

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**UNIT CODE 088-060-30  
ANNUAL FINANCIAL STATEMENTS**

**April 30, 2012**

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

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**FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fairview Heights, Illinois as of April 30, 2012, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information and schedule of funding progress on pages 3 through 17 and 59 through 79 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 the 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fairview Heights, Illinois' financial statements as a whole. The combining nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*J.W. Boyle & Co Ltd*

J.W. BOYLE & CO., LTD.  
October 9, 2012

City of Fairview Heights  
FY 2012 Audit – Management’s Discussion & Analysis

MAYOR  
Gail Mitchell

CITY CLERK  
Mark Kupsky

CITY TREASURER  
Michele Isaacson

ALDERMEN

WARD I  
Josh Frawley  
Norman Miller

WARD II  
Speed Allen  
Roger Lowry

WARD III  
Pat Baeske  
Scott Greenwald

WARD IV  
Linda Arnold  
Carol Warner

WARD V  
Sandy Baldwin  
Bonnie Crossley

APPOINTED DIRECTORS

City Administrator  
Chief of Police  
Director of Public Works  
Director of Land Use & Development  
Director of Economic Development  
Director of Finance  
Director of Parks & Recreation  
Library Director

Drew Awsumb  
Nicholas Gailius  
Christopher Volkman  
Amber Miller  
Mike Malloy  
Scott Borrer  
Terry Wilson  
Jill Pifer

City of Fairview Heights  
FY 2012 Audit – Management’s Discussion & Analysis

This section of the City of Fairview Heights' annual financial report presents discussion and analysis from City management regarding the City’s financial performance during the fiscal year that ended on April 30, 2012 with selected comparative information.

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**FINANCIAL HIGHLIGHTS**

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- The “Statement of Activities” reports a change in net assets of \$1.5 million, which represents a gain from operations. This result equates to an increase in net assets of 2.5%, bringing the City’s net assets total to \$62.6 million.
- During Fiscal Year 2012 the Fund Balances for the City of Fairview Heights increased 12.7% to a total of \$9.7 million. The fund balance is a modified accrual accounting figure, meaning items such as accounts receivable and accounts payable are included. The receivable portion equals \$5.6 million, and is primarily comprised of three months of sales tax receipts due.
- Of the fund balance total, \$2.8 million is unreserved for general fund usage. This represents the discretionary cash available to the City, and is a 13.9% increase from FY 2011. The reserved portion is utilized towards financing agreements and special revenue funds.
- Sales tax receipts account for approximately 64% of all governmental revenues. The combined total of sales tax and home rule sales tax equaled \$12.4 million during the fiscal year, which represents the third straight year of an increase. The total represents an increase of 8.7% from FY 2011. However, this is partly due to the receipt of one month of collections representative of a “Home Rule Sales Tax” rate increase from 0.5% to 1.0%. For a more detailed explanation, see the section below on “Current Events & Next Year’s Budget”.
- The funded ratio of the City’s police pension fund increased from 59.8% to 64.5%. This was achieved, in part, to the City exceeding the actuarial required contribution (ARC) for the year of \$1.3 million. Detail on the police pension fund and the IMRF retirement plan can be found within the audit notes, the required supplementary information section of the audit, and the “Capital Asset and Debt Administration” section of this MD&A.
- A major revision to the City’s chart of accounts took place during the fiscal year, which enabled the City to separate reserved activities such as TIF’s from the General Fund. Activities related to such funds are now segregated on the balance sheet and the “Statement of Revenues, Expenditures, and Changes in Fund Balances”. These activities are shown under the column titled “Other Governmental Funds”.
- The City of Fairview Heights is compliant with the GASB 34 reporting model, which requires accounting for depreciation of capital assets within governmental activities. Shown within the “Statement of Net Assets”, the capital asset year-end balance decreased to a total of \$61.8 million (net of depreciation). The decrease is the result of additions to depreciation (\$1.8 million) exceeding additions to the capital asset inventory (\$1.4 million).

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## USING THIS ANNUAL REPORT

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This annual report consists of a series of financial statements.

- The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City’s finances.
- For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most financially significant funds.
- The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

### **Reporting the City as a Whole – The Statement of Net Assets and the Statement of Activities**

One of the most important questions asked about the City’s finances is “Is the City as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. The accrual method recognizes expenditures and revenues when they are measurable. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

### **Reporting the City’s Most Significant Funds - Fund Financial Statements**

Some funds are required to be established by State law and bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes (such as the Hotel / Motel Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The City’s two types of funds use different accounting approaches. The City of Fairview Heights does not have an enterprise fund of any type.

- *Governmental funds* – Most of the City’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flows into and out of these funds and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliations shown within the “Basic Financial Statements” section. The general corporate fund includes general government, public safety, streets and public works, and culture and recreation.

City of Fairview Heights  
FY 2012 Audit – Management’s Discussion & Analysis

- *Fiduciary funds* – The City has fiduciary responsibility for other assets that – because of trust arrangements – can be used only for the trust beneficiaries. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

In the Required Supplementary Information (RSI) section, detailed information is presented for each of the City’s five major funds, on a budgetary basis. This information is intended to provide the reader with accountability on an account level, for the City’s actual spending versus the adopted budget. The RSI section also includes detail on the funding progress on the City’s two retirement plans and other post employment benefits (OPEB). Finally, two statements (a balance sheet and the statement of revenues, expenditure, and changes in fund balances) for the City’s non-major governmental funds are provided as additional analysis. These relate to the City’s three tax increment financing districts (TIF’s) and the Sales Tax Rebate Fund. The non-major funds were created mid-year during FY 2011-2012. Notes on all such agreements can be found within the notes to the financial statements.

In the statistical section, detailed historical data can also be found regarding property values, debt service, and other miscellaneous statistics about the City of Fairview Heights. The tables are intended to provide the user with information beyond the realm of the traditional auditing requirements.

Full audits of the City’s three TIF districts are available in a separate audit report. Please contact the City’s Finance Department for a copy.

City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

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**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

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The majority of the City of Fairview Heights' \$73.6 million in assets lies within the City’s investment in infrastructure throughout the years. Of that total, \$40.3 million is comprised of infrastructure such as streets. Assets dominated by infrastructure is typical of local governments.

Growth in the City’s assets during the fiscal year was primarily due to an increase in receivables. Receivables for the City are primarily intergovernmental revenues due to the City from the State of Illinois. This is the result of a three month processing timeline for disbursement of sales tax to local governments. For example, sales tax reported by local businesses to the Department of Revenue during the month of February is received by the City in May. Thus, three months of sales taxes are due to the City at the end of each fiscal year. The State of Illinois remains on time with sales tax distributions to the City. However, the State remains (on average) three months behind on income tax distributions.

The City’s liabilities primarily consist of two outstanding general obligation bonds supported by general revenues. Other types of liabilities include items such as accrued payroll, compensated absences, and other post employment benefits and pension obligations.

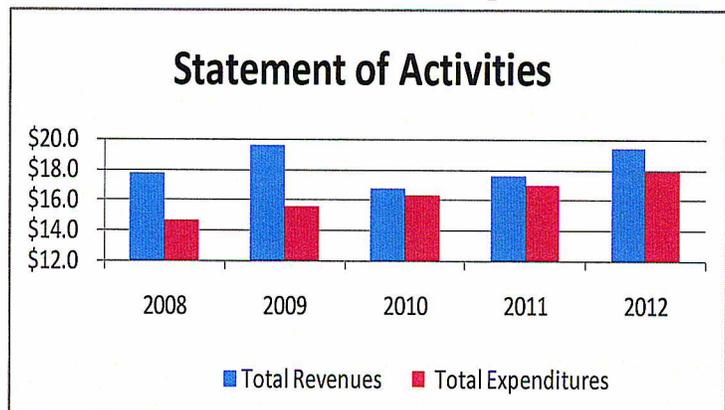
<b>City of Fairview Heights Net Assets</b>				
(in millions of dollars)				
	2011	2012	Total Percentage Change	
<b>Assets</b>				
Cash and Investments	\$ 5.0	\$ 5.0	0.0%	
Receivables	4.4	5.6	27.3%	
Restricted Assets: Cash and Invest	0.9	1.2	33.3%	
Fixed Assets, net of depr	62.1	61.7	-0.6%	
Misc	0.1	0.1	0.0%	
<b>Total Assets</b>	72.5	73.6	1.5%	
<b>Liabilities</b>				
Bonds Payable, current	1.1	1.1	0.0%	
Other current liabilities	2.2	2.5	13.6%	
Bonds Payable, noncurrent	7.1	6.0	-15.5%	
Other noncurrent liabilities	1.1	1.4	27.3%	
<b>Total Liabilities</b>	11.5	11.0	-4.4%	
<b>Net Assets</b>				
Invested in Capital Assets, Net of Debt	53.9	54.5	1.1%	
Restricted	0.9	1.2	33.3%	
Unrestricted	6.3	6.9	9.5%	
<b>Total Net Assets</b>	61.1	62.6	2.5%	
<b>Total Liabilities and Net Assets</b>	72.5	73.6	1.5%	

City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

The following table provides a comparison between the activities for FY 2012 and prior years under the GASB statement #34 model. Any surplus realized by the City is utilized by the City of Fairview Heights to meet the City’s fiscal policy in relation to reserves for operations, maintenance, and capital projects.

<b>Changes in the City of Fairview Heights Activities</b> (in millions of dollars)					
	<b>Fiscal Year</b>				
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Revenues</b>					
Program Revenues					
Charges for Services	\$ 0.6	\$ 0.7	\$ 0.9	\$ 1.0	\$ 1.2
Operating Grants and Contributions	0.1	0.1	0.1	0.1	0.2
Capital Grants and Contributions	1.2	2.9	-	0.3	-
General Revenues					
Taxes, General Purposes	15.4	15.7	15.6	16.1	17.9
Investment Earnings	0.3	0.1	-	-	-
Miscellaneous	0.1	0.1	0.1	0.2	0.1
<b>Total Revenues</b>	<b>17.7</b>	<b>19.6</b>	<b>16.7</b>	<b>17.7</b>	<b>19.4</b>
<b>Expenditures</b>					
General Government	3.2	3.7	4.2	4.6	4.6
Public Safety	4.8	5.0	5.5	5.6	6.0
Streets and Public Works	4.6	4.8	4.7	4.8	5.5
Culture and Recreation	1.6	1.6	1.6	1.6	1.5
Interest on long-term Debt	0.5	0.4	0.4	0.3	0.3
<b>Total Expenditures</b>	<b>14.7</b>	<b>15.5</b>	<b>16.4</b>	<b>16.9</b>	<b>17.9</b>
<b>Change in Net Assets</b>	<b>\$ 3.0</b>	<b>\$ 4.1</b>	<b>\$ 0.3</b>	<b>\$ 0.8</b>	<b>\$ 1.5</b>

As seen in the statement of activities, operating revenues have exceeded operating expenses in each of the past five years. The \$1.5 million gain in operations was achieved despite an increase in total expenditures. Over the five year period, the 21.7% rate of growth for expenses (\$14.7 million to \$17.9 million) is outpacing the 9.6% growth rate of revenue (\$17.7 million to \$19.4 million). This is a trend that should be closely monitored by City management. To help address the trend, the City passed some tax rate increases mid-year during FY 2012. Detail can be found below in the “Current Events & Next Year’s Budget” section.



City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

**Budget Highlights**

The City adheres to a fund accounting system, where an emphasis is placed on accountability rather than profitability. Individual funds are established to account for revenues and expenditures that are either a) restricted due to state and/or local law, or b) at the discretion of the local governing body for tracking purposes. City budgets are prepared on a cash basis and can be amended during the fiscal year for various reasons. Variances between planned and actual spending may occur due to, among other reasons, changes in capital project timetables.

For auditing purposes, City funds are divided into two categories - major funds and non-major (aka “other governmental”) funds. The following is a summary of the City’s funds and their purposes, as of the end of the fiscal year:

<b>FUND</b>	<b>CATEGORY</b>	<b>PURPOSE</b>
General Fund	Major Fund	Main operating fund of the City that includes general operating and maintenance expenses.
Home Rule Tax Fund	Major Fund	Fund established by ordinance to account for home rule sales tax receipts. Functions as the City’s “Capital Improvements” Fund.
Motor Fuel Tax Fund	Major Fund	Accounts for motor fuel tax disbursements received from the State of Illinois. Used for street maintenance and repair.
Hotel & Motel Tax Fund	Major Fund	A fund established by ordinance to account for hotel/motel tax funds.
Food & Beverage Tax Fund	Major Fund	A fund established by ordinance to account for food & beverage tax funds.
TIF #1	Non-Major	To account for activities related to the “Bunkum Road” TIF district.
TIF #2	Non-Major	To account for activities related to the “Shoppes @ St. Clair” TIF district.
TIF #3	Non-Major	To account for activities related to the “Lincoln Trail” TIF district.
Tax Rebates Fund	Non-Major	To account for activities related to all tax rebate financing agreements entered into by the City.

Changes in the City’s chart of accounts during the fiscal year affected the financial statements and, in particular, any budget to actual analysis. The original budget approved by the City Council for FY 2012 were only for the five major funds, and was passed at a \$2.8 million dollar structural deficit. The non-major funds were established midyear through a budget amendment, thereby reducing the General Fund and Home Rule Fund budget amounts. That action is the primary reason for the \$2 million variance in the General Fund. A “Balance Sheet” and “Statement of Revenues, Expenditures, and Changes in Fund Balance” related to the new (non-major) funds can be found in the additional analysis section of the audit.

City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

<b>Budget vs. Actual Summary</b>				
<b>Major Funds Only</b>				
<b>Fiscal Year 2012</b>				
<b><u>Revenues</u></b>	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
General Fund	\$ 14,027,645	\$ 12,714,897	\$ 10,711,241	\$ (2,003,656)
Home Rule Fund	1,827,083	1,616,664	1,673,368	56,704
Motor Fuel Tax Fund	444,396	444,396	517,666	73,270
Hotel / Motel Tax Fund	543,692	623,692	664,373	40,681
Food & Beverage Tax Fund	1,043,653	1,528,653	1,542,295	13,642
Total	17,886,469	16,928,302	15,108,943	(1,819,359)
<b><u>Expenditures</u></b>				
General Fund	14,760,812	13,435,319	12,452,270	983,049
Home Rule Fund	2,810,139	2,599,720	1,668,058	931,662
Motor Fuel Tax Fund	1,028,125	1,028,125	502,389	525,736
Hotel / Motel Tax Fund	916,474	916,474	705,890	210,584
Food & Beverage Tax Fund	1,135,615	1,655,615	1,633,275	22,340
Total	\$ 20,651,165	\$ 19,635,253	\$ 16,961,882	\$ 2,673,371
<b><u>Net Change in Fund Balance *</u></b>				
General Fund			\$ (1,741,029)	
Home Rule Fund			5,310	
Motor Fuel Tax Fund			15,277	
Hotel / Motel Tax Fund			(41,517)	
Food & Beverage Tax Fund			(90,980)	
Total Change in Fund Balance			\$ (1,852,939)	
* Does not include unrecorded assets & liabilities				

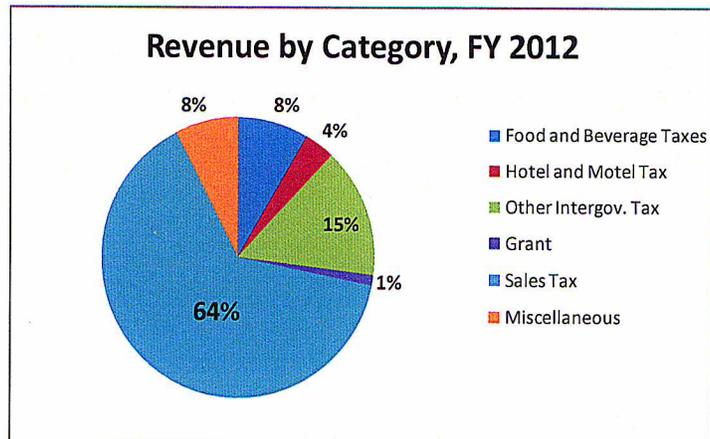
As shown in the above table, when not accounting for unrecorded assets and liabilities (i.e. receivables), the major funds in total experienced a loss in fund balance of \$1.8 million. However, this is offset in part by the non-major fund activity that resulted from the creation of the new funds. The fund balance of the non-major funds, as seen in the additional analysis, is \$1.1 million. Future audits will not be affected by this adjustment in the chart of accounts.

