Village of South Holland, Illinois

Annual Financial Report
April 30, 2016

Contents

RSM

Independent Auditor's Report

RSM US LLP

To the Honorable President and
Board of Trustees
Village of South Holland, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of South Holland, Illinois (“Village”), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of South Holland, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, in the year ended April 30, 2016, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The implementation of GASB Statement No. 68 and No. 71 resulted in a restatement of opening May 1, 2015 net position. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension and OPEB related information and budgetary comparison information and related notes on pages 3-13 and 75-83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information (on pages 84-89) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

RSM US LLP

Chicago, Illinois
October 26, 2016

Basic Financial Statements

Management's Discussion and Analysis

The management of the Village of South Holland, Illinois (the Village) is providing this overview and analysis of the financial activities of the Village for fiscal year ended April 30, 2016. Please read it in conjunction with the Financial Statements in this report.

Financial Highlights

The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2016 by $44,363,528 and fiscal year 2015 by $58,889,378. Of the current year amount, $(23,819,587) represents the unrestricted net position (deficit). Total payments made on bonded debt of the Village totaled $2,218,590 during the fiscal year. At the end of the current fiscal year, unassigned fund balance for the general fund was $3,218,539 or 13.8 percent of total general fund expenditures, whereas at the end of fiscal year 2015, unassigned fund balance for the general fund was $4,003,462 or 18 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to be an introduction to the Village's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements provide a broad overview of the Village's finances in a manner similar to a private-sector business. The government's current financial resources are combined and consolidated with capital assets and long-term obligations using the accrual basis of accounting.

The statement of net position presents information on all of the Village's assets, deferred inflows of resources, liabilities and deferred outflows of resources, with the remaining difference between the categories reported as net position. In the future, the increase or decrease in net position may be a useful indicator of whether the Village's financial position is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as they occur, regardless of the timing of cash flow. Therefore, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods. The costs of various governmental services and any subsidy to business activities are presented.

Both of these government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The Village's governmental activities include general government, public works, public safety, and the garbage department. Property, sales, utility and income taxes pay for most of those activities. The Village's business-type activities include water operations.

The government-wide financial statements include the financial activities of the Village and the Village's component unit.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Village funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental fund statements is narrower than that of the government-wide financial statements, it may be useful to compare similar information to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains 25 individual governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures and changes in fund balances for four major funds: General Fund, Downtown TIF Fund, South Suburban College TIF Fund and Interstate 80 TIF Fund. Data from the other 21 governmental funds are combined into a single, aggregated presentation.

The Village adopts an annual appropriated budget for its general, debt service and certain special revenue funds. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with this budget.

One type of proprietary fund is an enterprise fund. The Village maintains one enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The function is water operations. Water operations are considered to be a major fund of the Village.

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

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's pension and postemployment benefit information and its compliance to the General Fund budget.

Government-Wide Financial Analysis

The following tables are the condensed Statement of Net Position for the Village as of April 30, 2016 and 2015, respectively.

April 30, 2016

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	$ 24,800,797	$ 278,974	$ 25,079,771
Capital assets	71,325,973	9,749,549	81,075,522
Total assets	96,126,770	10,028,523	106,155,293
Deferred outflows of resources	7,079,037	288,886	7,367,923
Current liabilities	4,174,146	686,826	4,860,972
Long-term liabilities	48,484,026	3,680,615	52,164,641
Total liabilities	52,658,172	4,367,441	57,025,613
Deferred inflows of resources	12,127,922	6,153	12,134,075
Net position:			
Net investment in capital assets	52,388,383	6,559,036	58,947,419
Restricted	9,235,696	-	9,235,696
Unrestricted (deficit)	(23,204,366)	(615,221)	(23,819,587)
Total net position	$ 38,419,713	$ 5,943,815	$ 44,363,528

April 30, 2015, as restated

	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	$ 24,960,044	$ 355,999	$ 25,316,043
Capital assets	69,617,684	10,118,771	79,736,455
Total assets	94,577,728	10,474,770	105,052,498
Deferred outflows of resources	837,551	-	837,551
Current liabilities	3,674,615	698,964	4,373,579
Long-term liabilities	43,768,401	3,683,860	47,452,261
Total liabilities	47,443,016	4,382,824	51,825,840
Deferred inflows of resources	12,356,341	-	12,356,341
Net position:			
Net investment in capital assets	49,650,403	6,755,172	56,405,575
Restricted	9,079,127	-	9,079,127
Unrestricted (deficit)	(23,113,608)	(663,226)	(23,776,834)
Total net position	$ 35,615,922	$ 6,091,946	$ 41,707,868

Most of the Village's net position is invested in capital assets that are used to provide services to the citizens of the Village. Although they are reported net of debt, it should be noted that the resources needed to repay any debt must be provided from other sources since they cannot be liquidated to repay liabilities. Restricted net position of the Village, which is only authorized to be spent for specific purposes as defined in the notes to the financial statements, was $9,235,696 at April 30, 2016. The remaining net position of the Village is considered unrestricted and to be used to meet the ongoing obligations of the Village. This unrestricted net position was a deficit of $(24,578,792) at April 30, 2016.

Of the $18,491,728 listed as Governmental Activities Long-Term Debt, $11,145,000 is debt issued pursuant to the Village's seven tax incremental financing districts. This debt is scheduled to be fully retired by 2033 and is currently being funded by the incremental taxes generated by the districts. Tax increment financing tax revenues are expected to fully pay for the $11,145,000 in principal payments and no general fund or other resources are expected to pay for these obligations.

The following tables are the condensed Statement of Activities for the Village for the fiscal years ended April 30, 2016 and 2015, respectively.

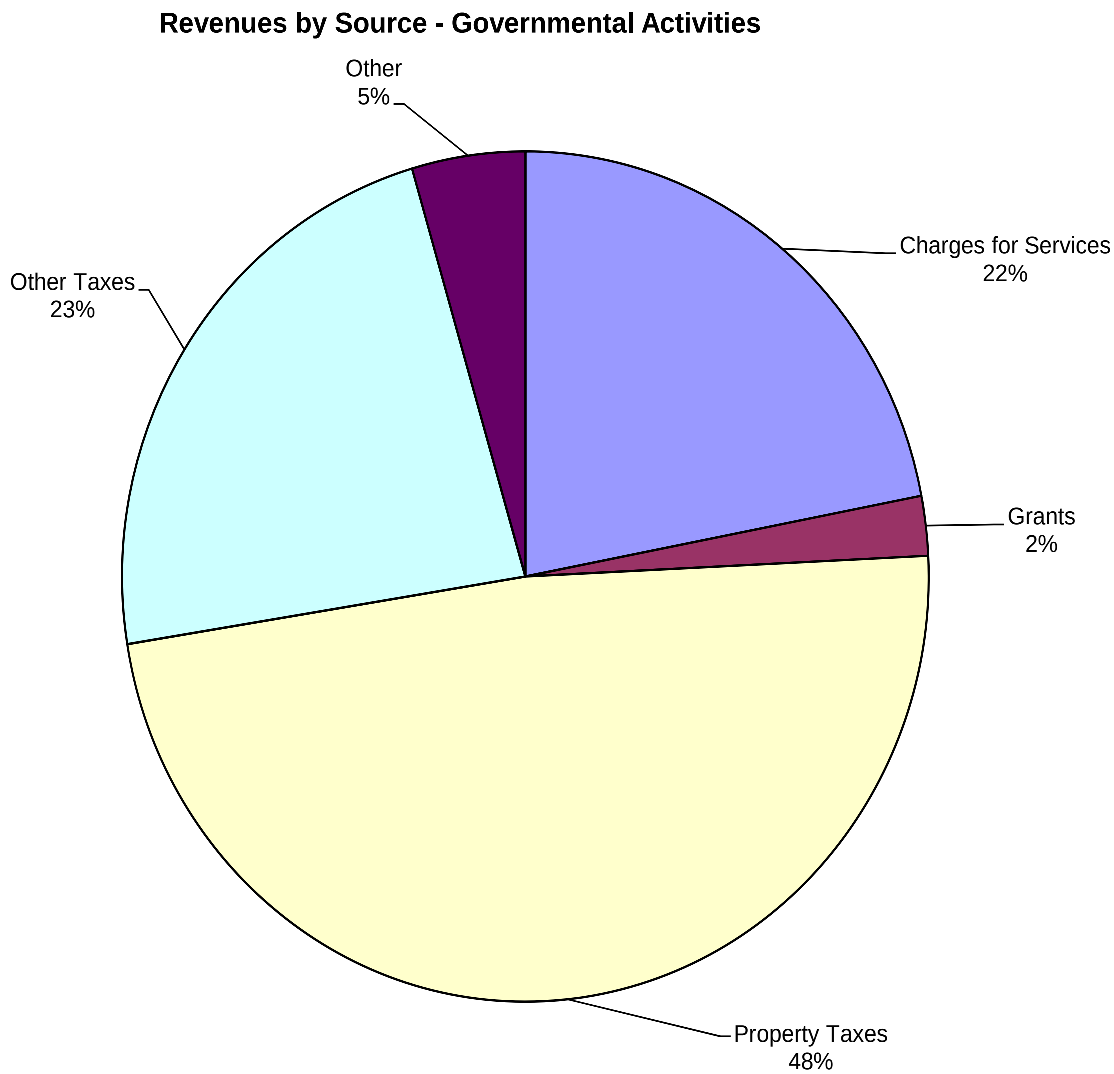
For the Year Ended April 30, 2016

	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	$ 7,006,207	$ 5,484,885	$ 12,491,092
Operating grants and contributions	722,976	-	722,976
General revenues:			
Property taxes	15,389,023	-	15,389,023
Intergovernmental	7,341,810	-	7,341,810
Investment income	14,211	-	14,211
Other	1,432,452	-	1,432,452
Total revenues	31,906,679	5,484,885	37,391,564
Expenses:			
General government	10,831,195	-	10,831,195
Public safety:			
Fire department	4,409,529	-	4,409,529
Police department	8,017,129	-	8,017,129
Building department	902,602	-	902,602
Civil defense	37,890	-	37,890
Public works	2,297,525	-	2,297,525
Garbage department	1,980,216	-	1,980,216
Interest expense	588,902	-	588,902
Amortization	37,900	-	37,900
Water	-	5,633,016	5,633,016
Total expenses	29,102,888	5,633,016	34,735,904
Increase (decrease) in net position	2,803,791	(148,131)	2,655,660
Net position May 1, 2015, as restated	35,615,922	6,091,946	41,707,868
Net position April 30, 2016	$ 38,419,713	$ 5,943,815	$ 44,363,528

For the Year Ended April 30, 2015, as restated

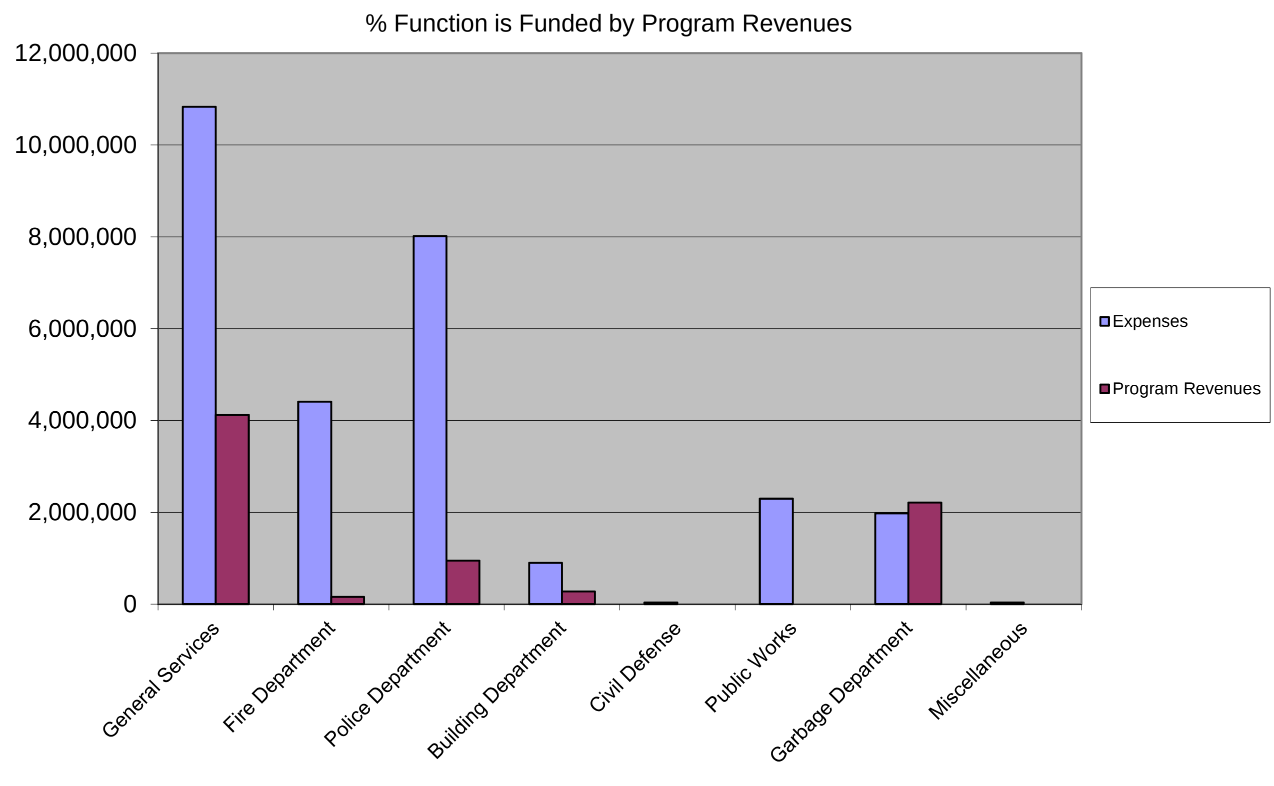
	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	$ 6,954,497	$ 4,978,308	$ 11,932,805
Operating grants and contributions	856,371	-	856,371
General revenues:			
Property taxes	14,390,894	-	14,390,894
Intergovernmental	7,450,495	-	7,450,495
Investment income	11,598	-	11,598
Other	1,268,985	-	1,268,985
Total revenues	30,932,840	4,978,308	35,911,148
Expenses:			
General government	13,275,331	-	13,275,331
Public safety:			
Fire department	6,282,216	-	6,282,216
Police department	15,495,804	-	15,495,804
Building department	865,923	-	865,923
Civil defense	38,419	-	38,419
Public works	1,893,656	-	1,893,656
Garbage department	2,284,467	-	2,284,467
Interest expense	807,834	-	807,834
Amortization	54,761	-	54,761
Water	-	6,083,977	6,083,977
Total expenses	40,998,411	6,083,977	47,082,388
Increase (decrease) in net position	(10,065,571)	(1,105,669)	(11,171,240)
Net position May 1, 2014	50,893,971	7,297,433	58,191,404
Net position April 30, 2015	$ 40,828,400	$ 6,191,764	$ 47,020,164

The following chart summarizes how the Village's governmental activities are funded.



