

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED APRIL 30, 2015**



**VILLAGE OF ORLAND HILLS, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**April 30, 2015**

**CONTENTS**

<b>PRINCIPAL OFFICIALS</b>	i
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to the Financial Statements	21-52
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress	53
Schedule of Employer Contributions	54

**VILLAGE OF ORLAND HILLS, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

April 30, 2015

**CONTENTS (Continued)**

**REQUIRED SUPPLEMENTARY INFORMATION (Continued)**

Schedule of Changes in Village Net Pension Liability and Related Ratios	55
Schedule of Village Contributions	56
Schedule of Investment Returns	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Motor Fuel Tax Fund	58
Notes to the Required Supplementary Information	59

**SUPPLEMENTARY INFORMATION**

Schedule of Revenues – Budget and Actual – General Fund	60
Schedule of Expenditures – Budget and Actual – General Fund	61-62
Nonmajor Funds	
Combining Balance Sheet	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64
Combining Balance Sheet – Nonmajor Special Revenue Funds	65
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	66
Combining Balance Sheet – Debt Service Funds	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Funds	68

**STATISTICAL SCHEDULE**

General Property Tax Date (Last Ten Years)	69
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## PRINCIPAL OFFICIALS



VILLAGE OF ORLAND HILLS, ILLINOIS

**VILLAGE OF ORLAND HILLS, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2015

**LEGISLATIVE**

Village Board of Trustees

Kyle R. Hastings, President

Curt Petrey

Tracy Roti

Kyle R. Hastings II

Candice Morrison

Joseph Janachowski

Jennifer Iannantone, Clerk

**APPOINTED OFFICIAL**

Conrad Kiebles, Village Administrator



**FINANCIAL SECTION**



**VILLAGE OF ORLAND HILLS, ILLINOIS**

# **GW & ASSOCIATES, P.C.**

*CERTIFIED PUBLIC ACCOUNTANTS*

2617 Chicago Road  
South Chicago Heights, IL 60411

Phone (708) 755-8182  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Board of Trustees  
Village of Orland Hills, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Orland Hills, Illinois as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Orland Hills, Illinois, as of April 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, schedule of employer contributions, schedule of changes in Village net pension liability and related ratios, schedule of investment returns, schedule of village contributions and budgetary comparison information on pages 3–12 and 53–59 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 of Orland Hills, Illinois' basic financial statements. The schedules of revenues and expenditures and combining nonmajor fund financial statements, list of principal officials and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The list of principal officials and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*JW & Associates, P.C.*

South Chicago Heights, Illinois  
October 23, 2015



**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

As management of the Village of Orland Hills (the "Village") we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2015. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

**Financial Highlights**

- The Village's net position as of April 30, 2015 is \$19.5 million as compared to \$20.0 million in the prior year. Of the total net position, \$21.3 million is invested in capital assets net of related debt and there is a \$1.8 million deficit in unrestricted net position as compared to a deficit of \$0.8 million in the prior year.
- Total Village revenues for the year ended April 30, 2015 fell short of total expenses by \$0.6 million.
- At the end of the fiscal year, the unassigned fund balance of the General Fund was a deficit of \$1,700,126 after a loss for the year of \$771,925.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

**Using the Financial Section  
Of this Annual Report**

The financial statement's focus is on the Village as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

**Government-wide Financial Statements**

The government-wide financial statements are designed to be corporate like.

The Statement of the Net Position combines and consolidates governmental funds current financial resources with capital assets and long term obligations. It uses the accrual basis of accounting and economic resources measurement focus.

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2015**

The Statement of Activities is focused on both the growth and the new costs of various activities. These activities are supported by the government's general taxes and other resources. This is intended to summarize and simplify the users' analysis of the costs of various governmental services.

The governmental activities reflect the Village's basic services, which include administration, public safety, highways and streets and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be included into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed view of the Village's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Motor Fuel Tax Fund both of which are considered to be major funds. Major funds are defined as the General Fund and other funds where the assets and deferred outflows of resources, the liabilities and deferred inflows or resources, revenue or expenditures of that fund are at least ten percent of the corresponding total for all governmental funds, since the Village has no enterprise funds.

Data forming the remaining governmental funds are combined into a single, aggregated column presentation. Individual fund data information for these non-major governmental funds is provided elsewhere in the report.

**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

The basic governmental fund financial statements (including the reconciliation) can be found on pages 13-18 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The fiduciary fund financial statements provide separate information for the Police Pension Fund. The basic fiduciary fund financial statements can be found of pages 19-20 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21.

**Other Information**

In addition to the basic financial statements, this report also includes certain required supplementary information related to the budgetary information and the Village's funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund and other postemployment benefits and the budgetary to actual statements for the General Fund and Motor Fuel Tax Fund which is the only major special revenue fund. Required supplementary information can be found on pages 53-59. The combining statements dealing with the non-major governmental funds are presented immediately following the required supplementary information.

**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

**FINANCIAL ANALYSIS OF THE VILLAGE'S GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position**

The following chart reflects the Condensed Statement of Net Position (in millions):

**CONDENSED STATEMENT OF NET POSITION**

**April 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Assets		
Current assets	\$ 1.7	\$ 1.8
Capital assets, net	<u>21.6</u>	<u>21.3</u>
Total assets	23.3	23.1
Liabilities:		
Current liabilities	2.5	1.8
Long-term liabilities	<u>1.1</u>	<u>1.0</u>
Total liabilities	<u>3.6</u>	<u>2.8</u>
Total deferred inflows of resources	<u>0.3</u>	<u>0.3</u>
Net position:		
Invested in capital assets -net	21.3	20.8
Restricted	-	-
Unrestricted	<u>(1.8)</u>	<u>(0.8)</u>
Total net position	<u>\$ 19.5</u>	<u>\$ 20.0</u>

The 2015 assets as described above are composed of cash and investments valued at \$0.4 million (2% of total assets), \$1.2 million of intergovernmental and taxes receivable (5% of total assets) and capital assets net of accumulated depreciation of \$21.6 million (93% of total assets). The liabilities as described above are composed of accounts payable of \$1.0 million (28% of total liabilities), property tax refunds due to Cook County of \$0.4 million (11% of total liabilities), an amount owed to the Illinois Department of Transportation ("IDOT") for the Village's share of a road construction project of \$0.3 million (8% of total liabilities), accrued payroll and other liabilities of \$0.7 million (19% of total liabilities), \$0.08 million of long term debt due within one year (2% of total liabilities) and \$1.1 million of long term debt due in more than one year (31% of total liabilities). Current liabilities increased by approximately 39% due primarily to the amounts owed to Cook County for property tax refunds and to IDOT for the Village's share of the Haven Avenue Project.

**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

**Statement of Activities**

The following chart reflects the Condensed Statement of Activities (in millions):

**CONDENSED STATEMENT OF ACTIVITIES**

**April 30, 2015 and 2014**

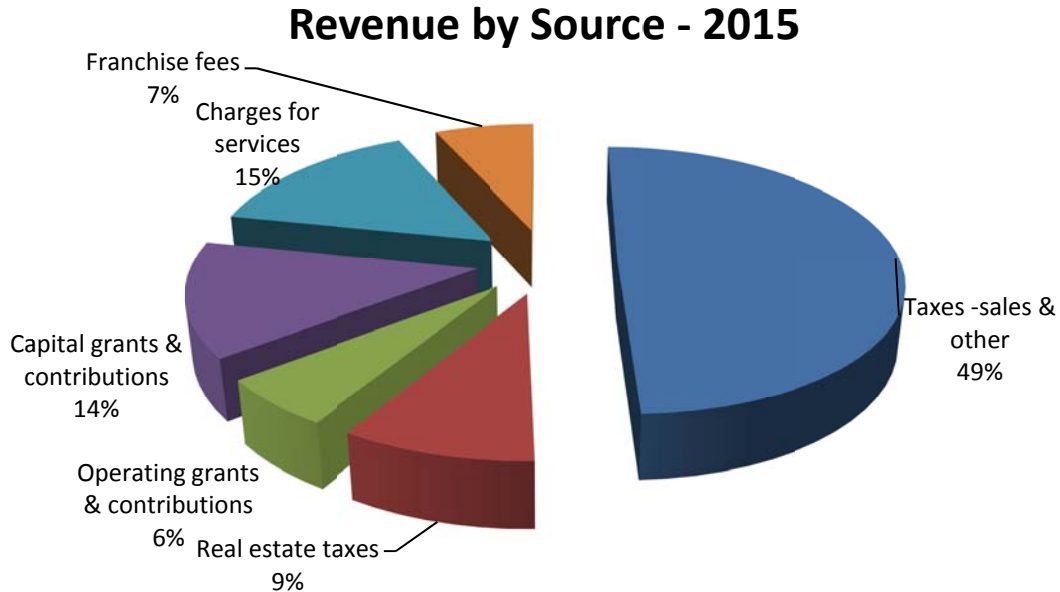
Revenues:	<u>2015</u>	<u>2014</u>
Program Revenues:		
Charges for services	\$ 0.9	\$ 0.9
Operating grants and contributions	0.4	0.3
Capital grants and contributions	0.9	0.1
General Revenues:		
Property taxes	0.6	0.6
State sales tax	1.3	1.3
Other taxes	1.8	1.8
Other	<u>0.5</u>	<u>0.7</u>
Total revenues	6.3	5.7
Expenses:		
General government	1.6	1.5
Public safety	2.9	2.8
Culture and recreation	0.8	0.7
Highway and streets	<u>1.6</u>	<u>1.3</u>
Total expenses	6.9	6.3
Change in net position	<u>(0.6)</u>	<u>(0.6)</u>
Net position - beginning	<u>20.0</u>	<u>20.6</u>
Net position - ending	<u>\$ 19.4</u>	<u>\$ 20.0</u>

Total revenues for fiscal 2015 increased about 10% from the prior fiscal year. The most significant change was an increase in capital grants resulting from the recording of the portion of cost of the Haven Avenue Project paid for by IDOT in the amount of \$767,000 and a \$100,000 grant from Orland Township. Motor fuel tax revenues which are included in operating grants and contributions also increased by about \$70,000.

Total expenses for fiscal 2015 increased by \$0.6 million. The most significant change within expenses was an increase in highway and streets expenses of \$0.3 million which is the amount owed to IDOT. This is the Village's share of the Haven Avenue rehabilitation.