**Governmental Activities – Revenues**

Governmental activities account for a majority of the City’s operating activities, as the City does not operate any business-type enterprises such as water or sewer. City revenues are primarily comprised of consumer based taxes such as sales tax. As a home rule community, the City Council maintains some flexibility in its taxing authority and decision making. Fairview Heights is one of only a few Illinois municipalities that does not adopt a property tax levy to support operations.

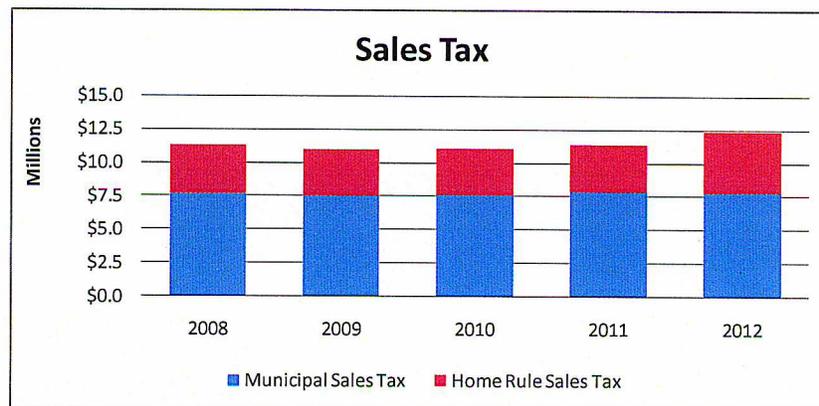
City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

The City’s revenues are dominated by sales tax revenue from the large retail base in Fairview Heights. Intergovernmental revenues include revenues due to the City of Fairview Heights that pass through the State of Illinois. These include, but are not limited to, income tax and use taxes. The food & beverage tax and the hotel / motel tax are administered by the City. Thus, they are not considered intergovernmental revenue. Charges for services include building permits and user fees.



In lieu of adopting a property tax levy, the City essentially uses sales tax to fund a number of services and obligations typically done in local government via property tax revenue. These would include but are not limited to police protection, insurance and tort liability, pension obligations, library operations, and street lighting.

The City’s sales tax collections are primarily comprised of two components: the 1% portion included in the state sales tax rate, and a 1.0% portion passed by the City known as a “Home-Rule” sales tax (rate increase during the year – see “Current Events & Next Year’s Budget” section). The 1% portion and half of the home-rule rate are used to support City operations. By City ordinance, half of the home-rule sales tax collections are to be used for capital expenditures.



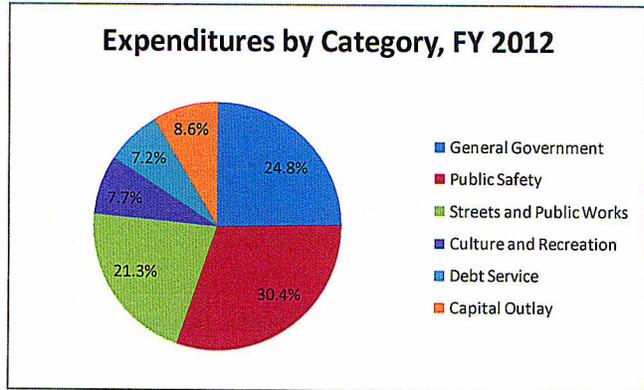
The City also receives a 0.5% sales tax within the “Shoppes of St. Clair” business district. Receipts from the business district tax are used for repayment of a bond within the district, and are not used to support City operations. The business district sales tax for FY 2012 was \$94,378 and is not included in the chart.

Of the City’s remaining revenue portfolio, a significant portion is reserved for specific purposes. For example, the City has three tax incremental financing districts which utilize property tax receipts for specific purposes within each applicable district. In addition, both the “Food and Beverage Tax” and “Hotel/Motel Tax” receipts are primarily used towards the repayment of general obligation bonds.

City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

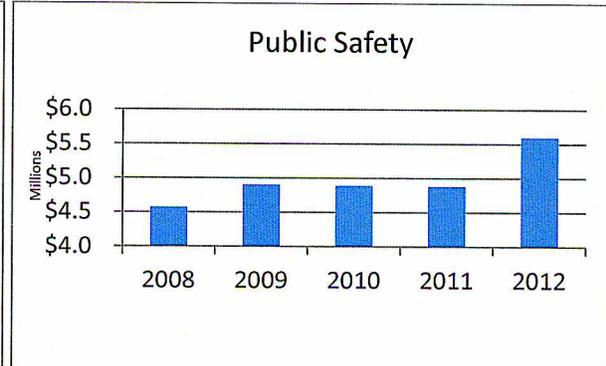
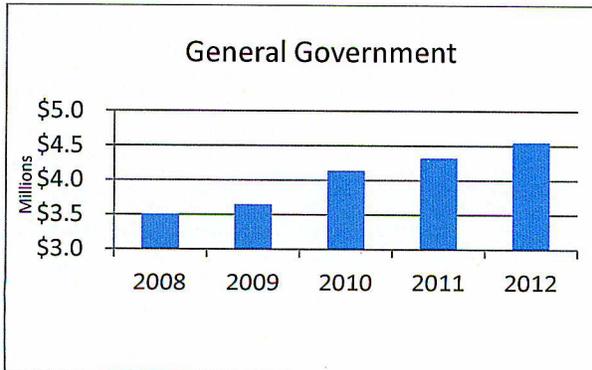
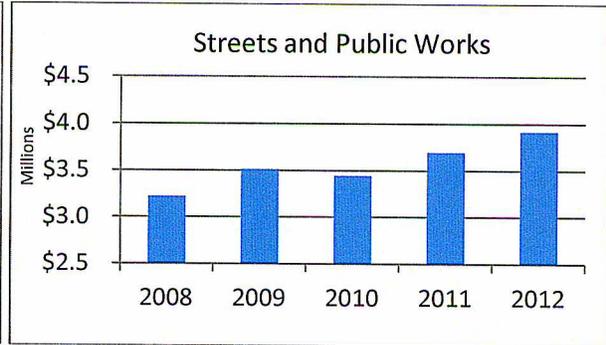
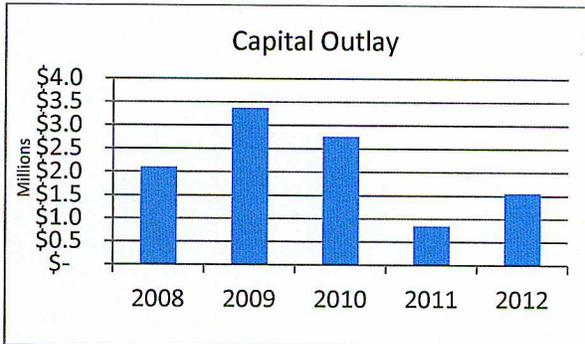
**Governmental Activities – Expenditures**

Expenditures of Governmental Activities are spread among a wide variety of functions. Among these are public safety functions of the police department and emergency services, the activities of public works department, culture and recreation, and general governmental services. The general government category includes services such as administration, finance, land use and development, and economic development. All of these areas are funded with the aforementioned revenues such as sales tax and other intergovernmental revenues.



Total expenses for the major funds decreased 3.3% during the fiscal year, due in part to the changes in the City’s chart of accounts. However, segments of the City’s operations did experience an increase in costs. One factor in the increase resides with rising pension obligations. As a result of poor investment returns since 2008, the City’s expense has been increasing in order to help maintain the funding levels of the plans. See the “Capital Asset and Debt Administration” section for details.

Trending information of four of the categories is as follows:



City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

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**STATUS OF CITY RESERVES**

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The governmental funds reported a fund balance of \$9.7 million, an increase of 12.7%. In total, the City’s fund balances increased by nearly \$1.1 million. The increase in fund balance is due to a number of factors. However, a large portion of the increase is related to cash reserved for activities such as TIFs. These funds are designed to be spent on specific projects within a fixed geographic location, per the terms of the TIF agreements.

<b>City of Fairview Heights Statement of Governmental Fund Balances</b>			
	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2012</b>	<b>Percent Change</b>
<b><u>Reserved Funds</u></b>			
Rebate and Financing Agreements	\$ 836,022	\$ 1,078,656	29.0%
Sewer Improvements Infrastructure	84,317	109,264	29.6%
	-	644,633	-
<b><u>Unreserved Funds</u></b>			
General Funds	2,421,385	2,758,519	13.9%
Special Revenue	5,249,947	5,091,456	-3.0%
<b>Totals</b>	<b>\$ 8,591,671</b>	<b>\$ 9,682,528</b>	<b>12.7%</b>

The City Council adopted a “Fiscal and Budgetary Guidelines Policy” during FY 2012 that has a stated goal to have a 25% (three month) unreserved fund balance for operating expenditures within the General Fund. Cash reserves and contingencies are necessary in order to maintain current levels of service during challenging economic times or other unforeseen events. In the case of Fairview Heights it is especially important due to the City’s lack of a diversified revenue portfolio, and its reliance on sales tax generated from the retail environment. The ratio improved from 18.4% to 22.0% during the fiscal year.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

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**Capital Assets**

The City adopted and implemented a new capitalization policy<sup>1</sup> for the FY 2011 audit. Prior to the resolution, assets over \$100 in cost were capitalized. The new resolution established a capitalization threshold of \$15,000. Assets listed on the depreciation schedules based on the previous capitalization threshold will remain until they are disposed of.

At the end of FY 2012, the City had \$61.8 million (net of depreciation) invested in a range of capital assets that included land, machinery and equipment, building, and infrastructure. Infrastructure is valued based on the composite cost. The straight-line depreciation method is used, with a salvage value always being zero.

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<sup>1</sup> Resolution 3602-2011

City of Fairview Heights  
FY 2012 Audit – Management’s Discussion & Analysis

<b>City of Fairview Heights Capital Assets (net of depreciation, in millions of dollars)</b>				
	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2012</b>	<b>Percent Change</b>	
Land	\$ 9.3	\$ 9.3	0.0%	
Construction in Progress	3.5	0.7	-80.0%	
Buildings	8.6	8.4	-2.3%	
Other Improvements	1.0	0.9	-10.0%	
Machinery and Equipment	2.1	2.2	4.8%	
Infrastructure	37.6	40.3	7.2%	
<b>Totals</b>	<b>\$ 62.1</b>	<b>\$ 61.8</b>	<b>0.5%</b>	

**Debt Administration**

As a home rule unit of municipal government, the City of Fairview Heights is not subject to a general obligation legal debt limit. However, if it were, based on the statutory limit 8.625% of the City’s assessed valuation the City’s limit would be approximately \$35 million. Currently, the City has \$7.1 million in general obligation bond debt. Detailed information on the City’s long-term debt can be found within “Note 5” of the “Notes to Financial Statements” section.

<b>City of Fairview Heights Liabilities (in millions of dollars)</b>				
	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2012</b>	<b>Percent Change</b>	
General Obligation Bonds	\$ 8.1	\$ 7.1	-12.4%	
Deferred real estate tax Revenue	\$ 0.9	\$ 0.8	-11.1%	
OPEB and Pension Obligations	\$ 1.0	\$ 1.3	30.0%	
Compensated Absences	\$ 0.5	\$ 0.5	0.0%	
<b>Totals</b>	<b>\$ 10.5</b>	<b>\$ 9.7</b>	<b>-7.6%</b>	

The City of Fairview Heights currently has two bonds payable. A 2005 general obligation bond of \$7.5 million was issued to consolidate two previous bonds at a lower interest rate, and provide funds for construction of a new police department. The bond is supported by the 1% “Food and Beverage Tax”, and is scheduled to be retired in

2019. A 2001 general obligation bond of \$4 million was originally issued to support the construction of a conference center. The bond is backed by the 5% Hotel/Motel Tax receipts received by the City. The refinancing during the previous fiscal year reduced the interest rate for the remaining bond life.

Another long-term consideration pertains to the City’s pension obligations. Sworn personnel within the Police Department participate in the police pension fund defined benefit plan, and non-sworn employees participate in the Illinois Municipal Retirement Fund (IMRF). The Police Pension Board, by state statute, manages the investments of the police pension fund while the City acts as the fiduciary. In terms of the IMRF, it is important to note the plan is independently managed from the State of Illinois employee pension system. As such, the IMRF is not affected by any potential State of Illinois pension reforms in the future.

City of Fairview Heights  
 FY 2012 Audit – Management’s Discussion & Analysis

Reduced investment returns (and losses) in recent years within both plans have contributed to reduced funded ratios, thus increasing the annual financial requirements of the City. Additional information on both plans can be found within Note 13 of the audit and within the “Required Supplementary Information” section.

IMRF		
AUDIT DATE	FUNDED RATIO	ACTUAL CITY CONTRIBUTIONS
FY 2012	71.37%	\$ 436,524
FY 2011	74.40%	374,249
FY 2010	80.36%	333,970
FY 2009	82.59%	314,210
FY 2008	98.02%	336,892

POLICE PENSION		
AUDIT DATE	FUNDED RATIO	ACTUAL CITY CONTRIBUTIONS
FY 2012	64.48%	\$ 1,311,035
FY 2011	59.78%	741,047
FY 2010	56.05%	766,419
FY 2009	69.84%	745,154
FY 2008	72.39%	680,511

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**CURRENT EVENTS AND NEXT YEAR’S BUDGET**

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The City is heavily reliant on the retail industry, and serves as a major retail destination in the St. Louis and southwestern Illinois area. The economic conditions of the past few years have been challenging for the City. Retail activity within Fairview Heights is nearly identical to the level seen ten years ago. During these times the City has been able to maintain the same level of services to the residents and stakeholders of Fairview Heights by using cash reserves and deferring some capital expenditures.