Approximately 71 percent of governmental activities are funded primarily by property tax and sales and other taxes. The Village has home rule authority to raise property taxes without the effects of property tax caps. The Village undertakes a rigorous budget process to minimize the necessity for unusual tax increases. The Village has continued to improve the level of services provided to residents by continuing to adhere to its prescribed fiscal controls. Each year this becomes more challenging.

The following chart reflects the Village's governmental activities expenses by function, along with the percentage that each function is funded by program revenues. General revenues, including property and other taxes and investment income, are used to fund the Village's functions as program revenues alone are not sufficient.



Business-type activities are to be funded through charges for related services. This year, water operations resulted in revenues of $105,921 less than its expenses, while the fiscal year 2015 water operations resulted in revenues of $668,452 less than its expenses.

Financial Analysis of the Village's Funds

Governmental funds provide information on near term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of $11,824,835, while governmental fund balances were $10,639,722 at the end of fiscal year 2015.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water fund was $(615,221) at April 30, 2016 and $(169,879) at April 30, 2015.

General Fund Budgetary Highlights

No amendments were made to the original budget. The general fund balance decreased by $664,790 in fiscal year 2016 and decreased by $181,273 in fiscal year 2015.

During 2016, actual general fund revenues were greater than budgeted revenues by $136,746. The Village saw an increase in state income taxes, sales taxes, motel taxes, business licenses, interest income, reimbursed expenses, other and miscellaneous revenues.

Actual general fund expenditures were less than budgeted expenditures by $740,464. The Village has a rigorous budget and oversight structure which resulted in holding expenditures to budgeted numbers.

Capital Asset and Debt Administration

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2016 and 2015 amounts to $81,075,522 and $79,736,455, net of accumulated depreciation, respectively. This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, streets, sidewalks, storm sewers, manholes, hydrants, valves, streetlights and the water distribution system. Prior to fiscal year 2004, the Village's infrastructure (roads, bridges, storm sewers, water mains) had not been reported or depreciated in governmental financial statements. These assets have now been valued and reported in the government-wide financial statements. The Village has elected to depreciate these assets over their estimated useful lives.

At the end of the current year, the Village had total general obligation bond debt of $5,185,000, tax incremental financing bond debt of $11,145,000 and general obligation capital appreciation bonds of $2,161,728. General obligation bonds within governmental activities decreased by $1,775,000 relating to principal repayments, offset by an increase for additional accreted interest on the capital appreciation bonds of $107,485. Total business-type debt decreased by a net total of $173,086 as principal payments were made on the IEPA loan during the year.

Economic Factors and Next Year's Budget

The Village continues to actively pursue economic development opportunities and has a Director of Economic Development to promote development in the Village. The Village has seen some renewed interest in redevelopment of its tax increment financing districts after the last few years of economic downturn.

Ed Miniat, Inc., an existing South Holland business, completed construction on a 62,000 square-foot addition to its current meat processing facility. The expansion was expected to cost over $31 million and generate 125 new jobs over 3 years.

Construction was completed on a 6,000 square-foot building for Anytime Fitness. This project was estimated to cost $1,400,000 and to be completed in 2016.

Advocate Medical Center began construction on a 5,000 square foot masonry addition to their existing facility and parking lot improvements. The project is expected to cost over $710,000 and generate 11 new jobs. The addition is expected to be completed in March 2017.

The Love's Travel Center project began during 2015. The Travel Center will include a convenience store and Hardee's restaurant. This 10,000 square-foot masonry building and fueling station is estimated to cost over $10 million and add 60 new full-time jobs. Significant intersection and infrastructure improvements at U.S. Route 6 and Van Dam Road have been undertaken to support this development and future developments north and south of U.S. Route 6. It is scheduled to open in October 2016.

The Village completed Phase I of a redevelopment of Veteran's Park in coordination with the Town Center development. New playground equipment, redesigned ball fields providing better drainage, a new concession and reviewing stand, new washrooms, a new maintenance building, and a new gazebo and Memorial Gardens and fountain are some of the features that were constructed. An additional large gazebo was added during 2015. Further development of Veteran's Park may include a new outdoor music amphitheater, although no current plans have been made to begin this project.

The Village's aggressive approach to economic redevelopment continues with the rezoning of the area east of I-94 Interstate, establishing it into the Interstate Zoning District (IZD) on May 7, 2007. The rezoning is accompanied by a Master Plan and Site Design Guidelines to help bring about the hotel/conference center, big box retail, restaurants, corporate business park, etc. that are envisioned.

The redevelopment of the 175 acre IZD has taken a huge leap forward with the creation of Gateway East TIF on November 19, 2007. With the full 23-year TIF life, the Village can incentivize developers to make investments in this pro-business community. Prior to creating Gateway East TIF, the Village terminated the smaller Center East TIF to make way for the Gateway East TIF. This termination has added over $1,500,000 EAV of incremental value back to the general tax base. During 2015, the Gateway East TIF was restructured into three separate adjoining TIF districts. The two additional TIF districts are named IZD Zone A TIF and I-94 South TIF. The restructuring will assist in attracting future developments to this area of the Village.

The Village has been working diligently since 2003 to redevelop South Holland's old downtown area. South Holland's new Town Center will include signature shopping, beautiful landscaping, attractively designed office/retail buildings, sufficient parking, as well as a variety of services to an area that will support the proposed Metra Railroad station. The Village immediately began to acquire homes located within the footprint of the new Town Center, which is a tax incremental financing district and will continue to acquire parcels as they become available. The Village issued $4,415,000, 20-year general obligation bonds to fund the additional acquisitions in 2011. The Village completed the construction to extend Wausau Avenue north from Route 6 in 2010. Town Center projects that have been completed include a new Walgreens on the northwest corner of Route 6 and South Park Avenue, Hamra Plaza, an 11,900 square-foot retail center including Panera Bread Restaurant, and Town Center Commons, a 6,000 square-foot retail center.

The South Suburban College Tax Increment Financing District expired and was terminated on December 31, 2015. This TIF was established in 1992 and had a base equalized assessed valuation of 10,188,583 for the entire district. As of April 30, 2015 just prior to its expiration, the equalized valuation of this TIF district was 29,644,079 which has resulted in adding nearly 19,500,000 in value to the general tax base. Many successful projects and businesses were supported with funds generated by the creation of this district including Ed Miniat, Inc., Advocate Medical, Extra Space Storage, Rupari Foods, Inc., College Center One, LaSalle Business Park, Wendy's, Cars Collision, Accurate Dispersions, Standard Wire, State Street Center and many other locations and projects. The Village was also able to land bank several targeted parcels for future development opportunities.

In June 2016 the Village created the Gateway West Tax Increment Financing District. A small portion of this project area was also previously included in the terminated South Suburban College TIF district. This new district includes the properties the Village had previously land banked as well as deteriorated properties north and south of U.S. Route 6 at the Village's west and north boundaries.

On March 7, 2011, Governor Pat Quinn signed into law House Bill 1644, which establishes the Southeast Commuter Rail Transit District. The new district gives local officials the tools they need to help build the Southeast Service Line, a proposed Metra line that will link 33 miles between Crete's Balmoral Park and downtown Chicago's LaSalle Street Station, with additional stops in Crete, Steger, South Chicago Heights, Chicago Heights, Glenwood, Thornton, South Holland, Dolton, and at 115th Street/Gresham and 35th Street stations on Chicago's South Side. The project will cost an estimated $800 million and will open up service to one of the last regions in the metropolitan area without access to Metra.

The new line will provide greater access to jobs, and enable towns and neighborhoods along the route to pursue transit-oriented developments. The project was authorized in the 2005 federal transportation bill and Metra, Northeastern Illinois' commuter rail agency, completed the first phase Alternatives Analysis in

2010 that projected an average of 18,700 riders per weekday with annual operating costs estimated at $28.8 million.

Since then, the Southeast Commuter Rail Transit District has named an Executive Director and established a Board consisting of representatives from the communities along the proposed line, as well as representatives from other communities in the region.

The Federal Transit Administration (FTA) has a three step planning and approval process that includes an Alternative Analysis, Preliminary Engineering and Final Design. The Southeast Commuter Rail Transit District Board received funding from Illinois Department of Transportation, Illinois Department of Commerce and Economic Opportunity, and United States Department of Transportation and approved a $650,000 budget that will prepare the proposed rail line project for the engineering phase of FTA's planning and approval process.

The State of Illinois Department of Commerce and Economic Opportunity has approved the Calumet Region Enterprise Zone which totals about 12.5 square miles of land within portions of Lansing, Calumet City, Dolton, South Holland, Riverdale, Thornton and parts of unincorporated Cook County. The new zone will go into effect on January 1, 2017 and will exist for 15 years. Businesses located or expanding into the enterprise zone may be eligible for a number of economic incentives including sales tax breaks, waiver of permits and fees and other credits.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the South Holland Village Treasurer, Beth Herman, 16226 Wausau Avenue, South Holland, Illinois 60473.

Government-Wide Financial Statements

Village of South Holland, Illinois

Statement of Net Position
April 30, 2016

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Public Library
Assets				
Current:				
Cash and cash equivalents	$ 15,377,215	$ -	$ 15,377,215	$ 1,196,212
Receivables:				
Property taxes, net	6,096,867	-	6,096,867	1,007,650
Other taxes	363,171	-	363,171	-
Intergovernmental	1,664,506	-	1,664,506	-
Customer accounts, net	414,207	1,096,793	1,511,000	-
Prepaids and deposits	50,265	-	50,265	-
Internal balances	817,819	(817,819)	-	-
Inventories	16,747	-	16,747	-
Total current assets	24,800,797	278,974	25,079,771	2,203,862
Noncurrent:				
Capital assets, not being depreciated	37,850,126	-	37,850,126	-
Capital assets being depreciated, net of accumulated depreciation	33,475,847	9,749,549	43,225,396	1,941,494
Total noncurrent assets	71,325,973	9,749,549	81,075,522	1,941,494
Total assets	96,126,770	10,028,523	106,155,293	4,145,356
Deferred Outflows of Resources				
Pension actuarial adjustments	6,125,399	253,272	6,378,671	284,506
Deferred pension contributions	194,433	35,614	230,047	40,006
Deferred loss on refundings	759,205	-	759,205	-
Total deferred outflows of resources	7,079,037	288,886	7,367,923	324,512

	Governmental Activities	Business-Type Activities	Total	Component Unit Public Library
Liabilities				
Current:				
Accounts payable	$ 1,161,996	$ 450,050	$ 1,612,046	$ 23,471
Claims payable	688,943	-	688,943	-
Accrued payroll	246,383	14,359	260,742	20,194
Accrued interest	201,848	-	201,848	-
Compensated absences	633,807	47,161	680,968	53,651
General obligation bonds	465,000	-	465,000	-
Tax incremental financing bonds	750,000	-	750,000	-
Capital lease	26,169	-	26,169	-
IEPA loan	-	175,256	175,256	-
Total current liabilities	4,174,146	686,826	4,860,972	97,316
Noncurrent:				
Claims payable	76,549	-	76,549	-
General obligation bonds, net	4,705,075	-	4,705,075	-
Tax incremental financing bonds, net	10,812,066	-	10,812,066	-
General obligation capital appreciation bonds	2,161,728	-	2,161,728	-
IEPA loan	-	3,015,257	3,015,257	-
Capital lease	17,552	-	17,552	-
Net pension liability	22,930,763	665,358	23,596,121	747,413
Other postemployment benefits	7,780,293	-	7,780,293	-
Total noncurrent liabilities	48,484,026	3,680,615	52,164,641	747,413
Total liabilities	52,658,172	4,367,441	57,025,613	844,729
Deferred Inflows of Resources				
Pension actuarial adjustments	567,839	-	567,839	151,415
Deferred property taxes	11,560,083	6,153	11,566,236	1,975,361
Total deferred inflows of resources	12,127,922	6,153	12,134,075	2,126,776
Net Position				
Net investment in capital assets	53,147,588	6,559,036	59,706,624	1,941,494
Restricted for:				
MFT projects	1,410,709	-	1,410,709	-
Debt service	28,263	-	28,263	-
Capital projects	7,796,724	-	7,796,724	-
Unrestricted (deficit)	(23,963,571)	(615,221)	(24,578,792)	(443,131)
Total net position	$ 38,419,713	$ 5,943,815	$ 44,363,528	$ 1,498,363

See notes to financial statements.

