$ (511,930)	\$ (478,740)	\$ 33,190
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ 25,731	
Beginning Fund Balance			<u>1,410,707</u>	
Ending Fund Balance			<u>\$ 957,698</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
TAX REBATES FUND
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE:				
Sales Tax	\$ 825,000	\$ 825,000	\$ 456,226	\$ (368,774)
Home Rule Sales Tax	800,000	800,000	394,853	(405,147)
Business District Sales Tax	85,000	85,000	101,142	16,142
Interest	<u>1,200</u>	<u>1,200</u>	<u>1,468</u>	<u>268</u>
Total Revenue	<u>\$ 1,711,200</u>	<u>\$ 1,711,200</u>	<u>\$ 953,689</u>	<u>\$ (757,511)</u>
EXPENDITURES:				
Sales Tax Rebate	\$ 1,605,000	\$ 1,605,000	\$ 1,112,295	\$ 492,705
Intergovernmental Agreements	<u>65,000</u>	<u>65,000</u>	<u>58,340</u>	<u>6,660</u>
Total Expenditures	<u>\$ 1,670,000</u>	<u>\$ 1,670,000</u>	<u>\$ 1,170,635</u>	<u>\$ 499,365</u>
Net Change in Fund Balance	<u>\$ 41,200</u>	<u>\$ 41,200</u>	<u>\$ (216,946)</u>	<u>\$ (258,146)</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ 28,793	
Effect of Unrecorded Liabilities			(48,633)	
Beginning Fund Balance			<u>640,944</u>	
Ending Fund Balance			<u>\$ 404,158</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
TIF #2 SHOPPES OF ST. CLAIR
FOR THE YEAR ENDED APRIL 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u> <u>BUDGETARY</u> <u>BASIS</u>	<u>WITH</u> <u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
REVENUE:				
TIF Revenue	\$ 310,000	\$ 310,000	\$ 276,495	\$ (33,505)
Interfund Transfer	31,000	31,000	31,143	143
Interest	100	100	190	90
Total Revenue	\$ 341,100	\$ 341,100	\$ 307,828	\$ (33,272)
EXPENDITURES:				
Audit Fees	\$ -	\$ -	\$ 1,825	\$ (1,825)
TIF Expenditures	330,000	330,000	342,568	(12,568)
Total Expenditures	\$ 330,000	\$ 330,000	\$ 344,393	\$ (14,393)
Net Change in Fund Balance	\$ 11,100	\$ 11,100	\$ (36,565)	\$ (47,665)
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ 34,931	
Effect of Unrecorded Liabilities			-	
Beginning Fund Balance			491	
Ending Fund Balance			\$ (1,143)	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
BUDGETARY COMPARISON SCHEDULE (BUDGETARY BASIS)
TIF #3 LINCOLN TRAIL
FOR THE YEAR ENDED APRIL 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE:				
TIF Revenue	\$ 22,000	\$ 220,000	\$ 204,737	\$ (15,263)
Interfund Transfer	22,000	22,000	23,793	1,793
Interest	3,500	3,500	5,339	1,839
Total revenue	<u>\$ 47,500</u>	<u>\$ 245,500</u>	<u>\$ 233,869</u>	<u>\$ (11,631)</u>
EXPENDITURES:				
Intergovernmental Agreements	\$ 45,000	\$ -	\$ -	\$ -
Audit Fees	1,825	1,825	1,825	-
Minor Equipment	1,200	1,200	975	225
Contingencies	10,000	10,000	4,484	5,516
Easements	25,000	25,000	-	25,000
Streets and Alleys	100,000	100,000	-	100,000
Demolition Services	-	-	11,929	(11,929)
TIF Expenditures	280,000	280,000	-	280,000
Total Expenditures	<u>\$ 463,025</u>	<u>\$ 418,025</u>	<u>\$ 19,213</u>	<u>\$ 398,812</u>
Net Change in Fund Balance	<u>\$ (415,525)</u>	<u>\$ (172,525)</u>	<u>\$ 214,656</u>	<u>\$ 387,181</u>
Reconciliation of Budgetary Basis to Government Fund Statement of Changes in Fund Balance				
Effect of Unrecorded Assets			\$ 33,192	
Effect of Unrecorded Liabilities			(20,334)	
Beginning Fund Balance			<u>1,364,766</u>	
Ending Fund Balance			<u>\$ 1,592,280</u>	