The FY 2011-2012 budget was passed with a \$2.8 million structural deficit. In response, during the summer of 2011 the management staff and elected officials held a series of budget workshops that focused on city services, the ability to cut expenses, and potential new revenue sources. It was determined by the City Council to maintain the current service levels, increase the City’s investment in capital expenditures, and place additional emphasis on pension obligations. As a result, three existing tax rates were increased as follows:

CHANGES IN TAX RATES				
TAX	PREVIOUS RATE	NEW RATE	EFFECTIVE DATE	ESTIMATED REVENUE
Home Rule Sales Tax	0.5%	1.0%	1/1/12	\$3.4 M
Food & Beverage Tax	1.0%	2.0%	10/1/11	\$1.0 M
Hotel / Motel Tax	5.0%	7.0%	10/1/11	\$230,000

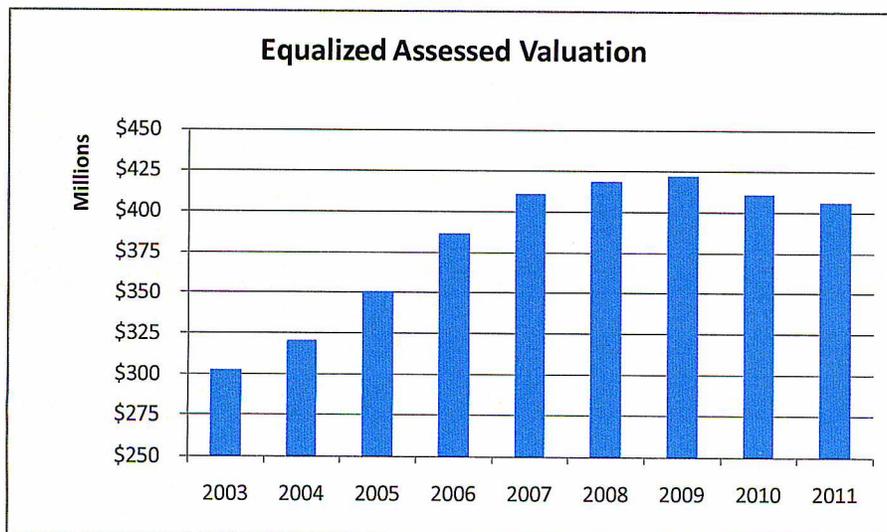
City of Fairview Heights  
FY 2012 Audit – Management’s Discussion & Analysis

The City has adopted its first multi-year Capital Improvements Plan (CIP) as part of the FY 2012-2013 budget process. The CIP includes a five year projection of all capital expenditures and accompanied by extensive narratives on project scope, funding sources, and justification. The current year of the CIP includes \$4.0 million in capital expenditures, which is a significant increase in the City’s commitment towards capital investment. Some of the project highlights in the next fiscal year includes storm siren replacements, a recreation center renovation, and multiple street projects and overlays. The five year total of the CIP equals \$19.9 million in planned capital investments.

Steps have been taken in recent years by the City Council towards adopting an increased professional approach in local government management by adding key staff members to present and implement a strategic management approach. The first City Administrator was hired in 2006 to manage the day-to-day activity of the City. The first Finance Director was hired in January 2011. Additionally, the City hired an Economic Development Director during last year and will work directly with the retail community.

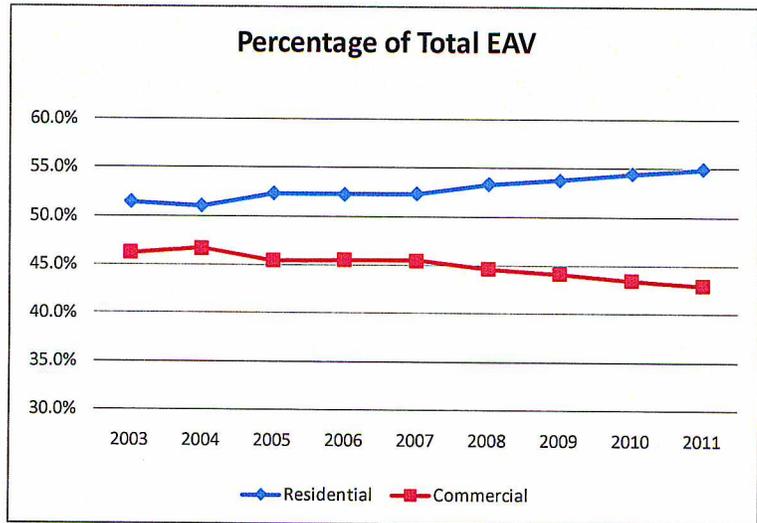
The City currently has several projects completed or underway that will contribute towards the aforementioned approach. The primary project is the completion of a Comprehensive Plan for the City of Fairview Heights. The plan is expected to be considered during the current fiscal year. Upon adoption by the City Council, City staff will be charged with implementing the goals and objectives within the study. Other examples of a more strategic approach relate to policies and procedures. One of the primary financial examples includes the “Fiscal and Budgetary Guidelines Policy”, which is a series of broad fiscal goals and guidelines for the City to observe in the fiscal management of the City.

As of June 2012, the City’s Equalized Assessed Value (EAV) decreased 1.3% to a total of \$406.1 million. This reflects the tax year 2011 data, the most recent data available from the St. Clair County Clerk’s office. The average growth rate of the EAV during the past 10 years has been 4.5%. While the City does not currently issue a property tax levy, the EAV remains an important metric used to assess the economic health of the City as a whole. A detailed table of EAV data can be found in the statistical section of this audit.



City of Fairview Heights  
FY 2012 Audit – Management’s Discussion & Analysis

A related EAV trend of note is the growing difference in the percentage of the total EAV that resides with residential property owners versus the percentage that resides with commercial property. During the past five years, the margin of difference has grown from 7% to 12%. While it is difficult to determine what the exact cause of the growing variance is (i.e. residential expansion verses a deteriorating commercial landscape), this is an area the City should watch closely and manage accordingly.



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### CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional financial information please contact the Director of Finance, City of Fairview Heights, 10025 Bunkum Road, Fairview Heights, IL 62208.

General information relating to the City of Fairview Heights may be found at [www.cofh.org](http://www.cofh.org).

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Statement of Net Assets  
April 30, 2012**

**ASSETS**

Current assets		
Cash and cash equivalents	\$ 5,034,741	
Receivables	5,596,171	
Restricted cash and cash equivalents	<u>1,229,117</u>	
Total current assets	11,860,029	
Noncurrent assets		
Unamortized bond issuance costs	73,587	
Capital assets, net	<u>61,701,720</u>	
Total noncurrent assets	<u>61,775,307</u>	
Total assets		\$ 73,635,336

**LIABILITIES**

Current liabilities		
Accounts payable	858,865	
Accrued payroll	290,102	
Accrued interest payable	77,732	
Compensated absences, current	458,297	
Deferred real estate tax revenue	797,120	
Capital lease payable, current	43,401	
Bonds payable, current	<u>1,085,000</u>	
Total current liabilities	3,610,517	
Noncurrent liabilities		
Compensated absences, non-current	22,921	
Capital lease payable, non-current	87,031	
Other postemployment benefit and pension obligation	1,190,430	
IMRF pension obligation	117,563	
Bonds payable, non-current	<u>6,000,000</u>	
Total noncurrent liabilities	<u>7,417,945</u>	
Total liabilities		<u>11,028,462</u>

**NET ASSETS**

Invested in capital assets, net of related debt	54,486,288	
Restricted	1,229,117	
Unrestricted	<u>6,891,469</u>	
Total net assets		<u>\$ 62,606,874</u>

See accompanying notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Statement of Activities  
April 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government					
Executive department	\$ 4,200,573	\$ 128,538	\$ -	\$ -	\$ (4,072,035)
Municipal complex	421,444	198,669	-	-	(222,775)
Public safety					
Police	5,978,454	641,858	73,343	-	(5,263,253)
Emergency services and disaster agency	26,415	-	3,567	-	(22,848)
Street and public works					
Engineering/streets	2,922,934	-	143,733	-	(2,779,201)
Public works maintenance	635,370	-	-	-	(635,370)
Land use and development	1,920,544	218,555	-	-	(1,701,989)
Culture and recreation					
Parks	759,270	17,197	-	-	(742,073)
Library	535,571	-	17,244	-	(518,327)
Tourism	231,159	-	-	-	(231,159)
Interest on long-term debt	<u>265,535</u>	-	-	-	<u>(265,535)</u>
<b>Total governmental activities</b>	<b><u>\$ 17,897,269</u></b>	<b><u>\$ 1,204,817</u></b>	<b><u>\$ 237,887</u></b>	<b><u>\$ -</u></b>	<b>(16,454,565)</b>
General revenues					
Taxes					
Sales tax					7,797,488
Home rule tax					4,566,168
Food and beverage tax					1,617,796
Hotel and motel tax					705,217
State income tax					1,446,951
Use tax					249,153
Property tax					839,985
Franchise taxes					208,857
Motor fuel tax					420,729
Business district tax					94,378
Investment earnings					13,731
Miscellaneous					<u>44,241</u>
Total general revenues and transfers					<u>18,004,694</u>
Change in net assets					1,550,129
Net assets, beginning of year					<u>61,056,745</u>
Net assets, end of year					<u>\$ 62,606,874</u>

See accompanying notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Balance Sheet  
Governmental Funds  
April 30, 2012**

	General	Home Rule	State Motor Fuel Tax	Hotel and Motel Tax	Food and Beverage	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,118,947	\$ 1,707,255	\$ 611,790	\$ 486,627	\$ 1,110,122	\$ -	\$ 5,034,741
Receivables	2,786,707	1,690,301	33,155	114,761	179,538	791,709	5,596,171
Due from other funds	852,429	384	-	-	885,275	352,869	2,090,957
Restricted cash	<u>87,406</u>	<u>50,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,091,253</u>	<u>1,229,117</u>
<b>Total assets</b>	<b><u>\$ 4,845,489</u></b>	<b><u>\$ 3,448,398</u></b>	<b><u>\$ 644,945</u></b>	<b><u>\$ 601,388</u></b>	<b><u>\$ 2,174,935</u></b>	<b><u>\$ 2,235,831</u></b>	<b><u>\$ 13,950,986</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 209,340	\$ 248,638	\$ 312	\$ 11,956	\$ -	\$ 388,619	\$ 858,865
Accrued payroll	290,102	-	-	-	-	-	290,102
Deferred revenue	261,594	-	-	-	-	766,940	1,028,534
Due to other funds	<u>1,238,528</u>	<u>851,150</u>	<u>-</u>	<u>1,279</u>	<u>-</u>	<u>-</u>	<u>2,090,957</u>
<b>Total liabilities</b>	<b><u>1,999,564</u></b>	<b><u>1,099,788</u></b>	<b><u>312</u></b>	<b><u>13,235</u></b>	<b><u>-</u></b>	<b><u>1,155,559</u></b>	<b><u>4,268,458</u></b>
<b>Fund balances</b>							
<b>Restricted for:</b>							
Rebate and financing agreements	87,406	50,458	-	-	-	940,792	1,078,656
Sewer improvements	-	-	-	-	-	109,264	109,264
Infrastructure	-	-	644,633	-	-	-	644,633
<b>Assigned:</b>							
Special revenue funds	-	2,298,152	-	588,153	2,174,935	30,216	5,091,456
<b>Unassigned:</b>							
General funds	<u>2,758,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,758,519</u>
<b>Total fund balances</b>	<b><u>2,845,925</u></b>	<b><u>2,348,610</u></b>	<b><u>644,633</u></b>	<b><u>588,153</u></b>	<b><u>2,174,935</u></b>	<b><u>1,080,272</u></b>	<b><u>9,682,528</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 4,845,489</u></b>	<b><u>\$ 3,448,398</u></b>	<b><u>\$ 644,945</u></b>	<b><u>\$ 601,388</u></b>	<b><u>\$ 2,174,935</u></b>	<b><u>\$ 2,235,831</u></b>	<b><u>\$ 13,950,986</u></b>

See accompanying notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
April 30, 2012**

Total fund balance - total governmental funds		\$ 9,682,528
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets of \$97,131,307 net of accumulated depreciation of \$35,429,587 are not financial resources and, therefore, are not reported in the funds.	\$ 61,701,720	
Other assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income tax	214,589	
Rental income	16,825	
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred charge on debt issuance costs, net of accumulated amortization	73,587	
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 assets. Balances at April 30, 2012, were:		
Compensated absences	(481,218)	
Accrued interest on bonds payable	(77,732)	
Capital lease payable	(130,432)	
Other post employment benefit and pension obligation	(1,190,430)	
IMRF pension obligation	(117,563)	
General obligation bonds payable	<u>(7,085,000)</u>	<u>52,924,346</u>
Net assets of governmental activities		<u>\$ 62,606,874</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, 2012**

	General	Home Rule	State Motor Fuel Tax	Hotel and Motel Tax	Food and Beverage	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Sales taxes	\$ 6,995,333	\$ -	\$ -	\$ -	\$ -	\$ 802,155	\$ 7,797,488
Food and beverage taxes	-	-	-	-	1,617,796	-	1,617,796
Home rule taxes	2,283,084	2,283,084	-	-	-	-	4,566,168
Income taxes	1,389,128	-	-	-	-	-	1,389,128
Property taxes	38,566	-	-	-	-	801,419	839,985
Use taxes	249,153	-	-	-	-	-	249,153
Hotel and motel taxes	-	-	-	705,217	-	-	705,217
Utility/franchise taxes	208,857	-	-	-	-	-	208,857
Motor fuel taxes	-	-	420,729	-	-	-	420,729
Business district taxes	-	-	-	-	-	94,378	94,378
Licenses and permits	306,329	-	-	-	-	-	306,329
Grant	106,654	50,000	81,233	-	-	-	237,887
Fines and fees	571,487	-	-	-	-	-	571,487
Rental	181,844	-	-	-	-	-	181,844
Interest income	2,995	5,263	1,493	812	3,168	-	13,731
Miscellaneous	156,987	-	12,587	-	105	-	169,679
<b>Total revenues</b>	<b>12,490,417</b>	<b>2,338,347</b>	<b>516,042</b>	<b>706,029</b>	<b>1,621,069</b>	<b>1,697,952</b>	<b>19,369,856</b>
<b>Expenditures</b>							
<b>Current</b>							
<b>General government</b>							
Mayor's department	841,888	24,962	-	-	172,373	-	1,039,223
Clerk's department	2,660,091	-	-	-	-	-	2,660,091
Finance department	373,738	125	-	-	1,425	-	375,288
Municipal complex	483,114	-	-	-	-	-	483,114
<b>Public Safety</b>							
Police	5,053,769	-	-	-	522,200	-	5,575,969
Emergency services and disaster agency	25,149	-	-	-	-	-	25,149
<b>Streets and public works</b>							
Engineering/streets	909,454	454,430	15,163	-	-	-	1,379,047
Public works maintenance	503,374	119,172	-	-	-	-	622,546
Land use and development	535,214	82,093	-	-	-	-	617,307
Sales tax rebates	-	-	-	-	-	736,552	736,552
Tax increment financing	-	-	-	-	-	566,609	566,609
<b>Culture and recreation</b>							
Parks	758,333	20,278	-	-	-	-	778,611
Library	483,616	-	-	-	-	-	483,616
Tourism	-	-	-	155,227	-	-	155,227
<b>Debt service</b>							
Principal	92,400	138,599	-	230,000	594,001	-	1,055,000
Interest	22,494	33,742	-	73,236	144,604	-	274,076
Capital outlay	118,995	796,822	486,801	48,516	123,448	-	1,574,582
<b>Total expenditures</b>	<b>12,861,629</b>	<b>1,670,223</b>	<b>501,964</b>	<b>506,979</b>	<b>1,558,051</b>	<b>1,303,161</b>	<b>18,402,007</b>
<b>Excess of revenues over expenditures (carried forward)</b>	<b>\$ (371,212)</b>	<b>\$ 668,124</b>	<b>\$ 14,078</b>	<b>\$ 199,050</b>	<b>\$ 63,018</b>	<b>\$ 394,791</b>	<b>\$ 967,849</b>