**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

**Revenue by Source - 2015**



**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

**Governmental Funds**

The following chart reflects a condensed comparison of 2015 and 2014 revenues and expenditures:

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
<b>Revenues</b>			
General Fund	\$ 5,890,951	\$ 5,309,116	\$ 581,835
Motor Fuel Tax Fund	315,422	236,555	78,867
Nonmajor Funds	<u>123,502</u>	<u>123,689</u>	<u>(187)</u>
<b>Total Revenues</b>	<u>\$ 6,329,875</u>	<u>\$ 5,669,360</u>	<u>\$ 660,515</u>
<b>Expenditures</b>			
General Fund	\$ 6,712,876	\$ 5,761,596	\$ 951,280
Motor Fuel Tax Fund	320,132	355,037	(34,905)
Nonmajor Funds	<u>107,890</u>	<u>92,419</u>	<u>15,471</u>
<b>Total Expenditures</b>	<u>\$ 7,140,898</u>	<u>\$ 6,209,052</u>	<u>\$ 931,846</u>
<b>Other Financing Sources (Uses)</b>			
General Fund	\$ 50,000	\$ 443,009	\$ (393,009)
Motor Fuel Tax Fund	1,100	-	1,100
Nonmajor Funds	<u>(51,100)</u>	<u>-</u>	<u>(51,100)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ 443,009</u>	<u>\$ (443,009)</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

**Revenues**

General Fund revenues were up 12% from the prior year primarily as a result of the grant revenues from IDOT previously mentioned. Grant revenues also increased as a result of a \$100,000 grant from Orland Township for a new HVAC system and parking lot repairs at the community center. Motor Fuel Tax revenues were also up 33%. \$10,000 of the increase was a result of a grant from Morton Arboretum for tree care. The Village also received two payments of \$29,439 from the Jobs Now program. Finally, the Village received a \$42,000 State reimbursement grant for engineering costs on the Haven Avenue project paid out of the MFT fund.

**Expenditures**

General Fund expenditures were up almost 17% from the prior year. A large portion of this increase can be attributed to the roughly \$1 million increase in highways and streets, mostly related to the Haven Avenue project. Parks and recreation expenditures were also up due to capital improvements.

**Budgetary Highlights**

The following chart reflects the condensed budgetary comparison schedule for the General Fund:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 1,432,400	\$ 1,568,031	\$ 135,631
Intergovernmental	2,198,000	2,128,503	(69,497)
Other	<u>1,468,600</u>	<u>2,194,417</u>	<u>725,817</u>
Total revenues	5,099,000	5,890,951	791,951
Expenditures	<u>5,163,267</u>	<u>6,712,876</u>	<u>1,549,609</u>
Excess of revenues over (under) expenditures	<u>(64,267)</u>	<u>(821,925)</u>	<u>(757,658)</u>
Other financing sources (uses)			
Other financing sources	165,000	50,000	(115,000)
Other financing uses	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Total other financing sources (uses)	<u>65,000</u>	<u>50,000</u>	<u>(15,000)</u>
Change in fund balance	<u>\$ 733</u>	<u>\$ (771,925)</u>	<u>\$ (772,658)</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

The major variances between actual and budget include the following:

- Revenues exceeded budget by about 16% primarily due to property tax revenues exceeding the budgeted amount by over \$200,000 and unbudgeted capital grant revenues of \$870,000;
- Highways and Streets department expenditures were approximately double the budgeted amount due to unbudgeted costs for street projects which were substantially offset by grant revenues from IDOT.
- Police department expenditures exceeded budget by about 11% as a result of higher than budgeted personal service costs, although department costs were down from the prior year.
- General government costs were 11% over budget as a result of the additional property tax refunds due to Cook County.
- Culture and recreation costs were 16% over budget mostly as a result of unbudgeted capital outlay which was offset by unbudgeted grant revenue.

There were no amendments to the original budget ordinance during the year.

**CAPITAL ASSETS**

**Governmental Activities Change in Capital Assets**

	Balance	Net	Balance
	<u>April 30, 2014</u>	<u>Additions/ Deletions</u>	<u>April 30, 2015</u>
Non-depreciable assets - land	\$10,133,189	\$ -	\$ 10,133,189
Construction in progress	336,841	(336,841)	-
Depreciable capital assets			
Land improvements	643,328	-	643,328
Buildings & Improvements	4,199,899	-	4,199,899
Equipment	1,109,429	102,208	1,211,637
Infrastructure	17,055,629	1,103,085	18,158,714
Accumulated depreciation	<u>(12,146,847)</u>	<u>(560,598)</u>	<u>(12,707,445)</u>
 Total capital assets, net	 <u>\$21,331,468</u>	 <u>\$ 307,854</u>	 <u>\$ 21,639,322</u>

Capital asset additions included the completion of the Haven Avenue project, the addition of HVAC units, traffic radar trailers and a bucket truck. Depreciation expense for the year was \$560,598. More detailed information can be found in Note 4 to the financial statements.



**VILLAGE OF ORLAND HILLS, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2015**

**DEBT ADMINISTRATION**

At April 30, 2015, the Village had outstanding debt as follows:

South Suburban Mayors Debt Cert 2013	\$334,286
Capital leases	25,718
Net pension obligation	268,773
OPEB – Health Insurance for Retirees (PSEBA Act)	409,528
Compensated absences	<u>153,378</u>
Total long-term debt	<u>\$1,191,683</u>

The Village's debt increased by approximately \$100,000 this year. This was due to:

- The reduction of capital leases payable by \$22,489 as a result of scheduled lease payments
- The reduction of the Debt Certificate Payable by \$55,714 due to scheduled payments
- A reduction of compensated absences by over \$8,000
- An increase of \$110,000 in the Net Pension Obligation and
- An increase of about \$72,000 in the OPEB – Health Insurance for Retirees (PSEBA Act).

State statutes limit the amount of debt that a local government may issue. In the current fiscal year, that limit was 8.625% of the total equalized assess value of the Village, or \$11.3 million.

State statutes also allow the Village to issue General Obligation Bonds for up to ½ of 1% of our assessed valuation without referendum. That amount would be approximately \$650,000.

**Economic Factors**

The Village President and Board of Trustees continue to promote economic growth and development in the Village of Orland Hills. As the national and local recession has improved, the Village has generated moderate growth from both residential and commercial improvements.

The Village President and the Board of Trustees continue to increase services available to residents while consciously making an effort to reduce their property tax burden. Cultural and recreational activities, general infrastructure improvements, and maintenance and repair of public facilities will continue to be funded by motor fuel taxes, grants and other revenue generating sources.

This year shows additional improvement and the Village continues to embrace varied opportunities to foster revenue growth. The State of Illinois approved Video Gaming as a new source of revenue for both the state and municipalities. Orland Hills has supported this state-wide program and continues to see benefits from this effort. Video gaming revenue continues to increase. The past fiscal year yielded \$86,000 in revenue. The Village is on a pace for expected growth in revenue of 5-10% for the next fiscal year.

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2015**

In April 2012, an Off-Track Betting (OTB) establishment located in Orland Hills. The business has become established and continues to develop a growing clientele. This past fiscal year, Off-Track Betting generated additional revenue to the Village. The revenue trend indicates that the Village is on course to see moderate growth in OTB revenue during the next fiscal year.

Economic development opportunities for the vacant property on the western end of Orland Hills remain as new potential. The Village anticipates the recapture of \$270,000 in fees with the establishment of new development in that area over the next few years.

The Village's efforts to attract new sales tax producing businesses in town continue to be a high priority. Businesses have found favor with Orland Hills' business relationship methods and practices. The prospects for increased commercial development remain strong. Recent developments and Village meetings indicate that several corporations, business owners and developers are interested in Orland Hills sites and buildings. Efforts by the Village show promise in expansion of the business commercial area over the next few years.

Over the past three years, the Village has had to reimburse the County of Cook for almost \$1.25 million of property tax rebates which were granted by the Property Tax Appeal Board (PTAB) to businesses in town. Irresponsible actions of the Property Tax Appeal Board place municipalities, such as Orland Hills, in an awkward and exposed position. The Village has and will continue to oppose appeal awards.

A recent effort by the Village has been undertaken to enforce an Inter Governmental Agreement (IGA) between Orland Hills and a neighboring town to collect sales tax on commercial property. It is anticipated that some payments will begin in the next fiscal year.

Over the past twenty years, the Village has reduced reliance on property taxes to balance the budget. The Orland Hills tax rate has been reduced by approximately thirty per cent (30%) over that time. As we enter the new fiscal year, the Village continues to reduce expenses and minimize overtime labor costs whenever possible.

It should be noted that due to the current budget impasse in Springfield, video gaming revenue payments to the Village have been delayed several months. Currently, the State of Illinois is holding almost \$35,000 in video gaming revenue that is owed to the Village of Orland hills. Approximately \$35,000 per month in motor fuel and local use taxes have also been reduced and withheld from the Village by the State of Illinois over the last several months.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Village Administrator, Village of Orland Hills, 16033 South 94<sup>th</sup> Ave, Orland Hills, Illinois 60487-4623. E-mails may be directed to [contact@orlandhills.org](mailto:contact@orlandhills.org).

## BASIC FINANCIAL STATEMENTS



VILLAGE OF ORLAND HILLS, ILLINOIS

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**APRIL 30, 2015**

	<b>Governmental</b>
<b>Assets</b>	<b>Activities</b>
Cash and cash equivalents	\$ 57,593
Short-term investments	354,755
Taxes receivable	408,583
Intergovernmental receivables	791,610
Accounts receivable	47,244
Prepaid items	48,000
Capital assets not being depreciated	10,133,189
Capital assets being depreciated	11,506,133
Total assets	23,347,107
 <b>Liabilities</b>	
Current	
Accounts payable	969,432
Accrued payroll	88,116
Due to police pension	612,110
Due to other entities	760,475
Other payables	2,307
Interest payable	2,692
Long-term debt, due within one year	
Capital leases payable	21,301
Debt certificates payable	55,714
Long term	
Long-term debt, due in more than one year	
Capital leases payable	4,417
Net pension obligation	268,773
Other postemployment benefits obligation	409,528
Debt certificates payable	278,572
Compensated absences	153,378
Total liabilities	3,626,815
 <b>Deferred Inflows of Resources</b>	
Unearned revenue	266,032
Total deferred inflows of resources	266,032
 <b>Net Position</b>	
Invested in capital assets, net of related debt	21,279,318
Unrestricted net position	(1,825,058)
Total net position	\$ 19,454,260