Village of South Holland, Illinois

Statement of Activities
Year Ended April 30, 2016

		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 10,831,195	$ 3,398,248	$ 722,976
Public safety:			
Fire department	4,409,529	162,939	-
Police department	8,017,129	951,328	-
Building department	902,602	277,714	-
Civil defense	37,890	-	-
Public works	2,297,525	-	-
Garbage department	1,980,216	2,215,978	-
Interest expense	588,902	-	-
Amortization	37,900	-	-
Total governmental activities	29,102,888	7,006,207	722,976
Business-type activities:			
Water	5,633,016	5,484,885	-
Total business-type activities	5,633,016	5,484,885	-
Total primary government	$ 34,735,904	$ 12,491,092	$ 722,976
Component unit:			
Library	$ 1,744,645	$ 49,519	$ 30,538

General revenues:
Property taxes
Intergovernmental
Investment income
Miscellaneous
Total general revenues

Change in net position

Net position:
May 1, 2015, as restated

April 30, 2016

See notes to financial statements.

Net (Expense), Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Public Library
$ (6,709,971)	$ -	$ (6,709,971)	$ -
(4,246,590)	-	(4,246,590)	-
(7,065,801)	-	(7,065,801)	-
(624,888)	-	(624,888)	-
(37,890)	-	(37,890)	-
(2,297,525)	-	(2,297,525)	-
235,762	-	235,762	-
(588,902)	-	(588,902)	-
(37,900)	-	(37,900)	-
(21,373,705)	-	(21,373,705)	-
-	(148,131)	(148,131)	-
-	(148,131)	(148,131)	-
(21,373,705)	(148,131)	(21,521,836)	-
-	-	-	(1,664,588)
15,389,023	-	15,389,023	1,827,444
7,341,810	-	7,341,810	21,060
14,211	-	14,211	887
1,432,452	-	1,432,452	3,904
24,177,496	-	24,177,496	1,853,295
2,803,791	(148,131)	2,655,660	188,707
35,615,922	6,091,946	41,707,868	1,309,656
$ 38,419,713	$ 5,943,815	$ 44,363,528	$ 1,498,363

Fund Financial Statements

Village of South Holland, Illinois

Balance Sheet - Governmental Funds
April 30, 2016

	General Fund	Downtown TIF Fund	South Suburban Community College TIF Fund	Interstate 80 TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 4,940,195	$ 4,505,582	$ -	$ 3,279,118	$ 2,652,320	$ 15,377,215
Receivables:						
Property taxes, net	4,740,073	-	-	-	1,356,794	6,096,867
Other taxes	363,171	-	-	-	-	363,171
Intergovernmental	1,617,836	-	-	-	46,670	1,664,506
Customer accounts, net	357,700	-	-	-	56,507	414,207
Prepaids and deposits	50,265	-	-	-	-	50,265
Inventories	16,747	-	-	-	-	16,747
Due from other funds	934,927	-	-	-	691,591	1,626,518
Total assets	$ 13,020,914	$ 4,505,582	$ -	$ 3,279,118	$ 4,803,882	$ 25,609,496
Liabilities						
Accounts payable	$ 1,005,905	$ 8,740	$ -	$ -	$ 147,351	$ 1,161,996
Accrued payroll	221,355	-	-	-	25,028	246,383
Due to other funds	-	-	-	-	808,699	808,699
Total liabilities	1,227,260	8,740	-	-	981,078	2,217,078
Deferred Inflows of Resources						
Deferred property taxes	8,378,193	65,526	-	430,829	2,685,535	11,560,083
Deferred intergovernmental revenue	7,500	-	-	-	-	7,500
Total deferred inflows of resources	8,385,693	65,526	-	430,829	2,685,535	11,567,583
Fund Balances						
Nonspendable for prepaids, deposits and inventories	67,012	-	-	-	-	67,012
Restricted	-	4,431,316	-	2,848,289	1,956,091	9,235,696
Committed	122,410	-	-	-	-	122,410
Unassigned (deficit)	3,218,539	-	-	-	(818,822)	2,399,717
Total fund balances	3,407,961	4,431,316	-	2,848,289	1,137,269	11,824,835
Total liabilities, deferred inflows of resources, and fund balances	$ 13,020,914	$ 4,505,582	$ -	$ 3,279,118	$ 4,803,882	$ 25,609,496

Village of South Holland, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2016

Total fund balances-governmental funds	$ 11,824,835
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	71,325,973
State intergovernmental revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the Statement of Activities.	7,500
Deferred outflows and deferred inflows of resources related to pensions which will be recognized as an increase or reduction to pension expense in future reporting periods:	
Deferred outflows due to pensions	6,125,399
Deferred inflows due to pensions	(567,839)
Pension contributions made after the actuarial valuation date used for calculation of the net pension liability are considered expenditures in the fund financial statements but are deferred outflows of resources in the government-wide financial statements.	194,433
Premiums related to refundings of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	(449,385)
Discounts related to refundings of bonds are reflected in the governmental funds in the year of refunding but are capitalized and amortized over the life of the bond issue and netted with the related bond liabilities in the Statement of Net Position.	47,244
Deferred losses on debt refundings are not considered to represent a financial resource and, therefore, are not reported in the funds.	759,205

Village of South Holland, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2016

The pension liability related to IMRF, police, and firefighters' pension plans is recorded on the Statement of Net Position, but not recorded in the funds	
Net pension liability - Illinois Municipal Retirement Fund	(3,632,493)
Net pension liability - Police Pension Plan	(14,535,980)
Net pension liability - Firefighters' Pension Plan	(4,762,290)
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Claims payable	(765,492)
General obligation bonds	(5,185,000)
Tax incremental financing bonds	(11,145,000)
Capital appreciation bonds	(2,161,728)
Accrued interest	(201,848)
Compensated absences	(633,807)
Capital lease	(43,721)
Other postemployment benefits	(7,780,293)
Net position of governmental activities	$ 38,419,713

See notes to financial statements.

Village of South Holland, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2016

	General Fund	Downtown TIF Fund	South Suburban Community College TIF Fund	Interstate 80 TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 8,341,781	$ 125,058	$ 3,496,668	$ 768,662	$ 2,656,854	$ 15,389,023
Intergovernmental	7,745,856	-	-	-	560,037	8,305,893
Licenses and permits	2,205,648	-	-	-	-	2,205,648
Fines and forfeitures	1,127,709	-	-	-	-	1,127,709
Charges for services	2,215,978	-	-	-	1,456,872	3,672,850
Grants	162,939	-	-	-	-	162,939
Investment income	12,211	11	422	69	1,498	14,211
Rental income	-	198,589	-	-	-	198,589
Miscellaneous	1,061,509	-	-	-	172,354	1,233,863
Total revenues	22,873,631	323,658	3,497,090	768,731	4,847,615	32,310,725
Expenditures:						
Current:						
General government	5,743,718	5,655	-	-	3,248,097	8,997,470
Public safety:						
Fire department	3,550,153	-	-	-	-	3,550,153
Police department	6,924,921	-	-	-	-	6,924,921
Building department	856,240	-	-	-	-	856,240
Civil defense	30,420	-	-	-	-	30,420
Public works	1,753,859	-	-	-	-	1,753,859
Garbage department	1,757,863	-	-	-	-	1,757,863
Capital outlay	2,773,747	188,945	1,383,682	6,921	682,799	5,036,094
Debt service:						
Principal	-	-	-	-	1,615,247	1,615,247
Interest and fees	-	-	-	-	603,345	603,345
Total expenditures	23,390,921	194,600	1,383,682	6,921	6,149,488	31,125,612
Excess (deficiency) of revenues over (under) expenditures	(517,290)	129,058	2,113,408	761,810	(1,301,873)	1,185,113
Other financing sources (uses):						
Transfers in	-	391,544	-	-	1,142,500	1,534,044
Transfers (out)	(147,500)	(775,000)	(391,544)	-	(220,000)	(1,534,044)
Total other financing sources (uses)	(147,500)	(383,456)	(391,544)	-	922,500	-
Net change in fund balances	(664,790)	(254,398)	1,721,864	761,810	(379,373)	1,185,113
Fund balances:						
May 1, 2015	4,072,751	4,685,714	(1,721,864)	2,086,479	1,516,642	10,639,722
April 30, 2016	$ 3,407,961	$ 4,431,316	$ -	$ 2,848,289	$ 1,137,269	$ 11,824,835

See notes to financial statements.

Village of South Holland, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended April 30, 2016

Net change in fund balances-total governmental funds	$ 1,185,113
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciations in the current period.	
Capital outlay	3,275,695
Depreciation	(1,533,461)
Items related to pension expense and revenue are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements:	
Deferred outflows of resources related to pension expense	6,034,228
Deferred inflows of resources related to pension expense	(567,839)
Governmental funds do not report certain capital asset activities that are reflected in governmental activities:	
Disposal of capital assets	(33,945)
State revenues that are deferred in the fund financial statements because they are not available but are recognized in the Statement of Activities.	(404,046)
The following are expenditures in the governmental funds, but the repayment of debt reduces long-term liabilities in the Statement of Net Position:	
General obligation bonds	450,000
Tax incremental financing bonds	675,000
Capital appreciation bonds	650,000
Capital lease	24,073
Accretion of interest on capital appreciation bonds	(107,485)
Losses on refunding of bonds are not reflected in the fund financial statements but are recorded as part of liabilities in the Statement of Net Position.	
Amortization of all losses on refunding	(78,346)

Village of South Holland, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2016

Premiums and discounts on the issuance of bonds are recorded as other financing sources/uses in the fund financial statements, but recorded as contra-liabilities in the Statement of Net Position and amortized over the life of the bonds.	
Amortization of premium	45,316
Amortization of discount	(4,870)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Change in claims payable	(356,944)
Change in accrued interest	(61,897)
Change in net pension liability	(5,930,704)
Change in compensated absences	(20,028)
Change in other postemployment benefits	(436,069)
Change in net position of governmental activities	$ 2,803,791

See notes to financial statements.

Village of South Holland, Illinois

Statement of Net Position
Enterprise Fund
April 30, 2016

	Water Fund
Assets	
Current assets:	
Receivables:	
Customer accounts, net	$ 1,096,793
Total current assets	1,096,793
Noncurrent assets:	
Buildings	2,603,574
Equipment	3,773,621
Waterworks and sewerage system	12,654,936
	19,032,131
Less accumulated depreciation	9,282,582
Total noncurrent assets	9,749,549
Total assets	10,846,342
Deferred outflows of resources	
Pension actuarial adjustments	253,272
Deferred pension contributions	35,614
Total deferred outflows of resources	288,886
Liabilities	
Current liabilities:	
Accounts payable	$ 450,050
Accrued liabilities	14,359
Compensated absences	47,161
Due to other funds	817,819
IEPA loan	175,256
Total current liabilities	1,504,645
Noncurrent liabilities:	
IEPA loan	3,015,257
Net pension liability	665,358
Total noncurrent liabilities	3,680,615
Total liabilities	5,185,260
Deferred outflows of resources	
Deferred pension contributions	6,153
Net Position	
Net investment in capital assets	6,559,036
Unrestricted	(615,221)
Total net position	$ 5,943,815

See notes to financial statements.

Village of South Holland, Illinois

Statement of Revenues, Expenses and Changes in Net Position Enterprise Fund Year Ended April 30, 2016

	Water Fund
Operating revenues:	
Water sales	$ 5,103,830
Miscellaneous	381,055
Total operating revenues	5,484,885
Operating expenses:	
Personnel	945,162
Contractual	4,015,547
Commodities	260,875
Depreciation	369,222
Total operating expenses	5,590,806
Operating loss	(105,921)
Nonoperating income (expense),	
Interest expense	(42,210)
Change in net position	(148,131)
Net position:	
May 1, 2015, as restated	6,091,946
April 30, 2016	$ 5,943,815

See notes to financial statements.

Village of South Holland, Illinois

Statement of Cash Flows - Enterprise Fund
Year Ended April 30, 2016

	Water Fund
Cash flows from operating activities:	
Cash received from residents for services	$ 5,356,024
Payments to employees	(1,047,241)
Payments to suppliers	(4,274,171)
Net cash provided by operating activities	34,612
Cash flows from non-capital financing activities:	
Due to other funds	180,684
Cash flows from capital financing activities:	
Principal payments on debt	(173,086)
Interest paid	(42,210)
Net cash used in capital financing activities	(215,296)
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
May 1, 2015	-
April 30, 2016	$ -
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (105,921)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	369,222
Changes in assets and liabilities:	
Other assets	25,202
Accounts receivable	(128,861)
Accounts payable	2,251
Accrued liabilities	(20,588)
Compensated absences	4,029
Deferred outflows of pension contributions	(110,722)
Total adjustments	140,533
Net cash provided by operating activities	$ 34,612

See notes to financial statements.