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds  
 (Continued)  
 For the Year Ended April 30, 2012

	General	Home Rule	State Motor Fuel Tax	Hotel and Motel Tax	Food and Beverage	Other Governmental Funds	Total Governmental Funds
Excess of revenues over expenditures (brought forward)	\$ (371,212)	\$ 668,124	\$ 14,078	\$ 199,050	\$ 63,018	\$ 394,791	\$ 967,849
Other financing sources (uses)							
Capital lease proceeds	118,995	-	-	-	-	-	118,995
Sale of capital assets	4,013	-	-	-	-	-	4,013
Transfers out	(2,491,181)	(349,589)	-	(198,911)	(54,789)	(1,931,557)	(5,026,027)
Transfers in	<u>2,286,840</u>	<u>122,149</u>	-	-	-	<u>2,617,038</u>	<u>5,026,027</u>
Total other financing sources (uses)	<u>(81,333)</u>	<u>(227,440)</u>	-	<u>(198,911)</u>	<u>(54,789)</u>	<u>685,481</u>	<u>123,008</u>
Net change in fund balances	(452,545)	440,684	14,078	139	8,229	1,080,272	1,090,857
Fund balances, beginning of year	<u>3,298,470</u>	<u>1,907,926</u>	<u>630,555</u>	<u>588,014</u>	<u>2,166,706</u>	-	<u>8,591,671</u>
Fund balances, end of year	<u>\$ 2,845,925</u>	<u>\$ 2,348,610</u>	<u>\$ 644,633</u>	<u>\$ 588,153</u>	<u>\$ 2,174,935</u>	<u>\$ 1,080,272</u>	<u>\$ 9,682,528</u>

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, 2012**

Net change in fund balances - total governmental funds \$ 1,090,857

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 depreciation of \$1,799,134 exceeded capital assets of \$1,434,253 in the current period.

\$ (364,881)

In the statement of activities, the remaining basis of assets disposed of are reported, whereas in governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets disposed of \$413,732 net of related accumulated depreciation of \$412,613.

(1,119)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Increase in income tax

57,823

Increase in rental income

16,825

Capital lease proceeds provide current financial resources to governmental funds, but issuing capital leases increases long-term liabilities in the statement of net assets. While repayment of lease principal is an expenditure in the governmental funds it reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayment.

(85,285)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Payment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds.

1,045,264

Some 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. These include the net decrease in compensated absences of \$59,013, the net decrease in accrued interest of \$18,277, the net increase in IMRF pension obligation of \$30,983, and the net increase in other postemployment benefit and pension obligation of \$255,662.

(209,355)

459,272

Change in net assets of governmental activities

\$ 1,550,129

See accompanying notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Statement of Fiduciary Net Assets - Fiduciary Funds  
April 30, 2012**

ASSETS	Pension Trust Fund	Agency Funds
Pooled cash and cash equivalents	\$ 1,345,747	\$ -
Non-pooled cash	-	457,861
Total cash	1,345,747	457,861
Interest and dividends receivable	29,102	-
Investments, at fair value		
Common stock	6,185,991	-
Mutual funds	1,516,020	-
Government securities/fixed income	9,354,850	-
Total investments	17,056,861	-
Total assets	18,431,710	457,861
<b>LIABILITIES AND NET ASSETS</b>		
Due to participants	-	457,861
Total liabilities	-	\$ 457,861
Net assets held in trust for pension benefits	\$ 18,431,710	

See accompanying notes to financial statements.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

**Statement of Changes in Fiduciary Net Assets - Fiduciary Fund  
Police Pension Trust Fund  
For the Year Ended April 30, 2012**

	Pension Trust Fund
Additions	
Contributions	
Employer	\$ 1,311,035
Plan members	<u>277,994</u>
Total contributions	1,589,029
Miscellaneous income	2,211
Investment income	
Net appreciation in fair value of investments	(600,632)
Realized gain on sale of investments	484,730
Interest	283,530
Dividends	<u>119,995</u>
	287,623
Less: investment expense	<u>(84,323)</u>
Total investment income	<u>203,300</u>
Total additions	1,794,540
Deductions	
Retirement benefits	870,966
Disability	173,906
Contribution refunds	6,523
Administrative expenses	<u>25,284</u>
Total deductions	<u>1,076,679</u>
Change in net assets	717,861
Beginning of year	<u>17,713,849</u>
End of year	<u>\$ 18,431,710</u>

See accompanying notes to financial statements.

# CITY OF FAIRVIEW HEIGHTS, ILLINOIS

## Notes to Financial Statements April 30, 2012

### 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 City of Fairview Heights, Illinois has no component units.

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 assets 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**

1. Summary of significant accounting policies (continued)

*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**

1. Summary of significant accounting policies (continued)

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

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 designated 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.
State motor fuel tax fund	A fund established to account for state motor fuel tax revenues and expenditures as legally restricted for motor fuel tax purposes.
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.

Other fund types

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.

Agency funds - The agency funds account for fiduciary assets held by the City in custodial capacity as an agent on behalf of others. The City's agency funds are used to account for various deposits and escrow monies.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

E. 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 issued. 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 department 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 within any funds; however, 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.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

The City amended its budget during the year.

F. 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 City Treasurer 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.

G. 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 \$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

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

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, deferred debt expense, and bond discounts/premiums

In the government-wide financial statements outstanding debt is reported as liabilities. Bond issuance costs, bond discounts and premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized 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.

J. Net assets

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

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.

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.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

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 assets, 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.

**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

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

1. Summary of significant accounting policies (continued)

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.

2. Cash, certificates of deposit, and investments

**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.

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

At April 30, 2012, the book balance of the City's cash and investments was \$6,721,719 and the bank balance was \$6,810,315. Of the bank balance, \$2,825,162 was covered by federal depository insurance and \$3,985,153 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.

**Book balance**

Reconciliation to government-wide statement of net assets  
and statement of fiduciary net assets:

Government-wide statement of net assets	
Cash and cash equivalents	\$ 6,263,858
Statement of fiduciary net assets:	
Non-pooled cash	457,861
	<u>\$ 6,721,719</u>

**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.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

2. Cash and certificates of deposit (continued)

**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 City Treasurer. Investing is performed in accordance with investment policies adopted by the City Council complying with State Statutes and the City Charter. City funds may be invested in: (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) 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

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

2. Cash and certificates of deposit (continued)

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%	45%
Fixed income (greater than one year)	43%	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>Market Value</u>	<u>Cost</u>
Domestic common stocks	\$ 6,185,991	\$ 5,127,298
U.S. Treasury notes	3,939,218	3,929,272
FHLMC	1,036,461	1,024,554
FNMA	4,379,171	4,346,963
Mutual funds	<u>1,516,020</u>	<u>1,738,570</u>
	<u>\$ 17,056,861</u>	<u>\$ 16,166,657</u>

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, 2012.

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. 2010 property taxes were payable in two installments; September 14, 2011 and November 9, 2011. 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 2009 and prior tax levies.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

4. Capital assets

**Changes in capital assets**

The following provides a summary of changes in capital assets:

	Balance at May 1, 2011	Additions	Retirements	Balance at April 30, 2012
Governmental activities				
Capital assets not being depreciated				
Land	\$ 9,270,628	\$ -	\$ -	\$ 9,270,628
Construction in progress	<u>3,454,336</u>	<u>93,044</u>	<u>(2,869,985)</u>	<u>677,395</u>
Total capital assets not being depreciated	12,724,964	93,044	(2,869,985)	9,948,023
Other capital assets				
Buildings	13,506,320	61,897	-	13,568,217
Other improvements	2,882,552	-	-	2,882,552
Machinery and equipment	9,896,017	500,757	(492,657)	9,904,117
Infrastructure	<u>57,179,858</u>	<u>3,648,540</u>	<u>-</u>	<u>60,828,398</u>
Total other capital assets at historical costs	83,464,747	4,211,194	(492,657)	87,183,284
Less accumulated depreciation for				
Buildings	4,871,030	330,647	-	5,201,677
Other improvements	1,892,679	83,718	-	1,976,397
Machinery and equipment	7,825,760	403,096	(491,537)	7,737,319
Infrastructure	<u>19,532,521</u>	<u>981,673</u>	<u>-</u>	<u>20,514,194</u>
Total accumulated depreciation	<u>34,121,990</u>	<u>1,799,134</u>	<u>(491,537)</u>	<u>35,429,587</u>
Other capital assets, net	<u>49,342,757</u>	<u>2,412,060</u>	<u>(1,120)</u>	<u>51,753,697</u>
Governmental activities capital assets, net	<u>\$ 62,067,721</u>	<u>\$ 2,505,104</u>	<u>\$ (2,871,105)</u>	<u>\$ 61,701,720</u>

For the year ended April 30, 2012, the City received donated streets of \$-0-.

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

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

4. Capital assets (continued)

Primary government	
Governmental activities	
General government	
Executive	\$ 36,246
Municipal complex	81,553
Police safety	
Police	320,974
EDSA	1,266
Street and public works	
Engineering/streets	1,160,661
Public works maintenance	12,824
Land use and development	76
Culture and recreation	
Parks	57,647
Library	51,955
Tourism	<u>75,932</u>
Total depreciation for governmental activities	<u>\$ 1,799,134</u>

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, 2012:

Description and Purpose	Balance May 1, 2011	Issued	Retired	Balance April 30, 2012	Due Within One Year
Governmental activities					
Compensated					
absences	\$ 540,231	\$ 414,361	\$ 473,374	\$ 481,218	\$ 458,297
General obligation					
bonds	<u>8,140,000</u>	<u>-</u>	<u>1,055,000</u>	<u>7,085,000</u>	<u>1,085,000</u>
Total	<u>\$ 8,680,231</u>	<u>\$ 414,361</u>	<u>\$ 1,528,374</u>	<u>\$ 7,566,218</u>	<u>\$ 1,543,297</u>

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

5. Long-term debt (continued)

The City has general obligation debt service requirements at April 30, 2012, on bond issues as follows:

1. A general obligation bond issue of \$7,455,000 dated September 15, 2005, 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 rates varying from 2.75 percent to 4.00 percent per annum with an average interest rate of 3.62 percent. The proceeds from this issue were used to advance refund \$1,890,000 of General Obligation Bonds Series 1999 dated October 1, 1999, with an average rate of 5.3 percent and \$5,355,000 of General Obligation Bonds Series 2000 dated November 1, 2000, with an average interest rate of 5.33 percent.
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.

A deferred amount on refunding of \$115,697 is included in the government-wide financial statements. This amount is being amortized over the life of the bonds. An amount of \$9,736 was added to interest expense in the government-wide statements leaving a balance of \$73,587 at April 30, 2012.

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, 2012:

Payable During the Year Ended	General Obligation Bond Series DTD 9/15/05		
	Total	Principal	Interest
April 30, 2013	\$ 1,018,202	\$ 845,000	\$ 173,202
April 30, 2014	1,029,050	885,000	144,050
April 30, 2015	1,022,632	910,000	112,632
April 30, 2016	1,026,233	950,000	76,233
April 30, 2017	646,558	605,000	41,558
April 30, 2018	258,870	240,000	18,870
April 30, 2019	259,750	250,000	9,750
	<u>\$ 5,261,295</u>	<u>\$ 4,685,000</u>	<u>\$ 576,295</u>

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

5. Long-term debt (continued)

Payable During the Year Ended	General Obligation Bond Series DTD 1/1/11		
	Total	Principal	Interest
April 30, 2013	\$ 300,499	\$ 240,000	\$ 60,499
April 30, 2014	300,699	245,000	55,699
April 30, 2015	305,799	255,000	50,799
April 30, 2016	305,444	260,000	45,444
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>\$ 2,739,999</u>	<u>\$ 2,400,000</u>	<u>\$ 339,999</u>

Payable During the Year Ended	Total All Bonds		
	Total	Principal	Interest
April 30, 2013	\$ 1,318,701	\$ 1,085,000	\$ 233,701
April 30, 2014	1,329,749	1,130,000	199,749
April 30, 2015	1,328,431	1,165,000	163,431
April 30, 2016	1,331,677	1,210,000	121,677
April 30, 2017	951,542	870,000	81,542
April 30, 2018	568,289	515,000	53,289
April 30, 2019	565,917	530,000	35,917
April 30, 2020	302,769	285,000	17,769
April 30, 2021	304,219	295,000	9,219
	<u>\$ 8,001,294</u>	<u>\$ 7,085,000</u>	<u>\$ 916,294</u>

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:

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

6. Interfund receivables, payables and transfers (continued)

<u>Due from</u>	<u>Due to</u>	<u>Amount</u>
Governmental activities/major governmental funds	Governmental activities/major governmental funds	
General fund	Home rule fund	\$ 384
Hotel and motel fund	General fund	1,279
General fund	Food & beverage fund	885,275
Home rule fund	General fund	851,150
General fund	TIF #1 Bunkum Road	3,574
General fund	Sales tax rebate fund	<u>349,295</u>
	Total due to	<u>\$ 2,090,957</u>

The following is a summary of transfers during the year ended April 30, 2012:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
Food and beverage fund	General fund	\$ 54,789
Hotel and motel fund	General fund	198,911
Home rule fund	General fund	34,889
Sales tax rebate fund	General fund	799,241
TIF #1 Bunkum Road	General fund	185,427
TIF #2 Shoppes of St. Clair	General fund	426,726
TIF #3 Lincoln Trail	General fund	154,842
General fund	Home rule fund	27,636
General fund	Sales tax rebate fund	1,232,618
General fund	TIF #1 Bunkum Road	291,510
General fund	TIF #2 Shoppes of St. Clair	435,510
General fund	TIF #3 Lincoln Trail	828,126
Sales tax rebate fund	Home rule fund	94,514
Home rule fund	Sales tax rebate fund	237,557
Home rule fund	TIF #2 Shoppes of St. Clair	<u>23,731</u>
		<u>\$ 5,026,027</u>

The food and beverage transfer was used to reimburse the general fund for the salaries of the employees for the collection of the food and beverage tax.

The hotel and motel transfer was used to reimburse the general fund for the salaries of the employees for the collection of the hotel and motel tax.

The home rule transfer was used to reimburse the general fund for the salaries of the employees for the collection of the home rule tax.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

6. Interfund receivables, payables and transfers (continued)

The sales tax rebate transfer was used to reimburse the general fund for the payment of sales tax rebate expenditures.

The TIF #1 Bunkum Road transfer was used to reimburse the general fund for the payment of TIF expenditures.

The TIF #2 Shoppes of St. Clair transfer was used to reimburse the general fund for the payment of TIF expenditures.