**VILLAGE OF ORLAND HILLS, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED APRIL 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Changes in</u>
		<u>Fees, Fines &amp; Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Position</u>
					<u>Primary Government Governmental Activities</u>
<b>Governmental Activities</b>					
General government	\$ 1,647,486	\$ 523,240	\$ 75,544	\$ -	\$ (1,048,702)
Public safety	2,856,757	308,490	-	-	(2,548,267)
Culture and recreation	809,643	117,571	-	100,000	(592,072)
Highways and streets	1,606,615	-	291,381	770,376	(544,858)
Interest on debt	6,887	-	-	-	(6,887)
Total	<u>6,927,388</u>	<u>949,301</u>	<u>366,925</u>	<u>870,376</u>	<u>(4,740,786)</u>
<b>General Revenues</b>					
Taxes:					
		Property taxes			577,431
		State sales tax			1,264,068
		Non home-rule sales tax			630,925
		Income tax			733,203
		Other taxes			432,938
		Franchise fees			421,607
		Investment Income			6
		Other general revenues			99,858
		Total general revenues			<u>4,160,036</u>
		Change in net position			<u>(580,750)</u>
		<b>Net Position - Beginning</b>			<u>20,035,010</u>
		<b>Net Position - Ending</b>			<u>\$ 19,454,260</u>

See accompanying notes to financial statements

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**APRIL 30, 2015**

	<u>Major Funds</u>			<b>Total Governmental Funds</b>
	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	
<b>Assets</b>				
Cash and cash equivalents	\$ 50,835	\$ -	\$ 6,758	\$ 57,593
Short-term investments	115,217	158,387	81,151	354,755
Taxes receivable	378,227	-	30,356	408,583
Intergovernmental receivables	774,983	16,627	-	791,610
Accounts receivable	47,244	-	-	47,244
Prepaid items	48,000	-	-	48,000
Due from other funds	53,567	-	142,334	195,901
Total assets	<u>\$ 1,468,073</u>	<u>\$ 175,014</u>	<u>\$ 260,599</u>	<u>\$ 1,903,686</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 941,038	\$ 4,802	\$ 23,592	\$ 969,432
Accrued payroll	88,116	-	-	88,116
Other Liabilities	2,307	-	-	2,307
Due to other entities	760,475	-	-	760,475
Due to police pension fund	612,110	-	-	612,110
Due to other funds	142,334	-	53,567	195,901
Total liabilities	<u>2,546,380</u>	<u>4,802</u>	<u>77,159</u>	<u>2,628,341</u>
<b>Deferred inflows of resources</b>				
Unearned revenues	621,819	-	-	621,819
Total deferred inflows of resources	<u>621,819</u>	<u>-</u>	<u>-</u>	<u>621,819</u>
<b>Fund balances (Deficits)</b>				
<b>Nonspendable</b>				
Prepaid items	48,000	-	-	48,000
<b>Assigned</b>				
Capital projects	-	-	100,290	100,290
Other purposes	-	170,212	136,609	306,821
Unassigned	(1,748,126)	-	(53,459)	(1,801,585)
Total fund balances (deficits)	<u>(1,700,126)</u>	<u>170,212</u>	<u>183,440</u>	<u>(1,346,474)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,468,073</u>	<u>\$ 175,014</u>	<u>\$ 260,599</u>	<u>\$ 1,903,686</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION**  
**APRIL 30, 2015**

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**Total fund balances - governmental funds** \$ (1,346,474)

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:

Governmental capital assets	34,346,767	
Less Accumulated depreciation	(12,707,445)	
Net capital assets	21,639,322	21,639,322

Deferred revenues for sales tax, use tax, income tax and utilities taxes reported in the governmental funds that do not provide current financial resources are recognized as revenues for the government-wide financial statements	355,787
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(2,692)
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Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:

Provision for compensated absences	(153,378)	
Provision for net pension obligation	(268,773)	
Provision for other postemployment benefits obligation	(409,528)	
Capital leases	(25,718)	
Debt certificates payable	(334,286)	
	(1,191,683)	

Total long-term liabilities	(1,191,683)
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<b>Net position of governmental activities</b>	\$ 19,454,260
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**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2015**

	<u>Major Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	
<b>Revenues</b>				
Taxes	\$ 1,568,031	\$ 24,013	\$ 123,173	\$ 1,715,217
Licenses and permits	177,575	-	-	177,575
Intergovernmental revenue	2,128,503	281,381	-	2,409,884
Fees and charges for services	666,189	-	-	666,189
Fines	301,244	-	-	301,244
Investment income	-	28	(22)	6
Grant revenue	870,376	-	-	870,376
Other revenue	179,033	10,000	351	189,384
Total revenues	<u>5,890,951</u>	<u>315,422</u>	<u>123,502</u>	<u>6,329,875</u>
<b>Expenditures</b>				
Current				
Administration	1,275,718	-	88,368	1,364,086
Building and zoning department	212,251	-	-	212,251
Police department	2,661,517	-	-	2,661,517
Fire and police commission	651	-	-	651
ESDA	1,178	-	-	1,178
Parks and recreation	608,656	-	-	608,656
Orland Towne Village festival	48,690	-	-	48,690
Concession stand/ seniors	4,859	-	-	4,859
Special transportation	90,149	-	-	90,149
Highways and streets	1,733,421	168,841	-	1,902,262
Flood prevention	10,308	-	-	10,308
Capital outlay	1,411	151,291	19,522	172,224
Debt service- principal retired	55,714	-	-	55,714
Debt service- interest and fees	8,353	-	-	8,353
Total expenditures	<u>6,712,876</u>	<u>320,132</u>	<u>107,890</u>	<u>7,140,898</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(821,925)</u>	<u>(4,710)</u>	<u>15,612</u>	<u>(811,023)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	50,000	1,100	-	51,100
Transfers out	-	-	(51,100)	(51,100)
Total other financing sources (uses)	<u>50,000</u>	<u>1,100</u>	<u>(51,100)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(771,925)</u>	<u>(3,610)</u>	<u>(35,488)</u>	<u>(811,023)</u>
<b>Fund Balances - Beginning of Year</b>	<u>(928,201)</u>	<u>173,822</u>	<u>218,928</u>	<u>(535,451)</u>
<b>Fund Balances -End of Year</b>	<u>\$ (1,700,126)</u>	<u>\$ 170,212</u>	<u>\$ 183,440</u>	<u>\$ (1,346,474)</u>

See accompanying notes to financial statements



**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED APRIL 30, 2015**

**Net change in fund balance of governmental funds** \$ (811,023)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Some grant revenues and taxes were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. 16,763

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds

Change in net pension obligation	(110,481)	
Change in other postemployment benefits obligation	(71,963)	
Change in accrued interest on bonds	<u>1,466</u>	
		(180,978)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital outlay	868,452	
Depreciation	<u>(560,598)</u>	
Capital outlay in excess of depreciation		307,854

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position

Bond principal retirement	55,714	
Capital leases payable	22,488	
Decrease in compensated absences	<u>8,432</u>	
Total retirement of debt		<u>86,634</u>

**Change in net position of governmental activities** \$ (580,750)

See accompanying notes to financial statements

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**APRIL 30, 2015**

	<b>Public Employee Retirement Plan</b>
<b>Assets</b>	
Investments- at fair value	
Money Market Mutual Funds	\$ 21,447
Corporate bonds	729,411
U.S. Treasuries	52,444
U.S. Agencies	599,702
Mortgage Backed Securities	2,503
State and Municipal Bonds	222,256
State Treasurer - Illinois Funds	101,128
Mutual Funds	20,727
Annuities	285,538
Total investments	2,035,156
Receivables	
Due from Village	612,110
Accrued interest on investments	20,411
Total receivables	632,521
Total assets	2,667,677
<b>Net Position</b>	
Plan net position restricted for pension benefits	\$ 2,667,677

See accompanying notes to financial statements

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**YEAR ENDED APRIL 30, 2015**

	<b>Public Employee Retirement Plan</b>
<b>Additions</b>	
Employer contributions	
Property taxes	\$ 196,026
Employee contributions	59,471
Total contributions	255,497
Investment income	
Net appreciation in fair value of investments	(18,070)
Interest and dividends on investments	88,840
	70,770
Less investment expense	-
Net investment income	70,770
Total additions	326,267
<b>Deductions</b>	
Benefits and refunds	255,436
Administrative expenses	41,147
Total deductions	296,583
<b>Change in Plan Net Position</b>	<b>29,684</b>
<b>Net Position Restricted for Pension Benefits</b>	
Beginning of Year	2,637,993
End of Year	\$ 2,667,677

## VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Orland Hills, Illinois (“Village”), have been prepared in conformity with generally accepted accounting principals (GAAP) as applicable to government, as promulgated by the Government Accounting Standards Board (GASB). The following is a summary of the significant policies:

#### Reporting Entity

The Village of Orland Hills is a municipal corporation governed by an elected Village president and six-member Village board.

In 2014, the Village adopted the provisions of the Governmental Accounting Standard Board (“GASB”) Statement No. 61, “The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34” which modifies certain requirements for inclusion of component units in the financial reporting entity. An organization is considered a component unit of the primary government if 1) the government appoints a voting majority of the organization’s board and there is a financial benefit or burden relationship or the government is able to impose its will on the organization or 2) the organization is fiscally dependent on the government and there is a financial benefit or burden relationship or 3) the government determines that it would be misleading to exclude the organization from its financial statements.

Based on the foregoing criteria, the Village does not exercise oversight responsibility over any other entity and thus does not include other entities in the Village’s financial statements.

The Village’s police employees participate in a police pension employee’s retirement system (PPERS). The PPERS functions for the benefit of these employees and is governed by a 5 member board consisting of two members appointed by the Village’s president, one elected pension beneficiary, and two elected police employees. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contributions levels.

Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village’s police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund. The financial statements of the Police Pension fund as of and for the fiscal year April 30, 2015, are blended in the Village’s basic financial statements as a pension trust fund.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide and Fund Financial Statements**

The Village's basic financial statements consist of both the government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and the fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

***Government-Wide Financial Statements***

The Statement of Net Position and the Statement of Activities report information on activities of the Village, except for fiduciary funds. The effect of interfund activity has been removed from these statements excluding interfund services provided. 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 Net Position presents the financial condition of the governmental activities of the Village at year end. The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources as well as the capital assets, net of accumulated depreciation, and long-term debt associated with the operation of the Village.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue include 1) fines, fees, and charges to customers, citizens, and applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements***

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds.

A major fund is defined as the Village's General Fund as well as any other fund where either the assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of that fund are at least ten percent of the corresponding total for all governmental funds, since the Village has no enterprise funds. The Village's management may select as a major fund any other fund not meeting the above criteria if they believe the fund is of particular importance to the user of the financial statements. The Village has identified the Motor Fuel Tax Fund as a major fund. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The fiduciary fund is reported at the fund financial statement level as a separate fund type and is not included in the government-wide financial statements.

