

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Orland Hills, Illinois (Village), as of and for the year ended April 30, 2010, which comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2010 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, schedule of funding progress and employer contributions for pensions, and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information, including the combining and individual fund financial statements and schedules as of and for the year ended April 30, 2010, as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The General Property Tax Data information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

In June, 2004, the GASB released Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement is effective for fiscal periods beginning after December 15, 2008 for phase three governments (those with total annual revenues of less than \$10 million). The Village has implemented this statement prospectively (\$66,754 net OPEB obligation at the transition date) as of their fiscal year ended April 30, 2010. The statement addresses post employment benefits other than pension and establishes standards for the measurement, recognition, and display of expense, expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local government employers.


Crowe Horwath LLP

Oak Brook, Illinois
October 22, 2010

VILLAGE OF ORLAND HILLS, ILLINOIS

Statement of Fiduciary Net Assets
April 30, 2010

	<u>Pension Trust Fund</u>
ASSETS	
Short Term Investments	\$ 361,017
Long Term Investments	1,216,330
Accrued Interest Receivable	9,687
Due from Village	<u>612,110</u>
 Total Assets	 <u>\$ 2,199,144</u>
LIABILITIES	
Accounts Payable	<u>\$ 34,872</u>
Total Liabilities	<u>34,872</u>
NET ASSETS	
Held in Trust for Employee Pension Benefits	<u>2,164,272</u>
 Total Liabilities and Net Assets	 <u>\$ 2,199,144</u>

See accompanying notes to financial statements.

VILLAGE OF ORLAND HILLS, ILLINOIS

Statement of Changes in Fiduciary Net Assets
Year Ended April 30, 2010

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 139,669
Plan Members	<u>61,499</u>
Total Contributions	<u>201,168</u>
Investment Income	
Net Appreciation in Fair Value of Investments	<u>71,466</u>
Total Additions	<u>272,634</u>
DEDUCTIONS	
Benefits and Refunds	138,021
Administrative Expenses	<u>40,216</u>
Total Deductions	<u>178,237</u>
Change in Net Assets	94,397
Net Assets at Beginning of Year	<u>2,069,875</u>
Net Assets at End of Year	<u>\$ 2,164,272</u>

See accompanying notes to financial statements.

VILLAGE OF ORLAND HILLS, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 APRIL 30, 2010

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 1,234,333	\$ 2,433,578	\$ 1,199,245	50.72%	\$ 990,853	121.03%
12/31/08	1,304,448	2,201,769	897,381	59.24	1,004,518	89.33
12/31/07	1,355,554	2,184,568	829,014	62.05	1,048,105	79.10

On a market basis, the actuarial value of assets as of December 31, 2009 is \$1,194,310. On a market basis, the funded ratio would be 49.08%.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 experience study.

Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/08	\$ 2,123,374	\$ 3,228,374	\$ 1,105,043	65.7%	\$ 686,004	161.08%
4/30/07	N/A	N/A	N/A	N/A	N/A	N/A
4/30/06	N/A	N/A	N/A	N/A	N/A	N/A

N/A - The Pension Fund did not have an actuarial study performed for the year.

Other Post Employment Benefit

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/30/10	\$ -	\$ 1,011,073	\$ 1,011,073	0%	\$ 1,528,761	66.1%

VILLAGE OF ORLAND HILLS, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 APRIL 30, 2010

Illinois Municipal Retirement Fund

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
12/31/09	\$ 126,334	\$ 126,334	100.0%
12/31/08	116,624	116,624	100.0%
12/31/07	124,096	124,096	100.0%

Police Pension Fund

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
4/30/08	\$ 181,313	\$ 125,773	69.4%
4/30/07	N/A	N/A	N/A
4/30/06	N/A	N/A	N/A

N/A - The Pension Fund did not have an actuarial study performed for the year.

Other Post Employment Benefit

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
4/30/10	\$ 91,520	\$ 24,766	27.06%