The TIF #3 Lincoln Trail transfer was used to reimburse the general fund for the payment of TIF expenditures.

The general fund transfer was used to reimburse the home rule fund for the payment of sales tax rebate expenditures.

The general fund transfer to the sales tax rebate fund was used to set up the newly created sales tax rebate fund.

The general fund transfer to the TIF #1 Bunkum Road was used to set up the newly created TIF #1 Bunkum road.

The general fund transfer to the TIF #2 Shoppes of St. Clair was used to set up the newly created TIF #2 Shoppes of St. Clair.

The general fund transfer to the TIF #3 Lincoln trail was used to set up the newly created TIF #3 Lincoln trail.

The sales tax rebate transfer was used to reimburse the home rule fund for the payment of sales tax rebate expenditures.

The home rule fund transfer to the sales tax rebate fund was used to set up the newly created sales tax rebate fund.

The home rule fund transfer to the TIF #2 Shoppes of St. Clair was used to set up the newly created TIF #2 Shoppes of St. Clair.

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 the first installment to be paid April, 2002. The City made a current

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

7. Sales tax rebates (continued)

payment of \$252,524. 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, 2012, the amount of cash restricted for current and future payments under this agreement was \$43,824. 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 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 \$26,527 in 2012. 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, 2012, the amount of cash restricted for current and future payment under this agreement was \$17,988. 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 1259-2005 authorizing a pledge of limited incremental sales tax revenues and the creation of business district tax with the developer (Shoppes at 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 serviceman 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 \$378,639 in 2012. 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, 2012, the amount of cash restricted for current and future payment under this agreement was \$84,863. 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**

8. Tax increment financing districts

Pursuant to Ordinances 1168-03, 1169-03, 1170-03 and 1186-04 and as subsequently amended approving the Redevelopment Plan of Tax Increment Financing District #1 authorizing reimbursement of development costs under the "TIF Act" with the developer (Freeburg Commercial Ventures L.L.C.). 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 cannot exceed a maximum of \$1,000,000 of approved development costs and will extend for 23 years from issuance. The City made payments under this agreement of \$178,722 in 2012. Cash representing the amount of taxes due under terms of this agreement has been set aside and restrictions have been placed on the accounts. At April 30, 2012, the amount of cash restricted for current and future payments under this agreement was \$41,197.

Pursuant to Ordinance 1259-2005 approving the redevelopment plan authorizing reimbursement of development costs under the "TIF Act" with the developer (Shoppes at 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 \$357,666 in 2012. 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, 2012, 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 \$61,282 by April 30, 2012.

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 made payments under this agreement of \$-0- by April 30, 2012. 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, 2012, the amount of cash restricted for current and future payments under this agreement was \$931,981.

9. Lease revenue

The City has a lease agreement with the Illinois State Police for the rental of part of its municipal complex to be used for the Forensic Science Laboratory. This is a lease for five years and rent

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

9. Lease revenue (continued)

under this agreement will be paid in monthly increments of \$13,027. The lease provides annual increases of two percent.

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. This contract was amended to provide additional space at a total cost of \$4,800 for the initial term and to provide for a sublease to provide \$400 per month to the City. The lease provides annual increases.

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.

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.

The City has a lease agreement with Clear Wireless L.L.C. 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 \$500 and increase annually as set forth in the contract.

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

5/1/11 - 4/30/12	\$ 207,959
5/1/12 - 4/30/13	211,458
5/1/13 - 4/30/14	118,543
5/1/14 - 4/30/15	43,549
5/1/15 - 4/30/16	41,298

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.

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, 2012, rentals approximated \$64,204 for such leases. These leases primarily support governmental activities.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

10. Operating leases (continued)

Minimum rentals on leases for future years are as follows:

5/1/12 - 4/30/13	\$ 61,010
5/1/13 - 4/30/14	12,322
5/1/14 - 4/30/15	2,310

11. Capital leases

The City entered into a capital lease agreement with Associated Bank on July 2, 2010, to purchase 15 Panasonic Toughbook computers with a cost of \$56,160. This lease has an interest rate of 3.78 percent and requires monthly payments of \$1,262 for a period of four years.

The City entered into a capital lease agreement with Associated Bank on July 25, 2011, to purchase server hardware and related items with a cost of \$59,846. This lease has an interest rate of 2.01 percent and requires two monthly payments of \$3,899 and thirty-four monthly payments of \$1,591.

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.

The City entered into a capital lease agreement with US Bank on April 3, 2012, to purchase a Canon IR 6055 and Lexmark Color copier with a total cost of \$53,085. This lease has an interest rate of 4.84 percent and requires monthly payments of \$998 for a period of five years.

Minimum lease payments for future years are as follows:

	Total	Principal	Interest
5/1/12 - 4/30/13	\$ 47,587	\$ 43,401	\$ 4,186
5/1/13 - 4/30/14	47,587	44,853	2,734
5/1/14 - 4/30/15	19,051	17,524	1,527
5/1/15 - 4/30/16	13,344	12,423	921
5/1/16 - 4/30/17	12,546	12,231	315

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 \$1,119,853 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 Bunkum Road tax increment financing agreement for future sewer projects. At April 30, 2012, an amount of \$109,264, was restricted to pay for the future sewer projects.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

13. Retirement plans

**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](http://www.imrf.org).

**Funding Policy** - As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 10.60 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 11.74 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost** - For fiscal year ending April 30, 2012, the City's actual contributions for pension cost for the Regular plan members were \$436,524. Its required contribution for fiscal year 2012 was \$465,655.

**THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN**

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2012	\$ 465,655	94 %	\$ 117,563
4/30/2011	436,231	86	86,580
4/30/2010	370,974	94	24,083

The following table shows the components of the City's annual pension cost for the year ended April 30, 2012, the actual amount contributed to the Plan, and changes in the City's net pension obligation to the Plan.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

13. Retirement plans (continued)

Annual required	\$ 465,655
Interest on net pension	6,494
Adjustment to annual	<u>(4,642)</u>
Annual pension cost	467,507
Contributions made	<u>436,524</u>
Increase in net pension	30,983
Net pension obligation,	<u>86,580</u>
Net pension obligation,	<u>\$ 117,563</u>

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the City's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on open 30 year basis.

**Funded status and funding progress** - As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 71.37 percent funded. The actuarial accrued liability for benefits was \$11,786,160 and the actuarial value of assets was \$8,411,793, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,374,367. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$3,822,733 and the ratio of UAAL to the covered payroll was 88 percent.

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

**Police pension fund defined benefit pension plan**

Plan description

Police sworn personnel are covered by the police pension fund which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the police pension fund for the year ended April 30, 2011, was \$2,858,956 out of a total payroll of \$6,865,860. At April 30, 2011, the Police Pension membership consisted of:

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

13. Retirement plans (continued)

Retirees and beneficiaries currently receiving benefits	23
Terminated employees entitled to benefits but not yet receiving them	7
Current employees	
Vested	19
Nonvested	<u>22</u>
 Total	 <u>71</u>

The following is a summary of the police pension fund as provided for in the Illinois Compiled Statutes:

The police pension fund provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees are required by ILCS to contribute 9.91 percent of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service cost for the police pension fund.

Summary of significant accounting policies and plan asset matters

**Basis of accounting**

The pension trust fund financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

**Method used to value investments**

Securities are carried at fair market value. Investment income is recognized on an accrual basis. Gains and losses on sales and exchanges are recognized on the transaction date. Securities traded

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

13. Retirement plans (continued)

on a national or international exchange are valued at the last reported sales price at current exchange rates. Securities not listed on an established market are reported at estimated fair values based on underlying securities. Cash deposits are reported at carrying amount which reasonably estimates fair value.

**Significant investments**

The following are investments (other than U.S. government and U.S. government-guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits at April 30, 2012:

	<u>Cost</u>	<u>Market</u>
Europacific Growth fund	\$ 1,738,570	\$ 1,516,020

**Related party transactions**

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

Funding status and progress

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows:

Actuarial Valuation Date May 1, 2011

Actuarial Information:

- |                               |  |
|-------------------------------|--|
| 1. Funding method used        | Entry age normal cost  |
| 2. Actuarial value of assets  | 5 year smoothed market   |
| 3. Investment rate of return  | 6.50 percent per year  |
| 4. Projected salary increases | TCG basic salary table graded increases from 1.12% to 4.86% varying by age, plus the inflation rate  |
| 5. Inflation rate             | 2.00 percent   |
| 6. Payroll growth             | 3.50 percent per year  |
| 7. Cost of living increases   | 3.00 percent per year  |
| 8. Mortality rate assumption  | RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over |

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

13. Retirement plans (continued)

The attained age at time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

Actuarially determined contribution requirements and contribution made

The Systems' funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee groups as a whole has tended to remain level as a percentage of annual covered payroll. The contribution rate for normal cost is determined using the entry age normal cost actuarial funding method. The System used a level dollar amount method to amortize the unfunded liability over a 40 year period.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligation as described in the funding status and progress.

**Trend Information**

Actuarial Valuation Date	Actual Contributions	Annual Required Contribution	Percentage of ARC Contribution	Net Pension Obligation
4/30/2012	\$ 1,311,035	\$ 1,301,254	100.75 %	\$ 366,058
4/30/2011	741,047	1,009,702	73.39	374,761
4/30/2010	766,419	952,871	80.43	105,934

The following table shows the components of the City's annual pension cost for the year ended April 30, 2012, the actual amount contributed to the Plan, and changes in the City's net pension obligation to the Plan.

Annual required contribution	\$ 1,301,234
Interest on net pension obligation	24,359
Adjustment to annual required contribution	<u>(23,261)</u>
Annual pension cost	1,302,332
Contributions made	<u>(1,311,035)</u>
Decrease in net pension obligation	(8,703)
Net pension obligation, May 1, 2011	<u>374,761</u>
Net pension obligation, April 30, 2012	<u>\$ 366,058</u>

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three year trend information may be found in Required Supplementary Information. For the three years 2009, 2010, and 2011 available assets were sufficient to fund

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

13. Retirement plans (continued)

56.05 percent, 59.78 percent, and 64.48 percent, respectively, of the unfunded actuarial accrued liability. Unfunded actuarial accrued liability represents, 428.89 percent, 392.18 percent, and 336.65 percent of the annual payroll for the participating members covered by the police pension fund for 2009, 2010, and 2011, respectively.

Showing unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended 2009, 2010, and 2011 the City's contribution to the police pension fund, all made in accordance with actuarially determined requirements, were 28.59 percent, 27.83 percent, and 25.92 percent, respectively, of annual covered payroll.

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides an indication of funding status on a going-concern basis. Analysis of the percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employees Retirement System (PERS). Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation.

Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

14. Other postemployment benefit plan

**Plan description** - The City of Fairview Heights' defined other postemployment benefit plan (OPEB) Plan 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 2012 fiscal year, the annual pay-as-you-go cost is approximately \$93,371 (1.6 percent of payroll).

As of April 30, 2012, the Plan has seven retirees and two disabled officers receiving benefits and ninety-three active participants, of which seventy-three are not yet eligible to receive benefits.

**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, 2012, as well as the annual required contribution (ARC) for funding this obligation in accordance with the parameters of GASB Statement

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

14. Other postemployment benefit plan (continued)

No. 45 for employers with more than one hundred total plan members. Based on this report, including assumptions that the ARC is not fully funded, the ARC for the City in fiscal year 2012 was \$357,336. 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, 2012, 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	\$ 306,102	\$ 57,933	\$ 364,035
Interest on OPEB obligation	25,893	2,128	28,021
Adjustment to annual required contribution	<u>(32,083)</u>	<u>(2,637)</u>	<u>(34,720)</u>
Annual OPEB cost (expense)	299,912	57,424	357,336
Contributions made	<u>(51,853)</u>	<u>(41,518)</u>	<u>(93,371)</u>
Increase in net OPEB obligation	248,059	15,906	263,965
Net OPEB obligation - May 1, 2011	<u>517,851</u>	<u>42,556</u>	<u>560,407</u>
 Net OPEB obligation - April 30, 2012	 <u>\$ 765,910</u>	 <u>\$ 58,462</u>	 <u>\$ 824,372</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, 2012 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>
04/30/12	\$ 357,336	26.10 %	\$ 824,372
04/30/11	360,623	23.80	560,407
04/30/10	364,035	21.60	285,446

**Funded status and funding progress** - The funded status of the Plan based on the most recent actuarial valuation as of April 30, 2012 is as follows:

	<u>Police</u>	<u>Municipal</u>	<u>Total</u>
Actuarial accrued liability (AAL)	\$ 3,556,323	\$ 708,217	\$ 4,264,540
Actuarial value of plan assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,556,323</u>	<u>\$ 708,217</u>	<u>\$ 4,264,540</u>
Funded ratio (actuarial value of plan assets / AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan members)	\$ 3,208,321	\$ 2,535,276	\$ 5,743,597
UAAL as a percentage of covered payroll	110.80%	27.90%	74.20%

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

14. Other postemployment benefit plan (continued)

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, 2012, 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* - Life expectancies were based on mortality tables according to the 1994 Group Annuity Mortality Tables for Males and Females.

*Turnover* - Non-group-specific age-based turnover data from GASB Statement 45 was used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in health insurance premiums initially used a select rate of 9 percent, with a reduction to the ultimate rate of 5 percent after five years. Rates include a 2.5 percent general inflation assumption.

*Health insurance premiums* - Health insurance premiums for employees for the year ended April 30, 2012 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 5 percent was used. In addition, a simplified version of the unit credit cost method was used.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

14. Other postemployment benefit plan (continued)

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

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 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 projects that have been approved by the Department of Transportation, State of Illinois.

D. Capital improvements

The City has entered into construction contracts for approximately \$94,000 for road and bridge improvements. The City is in the preliminary design and planning phases for various other capital improvements.

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.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

16. Deferred compensation plan (continued)

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 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.

17. Over expenditures of budget

For the year ended April 30, 2012, expenditures exceeded appropriations at the line item level in individual funds as follows:

<u>Fund</u>	<u>Department</u>	<u>Object Category</u>	<u>Exceeding Appropriations</u>
General fund	Finance	Unemployment insurance	\$ 3,496
General fund	Police	Shift premium	415
General fund	Police	Holiday premium pay	1,156

18. 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.

19. 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 \$85,000

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**

19. Commitments (continued)

per year in two lump sums of \$42,500 for twenty years once said sewer services have begun under the agreement.

20. Subsequent events

The City entered into contracts totaling \$589,000 for various road improvements. Subsequent to year-end the City executed an intergovernmental cooperation agreement with Pontiac-William Holliday School District 105, Grant Community Consolidated School District 110, Fairview-Caseyville Township Fire Protection District and Belleville Township School District 201. This agreement was made retroactive to 2007 and required payments totaling approximately \$130,000 from the Lincoln Trail TIF #3 fund.