Since capital assets and long-term debt are concerned only with the measurement of financial position as of the date of the end of the reporting period, neither of these are reported in fund financial statements. Both items are included in the government-wide financial statements.

**Fund Accounting**

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

Funds are classified as: governmental or fiduciary funds.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisitions or construction of general capital assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the Village not accounted for in some other fund.

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 Village. When these assets are held under the terms of a formal trust agreement, a permanent fund is used. Agency funds are generally used to account for assets that the Village holds on behalf of others as their agent. The pension trust fund accounts for the Police Pension fund, which accumulates resources for pension benefit payments to retired police personnel.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The government-wide financial statements also include activity related to the purchase, depreciation and year end balances of capital assets as well as year end balances and activity related to long-term debt.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considered revenues to be available if they are collected within 60 days of the end of the year.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payment to be made early in the following year.

Property taxes, sales tax, franchise tax, motor fuel tax, utility tax, police citations, hotel tax, income tax and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Motor Fuel Tax Fund is used to account for the motor fuel tax revenues received, including interest income, for the purpose of street maintenance.

## VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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### **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to the major funds mentioned above, the Village uses the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Fund is used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

Debt Service Funds are used to account for the Village's accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

#### Fiduciary Funds

Trust Funds are used to account for assets held by the government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or funds. These include pension trust funds. Pension trust funds are accounted for in essentially the same manner as propriety funds since capital maintenance is critical.

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

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

The Village reports unearned revenues on its governmental fund statements. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. When the Village has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

### **Assets, Liabilities and Net Position**

#### ***Cash and Investments***

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Illinois Funds.

Investments are stated at fair value. The investment with the State Treasurer's Illinois Funds is at fair value, which is the same value as the pooled shares. State statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act (30 ILCS 235).



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost above a set dollar threshold based on the asset type (see chart below). All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Capital Asset Category</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land	\$ 25,000	n/a
Land improvements	20,000	n/a
Site improvements	20,000	3 - 50 years
Building	50,000	10 - 50 years
Building improvements	25,000	10 - 20 years
Vehicles, machinery, equipment	5,000	3 - 50 years
Software	25,000	2 - 7 years
Infrastructure - street network	50,000	10 - 75 years
Infrastructure - water network	75,000	10 - 75 years
Infrastructure - sanitary sewer	75,000	10 - 75 years
Infrastructure - storm sewer	50,000	10 - 75 years

***Receivables and Payables***

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Interfund Transfers***

These represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses/sources. In proprietary funds, transfers are reported after non-operating revenues and expenses. In the government-wide financial statements, interfund amounts are eliminated except for residual amounts between governmental and business-type activities, which are labeled internal balances or transfers.

***Compensated Absences***

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave as it is not paid to employees upon termination of employment. The government-wide financial statements record unused vacation leave as expenses and liabilities when earned by employees.

***Long-Term Obligations***

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond costs, during the current period. The face amount of the 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 are reported as expenditures.

***Deferred Inflows of Resources***

The Village reports deferred inflows of resources on the government-wide and fund financial statements. Deferred inflows of resources are recorded when assets are acquired that apply to a future reporting period. Property taxes which have been deemed to be measurable but not available or have been levied for use in the subsequent period represent deferred inflows of resources. In addition, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period in governmental funds.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reconciliation of Government-Wide and Fund Statements***

Differences occur from the manner in which the governmental fund and the government-wide financial statements are prepared because of the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the Village-wide statements and the statements for governmental funds.

***Property Tax Revenue Recognition***

Property taxes attach retroactively as an enforceable lien on January 1 of the levy year. They are levied in December by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about March 1 and August 1 the following year. They are payable in two installments on or about April 1 and thirty days after release of the second billing which is generally between August and November of the current year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available.

***Fund Equity***

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, established criteria for classifying governmental fund balances into specifically defined classifications. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

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

**Restricted fund balance** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: 1) externally imposed by creditors such as through debt covenants), grantors, contributors or laws or regulation of other governments: or 2) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village Board. The Village has not committed fund balances at April 30, 2015.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assigned fund balance** – includes amounts that are constrained by the Village’s intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by the following: 1) the Village Board; 2) a body or official to which the Village has delegated the authority to assign amounts to be used for a specific purpose. The Village has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purposes and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

**Unassigned fund balance** – includes the residual fund balance that has not been restricted, committed or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

Unless specifically identified, expenditures act to reduce restricted balances first, and then committed balances, next are assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The Village has no fund balance reserve policy for governmental funds.

***Accounting Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

***Eliminations and Reclassifications***

In the process of aggregating information for the government-wide statements, some amounts reported as interfund activity and/or interfund balances in the fund financial statements are eliminated or reclassified.

**VILLAGE OF ORLAND HILLS, ILLINOIS**

Notes to financial statements  
April 30, 2015

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**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board. All annual appropriations lapse at fiscal year end.

**EXPENDITURES OVER BUDGET**

For the year ended April 30, 2015, expenditures/expenses exceeded budget as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund	\$5,163,267	6,712,876	1,549,609

**DEFICIT FUND BALANCES**

As of April 30, 2015, the following funds had deficit fund balances:

General Fund	\$ 1,700,126
Incremental Sales Tax Fund	53,567

The Village plans to recover these deficits through future revenues or transfers of surplus cash when such cash is available.

**NOTE 3 DEPOSITS AND INVESTMENTS**

**Cash**

The carrying amount of cash, excluding the Pension Trust Fund, was \$53,428 at April 30, 2015, while the bank balances were \$82,955. All account balances at banks were insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village agent.

The investments that the Village may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a federal corporation; (4) short-term discounts obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

**VILLAGE OF ORLAND HILLS, ILLINOIS**

Notes to financial statements  
April 30, 2015

---

**NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

The following schedule reports the fair values and maturities for the Village’s governmental fund investments at April 30, 2015.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less Than One Year</u>
State Treasurer Illinois Funds	\$ 331,271	\$ 331,271
Bond Mutual Fund	3,718	3,718
Stancorp Stock	23,931	23,931
Total	<u>\$ 358,920</u>	<u>\$ 358,920</u>

**Interest Rate Risk**

The Village’s formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Unless tied to a specific future cash outflow, no investments may have a maturity longer than two years.

**Credit Risk**

The Village’s investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The Village’s investment policy limits investment in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days from the date of purchase; (ii) such purchases do not exceed 10% of the corporation’s outstanding obligations and; (iii) no more than one-third of the public agency’s funds may be invested in short-term obligations of corporations.

Credit ratings for the Village’s investments in debt securities as described by Standard & Poor’s at April 30, 2014 (excluding investments in U.S. Treasuries, which are not considered to have credit risk) are as follows:

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Percent of Total Investments</u>
State Treasurer Illinois Funds	AAA	99%
Bond Mutual Fund	AAA	1%

**VILLAGE OF ORLAND HILLS, ILLINOIS**

Notes to financial statements  
April 30, 2015

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**NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village’s investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor’s, Moody’s or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Village is fully collateralized at April 30, 2015.

**Concentration of Credit Risk**

The Village places no limit on the amount the Village may invest in any one issuer. The majority of the Village’s total investments are invested in State Treasurer Illinois Funds. All of the investments are recorded in the General Fund, Motor Fuel Tax Fund, Non-Drug Seizure Fund, Tourism Fund, Park Donation Fund, Wetland Maintenance Fund, Working Cash Fund, Special Service Area Fund, Non-Drug Seizure Fund, 1992 G.O. Corporate Bond Fund, and Capital Project Fund.

**Police Pension Fund’s Investments**

The Police Pension Fund is authorized to invest in bonds, notes, and other obligations of the U.S. government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicle as set forth in the Illinois Compiled Statutes.

The Police Pension Fund’s policy is to maintain long-term focus on its investment decision-making process. Specifically, the Police Pension Fund’s benefit liabilities extend many years into the future. As such, the investment focus should be on long-term results.

The following was the Board’s adopted asset allocation policy as of April 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	89%
Equities	10%
Cash	1%
Total	<u>100%</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS**

Notes to financial statements  
 April 30, 2015

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**NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Fund's investments at April 30, 2015:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Maturities</u>		
		<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>
Money Market Mutual Funds	21,447	21,447	-	-
Corporate Bonds	729,411	-	476,526	252,885
U.S. Agencies	602,205	50,246	317,730	231,726
U.S. Agency Notes	52,444	-	52,444	-
State and Municipal Bonds	222,256	50,309	111,947	60,000
State Treasurer - Illinois Funds	101,128	101,128	-	-
Total	<u>1,728,891</u>	<u>223,130</u>	<u>958,647</u>	<u>544,611</u>
Investments not sensitive to Interest Rate Risk:				
Mutual Funds	20,727			
Life Insurance Annuities	<u>285,538</u>			
Total Investments	<u>2,035,156</u>			

**Interest Rate Risk**

The Police Pension Fund's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Up to 5% of Fund assets may be invested in non-liquid long-term investments.

**Credit Risk**

The Police Pension Fund's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. Government, or agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality (that is, at the time of purchase, rated no lower than "baa: by Moody's and no lower than "BBB" by Standard & Poor's). The Board, at their discretion, may impose a higher standard on an individual investment manager as circumstances or investment objectives dictate.



VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

Credit ratings for the Police Pension Fund's investments in debt securities at April 30, 2015 (excluding investments in U.S. Treasuries, which are not considered to have credit risks) are as follows:

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Percentage of Investment Type</u>	<u>Percent of Total Investments</u>
Corporate Bonds	AA+	7%	45%
	A+	8%	
	A	25%	
	A-	39%	
	BBB+	12%	
	BBB	9%	
U.S.Agencies	AA+	100%	41%
State and Municipal Bonds	AAA	18%	14%
	AA+	41%	
	AA	9%	
	A+	20%	
	A	12%	

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk, in the event of the failure of the counterparty, the Police Pension Fund will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

The Police Pension Fund's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for fund investments or any other high-quality, interest-bearing security rated at least AAA/Aa by one or more standard rating service to include Standard & Poor's, Moody's or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Fund is fully collateralized at April 30, 2015.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

The Police Pension Fund places no limit on the amount the fund may invest in any one issuer. The Police Pension Fund's investments are in corporate bonds, U. S. Agency notes, annuities and municipal bonds. These investments are 36%, 30%, 14% and 11% respectively, of the total Police Pension Fund's investments.

