VILLAGE OF INDIAN HEAD PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2017

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630.566.8400 // www.sikich.com

1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Indian Head Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indian Head Park, Illinois (the Village) as of and for the year ended April 30, 2017, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes 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 the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Indian Head Park, Illinois, as of April 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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 combining and individual fund financial statements and schedules and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion or provide any assurance on this information.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village's basic financial statements for the year ended April 30, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the

business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, related to the 2016 basic financial statements for the year ended April 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2016 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Sikich LLP

Naperville, Illinois
August 18, 2017

GENERAL PURPOSE
EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

As the management of the Village of Indian Head Park, we offer readers of the Village's financial statements this discussion and analysis of the Village of Indian Head Park's financial performance. This narrative provides an overview and examination of the financial activities of the Village of Indian Head Park for the fiscal year ended April 30, 2017. Please read it in conjunction with the Village of Indian Head Park's financial statements, which begin on page 4.

Financial Highlights

- The Village received a two-step upgrade in its bond rating from Standard and Poor's from AA- to AA+. This is due to improved financial and management practices.
- The Village completed a system wide meter replacement program. Improving greatly automation and increased meter accuracy.
- The Village implemented its new website to increase transparency and community engagement.
- The Village collected $3,035,374 in tax and other revenues in its governmental funds in the fiscal year ending April 30. Governmental program expenditures were $2,993,463. No new programs were added.
- Charges for Service for proprietary funds for business-type activities were $1,423,512, an increase over last year's revenues of $1,131,421 due to a January 2016 water rate increase. Expenses were $1,740,021. The business-type activities net position decreased by $305,780. Factors contributing to this were expenses associated with the record number of water main breaks experienced, well repair expenses carried over from the prior fiscal year, and professional services. The Village also implemented a planned increase in capital spending in the amount of $353,000 (water meter replacement program).
- The General Fund had an increase to fund balance of $104,317. In the last two years the General Fund fund balance increased by a combined total of $454.785.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-6) provide information about the activities of the Village of Indian Head Park as a whole and present a longer-term view of the Village of Indian Head Park's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Indian Head Park's operation in more detail than the government-wide statements by providing information about the Village of Indian Head Park's most significant funds. The remaining statements provide financial

Using this Annual Report – Continued

information about activities for which the Village of Indian Head Park acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Indian Head Park's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 4-6 of this report.

The Statement of Net Position reports information on all of the Village of Indian Head Park's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Indian Head Park is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village of Indian Head Park's property tax base and the condition of the Village of Indian Head Park's roads and other infrastructure, is needed to assess the overall health of the Village of Indian Head Park.

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

Both of the government-wide financial statements distinguish functions of the Village of Indian Head Park that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Indian Head Park include general government, public safety, highways and streets, capital outlay and debt service. The business-type activities of the Village includes waterworks and sewerage services. The Village provides water and sewerage services to approximately 85% of its residences and businesses.

Fund Financial Statements

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

Using this Annual Report – Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the Village of Indian Head Park's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This provides more insight into the long-term impact of Indian Head Park'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 of Indian Head Park maintains three major governmental funds and four individual non-major governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Village's major funds – the General Fund, the Motor Fuel Tax Fund, and the Bond Debt Service Fund.

The Village of Indian Head Park adopts an annual appropriation for all governmental funds. Because of the appropriation act is an antiquated method of creating a spending plan that does not reflect the complexities of modern government operations, the Village adopts an internal budget which controls day to day spending. All financial data presented in this report is based on the adopted budget. Compliance with the budget is demonstrated in a budgetary comparison statement for these funds. The basic governmental fund financial statements can be found on pages 7-12 of this report. Effective May 1, 2017, the Village adopted the Budget Act. It is no longer operating under the Appropriations Act.

Proprietary Funds

The Village of Indian Head Park has one proprietary fund, which is an enterprise fund. The enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements. The Village's waterworks and sewerage activities are accounted for as an enterprise fund.

Using this Annual Report – Continued

Proprietary Funds – (Continued)

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund, which are considered a major fund of the Village of Indian Head Park. The basic proprietary fund financial statements can be found on pages 13 – 17 of the Auditor's report.

Fiduciary Funds

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 of Indian Head Park's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 18 of the Auditor's report.

The Village has no fiduciary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-27 of the Auditor's report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Indian Head Park's participation in the I.M.R.F. pension plan and the budgetary schedule of revenues, expenditures, and changes in fund balance for the General Fund. Required supplementary information can be found on pages 42-48 of the Auditor's report.

Government-Wide Financial Analysis

Net position over time may serve as a useful indicator of a government's financial position. For the fiscal year just ended, the assets and deferred outflows of the Village of Indian Head Park exceeded liabilities and deferred inflows by $3,332,279.

The following table (Table 1) represents a condensed statement of net assets for Governmental Activities, Business-type Activities and the Government as a whole.

Table 1

	Governmental Activities		Business-Type Activities	
	2016-2017	2015-2016	2016-2017	2015-2016
Current and Other Assets	$ 2,260,912	$ 2,234,899	$ 428,770	$ 631,349
Capital Assets	4,589,991	4,784,858	938,208	1,004,932
Deferred Outflows	446,564	226,576	83,558	42,394
Total Asset & Deferred Outflows	7,297,467	7,246,333	1,450,536	1,678,675
Long-Term Debt Outstanding	4,116,487	4,052,376	236,358	248,106
Other Liabilities	131,144	159,296	236,525	164,282
Deferred Inflows	678,064	651,664	17,146	-
Total Liabilities & Deferred Inflows	4,925,695	4,863,336	490,029	412,388
Net position				
Net Investment in Capital Assets	1,730,069	1,709,404	938,208	1,004,932
Restricted	466,212	474,884	-	-
Unrestricted	175,491	198,709	22,299	261,355
Total Net Position	2,371,772	2,382,997	960,507	1,266,287

Normal Impacts - Statement of Net Position - There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will increase or decrease current assets and unrestricted net position.

Borrowing for Capital- which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital -which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the investment in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital -which will (a) reduce current assets and increase capital asset and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt -which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation -which will reduce capital assets and investment in capital assets, net of debt.

Current Year Impacts -Net Assets

The Village of Indian Head Park's total net position decreased by $317,005 in the fiscal year ending to 3,332,279. Water fund losses are attributable to a sharp number of water main breaks, (and the corresponding increase in labor and materials associated with the repair) well maintenance expenses carried over from the prior fiscal year. The Village is reporting unrestricted net position for governmental activities of $175,491 as of April 30, 2017.

The Village of Indian Head Park's investment in capital assets net of related debt used to acquire capital assets reflects 72.94% of the Village of Indian Head Park's net position. Capital assets include land, buildings, machinery and equipment, roads and utility infrastructure. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate the liabilities. Capital assets net of related debt totaled $2,668,277 at the end of the fiscal year, which was a decrease of $46,059 from the fiscal year ending April 30, 2016.

Resources of the Village of Indian Head Park, which are subject to external restrictions on how they may be, used account for 19.66% of the Village's net position and total $466,212.

Net Position Restricted for:	
Maintenance of Roadways	$ 279,764
Recreation	31,716
Debt Service	154,732
Total Restricted Net Position	$ 466,212

Government-Wide Financial Analysis – Continued

Current Year Impacts -Net Assets – Continued

Net position of the Village of Indian Head Park's governmental activities for the fiscal year ending April 30, 2017 was $2,371,772, a decrease of $11,225 from the last fiscal year.

Net position of business-type activities for 2017 was $960,507 compared to $1,266,287 in 2016. The Village of Indian Head Park generally can only use the net position of these activities to finance the continuing operations of the waterworks and sewerage operations. Unrestricted net position was $22,299 at the end of 2017.

Please refer to the following chart for a depiction of revenues, expenses and change in net position for the Village of Indian Head Park's governmental and business-type activities.

