

VILLAGE OF ORLAND HILLS, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED APRIL 30, 2016



VILLAGE OF ORLAND HILLS, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2016

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PRINCIPAL OFFICIALS



VILLAGE OF ORLAND HILLS, ILLINOIS

VILLAGE OF ORLAND HILLS, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2016

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

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South Chicago Heights, IL 60411

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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, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2016, 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.

Emphasis of Matter

As described in Note 14, the Village of Orland Hills, Illinois implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, in 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in village net pension liability and related ratios, schedule of the village contributions, schedule of investment returns, and schedule of funding progress on pages 3–13 and 65–74 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, 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.

A handwritten signature in cursive script that reads "J W & Associates, P.C.".

South Chicago Heights, Illinois
October 24, 2016

VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

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, 2016. 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, 2016 is \$13.2 million as compared to \$14.5 million (after restatement for the implementation of new accounting principles) in the prior year. Of the total net position, \$20.8 million is invested in capital assets net of related debt and there is a \$7.6 million deficit in unrestricted net position.
- As noted on the government wide statement of activities, total revenues for the Village as a whole for the year ended April 30, 2016 fell short of total expenses by \$1.3 million.
- At the end of the fiscal year, the unassigned fund balance of the General Fund as shown on the statement of revenues, expenditures and changes in fund balance was a deficit of \$1,107,698 after a gain for the year of \$680,350.

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.

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.

VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

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 fifteen 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.

The basic governmental fund financial statements (including the reconciliation) can be found on pages 14-19 of this report.

VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

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 on pages 20-21 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 22.

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 65-75. 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, 2016**

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, 2016 and 2015 (as restated)

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets	\$ 2.5	\$ 1.7
Capital assets, net	<u>21.1</u>	<u>21.6</u>
Total assets	<u>23.6</u>	<u>23.3</u>
 Total deferred outflows of resources	 <u>2.1</u>	 <u>1.4</u>
Liabilities:		
Current liabilities	2.5	2.5
Long-term liabilities	<u>9.6</u>	<u>7.5</u>
Total liabilities	<u>12.1</u>	<u>10.0</u>
 Total deferred inflows of resources	 <u>0.3</u>	 <u>0.3</u>
Net position:		
Invested in capital assets -net	20.8	21.3
Restricted	-	-
Unrestricted	<u>(7.6)</u>	<u>(6.8)</u>
Total net position	<u>\$ 13.2</u>	<u>\$ 14.5</u>

The 2015 figures were restated due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The implementation of the new standard resulted in the recording of a long term net pension liability of \$6.7 million, a deferred outflow of resources of \$1.4 million, the elimination of the net pension obligation of \$0.3 million and a reduction in unrestricted net position of \$5.0 million, all related to the Village's participation in the Illinois Municipal Retirement Fund (IMRF), the Sheriff's Law Enforcement Personnel (SLEP) and the Police Pension Plan.

VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

The 2016 assets as described above are composed of cash and investments valued at \$0.8 million (4% of total assets), \$1.5 million of intergovernmental and taxes receivable (6% of total assets) and capital assets net of accumulated depreciation of \$21.1 million (89% of total assets). The liabilities as described above are composed of accounts payable of \$1.0 million (9% of total liabilities), property tax refunds due to Cook County of \$0.4 million (4% 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 (3% of total liabilities), accrued payroll and other liabilities of \$0.7 million (6% of total liabilities), \$0.08 million of long term debt due within one year (1% of total liabilities) and \$9.7 million of long term debt due in more than one year (80% of total liabilities). Long term liabilities increased by approximately 29% due primarily to an increase in the total net pension liability and an estimated claim liability.

Statement of Activities

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

CONDENSED STATEMENT OF ACTIVITIES

April 30, 2016 and 2015 (as restated)