Rate of Return: For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments , net of pension plan investment expense, was 3.13 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Cash and Investments	
Cash - Village	\$ 57,593
Investments - Village	354,755
Investments - Pension Trust Fund	<u>2,035,156</u>
Total cash and investments	<u>\$ 2,447,504</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 4 CAPITAL ASSETS**

The summary of changes in the capital asset of the Village's governmental activities for the year ended April 30, 2015 is as follows:

	Balance at May 1, 2014	Additions	Deletions	Balance at April 30, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,133,189	\$ -	\$ -	\$ 10,133,189
Construction in Progress	336,841	-	336,841	-
Total capital assets not being depreciated	<u>10,470,030</u>	<u>-</u>	<u>336,841</u>	<u>10,133,189</u>
Capital assets being depreciated:				
Land improvements	643,328	-	-	643,328
Buildings and improvements	4,199,899	-	-	4,199,899
Machinery and equipment	1,109,429	102,208	-	1,211,637
Infrastructure	17,055,629	1,103,085	-	18,158,714
Total capital assets being depreciated	<u>23,008,285</u>	<u>1,205,293</u>	<u>-</u>	<u>24,213,578</u>
Less accumulated depreciation for:				
Land improvements	(250,708)	(31,442)	-	(282,150)
Buildings and improvements	(1,340,834)	(85,861)	-	(1,426,695)
Machinery and equipment	(809,135)	(78,718)	-	(887,853)
Infrastructure	(9,746,170)	(364,577)	-	(10,110,747)
Total accumulated depreciation	<u>(12,146,847)</u>	<u>(560,598)</u>	<u>-</u>	<u>(12,707,445)</u>
Total capital assets being depreciated, net	<u>10,861,438</u>	<u>644,695</u>	<u>-</u>	<u>11,506,133</u>
Capital assets, net	<u>\$ 21,331,468</u>	<u>\$ 644,695</u>	<u>\$ 336,841</u>	<u>\$ 21,639,322</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 4 CAPITAL ASSETS (Continued)**

Depreciation expense of \$560,598 was charged to the governmental activities functional expense categories as follows:

	<u>Depreciation</u>
General government	\$ 74,845
Public safety	36,585
Culture and recreation	57,289
Highway and streets	391,879
	<u>\$ 560,598</u>

**NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables as of April 30, 2014 are summarized below:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major governmental funds:		
General	\$ 53,567	\$ 142,334
Nonmajor governmental funds:	142,334	53,567
	<u>\$ 195,901</u>	<u>\$ 195,901</u>

The interfunds represent loans of cash from funds with surplus in order to meet operating needs. The loans will be repaid among the various funds when there is sufficient cash available for payment. In addition, the General Fund has a \$612,110 liability to the Police Pension Fund that is related to prior year property tax levies that were collected by the Village but not yet paid. This amount is presented on the financial statements as a separately identified balance.

Interfund transfers for the fiscal year are summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General	\$ 50,000	\$ -
Motor Fuel	1,100	-
Nonmajor governmental funds:	-	51,100
Total transfers	<u>\$ 51,100</u>	<u>\$ 51,100</u>

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VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)**

The transfers represent both routine and non-routine items. Generally, routine transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that is required to expend them.

**NOTE 6 RECEIVABLES**

The following is a summary of other taxes, amounts due from governments and other receivables by fund type at April 30, 2015. Any uncollectible amount is not believed to be material.

Governmental activities:

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Special Revenue</u>	<u>Total Statement of Net Assets</u>
Taxes receivable:				
Property taxes	\$ 268,419	\$ -	\$ -	\$ 268,419
Franchise tax	70,949	-	-	70,949
Utility tax	38,859	-	-	38,859
Hotel taxes	-	-	30,356	30,356
Total taxes receivable	<u>\$ 378,227</u>	<u>\$ -</u>	<u>\$ 30,356</u>	<u>\$ 408,583</u>
Intergovernmental receivable:				
Illinois income tax	\$ 296,733	\$ -	\$ -	\$ 296,733
Illinois sales tax	430,604	-	-	430,604
Illinois local use tax	39,429	-	-	39,429
Non-retail business tax	8,217	-	-	8,217
Motor fuel tax	-	16,627	-	16,627
Total intergovernmental receivable	<u>\$ 774,983</u>	<u>\$ 16,627</u>	<u>\$ -</u>	<u>\$ 791,610</u>
Accounts receivable:				
Police fines	\$ 47,244	\$ -	\$ -	\$ 47,244
Total accounts receivable	<u>\$ 47,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,244</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS**

Notes to financial statements  
April 30, 2015

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**NOTE 7 LONG-TERM DEBT**

The following is a summary of changes to the Village's long-term debt for the fiscal year:

	Balance <u>May 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>April 30, 2015</u>	Due Within <u>One Year</u>
South Suburban Mayors and Manager's Association Debt Certificate Payable Series of 2013	\$ 390,000	\$ -	\$ 55,714	\$ 334,286	\$ 55,714
Capital leases					
2011 copy machine	8,450	-	4,819	3,631	3,631
2014 Ford vehicles	39,757	-	17,670	22,087	17,670
Compensated absences	161,810	-	8,432	153,378	-
Net pension obligation	158,292	110,481	-	268,773	-
OPEB obligation	337,565	71,963	-	409,528	-
Total governmental activities	<u>\$ 1,095,874</u>	<u>\$ 182,444</u>	<u>\$ 86,635</u>	<u>\$ 1,191,683</u>	<u>\$ 77,015</u>

**South Suburban Mayors and Managers Association Debt Certificate Payable**

Debt includes a \$390,000 Series 2013 Debt Certificate Payable dated December 12, 2013, due December 15, 2020, with an interest rate of 2.13%. The main purpose of the certificate is to refund the remaining principal of the \$900,000 Series 2008 Debt Certificate Payable dated April 1, 2008, due December 14, 2014. Principal payments are to be paid once per year on December 15.

Remaining principal and interest payments to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 55,714	\$ 7,224	\$ 62,938
2017	55,714	6,037	61,751
2018	55,714	4,816	60,530
2019	55,714	3,612	59,326
2020	55,714	2,408	58,122
2021	55,716	1,207	56,923
	<u>\$ 334,286</u>	<u>\$ 25,305</u>	<u>\$ 359,591</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 7 LONG-TERM DEBT (Continued)**

**Capital Leases**

**2011 Copy Machine**

The Village entered into a capital lease agreement for the lease of one copy machine. Total annual payments for the machine are \$5,753 with the first annual payment due at lease signing. The payments are for a five-year period, after which the Village has the right to purchase the machine for \$1. As of April 30, 2015, the amount of capital acquired through this lease was \$20,229. Accumulated depreciation totaled \$12,644 leaving a book value of \$7,585.

Debt service for the copy machine is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 3,631</u>	<u>\$ 205</u>	<u>\$ 3,836</u>
	<u>\$ 3,631</u>	<u>\$ 205</u>	<u>\$ 3,836</u>

**2014 Ford Vehicles**

In the prior year, the Village entered into a capital lease agreement for the lease of two 2014 Ford Police Interceptor sedans. Total annual payments for the vehicles are 19,161 with the first annual payment due on August 2, 2013. The payments are for a three-year period, after which the Village has the right to purchase the cars for \$1. As of April 30, 2014, the amount of capital acquired through this lease was \$53,009. Accumulated depreciation totaled \$13,252 leaving a book value of \$39,757.

Debt service for the cars is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 17,670</u>	<u>\$ 1,491</u>	<u>\$ 19,161</u>
2017	<u>4,417</u>	<u>373</u>	<u>4,790</u>
	<u>\$ 22,087</u>	<u>\$ 1,864</u>	<u>\$ 23,951</u>

## VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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### **NOTE 7 LONG-TERM DEBT (Continued)**

#### **Conduit Debt Obligations**

The Village has issued Multi-Family Housing Mortgage Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by irrevocable transferable letter of credit originally issued by LaSalle National Bank. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity serviced by the bond issuance. Neither the Village, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

#### **Legal Debt Margin**

The Village is subjected to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2015, the equalized assessed valuation of the Village is \$131,289,244 and the legal debt margin is \$11,323,697. The Village is in compliance with this requirement.

### **NOTE 8 RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Village also purchased its employee health and accident insurance from commercial carriers. There have been no significant changes in the dollar value or type of insurance coverage or any claims exceeding coverage for the last three fiscal years.

### **NOTE 9 CONTINGENT LIABILITIES**

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



**VILLAGE OF ORLAND HILLS, ILLINOIS**

Notes to financial statements  
April 30, 2015

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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS**

**Illinois Municipal Retirement Fund**

**Plan Description**

The Village’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village’s plan is affiliated with the Illinois Municipal Retirement Funds (IMRF), an agent multiple employer plan.

Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy**

As set by statute, the Village’s Regular plan members are required to contribute 4.5% of their annual covered salary. The statutes require employees to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 was 18.48%.

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

For calendar year ending December 31, 2014, the Village’s required contribution was \$208,434.

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/14	\$ 208,434	100%	\$ 8,399
12/31/13	181,121	100%	8,223
12/31/12	181,173	99%	8,051

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 54.45 percent funded. The actuarial accrued liability for benefits was \$3,957,426 and the actuarial value of assets was \$2,154,927, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,802,499. The covered payroll for calendar year 2014 was \$1,127,889 and the ratio of the UAAL to the covered payroll was 160%.

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

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VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**

**Sheriff's Law Enforcement Personnel**

**Plan Description**

The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Funds (IMRF), an agent multiple employer plan.

Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy**

As set by statute, the Village's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.5% of their annual covered salary. The statutes require employees to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 was 61.94%.

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

For calendar year ending December 31, 2014, the Village's required contribution was \$78,911.

Calendar Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/14	\$ 78,911	100%	\$ -
12/31/13	17,144	100%	-
12/31/12	-	0%	-

As of December 31, 2014, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 75.73 percent funded. The actuarial accrued liability for benefits was \$142,674 and the actuarial value of assets was \$108,045, resulting in an underfunded actuarial accrued liability (UAAL) of \$34,629. The covered payroll for calendar year 2014 was \$127,399 and the ratio of the UAAL to the covered payroll was 27%.

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

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**

**Police Pension Plan**

The Police Pension Fund plan is a single employer defined benefit pension that covers all sworn police personnel. Although this is a single employer pension plan, the defined benefits and employees and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. A stand-alone financial report is not issued for the plan.

At April 30, 2015 (the most recent information available) the Police Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	1
Nonvested	8
	<u>19</u>

The following is a summary of the Police Pension Fund plan as provided for in Illinois State Statutes.

The Police Pension fund plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retires with 20 or more years of service after January 1, 1977 increases annually, following the first anniversary date of retirement and be paid upon reaching the age at least 55, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, increases annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60 but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

## VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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### **NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Fund is 90% funded.

#### **Basis of Accounting**

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

#### **Method Used to Value Investments**

Investments are reported at fair value. Fair values are based on quoted market prices, where available. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value based on generally accepted pricing models. Short-term investments are reported at cost, which approximates fair value.