21. New pronouncements

In June 2011, the Governmental Accounting Standards Board (GASB) approved Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement will require the City to specify where deferred outflows of resources and deferred inflows of resources - as well as assets and liabilities - should be displayed. Furthermore, it will also show how net position - no longer net assets - should be displayed. The provision of this statement must be implemented by the City no later than the fiscal year beginning May 1, 2012. The City has not yet determined the effect this statement will have on its financial statement.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Permits				
Building permits	\$ 100,000	\$ 100,000	\$ 75,874	\$ (24,126)
Plumbing permits	1,500	1,500	865	(635)
Electric permits	4,500	4,500	4,457	(43)
Septic, sewer and aeration	100	100	-	(100)
Demo, satellite and grade	1,000	1,000	775	(225)
Sign permits	8,100	8,100	8,766	666
Aeration tap in fee	100	100	-	(100)
Building maintenance permits	<u>32,000</u>	<u>32,000</u>	<u>44,368</u>	<u>12,368</u>
Total permits	147,300	147,300	135,105	(12,195)
Income tax				
Income tax	1,348,080	1,348,080	1,216,758	(131,322)
Interest	<u>1,367</u>	<u>1,367</u>	<u>2,995</u>	<u>1,628</u>
Total income taxes	1,349,447	1,349,447	1,219,753	(129,694)
Miscellaneous revenue				
Liquor licenses	53,000	53,000	54,291	1,291
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>38,952</u>	<u>(61,048)</u>
Total miscellaneous revenue	153,000	153,000	93,243	(59,757)
Other taxes				
Hotel and motel collection tax	30,000	30,000	33,996	3,996
Koman sales tax rebate II	<u>217,728</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other taxes	247,728	30,000	33,996	3,996
Use taxes				
Sales tax	7,640,595	7,640,595	6,982,975	(657,620)
Home rule tax	1,821,815	1,821,815	1,860,656	38,841
Use tax	206,425	206,425	250,752	44,327
Road and bridge allotments	49,800	49,800	38,566	(11,234)
Tax increment financing - Bunkum Road	183,231	-	-	-
Tax increment financing - Shoppes at St. Clair	<u>327,043</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total use taxes	<u>10,228,909</u>	<u>9,718,635</u>	<u>9,132,949</u>	<u>(585,686)</u>
Sub-total revenue (carried forward)	\$ 12,126,384	\$ 11,398,382	\$ 10,615,046	\$ (783,336)

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Sub-total revenue (brought forward)	\$ 12,126,384	\$ 11,398,382	\$ 10,615,046	\$ (783,336)
Grants				
Franchises	223,427	223,427	209,355	(14,072)
Shoppes at St. Clair (Sales Tax)	210,925	-	-	-
PK Capital (Sales Tax)	29,492	-	-	-
Business district	89,464	-	(1,415)	(1,415)
Special grants	312,246	312,246	103,087	(209,159)
E.S.D.A. grant	3,762	3,762	3,567	(195)
Total grants	<u>869,316</u>	<u>539,435</u>	<u>314,594</u>	<u>(224,841)</u>
Charges for service				
City services	1,000	1,000	316	(684)
Police reports	3,000	3,000	5,338	2,338
Use of copy/fax equipment	500	500	250	(250)
Bulk trash pick-up	1,000	1,000	2,812	1,812
Recycling	-	-	1,208	1,208
Total charges for services	<u>5,500</u>	<u>5,500</u>	<u>9,924</u>	<u>4,424</u>
Police revenue				
Police fines	253,304	253,304	520,573	267,269
Residential rental license fee	102,150	102,150	83,300	(18,850)
Police outside employment	100,000	100,000	93,455	(6,545)
Licenses - other than liquor	25,000	25,000	33,483	8,483
Fugitive failure to appear fee	25,000	25,000	11,213	(13,787)
Bail bond fee	-	-	13,180	13,180
Total police revenue	<u>505,454</u>	<u>505,454</u>	<u>755,204</u>	<u>249,750</u>
TIF district III				
TIF district 3-Lincoln Trail	249,865	-	-	-
Zoning - sale of development code	300	300	51	(249)
Total TIF district III	<u>250,165</u>	<u>300</u>	<u>51</u>	<u>(249)</u>
Other financing sources				
Zoning permits	3,000	3,000	150	(2,850)
Waste haulers' fee	1,500	1,500	1,300	(200)
Food and beverage transfer	45,225	45,225	-	(45,225)
Users' fees - parks	15,740	15,740	17,197	1,457
Rents, leases, sharecrop	33,952	33,952	37,259	3,307
Forensic lab payments	161,409	161,409	133,749	(27,660)
Sales tax rebate application fee	5,000	-	-	-
MFT transfer	5,000	5,000	-	(5,000)
Interfund transfer	-	-	(1,173,233)	(1,173,233)
Total other financing sources	<u>270,826</u>	<u>265,826</u>	<u>(983,578)</u>	<u>(1,249,404)</u>
Total revenue	<u>\$ 14,027,645</u>	<u>\$ 12,714,897</u>	<u>\$ 10,711,241</u>	<u>\$ (2,003,656)</u>

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>Executive department</b>				
Semi-monthly salaries	\$ 149,978	\$ 150,128	\$ 150,070	\$ 58
Elected and appointed officials	9,600	9,600	9,600	-
Overtime compensation	200	200	-	200
Christmas bonus	600	600	600	-
Retirement funds	24,668	35,968	30,082	5,886
Health and life insurance	1,550,000	1,547,815	1,408,602	139,213
Educational expense	1	1	-	1
Legal fees	1,300	1,300	-	1,300
Travel and meeting expense	1,325	1,325	1,003	322
Bonds and notary fees	50	50	-	50
Membership dues	1,570	1,570	1,537	33
Advertising and public notice	12,000	12,000	7,800	4,200
Public relations	4,001	4,001	3,397	604
Equipment rental	29,250	29,250	26,399	2,851
Technical and outside services	3,000	5,185	5,138	47
Insurance liability	950,000	943,850	903,769	40,081
Insurance deductible	50,000	50,000	43,980	6,020
Postage	12,000	12,000	12,000	-
Office furniture and equipment	200	200	-	200
Petty cash	75	75	-	75
Subscriptions-books	200	200	198	2
Maintenance to equipment	1	1	-	1
Miscellaneous	50	50	-	50
Supplies	10,200	10,200	7,664	2,536
<b>Total executive department</b>	<b>\$ 2,810,269</b>	<b>\$ 2,815,569</b>	<b>\$ 2,611,839</b>	<b>\$ 203,730</b>

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's department				
Semi-monthly salaries	\$ 248,666	\$ 248,666	\$ 247,211	\$ 1,455
Elected and appointed officials	117,600	117,600	117,600	-
Christmas bonus	600	600	600	-
Retirement funds	52,500	56,350	52,711	3,639
Boards and committees	3,500	3,500	-	3,500
Expenses	800	800	-	800
Educational expense	2,416	2,416	-	2,416
Legal fees	137,300	137,300	128,799	8,501
Travel and meeting expense	3,502	3,382	3,342	40
Bonds and notary fees	50	50	40	10
Membership dues	2,130	2,130	1,745	385
Safety program	675	675	-	675
Advertising and public notice	500	500	-	500
Public relations	401	401	-	401
Equipment rental	35,000	35,000	33,607	1,393
Phone utility	30,000	30,000	27,159	2,841
Technical and outside services	3,510	3,510	1,830	1,680
Office furniture and equipment	500	500	-	500
Petty cash	50	170	25	145
Subscriptions-books	590	590	417	173
Computers	182,741	182,741	169,986	12,755
Maintenance to equipment	150	150	-	150
Miscellaneous	50	50	-	50
Supplies	1,000	1,000	514	486
Total mayor's department	\$ 824,231	\$ 828,081	\$ 785,586	\$ 42,495

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance department				
Semi-monthly salaries	\$ 182,305	\$ 178,305	\$ 175,592	\$ 2,713
Elected and appointed officials	9,600	9,600	9,600	-
Overtime compensation	100	100	-	100
Christmas bonus	450	450	450	-
Unemployment insurance	41,000	50,500	53,996	(3,496)
Retirement funds	35,123	36,923	34,418	2,505
Educational expense	427	427	235	192
Legal fees	300	300	-	300
Audit fees	42,670	37,170	36,865	305
Travel and meeting expense	2,051	2,051	1,330	721
Membership dues	425	425	370	55
Technical and outside services	9,375	9,375	7,485	1,890
Office furniture and equipment	500	500	172	328
Petty cash	1	1	-	1
Subscriptions-books	200	200	-	200
Supplies	3,000	3,000	2,823	177
Total finance department	\$ 327,527	\$ 329,327	\$ 323,336	\$ 5,991

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Police department				
Semi-monthly salaries	\$ 3,465,670	\$ 3,429,851	\$ 3,390,324	\$ 39,527
Overtime compensation	215,000	243,000	233,155	9,845
Shift premium	10,000	10,000	10,415	(415)
Holiday premium pay	82,500	94,500	95,656	(1,156)
Christmas bonus	8,200	8,200	6,700	1,500
Retirement funds	936,088	943,137	938,909	4,228
Boards and committees	13,501	15,051	15,000	51
Educational expense	28,101	28,101	17,855	10,246
Travel and meeting expense	5,387	6,100	5,192	908
Bonds and notary fees	1,400	1,400	1,166	234
Membership dues	1,730	1,730	1,410	320
Public relations	4,552	4,552	3,478	1,074
Buildings rental	2,001	2,001	2,001	-
Equipment rental	26,900	26,900	25,623	1,277
Technical and outside services	39,950	35,070	34,934	136
Uniform cleaning	4,000	4,000	3,219	781
Postage	3,000	3,000	3,000	-
Office furniture and equipment	3,900	3,900	2,787	1,113
Petty cash	300	300	271	29
Uniform purchase	21,500	21,500	21,390	110
Subscriptions-books	1,200	1,200	559	641
Computers	22,000	22,000	-	22,000
Maintenance to equipment	56,950	56,950	55,591	1,359
Maintenance to radio	12,000	12,000	11,860	140
Supplies	19,800	22,030	21,478	552
Equipment accessories	19,770	19,770	75	19,695
Total police department	\$ 5,005,400	\$ 5,016,243	\$ 4,902,048	\$ 114,195

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works - engineering				
Semi-monthly salaries	\$ 790,993	\$ 778,993	\$ 758,985	\$ 20,008
Overtime compensation	15,000	15,000	5,527	9,473
Shift premium	25	25	-	25
Christmas bonus	1,800	1,800	1,800	-
Retirement funds	105,252	140,552	140,101	451
Educational expense	3,500	3,500	1,591	1,909
Travel and meeting expense	1,500	1,000	620	380
Bonds and notary fees	200	200	170	30
Membership dues	880	880	369	511
Public relations	1	501	500	1
Petty cash	100	100	14	86
Uniform purchase	6,000	6,000	5,315	685
Subscriptions-books	200	200	-	200
Maintenance to equipment	2,500	2,500	-	2,500
Miscellaneous	100	100	-	100
Supplies	800	800	231	569
Total public works - engineering	\$ 928,851	\$ 952,151	\$ 915,223	\$ 36,928

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works - maintenance				
Semi-monthly salaries	\$ 232,851	\$ 232,851	\$ 210,912	\$ 21,939
Overtime compensation	5,500	5,500	968	4,532
Christmas bonus	600	600	600	-
Retirement funds	41,060	43,760	43,178	582
Educational expense	1,800	1,800	1,188	612
Travel and meeting expense	100	100	-	100
Membership dues	180	180	123	57
Equipment rental	200	200	-	200
Technical and outside services	4,500	4,500	4,303	197
Uniform rental	3,000	3,000	2,598	402
Vehicle op costs	130,000	130,000	117,419	12,581
Uniform purchase	1,500	1,500	824	676
Subscriptions-books	500	500	157	343
Maintenance to rolling stock	24,500	24,500	10,309	14,191
Maintenance to radio	2,500	2,500	613	1,887
Miscellaneous	100	100	-	100
Supplies	110,000	110,000	103,577	6,423
Equipment accessories	12,000	12,000	9,847	2,153
Total public works - maintenance	\$ 570,891	\$ 573,591	\$ 506,616	\$ 66,975

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks department				
Semi-monthly salaries	\$ 667,681	\$ 667,681	\$ 586,504	\$ 81,177
Overtime compensation	7,500	7,500	3,499	4,001
Shift premium	200	200	116	84
Christmas bonus	1,800	1,800	1,500	300
Retirement funds	124,042	128,442	109,126	19,316
Educational expense	350	350	-	350
Travel and meeting expense	100	100	-	100
Membership dues	20	20	15	5
Safety program	1,500	1,500	1,022	478
Equipment rental	500	500	203	297
Electric utility	7,200	7,200	4,117	3,083
Sewer utility	1,000	1,000	574	426
Water utility	4,400	4,400	2,851	1,549
Sanitation service	6,250	6,250	6,103	147
Uniform purchase	2,700	2,700	1,430	1,270
Supplies	28,000	28,000	27,964	36
Equipment accessories	250	250	191	59
Parks department	<u>103,000</u>	<u>103,000</u>	<u>8,795</u>	<u>94,205</u>
Total parks department	\$ 956,493	\$ 960,893	\$ 754,010	\$ 206,883

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Municipal complex				
Semi-monthly salaries	\$ 308,136	\$ 294,136	\$ 178,989	\$ 115,147
Overtime compensation	5,000	5,000	2,213	2,787
Shift premium	1,200	1,200	592	608
Christmas bonus	750	750	300	450
Retirement funds	57,504	59,304	34,961	24,343
Educational expense	1,500	1,500	-	1,500
Travel and meeting expense	100	100	-	100
Membership dues	100	100	-	100
Equipment rental	300	300	162	138
Electric utility	165,000	165,000	123,225	41,775
Sewer utility	10,000	10,000	7,024	2,976
Water utility	22,500	22,500	17,974	4,526
Gas utility	7,500	7,500	-	7,500
Technical and outside services	25,000	25,000	24,927	73
Office furniture and equipment	2,500	2,500	-	2,500
Renovation or remodeling	60,500	74,500	64,138	10,362
Uniform purchase	4,000	4,000	734	3,266
Maintenance to equipment	9,000	9,000	7,328	1,672
Miscellaneous	100	100	-	100
Supplies	40,800	40,800	27,115	13,685
Equipment accessories	5,700	5,700	315	5,385
Long term debt	114,900	114,900	114,894	6
Total municipal complex	\$ 842,090	\$ 843,890	\$ 604,891	\$ 238,999

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Land use and development				
Semi-monthly salaries	\$ 407,651	\$ 404,501	\$ 388,119	\$ 16,382
Elected and appointed officials	46,901	46,901	37,053	9,848
Overtime compensation	7,500	7,500	4,343	3,157
Shift premium	50	50	-	50
Christmas bonus	600	750	750	-
Retirement funds	70,144	81,394	79,545	1,849
Boards and committees	1,000	1,000	250	750
Economic development committee	90	90	-	90
Survey and engineer fees	1	1	-	1
Educational expense	250	250	-	250
Legal fees	1,500	1,500	855	645
Travel and meeting expense	3,300	3,300	1,842	1,458
Membership dues	1,830	1,830	1,141	689
Advertising and public notice	200	200	100	100
Sales tax rebate	550,979	-	-	-
Technical and outside services	30,266	30,266	12,175	18,091
Office furniture and equipment	500	500	259	241
Petty cash	60	60	25	35
Uniform purchase	1,500	1,500	1,414	86
Subscriptions-books	1,500	1,500	432	1,068
Maintenance to equipment	750	750	209	541
Supplies	7,525	7,525	6,313	1,212
TIF expenditure	838,407	-	(74)	74
Equipment accessories	150	150	101	49
Total land use and development	\$ 1,972,654	\$ 591,518	\$ 534,852	\$ 56,666