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2016

NOTE 1. BUDGETARY CONTROL

The City Council is required to adopt an annual budget and appropriations ordinance for the City. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. The budgets for the operating funds are prepared on the cash and expenditures basis. Revenues are budgeted in the year receipts are expected, and expenditures are budgeted in the year that the applicable purchase orders are expected to be paid. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

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

1. Prior to April 1 the Budget Director submits to the City Council, a proposed operating budget for the fiscal year commencing the following May 1. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by sources. Expenditures are budgeted by account and class as follows: personnel services, other services and charges, supplies, capital outlay, transfers, and debt service. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval.

Revisions to the budget were made throughout the year. Budget revisions at this level are subject to final review by the City Council.

2. Prior to May 1, the budget is legally enacted through passage of an ordinance.
3. The Budget Director is authorized to transfer budgeted amounts between departments with approval by the City Council and any amendments that alter the total expenditures of any fund must be approved by the City Council.
4. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
5. The budget figures shown in the financial statements represent the final authorized amounts as revised during the year.

The City amended its budget during the year.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
APRIL 30, 2016

OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS

ACTUARIAL VALUATION DATE	ACTUARIAL VAUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL COST (b)	UNFUNDED (OVERFUNDED) ACTUARIAL ACCRUED LIABILITY (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
4/30/2016	\$ -	\$ 5,070,614	\$ 5,070,614	0 %	\$ 6,724,784	75.40 %
4/30/2015	-	5,328,243	5,328,243	0	6,657,002	80.00
4/30/2014	-	5,078,491	5,078,491	0	6,431,886	78.96
4/30/2013	-	4,835,478	4,835,478	0	6,214,383	77.80
4/30/2012	-	4,264,540	4,264,540	0	5,743,597	74.30

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
POLICE PENSION TRUST FUND
APRIL 30, 2016

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - CURRENT YEAR
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2015)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2006</u>
TOTAL PENSION LIABILITY:										
Service Cost	\$ 839,355	\$ 865,338								
Interest on the Total Pension Liability	2,532,522	2,218,469								
Changes of Benefit Terms	-	-								
Difference Between Expected and Actual Experience	(2,591,212)	(128,421)								
Change of Assumptions	1,132,453	2,609,255								
Contributions - Buy Back	69,871	-								
Benefit Payments	(1,627,869)	(1,400,257)								
Net Change in Total Pension Liability	\$ 355,120	\$ 4,164,384								
Total Pension Liability, Beginning of Period	\$ 38,936,454	\$ 34,772,070								
Total Pension Liability, End of Period	\$ 39,291,574	\$ 38,936,454								
PLAN FIDUCIARY NET POSITION:										
Employer Contributions	\$ 1,300,000	\$ 1,260,000								
Member Contributions	308,698	599,979								
Contributions - Buy Back	69,871	-								
Net Investment Income	(253,744)	1,549,494								
Benefit Payments	(1,627,869)	(1,400,257)								
Administrative Expense	(19,457)	-								
Other (Net Transfer)	-	(20,957)								
Net Change in Plan Fiduciary Net Position	\$ (222,501)	\$ 1,988,259								
Plan Fiduciary Net Position - Beginning	24,747,040	22,758,781								
Plan Fiduciary Net Position - Ending	\$ 24,524,539	\$ 24,747,040								
Net Pension Liability	\$ 14,767,035	\$ 14,189,414								
Plan Fiduciary Net Position as a Percentage	62.42%	63.56%								
Covered Valuation Payroll	\$ 3,475,703	\$ 3,234,164								
Net Pension Liability as a Percentage of Covered Valuation Payroll	424.86%	438.74%								