There are no securities of the Village or any other related parties included in plan assets.

#### **Funded Status and Funding Progress**

As of May 1, 2013, the most recent actuarial valuation date in accordance with GASB Statement No. 27, the plan was 64.01% funded. The actuarial accrued liability for benefits was \$4,683,709 and the actuarial value of assets was \$2,998,066 resulting in an underfunded actuarial accrued liability (UAAL) of \$1,685,643. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the Plan) was \$684,329 and the ratio of the UAAL to the covered payroll was 246.32%.

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

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
 April 30, 2015

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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**

**Annual Pension Cost and Net Pension Obligation**

The Village's annual pension cost for the current year and related information for each plan is as follows:

	<u>IMRF</u>	<u>SLEP</u>	<u>Police Pension Fund</u>
Contributed rate			
Employer	18.48%	61.94%	30.67%
Employee	4.50%	7.50%	9.91%
Annual pension cost	208,434	78,911	306,332
Contributions made	208,434	78,911	196,026
Actuarial valuation date	12/31/2014	12/31/2014	5/1/2013
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of projected payroll open basis	Level % of projected payroll open basis	Level % of projected payroll closed basis
Remaining amortization period	29 years	29 years	25 years
Asset valuation method	5-year smoothed market	5 - year smoothed market	5-year smoothed market
Actuarial assumptions:			
Investment rate of return	7.50% compounded annually	7.50% compounded annually	6.75% compounded annually
Projected salary increases	0.4 to 10.0%	0.4 to 10.0%	1.12% to 4.86%
Inflation rate included	4.00%	4.00%	3.50%
Cost-of-living adjustments	3.00%	3.00%	3.00%

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VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**

The pension liability at transition was determined in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. The amount of the pension liability for IMRF and the Police Pension Fund are as follows:

	<u>IMRF</u>	<u>Police Pension Fund</u>
Annual required contribution	\$ 208,434	\$ 305,252
Interest on the NPO	617	9,496
Adjustment to the annual required contribution	<u>(441)</u>	<u>(8,417)</u>
Annual pension cost	208,610	306,331
Actual contribution	<u>208,434</u>	<u>196,026</u>
Increase in the NPO	176	110,305
NPO at April 30, 2014	<u>8,223</u>	<u>150,069</u>
NPO at April 30, 2015	<u>\$ 8,399</u>	<u>\$ 260,374</u>

Employer annual required contributions (ARC), actual contributions, and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

	<u>Year</u>	<u>IMRF</u>	<u>SLEP</u>	<u>Year</u>	<u>Police Pension Fund</u>
Annual pension cost (APC)	2014	\$ 208,434	\$ 78,911	2015	\$ 306,332
	2013	\$ 181,121	\$ 17,144	2014	\$ 206,221
	2012	\$ 181,316	\$ -	2013	\$ 189,987
Actual contributions	2014	\$ 208,434	\$ 78,911	2015	\$ 196,026
	2013	\$ 181,121	\$ 17,144	2014	\$ 204,568
	2012	\$ 179,943	\$ -	2013	\$ 193,745
Percentage of APC contributed	2014	100.0%	100.0%	2015	64.0%
	2013	100.0%	100.0%	2014	99.2%
	2012	96.1%	N/A	2013	113.5%
NPO	2014	\$ 8,399	\$ -	2015	\$ 260,374
	2013	\$ 8,223	\$ -	2014	\$ 150,069
	2012	\$ 8,051	\$ -	2013	\$ 146,809

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of April 30, 2015 (see discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Rate of Return</u>
U.S. Agencies	4.50%
Equities	7.50%
U.S Treasuries	4.30%
Corporate Bonds	5.00%
Cash	0.00%

Discount Rate: The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 6.50 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Village's Pension Liability	\$ 5,964,165	\$ 4,872,773	\$ 3,970,341

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 11 POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The Village provides the continuation of health care benefits and life insurance to employees who retire from the Village. Employees who terminate after reaching retirement eligibility in the plan may elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceed the average amount paid by retirees, the additional cost is paid by the Village and is the basis for the postemployment benefits (OPEB) obligation accounted for under GASB 45. A stand-alone financial report is not issued for the plan.

	<u>Participant Data</u>		
		Other	
	<u>Police</u>	<u>Departments</u>	<u>Total</u>
Active participants	12	10	22
Retired participants	<u>4</u>	<u>0</u>	<u>4</u>
	<u>16</u>	<u>10</u>	<u>26</u>

**Funding Policy**

Funding is provided by the Village on a pay-as-you-go basis. The Village's contribution on behalf of the employees to the insurance provider was \$57,259 for 2015.

**Annual OPEB cost and Net OPEB Obligation**

The Village's annual OPEB cost (expense) is calculated on the annual required contribution. The annual required contribution represents the normal cost each year and an amount to amortize the unfunded actuarial liability over thirty years. The following table shows the components of the Village's annual OPEB cost for 2015, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

	<u>Police</u>	Other <u>Departments</u>	<u>Total</u>
Annual required contribution	\$ 118,865	\$ 14,392	\$ 133,257
Interest on the net OPEB obligation	15,331	1,547	16,878
Adjustment to the annual required contribution	<u>(18,654)</u>	<u>(2,259)</u>	<u>(20,913)</u>
Annual OPEB cost	115,542	13,680	129,222
Contribution made	<u>(57,259)</u>	<u>-</u>	<u>(57,259)</u>
Increase in the net OPEB obligation	58,283	13,680	71,963
Net OPEB obligation beginning of year	<u>300,956</u>	<u>36,609</u>	<u>337,565</u>
Net OPEB obligation end of year	<u>\$ 359,239</u>	<u>\$ 50,289</u>	<u>\$ 409,528</u>

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VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements  
April 30, 2015

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**NOTE 11 POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the OPEB obligation for 2014 was as follows:

<u>Year Ended</u>	<u>Three-Year Trend Information</u>		
	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2015	\$ 129,222	31.6%	\$ 409,528
4/30/2014	130,093	38.5%	337,565
4/30/2013	130,974	43.7%	264,731

As of April 30, 2013 (the most recent actuarial valuation), the actuarial accrued liability for benefits was \$1,716,083. The covered payroll was approximately \$1,318,139 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 130.2%.

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

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan member.

In the April 30, 2013 actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. Under this method, a normal cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay. The actuarial assumptions included an annual healthcare cost trend rate of 9 percent initially, reduced to an ultimate rate of 5 percent after five years. Rates include a 2.5 percent inflation assumption. The assumptions also include a 5.0 percent discount rate with 3.5 percent salary progression per year. The unfunded accrued actuarial liability is being amortized as a level dollar amount over 30 years. In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every three years. The above information is from the most recent valuation as of April 30, 2013.

**NOTE 12 PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED**

The following is a description of the GASB authoritative pronouncements, which have been issued but have not yet been adopted by the Village of Orland Hills.

GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions* is effective for the Village beginning with its fiscal year ending April 30, 2016. It supersedes Statements No. 27 and No. 50 as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. The statement requires governments providing defined benefit pensions to recognize their long term obligation for pension benefits as a liability for the first time. It also requires more comprehensive and comparable measurements of the annual costs of pension benefits and requires revised and new note disclosures and RSI.

GASB statement No.71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date- An Amendment of GASB Statement No. 68*. This statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68.

GASB Statement No.72 – *Fair Value Measurement and Application* is effective for the Village beginning with its fiscal year ending April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* is effective for the Village beginning with its fiscal year ending April 30, 2018. This statement establishes requirements for defined benefit pensions that are not with the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement 67 and 68 for pension plans and pensions that are within their respective scopes.

GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* is effective for the Village beginning with its fiscal year ending April 30, 2018. This statement replaces Statements No. 43 and No. 57. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The scope of this Statement includes OPEB plans administered through trusts that meet certain criteria.

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is effective for the Village beginning with its fiscal year ending April 30, 2019. This statement replaces the requirements of Statements No. 45 and No. 57 for OPEB. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers.

**NOTE 12 PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)**

GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* is effective for the Village beginning with its fiscal year ending April 30, 2017. This statement supersedes Statement No. 55. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77 – *Tax Abatement Disclosures* is effective for the Village beginning with its fiscal year ending April 30, 2017. This statement requires disclosures about tax abatement agreements (i.e. an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or to otherwise benefits the government or its citizens). The statement requires disclosures about not only the reporting government’s own tax abatement agreements but those that are entered into by other governments and reduce the reporting government’s tax revenues as well.

Management has not yet completed its evaluation of the impact, if any, the provisions of these GASB statements might have on its financial statements.

**NOTE 13 MANAGEMENT’S PLAN TO REDUCE DEFICIT**

Management’s plans to reduce the deficit have included the restructure of a note payable to the South Suburban Mayors and Managers Association and the reduction in police overtime expenditures. Both actions have proven positive in the last fiscal year and are resulting in improved operating results. However, operating results have been adversely effected by property tax rebates granted by the Property Tax Appeal Board over the last three years which are not expected to continue. The note payable has been reduced to \$334,000.

Management’s ongoing plans include the following:

- Efforts to reduce employee health insurance and workers compensation costs
- Efforts to expand the commercial business base
- Enforcement of an Intergovernmental Agreement with a neighboring town to collect sales tax on commercial property.