Village of South Holland, Illinois

Statement of Fiduciary Net Position
Fiduciary Funds
April 30, 2016

	Pension Trust Funds	Agency Fund	Total
Assets			
Cash and cash equivalents	$ 602,949	$ 7,966	$ 610,915
Investments, at fair value:			
Municipal bonds	1,511,809	-	1,511,809
Corporate bonds	5,003,559	-	5,003,559
U.S. Government and agency obligations	5,771,277	-	5,771,277
Stock equities	11,270,994	-	11,270,994
Equity mutual funds	11,629,835	-	11,629,835
Other assets	177,741	-	177,741
Total assets	35,968,164	7,966	35,976,130
Liabilities			
Escrow deposits	-	7,966	7,966
Other	10,044	-	10,044
Total liabilities	10,044	7,966	18,010
Net position			
Restricted for pensions	$ 35,958,120	$ -	$ 35,958,120

See notes to financial statements.

Village of South Holland, Illinois

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2016

Additions	
Contributions:	
Employer	$ 1,504,438
Plan members	588,175
Total contributions	2,092,613
Investment income (expense):	
Net depreciation in fair value of investments	(1,546,441)
Interest and dividends	1,088,152
Total investment income	(458,289)
Less: Investment expense	109,466
Net investment income (expense)	(567,755)
Total additions	1,524,858
Deductions	
Benefits and refunds	2,226,749
Administrative expenses	64,647
Total deductions	2,291,396
Change in net position	(766,538)
Net position restricted for pensions:	
May 1, 2015	36,724,658
April 30, 2016	$ 35,958,120

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

The Village of South Holland provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the funds and account groups of the Village of South Holland, the primary government, and South Holland Public Library, its component unit, which is included in the Village's reporting entity because of its operational and financial relationship with the Village.

The South Holland Public Library provides library services to the residents of the Village of South Holland, but is governed by a board which is separately elected by the public. Financial data of the Library has been discretely presented in the component unit column in the general purpose financial statements to emphasize that it is legally separate from the Village. Separate financial statements of the Library are not prepared.

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

Financial Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(2) Fiscal dependency on the primary government.

Financial benefit or burden is created if any one of the following relationships exists:

(1) The primary government is legally entitled to or has access to the component unit's resources.

(2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.

(3) The primary government is obligated in some manner for the other component unit's debt.

The Village of South Holland Public Library is responsible for providing services to the Village's residents. The members of the governing board of the South Holland Public Library are elected by the voters of the Village; however, the Library is fiscally dependent on the Village as the tax levy established by the Library and bonded debt must be approved by the Village. In addition to the criteria above, if a financial benefit and burden relationship exists, a component unit should be included in the primary government's financial statements. Based on the applicable criteria, the Library is a discretely presented component unit within these financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

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

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

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

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

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

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

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Village administers the following major governmental funds:

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

Downtown TIF Fund - This Capital Projects fund is used to account for the incremental property taxes and related redevelopment costs pertaining to the Downtown TIF District.

Interstate 80 TIF Fund - This Capital Projects fund is used to account for the incremental property taxes and related redevelopment costs pertaining to the Interstate 80 TIF District.

Note 1. Summary of Significant Accounting Policies (Continued)

South Suburban Community College TIF - This Capital Projects fund is used to account for the incremental property taxes and related redevelopment costs pertaining to the South Suburban Community College TIF District.

The Village administers the following major proprietary fund:

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

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and an agency fund that is used to account for assets held by the Village for others in an agency capacity.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, subject to judgment and consistency so as not to artificially distort normal revenue patterns, except for property taxes which are further explained in Note 3.

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

Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term liabilities, which should be recognized when due. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, liabilities, and net position or fund balance

1. Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

2. Investments
Investments are reported at fair value. Fair value is based on quoted market prices for similar or same investments.

3. Interfund Receivables, Payables and Activity
The Village has the following types of transactions between funds:

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

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

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

4. Inventories
Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

5. Prepaid Items
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

6. Deferred Outflows of Resources
Deferred outflows of resources arise when the consumption of net position in one period is applicable to future periods. The Village reflects its pension actuarial adjustments, deferred pension contributions, and deferred losses on bond refunding as deferred outflows of resources.

7. Capital and Intangible Assets
Capital assets which include land, streets, buildings, storm sewers, sanitary sewers, water mains, vehicles and intangible assets, which include easements and similar items, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $30,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

	Estimated Useful Lives
Land improvements	15 – 30 years
Buildings	40 – 50 years
Machinery and equipment	10 – 20 years
Streets	20 years
Sidewalks	20 years
Storm	25 years
Streetlights	10 years
Distribution system	40 years

8. Deferred Inflows of Resources and Unearned Revenue

The Village reports both deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period for the governmental funds. Additionally, deferred inflows of resources arise when revenues associated with imposed nonexchange revenue transactions (property taxes) are received or reported as a receivable before the period for which they are levied. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to occurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the deferred inflows of resources or unearned revenue are removed from the financial statements and revenue is recognized.

9. Compensated Absences

Village employees accumulate vacation hours for subsequent use or for payment upon termination, death or retirement. All accrued vacation pay is recognized as an expense and as a liability of the enterprise funds at the time the liability is incurred. Governmental fund types record accumulated vacation pay as an expenditure in the current year to the extent it is paid or is expected to be paid with available financial resources; otherwise it is accounted for as a short-term liability in the Statement of Net Position.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized on a straight-line basis over the life of the bonds. Bond issuance costs are expensed when incurred.

Note 1. Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

11. Fund Balances

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. At April 30, 2016, the Village has $122,410 of committed fund balances.

Assigned – Includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: (a) the Village's Board of Trustees itself; or (b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not authorized any other body or official to assign amounts for specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At April 30, 2016, the Village has no assigned balances.

Unassigned – includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the Village's policy for the General Fund to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

For all other governmental funds, it is the Village's policy to consider unrestricted resources (i.e. committed, assigned) to have been spent first, followed by restricted resources.

Note 1. Summary of Significant Accounting Policies (Continued)

At April 30, 2016, the Village's fund balance restrictions were for the following purposes:

Restricted purpose:		
MFT projects	$	1,410,709
Debt service		28,263
Capital projects:		
Downtown TIF District		4,431,316
Interstate 80 TIF District		2,848,289
Other TIF Districts and capital projects		517,119
Total restricted	$	9,235,696

12. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

Accounting Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Restatement

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date,* which were adopted by the Village for the year ended April 30, 2016. GASB 68 improves accounting and financial reporting by state and local governmental for pensions and improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

The Village's net position at May 1, 2015 has been restated as follows:

	Govermental Activities	Business-Type Activities	Component Unit - Library	Water Fund
Net position, May 1, 2015	$ 52,304,085	$ 6,585,293	$ 1,994,855	$ 6,585,293
Restatement amount related to the implementation of GASB 68	(16,688,163)	(493,347)	(685,199)	(493,347)
Net position May 1, 2015, as restated	$ 35,615,922	$ 6,091,946	$ 1,309,656	$ 6,091,946

The restatement of the beginning net position adjusts the beginning deferred outflows of resources for pension contributions made subsequent to the measurement date of the beginning net pension liability. Restatement of the beginning balances for deferred outflows of resources related to the pensions was not done because it was not practical to determine all such amounts.

Note 2. Cash and Investments

Cash and investments are held separately and in pools by several of the Village's funds. The Village maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance. The deposits and investments of the Police and Firefighters' Pension Funds (Pension Funds) are held separately.

A summary of cash and investments as of April 30, 2016 is as follows:

		Fiduciary Funds			
	Governmental & Business-Type Activities	Police Pension Fund	Fire Pension Fund	Agency Funds	Component Unit Library
Cash	$ 3,956,743	$ 31,387	$ 10,000	$ 7,966	$ 1,196,212
Money market	-	388,218	173,344	-	
Illinois Funds	11,420,472	-	-	-	-
U.S. Government Agencies	-	3,433,325	2,218,727	-	-
U.S. Treasuries	-	83,459	35,766	-	-
Municipal bonds	-	910,500	601,309	-	-
Corporate bonds	-	3,186,922	1,816,637	-	-
Stock equities	-	7,592,999	3,677,995	-	-
Mutual Funds	-	7,834,849	3,794,986	-	-
Total	$ 15,377,215	$ 23,461,659	$ 12,328,764	$ 7,966	$ 1,196,212

Deposits: The Village is authorized to make deposits in commercial banks and savings and loan institutions and make investments in obligations of the U.S. Treasury and U.S. Government Agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, under certain statutory restrictions, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, and life insurance company contracts.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price the investment could be sold for.

Investment Policies - The Village and the Library's investments are made in accordance with the Public Funds Investment Act (30 ILCS 235/1) (the "Act") and the Village's investment policy. The Police and Firefighters' Pension Funds' investments are made in accordance with the Illinois Pension Code (40 ILCS 5/1-113.2 to 113.10) and each respective pension funds' investment policy. The Pension Fund's investment policies limit the maximum maturity for any single investment at ten years. However, a larger term investment may be utilized if approved by the Board.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2016, the carrying amount of the Village's deposits with financial institutions, excluding cash on hand of $550, totaled $4,567,108. As of April 30, 2016, the carrying amount of the Library's deposits, excluding cash on hand of $100, was $1,196,112. Total bank balances relating to the Village's and Library's deposits with financial institutions totaled $5,763,220. These bank balances are fully insured and collateralized.

Note 2. Cash and Investments (Continued)

Investments: As of April 30, 2016, the Village had the following investments (in debt securities) and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Police Pension Fund					
Corporate bonds	$ 3,186,922	$ 254,395	$ 1,440,661	$ 1,491,866	$ -
Municipal bonds	910,500	-	844,302	66,198	-
U.S. Government Agencies	3,433,325	277,033	1,692,109	1,464,183	-
U.S. Treasuries	83,459	-	83,459	-	-
Total Police Pension	7,614,206	531,428	4,060,531	3,022,247	-
Fire Pension Fund					
Corporate bonds	1,816,637	127,666	1,030,305	658,666	-
Municipal bonds	601,309	-	601,309	-	-
U.S. Government Agencies	2,218,727	-	1,023,021	1,195,706	-
U.S. Treasuries	35,766	-	35,766	-	-
Total Fire Pension	4,672,439	127,666	2,690,401	1,854,372	-
Total Fiduciary Activities	$ 12,286,645	$ 659,094	$ 6,750,932	$ 4,876,619	$ -

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific maturity. However, the Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. State law limits investments in stock equities, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these types to the top rating issued by NRSROs. As of April 30, 2016, the Village's investments in U.S. Government Agencies and Treasuries were rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The Village's investments in the Illinois Funds were rated AAA by Standard & Poor's. The municipal bonds were not rated. Corporate bond ratings ranged from BBB+ to AAA by Standard & Poor's and Baa3 to AAA by Moody's Investors Service.

Concentration of credit risk. The Village's investment policy requires diversified investments to eliminate the risk of loss resulting in over-concentration in a specific issuer or class of securities. The diversification required is as follows:

a. Up to a 100 percent investment in bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities;
b. Up to a 90 percent investment in interest-bearing saving accounts, certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, or certificates of deposits with federally insured institutions that are collateralized or insured at levels acceptable to the Village in excess of the $250,000 provided by the Federal Deposit Insurance Corporation coverage limit; and
c. Up to a 33 percent investment in collateralized repurchase agreements, commercial paper, the Illinois Funds or the Illinois Municipal League Liquid Asset Fund.

More than 5 percent of the Village's investments are in the following U.S. Government Agencies: Federal Home Loan Banks and Federal Farm Credit Banks. The investments comprise 6.21 percent and 5.47 percent of the Village's total investments, respectively.

Note 2. Cash and Investments (Continued)

Custodial credit risk. For an investment, this is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Village's investment policy states that all security transactions, including collateral for any repurchase agreements, entered into by the Village shall be conducted on a delivery versus payment basis, which requires the delivery of securities with an exchange of money for those securities. The policy also states that securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts and reports. The U.S. Treasuries, U.S. Government agencies, municipal bonds, and corporate bonds are held by the Village's agent in the Village's name. The Illinois Funds, stock equities and equity mutual funds are not subject to custodial credit risk.

As of April 30, 2016, the Village's fair values of investments that are not included in the totals on the preceding page are stock equities, equity mutual funds and Illinois Funds of $11,270,994, $11,629,835, and $11,420,472, respectively.

The cash and investments totaling $52,371,816 are reported in the financial statements as follows:

	Governmental Activities	Fiduciary Funds	Component Unit	Total
Cash and cash equivalents	$ 15,377,215	$ 610,915	$ 1,196,212	$ 17,184,342
Investments	-	35,187,474	-	35,187,474
Total	$ 15,377,215	$ 35,798,389	$ 1,196,212	$ 52,371,816

Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village. Property taxes are recognized as a receivable at the time they are levied. In the governmental activities of the GWFS and the governmental funds of the FFS, since the 2014 tax levy is intended to finance the expenditures for the year ended April 30, 2016, revenue from the entire 2015 tax levy has been deferred for recognition to the year ended April 30, 2017. Property taxes in the pension trust funds are recognized as revenue based on the year they are budgeted to fund; therefore, the 2014 tax levy was recognized as revenue for the year ended April 30, 2016. The 2014 property tax levy, together with any prior levy year collections, has been recognized as revenue of the governmental funds for the year ended April 30, 2016. A 1 percent reduction of the tax levy amount for collection losses has been made to reduce the property taxes receivable to the estimated amount to be collected.