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Library department				
Semi-monthly salaries	\$ 287,683	\$ 288,704	\$ 286,416	\$ 2,288
Overtime compensation	1,000	1,000	735	265
Shift premium	1,300	1,300	1,139	161
Christmas bonus	450	450	300	150
Retirement funds	52,468	54,898	54,586	312
Travel and meeting expense	1,500	1,500	1,500	-
Bonds and notary fees	60	60	30	30
Membership dues	495	495	355	140
Public relations	2,000	2,000	2,000	-
Telephone utility	4,395	4,670	4,670	-
Technical and outside services	22,744	20,668	20,663	5
Subscriptions-books	80,375	80,375	80,228	147
Maintenance to equipment	1,300	1,300	1,243	57
Supplies	11,000	11,000	10,998	2
Library grant	26,837	26,837	23,857	2,980
Total library department	\$ 493,607	\$ 495,257	\$ 488,720	\$ 6,537

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
General Fund (Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Emergency services and disaster agency				
Elected and appointed officials	\$ 5,126	\$ 5,326	\$ 5,283	\$ 43
Retirement funds	100	100	77	23
Educational expenses	1	1	-	1
Travel and meeting expense	250	250	244	6
Membership dues	45	45	-	45
Public relations	250	50	-	50
Telephone utility	950	950	784	166
Technical and outside services	15,200	15,200	14,700	500
Postage	150	150	150	-
Subscriptions-books	25	25	-	25
Maintenance to equipment	6,000	6,000	3,911	2,089
Miscellaneous	50	50	-	50
Supplies	650	650	-	650
Contingencies	1	1	-	1
Emergency disaster services	1	1	-	1
Total emergency services and disaster agency	<u>28,799</u>	<u>28,799</u>	<u>25,149</u>	<u>3,650</u>
Total expenditures	<u>14,760,812</u>	<u>13,435,319</u>	<u>12,452,270</u>	<u>983,049</u>
Net change in fund balance	<u>\$ (733,167)</u>	<u>\$ (720,422)</u>	<u>(1,741,029)</u>	<u>\$ (1,020,607)</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			643,207	
Effect of unrecorded liabilities			645,277	
Beginning fund balance			<u>3,298,470</u>	
Ending fund balance			<u>\$ 2,845,925</u>	

See independent auditors' 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, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Home rule tax revenues	\$ 1,611,396	\$ 1,611,396	\$ 1,860,656	\$ 249,260
Interest	5,268	5,268	5,263	(5)
Koman sales tax rebate II	105,050	-	-	-
Shoppes at St. Clair (sales tax rebate)	105,369	-	-	-
Inter-fund Transfer	-	-	(192,551)	(192,551)
<b>Total revenue</b>	<b>1,827,083</b>	<b>1,616,664</b>	<b>1,673,368</b>	<b>56,704</b>
<b>Expenditures</b>				
<b>Mayor's department</b>				
Retirement funds	11,239	11,239	11,239	-
Phone utility	40,000	40,000	24,962	15,038
<b>Total mayor's department</b>	<b>51,239</b>	<b>51,239</b>	<b>36,201</b>	<b>15,038</b>
<b>Finance department</b>				
Semi-monthly salaries	20,000	20,000	20,000	-
Retirement funds	3,650	3,650	3,650	-
Supplies	125	125	125	-
<b>Total finance department</b>	<b>\$ 23,775</b>	<b>\$ 23,775</b>	<b>\$ 23,775</b>	<b>\$ -</b>

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
Home Rule Fund  
(Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works - engineering				
Survey and engineer fees	\$ 1,000	\$ 1,000	\$ 880	\$ 120
Equipment rental	2,500	2,500	1,538	962
Electric utility	190,000	190,000	165,828	24,172
Technical and outside services	45,000	45,000	39,508	5,492
Supplies	275,000	275,000	228,552	46,448
Equip - rolling stock	229,000	229,000	217,495	11,505
Equipment accessories	2,500	2,500	2,435	65
Capital improvements	<u>1,211,606</u>	<u>1,211,606</u>	<u>460,731</u>	<u>750,875</u>
Total public works - engineering	1,956,606	1,956,606	1,116,967	839,639
Public works - maintenance				
Vehicle operating costs	110,000	110,000	102,227	7,773
Maintenance to rolling stock	<u>30,000</u>	<u>30,000</u>	<u>16,945</u>	<u>13,055</u>
Total public works - maintenance	140,000	140,000	119,172	20,828
Parks department				
Electric utility	9,000	9,000	8,987	13
Sewer utility	1,250	1,250	871	379
Water utility	5,500	5,500	5,487	13
Sanitation service	<u>5,000</u>	<u>5,000</u>	<u>4,932</u>	<u>68</u>
Total parks department	20,750	20,750	20,277	473
Municipal complex department				
Renovation or remodeling	<u>145,000</u>	<u>145,000</u>	<u>97,232</u>	<u>47,768</u>
Total municipal complex department	\$ 145,000	\$ 145,000	\$ 97,232	\$ 47,768

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
Home Rule Fund  
(Continued)  
For the Year Ended April 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Land use and development				
Sales tax rebate	\$ 210,419	\$ -	\$ -	\$ -
Technical and outside services	<u>90,000</u>	<u>90,000</u>	<u>82,093</u>	<u>7,907</u>
Total land use and development	300,419	90,000	82,093	7,907
Debt service	<u>172,350</u>	<u>172,350</u>	<u>172,341</u>	<u>9</u>
Total expenditures	<u>2,810,139</u>	<u>2,599,720</u>	<u>1,668,058</u>	<u>931,662</u>
Net change in fund balance	<u>\$ (983,056)</u>	<u>\$ (983,056)</u>	5,310	<u>\$ 988,366</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			422,429	
Effect of unrecorded liabilities			12,947	
Beginning fund balance			<u>1,907,926</u>	
Ending fund balance			<u>\$ 2,348,612</u>	

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
State Motor Fuel Tax Fund  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Motor fuel tax allotment	\$ 443,201	\$ 443,201	\$ 434,940	\$ (8,261)
Grants	-	-	81,233	81,233
Interest	<u>1,195</u>	<u>1,195</u>	<u>1,493</u>	<u>298</u>
Total revenue	444,396	444,396	517,666	73,270
Expenditures				
Supplies	125	125	-	125
Electric utility	15,000	15,000	11,317	3,683
Maintenance to equipment	6,000	6,000	4,271	1,729
Capital improvements	<u>1,007,000</u>	<u>1,007,000</u>	<u>486,801</u>	<u>520,199</u>
Total expenditures	<u>1,028,125</u>	<u>1,028,125</u>	<u>502,389</u>	<u>525,736</u>
Net change in fund balance	<u>\$ (583,729)</u>	<u>\$ (583,729)</u>	15,277	<u>\$ 599,006</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			(1,624)	
Effect of unrecorded liabilities			425	
Beginning fund balance			<u>630,555</u>	
Ending fund balance			<u>\$ 644,633</u>	

See independent auditors' 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, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Hotel and motel tax revenue	\$ 542,709	\$ 622,709	\$ 663,561	\$ 40,852
Interest	983	983	812	(171)
<b>Total revenues</b>	<b>543,692</b>	<b>623,692</b>	<b>664,373</b>	<b>40,681</b>
<b>Expenditures</b>				
<b>Executive department</b>				
Public relations	5,590	5,590	3,003	2,587
<b>Total executive department</b>	<b>5,590</b>	<b>5,590</b>	<b>3,003</b>	<b>2,587</b>
<b>Mayor's department</b>				
Membership dues	5,000	5,000	5,000	-
Public relations	135,301	135,301	85,300	50,001
<b>Total mayor's department</b>	<b>140,301</b>	<b>140,301</b>	<b>90,300</b>	<b>50,001</b>
<b>Finance department</b>				
Semi-monthly salaries	20,000	20,000	20,000	-
Retirement funds	3,650	3,650	3,650	-
Audit fees	1,125	1,125	1,125	-
Supplies	125	125	-	125
<b>Total finance department</b>	<b>24,900</b>	<b>24,900</b>	<b>24,775</b>	<b>125</b>
<b>Police department</b>				
Semi-monthly salaries	125,642	125,642	125,642	-
Overtime	12,800	12,800	12,800	-
Retirement fund	27,950	27,950	27,950	-
Equipment - rolling stock	30,500	30,500	29,815	685
<b>Total police department</b>	<b>196,892</b>	<b>196,892</b>	<b>196,207</b>	<b>685</b>
<b>Parks department</b>				
Overtime compensation	7,500	7,500	7,500	-
Retirement funds	1,369	1,369	1,369	-
Public relations	5,002	5,002	5,000	2
Electric utility	1,800	1,800	1,791	9
Sewer utility	250	250	-	250
Water utility	1,100	1,100	993	107
Sanitation service	1,250	1,250	1,250	-
Computers	1,000	1,000	783	217
Supplies	15,000	15,000	14,127	873
<b>Total parks department</b>	<b>\$ 34,271</b>	<b>\$ 34,271</b>	<b>\$ 32,813</b>	<b>\$ 1,458</b>

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
Hotel and Motel Tax Fund  
(Continued)  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Land use and development department				
Economic development committee	\$ 31,270	\$ 31,270	\$ 31,270	\$ -
Total land use and development department	31,270	31,270	31,270	-
Capital improvements	180,000	180,000	24,286	155,714
Debt service	303,250	303,250	303,236	14
Total expenditures	916,474	916,474	705,890	210,584
Net change in fund balance	\$ (372,782)	\$ (292,782)	(41,517)	\$ 251,265
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			41,656	
Effect of unrecorded liabilities			-	
Beginning fund balance			588,014	
Ending fund balance			\$ 588,153	

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**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Budgetary Comparison Schedule (Budgetary Basis)  
Food and Beverage Tax Fund  
For the Year Ended April 30, 2012**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Food and beverage tax	\$ 1,039,961	\$ 1,524,961	\$ 1,539,022	\$ 14,061
Interest	3,692	3,692	3,168	(524)
Miscellaneous items	-	-	105	105
Total revenue	<u>1,043,653</u>	<u>1,528,653</u>	<u>1,542,295</u>	<u>13,642</u>
Expenditures				
Semi-monthly salaries	46,671	46,671	46,671	-
Retirement funds	8,118	528,118	528,118	-
Legal fees	200,000	200,000	192,808	7,192
Educational expense	425	425	300	125
Audit fees	1,125	1,125	1,125	-
Travel and meeting expense	500	500	-	500
Supplies	125	125	-	125
Equipment - rolling stock	140,001	140,001	125,648	14,353
Debt service	<u>738,650</u>	<u>738,650</u>	<u>738,605</u>	<u>45</u>
Total expenditures	<u>1,135,615</u>	<u>1,655,615</u>	<u>1,633,275</u>	<u>22,340</u>
Net change in fund balance	<u>\$ (91,962)</u>	<u>\$ (126,962)</u>	<u>(90,980)</u>	<u>\$ 35,982</u>
Reconciliation of budgetary basis to government fund statement of changes in fund balance				
Effect of unrecorded assets			78,775	
Effect of unrecorded liabilities			20,434	
Beginning fund balance			<u>2,166,706</u>	
Ending fund balance			<u>\$ 2,174,935</u>	

See independent auditors' report and notes to financial statements.

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**

**Schedule of Funding Progress  
April 30, 2012**

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 8,411,793	\$ 11,786,160	\$ 3,374,367	71.37 %	\$ 3,822,733	88.27 %
12/31/2010	8,914,464	11,982,387	3,067,923	74.40	3,749,626	81.82
12/31/2009	9,225,939	11,480,492	2,254,553	80.36	3,812,448	59.14
12/31/2008	9,714,218	11,761,583	2,047,365	82.59	3,632,481	56.36

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$7,887,314 . On a market basis, the funded ratio would be 66.92 percent.

**Police Pension Fund  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age Normal Cost (b)	Unfunded (Overfunded) Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)
4/30/2011	\$ 17,471,176	\$ 27,095,966	\$ 9,624,790	64.48 %	\$ 2,858,956	336.65 %
4/30/2010	16,052,886	26,854,412	10,801,526	59.78	2,754,211	392.18
4/30/2009	14,260,036	25,439,620	11,179,584	56.05	2,606,658	428.89
4/30/2008	16,360,384	23,282,790	6,922,406	69.84	2,578,209	268.50

**Other Post Employment Benefit Plan  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value 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)
4/30/2012	\$ -	\$ 4,264,540	\$ 4,264,540	0 %	\$ 5,743,597	74.30 %
4/30/2011	-	4,013,650	4,013,650	0	5,549,369	72.30
4/30/2010	-	3,773,878	3,773,878	0	5,361,709	70.40

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## **ADDITIONAL ANALYSIS**

**CITY OF FAIRVIEW HEIGHTS, ILLINIOS**

**Combining Balance Sheet  
Non-Major Governmental Funds  
April 30, 2012**

**ASSETS**

	Sales Tax Rebate	TIF #1 Bunkum Road	TIF #2 Shoppes of St. Clair	TIF #3 Lincoln Trail	Totals
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	24,769	184,363	321,628	260,949	791,709
Other funds	349,295	3,574	-	-	352,869
Restricted cash	<u>8,811</u>	<u>150,461</u>	<u>-</u>	<u>931,981</u>	<u>1,091,253</u>
	<u>\$ 382,875</u>	<u>\$ 338,398</u>	<u>\$ 321,628</u>	<u>\$ 1,192,930</u>	<u>\$ 2,235,831</u>

**LIABILITIES AND FUND BALANCE**

Liabilities					
Accounts payable	\$ 349,295	\$ 39,324	\$ -	\$ -	\$ 388,619
Deferred revenue	<u>-</u>	<u>184,363</u>	<u>321,628</u>	<u>260,949</u>	<u>766,940</u>
Total liabilities	349,295	223,687	321,628	260,949	1,155,559
Fund balance					
Restricted for:					
Rebate and financing agreements	8,811	-	-	931,981	940,792
Sewer improvements	-	109,264	-	-	109,264
Assigned					
Special revenue funds	<u>24,769</u>	<u>5,447</u>	<u>-</u>	<u>-</u>	<u>30,216</u>
Total fund balance	<u>33,580</u>	<u>114,711</u>	<u>-</u>	<u>931,981</u>	<u>1,080,272</u>
Total liabilities and fund balance	<u>\$ 382,875</u>	<u>\$ 338,398</u>	<u>\$ 321,628</u>	<u>\$ 1,192,930</u>	<u>\$ 2,235,831</u>

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, 2012**

	Sales Tax Rebate	TIF #1 Bunkum Road	TIF #2 Shoppes of St. Clair	TIF #3 Lincoln Trail	Totals
<b>Revenues:</b>					
Sales taxes	\$ 802,155	\$ -	\$ -	\$ -	\$ 802,155
Business district taxes	94,378	-	-	-	94,378
Property taxes	-	213,431	325,151	262,837	801,419
<b>Total revenues</b>	<b>896,533</b>	<b>213,431</b>	<b>325,151</b>	<b>262,837</b>	<b>1,697,952</b>
<b>Expenditures:</b>					
Streets and public works					
Sales tax rebates	736,552	-	-	-	736,552
Tax increment financing	-	204,803	357,666	4,140	566,609
<b>Total expenditures</b>	<b>736,552</b>	<b>204,803</b>	<b>357,666</b>	<b>4,140</b>	<b>1,303,161</b>
Excess (deficiency) of revenues over expenditures	159,981	8,628	(32,515)	258,697	394,791
<b>Other financing sources:</b>					
Transfer in	1,038,161	291,510	459,241	828,126	2,617,038
Transfer out	(1,164,562)	(185,427)	(426,726)	(154,842)	(1,931,557)
<b>Total other financing sources</b>	<b>(126,401)</b>	<b>106,083</b>	<b>32,515</b>	<b>673,284</b>	<b>685,481</b>
<b>Net change in fund balance</b>	<b>33,580</b>	<b>114,711</b>	<b>-</b>	<b>931,981</b>	<b>1,080,272</b>
Fund balance, beginning of year	-	-	-	-	-
<b>Funds balance, end of year</b>	<b>\$ 33,580</b>	<b>\$ 114,711</b>	<b>\$ -</b>	<b>\$ 931,981</b>	<b>\$ 1,080,272</b>

See notes to financial statements.