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND

APRIL 30, 2016

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - CURRENT YEAR
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM CALENDAR YEAR 2014)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ 452,292	\$ 446,254								
Interest on the Total Pension Liability	1,915,308	1,756,883								
Changes of benefit terms	-	-								
Difference between expected and actual experience	(111,131)	225,545								
Change of assumptions	32,279	874,212								
Benefit payments	(1,240,272)	(1,078,710)								
Net change in total pension liability	\$ 1,048,476	\$ 2,224,184								
Total pension liability, beginning of period	25,965,521	23,741,337								
Total pension liability, end of period	\$ 27,013,997	\$ 25,965,521								
Plan Fiduciary Net Position										
Employer contributions	\$ 496,412	\$ 507,379								
Employee contributions	189,470	199,290								
Pension plan net investment income	119,149	1,398,908								
Benefit payments	(1,240,272)	(1,078,710)								
Other	152,432	(38,765)								
Net change in plan fiduciary net position	\$ (282,809)	\$ 988,102								
Plan fiduciary net position - beginning	24,107,044	23,118,942								
Plan fiduciary net position - ending	\$ 23,824,235	\$ 24,107,044								
Net Pension Liability	\$ 3,189,762	\$ 1,858,477								
Plan Fiduciary Net Position as a Percentage	88.19%	92.84%								
Covered Valuation Payroll	\$ 4,210,446	\$ 4,193,206								
Net Pension Liability as a Percentage of Covered Valuation Payroll	75.76%	44.32%								

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

POLICE PENSION TRUST FUND

APRIL 30, 2016

MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS

(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2015)

<u>FISCAL YEAR ENDING APRIL 30,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>CONTRIBUTION DEFICIENCY</u>	<u>COVERED VALUATION PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION PAYROLL</u>
2016	\$ 1,803,573	\$ 1,300,000	\$ 503,573	\$ 3,475,703	37.40%
2015	1,803,573	1,260,000	543,573	3,234,164	38.96

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE PENSION
APRIL 30, 2015

Valuation Date: Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	Ends in fiscal year 2041
Asset Valuation Method	5-year smoothed market, no corridor
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55 plus 2.00% inflation allowance
Payroll Growth	0.00% per year
Investment Rate of Return	6.50% per year, compounded annually
Cost of Living Adjustments	It was assumed that the Consumer Price Index - Urban (CPI-U) would increase 2.00% per year.
Actuarial Asset Basis	The actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute.

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of the three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced(increased) shall be 80% in the current year, 60% in the first succeeding year, 40% in the second succeeding year and 20% in the third succeeding year.

Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.

Mortality	Active Lives: RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 and with a 150% load for participants under age 50. Five percent (5%) of deaths amongst active police officers are assumed to be in the performance of their duty.
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CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE PENSION
APRIL 30, 2015

Non-Active Lives: RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustments projected by Scale BB with a 150% load for participants under age 50.

Termination

Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

AGE	RATE OF WITHDRAWAL
25	0.7340
30	0.4160
35	0.0223
40	0.0119
45	0.0102

It is assumed that terminated police officers will not be rehired.

Disability Rates

Incidence of disability amongst police officers eligible for disability benefits:

AGE	RATE
25	0.0013
30	0.0026
35	0.0044
40	0.0071
45	0.0108
50	0.0159

Retirement Age

15% of disabilities amongst active police officers are assumed to be in the performance of duty.

AGE	RATE OF RETIREMENT
50	0.36
51	0.22
52	0.18
53	0.19
54	0.19
55	0.20
56	0.20
57	0.20
58	0.21
59	0.21

Marital Status

85% of police officers are assumed to be married.

Spouse's Age

Wives are assumed to be 3 years younger than their husbands.

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2016

MULTIYEAR SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM FISCAL YEAR 2014)

<u>CALENDAR YEAR ENDING DECEMBER 31,</u>	<u>ACTUARIALLY DETERMINED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>CONTRIBUTION DEFICIENCY</u>	<u>COVERED VALUATION PAYROLL</u>	<u>ACTUAL CONTRIBUTION AS A % OF COVERED VALUATION</u>
2015	\$ 496,412	\$ 496,412	\$ -	\$4,210,446	11.79%
2014	507,378	507,378	(1)	4,193,206	12.10%

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
NOTES TO SCHEDULE OF CONTRIBUTIONS -IMRF
APRIL 30, 2016

Valuation Date: Actuarially determined contributions are calculated as of May 1 of each year prior to the beginning of the year in which contributions are reported.