Note 4. Capital Assets

Governmental Activities

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

	Balance, May 1, 2015	Additions	Retirements	Balance, April 30, 2016
Governmental activities:				
Capital assets not being depreciated:				
Land and rights of way	$ 33,120,121	$ -	$ -	$ 33,120,121
Construction in progress	2,153,003	2,577,002	-	4,730,005
	35,273,124	2,577,002	-	37,850,126
Capital assets being depreciated:				
Infrastructure	49,154,847	-	-	49,154,847
Land improvements	4,009,111	-	-	4,009,111
Municipal buildings and grounds	15,111,878	-	-	15,111,878
Equipment	5,287,094	698,693	206,767	5,779,020
	73,562,930	698,693	206,767	74,054,856
Less accumulated depreciation for:				
Infrastructure	28,299,325	678,320	-	28,977,645
Land improvements	1,664,788	170,671	-	1,835,459
Municipal buildings and grounds	5,419,115	293,322	-	5,712,437
Equipment	3,835,142	391,148	172,822	4,053,468
	39,218,370	1,533,461	172,822	40,579,009
Total capital assets being depreciated, net	34,344,560	(834,768)	33,945	33,475,847
Governmental activities capital assets, net	$ 69,617,684	$ 1,742,234	$ 33,945	$ 71,325,973

Note 4. Capital Assets (Continued)

Business-Type Activities

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

	Balance, May 1, 2015	Additions	Retirements	Balance, April 30, 2016
Business-type activities:				
Capital assets being depreciated:				
Water system	$ 12,654,936	$ -	$ -	$ 12,654,936
Buildings	2,603,574	-	-	2,603,574
Operating equipment	3,773,621	-	-	3,773,621
	19,032,131	-	-	19,032,131
Less accumulated depreciation for:				
Waterworks system	5,954,674	212,542	-	6,167,216
Buildings	1,520,706	59,969	-	1,580,675
Operating equipment	1,437,980	96,711	-	1,534,691
	8,913,360	369,222	-	9,282,582
Total capital assets being depreciated, net	10,118,771	(369,222)	-	9,749,549
Business-type activities capital assets, net	$ 10,118,771	$ (369,222)	$ -	$ 9,749,549

Note 4. Capital Assets (Continued)

Component Unit

A summary of changes in capital assets for the component unit of the Village is as follows:

	Balance, May 1, 2015	Additions	Retirements	Balance, April 30, 2016
Component unit:				
Capital assets being depreciated:				
Library building	$ 6,273,780	$ -	$ -	$ 6,273,780
Infrastructure	350,164	-	-	350,164
Land improvements	49,868	-	-	49,868
Equipment	31,032	-	-	31,032
	6,704,844	-	-	6,704,844
Less accumulated depreciation for:				
Library building	4,557,844	125,476	-	4,683,320
Infrastructure	52,523	7,003	-	59,526
Land improvements	2,494	2,493	-	4,987
Equipment	13,448	2,069	-	15,517
	4,626,309	137,041	-	4,763,350
Capital assets being depreciated, net	$ 2,078,535	$ (137,041)	$ -	$ 1,941,494

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities	Component Unit
General government	$ 920,055	$ -	$ -
Public safety	321,044	-	-
Public works	292,362	-	-
Water	-	369,222	-
Library	-	-	137,041
	$ 1,533,461	$ 369,222	$ 137,041

Note 5. Long-Term Obligations

The following is a summary of long-term obligation transactions of the Village's governmental activities for the year ended April 30, 2016:

	May 1, 2015	Additions	Reductions	April 30, 2016	Due Within One Year
General obligation bonds	$ 5,635,000	$ -	$ 450,000	$ 5,185,000	$ 465,000
Discount on general obligation bonds	(16,482)	-	(1,557)	(14,925)	-
	5,618,518	-	448,443	5,170,075	465,000
General obligation TIF bonds	11,820,000	-	675,000	11,145,000	750,000
Premium on general obligation TIF bonds	494,701	-	45,316	449,385	-
Discount on general obligation TIF bonds	(35,632)	-	(3,313)	(32,319)	-
	12,279,069	-	717,003	11,562,066	1,215,000
Capital appreciation bonds	2,704,243	107,485	650,000	2,161,728	650,000
Capital lease	67,794	-	24,073	43,721	26,169
Compensated absences	613,779	633,807	613,779	633,807	633,807
Other postemployment benefits	7,344,224	972,205	536,136	7,780,293	-
	$ 28,627,627	$ 1,713,497	$ 2,989,434	$ 27,351,690	$ 2,524,976

Additions include $107,485 in accreted interest on capital appreciation bonds which are included in long-term liabilities.

The General Fund is typically used to liquidate compensated absences and other postemployment benefits.

The following is a summary of changes in long-term debt transactions of the Village's business-type activities for the year ended April 30, 2016:

	May 1, 2015	Additions	Reductions	April 30, 2016	Due Within One Year
IEPA Loan	$ 3,363,599	$ -	$ 173,086	$ 3,190,513	$ 175,256
Compensated absences	43,132	47,161	43,132	47,161	47,161
	$ 3,406,731	$ 47,161	$ 216,218	$ 3,237,674	$ 222,417

The following is a summary of changes in compensated absences of the Village's component unit for the year ended April 30, 2016:

	May 1, 2015	Additions	Reductions	April 30, 2016	Due Within One Year
Compensated absences	$ 53,406	$ 53,651	$ 53,406	$ 53,651	$ 53,651

Note 5. Long-Term Obligations (Continued)

Details of the Village's long-term obligations as of April 30, 2016, are as follows:

General Obligation Bonds:

A general obligation corporate purpose bond issued for the improvement of public streets and other Village public infrastructure, dated June 15, 2005 provides for the serial retirement of the principal semiannually on December 15 and June 15, principal retired will be $410,000 in fiscal year 2017. Interest is payable on June 15 and December 15 at rate equal to 3.75%. The remainder of the principal balance was partially refunded in advance through the general obligation series 2012 issuance.	$	410,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2005 associated with the improvement of public streets and other Village infrastructure, dated December 20, 2012 provides for serial retirement of the principal annually on December 15. Principal retired will be $55,000 in fiscal year 2017, $480,000 in fiscal year 2018, $490,000 in fiscal year 2019, $500,000 in fiscal year 2020, $515,000 in fiscal year 2021, $520,000 in fiscal year 2022, $535,000 in fiscal year 2023, $550,000 in fiscal year 2024, $555,000 in fiscal year 2025 and $575,000 in fiscal year 2026. Interest is payable between rates of 2.0% and 2.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.		4,775,000
Total general obligation bonds		5,185,000

General Obligation TIF Bonds:

A general obligation corporate purpose bond issued for capital infrastructure improvements, associated with the Route 6 TIF, dated November 28, 2006 provides for the serial retirement of the principal annually on December 15. Principal retired will be $415,000 in fiscal year 2017. Interest is payable on June 15 and December 15 at a rate equal to 3.95%.		415,000

Note 5. Long-Term Obligations (Continued)

General Obligation TIF Bonds (Continued):

A general obligation corporate purpose bond issued for refunding the prior issue of 2006 associated with Route 6/South Park Avenue Tax Incremental Financing District, dated December 20, 2012 provides for serial retirement of the principal annually on December 15. Principal retired will be $55,000 in fiscal year 2017, $485,000 in fiscal year 2018, $500,000 in fiscal year 2019, $505,000 in fiscal year 2020, $515,000 in fiscal year 2021, $535,000 in fiscal year 2022, $545,000 in fiscal year 2023, $555,000 in fiscal year 2024, $570,000 in fiscal year 2025 and $580,000 in fiscal year 2026. Interest is payable between rates of 2.0% and 2.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.	$	4,845,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2007A associated with Downtown Tax Incremental Financing District, dated April 6, 2015 provides for serial retirement of the principal annually on December 15. Principal retired will be $140,000 in fiscal year 2017, $155,000 in fiscal year 2018, $175,000 in fiscal year 2019, $195,000 in fiscal year 2020, $210,000 in fiscal year 2021, $235,000 in fiscal year 2022, $255,000 in fiscal year 2023, $280,000 in fiscal year 2024, $310,000 in fiscal year 2025, $340,000 in fiscal year 2026, and $370,000 in fiscal year 2027. Interest is payable between rates of 1.5% and 3.3%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.		2,665,000
A general obligation corporate purpose bond issued for refunding the prior issue of 2007C associated with Downtown Tax Incremental Financing District, dated April 6, 2015 provides for serial retirement of the principal annually on December 15. Principal retired will be $140,000 in fiscal year 2017, $160,000 in fiscal year 2018, $185,000 in fiscal year 2019, $215,000 in fiscal year 2020, $245,000 in fiscal year 2021, $280,000 in fiscal year 2022, $310,000 in fiscal year 2023, $350,000 in fiscal year 2024, $395,000 in fiscal year 2025, $445,000 in fiscal year 2026, and $495,000 in fiscal year 2027. Interest is payable between rates of 4.0% and 5.0%. These bonds are intended to be financed from incremental taxes and not from the extended tax levy.		3,220,000
Total general obligation TIF bonds		11,145,000

Note 5. Long-Term Obligations (Continued)

A general obligation capital appreciation bond issue for Veterans Park reconstruction, dated March 27, 2007 provides for the serial retirement of the principal annually on December 15. Principal retired will be $446,602 in fiscal year 2017, $427,427 in fiscal year 2018, $409,149 in fiscal year 2019, and $252,550 in fiscal year 2020. Interest is payable on June 15 and December 15 at rates between 3.90% and 4.04%. Included in the principal balance outstanding is $702,341 of accumulated accreted interest.	$ 2,161,728
A capital lease purchase agreement entered into with Municipal Asset Management, Inc., dated September 23, 2013 provides for the serial retirement of principal annually on September 23. Principal retired will be $26,169 in fiscal year 2017, and $17,552 in fiscal year 2017. Interest is payable on September 23 at a rate 9.77%.	43,721
Total long-term debt obligations	$ 18,535,449

The future debt service requirements to amortize the total long-term debt obligations of the Village, excluding compensated absences and other postemployment benefits, including interest as of April 30, 2016, are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 1,687,770	$ 646,581	$ 2,334,351
2018	1,724,980	621,808	2,346,788
2019	1,759,149	610,531	2,369,680
2020	1,667,550	507,130	2,174,680
2021-2025	8,265,000	1,158,505	9,423,505
2026-2027	2,805,000	132,905	2,937,905
	17,909,449	3,677,460	21,586,909
Accumulated accreted interest	626,000	(626,000)	-
	$ 18,535,449	$ 3,051,460	$ 21,586,909

Note 5. Long-Term Obligations (Continued)

The future debt service requirements to amortize the total long-term debt obligations of the Village's business-type activities, excluding compensated absences, including interest as of April 30, 2016, are as follows:

Fiscal Year	Principal	Interest	Total
2017	$ 175,256	$ 39,335	$ 214,591
2018	177,454	37,138	214,592
2019	179,679	34,913	214,592
2020	181,932	32,660	214,592
2021-2025	944,456	128,504	1,072,960
2026-2030	1,005,173	67,786	1,072,959
2031-2033	526,563	9,913	536,476
	$ 3,190,513	$ 350,249	$ 3,540,762

Note 6. Pension and Retirement Plan Commitments

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

Illinois Municipal Retirement Fund

Plan Description. The Village'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 Village 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.

Note 6. Pension and Retirement Plan Commitments (Continued)

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

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

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

Employees Covered by Benefit Term. As of April 30, 2016, the follows employees were covered by the benefit terms:

	Membership
Inactive Plan members or beneficiaries currently receiving benefits	113
Inactive Plan members entitled to but not yet receiving benefits	70
Active Plan Members	124
Total membership	307

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5 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 Village's annual contribution rate for calendar year 2016 and 2015 were 14.77 percent and 25.31 percent, respectively. For the fiscal year ended April 30, 2016, the Village contributed $1,162,402 to the plan. The contributions as of April 30, 2016 are reported in the financial statements as follows:

Governmental Activites - general government expense	$ 836,907
Business-Type Activities and Water Fund	153,295
Component Unit - Library	172,200
Total	$ 1,162,402

The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 6. Pension and Retirement Plan Commitments (Continued)

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

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75 percent.
- **Salary Increases** were expected to be 3.75 percent to 14.50 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25 - 8.50%
Cash Equivalents	1%	2.25%
Total	100%	

Note 6. Pension and Retirement Plan Commitments (Continued)

Single Discount Rate. A Single Discount Rate of 7.50 percent was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50 percent, the municipal bond rate is 3.56 percent, and the resulting single discount rate is 7.48 percent.

Changes in the Net Pension Liability.