**REQUIRED SUPPLEMENTARY INFORMATION**



**VILLAGE OF ORLAND HILLS, ILLINOIS**

**VILLAGE OF ORLAND HILLS, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED APRIL 30, 2015**

<b><u>Illinois Municipal Retirement Fund</u></b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b- a/c)]</b>
12/31/2014	\$ 2,154,927	\$ 3,957,426	\$ 1,802,499	54.45%	\$ 1,127,889	159.81%
12/31/2013	2,144,526	4,257,909	2,113,383	50.37%	\$ 1,058,568	199.65%
12/31/2012	1,917,202	3,759,555	1,842,353	51.00%	\$ 1,118,352	164.74%

<b><u>Sheriff's Law Enforcement Personnel Fund</u></b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b- a/c)]</b>
12/31/2014	\$ 108,045	\$ 142,674	\$ 34,629	75.73%	\$ 127,399	27.18%
12/31/2013	26,439	97,020	70,581	27.25%	\$ 124,503	56.69%

<b><u>Police Pension Fund</u></b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b- a/c)]</b>
5/1/2013	\$ 2,998,066	\$ 4,683,709	\$ 1,685,643	64.01%	\$ 684,325	246.32%
5/1/2012	2,864,714	4,306,877	1,442,163	66.51%	\$ 667,820	215.95%
5/1/2011	2,636,784	3,933,179	1,296,395	67.04%	\$ 738,726	175.49%

<b><u>Other Post Employee Benefits Plan</u></b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b- a/c)]</b>
4/30/2014	\$ -	\$ 1,716,083	\$ 1,716,083	0.00%	\$ 1,318,139	130.19%
4/30/2013	-	1,716,083	1,716,083	0.00%	\$ 1,318,139	130.19%
4/30/2012	-	1,120,618	1,120,618	0.00%	\$ 1,637,648	68.43%

**VIIAGE OF ORLAND HILLS, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
YEAR ENDED APRIL 30, 2015**

**Illinois Municipal Retirement Fund**

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
12/31/2014	\$ 208,434	\$ 208,434	100%
12/31/2013	181,121	181,121	100%
12/31/2012	181,173	179,943	99%

**Sheriff's Law Enforcement Fund**

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
12/31/2014	\$ 78,911	\$ 78,911	100%
12/31/2013	17,144	17,144	100%

**Police Pension Fund**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
4/30/2015	\$ 306,332	\$ 196,026	64%
4/30/2014	206,221	204,568	99%
4/30/2013	189,987	193,745	102%

**Other Post Employment Benefit**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
4/30/2015	\$ 129,222	\$ 57,259	44%
4/30/2014	130,093	57,259	44%
4/30/2013	130,974	57,259	44%

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**POLICE PENSION FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS**  
**APRIL 30, 2015**

	Last 10 Fiscal Years									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total pension liability</b>										
Service cost	\$ 167,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	370,461	-	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	818,012	-	-	-	-	-	-	-	-	-
Changes of Assumptions	623,630	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(255,437)	-	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>1,723,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Pension Liability - Beginning</b>	5,816,480	-	-	-	-	-	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 7,540,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 196,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	59,471	-	-	-	-	-	-	-	-	-
Net Investment Income	64,387	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(255,437)	-	-	-	-	-	-	-	-	-
Other	(34,764)	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ 29,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	2,637,994	-	-	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,667,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 4,872,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	35.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered-Employee Payroll</b>	\$ 639,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	762.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF ORLAND HILLS, ILLINOIS  
POLICE PENSION FUND  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE VILLIAGE CONTRIBUTIONS  
APRIL 30, 2015**

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially Determined Contribution	\$ 489,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	196,026	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 293,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 639,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered- Employee Payroll	30.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**POLICE PENSION FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**APRIL 30, 2015**

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Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND AND MOTOR FUEL TAX FUND**  
**YEAR ENDED APRIL 30, 2015**

	General Fund			Motor Fuel Tax Fund		
	Original and Final Budget	Actual	Variance Over (Under) Final	Original and Final Budget	Actual	Variance Over (Under) Final
<b>Revenues</b>						
Taxes	\$ 1,432,400	\$ 1,568,031	\$ 135,631	\$ 24,000	\$ 24,013	\$ 13
Licenses and permits	162,170	177,575	15,405	-	-	-
Intergovernmental	2,198,000	2,128,503	(69,497)	200,000	281,381	81,381
Fees and charges for services	645,240	666,189	20,949	-	-	-
Fines	375,100	301,244	(73,856)	-	-	-
Investment income	210	-	(210)	100	28	(72)
Grant revenue	-	870,376	870,376	-	-	-
Other revenues	285,880	179,033	(106,847)	-	10,000	10,000
Total revenues	<u>5,099,000</u>	<u>5,890,951</u>	<u>791,951</u>	<u>224,100</u>	<u>315,422</u>	<u>91,322</u>
<b>Expenditures</b>						
Administration	1,073,750	1,275,718	201,968	-	-	-
Building and zoning department	260,910	212,251	(48,659)	-	-	-
Police Department	2,388,727	2,661,517	272,790	-	-	-
Fire and police commission	6,000	651	(5,349)	-	-	-
ESDA	3,300	1,178	(2,122)	-	-	-
Parks and recreation	517,550	608,656	91,106	-	-	-
Orland Towne Village festival	40,000	48,690	8,690	-	-	-
Concession stand/ seniors	5,400	4,859	(541)	-	-	-
Special transportation	88,150	90,149	1,999	-	-	-
Highway and streets	589,300	1,733,421	1,144,121	140,000	168,841	28,841
Flood prevention	7,500	10,308	2,808	-	-	-
Capital outlay	116,680	1,411	(115,269)	300,000	151,291	(148,709)
Debt Service-principal retired	56,000	55,714	(286)	-	-	-
Debt Service- interest and fees	10,000	8,353	(1,647)	-	-	-
Total expenditures	<u>5,163,267</u>	<u>6,712,876</u>	<u>1,549,609</u>	<u>440,000</u>	<u>320,132</u>	<u>(119,868)</u>
<b>Excess (deficiency) of revenues Over expenditures</b>	<u>(64,267)</u>	<u>(821,925)</u>	<u>(757,658)</u>	<u>(215,900)</u>	<u>(4,710)</u>	<u>211,190</u>
<b>Other Financing Sources/(Uses)</b>						
Transfers in	165,000	50,000	(115,000)	-	1,100	1,100
Transfers out	(100,000)	-	100,000	-	-	-
Total other financing sources	<u>65,000</u>	<u>50,000</u>	<u>(15,000)</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>
<b>Net Change in Fund Balance</b>	<u>\$ 733</u>	<u>(771,925)</u>	<u>\$ (772,658)</u>	<u>\$ (215,900)</u>	<u>(3,610)</u>	<u>\$ 212,290</u>
<b>Fund Balances - Beginning of Year</b>		<u>(928,201)</u>			<u>173,822</u>	
<b>Fund Balances - End of Year</b>		<u>\$ (1,700,126)</u>			<u>\$ 170,212</u>	

**VILLAGE OF ORLAND HILLS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
April 30, 2015

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

BUDGETARY DATA

A budget to actual comparison is presented for the General fund and major special revenue funds. The budget is prepared on the modified accrual basis of accounting, which is the same basis used in reporting the governmental funds financial statements.

All departments of the Village submit requests for appropriation so that an appropriation ordinance may be prepared. The appropriation ordinance is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed appropriation ordinance is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations. All appropriations are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The appropriation ordinance may be amended by the governing body.

Expenditures may not legally exceed appropriation allocations at the fund level.

The Village also adopts an operating budget, which is used as a management tool.

**Note 2 - EXPENDITURES OVER BUDGET**

The following funds have an excess of actual expenditures over budget for the year ended April 30, 2015:

<u>Fund</u>	<u>Amount</u>
General	\$ 1,549,609

## SUPPLEMENTARY INFORMATION



VILLAGE OF ORLAND HILLS, ILLINOIS

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULES OF REVENUES- BUDGET AND ACTUAL**  
**YEAR ENDED APRIL 30, 2015**

<b>Revenues</b>	<b>Original/ Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under) Final Budget</b>
<b>Taxes</b>			
Property tax	\$ 339,000	\$ 539,963	\$ 200,963
Non home-rule sales tax	685,000	630,925	(54,075)
Telecommunication utility tax	212,000	153,614	(58,386)
Nonretail business tax	158,000	187,986	29,986
Vehicle lease tax	38,400	55,543	17,143
Total taxes	<u>1,432,400</u>	<u>1,568,031</u>	<u>135,631</u>
<b>Licenses and permits</b>			
Vehicle licenses	70,970	70,602	(368)
Liquor licenses	30,250	34,780	4,530
Other licenses and permits	6,950	3,618	(3,332)
Business licenses	38,000	41,030	3,030
Contractor licenses	16,000	27,545	11,545
Total licenses and permits	<u>162,170</u>	<u>177,575</u>	<u>15,405</u>
<b>Intergovernmental revenues</b>			
Personal property replacement tax	3,000	3,850	850
State income tax	700,000	700,135	135
State sales tax	1,375,000	1,280,077	(94,923)
Use tax	120,000	144,441	24,441
Total intergovernmental revenues	<u>2,198,000</u>	<u>2,128,503</u>	<u>(69,497)</u>
<b>Fees and charges for services</b>			
Franchise fees	435,000	421,607	(13,393)
Permit and inspection fees	48,400	70,300	21,900
Recreation fees	109,870	107,404	(2,466)
Video provider fee	30,000	37,724	7,724
Other fees and charges	21,970	29,154	7,184
Total fees and charges for services	<u>645,240</u>	<u>666,189</u>	<u>20,949</u>
<b>Fines</b>			
Police fines	300,000	234,010	(65,990)
Forfeiture proceeds	100	-	(100)
Miscellaneous fines	75,000	67,234	(7,766)
Total fines	<u>375,100</u>	<u>301,244</u>	<u>(73,856)</u>
Investment income	210	-	(210)
Grant revenue	-	870,376	870,376
<b>Other revenue</b>			
Donations	117,780	75,544	(42,236)
Reimbursements	126,100	97,798	(28,302)
Miscellaneous	42,000	5,691	(36,309)
Total other revenue	<u>285,880</u>	<u>179,033</u>	<u>(106,847)</u>
Total revenues	<u>\$ 5,099,000</u>	<u>\$ 5,890,951</u>	<u>\$ 791,951</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULES OF EXPENDITURES- BUDGET AND ACTUAL**  
**YEAR ENDED APRIL 30, 2015**

<b>Expenditures</b>	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
General Government			
Administration			
Personal services	\$ 654,300	\$ 601,644	\$ 52,656
Contractual	347,900	613,822	(265,922)
Commodities	70,550	58,114	12,436
Capital outlay	1,000	2,138	(1,138)
Total administration	<u>1,073,750</u>	<u>1,275,718</u>	<u>(201,968)</u>
Building & zoning department			
Personal services	235,360	185,382	49,978
Contractual	18,000	17,539	461
Commodities	7,550	9,330	(1,780)
Total building & zoning department	<u>260,910</u>	<u>212,251</u>	<u>48,659</u>
Total general government	<u>1,334,660</u>	<u>1,487,969</u>	<u>(153,309)</u>
Public Safety			
Police department			
Personal services	1,786,527	2,076,357	(289,830)
Contractual	447,300	445,941	1,359
Commodities	127,900	113,127	14,773
Capital outlay	27,000	26,092	908
Total police department	<u>2,388,727</u>	<u>2,661,517</u>	<u>(272,790)</u>
Fire and police comission			
Contractual	5,500	651	4,849
Commodities	500	-	500
Total fire and police commission	<u>6,000</u>	<u>651</u>	<u>5,349</u>
ESDA			
Personal services	2,100	644	1,456
Contractual	300	534	(234)
Commodities	900	-	900
Total ESDA	<u>3,300</u>	<u>1,178</u>	<u>2,122</u>
Total public safety	<u>2,398,027</u>	<u>2,663,346</u>	<u>(265,319)</u>
Culture and Recreation			
Parks and recreation			
Personal services	326,700	347,586	(20,886)
Contractual	97,450	79,604	17,846
Commodities	91,200	92,059	(859)
Capital outlay	2,200	89,407	(87,207)
Total parks and recreation	<u>517,550</u>	<u>608,656</u>	<u>(91,106)</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**GENERAL FUND**  
**SCHEDULES OF EXPENDITURES- BUDGET AND ACTUAL**  
**YEAR ENDED APRIL 30, 2015**