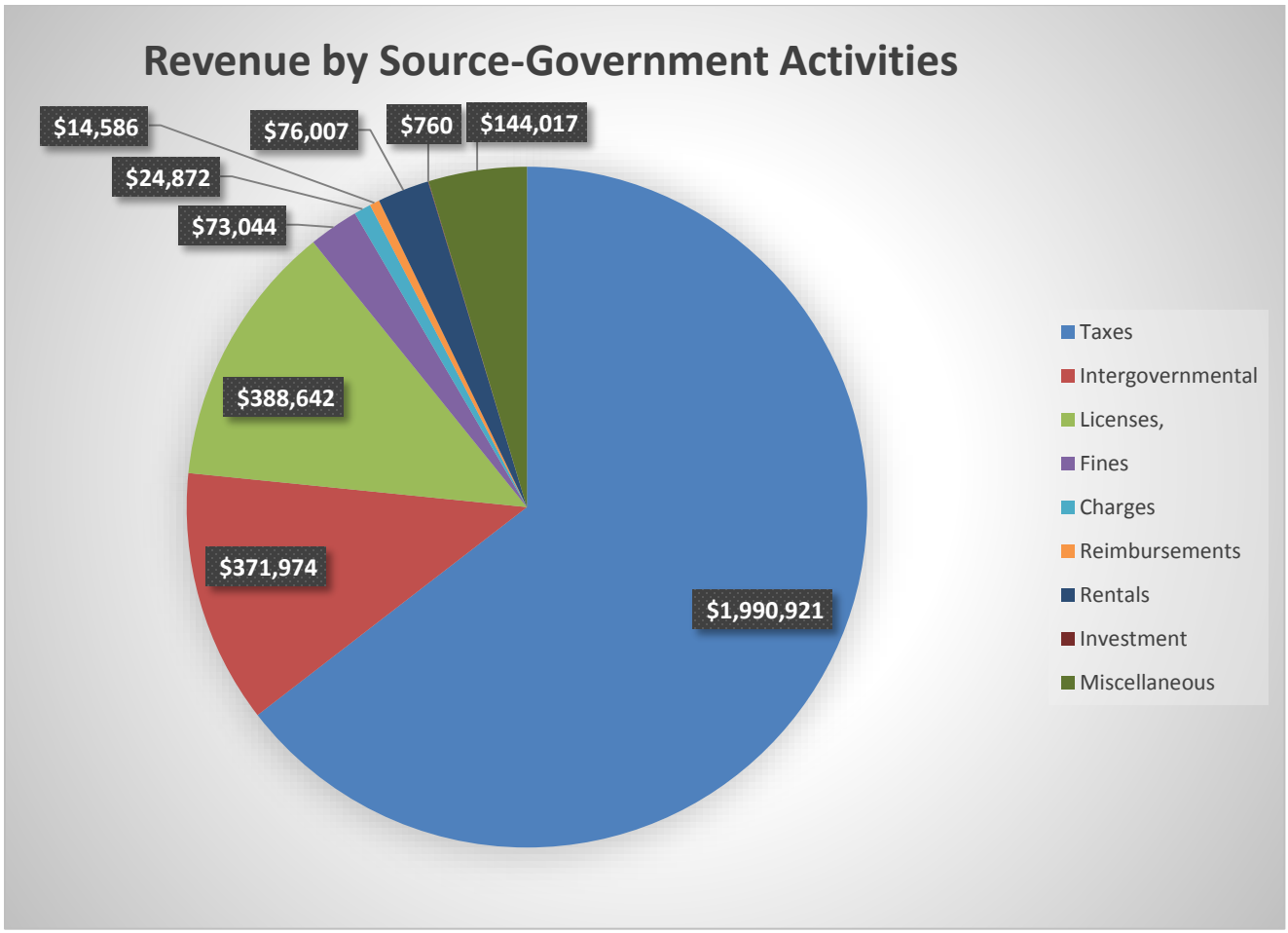
	Governmental Activities		Business-Type Activities	
	2016-2017	2015-2016	2016-2017	2015-2016
REVENUES				
Taxes	$ 1,995,210	$ 2,157,816	$ -	$ -
Intergovernmental	371,974	393,174	-	-
Charges for services	461,682	564,083	-	-
Operating grants	96,545	93,920	-	-
Investment	758	632	-	-
Miscellaneous	158,654	37,205	10,729	26,619
Water revenue	-	-	1,423,512	1,132,421
Total revenues	3,084,823	3,246,830	1,434,241	1,159,040
EXPENSES				
Current				
General Government	724,680	1,094,922	-	-
Public Safety	1,674,989	1,280,975	-	-
Public Works	567,791	577,996	-	-
Culture and Recreation	23,377	31,086	-	-
Health and Human Services	10,203			
Interest	95,008	128,547	-	-
Sales and services	-	-	1,673,298	999,009
Depreciation	-	-	66,723	66,724
Total expenses	3,096,048	3,113,526	1,740,021	1,065,733
Transfers	-	13,637	-	(13,637)
Change in net position	(11,225)	146,941	(305,780)	79,670

Government-Wide Financial Analysis – Continued

Governmental Activities

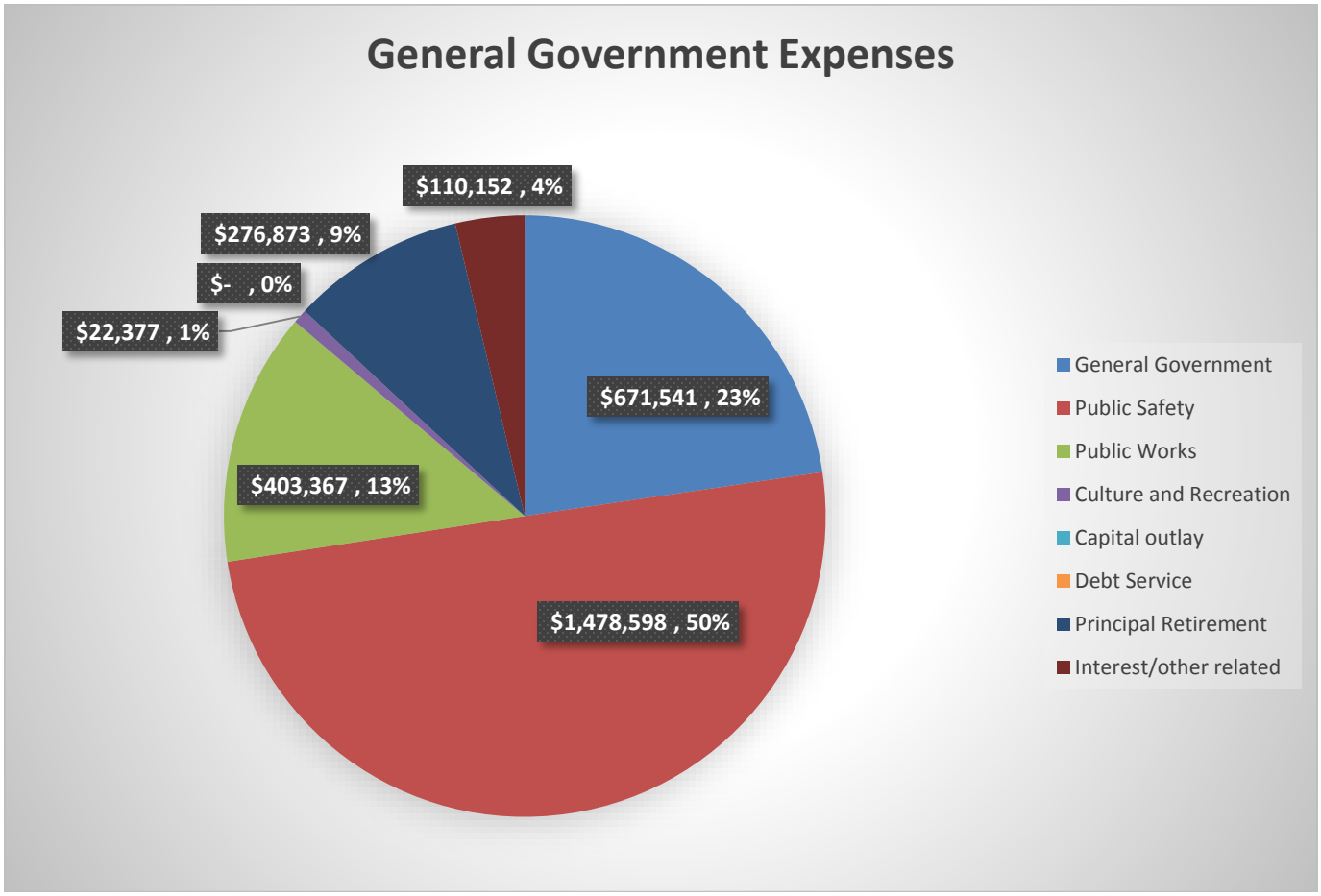
The 2016-2017 fiscal year revenues for governmental activities were $3,084,823, while the cost of all governmental functions totaled $3,096,048.

The following chart depicts the major revenue sources of the Village of Indian Head Park. Sales taxes account for the largest share of governmental activities revenue. Utility taxes also contribute a large share of governmental revenue.



Government-Wide Financial Analysis – Continued

Governmental Activities – Continued



The 'Expenses and Program Revenues' chart displays the total program revenue in relation to the applicable functions. As is typical with governmental activities, these programs, especially public safety, are nearly fully supported by general revenues, rather than program revenues.

Since these expenses are heavily reliant on general revenues, which can be impacted by the economy, management is acutely mindful during the budget process to ensure the necessity of all spending. Also as in most cities, public safety represents the majority of expenses at 50% followed by general government at 23% and public works (non-water/sewer) operations at 13%.

Business-Type Activities

Revenues for business-type activities were $1,423,512 and expenses were $1,740,021.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Indian Head Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental Funds - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2017, the Governmental Funds reported a combined ending fund balance of $1,452,070 which increased by $41,911 from the prior year.

General Fund - The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the Village of Indian Head Park had a total General Fund balance of $811,903, of which $766,148 is unassigned. It may be useful to compare both unassigned fund balance and total fund balance to total funds available as a measure of liquidity.

- As of the end of the current fiscal year, the General Fund had an ending fund balance of $811,903, in contrast to last year's ending balance of $707,586. This is the second year of increases for this fund.
- Revenues in the General Fund revenues totaled $2,608,378. 2016 revenues were $2,788,397. A decrease of $180,019. This is due to decreases in sale taxes and intergovernmental revenue.
- The General Fund expenditures were $2,360,594 as opposed to $2,613,792 in 2016 a decrease of $253,198.
- Other factors that affected the General Fund also affected Governmental Activities and were discussed in the MD&A section on governmental activities.

Proprietary Funds -The Village of Indian Head Park's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Village reports the Water and Sewer Fund as major proprietary funds, which account for all operations of the municipal water and sewer systems.

- Water is provided from the City of Countryside via the City of Chicago and the Village of McCook.
- Net position for the water and sewer fund was $960,057 compared to $1,266,287 in 2016 a decrease of $305,780.
- Other factors concerning the finances of these three funds have already been addressed in the Village of Indian Head Park's discussion of business-type activities.

General Fund Budgetary Highlights

There were only minor changes to the budget done in 2017 to provide for some minor contract changes. Other changes to the budget included carry-forwards from one budget year to the next to pay for items that had delayed delivery.