The following table shows the components of the Village's annual pension liability and related plan fiduciary net position for the year ended December 31, 2015:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at January 1, 2015	$ 33,615,286	$ 29,538,570	$ 4,076,716
Changes for the year:			
Service Cost	555,300	-	555,300
Interest on the Total Pension Liability	2,475,003	-	2,475,003
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of Total Pension Liability	282,798		282,798
Changes of Assumptions	43,177	-	43,177
Contributions - Employer	-	1,301,569	(1,301,569)
Contributions - Employees	-	233,298	(233,298)
Net Investment Income	-	147,286	(147,286)
Benefit Payments, Including Refunds of Employee Contributions	(1,697,668)	(1,697,668)	-
Other (Net Transfer)	-	705,577	(705,577)
Net Changes	1,658,610	690,062	968,548
Balances at December 31, 2015	$ 35,273,896	$ 30,228,632	$ 5,045,264

Note 6. Pension and Retirement Plan Commitments (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48 percent, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.48%	Current Discount Rate 7.48%	1% Increase 8.48%
Village's net pension liability	$ 9,739,221	$ 5,045,264	$ 1,229,574

The net pension liability as of April 30, 2016 is reported on the financial statements as follows:

Governmental Activites - general government expense	$ 3,632,493
Business-Type Activities and Water Fund	665,358
Component Unit - Library	747,413
Total	$ 5,045,264

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2016, the Village recognized pension income of $555,273. Pension income as of April 30, 2016 is reported in the financial statements as follows:

Governmental Activites - general government expense	$ (399,785)
Business-Type Activities and Water Fund	(73,229)
Component Unit - Library	(82,259)
Total	$ (555,273)

Note 6. Pension and Retirement Plan Commitments (Continued)

As of April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods	
Differences between expected and actual experience	$ 216,656
Changes of assumptions	33,079
Net difference between projected and actual earnings on pension plan investments	1,670,769
Total deferred amounts to be recognized in pension expense in future periods	1,920,504
Employer contribution subsequent to the measurement date	270,053
Total Deferred Amounts Related to Pensions	$ 2,190,557
Governmental Activites - general government expense	$ 1,734,727
Business-Type Activities and Water Fund	282,733
Component Unit - Library	173,097
Total	$ 2,190,557

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

	Net Deferred Outflows of Resources
Year ending April 30:	
2017	493,932
2018	493,932
2019	493,932
2020	438,708
Thereafter	-
Total	$ 1,920,504

The schedule of changes in net pension liability, total pension liability and related rations and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund

Summary of Significant Accounting Policies

Basis of accounting:
The financial statements for the Police Pension Fund 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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Plan Description

Plan administration:
Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of South Holland. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2016, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the retiree beneficiaries and two are appointed by the Mayor with the approval of the Village Board of Trustees.

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

Inactive plan members or their beneficiaries currently receiving their benefits	30
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	45
Total	75

Benefits provided:
The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits.

Covered employees hired before January 1, 2011 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 2.5 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.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5 percent of final average salary for each year of service, with a maximum salary cap of $106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3 percent or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:
Covered employees are required to contribute 9.91 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90 percent of the actuarial liabilities of the pension fund by April 30, 2041. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2016, the statutory minimum which the Village was required to contribute was $1,089,522, or 31.03 percent of member payroll, to the Police Pension Fund.

<u>Investments</u>

Investment policy:
The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2016:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	0%	20%
Fixed Income	0%	75%
Equities	15%	75%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Investments (Continued)

The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2016:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.00%	2.00%	0.00%
Fixed Income:			
U.S. Treasuries	4.30%	2.50%	1.80%
U.S. Agencies	4.50%	2.50%	2.00%
Taxable Municipal Securities	4.50%	2.50%	2.00%
Corporate Bonds	5.00%	2.50%	2.50%
Equities:			
International Equities	7.80%	2.50%	5.30%
U.S. Large-Cap Equities	7.50%	2.50%	5.00%
U.S. Mid-Cap Equities	7.80%	2.50%	5.30%
U.S. Small-Cap Equities	7.50%	2.50%	5.00%
Alternatives:			
Real Estate	6.80%	2.50%	4.30%
Global Infrastructure	7.30%	2.50%	4.80%
Emerging Market Stocks	8.70%	2.50%	6.20%

Method used to value investments:
Investments are reported at fair value. 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. Investments that do not have an established market are reported at estimated fair value.

Significant Investments
Information on significant investments is presented in Note 2 under “Concentration of Credit Risk.”

Rate of return:
For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 1.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2016, are as follows:

Total pension liability	$ 38,105,035
Plan fiduciary net position	23,569,055
Village's net pension liability	$ 14,535,980
Plan fiduciary net position as a percentage of the total pension liability	61.85%

The total pension liability was determined by an actuarial valuation as of April 30, 2016, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions	
Valuation date	April 30, 2016
Actuarial cost method	Entry Age Normal (Level Percentage)
Amortization method	Level Percentage of Payroll (Closed)
Discount Rate used for the Total Pension Liability	7.25%
Long-Term Expected Rate of Return on Plan Assets	7.25%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.32%
Projected Individual Salary Increases	2.50 - 11.97%
Projected Increase in Total Payroll	3.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	L&A 2016 Illinois Police Mortality Rates
Retirement Rates	A 2016 Illinois Police Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Police Disability Rates
Termination Rates	L&A 2016 Illinois Police Termination Rates
Percent Married	80%

The actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009 – June 2015. The study was performed by Lauterbach and Amen LLP (L&A), which provides a variety of accounting and actuarial services to Police and Firefighter Pension Funds across the State of Illinois.

Discount rate:
The discount rate used to measure the total pension liability is 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments.

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Net Pension Liability of the Village (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at May 1, 2015	$ 34,971,807	$ 24,252,483	$ 10,719,324
Changes for the year:			
Service Cost	762,040	-	762,040
Interest on the Total Pension Liability	2,475,252	-	2,475,252
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of Total Pension Liability	509,792	-	509,792
Changes of Assumptions	1,046,935	-	1,046,935
Contributions - Employer	-	1,014,454	(1,014,454)
Contributions - Employees	-	397,143	(397,143)
Net Investment Income	-	(399,409)	399,409
Benefit Payments, Including Refunds of Employee Contributions	(1,660,791)	(1,660,791)	-
Other (Net Transfer)	-	(34,825)	34,825
Net Changes	3,133,228	(683,428)	3,816,656
Balances at April 30, 2016	$ 38,105,035	$ 23,569,055	$ 14,535,980

To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 80 years. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

Sensitivity of the net pension liability to changes in the discount rate:
The following presents the net pension liability of the Village as of the valuation date of April 30, 2016, calculated using the discount rate of 7.25 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Village's net pension liability	$ 20,165,036	$ 14,535,980	$ 9,953,035

Note 6. Pension and Retirement Plan Commitments (Continued)

Police Pension Fund (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of $736,830. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods	
Differences between expected and actual experience	$ 445,988
Changes of assumptions	915,904
Net difference between projected and actual earnings on pension plan investments	1,717,935
Total Deferred Amounts Related to Pensions	$ 3,079,827

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

	Net Deferred Outflows of Resources
Year ending April 30:	
2017	$ 624,319
2018	624,319
2019	624,319
2020	624,318
2021	194,835
Thereafter	387,717
Total	$ 3,079,827

The schedule of changes in total pension liability, net pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund

Summary of Significant Accounting Policies

Basis of accounting:
The financial statements for the Firefighters' Pension Fund 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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings.

Plan Description

Plan administration:
Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of South Holland. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 4 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's most recent actuarial valuation was performed as of April 30, 2016, and, accordingly, the most recent available information has been presented.

Management of the Fire Pension Plan is vested in the Fire Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the retiree beneficiaries and two are appointed by the Mayor with the approval of the Village Board of Trustees.

Plan membership:
At April 30, 2016, the Firefighters' Pension Plan membership consisted of:

Inactive plan members or their beneficiaries currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	23
Total	36

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Plan Description (Continued)

Benefits provided:
The Illinois Pension Code (40 ILCS 5/Art. 4) is the authority under which pension benefit terms are established. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 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 2.5 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.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5 percent of final average salary for each year of service, with a maximum salary cap of $106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3 percent or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:
Covered firefighter employees are required to contribute 9.455 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund or 7.5 percent of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90 percent of the total actuarial liabilities of the pension fund by December 31, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2016, the statutory minimum which the Village was required to contribute was $495,595, or 26.91 percent of member payroll, to the Firefighters' Pension Fund.

Investments

Investment policy:
The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Firefighters' Pension Board by a majority vote of its members. It is the policy of the Firefighters' Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Investments (Continued)

The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Firefighters' Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2016:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	0%	20%
Fixed Income	0%	75%
Equities	15%	75%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2016:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.00%	2.00%	0.00%
Fixed Income:			
U.S. Treasuries	4.30%	2.50%	1.80%
U.S. Agencies	4.50%	2.50%	2.00%
Taxable Municipal Securities	4.50%	2.50%	2.00%
Corporate Bonds	5.00%	2.50%	2.50%
High-Yield Fixed Income	6.00%	2.50%	3.50%
Emerging Market Bonds	6.50%	2.50%	4.00%
Equities:			
International Equities	7.80%	2.50%	5.30%
U.S. Large-Cap Equities	7.50%	2.50%	5.00%
U.S. Mid-Cap Equities	7.80%	2.50%	5.30%
U.S. Small-Cap Equities	7.50%	2.50%	5.00%
Alternatives:			
Real Estate	6.80%	2.50%	4.30%
Global Infrastructure	7.30%	2.50%	4.80%
Emerging Market Stocks	8.70%	2.50%	6.20%

Method used to value investments:
Investments are reported at fair value. 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. Investments that do not have an established market are reported at estimated fair value.

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Significant investments:
Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Rate of return:
For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 1.35 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Village

The components of the net pension liability of the Village at April 30, 2016, are as follows:

Total pension liability	$ 17,151,356
Plan fiduciary net position	12,389,066
Village's net pension liability	$ 4,762,290
Plan fiduciary net position as a percentage of the total pension liability	72.23%

The total pension liability was determined by an actuarial valuation as of April 30, 2016, using the following methods and actuarial assumptions, applied to all periods included in the measurement and rolled forward to April 30, 2016:

Valuation date	April 30, 2016
Actuarial cost method	Entry Age Normal (Level Percentage)
Amortization method	Level Percentage of Payroll (Closed)
Discount Rate used for the Total Pension Liability	7.25%
Long-Term Expected Rate of Return on Plan Assets	7.25%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.32%
Projected Individual Salary Increases	4.00% - 10.43%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80%

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Net Pension Liability of the Village (Continued)

The actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009 – June 2015. The study was performed by Lauterbach and Amen LLP (L&A), which provides a variety of accounting and actuarial services to Police and Firefighter Pension Funds across the State of Illinois.

Discount rate:
The discount rate used to measure the total pension liability is 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members for the next 80 years. Therefore, the long-term expected rate of return on pension plan assets was applied only to those years and for the remaining years the municipal bond rate was used.

Changes in the Net Pension Liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at May 1, 2015	$ 16,023,427	$ 12,472,175	$ 3,551,252
Changes for the year:			
Service Cost	466,304	-	466,304
Interest on the Total Pension Liability	1,141,182	-	1,141,182
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of Total Pension Liability	(637,943)	-	(637,943)
Changes of Assumptions	724,343	-	724,343
Contributions - Employer	-	489,984	(489,984)
Contributions - Employees	-	191,032	(191,032)
Net Investment Income	-	(168,346)	168,346
Benefit Payments, Including Refunds of Employee Contributions	(565,958)	(565,958)	-
Other (Net Transfer)	-	(29,822)	29,822
Net Changes	1,127,928	(83,110)	1,211,038
Balances at April 30, 2016	$ 17,151,355	$ 12,389,065	$ 4,762,290

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

Net Pension Liability of the Village (Continued)

Sensitivity of the net pension liability to changes in the discount rate:
The following presents the net pension liability of the Village as of the valuation date of April 30, 2016, calculated using the discount rate of 7.25 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Village's net pension liability	$ 7,341,081	$ 4,762,290	$ 2,659,876

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as RSI following the notes to the financial statements.

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

For the fiscal year ended April 30, 2016, the Village recognized pension expense of $273,600. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ -	$ 567,839
Changes of assumptions	644,744	-
Net difference between projected and actual earnings on pension plan investments	860,534	-
Total Deferred Amounts Related to Pensions	$ 1,505,278	$ 567,839

Note 6. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Fund (Continued)

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

	Net Deferred Outflows of Resources
Year ending April 30:	
2017	$ 224,629
2018	224,629
2019	224,629
2020	224,627
2021	9,495
Thereafter	29,430
Total	$ 937,439

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Net Position
Pension Trust Funds
April 30, 2016

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	$ 419,605	$ 183,344	$ 602,949
Investments, at fair value:			
Municipal bonds	910,500	601,309	1,511,809
Corporate bonds	3,186,922	1,816,637	5,003,559
U.S. Government and agency obligations	3,516,784	2,254,493	5,771,277
Stock equities	7,592,999	3,677,995	11,270,994
Equity mutual funds	7,834,849	3,794,986	11,629,835
	23,461,659	12,328,764	35,790,423
Other assets	113,933	63,808	177,741
Total assets	23,575,592	12,392,572	35,968,164
Liabilities			
Other liabilities	6,537	3,507	10,044
Net Position			
Restricted for pensions	$ 23,569,055	$ 12,389,065	$ 35,958,120

Note 6. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Net Position
Pension Trust Funds
Year Ended April 30, 2016

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	$ 1,014,454	$ 489,984	$ 1,504,438
Plan members	397,143	191,032	588,175
Total contributions	1,411,597	681,016	2,092,613
Investment income:			
Net depreciation in fair value of investments	(1,027,455)	(518,986)	(1,546,441)
Interest and dividends	700,022	388,130	1,088,152
Total investment income	(327,433)	(130,856)	(458,289)
Less: Investment expense	71,976	37,490	109,466
Net investment loss	(399,409)	(168,346)	(567,755)
Total additions	1,012,188	512,670	1,524,858
Deductions			
Benefits and refunds	1,660,791	565,958	2,226,749
Administrative expenses	34,825	29,822	64,647
Total deductions	1,695,616	595,780	2,291,396
Change in net position	(683,428)	(83,110)	(766,538)
Net position restricted for pensions:			
May 1, 2015	24,252,483	12,472,175	36,724,658
April 30, 2016	$ 23,569,055	$ 12,389,065	$ 35,958,120

Note 7. Postemployment Healthcare Plan

Plan Description. The Village provides employer paid retiree medical and dental insurance to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Dependents are provided access to coverage on a fully contributory basis. The Village provides employer paid insurance benefits to retirees above the age of 65 and their dependents if the retirement occurred before October 1, 1993. In addition, the Village provides employer-paid retiree life insurance to eligible retirees. The life insurance benefit is $40,000 up to the age of 70 and $20,000 for ages 70 and above. This is a single-employer plan. The Postemployment Healthcare Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village's postemployment healthcare plan with an employer contribution rate of 85 percent of the premiums for the coverage elected by the employee. For fiscal year 2016, the Village contributed $536,136 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The most recent actuarial valuation date for the postemployment healthcare plan was May 1, 2014.