Summary of Actuarial Methods and Assumptions Used in Calculation of the 2015 Contribution Rate

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-year smoothed market, 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
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 Health Mortality Table, adjusted for mortality improvements to 202 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, 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.

See independent auditor's report and notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINIOS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016

ASSETS

	<u>POLICE ESCROW</u>	<u>LIBRARY</u>	<u>TIF #1 BUNKUM ROAD</u>	<u>STATE MOTOR FUEL TAX</u>	<u>OPEB</u>	<u>WEST PLANNING FUND</u>	<u>NORTH PLANNING FUND</u>	<u>TOTALS</u>
Cash and Cash Equivalents	\$ 372,832	\$ 186,956	\$ -	\$ 419,133	\$ 69,912	\$ (13,990)	\$ (33,866)	\$ 1,000,977
Certificates of Deposit	-	347,219	-	345,012	-	-	-	692,231
Receivables	-	-	248,708	38,866	-	-	-	287,574
Restricted Cash	-	-	589,727	-	-	-	-	589,727
Due From Other Funds	-	-	1,566	-	-	-	-	1,566
Total Assets	\$ 372,832	\$ 534,175	\$ 840,001	\$ 803,011	\$ 69,912	\$ (13,990)	\$ (33,866)	\$ 2,572,075

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

LIABILITIES:								
Accounts Payable	\$ -	\$ 7,225	\$ -	\$ 16,833	\$ 625	\$ -	\$ -	\$ 24,683
Accrued Payroll	-	14,455	-	-	-	-	-	14,455
Total liabilities	\$ -	\$ 21,680	\$ -	\$ 16,833	\$ 625	\$ -	\$ -	\$ 39,138
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ 248,708	\$ -	\$ -	\$ -	\$ -	\$ 248,708
Total Deferred Inflows of Resources	\$ -	\$ -	\$ 248,708	\$ -	\$ -	\$ -	\$ -	\$ 248,708
FUND BALANCE:								
Restricted for:								
Sewer Improvements Infrastructure	\$ -	\$ -	\$ 572,265	\$ -	\$ -	\$ -	\$ -	\$ 572,265
	-	-	-	786,178	-	-	-	786,178
Assigned:								
Special Revenue Funds	372,832	512,495	19,028	-	69,287	-	-	973,642
Unassigned:								
Special Revenue Funds	-	-	-	-	-	(13,990)	(33,866)	(47,856)
Total Fund Balance	\$ 372,832	\$ 512,495	\$ 591,293	\$ 786,178	\$ 69,287	\$ (13,990)	\$ (33,866)	\$ 2,284,229
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 372,832	\$ 534,175	\$ 840,001	\$ 803,011	\$ 69,912	\$ (13,990)	\$ (33,866)	\$ 2,572,075