	Original and Final Budget	Actual	2016 Actual
REVENUES			
Taxes	$ 1,620,000	$ 1,654,464	$ 1,753,636
Intergovernmental	467,000	371,974	393,174
Licenses, permits and fees	398,000	388,642	428,195
Fines and forfeitures	42,000	73,044	54,649
Charges for services	8,200	10,390	101,153
Reimbursements	5,800	14,586	489
Investment income	300	710	461
Miscellaneous	56,600	94,568	56,640
Total revenue	$ 2,597,900	$ 2,608,378	$ 2,788,397
EXPENDITURES			
Current			
General government	$ 727,500	$ 671,541	$ 996,914
Public safety	1,447,698	1,401,208	1,214,093
Public works debt	234,158	240,770	353,601
Debt service			
Principal	15,000	42,437	46,873
Interest	-	4,638	2,311
Total expenditures	$ 2,424,356	$ 2,360,594	$ 2,613,792

Revenue in the general fund was $10,478 more than budgeted. Expenditures were $63,762 less than anticipated.

Capital Assets and Debt Administration

Capital Assets

The Village of Indian Head Park's investment in capital assets, net of accumulated depreciation, for all activities as of April 30, 2017 was $5,528,199. Capital assets include land and improvements, buildings and improvements, machinery and equipment, roads, sidewalks, bridges and utility infrastructure.

Capital Assets and Debt Administration – Continued

Capital Assets – Continued

The additions to capital assets being depreciated in the current year relates to a vehicle purchase. Additional information on capital assets for the Village of Indian Head Park can be found in note 5 in the notes to financial statements of this report.

Debt Administration

At year-end, the Village of Indian Head Park had debt issued in the form of general obligation bonds, debt certificates and capital leases. The following is a summary of the governmental liabilities long term debt. In addition, there is also net pension liability reported in Water fund of $222,852 and compensated absences of $13,673.

	Balances May 1,	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds	$ 2,385,000	$ -	$ 145,000	$ 2,240,000	$ 145,000
Debt certificates	666,000	-	120,000	546,000	127,000
Capital leases	144,307	-	42,437	101,870	24,422
Net Pension Liability - IMRF	823,709	367,344	-	1,191,053	-
Compensated Absences	33,360	4,204	-	37,564	7,513
Total	$ 4,052,376	$ 371,548	$ 307,437	$ 4,116,487	$ 303,935

The Village of Indian Head Park follows a pay-as-we-go capital funding policy whenever practical. The issuance of debt is thoroughly evaluated to ensure pay back to bondholders through the life of the bonds and to ensure sufficient long-term value of the capital assets funded with debt.

The Village of Indian Head Park's is a NON- home rule community and is subject to a legal debt limit. Additional information on the Village of Indian Head Park's long-term debt can be found in Note 6 in the Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budget and Rates

The Village's elected and appointed officials considered many factors when planning the 2017 budget, including tax rates, fees and utility rates for its governmental and business-type activities. In addition to reduced unemployment, indicators of economic recovery occurred in Indian Head Park in 2016 with new businesses locating in the retail sector and an increase in new construction. The per capita income of Indian Head Park continues to exceed the state average.

The economic forecast for all of these indicators was a consideration when adopting the 2017 budget.

Requests for Information

This financial report is designed to provide a general overview of the Village of Indian Head Park's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Manager, Village of Indian Head Park, 201 Acacia Drive, Indian Head Park, IL 60525.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 1,130,995	$ 117,691	$ 1,248,686
Receivables (net, where applicable, of allowance for uncollectibles)			
Property taxes	559,502	-	559,502
Accounts	26,002	270,105	296,107
Other taxes	144,092	-	144,092
Intergovernmental	88,404	-	88,404
Miscellaneous	40,772	-	40,772
Deposits	212,488	34,697	247,185
Prepaid insurance	45,755	6,277	52,032
Net OPEB asset	12,902	-	12,902
Capital assets not being depreciated	868,988	-	868,988
Capital assets being depreciated (net of accumulated depreciation)	3,721,003	938,208	4,659,211
Total assets	6,850,903	1,366,978	8,217,881
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	446,564	83,558	530,122
Total deferred outflows of resources	446,564	83,558	530,122
Total assets and deferred outflows of resources	7,297,467	1,450,536	8,748,003
LIABILITIES			
Accounts payable	38,546	70,583	109,129
Accrued payroll	49,669	3,429	53,098
Deposits payable	-	162,346	162,346
Accrued interest payable	42,929	-	42,929
Long-term liabilities			
Due within one year	303,935	2,735	306,670
Due in more than one year	3,812,552	233,790	4,046,342
Total liabilities	4,247,631	472,883	4,720,514
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - IMRF	91,641	17,146	108,787
Deferred revenue - property taxes	586,423	-	586,423
Total deferred inflows of resources	678,064	17,146	695,210
Total liabilities and deferred inflows of resources	4,925,695	490,029	5,415,724
NET POSITION			
Net investment in capital assets	1,730,069	938,208	2,668,277
Restricted for			
Streets and highways	279,764	-	279,764
Debt service	154,732	-	154,732
Recreational programs	31,716	-	31,716
Unrestricted	175,491	22,299	197,790
TOTAL NET POSITION	$ 2,371,772	$ 960,507	$ 3,332,279

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2017

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 724,680	$ 386,673	$ -	$ -
Public safety	1,674,989	75,009	-	-
Public works	567,791	-	96,545	-
Culture and recreation	23,377	-	-	-
Health and human services	10,203	-	-	-
Interest	95,008	-	-	-
Total governmental activities	3,096,048	461,682	96,545	-
Business-Type Activities				
Water and Sewer	1,740,021	1,423,512	-	-
Total business-type activities	1,740,021	1,423,512	-	-
TOTAL PRIMARY GOVERNMENT	$ 4,836,069	$ 1,885,194	$ 96,545	$ -

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (338,007)	$ -	$ (338,007)
	(1,599,980)	-	(1,599,980)
	(471,246)	-	(471,246)
	(23,377)	-	(23,377)
	(10,203)	-	(10,203)
	(95,008)	-	(95,008)
	(2,537,821)	-	(2,537,821)
	-	(316,509)	(316,509)
	-	(316,509)	(316,509)
	(2,537,821)	(316,509)	(2,854,330)
General Revenues			
Taxes			
Property	1,212,572	-	1,212,572
Sales	287,766	-	287,766
Local use	93,916	-	93,916
Telecommunication	161,727	-	161,727
Utility	239,229	-	239,229
Intergovernmental - unrestricted			
Income tax	348,133	-	348,133
Personal property replacement tax	1,358	-	1,358
Sales tax	22,483	-	22,483
Investment income	758	-	758
Miscellaneous	158,654	10,729	169,383
Total	2,526,596	10,729	2,537,325
CHANGE IN NET POSITION	(11,225)	(305,780)	(317,005)
NET POSITION, MAY 1	2,382,997	1,266,287	3,649,284
NET POSITION, APRIL 30	$ 2,371,772	$ 960,507	$ 3,332,279

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2017

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 515,847	$ 249,776	$ 153,417	$ 211,955	$ 1,130,995
Receivables					
Property taxes	442,817	-	104,505	12,180	559,502
Other taxes	135,752	8,340	-	-	144,092
Intergovernmental	88,404	-	-	-	88,404
Accounts	-	-	-	26,002	26,002
Miscellaneous	40,772	-	-	-	40,772
Deposits	212,488	-	-	-	212,488
Prepaid insurance	45,755	-	-	-	45,755
TOTAL ASSETS	$ 1,481,835	$ 258,116	$ 257,922	$ 250,137	$ 2,248,010

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 27,755	$ 6,300	$ -	$ 4,491	$ 38,546
Accrued payroll	49,669	-	-	-	49,669
Total liabilities	77,424	6,300	-	4,491	88,215
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - IRMA	121,302	-	-	-	121,302
Unavailable revenue - property taxes	471,206	-	103,190	12,027	586,423
Total deferred inflows of resources	592,508	-	103,190	12,027	707,725
Totals liabilities and deferred inflows of resources	669,932	6,300	103,190	16,518	795,940
FUND BALANCES					
Nonspendable					
Prepaid items	45,755	-	-	-	45,755
Restricted					
Streets and highways	-	251,816	-	27,948	279,764
Debt service	-	-	154,732	-	154,732
Recreational programs	-	-	-	31,716	31,716
Unrestricted					
Assigned - capital projects	-	-	-	173,955	173,955
Unassigned	766,148	-	-	-	766,148
Total fund balances	811,903	251,816	154,732	233,619	1,452,070
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,481,835	$ 258,116	$ 257,922	$ 250,137	$ 2,248,010

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	$	1,452,070
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 governmental funds		4,589,991
The net OPEB asset is not a current financial resource and is reported in only the statement of net position.		12,902
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements		121,302
Differences between expected and actual experiences, assumption changes, net difference between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position		354,923
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position		
Bonds payable		(2,240,000)
Debt certificates payable		(546,000)
Capital leases		(101,870)
Compensated absences payable		(37,564)
Net pension liability		(1,191,053)
Accrued interest		(42,929)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	2,371,772

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2017

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 1,654,464	$ 96,545	$ 214,852	$ 25,060	$ 1,990,921
Intergovernmental	371,974	-	-	-	371,974
Licenses, permits and fees	388,642	-	-	-	388,642
Fines and forfeiture	73,044	-	-	-	73,044
Charges for services	10,390	-	-	14,482	24,872
Reimbursements	14,586	-	-	-	14,586
Rentals	-	-	-	76,007	76,007
Investment income	710	-	-	50	760
Miscellaneous	94,568	-	-	-	94,568
Total revenues	2,608,378	96,545	214,852	115,599	3,035,374
EXPENDITURES					
Current					
General government	671,541	-	-	-	671,541
Public safety	1,401,208	-	-	77,381	1,478,589
Public works	240,770	70,642	-	91,955	403,367
Culture and recreation	-	-	-	22,377	22,377
Debt service					
Principal retirement	42,437	-	145,000	120,000	307,437
Interest and fiscal charges	4,638	-	68,318	37,196	110,152
Total expenditures	2,360,594	70,642	213,318	348,909	2,993,463
EXCESS (DEFICIENCY) OF REVENUES					