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Culture and Recreation (Continued)			
Orland Towne Village festival			
Commodities	\$ 40,000	\$ 48,690	\$ (8,690)
Concession stand/seniors			
Personal services	-	260	(260)
Contractual	-	350	(350)
Commodities	5,400	4,249	1,151
Total concession stand/seniors	<u>5,400</u>	<u>4,859</u>	<u>541</u>
Special transportation			
Personal services	80,150	83,812	(3,662)
Contractual	1,400	2,259	(859)
Commodities	5,400	4,078	1,322
Capital outlay	1,200	-	1,200
Total special transportation	<u>88,150</u>	<u>90,149</u>	<u>(1,999)</u>
Total culture and recreation	<u>651,100</u>	<u>752,354</u>	<u>(101,254)</u>
Highways and Streets			
Public works			
Personal services	411,700	495,175	(83,475)
Contractual	137,800	104,860	32,940
Commodities	38,300	35,713	2,587
Capital outlay	1,500	1,097,673	(1,096,173)
Total public works	<u>589,300</u>	<u>1,733,421</u>	<u>(1,144,121)</u>
Flood Prevention	<u>7,500</u>	<u>10,308</u>	<u>(2,808)</u>
Total highways and streets	<u>596,800</u>	<u>1,743,729</u>	<u>(1,146,929)</u>
Capital outlay	<u>116,680</u>	<u>1,411</u>	<u>115,269</u>
Debt service- principal retired	56,000	55,714	286
Debt service- interest and fees	10,000	8,353	1,647
Total expenditures	<u>\$ 5,163,267</u>	<u>\$ 6,712,876</u>	<u>\$ (1,549,609)</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2015**

	<b>Nonmajor Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 6,758	\$ -	\$ -	\$ 6,758
Short-term investments	80,733	108	310	81,151
Receivables				
Hotel taxes	30,356	-	-	30,356
Due from other funds	42,354	-	99,980	142,334
Total assets	<u>\$ 160,201</u>	<u>\$ 108</u>	<u>\$ 100,290</u>	<u>\$ 260,599</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
Liabilities				
Accounts payable	\$ 23,592	\$ -	\$ -	\$ 23,592
Due to other funds	-	53,567	-	53,567
Total liabilities	<u>23,592</u>	<u>53,567</u>	<u>-</u>	<u>77,159</u>
Fund balances (deficits)				
Unreserved, reported in				
Special revenue funds	136,609	-	-	136,609
Debt service funds	-	(53,459)	-	(53,459)
Capital projects fund	-	-	100,290	100,290
Total fund balances (deficits)	<u>136,609</u>	<u>(53,459)</u>	<u>100,290</u>	<u>183,440</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 160,201</u>	<u>\$ 108</u>	<u>\$ 100,290</u>	<u>\$ 260,599</u>



**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED APRIL 30, 2015**

<b>Revenues</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Property taxes	\$ 13,455	\$ -	\$ -	\$ 13,455
Hotel taxes	109,718	-	-	109,718
Investment income	(22)	-	-	(22)
Other revenue	351	-	-	351
Total revenues	<u>123,502</u>	<u>-</u>	<u>-</u>	<u>123,502</u>
<b>Expenditures</b>				
Administration	88,368	-	-	88,368
Police department	-	-	-	-
Capital outlay	19,522	-	-	19,522
Total expenditures	<u>107,890</u>	<u>-</u>	<u>-</u>	<u>107,890</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>15,612</u>	<u>-</u>	<u>-</u>	<u>15,612</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(51,100)	-	-	(51,100)
Total other financing sources (uses)	<u>(51,100)</u>	<u>-</u>	<u>-</u>	<u>(51,100)</u>
<b>Net Change in Fund Balances</b>	<u>(35,488)</u>	<u>-</u>	<u>-</u>	<u>(35,488)</u>
<b>Fund Balances (Deficit)</b>				
Beginning of year	<u>172,097</u>	<u>(53,459)</u>	<u>100,290</u>	<u>218,928</u>
End of year	<u>\$ 136,609</u>	<u>\$ (53,459)</u>	<u>\$ 100,290</u>	<u>\$ 183,440</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
APRIL 30, 2015**

	SPECIAL REVENUE FUNDS										
	Integrity Fund	Tourism Fund	Park Donation Fund	Wetland Maintenance Fund	Working Cash Fund	Special Service Area Fund	Non-Drug Seizure Fund	TIF Eligible Fund	Tax Rebate Fund	Alternate Revenue Fund	Total
<b>Assets</b>											
Cash and cash equivalents	\$ 3	\$ 2,146	\$ -	\$ -	\$ -	\$ -	\$ 2,537	\$ 2,071	\$ -	\$ 1	\$ 6,758
Short-term investments	-	36,413	1,488	1,591	568	40,339	334	-	-	-	80,733
Receivables											
Hotel taxes	-	30,356	-	-	-	-	-	-	-	-	30,356
Due from other funds	-	11,066	-	-	-	-	-	31,288	-	-	42,354
Total assets	<u>\$ 3</u>	<u>\$ 79,981</u>	<u>\$ 1,488</u>	<u>\$ 1,591</u>	<u>\$ 568</u>	<u>\$ 40,339</u>	<u>\$ 2,871</u>	<u>\$ 2,071</u>	<u>\$ 31,288</u>	<u>\$ 1</u>	<u>\$ 160,201</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>											
Liabilities											
Accounts payable	\$ -	\$ 7,608	\$ -	\$ -	\$ -	\$ 15,984	\$ -	\$ -	\$ -	\$ -	\$ 23,592
Total liabilities	<u>-</u>	<u>7,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,592</u>
Deferred inflows of resources											
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)											
Unreserved	<u>3</u>	<u>72,373</u>	<u>1,488</u>	<u>1,591</u>	<u>568</u>	<u>24,355</u>	<u>2,871</u>	<u>2,071</u>	<u>31,288</u>	<u>1</u>	<u>136,609</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3</u>	<u>\$ 79,981</u>	<u>\$ 1,488</u>	<u>\$ 1,591</u>	<u>\$ 568</u>	<u>\$ 40,339</u>	<u>\$ 2,871</u>	<u>\$ 2,071</u>	<u>\$ 31,288</u>	<u>\$ 1</u>	<u>\$ 160,201</u>

VILLAGE OF ORLAND HILLS, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED APRIL 30, 2015

SPECIAL REVENUE FUNDS

	Integrity Fund	Tourism Fund	Park Donation Fund	Wetland Maintenance Fund	Working Cash Fund	Special Service Area Fund	Non-Drug Seizure Fund	TIF Eligible Fund	Tax Rebate Fund	Alternate Revenue Fund	Total
<b>Revenues</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,455	\$ -	\$ -	\$ -	\$ -	\$ 13,455
Hotel tax	-	109,718	-	-	-	-	-	-	-	-	109,718
Investment income	-	(32)	-	1	-	4	5	-	-	-	(22)
Other revenue	1	-	-	-	-	-	350	-	-	-	351
Total revenue	1	109,686	-	1	-	13,459	355	-	-	-	123,502
<b>Expenditures</b>											
Administration	-	87,862	-	-	-	-	506	-	-	-	88,368
Police department	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	289	-	-	19,233	-	-	-	-	19,522
Total expenditures	-	87,862	289	-	-	19,233	506	-	-	-	107,890
<b>Excess (Deficiency) of Revenues over Expenditures</b>	1	21,824	(289)	1	-	(5,774)	(151)	-	-	-	15,612
<b>Other Financing Sources (Uses)</b>											
Transfers out	-	(50,000)	-	-	-	(1,100)	-	-	-	-	(51,100)
<b>Net Change in Fund Balances</b>	1	(28,176)	(289)	1	-	(6,874)	(151)	-	-	-	(35,488)
<b>Fund Balances (Deficits)</b>											
Beginning of year	2	100,549	1,777	1,590	568	31,229	3,022	2,071	31,288	1	172,097
End of year	\$ 3	\$ 72,373	\$ 1,488	\$ 1,591	\$ 568	\$ 24,355	\$ 2,871	\$ 2,071	\$ 31,288	\$ 1	\$ 136,609

**VILLAGE OF ORLAND HILLS, ILLINOIS  
 COMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 APRIL 30, 2015**

	<u>Incremental Sales Tax Fund</u>	<u>1992 G.O. Corporate Bond Fund</u>	<u>Total</u>
<b>Assets</b>			
Short-term investments	\$ -	\$ 108	\$ 108
<b>Liabilities and Fund Balances</b>			
Liabilities			
Due to other funds	53,567	-	53,567
Total liabilities	53,567	-	53,567
Fund Balances			
Unreserved	(53,567)	108	(53,459)
Total liabilities and fund balances	\$ -	\$ 108	\$ 108

**VILLAGE OF ORLAND HILLS, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**DEBT SERVICE FUNDS**  
**YEAR ENDED APRIL 30, 2015**

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	<u>Incremental Sales Tax Fund</u>	<u>1992 G.O. Corporate Bond Fund</u>	<u>Total</u>
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances (Deficits)</b>			
Beginning of year	<u>(53,567)</u>	<u>108</u>	<u>(53,459)</u>
End of year	<u>\$ (53,567)</u>	<u>\$ 108</u>	<u>\$ (53,459)</u>

## STATISTICAL SECTION



VILLAGE OF ORLAND HILLS, ILLINOIS

**Village of Orland Hills, Illinois  
General Property Tax Data  
Last Ten Years  
(Unaudited)**

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Assesed										
Valuation	\$ 135,063,473	\$ 143,633,188	\$ 155,343,519	\$ 181,065,140	\$ 169,916,160	\$ 154,791,619	\$ 139,502,747	\$ 137,805,740	\$ 118,061,057	\$ 116,156,506
Tax Rate										
General	0.400	0.369	0.331	0.278	0.269	0.280	0.279	0.288	0.282	0.316
Gross Levy										
General	540,254	529,320	513,365	503,858	456,555	444,960	411,821	395,813	383,805	366,680