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016

	<u>POLICE ESCROW</u>	<u>LIBRARY</u>	<u>TIF #1 BUNKUM ROAD</u>	<u>STATE MOTOR FUEL TAX</u>	<u>OPEB</u>	<u>WEST PLANNING FUND</u>	<u>NORTH PLANNING FUND</u>	<u>TOTALS</u>
REVENUES:								
Motor Fuel Tax	\$ -	\$ -	\$ -	\$ 436,836	\$ -	\$ -	\$ -	\$ 436,836
Fines and Fees	180,128	19,419	-	-	-	-	-	199,547
Property Taxes	-	-	208,530	-	-	-	-	208,530
Donations	-	402	-	-	-	-	-	402
Interest Income	-	3,691	1,811	2,849	176	-	-	8,527
OPEB Insurance Contributions	-	-	-	-	192,439	-	-	192,439
Miscellaneous	-	4,151	-	16,174	-	100	15,000	35,425
Total Revenues	\$ 180,128	\$ 27,663	\$ 210,341	\$ 455,859	\$ 192,615	\$ 100	\$ 15,000	\$ 1,081,706
EXPENDITURES:								
General Government								
Clerk's Department	\$ -	\$ -	\$ -	\$ -	\$ 142,276	\$ -	\$ -	\$ 142,276
Public Safety								
Police	154,481	-	-	-	-	4,090	38,866	197,437
Streets and Public Works								
Tax Increment Financing	-	-	1,825	611,189	-	-	-	613,014
Culture and Recreation								
Library	-	508,500	-	-	-	-	-	508,500
Capital Outlay	42,612	-	-	-	-	-	-	42,612
Total Expenditures	\$ 197,093	\$ 508,500	\$ 1,825	\$ 611,189	\$ 142,276	\$ 4,090	\$ 38,866	\$ 1,503,839
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,965)	\$ (480,837)	\$ 208,516	\$ (155,330)	\$ 50,339	\$ (3,990)	\$ (23,866)	\$ (422,133)
OTHER FINANCING SOURCES:								
Transfer In	\$ -	\$ 520,859	\$ 20,853	\$ -	\$ -	\$ -	\$ -	\$ 541,712
Total Other Financing Sources	\$ -	\$ 520,859	\$ 20,853	\$ -	\$ -	\$ -	\$ -	\$ 541,712
Net Change in Fund Balance	\$ (16,965)	\$ 40,022	\$ 229,369	\$ (155,330)	\$ 50,339	\$ (3,990)	\$ (23,866)	\$ 119,579
Fund Balance, Beginning of Year	389,797	472,473	361,924	941,508	18,948	(10,000)	(10,000)	2,164,650
Funds Balance, End of Year	\$ 372,832	\$ 512,495	\$ 591,293	\$ 786,178	\$ 69,287	\$ (13,990)	\$ (33,866)	\$ 2,284,229

See notes to financial statements.

ADDITIONAL ANALYSIS

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
COMBINING BALANCE SHEET
ALL GENERAL FUND ACCOUNTS
APRIL 30, 2016

ASSETS

	GENERAL	PARKS PROGRAMS	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
Cash and Cash Equivalents	\$ 2,331,466	\$ 60,042	\$ 5,606	\$ 8,063	\$ 161,429	\$ 2,566,606
Certificates of Deposit	-	-	-	-	590,000	\$ 590,000
Receivables	2,515,891	-	-	-	-	2,515,891
Due From Other Funds	805,887	-	-	-	-	805,887
Due From Fiduciary Fund	-	-	126,871	-	-	126,871
Restricted Cash and Cash Equivalents	127,639	-	-	-	-	127,639
Total Assets	\$ 5,780,883	\$ 60,042	\$ 132,477	\$ 8,063	\$ 751,429	\$ 6,732,894

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

LIABILITIES:

Accounts Payable	\$ 217,595	\$ 2,689	\$ -	\$ 112	\$ -	\$ 220,396
Accrued Payroll	319,268	100	-	-	-	319,368
Due to Other Funds	5,577	-	-	-	-	5,577
Total Liabilities	\$ 542,440	\$ 2,789	\$ -	\$ 112	\$ -	\$ 545,341

DEFERRED INFLOWS OF RESOURCES:

Unavailable Revenue - Property Taxes	\$ 28,600	\$ -	\$ -	\$ -	\$ -	\$ 28,600
Total Deferred Inflows of Resources	\$ 28,600	\$ -	\$ -	\$ -	\$ -	\$ 28,600

FUND BALANCE:

Restricted for:						
Rebate and Financing Agreements	\$ 127,639	\$ -	\$ -	\$ -	\$ -	\$ 127,639
Unassigned						
General Funds	5,082,204	57,253	132,477	7,951	751,429	6,031,314
Total fund balance	\$ 5,209,843	\$ 57,253	\$ 132,477	\$ 7,951	\$ 751,429	\$ 6,158,953
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 5,780,883	\$ 60,042	\$ 132,477	\$ 8,063	\$ 751,429	\$ 6,732,894

See notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED APRIL 30, 2016

	GENERAL	PARKS PROGRAM	POLICE PENSION	POLICE YOUTH	CAPITAL RESERVE	TOTAL GENERAL FUND
REVENUES:						
Sales Taxes	\$ 7,415,905	\$ -	\$ -	\$ -	\$ -	\$ 7,415,905
Food and Beverage Taxes	1,623,978	-	-	-	-	1,623,978
Home Rule Taxes	4,082,636	-	-	-	-	4,082,636
Income Taxes	1,743,265	-	-	-	-	1,743,265
Property Taxes	38,216	-	-	-	-	38,216
Use Taxes	396,176	-	-	-	-	396,176
Hotel and Motel Taxes	262,867	-	-	-	-	262,867
Utility/Franchise Taxes	276,406	-	-	-	-	276,406
Video Game Taxes	102,299	-	-	-	-	102,299
Licenses and Permits	287,617	-	-	-	-	287,617
Grant	171,662	-	-	-	-	171,662
Fines and Fees	448,445	57,036	-	-	-	505,481
Rental	45,128	-	-	-	-	45,128
Donations	-	-	-	6,079	-	6,079
Interest Income	7,987	164	342	24	4,050	12,567
Miscellaneous	162,297	-	-	-	-	162,297
Total Revenues	<u>\$ 17,064,884</u>	<u>\$ 57,200</u>	<u>\$ 342</u>	<u>\$ 6,103</u>	<u>\$ 4,050</u>	<u>\$ 17,132,579</u>
EXPENDITURES:						
Current						
General Government						
Mayor's Department	\$ 423,367	\$ -	\$ -	\$ -	\$ -	\$ 423,367
Clerk's Department	1,656,940	-	-	-	-	1,656,940
Finance Department	316,972	-	-	-	-	316,972
Administration Department	1,038,004	-	-	-	-	1,038,004
Municipal Complex	512,688	-	-	-	-	512,688
Public Safety						
Police	5,888,675	-	1,300,000	6,693	-	7,195,368
Emergency Services and Disaster Agency	28,876	-	-	-	-	28,876
Streets and Public Works						
Engineering/Streets	1,543,240	-	-	-	-	1,543,240
Public Works Maintenance	621,438	-	-	-	-	621,438
Land use and Development	661,397	-	-	-	-	661,397
Culture and Recreation						
Parks	751,567	39,676	-	-	-	791,243
Library	102,986	-	-	-	-	102,986
Capital Outlay	104,180	-	-	-	-	104,180
Total Expenditures	<u>\$ 13,650,330</u>	<u>\$ 39,676</u>	<u>\$ 1,300,000</u>	<u>\$ 6,693</u>	<u>\$ -</u>	<u>\$ 14,996,699</u>
Excess (Deficiency) of						
Revenues Over Expenditures						
(Carried Forward)	<u>\$ 3,414,554</u>	<u>\$ 17,524</u>	<u>\$ (1,299,658)</u>	<u>\$ (590)</u>	<u>\$ 4,050</u>	<u>\$ 2,135,880</u>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED APRIL 30, 2016

	<u>GENERAL</u>	<u>PARKS PROGRAM</u>	<u>POLICE PENSION</u>	<u>POLICE YOUTH</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL GENERAL FUND</u>
Excess (Deficiency) of Revenues Over Expenditures (Brought Forward)	\$ 3,414,554	\$ 17,524	\$ (1,299,658)	\$ (590)	\$ 4,050	\$ 2,135,880
OTHER FINANCING SOURCES (USES):						
Transfers Out	\$ (2,016,649)	\$ -	\$ -	\$ -	\$ -	\$ (2,016,649)
Transfers In	-	-	1,310,001	-	110,000	1,420,001
Total Other Financing Sources (Uses)	\$ (2,016,649)	\$ -	\$ 1,310,001	\$ -	\$ 110,000	\$ (596,648)
Net Change in Fund Balances	\$ 1,397,905	\$ 17,524	\$ 10,343	\$ (590)	\$ 114,050	\$ 1,539,232
Fund Balances, Beginning of Year	3,811,938	39,729	122,134	8,541	637,379	4,619,721
Fund Balances, End of Year	\$ 5,209,843	\$ 57,253	\$ 132,477	\$ 7,951	\$ 751,429	\$ 6,158,953

See accompanying notes to financial statements.