	General	Motor Fuel Tax	Bond Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
OVER EXPENDITURES	247,784	25,903	1,534	(233,310)	41,911
OTHER FINANCING SOURCES (USES)					
Transfers in	$ 14,000	$ -	$ -	$ 157,467	$ 171,467
Transfers (out)	(157,467)	(14,000)	-	-	(171,467)
Total other financing sources (uses)	(143,467)	(14,000)	-	157,467	-
NET CHANGE IN FUND BALANCES	104,317	11,903	1,534	(75,843)	41,911
FUND BALANCES, MAY 1	707,586	239,913	153,198	309,462	1,410,159
FUND BALANCES, APRIL 30	$ 811,903	$ 251,816	$ 154,732	$ 233,619	$ 1,452,070

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	41,911
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities		
Capital expenditures capitalized		29,890
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Depreciation of capital assets		(224,757)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements		49,449
The change in the OPEB liability is reported only on the statement of activities		12,902
The change in the net pension liability and deferred inflows and outflows for the Illinois Municipal Retirement Fund is reported only on the statement of activities		(238,997)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		
Bonds payable		145,000
Debt certificates payable		120,000
Capital leases		42,437
Compensated absences payable		(4,204)
Change in interest payable		15,144
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(11,225)

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2017

	Business-Type Activities Water and Sewer
CURRENT ASSETS	
Cash and cash equivalents	$ 117,691
Receivables	
Accounts	270,105
Deposits	34,697
Prepaid insurance	6,277
Total current assets	428,770
NONCURRENT ASSETS	
Capital assets	
Capital assets, net of depreciation	
Depreciable buildings, property and infrastructure	4,924,923
Accumulated depreciation	(3,986,715)
Total capital assets	938,208
Total noncurrent assets	938,208
Total assets	1,366,978
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	83,558
Total deferred outflows of resources	83,558
Total assets and deferred outflows of resources	1,450,536

(This statement is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2017

	Business-Type Activities Water and Sewer
CURRENT LIABILITIES	
Accounts payable	$ 70,583
Accrued payroll	3,429
Deposits payable	162,346
Compensated absences, current	2,735
Total current liabilities	239,093
LONG-TERM LIABILITIES	
Compensated absences, noncurrent	10,938
Net pension liability	222,852
Total long-term liabilities	233,790
Total liabilities	472,883
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow - IMRF	17,146
Total liabilities and deferred inflows	490,029
NET POSITION	
Net investment in capital assets	938,208
Unrestricted	22,299
TOTAL NET POSITION	$ 960,507

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Business-Type Activities
	Water and Sewer
OPERATING REVENUES	
Charges for services	$ 1,423,512
OPERATING EXPENSES	
Operating	1,673,298
Depreciation	66,723
Total operating expenses	1,740,021
OPERATING INCOME (LOSS)	(316,509)
NON-OPERATING REVENUES (EXPENSES)	
Miscellaneous	10,729
Total non-operating revenues (expenses)	10,729
CHANGE IN NET POSITION	(305,780)
NET POSITION, MAY 1	1,266,287
NET POSITION, APRIL 30	$ 960,507

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Business-Type Activities Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	$ 1,597,518
Paid to suppliers for goods and services	(1,217,030)
Paid to employees for services	(418,088)
Miscellaneous revenue	10,729
Net cash from operating activities	(26,871)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
Net cash from noncapital financing activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	-
Net cash from capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
None	-
Net cash from investing activities	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(26,871)
CASH AND CASH EQUIVALENTS, MAY 1	144,562
CASH AND CASH EQUIVALENTS, APRIL 30	$ 117,691

(This statement is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Business-Type Activities
	Water and Sewer
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	$ (316,509)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	66,723
Miscellaneous revenue	10,729
Changes in assets and liabilities	
Accounts receivable	175,222
Prepaid expenses	4,491
Deposits receivable	(4,005)
Accounts payable	(15,164)
Pension related items	44,714
Accrued payroll	630
Compensated absences	3,511
Deposits payable	2,787
NET CASH FROM OPERATING ACTIVITIES	$ (26,871)

See accompanying notes to financial statements.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND

April 30, 2017

	Agency
ASSETS	
Cash and investments	$ -
TOTAL ASSETS	$ -
LIABILITIES	
None	$ -
TOTAL LIABILITIES	$ -

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Indian Head Park, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). 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 significant accounting policies of the Village.

a. Reporting Entity

The Village is a non-home rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village was incorporated in 1959. The Village operates under a President-Board form of government. The Village Board of Trustees is comprised of the Village President and six trustees. The Village provides services to the community including; public safety (police protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The Village has defined its reporting entity in accordance with GASB Statement No. 14 and No. 61. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Village has no component units.

b. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned funds (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes an agency fund to account for assets that the Village holds in an agent capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village and is used to account for all financial resources of the Village unless accounted for in another fund.

The Motor Fuel Tax Fund, a special revenue fund, is used to account for state shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and signals.

The Bond Debt Service Fund, a debt service fund, is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of long-term debt principal, interest and related costs. The Village has elected to present this fund as a major fund.

In addition, the Village reports the following major enterprise fund:

The Water and Sewer Fund is used to account for the revenues and expenses related to the sale of water and sewer collection services to the Village's residents and other customers.

Agency funds are used to account for the assets held by the Village in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

d. Measurement Focus, 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 and fiduciary fund financial statements (except the agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and telecommunication taxes owed by the state at year end, franchise fees, licenses, court fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Other fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports deferred/unearned/unavailable revenue on its financial statements. Deferred/unearned/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned/unavailable revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources for deferred/unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and in interest-bearing and non-interest-bearing checking accounts along with any highly liquid investments with an initial maturity of three months or less.

f. Investments

Investments of the Village consist of money market accounts, certificates of deposit with various local financial institutions and pooled investments. Investments are stated at fair value, except for non-negotiable certificates, if any, with a maturity of less than one year at date of purchase which are stated at cost or amortized cost.

The Village categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village does not have any investments subject to fair value measurement as of April 30, 2017.

g. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered (interfund services). These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements as are short-term interfund loans. Long-term interfund loans, if any, are classified as advances to/from other funds.

h. Prepaid Items/Expenses

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

i. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The Village has reported its retroactive infrastructure assets in these financial statements for governmental activities. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	50
Land improvements	50
Machinery and equipment	8-12
Infrastructure	20-67
Water and distribution system	20-67
Well houses	20-67

k. Compensated Absences

Vested or accumulated vacation leave related to employees that have retired or terminated at year end but are not yet paid out is reported as an expenditure and a fund liability of the governmental fund (general fund) that will pay it. Vested and accumulated vacation leave of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest and, therefore, is not recorded as a liability. These amounts are recorded as liabilities of the governmental activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses.

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 expenditures.

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Board of Trustees has the authority to assign fund balance. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of the capital assets net of any debt outstanding that was issued to construct or acquire the capital assets.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses in the effected funds. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

o. Accounting Estimates

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

2. CASH AND INVESTMENTS

Illinois Compiled Statutes and the Village investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Village's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of 105% of the uninsured deposits with the collateral held by a third party acting as the agent of the Village.

Village Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period.

2. CASH AND INVESTMENTS (Continued)

Village Investments (Continued)

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Illinois Funds is rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. Illinois Funds are not subject to custodial credit risk. The Village limits its exposure to custodial credit risk by utilizing an independent, third party institution, selected by the Village, to act as custodian for its securities and collateral.

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. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village utilizes diversification of the investment portfolio to minimize risk of loss resulting from over concentration in a particular type of security, risk factor, issue or maturity.

3. RECEIVABLE - TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a tax levy ordinance). Tax bills are prepared by the County and issued on or about February 1, 2017 and July 1, 2017, and are payable in two installments, on or about March 1, 2017 and August 1, 2017. The County collects such taxes and remits them periodically. The second half of the 2015 levy and the first half of the 2016 levy are recognized as revenue in the 2017 fiscal year. The second half of the 2016 levy is intended to finance the 2018 fiscal year and, accordingly, is reported as unavailable revenue. The 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2017, has not been recorded as a receivable as of April 30, 2017, as the tax has not yet been levied by the Village and will not be levied until December 2017 and, therefore, the levy is not measurable at April 30, 2017.

4. INDIVIDUAL FUND DISCLOSURES

a. Transfers between funds at April 30, 2017 consist of the following:

	Transfers In	Transfers Out
General	$ 14,000	$ -
Motor Fuel Tax	-	14,000
911	73,832	-
Bond	83,635	-
General	-	157,467
TOTAL	$ 171,467	$ 171,467

Significant interfund transfers are as follows:

- $14,000 transferred from the Motor Fuel Tax Fund to the General Fund is for the transfer of revenues collected by the Motor Fuel Tax Fund to be used by the General Fund.
- $83,635 was transferred from the General Fund to the Bond Fund for debt service.
- $73,832 was transferred from the General Fund to the 911 Fund to close out this fund.

None of the transfers will be repaid.

5. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	Beginning Balances	Increases	Decreases	Reallocation	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	$ 868,988	$ -	$ -	$ -	$ 868,988
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	868,988	-	-	-	868,988
Capital assets being depreciated					
Land improvements	360,756	-	-	-	360,756
Buildings and improvements	2,024,237	-	-	-	2,024,237
Equipment	665,431	-	-	(427,842)	237,589
Infrastructure	2,672,509	-	-	-	2,672,509
Vehicles	56,105	29,890	-	427,842	513,837
Total capital assets being depreciated	5,779,038	29,890	-	-	5,808,928

5. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Reallocation	Ending Balances
GOVERNMENTAL ACTIVITIES (Continued)					
Less accumulated depreciation for					
Land improvements	$ 262,873	$ 18,038	$ -	$ -	$ 280,911
Buildings and improvements	872,554	42,936	-	-	915,490
Equipment	440,013	4,748	-	(249,492)	195,269
Infrastructure	273,702	132,600	-	-	406,302
Vehicles	14,026	26,435	-	249,492	289,953
Total accumulated depreciated	1,863,168	224,757	-	-	2,087,925
Total capital assets being depreciated, net	3,915,870	(194,867)	-	-	3,721,003
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 4,784,858	$ (194,867)	$ -	$ -	$ 4,589,991
BUSINESS-TYPE ACTIVITIES					
Capital assets not being depreciated					
Construction in progress	$ -	$ -	$ -	$ -	$ -
Total capital assets not being depreciated	-	-	-	-	-
Capital assets being depreciated					
Well houses	481,000	-	-	-	481,000
Water and distribution system	2,907,300	-	-	-	2,907,300
Equipment	362,869	-	-	-	362,869
Infrastructure	1,173,754	-	-	-	1,173,754
Total capital assets being depreciated	4,924,923	-	-	-	4,924,923
Less accumulated depreciation for					
Well houses	481,000	-	-	-	481,000
Water and distribution system	2,097,886	40,604	-	-	2,138,490
Equipment	316,417	8,601	-	-	325,018
Infrastructure	1,024,689	17,518	-	-	1,042,207
Total accumulated depreciation	3,919,992	66,723	-	-	3,986,715
Total capital assets being depreciated, net	1,004,931	(66,723)	-	-	938,208
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 1,004,931	$ (66,723)	$ -	$ -	$ 938,208

Depreciation expense was charged to the governmental activities functions/programs as follows:

GOVERNMENTAL ACTIVITIES	
General government	$ 23,579
Public safety	25,762
Public works	164,213
Health and human services	1,000
Culture and recreation	10,203
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 224,757

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, refunding prior issuances and providing working capital for the Village.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
$2,500,000 General Obligation Bonds, Series 2014, dated July 5, 2014, due in annual installments of $115,000 to $205,000 through December 1, 2029, interest at 2.0% to 3.5% payable each June 1 and December 1	Debt Service	Road Improvements	$ 2,385,000	$ -	$ 145,000	$ 2,240,000	$ 145,000
TOTAL GOVERNMENTAL ACTIVITIES			$ 2,385,000	$ -	$ 145,000	$ 2,240,000	$ 145,000

b. Debt Certificates

The Village issues debt certificates to provide funds for the repayment of prior obligations, for capital projects and to pay the cost of issuance. Debt certificates are direct obligations and pledge the full faith and credit of the Village.

6. LONG-TERM DEBT (Continued)

b. Debt Certificates (Continued)

Debt certificates currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired by	Purpose	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
$1,050,000 Debt Certificate, Series 2009, dated August 19, 2009, due in annual installments of $115,000 to $146,000 through December 15, 2020, interest at 2.5% to 5.9% payable each June 5 and December 15	Debt Service	Road Improvements	$ 666,000	$ -	$ 120,000	$ 546,000	$ 127,000
TOTAL GOVERNMENTAL ACTIVITIES			$ 666,000	$ -	$ 120,000	$ 546,000	$ 127,000

c. Capital Leases

The Village acquired through capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is $139,745, which are included in capital assets in the governmental and business-type activities.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

	Governmental Activities					
Fiscal	General Obligation Bonds		Debt Certificates		Capital Leases	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 145,000	$ 65,418	$ 127,000	$ 30,373	$ 24,422	$ 2,852
2019	150,000	62,518	133,000	23,706	25,106	2,169
2020	155,000	59,518	140,000	16,524	25,809	1,466
2021	155,000	56,418	146,000	8,614	26,533	743
2022	160,000	51,768	-	-	-	-
2023	165,000	46,968	-	-	-	-
2024	170,000	42,018	-	-	-	-
2025	175,000	36,918	-	-	-	-
2026	180,000	31,668	-	-	-	-
2027	185,000	26,044	-	-	-	-
2028	195,000	20,262	-	-	-	-
2029	200,000	13,926	-	-	-	-
2030	205,000	7,176	-	-	-	-
TOTAL	$ 2,240,000	$ 520,620	$ 546,000	$ 79,217	$ 101,870	$ 7,230

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General obligation bonds	$ 2,385,000	$ -	$ 145,000	$ 2,240,000	$ 145,000
Debt certificates	666,000	-	120,000	546,000	127,000
Capital leases	144,307	-	42,437	101,870	24,422
Net pension liability - IMRF	823,709	367,344	-	1,191,053	-
Compensated absences	33,360	4,204	-	37,564	7,513
TOTAL	$ 4,052,376	$ 371,548	$ 307,437	$ 4,116,487	$ 303,935

The compensated absences and net pension liability are normally liquidated by the General Fund.

During the fiscal year, the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
Net pension liability - IMRF	$ 154,120	$ 68,732	$ -	$ 222,852	$ -
Compensated absences	10,162	3,511	-	13,673	2,735
TOTAL	$ 164,282	$ 72,243	$ -	$ 236,525	$ 2,735

e. Legal Debt Margin

2016 assessed valuation (latest information available)	$ 125,433,381
Legal debt limit - 8.625% of assessed valuation	$ 10,818,629
Amount of debt applicable to debt limit	
General obligation bonds	2,240,000
Debt certificates	546,000
Total	2,786,000
LEGAL DEBT MARGIN	$ 8,032,629

7. RISK MANAGEMENT

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

a. Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into the subsequent years experience factor for premiums.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

b. Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an insurance pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Each member assumes the first $2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

7. RISK MANAGEMENT (Continued)

b. Intergovernmental Risk Management Agency (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village is not aware of any additional amounts owed to IRMA at April 30, 2017 for the current or prior claim years.

8. COMMITMENTS AND CONTINGENCIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

9. RETIREMENT FUND COMMITMENTS

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	17
Active employees	19
TOTAL	53

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2016 was 12.28% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustment	3.00%
Asset valuation method	Market value

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

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Village's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	$ 7,191,382	$ 6,213,553	$ 977,829
Changes for the period			
Service cost	148,700	-	148,700
Interest	538,198	-	538,198
Difference between expected and actual experience	227,719	-	227,719
Changes in assumptions	(19,395)	-	(19,395)
Employer contributions	-	160,327	(160,327)
Employee contributions	-	59,137	(59,137)
Net investment income	-	397,971	(397,971)
Benefit payments and refunds	(141,141)	(141,141)	-
Administrative expense	-	-	-
Other (net transfer)	-	(158,289)	158,289
Net changes	754,081	318,005	436,076
BALANCES AT DECEMBER 31, 2016	$ 7,945,463	$ 6,531,558	$ 1,413,905

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2016, the Village recognized pension expense of $708,859. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 165,528	$ 94,689
Changes in assumption	4,782	14,098
Net difference between projected and actual earnings on pension plan investments	313,391	-
Contributions made between measurement date and fiscal year end	46,421	-
TOTAL	$ 530,122	$ 108,787

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

$46,421 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending April 30,	
2018	$ 113,025
2019	113,025
2020	135,853
2021	13,011
Thereafter	-
TOTAL	$ 374,914

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	$ 2,464,647	$ 1,413,905	$ 559,160

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description, Benefits Provided and Membership

The Village provides pre and post-Medicare postretirement healthcare benefits to all retires who worked for the Village, were enrolled in one of the Village's healthcare plans at the time of employment and receive a pension from the Village through one of the following plans:

- Illinois Municipal Retirement Fund (IMRF)

The eligibility and vesting requirements for pension benefits are:

- IMRF participants are eligible at age 55 with at least eight years of service, or if they are totally and permanently disabled

Spouses and dependents of retirees are eligible to continue healthcare coverage while the retiree is alive if they were enrolled at the time of retirement.

In addition to providing pension benefits, the Village permits retired employees and former employees receiving disability pensions from any of the Village's pension plans to continue their enrollment in the Village's health care plans. The retired and former employees pay all health care premiums during their postemployment period. The Village is not obligated to pay any cost associated with their enrollment. Currently, two retired and former employees have elected to remain in the Village's health care plans.

At April 30, 2017, membership consisted of:

Actives fully eligible to retire	1
Actives not yet fully eligible to retire	12
Retirees	3
TOTAL	16

b. Funding Policy

Retiree healthcare benefits are funded on a pay as you go basis.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the plan as of April 30, 2017 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2017. The following is information for the last three years:

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	$ 19,172	$ 32,074	167.30%	$ (12,902)

The net OPEB obligation as of April 30, 2017 was calculated as follows:

Annual required contribution	$ 19,172
Interest on net OPEB obligation	-
Adjustment to annual required contributions	-
Annual OPEB cost	19,172
Contributions (payments) made	(32,074)
Change in net OPEB obligation	(12,902)
Net OPEB obligation, beginning of year	-
NET OPEB OBLIGATION (ASSET), END OF YEAR	$ (12.902)

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2017 was as follows:

Actuarial accrued liability (AAL)	$ 526,609
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	526,609
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	$ 845,298
UAAL as a percentage of covered payroll	62.30%

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Annual OPEB Costs and Net OPEB Obligation (Continued)

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

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

The retiree healthcare valuation was based on the entry-age normal cost method. Under this method, each participant's projected benefits are assumed to be funded by annual installments, equal to a level percentage of compensation, payable from date of participation to assumed date of retirement. The total normal cost is the sum of the current year's annual installment determined for all active participants. The actuarial accrued liability is the excess value of the present value of future benefits for all participants (both active and retired) over the present value of future normal costs.