The following table shows the components of the Village's annual OPEB cost for the year ended April 30, 2016, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution	$ 1,115,662
Interest on net OPEB obligation	220,327
Adjustment to annual requirement contribution	(363,784)
Annual OPEB cost	972,205
Contributions made	536,136
Increase in OPEB obligation	436,069
Net OPEB obligation beginning of year	7,344,224
Net OPEB obligation end of year	$ 7,780,293

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
04/30/2016	$ 972,205	46%	$ 7,780,293
04/30/2015	982,505	46%	7,344,224
04/30/2014	962,087	48%	6,816,953

Note 7. Postemployment Healthcare Plan (Continued)

Funded Status and Funding Progress. As of May 1, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $11,018,550, and the actuarial value of assets was $0, resulting in a UAAL of $11,018,550. The covered payroll was $9,943,992 and UAAL to the covered payroll was 111 percent.

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

Actuarial Methods and Assumptions. Projected Unit Credit – Under this cost method, the costs attributable to past service and the current year's service are determined by prorating overall years of service the benefits expected to be paid from the plan. The normal cost for any year is determined equal to the present value of the current year's portion of the employer's expected postretirement medical benefit. The current year's portion is equal to the expected postretirement medical benefit divided by the total credited service at the anticipated retirement date. The accrued liability is determined equal to the present value of the past year's portion of the employee's expected postretirement medical benefit. The past year's portion is equal to the expected postretirement medical benefit times the ratio of the participant's credited service to the total credited service at the anticipated retirement date. The sum of these values for all employees determines the normal cost and the accrued liability for the plan.

In the May 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 9 years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at May 1, 2014 was 30 years.

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

The Village is self-insured up to $300,000 of each worker's compensation claim incident with an overall retention of $950,000 per claim year. Property and casualty is a standard insurance component with various deductible amounts starting at $5,000 per incident.

All incurred and not reported claims have been estimated based on historical experience and have been accrued. There has been no significant reduction in insurance coverage from the prior year. The Village's settlements did not exceed its insurance coverage during the past three years.

Changes in the balances of claims liabilities are as follows:

Unpaid Claims at April 30, 2014	$ 269,036
Provision for claims	377,017
Claims paid	(237,505)
Unpaid Claims at April 30, 2015	408,548
Provision for claims	635,521
Claims paid	(278,577)
Unpaid Claims at April 30, 2016	$ 765,492

Note 9. Commitments

The Village is committed to pay several developers within tax incremental financing (TIF) districts after the developers have completed certain project improvements and satisfied other conditions. These conditions vary from developer to developer; however, in all cases these amounts are only due to be paid from future revenues which will arise from the new development within the new districts.

The Village also has construction commitments of $923,707 as of April 30, 2016.

The Village has an agreement with a local retail store in the community to provide possible future economic assistance. The Village agreed to remit a percentage of total sales taxes received by the Village to the retailer. The Village has a remaining obligation of $492,683 as of April 30, 2016.

Note 10. Other Financial Disclosures (FFS Level Only)

(a) Due To/From Other Funds

Individual interfund balances for the Village at April 30, 2016, are as follows:

Fund	Due from Other Funds
Major Governmental:	
General Fund,	
Water Fund	$ 817,819
Sewer Fund	117,108
Nonmajor Governmental:	
Construction Fund Debt Service Fund	
Construction Fund Capital Projects Fund	324,468
Park Fund	
Veteran's Park	367,123
Total	$ 1,626,518

Nonmajor Governmental:	
Construction Fund Debt Service Fund	
Park Fund	$ 367,123
Construction Fund Capital Projects Fund	324,468
Sewer Fund	
General Fund	117,108
Business-Type Activities	
Water Fund	
General Fund	817,819
Total	$ 1,626,518

Interfunds are used as loans to fund cash needs of individual funds.

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(b) Transfer In/Out

The interfund transfers in and out for the year ended April 30, 2016, are as follows:

Fund	Transfers In
Major Governmental:	
Downtown TIF,	
South Suburban Community College TIF Fund	$ 391,544
Nonmajor Governmental Funds:	
General Fund	147,500
Downtown TIF	775,000
Nonmajor Governmental Funds	220,000
Total	$ 1,534,044

Fund	Transfers Out
Major Governmental	
General Fund,	
Nonmajor Governmental Funds	$ 147,500
Downtown TIF,	
Nonmajor Governmental Funds	775,000
South Suburban Community College TIF	
Downtown TIF	391,544
Nonmajor Governmental Funds	
Nonmajor Governmental Funds	220,000
Total	$ 1,534,044

Transfers are used to (a) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (b) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund; and (c) use unrestricted revenue collections in the General Fund to finance various programs accounted for in accordance with budgetary authorizations.

Note 10. Other Financial Disclosures (FFS Level Only) (Continued)

(c) Excess of Expenditures Over Budget

The following funds overexpended their budget by the following amounts during the year ended April 30, 2016:

		Excess
Nonmajor Governmental:		
Debt Service:		
Construction	$	924
Public Benefit		1,138
Trust and Agency Funds		
Police Pension		345,617

(d) Deficit Fund Balances

The following funds reported deficits in fund balance as of April 30, 2016:

		Deficit
Nonmajor Governmental:		
Special Revenue,		
Sewer	$	65,139
Park		62,092
Capital Project,		
Construction Fund		691,591

These deficit fund balances are expected to be funded by future operating revenues and transfers from other funds.

Note 11. New Governmental Accounting Standards

GASB Statement No. 72, *Fair Value Measurement and Application,* will be effective for the Village beginning with its year ended April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Village beginning with its year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2018. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ended April 30, 2019. This statement outlines accounting and financial reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* will be effective for the Village beginning with its year ended April 30, 2017. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, *Tax Abatement Disclosures,* will be effective for the Village beginning with its year ended April 30, 2017. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* will be effective for the Village beginning with its year ended April 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* will be effective for the Village beginning with its year ended April 30, 2017. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14,* will be effective for the Village beginning with its year ended April 30, 2018. This Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

Note 11. New Governmental Accounting Standards (continued)

GASB Statement No. 81, *Irrevocable Split-Interest Agreements,* will be effective for the Village beginning with its year ended April 30, 2018. This Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement no. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73,* will be effective for the Village beginning with its year ended April 30, 2018 except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2018. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements; however, the impact of GASB Statement No. 75 will likely be material to the financial statements of the Village.

Required Supplementary Information

Village of South Holland, Illinois

Required Supplementary Information - Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns

Calendar Year Ended December 31	2015	2014
Total pension liability		
Service cost	$ 555,300	$ 567,436
Interest on the total pension liability	2,475,003	2,359,397
Actuarial experience	282,798	(676,651)
Changes in assumptions	43,177	958,037
Benefit payments	(1,697,668)	(1,619,696)
Net change in total pension liability	1,658,610	1,588,523
Total pension liability—beginning	33,615,286	32,026,763
Total pension liability—ending (a)	$ 35,273,896	$ 33,615,286
Plan fiduciary net position		
Contributions - Employer	$ 1,301,569	$ 1,208,513
Contributions - Member	233,298	224,838
Pension plan net investment income (loss)	147,286	1,741,098
Benefit payments	(1,697,668)	(1,619,696)
Pension plan administrative expense	705,577	(651,947)
Net change in plan fiduciary net position	690,062	902,806
Plan fiduciary net position—beginning	29,538,570	28,635,764
Plan fiduciary net position—ending (b)	$ 30,228,632	$ 29,538,570
Net pension liability - ending (a) - (b)	**$ 5,045,264**	**$ 4,076,716**
Plan fiduciary net position as a percentage of the total pension liability	**85.70%**	**87.87%**
Covered-Employee Payroll	**$ 5,142,505**	**$ 4,914,098**
Employer net pension liability as a percentage of covered-employee payroll	**98.11%**	**82.96%**

Note to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of South Holland, Illinois

Required Supplementary Information - Police Pension Plan - GASB Statement No. 68
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns

Fiscal year ended April 30,	2016	2015
Total pension liability		
Service cost	$ 762,040	$ 839,522
Interest on the total pension liability	2,475,252	2,412,451
Actuarial experience	509,792	-
Changes in assumptions	1,046,935	-
Benefit payments	(1,660,791)	(1,532,732)
Net change in total pension liability	3,133,228	1,719,241
Total pension liability—beginning	34,971,807	33,252,566
Total pension liability—ending (a)	$ 38,105,035	$ 34,971,807
Plan fiduciary net position		
Contributions - Employer	$ 1,014,454	$ 963,590
Contributions - Member	397,143	345,693
Pension plan net investment income (loss)	(399,409)	1,938,368
Benefit payments	(1,660,791)	(1,532,732)
Pension plan administrative expense	(34,825)	(41,439)
Net change in plan fiduciary net position	(683,428)	1,673,480
Plan fiduciary net position—beginning	24,252,483	22,579,003
Plan fiduciary net position—ending (b)	$ 23,569,055	$ 24,252,483
Net pension liability - ending (a) - (b)	**$ 14,535,980**	**$ 10,719,324**
Plan fiduciary net position as a percentage of the total pension liability	**61.85%**	**69.35%**
Covered-Employee Payroll	**$ 3,681,049**	**$ 3,488,329**
Employer net pension liability as a percentage of covered-employee payroll	**394.89%**	**307.29%**
Annual money-weighted rate of return, net of investment expense	**-1.66%**	**8.42%**

Note to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of South Holland, Illinois

Required Supplementary Information - Firefighters' Pension Plan
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios and Investment Returns

Fiscal year ended April 30,	2016	2015
Total pension liability		
Service cost	$ 466,304	$ 504,634
Interest on the total pension liability	1,141,182	1,101,541
Actuarial experience	(637,943)	-
Changes in assumptions	724,343	-
Benefit payments	(565,958)	(581,931)
Net change in total pension liability	1,127,928	1,024,244
Total pension liability—beginning	16,023,427	14,999,183
Total pension liability—ending (a)	$ 17,151,355	$ 16,023,427
Plan fiduciary net position		
Contributions - Employer	$ 489,984	$ 452,297
Contributions - Member	191,032	170,122
Pension plan net investment income (loss)	(168,346)	871,844
Benefit payments	(565,958)	(581,931)
Pension plan administrative expense	(29,822)	(29,115)
Net change in plan fiduciary net position	(83,110)	883,217
Plan fiduciary net position—beginning	12,472,175	11,588,958
Plan fiduciary net position—ending (b)	$ 12,389,065	$ 12,472,175
Net pension liability - ending (a) - (b)	**$ 4,762,290**	**$ 3,551,252**
Plan fiduciary net position as a percentage of the total pension liability	**72.23%**	**77%**
Covered-Employee Payroll	**$ 1,911,739**	**$ 1,801,128**
Employer net pension liability as a percentage of covered-employee payroll	**249.11%**	**186.06%**
Annual money-weighted rate of return, net of investment expense	**-1.35%**	**7.36%**

Note to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of South Holland

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Calendar Year Ended December 31, 2015

Calendar Year Ended December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	$ 1,301,568	$ 1,301,569	$ (1)	$ 5,142,505	25.31%
2014	1,197,564	1,208,513	(10,949)	4,914,092	24.59%

Notes to Schedule:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trand is compiled, information is presented for those years for which information is available

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

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020

Other Information:

Notes:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two-year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Village of South Holland, Illinois

Required Supplementary Information - GASB Statement No. 68
Schedule of Contributions

Police Pension Plan

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Contribution	$ 1,089,522	$ 957,021	$ 819,215	$ 957,021	N/A	$ 819,215	$ 665,245	$ 655,864	$ 662,525	N/A
Contributions in Relation to the Actuarial Determined Contribution	1,014,454	963,590	944,381	912,627	N/A	725,234	779,916	686,661	651,259	N/A
Contribution Deficiency (excess)	$ 75,068	$ (6,569)	$ (125,166)	$ 44,394		$ 93,981	$ (114,671)	$ (30,797)	$ 11,266	
Covered-Employee Payroll	$ 3,681,049	$ 3,510,922	$ 3,510,922	$ 3,469,120	N/A	$ 3,217,927	$ 3,231,690	$ 2,783,898	$ 2,801,713	N/A
Contributions as a Percentage of Covered-Employee Payroll	27.56%	27.45%	26.90%	26.31%	N/A	22.54%	24.13%	24.67%	23.25%	N/A

Firefighters' Pension Plan

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Contribution	$ 497,595	$ 465,364	$ 419,180	$ 465,364	$ 437,345	$ 391,229	$ 416,590	$ 345,553	$ 385,864	N/A
Contributions in Relation to the Actuarial Determined Contribution	489,984	452,297	454,061	424,630	438,286	404,941	427,153	383,384	385,864	N/A
Contribution Deficiency (excess)	$ 7,611	$ 13,067	$ (34,881)	$ 40,734	$ (941)	$ (13,712)	$ (10,563)	$ (37,831)	$ -	
Covered-Employee Payroll	$ 1,911,739	$ 1,848,853	$ 1,848,853	$ 1,787,295	$ 1,702,105	$ 1,626,894	$ 1,586,541	$ 1,534,196	$ 1,436,117	N/A
Contributions as a Percentage of Covered-Employee Payroll	25.63%	24.46%	24.56%	23.76%	25.75%	24.89%	26.92%	24.99%	26.87%	N/A

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Funding Progress
Postemployment Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded Actuarial AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
05/01/2014	$ -	$ 11,018,550	$ 11,018,550	- %	$ 9,943,992	110.81 %
05/01/2012	-	10,354,183	10,354,183	-	9,298,310	111.36
05/01/2010	-	10,914,404	10,914,404	-	9,251,895	117.97

The Village has elected to have biennial valuations performed. Information has been presented for as many years as available.