**STATISTICAL SECTION**

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

GENERAL GOVERNMENTAL REVENUES BY SOURCE  
FOR THE LAST TEN FISCAL YEARS  
INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30th	INTERGOV- ERNMENTAL	FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	CHARGES FOR SERVICES	LICENSE AND PERMITS	UTILITY/ FRANCHISE TAXES	FINES AND FEES	INTEREST	GRANTS	MISC	TOTAL
2003	\$ 11,523,991	\$ 919,143	\$ 482,474	\$ 112,704	\$ 131,168	\$ 205,486	\$ 204,037	\$ 146,156	\$ 298,537	\$ 75,804	\$ 14,099,500
2004	11,387,768	949,222	528,645	117,180	236,545	208,781	228,079	59,318	193,260	76,832	13,985,630
2005	11,922,244	952,966	581,351	119,822	240,056	270,509	229,262	76,534	492,751	90,228	14,975,723
2006	13,509,584	984,297	603,176	122,336	350,855	258,359	254,667	158,590	215,140	169,954	16,626,958
2007	13,948,711	992,855	608,594	134,331	236,645	214,862	152,986	267,694	374,462	212,866	17,144,006
2008	13,394,677	1,006,626	598,278	140,199	261,184	240,716	144,840	316,605	180,184	415,246	16,698,555
2009	13,844,027	1,031,616	584,653	144,880	283,538	241,809	130,041	109,615	129,024	244,346	16,743,549
2010	13,570,995	1,016,829	522,347	172,450	285,736	223,427	364,645	14,185	124,562	200,687	16,495,863
2011	14,386,511	1,029,885	560,135	194,606	280,462	219,919	392,934	13,418	130,090	280,663	17,488,623
2012	15,357,029	1,617,796	705,217	181,844	306,329	208,657	571,487	13,731	237,887	169,679	19,369,856

COMMENTS

- "Intergovernmental" represents tax distributions collected by other governmental entities and distributed to the City. A breakdown of that category can be found in Table 2.

- The "Food & Beverage Tax" rate was increased from 1% to 2%, effective 10/1/11.

- The "Hotel / Motel Tax" rate was increased from 5% to 7%, effective 10/1/11.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

INTERGOVERNMENTAL TAX REVENUES BY SOURCE  
FOR THE LAST TEN FISCAL YEARS  
INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30th	SALES TAX	HOME RULE SALES TAX	BUSINESS DISTRICT SALES TAX	ILLINOIS INCOME TAX	MOTOR FUEL TAX	PROPERTY TAX	USE TAX	TOTAL
2003	\$ 8,217,092	\$ 1,848,641	\$ -	\$ 977,922	\$ 436,569	\$ 43,767	\$ -	\$ 11,523,991
2004	8,173,444	1,827,923	-	906,918	435,820	43,663	-	11,387,768
2005	8,040,062	2,342,548	-	1,047,582	447,258	44,794	-	11,922,244
2006	8,170,985	3,690,023	-	1,162,903	440,830	44,843	-	13,509,584
2007	8,157,598	3,848,970	-	1,252,802	436,217	59,681	193,443	13,948,711
2008	7,714,173	3,563,886	-	1,346,869	448,816	102,885	218,048	13,394,677
2009	7,551,644	3,455,522	85,575	1,483,993	439,732	589,770	237,791	13,844,027
2010	7,622,883	3,480,874	89,319	1,005,848	425,270	746,407	200,394	13,570,995
2011	7,852,568	3,526,108	91,486	1,441,099	426,300	804,895	244,055	14,386,511
2012	7,797,488	4,566,168	94,378	1,389,128	420,729	839,985	249,153	15,357,029

**COMMENTS**

Prior to 2009, the "Business District Sales Tax" is shown within the "Sales Tax" column.

Prior to 2007, "Use Tax" was listed under "Illinois Income Tax".

"Property Tax" revenue includes TIF and "Road and Bridge" distributions via St. Clair County. The City of Fairview Heights historically has not adopted a property tax levy.

The "Home Rule Sales Tax" rate was increased from 0.5% to 1.0%, effective 1/1/12.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
FOR THE LAST TEN FISCAL YEARS  
INCLUDES ALL GOVERNMENTAL FUND TYPES

YEAR ENDING APRIL 30th	GENERAL GOVERNMENT	PUBLIC SAFETY	STREETS AND PUBLIC WORKS	CULTURE AND RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
2003	\$ 3,935,523	\$ 3,806,109	\$ 3,483,679	\$ 1,622,953	\$ 6,642,051	\$ 250,595	\$ 19,740,910
2004	4,146,636	3,771,069	3,401,790	1,587,673	2,388,027	435,124	15,730,319
2005	4,269,562	3,719,217	3,611,498	1,131,695	1,169,898	552,069	14,453,939
2006	4,769,276	4,023,177	3,352,923	1,278,676	1,547,598	564,729	15,536,379
2007	3,556,374	4,532,480	3,486,282	1,295,822	1,172,905	1,404,996	15,448,859
2008	3,513,595	4,579,787	3,227,171	1,415,926	2,115,778	1,345,949	16,198,206
2009	3,654,681	4,907,906	3,519,936	1,453,212	3,380,214	1,348,791	18,264,740
2010	4,146,085	4,895,151	3,452,803	1,405,291	2,772,679	1,344,463	18,016,472
2011	4,331,457	4,885,479	3,701,210	1,387,936	859,485	3,873,092	19,038,659
2012	4,557,716	5,601,118	3,922,061	1,417,454	1,574,582	1,329,076	18,402,007

COMMENTS

FY 2011 "Debt Service" includes the refinancing of an existing bond related to the Fountains Conference Center.

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

RATE SETTING EQUALIZED ASSESSED VALUATION (EAV)  
FOR THE LAST TEN TAX CYCLES

<u>TAX YEAR</u>	<u>FARM</u>	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>MINERAL</u>	<u>STATE RR</u>	<u>TOTAL</u>	<u>% CHANGE</u>
2002	\$ 5,592,619	\$ 143,230,680	\$ 128,444,937	\$ 691,154	\$ 1,431	\$ -	\$ 277,960,821	5.8%
2003	6,312,786	156,076,227	140,174,400	698,631	1,818	-	303,263,862	9.1%
2004	6,457,199	164,182,537	149,930,009	737,505	1,818	1,406	321,310,474	6.0%
2005	6,941,999	183,873,204	159,450,273	794,984	1,818	1,495	351,063,773	9.3%
2006	7,479,412	202,450,121	175,997,514	868,048	1,818	1,686	386,798,599	10.2%
2007	8,001,295	215,220,857	186,797,543	912,518	1,818	2,020	410,936,051	6.2%
2008	7,860,205	223,278,350	186,742,668	632,619	1,870	2,709	418,518,421	1.8%
2009	7,986,593	227,193,105	186,397,654	653,815	1,870	3,111	422,236,148	0.9%
2010	7,916,904	224,047,514	178,657,696	658,411	1,870	3,814	411,286,209	-2.6%
2011	7,907,208	223,100,049	174,403,732	663,335	951	4,874	406,080,149	-1.3%

Ten Year Avg	4.5%
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SOURCE: St. Clair County Clerk's Office, Tax Computation Report

CITY OF FAIRVIEW HEIGHTS, ILLINOIS

RATIO OF NET GENERAL DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS

<u>YEAR ENDING APRIL 30th</u>	<u>POPULATION</u>	<u>ASSESSED VALUATION</u>	<u>GENERAL BONDED DEBT</u>	<u>RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUATION</u>	<u>BONDED DEBT PER CAPITA</u>
2003	16,851	\$ 277,960,821	\$ 14,563,300	0.052 %	\$ 864
2004	16,851	303,263,862	13,902,500	0.046	825.03
2005	16,851	321,310,474	13,285,000	0.041	788.38
2006	16,851	351,063,773	12,710,823	0.036	754.31
2007	16,851	386,798,599	11,750,000	0.030	697.29
2008	16,851	410,936,051	10,880,000	0.026	645.66
2009	16,851	418,518,421	10,050,538	0.024	596.44
2010	16,851	422,236,148	9,025,000	0.021	535.58
2011	17,078	411,286,209	8,187,971	0.020	479.45
2012	17,078	406,080,149	7,225,115	0.018	423.07

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS**  
**PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION**  
**ALL DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN YEARS (UNAUDITED)**

	Tax Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Direct City Rates</b>										
City of Fairview Heights	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Library - City of Fairview Heights	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Overlapping Rates</b>										
St. Clair County	0.9439	1.0120	0.9909	0.9715	1.0090	0.9120	0.9161	0.9168	0.9158	0.9132
French Village Fire	0.5247	0.6360	0.6726	0.6691	0.6571	0.6504	0.6929	0.7137	0.7605	0.7735
Fairview Caseyville TWP Fire	0.3154	0.3029	0.3022	0.2931	0.2791	0.2777	0.2857	0.3728	0.3984	0.3972
Northwest SCC Fire	0.3568	0.3562	0.3558	0.3466	0.3659	0.4781	0.4784	0.4848	0.4945	0.4994
Northwest SCC Bonds	0.1464	0.1385	0.1195	0.1079	0.0927	0.0880	0.0839	0.0849	0.0884	0.0975
East Side Fire	0.1895	0.1815	0.1787	0.1749	0.1703	0.1648	0.1657	0.1754	0.1861	0.2028
O'Fallon - SHI - Casey Fire	0.2742	0.3000	0.3096	0.3829	0.4106	0.3785	0.3822	0.4013	0.4162	0.4491
East Side Health	0.1762	0.1723	0.1903	0.1627	0.1534	0.1498	0.1330	0.1297	0.1339	0.1168
East St. Louis Park	0.3247	0.3311	0.3550	0.4879	0.4711	0.4711	0.4713	0.4330	0.4599	0.4566
<b>Townships</b>										
Caseyville Township	0.1314	0.1378	0.1346	0.1271	0.1187	0.1102	0.1031	0.1065	0.1122	0.1110
St. Clair Township	0.0618	0.0561	0.0517	0.0478	0.0453	0.0426	0.0395	0.0420	0.0501	0.0592
Canteen Township	0.5055	0.5070	0.5159	0.4928	0.4798	0.4631	0.4604	0.4621	0.4596	0.4682
<b>Road &amp; Bridge</b>										
Caseyville Road	0.1510	0.1492	0.1515	0.1370	0.1217	0.1096	0.1033	0.1017	0.1023	0.1019
St. Clair Road	0.2666	0.2611	0.2563	0.2500	0.2455	0.2406	0.2311	0.2352	0.2243	0.2211
Canteen Road	0.3670	0.3670	0.3670	0.3505	0.3383	0.3380	0.3413	0.3379	0.3358	0.3399
<b>Schools</b>										
SWIC # 522	0.2948	0.3408	0.3474	0.3483	0.3589	0.3689	0.3574	0.3608	0.3689	0.3786
Grant Dist # 110	2.4980	2.5984	3.0837	2.9768	3.0610	3.1244	3.2556	3.6380	3.9457	3.8348
Belleville HS # 201	1.8838	1.9528	1.9673	1.9768	2.0291	1.9658	1.9620	1.9753	1.9700	1.9712
Wolf Branch # 113	4.0476	3.8004	3.8912	3.7706	3.6397	3.6325	3.5070	3.5447	3.5748	3.6245
O'Fallon Dist # 90	2.7900	2.7919	2.8308	2.9568	2.9568	2.9568	2.9568	3.0518	3.0657	3.1203
O'Fallon HS # 203	1.8091	1.8920	1.9371	1.9819	1.9819	1.9427	1.8999	1.9187	1.9819	2.2036
Pontiac Dist # 105	2.4298	2.4487	2.4748	2.4909	2.3682	2.3884	2.3942	2.4239	2.3540	2.3588
Central Dist # 104	2.8917	3.2715	3.1388	3.1623	3.1600	3.1600	3.1600	3.1600	3.2578	3.2500
Collinsville Unit #10	4.4252	4.3867	4.4290	4.3884	4.3329	4.3319	4.2511	4.2674	4.2613	4.2684
East St. Louis Unit #189	7.5474	7.5488	7.5482	7.4150	7.5484	7.5410	7.5406	7.4908	7.5332	10.2752
Signal Hill Dist # 181	4.4957	4.7616	4.8942	4.7921	4.8376	4.7828	4.7917	4.8374	4.8778	5.1424

SOURCE: St. Clair County Clerk's Office, District Value within Taxcode Report

**CITY OF FAIRVIEW HEIGHTS, ILLINOIS  
MISCELLANEOUS STATISTICS  
APRIL 30, 2012**

Date of Incorporation	1969
Form of Government	Mayoral/Council
Number of Employees:	
Total	151
Full Time	109
Total Area	11.2 Square Miles
Number of Dwelling Units	7,876
Estimated Population	17,078
Postal Code	62208
Area Code	618

<b>Police Protection:</b>	
Number of Policemen and Officers	43
Number of Police Vehicles	38
Community and Storm Notification System	

<b>Culture and Recreation:</b>	
Public Library	1
Parks	6
Ball Diamonds Available	2
Volleyball Courts Available	3
Senior Citizen Centers	1

Large Item Pick Up – March, July and November  
Voters Registration  
Notary Service

**FACILITIES AND SERVICES NOT INCLUDED IN THE REPORTING ENTITY:**

<b>Fire Protection:</b>	
Number of Stations	3
626 Lincoln Highway	
10045 Bunkum Road	
2904 North 89 <sup>th</sup> Street	

<b>Ambulance:</b>	
Abbott Lifeforce	
Medstar	

<b>Education:</b>	
Elementary	2
Middle School	2
Parochial	1

<b>Utilities:</b>	
Electric – Ameren CIPS	
Gas – Ameren IP	
Sanitary Sewers – Caseyville Township Sewers	
Water – Caseyville Water	
O’Fallon Water	
Illinois American	
Waste Haulers	11

Recycling Center	1
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