In the April 30, 2017 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an initial healthcare cost trend rate of 6.7% and an ultimate healthcare cost trend rate of 5.0%. All rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll for a 30-year open amortization period.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
Taxes	$ 1,620,000	$ 1,654,464	$ 1,753,636
Intergovernmental	467,000	371,974	393,174
Licenses, permits and fees	398,000	388,642	428,195
Fines and forfeitures	42,000	73,044	54,649
Charges for services	8,200	10,390	101,153
Reimbursements	5,800	14,586	489
Investment income	300	710	461
Miscellaneous	56,600	94,568	56,640
Total revenues	2,597,900	2,608,378	2,788,397
EXPENDITURES			
Current			
General government	727,500	671,541	996,914
Public safety	1,427,698	1,401,208	1,214,093
Public works	234,158	240,770	353,601
Debt service			
Principal	35,000	42,437	46,873
Interest	-	4,638	2,311
Total expenditures	2,424,356	2,360,594	2,613,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	173,544	247,784	174,605
OTHER FINANCING SOURCES (USES)			
Issuance of capital lease	-	-	152,900
Transfers in	14,000	14,000	26,463
Transfers (out)	-	(157,467)	(3,500)
Total other financing sources (uses)	14,000	(143,467)	175,863
NET CHANGE IN FUND BALANCE	$ 187,544	104,317	350,468
FUND BALANCE, MAY 1		707,586	374,001
Prior period adjustment		-	(16,883)
FUND BALANCE, MAY 1, RESTATED		707,586	357,118
FUND BALANCE, APRIL 30		$ 811,903	$ 707,586

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
Motor fuel tax	$ 132,000	$ 96,545	$ 93,920
Total revenues	132,000	96,545	93,920
EXPENDITURES			
Highways and streets			
Professional services	2,500	7,116	2,746
Road maintenance	34,512	23,853	23,613
Salt	50,000	13,112	30,278
Snow removal	11,087	6,263	15,393
Utilities	20,600	20,298	19,365
Miscellaneous	200	-	-
Total expenditures	118,899	70,642	91,395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,101	25,903	2,525
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(14,000)	(14,000)	(12,826)
Total other financing sources (uses)	(14,000)	(14,000)	(12,826)
NET CHANGE IN FUND BALANCE	$ (899)	11,903	(10,301)
FUND BALANCE, MAY 1		239,913	250,214
FUND BALANCE, APRIL 30		$ 251,816	$ 239,913

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	**2016**	**2017**
Actuarially determined contribution	$ 165,412	$ 151,873
Contributions in relation to the actuarially determined contribution	165,412	151,873
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -
Covered-employee payroll	$ 1,404,516	$ 1,318,773
Contributions as a percentage of covered-employee payroll	11.78%	11.52%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2015**	**2016**
TOTAL PENSION LIABILITY		
Service cost	$ 150,833	$ 148,700
Interest	516,423	538,198
Changes of benefit terms	-	-
Differences between expected and actual experience	(187,363)	227,719
Changes of assumptions	9,464	(19,395)
Benefit payments, including refunds of member contributions	(234,785)	(141,141)
Net change in total pension liability	254,572	754,081
Total pension liability - beginning	6,936,810	7,191,382
TOTAL PENSION LIABILITY - ENDING	$ 7,191,382	$ 7,945,463
PLAN FIDUCIARY NET POSITION		
Contributions - employer	$ 172,475	$ 160,327
Contributions - member	64,283	59,137
Net investment income	31,353	397,971
Benefit payments, including refunds of member contributions	(234,785)	(141,141)
Administrative expense	(89,367)	(158,289)
Net change in plan fiduciary net position	(56,041)	318,005
Plan fiduciary net position - beginning	6,269,594	6,213,553
PLAN FIDUCIARY NET POSITION - ENDING	$ 6,213,553	$ 6,531,558
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ 977,829	$ 1,413,905
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.40%	82.20%
Covered-employee payroll	$ 1,404,516	$ 1,318,773
Employer's net pension liability as a percentage of covered-employee payroll	69.62%	107.21%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

The Village implemented GASB Statement No 68 for the fiscal year end April 30, 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN

April 30, 2017

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2017	$ -	$ 526,609	0.00%	$ 526,609	$ 845,298	62.30%

The Village's first actuarial valuation for its OPEB plan occurred during the fiscal year ended April 30, 2017.

(See independent auditor's report.)

VILLAGE OF TINLEY PARK, ILLINOIS

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2017

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2017	$ 32,074	$ 19,172	167.30%

The Village's first actuarial valuation for its OPEB plan occurred during the fiscal year ended April 30, 2017.

(See independent auditor's report.)

1. BUDGETARY INFORMATION

Budgets (appropriations) are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue, debt service, capital projects and enterprise funds. All annual appropriations lapse at fiscal year end.

All departments of the Village submit requests for appropriations to the Village Administrator so that a budget may be prepared. The budget is prepared by fund, department and division and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations before approving the final appropriation ordinance. The appropriation may be amended by the governing body through a supplemental appropriation.

The Board of Trustees approves transfers between departments within a fund and transfers between funds. Expenditures may not legally exceed budgeted appropriations at the department level. During the current fiscal year, no supplementary appropriations were made.

2. EXPENDITURES OVER BUDGET

Actual expenditures of $157,196 exceeded budgeted expenditures of $157,174 in the Bond Fund. Additionally, actual expenditures of $1,673,298 exceeded budgeted expenditures of $1,408,449 in the Water and Sewer Fund.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Final Budget	Actual	Actual
TAXES			
Property taxes	$ 963,000	$ 972,659	$ 1,037,029
Sales taxes	314,000	287,766	303,363
Local use taxes	63,000	93,916	90,366
Utility taxes	149,000	152,878	142,766
Telecommunication	101,000	98,919	112,277
Other	30,000	48,326	67,834
Total taxes	1,620,000	1,654,464	1,753,635
INTERGOVERNMENTAL			
State income tax	466,000	348,133	392,038
Non home rule tax	-	22,483	-
Personal property	1,000	1,358	1,137
Total intergovernmental	467,000	371,974	393,175
LICENSES, PERMITS AND FEES			
Vehicle license fees	155,000	156,075	163,175
Business licenses	66,000	70,360	76,231
Alarm licenses	1,000	900	4,365
Resale inspections	30,000	13,400	-
Building permit fees	38,000	61,556	98,547
Franchise fees	108,000	86,351	85,877
Total licenses, permits and fees	398,000	388,642	428,195
FINES AND FORFEITURES			
Court and traffic fines	42,000	73,044	54,649
Total fines and forfeitures	42,000	73,044	54,649
CHARGES FOR SERVICES			
Lyons township hireback	-	-	94,818
Smoke signals advertisements	1,200	1,065	1,035
Elevator inspections	7,000	9,325	5,300
Total charges for services	8,200	10,390	101,153
REIMBURSEMENTS			
Miscellaneous reimbursements	5,800	14,586	489
Total reimbursements	5,800	14,586	489

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND (Continued)

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
INVESTMENT INCOME			
Investment income	$ 300	$ 710	$ 461
Total investment income	300	710	461
MISCELLANEOUS			
Police seizure	6,000	-	4,759
Contributions	-	24,637	-
Sale of capital assets	-	-	100
Miscellaneous	50,600	69,931	51,781
Total miscellaneous	56,600	94,568	56,640
TOTAL REVENUES	$ 2,597,900	$ 2,608,378	$ 2,788,397

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
CURRENT			
General government			
President and Village Board			
Salaries	$ -	$ -	$ 292
Meeting/conferences/training	5,000	50	607
Membership fees	16,000	3,233	2,281
Office equipment	2,400	1,412	-
Miscellaneous	250	-	(383)
Total President and Village Board	23,650	4,695	2,797
Administration			
Salaries	207,435	206,711	223,147
Overtime	750	1,612	2,158
IMRF contributions	24,148	23,012	-
Medical/other benefits	45,345	47,999	-
Social Security/Medicare	15,639	14,920	-
Equipment maintenance	2,300	1,005	2,225
Membership fees	3,000	3,326	1,584
Postage	1,200	3,095	2,287
Professional services - data processing	13,000	16,667	12,877
Professional services - IT consulting	8,000	13,178	3,328
Publications - legal notices	1,000	394	1,075
Office supplies	4,500	5,708	3,630
Periodicals	300	53	38
Vehicle licenses/decals	3,800	2,299	3,607
Computer software	12,500	13,799	13,783
Telephone/communication	-	-	122
Office equipment	1,000	114	7,878
Miscellaneous	5,500	6,161	2,700
Professional services - consulting	1,500	12,987	28,614
IMRF contributions	-	-	145,807
Social Security	-	-	101,483
Website redesign	8,700	8,531	8,489
Codification of ordinances	10,500	11,218	3,500
Total administration	370,117	392,789	568,332
Liability insurance			
Insurance premium	51,500	46,189	1,812
IRMA deductible	7,500	14,643	15,101
Total liability insurance	59,000	60,832	16,913