Village of South Holland, Illinois

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 8,666,000	$ 8,341,781	$ (324,219)
Intergovernmental taxes	7,370,000	7,745,856	375,856
Licenses	1,053,000	1,079,953	26,953
Permits and fees	1,162,000	1,125,695	(36,305)
Fines and forfeitures	1,025,000	1,127,709	102,709
Charges for services	2,210,000	2,215,978	5,978
Grants	418,985	162,939	(256,046)
Interest	2,500	12,211	9,711
Miscellaneous	829,400	1,061,509	232,109
Total revenues	22,736,885	22,873,631	136,746
Expenditures:			
Current:			
General government	6,214,421	5,743,718	470,703
Fire department	3,444,964	3,550,153	(105,189)
Police department	6,891,126	6,924,921	(33,795)
Building department	898,394	856,240	42,154
Civil defense	38,837	30,420	8,417
Public works	1,761,332	1,753,859	7,473
Garbage department	1,716,128	1,757,863	(41,735)
Capital outlay	3,166,183	2,773,747	392,436
Total expenditures	24,131,385	23,390,921	740,464
Excess (deficiency) of revenues (under) expenditures	(1,394,500)	(517,290)	877,210
Other financing (uses):			
Transfers (out)	(147,500)	(147,500)	-
Net change in fund balance	$ (1,542,000)	(664,790)	$ 877,210
Fund balance:			
May 1, 2015		4,072,751	
April 30, 2016		$ 3,407,961	

Note 1. Budgetary Basis of Accounting

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

Note 2. Stewardship, Compliance and Accountability

(a) Budgetary Information

The Village follows these procedures in establishing the appropriation data reflected in the financial statements:

1. The Village Treasurer submits to the Village Board of Trustees a proposed operating appropriation ordinance (budget) for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the Village to obtain taxpayer comments.

3. Subsequently, the appropriation ordinance is legally enacted through passage of an ordinance.

4. Formal budgetary integration is employed as a management control device during the year for the general, debt service and certain special revenue funds. While formal budgetary integration is not required to be employed for the debt service funds because effective budgetary control can alternatively be achieved through general obligation bond indenture provisions, the Village has budgeted its debt service funds. Budgets for TIF Capital Project Funds (included within both major and aggregate nonmajor funds), Veterans Park Construction Fund (included within aggregate nonmajor funds), and police seizure expenditures in the General Fund are not formally adopted as part of the Village's annual appropriation.

5. Appropriations for the general, debt service and certain special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

6. Budgetary authority lapses at the year-end.

7. State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.

8. Appropriated amounts are as originally adopted.

Note 3. Pension Contributions

The Schedule of Contributions shows the difference between the actual contributions and the actuarially determined contribution's (ADC). The actuarial valuation and assumptions utilized to measure the ADC differ from those disclosed in Note 6 of the financial statements.

The following methods and assumptions were utilized to measure the ADC for each applicable pension plan.

Police Pension Plan

Methods and Assumptions

Valuation date	April 30, 2016
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5-Year Smooth Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	24 years
Investment rate of return	7.25%
Projected Individual Salary Increases	2.50% - 11.97%
Projected Increase in Total Payroll	3.50%
Inflation Rate Included	2.50%
Consumer Price Index (Utilities)	2.50%
Mortality Table	L&A 2016 Illinois Police Mortality Rates

Firefighters' Pension Plan

Methods and Assumptions

Valuation date	April 30, 2016
Actuarial cost method	Entry Age Normal (Level Percentage)
Actuarial Value of Assets	5-Year Smooth Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	24 years
Investment rate of return	7.25%
Projected Individual Salary Increases	5.00%
Projected Increase in Total Payroll	3.00%
Inflation Rate Included	3.00%
Consumer Price Index (Utilities)	2.50%
Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates

Supplementary Information

Village of South Holland, Illinois

General Fund
Schedule of Revenues - Budget and Actual
Year Ended April 30, 2016

	Original and Final Budget	Actual
Property taxes:		
General	$ 8,666,000	$ 8,341,781
Intergovernmental:		
Sales tax, net of rebates $158,727	2,775,000	2,873,691
State income tax	2,170,000	2,648,280
Utility tax	2,100,000	1,881,020
Replacement tax	165,000	157,945
Motel tax	160,000	184,920
Total intergovernmental	7,370,000	7,745,856
Licenses:		
Business licenses	125,000	144,373
Vehicle licenses	565,000	536,866
Other licenses	363,000	398,714
Total licenses	1,053,000	1,079,953
Permits and fees:		
Building permits	300,000	277,714
Ambulance fees	850,000	822,870
Other permits	12,000	25,111
Total permits and fees	1,162,000	1,125,695
Fines and forfeitures:		
Court fines	165,000	129,303
Parking fines	400,000	361,817
Local debt recoveries	250,000	250,676
Other fines	210,000	385,913
Total fines and forfeitures	1,025,000	1,127,709
Charges for services	2,210,000	2,215,978
Grants	418,985	162,939
Interest	2,500	12,211
Miscellaneous revenues:		
Rental income	105,000	130,420
Property owner payment	5,000	4,607
Reimbursed expenses	349,400	470,671
Special events	20,000	12,704
Other miscellaneous revenues	350,000	443,107
Total miscellaneous revenues	829,400	1,061,509
Total revenues	$ 22,736,885	$ 22,873,631

Village of South Holland, Illinois

Schedule of Equalized Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Tax Levy Years	2015	2014	2013	2012	2011
Equalized Assessed Valuations	$ 341,762,126	$ 331,088,773	$ 339,782,561	$ 362,025,035	$ 398,132,364
Tax rates (per $100 of equalized assessed valuation):					
General	2.1979	2.1780	1.9995	1.8019	1.7129
Park maintenance	0.3965	0.3889	0.3492	0.3114	0.2959
Debt service	0.3777	0.3901	0.3738	0.3614	0.3595
Police pension	0.3466	0.3064	0.2951	0.2632	0.2494
Firefighters' pension	0.1552	0.1509	0.1440	0.1309	0.1252
Library	0.5838	0.5851	0.5535	0.4937	0.4690
Total	4.0580	3.9994	3.7151	3.3624	3.2120
Tax extensions:					
General	$ 7,511,635	$ 7,211,030	$ 6,793,880	$ 6,523,172	$ 6,201,297
Park maintenance	1,355,223	1,287,500	1,186,560	1,127,335	1,071,200
Debt service	1,290,723	1,291,682	1,270,222	1,308,532	1,301,628
Police pension	1,184,500	1,014,550	1,002,705	952,750	902,913
Firefighters' pension	530,450	499,550	489,250	473,800	453,200
Library	1,995,316	1,937,203	1,880,780	1,787,308	1,697,955
Total	$ 13,867,847	$ 13,241,515	$ 12,623,397	$ 12,172,897	$ 11,628,194
Collections	$ 7,187,056	$ 12,727,909	$ 12,124,848	$ 11,583,580	$ 11,084,388
Percent collected	51.83%	96.12%	96.05%	95.16%	95.32%

Village of South Holland, Illinois

Schedule of Debt Service Requirements
April 30, 2016

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION BOND				
Dated June 15, 2005				
Interest payable June 15 and				
December 15	2017	$ 410,000	$ 15,375	$ 425,375
Paying Agent: BNY Mellon				
GENERAL OBLIGATION BOND (NON-TIF PORTION)	2017	$ 55,000	$ 98,885	$ 153,885
Dated December 20, 2012	2018	480,000	97,785	577,785
Interest payable June 15 and	2019	490,000	88,185	578,185
December 15	2020	500,000	78,385	578,385
Paying Agent: BNY Mellon	2021	515,000	68,385	583,385
Intended to be financed from	2022	520,000	58,085	578,085
incremental taxes and not	2023	535,000	47,685	582,685
from the extended tax levy	2024	550,000	36,985	586,985
	2025	555,000	25,435	580,435
	2026	575,000	13,225	588,225
		4,775,000	613,040	5,388,040
Total general obligation bonds		$ 5,185,000	$ 628,415	$ 5,813,415

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2016

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION TIF BOND				
Dated November 28, 2006				
Interest payable June 15 and				
December 15	2017	$ 415,000	$ 16,393	$ 431,393
Paying Agent: BNY Mellon				
GENERAL OBLIGATION BOND (TIF PORTION)	2017	$ 55,000	$ 100,335	$ 155,335
Dated December 20, 2012	2018	485,000	99,235	584,235
Interest payable June 15 and	2019	500,000	89,535	589,535
December 15	2020	505,000	79,535	584,535
Paying Agent: BNY Mellon	2021	515,000	69,435	584,435
Intended to be financed from	2022	535,000	59,135	594,135
incremental taxes and not	2023	545,000	48,435	593,435
from the extended tax levy	2024	555,000	37,535	592,535
	2025	570,000	25,880	595,880
	2026	580,000	13,340	593,340
		$ 4,845,000	$ 622,400	$ 5,467,400

(continued)

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2016

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION TIF BOND	2017	$ 140,000	$ 66,235	$ 206,235
Series 2015A	2018	155,000	64,135	219,135
Interest payable June 15 and	2019	175,000	61,810	236,810
December 15	2020	195,000	59,010	254,010
Paying Agent: BNY Mellon	2021	210,000	55,305	265,305
Intended to be financed from	2022	235,000	50,895	285,895
incremental taxes and not	2023	255,000	45,490	300,490
from the extended tax levy	2024	280,000	39,115	319,115
	2025	310,000	31,555	341,555
	2026	340,000	22,565	362,565
	2027	370,000	12,025	382,025
		$ 2,665,000	$ 508,140	$ 3,173,140
GENERAL OBLIGATION TIF BOND	2017	$ 140,000	$ 142,150	$ 282,150
Series 2015B	2018	160,000	136,550	296,550
Interest payable June 15 and	2019	185,000	130,150	315,150
December 15	2020	215,000	122,750	337,750
Paying Agent: BNY Mellon	2021	245,000	114,150	359,150
Intended to be financed from	2022	280,000	104,350	384,350
incremental taxes and not	2023	310,000	93,150	403,150
from the extended tax levy	2024	350,000	80,750	430,750
	2025	395,000	66,750	461,750
	2026	445,000	47,000	492,000
	2027	495,000	24,750	519,750
		$ 3,220,000	$ 1,062,500	$ 4,282,500
Total general obligation TIF bonds		$ 11,145,000	$ 2,209,433	$ 13,354,433

Village of South Holland, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2016

	Year Ending April 30,	Principal	Interest	Total
GENERAL OBLIGATION CAPITAL				
APPRECIATION BOND SERIES 2007B	2017	$ 446,602	$ 203,398	$ 650,000
Dated March 27, 2007	2018	427,427	222,573	650,000
Interest payable June 15	2019	409,149	240,851	650,000
Paying Agent: BNY Mellon	2020	252,550	167,450	420,000
		$ 1,535,728	$ 834,272	$ 2,370,000
Accumulated accreted interest		626,000	(626,000)	-
		$ 2,161,728	$ 208,272	$ 2,370,000

	Year Ending April 30,	Principal	Interest	Total
TAX EXEMPT CAPITAL LEASE				
Dated September 23, 2013				
Interest payable annually on September 23	2017	$ 26,168	$ 3,810	$ 29,978
Paying Agent: Municipal Asset Management, Inc.	2018	17,553	1,530	19,083
		$ 43,721	$ 5,340	$ 49,061

	Year Ending April 30,	Principal	Interest	Total
ILLINOIS ENVIRONMENTAL PROTECTION	2017	$ 175,256	$ 39,335	$ 214,591
AGENCY LOAN	2018	177,454	37,138	214,592
Dated September 16, 2010	2019	179,679	34,913	214,592
Interest payable February 2 and	2020	181,932	32,660	214,592
August 2	2021	184,213	30,379	214,592
Paying Agent: IEPA	2022	186,523	28,069	214,592
Intended to be financed from	2023	188,862	25,730	214,592
water operations and not	2024	191,230	23,362	214,592
from the extended tax levy	2025	193,628	20,964	214,592
	2026	196,056	18,536	214,592
	2027	198,514	16,078	214,592
	2028	201,003	13,588	214,591
	2029	203,524	11,068	214,592
	2030	206,076	8,516	214,592
	2031	208,660	5,932	214,592
	2032	211,276	3,316	214,592
	2033	106,627	665	107,292
		$ 3,190,513	$ 350,249	$ 3,540,762