(This schedule is continued on the following pages.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Final Budget	Actual	Actual
CURRENT (Continued)			
General government (Continued)			
Buildings and grounds maintenance			
Maintenance services - garage	$ 6,500	$ 4,617	$ 7,553
Maintenance services - village hall/police	23,500	17,733	9,398
Custodial services	15,000	16,330	14,512
Garage supplies	2,250	1,045	963
Maintenance/improve heritage	3,000	2,994	3,045
Landscape supplies	2,000	422	758
Kelli's Playground/Sacajawea Park	3,000	-	12,462
Maintenance supplies - village hall/police	3,000	573	1,275
Heritage center	500	397	361
Wolf and Plainfield Park	-	79	85
Other equipment	78,600	40,840	-
Blacktop municipal facility parking lot	-	825	6,188
Total buildings and grounds maintenance	137,350	85,855	56,600
Building department			
Professional services - building inspector	23,000	10,435	10,200
Professional services - electrical inspector	1,500	3,500	3,825
Professional services - elevator inspector	2,000	2,664	2,820
Professional services - engineering	-	480	500
Professional services - plan review	10,000	15,145	18,407
Professional services - plumbing inspector	1,500	2,725	2,985
Office supplies	-	263	158
Total building department	38,000	35,212	38,895
Fire and police commission			
Professional services - legal	500	490	658
Meeting/conference/training	1,000	433	110
Professional services - testing	1,000	2,190	485
Publication/legal notices	500	1,085	40
Total fire and police commission	3,000	4,198	1,293
Outside services			
Employee relations	700	187	1,260
Executive consulting services	-	-	10,551
Community relations	1,500	2,499	78
Health and life insurance	-	446	175,919
Professional services - legal	45,000	28,980	72,485
Professional services - prosecutor	11,000	10,200	5,950
Smoke signals	4,000	4,261	3,928

(This schedule is continued on the following pages.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Final Budget	Actual	Actual
CURRENT (Continued)			
General government (Continued)			
Outside services (Continued)			
Telephone/communications	$ 19,183	$ 25,394	$ 17,113
Unemployment insurance	2,500	3,633	2,273
Audit	12,500	12,360	22,460
Other general government	-	-	71
Total outside services	96,383	87,960	312,088
Total general government	727,500	671,541	996,918
Public safety			
Salaries	843,367	844,462	916,269
Overtime	76,900	115,400	83,345
IMRF contributions	90,847	89,768	-
Medical/other benefits	131,403	105,206	-
Social Security/Medicare	70,400	76,609	-
Lyons township hireback	-	152	48,317
Central dispatch assessment	79,776	67,644	78,009
Vehicle/equipment maintenance	17,600	13,922	14,869
Safety equipment	3,000	215	3,498
Maintenance materials	750	94	-
Gas and oil	19,720	17,674	19,593
Meeting/conference/training	25,000	6,955	5,759
Membership fees	2,200	1,456	4,435
Clothing and uniforms	13,000	25,974	7,461
Vehicles/other equipment	-	584	60
Telephone/communications	9,785	14,726	9,595
Postage	500	98	179
Professional services	8,000	2,720	-
Liability insurance	25,750	6,456	-
Office supplies	2,500	3,614	3,608
Animal control	250	-	230
Miscellaneous	500	3,128	1,930
Office equipment	4,000	1,351	14,486
CALEA consulting	2,450	3,000	2,450
Total public safety	1,427,698	1,401,208	1,214,093
Public works			
Salaries	53,545	56,119	43,328
Overtime	5,375	42,030	26,842
IMRF contributions	7,066	7,713	-
Medical/other benefits	15,540	10,814	-
Social Security/Medicare	4,431	5,358	-

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Final Budget	Actual	Actual
CURRENT (Continued)			
Public works (Continued)			
Meeting/conference/training	$ 375	$ 375	$ 375
Membership fees	550	387	155
Clothing and uniforms	1,000	623	867
Office supplies	1,750	2,031	2,940
Postage	200	-	(1,127)
Telephone/communications	3,500	4,417	4,884
Street light maintenance	5,000	1,632	3,290
Professional services - engineering	18,000	22,434	21,989
Engineering - developer/property owner	1,500	-	-
Professional services - landscaping/leaf removal	2,500	2,973	3,135
Professional services - tree consultant	3,000	2,925	350
Liability insurance	7,725	1,884	-
Utility expense	8,600	799	7,031
Tree maintenance	12,000	17,336	19,393
Streets and parkways maintenance	4,000	1,331	539
Equipment/vehicle maintenance	12,116	7,763	28,418
Materials to maintain vehicles/equipment	5,500	3,700	3,510
Streets and parkways materials	4,000	3,127	3,250
Equipment rental	3,000	2,651	1,947
Storm sewer materials	1,000	586	1,454
Tree program	500	3,526	4,903
Tools and hardware	1,000	572	749
Gas and oil	9,785	7,782	4,802
Storm sewer maintenance	20,000	26,260	10,238
Storm sewer construction	15,000	-	-
Safety equipment	1,750	805	1,245
Drainage materials	3,500	2,395	6,177
Capital outlay - vehicles	-	-	152,900
Office supplies	1,100	220	-
Miscellaneous	250	202	20
Total public works	234,158	240,770	353,604
DEBT SERVICE			
Debt service - principal	35,000	42,437	-
Debt service - interest	-	4,638	-
Total debt service	35,000	47,075	-
TOTAL EXPENDITURES	$ 2,424,356	$ 2,360,594	$ 2,564,615

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BOND DEBT SERVICE FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
Property taxes	$ 213,318	$ 214,852	$ 244,437
Total revenues	213,318	214,852	244,437
EXPENDITURES			
Debt service			
Principal	145,000	145,000	115,000
Interest	68,318	68,318	97,297
Total expenditures	213,318	213,318	212,297
NET CHANGE IN FUND BALANCE	$ -	1,534	32,140
FUND BALANCE, MAY 1		153,198	121,058
FUND BALANCE, APRIL 30		$ 154,732	$ 153,198

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2017

	Special Revenue		Capital Projects			
	911	Special Parks	Capital Improvements	Road Improvement Bond	Bond	Total
ASSETS						
Cash and investments	$ -	$ 31,563	$ 152,444	$ 27,948	$ -	$ 211,955
Receivables						
Property taxes	-	12,180	-	-	-	12,180
Accounts	-	-	-	-	26,002	26,002
TOTAL ASSETS	$ -	$ 43,743	$ 152,444	$ 27,948	$ 26,002	$ 250,137
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ 4,491	$ -	$ -	$ 4,491
Total liabilities	-	-	4,491	-	-	4,491
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	-	12,027	-	-	-	12,027
Total deferred inflows of resources	-	12,027	-	-	-	12,027
Total liabilities and deferred inflows of resources	-	12,027	4,491	-	-	16,518
FUND BALANCES						
Restricted						
Streets and highways	-	-	-	27,948	-	27,948
Recreational programs	-	31,716	-	-	-	31,716
Unrestricted - assigned						
Capital projects	-	-	147,953	-	26,002	173,955
Total fund balances	-	31,716	147,953	27,948	26,002	233,619
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ -	$ 43,743	$ 152,444	$ 27,948	$ 26,002	$ 250,137

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2017

	Special Revenue		Capital Projects			
	911	Special Parks	Capital Improvements	Road Improvement Bond	Bond	Total
REVENUES						
Property taxes	$ -	$ 25,060	$ -	$ -	$ -	$ 25,060
911 surcharge	14,482	-	-	-	-	14,482
Investment income	-	-	-	50	-	50
Rentals	-	-	-	-	76,007	76,007
Total revenues	14,482	25,060	-	50	76,007	115,599
EXPENDITURES						
Current						
Public safety	43,000	-	34,381	-	-	77,381
Public works	-	-	-	91,955	-	91,955
Culture and recreation	-	22,377	-	-	-	22,377
Debt service						
Principal	-	-	-	-	120,000	120,000
Interest	-	-	-	-	37,196	37,196
Total expenditures	43,000	22,377	34,381	91,955	157,196	348,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(28,518)	2,683	(34,381)	(91,905)	(81,189)	(233,310)
OTHER FINANCING SOURCES (USES)						
Transfers in	73,831	-	-	-	83,636	157,467
Total other financing sources (uses)	73,831	-	-	-	83,636	157,467
NET CHANGE IN FUND BALANCES	45,313	2,683	(34,381)	(91,905)	2,447	(75,843)
FUND BALANCES (DEFICIT), MAY 1	(45,313)	29,033	182,334	119,853	23,555	309,462
FUND BALANCES, APRIL 30	$ -	$ 31,716	$ 147,953	$ 27,948	$ 26,002	$ 233,619

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
911 FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
911 surcharge	$ 48,000	$ 14,482	$ 46,759
Total revenues	48,000	14,482	46,759
EXPENDITURES			
Current			
Public safety			
Ameritech lines	4,500	-	3,319
Equipment maintenance	500	-	274
Central dispatch assessment	43,000	43,000	48,788
Total expenditures	48,000	43,000	52,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(28,518)	(5,622)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	73,831	-
Total other financing sources (uses)	-	73,831	-
NET CHANGE IN FUND BALANCE	$ -	45,313	(5,622)
FUND BALANCE (DEFICIT), MAY 1		(45,313)	(39,691)
FUND BALANCE (DEFICIT), APRIL 30		$ -	$ (45,313)

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL PARKS FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
Property taxes	$ 25,000	$ 25,060	$ 27,107
Total revenues	25,000	25,060	27,107
EXPENDITURES			
Current			
Culture and recreation	24,454	22,377	22,550
Total expenditures	24,454	22,377	22,550
NET CHANGE IN FUND BALANCE	$ 546	2,683	4,557
FUND BALANCE, MAY 1		29,033	24,476
FUND BALANCE, APRIL 30		$ 31,716	$ 29,033

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
None	$ -	$ -	$ -
Total revenues	-	-	-
EXPENDITURES			
Capital expenditures	200,000	34,381	-
Total expenditures	200,000	34,381	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(34,381)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	3,500
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	3,500
NET CHANGE IN FUND BALANCE	$ -	(34,381)	3,500
FUND BALANCE, MAY 1		182,334	178,834
FUND BALANCE, APRIL 30		$ 147,953	$ 182,334

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD IMPROVEMENT FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		
	Original and Final Budget	**Actual**	**2016 Actual**
REVENUES			
Investment income	$ -	$ 50	$ 114
Total revenues	-	50	114
EXPENDITURES			
Public works			
Road improvements	132,896	91,955	123,736
Total expenditures	132,896	91,955	123,736
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(132,896)	(91,905)	(123,622)
OTHER FINANCING SOURCES (USES)			
Note proceeds	132,896	-	-
Total other financing sources (uses)	132,896	-	-
NET CHANGE IN FUND BALANCE	$ (132,896)	(91,905)	(123,622)
FUND BALANCE, MAY 1		119,853	243,475
FUND BALANCE, APRIL 30		$ 27,948	$ 119,853

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
REVENUES			
Rental income	$ 50,720	$ 76,007	$ 61,203
Investment income	100	-	57
Total revenues	50,820	76,007	61,260
EXPENDITURES			
Debt service			
Principal	120,000	120,000	115,000
Interest and fiscal charges	37,174	37,196	42,639
Total expenditures	157,174	157,196	157,639
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,354)	(81,189)	(96,379)
OTHER FINANCING SOURCES (USES)			
Transfers in	29,180	83,636	-
Total other financing sources (uses)	29,180	83,636	-
NET CHANGE IN FUND BALANCE	$ (77,174)	2,447	(96,379)
FUND BALANCE, MAY 1		23,555	119,934
FUND BALANCE, APRIL 30		$ 26,002	$ 23,555

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	Actual	Actual
OPERATING REVENUES			
Water usage	$ 1,423,032	$ 1,217,212	$ 998,572
Finance charges - water	12,475	6,610	11,762
Finance charges - sewer	1,296	2,230	1,389
Tap fees - water	485	-	800
Tap fees - sewer	485	-	800
Sewer charges	182,070	197,460	119,098
Total operating revenues	1,619,843	1,423,512	1,132,421
OPERATING EXPENSES			
Water			
Water purchases	505,750	496,693	499,103
Personnel services	149,203	163,288	125,451
Professional services	10,000	46,817	11,763
IMRF contributions	16,495	56,593	19,605
Medical/other benefits	32,884	27,020	-
Social Security/medicare	10,592	12,371	12,918
Maintenance	66,000	162,282	73,622
Materials	14,150	42,287	13,283
Equipment	10,455	-	297
Electricity	6,500	9,194	7,036
Sewer			
Personnel services	85,908	73,216	48,330
Professional services	30,000	26,116	48,964
IMRF contributions	9,428	14,466	-
Medical/other benefits	17,343	15,265	-
Social Security/medicare	6,161	7,013	-
Water - administration			
Equipment and vehicle maintenance	4,500	2,702	3,707
Pump maintenance	2,500	-	-
Wells rehabilitation	-	20,741	-
Wells maintenance	-	57,976	-
Equipment rental	750	316	205
Health and life insurance	10,300	13,187	35,359
Meetings and conferences	500	2,864	1,339
Membership fees	450	648	895
Postage	1,750	2,272	1,113
Telephone and communications	3,800	4,520	4,090
Tools and hardware	500	446	622
Clothing and uniforms	1,000	522	303
Gas and oil	4,000	539	254
Office supplies	1,250	1,323	2,304
Safety equipment	1,000	1,990	696
Miscellaneous	200	6,023	198
Chemicals/lab equipment	500	641	-

(This schedule is continued on the following page.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND (Continued)

For the Year Ended April 30, 2017
(with comparative actual)

	2017		2016
	Original and Final Budget	**Actual**	**Actual**
OPERATING EXPENSES (Continued)			
Sewer - administration			
Meetings and conferences	$ 250	$ -	$ -
Tools and hardware	300	-	-
Sewer system maintenance materials	6,000	1,415	20
Accounting	12,500	10,840	10,091
Illinois EPA fees	1,000	-	1,000
Professional services - televising	24,500	26,800	44,209
Gas and oil	300	268	118
Office supplies	200	284	-
Equipment	13,205	830	1,573
Insurance premium	2,575	617	15,838
Water meter program	353,000	338,770	-
Construction	-	24,143	414
Total operating expenses	1,419,716	1,673,298	984,720
OPERATING INCOME (LOSS)	200,127	(249,786)	147,701
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous	250	10,729	26,619
Total non-operating revenues (expenses)	250	10,729	26,619
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(13,637)
NET INCOME (LOSS)	200,377	(239,057)	160,683
ADJUSTMENTS TO GAAP BASIS			
IMRF pension expense	-	-	(14,289)
Depreciation	(94,000)	(66,723)	(66,724)
Total adjustments to GAAP basis	(94,000)	(66,723)	(81,013)
CHANGE IN NET POSITION	$ 106,377	(305,780)	79,670
NET POSITION, MAY 1		1,266,287	1,286,891
Prior period adjustment		-	(2,837)
Change in accounting principle		-	(97,437)
NET POSITION, MAY 1, RESTATED		1,266,287	1,186,617
NET POSITION, APRIL 30		$ 960,507	$ 1,266,287

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2017

	Balances May 1	Additions	Deductions	Balances April 30
Clearing Fund				
ASSETS				
Cash and cash equivalents	$ 28,812	$ -	$ 28,812	$ -
TOTAL ASSETS	$ 28,812	$ -	$ 28,812	$ -
LIABILITIES				
Other liabilities	$ 12,912	$ -	$ 12,912	$ -
Refundable deposits	15,900	-	15,900	-
TOTAL LIABILITIES	$ 28,812	$ -	$ 28,812	$ -

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

SIX YEAR SUMMARY OF EQUALIZED ASSESSED VALUATIONS,
TAX RATES AND EXTENSIONS

April 30, 2017

	2011	2012	2013	2014	2015	2016
EQUALIZED ASSESSED VALUATION	$ 145,920,676	$ 133,658,087	$ 124,584,548	$ 123,631,035	$ 123,631,035	$ 125,433,381
TAX RATES						
General						
Corporate	0.3947	0.4375	0.4375	0.3957	0.3947	0.4202
IMRF	0.0622	0.0898	0.1215	0.1479	0.1601	0.1379
Social Security	0.0594	0.0726	0.0931	0.1109	0.1200	0.0992
Audit	0.0187	0.0207	0.0243	0.0296	0.0320	0.0212
Police protection	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Liability insurance	0.0548	0.0428	0.0486	0.0592	0.0640	0.0679
Debt service	0.0000	0.0000	0.0000	0.1803	0.1861	0.1761
Street and bridge	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Special parks	0.0205	0.0231	0.0248	0.0200	0.0214	0.0205
TOTALS	0.6103	0.6865	0.7498	0.9436	0.9783	0.9430
TAX EXTENSIONS						
General						
Corporate	$ 576,000	$ 584,754	$ 545,057	$ 489,250	$ 475,155	$ 527,109
IMRF	90,824	120,083	151,342	182,854	192,734	172,916
Social Security	86,738	96,991	116,029	137,136	144,460	124,430
Audit	27,247	27,713	30,269	36,571	38,522	26,583
Police protection	-	-	-	-	-	-
Liability insurance	79,926	57,272	60,537	73,141	77,045	85,167
Debt service	-	-	-	222,912	223,995	220,940
Special parks	29,870	30,900	30,900	24,720	25,750	25,750
TOTALS	$ 890,605	$ 917,713	$ 934,134	$ 1,166,584	$ 1,177,661	$ 1,182,895

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION LIMITED DEBT CERTIFICATES SERIES 2009

April 30, 2017

Date of Issue	August 19, 2009
Final Maturity	December 15, 2020
Authorized Issue	$ 1,050,000
Actual Issue	$ 1,050,000
Interest Rate	2.5% to 5.9%
Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal	Tax Levy			Interest Due on			
Year	Principal	Interest	Total	June 15	Amount	December 15	Amount
2018	$ 127,000	$ 30,373	$ 157,373	2017	$ 15,187	2017	$ 15,186
2019	133,000	23,706	156,706	2018	11,853	2018	11,853
2020	140,000	16,524	156,524	2019	8,262	2019	8,262
2021	146,000	8,614	154,614	2020	4,307	2020	4,307
	$ 546,000	$ 79,217	$ 625,217		$ 39,609		$ 39,608

(See independent auditor's report.)

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS SERIES 2014

April 30, 2017

Date of Issue	July 15, 2014
Final Maturity	December 1, 2029
Authorized Issue	$ 2,500,000
Actual Issue	$ 2,500,000
Interest Rate	2.0% to 3.5%
Principal Maturity Date	December 15
Interest Dates	December 15 and June 15

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal	Tax Levy			Interest Due on			
Year	Principal	Interest	Total	June 1	Amount	December 1	Amount
2018	$ 145,000	$ 65,418	$ 210,418	2017	$ 32,709	2017	$ 32,709
2019	150,000	62,518	212,518	2018	31,259	2018	31,259
2020	155,000	59,518	214,518	2019	29,759	2019	29,759
2021	155,000	56,418	211,418	2020	28,209	2020	28,209
2022	160,000	51,768	211,768	2021	25,884	2021	25,884
2023	165,000	46,968	211,968	2022	23,484	2022	23,484
2024	170,000	42,018	212,018	2023	21,009	2023	21,009
2025	175,000	36,918	211,918	2024	18,459	2024	18,459
2026	180,000	31,668	211,668	2025	15,834	2025	15,834
2027	185,000	26,044	211,044	2026	13,022	2026	13,022
2028	195,000	20,262	215,262	2027	10,131	2027	10,131
2029	200,000	13,926	213,926	2028	6,963	2028	6,963
2030	205,000	7,176	212,176	2029	3,588	2029	3,588
	$ 2,240,000	$ 520,620	$ 2,760,620		$ 260,310		$ 260,310

(See independent auditor's report.)