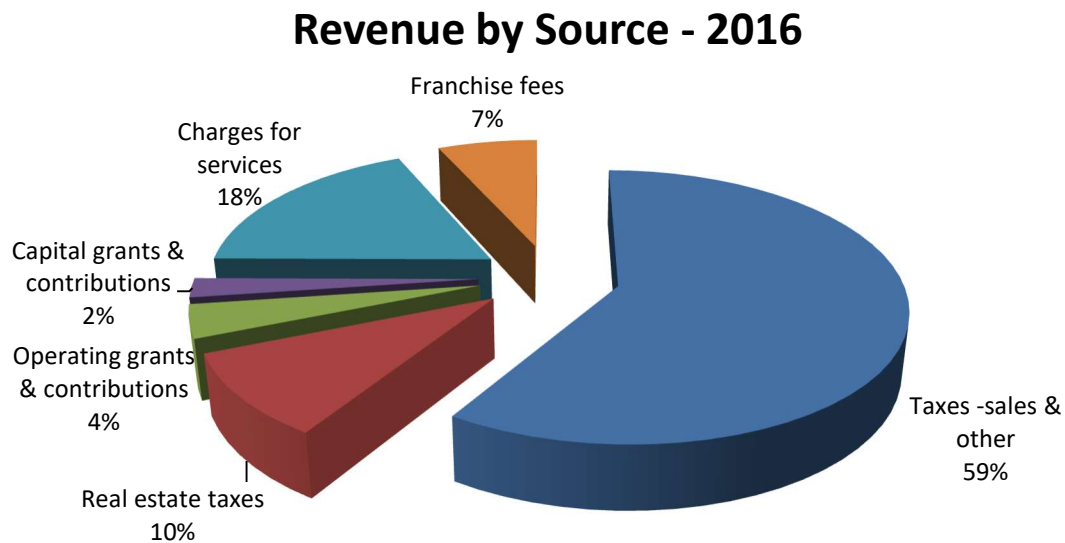
	<u>2016</u>	<u>2015</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 1.1	\$ 0.9
Operating grants and contributions	0.2	0.4
Capital grants and contributions	0.1	0.9
General Revenues:		
Property taxes	0.6	0.6
State sales tax	1.6	1.3
Other taxes	1.8	1.8
Other	0.5	0.5
Total revenues	<u>5.9</u>	<u>6.3</u>
Expenses:		
General government	2.6	1.6
Public safety	2.9	2.9
Culture and recreation	0.7	0.8
Highway and streets	1.1	1.6
Total expenses	<u>7.3</u>	<u>6.9</u>
Change in net position	<u>(1.4)</u>	<u>(0.6)</u>
Net position - beginning	<u>14.5</u>	<u>15.1</u>
Net position - ending	<u><u>13.1</u></u>	<u><u>14.5</u></u>

**VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016**

Total revenues for fiscal 2016 decreased about 6% from the prior fiscal year. The most significant change was a decrease in capital grants.

Total expenses for fiscal 2016 increased by \$0.4 million. The most significant changes within expenses was an increase in general government expense resulting from the accrual of an estimated claims payable of \$1.1 million and a decrease in highway and streets expenses of \$0.5 million due to the prior year recording of the final costs for the Haven Avenue rehabilitation.

Revenue by Source - 2016



**VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016**

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

The following chart reflects a condensed comparison of 2016 and 2015 revenues and expenditures:

	<u>2016</u>	<u>2015</u>	Increase (Decrease)
Revenues			
General Fund	\$ 5,512,703	\$ 5,890,951	\$ (378,248)
Motor Fuel Tax Fund	342,044	315,422	26,622
Nonmajor Funds	137,006	123,502	13,504
Total Revenues	<u>\$ 5,991,753</u>	<u>\$ 6,329,875</u>	<u>\$ (338,122)</u>
Expenditures			
General Fund	\$ 5,014,652	\$ 6,712,876	\$ (1,698,224)
Motor Fuel Tax Fund	169,274	320,132	(150,858)
Nonmajor Funds	98,118	107,890	(9,772)
Total Expenditures	<u>\$ 5,282,044</u>	<u>\$ 7,140,898</u>	<u>\$ (1,858,854)</u>
Other Financing Sources (Uses)			
General Fund	\$ 182,299	\$ 50,000	\$ 132,299
Motor Fuel Tax Fund	-	1,100	(1,100)
Nonmajor Funds	(124,496)	(51,100)	(73,396)
Total Other Financing Sources (Uses)	<u>\$ 57,803</u>	<u>\$ -</u>	<u>\$ 57,803</u>

Revenues

General Fund revenues were down 6% from the prior year primarily as a result of \$870,000 of grant revenues from IDOT and the township for capital projects that were received in the prior year but not in 2016. This was partially offset by additional sales tax revenue from the Village of Tinley Park pursuant to an intergovernmental agreement.

Expenditures

General Fund expenditures were down 25% from the prior year. A large portion of this decrease can be attributed to capital projects completed in the prior year.

VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

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	\$ 1,392,730	\$ 1,604,326	\$ 211,596
Intergovernmental	2,166,696	2,546,103	379,407
Other	<u>1,332,466</u>	<u>1,362,274</u>	<u>29,808</u>
Total revenues	4,891,892	5,512,703	620,811
Expenditures	<u>4,837,573</u>	<u>5,014,652</u>	<u>177,079</u>
Excess of revenues over (under) expenditures	<u>54,319</u>	<u>498,051</u>	<u>443,732</u>
Other financing sources (uses)			
Other financing sources	70,000	182,458	112,458
Other financing uses	<u>(123,632)</u>	<u>(159)</u>	<u>123,473</u>
Total other financing sources (uses)	(53,632)	182,299	235,931
Change in fund balance	<u>\$ 687</u>	<u>\$ 680,350</u>	<u>\$ 679,663</u>

The major variances between actual and budget include the following:

- Tax revenues exceeded budget by about 15% primarily due to property tax revenues exceeding the budgeted amount by over \$200,000 because property taxes related to the police pension fund are not budgeted for nor are the offsetting pension contribution expenditures;
- Intergovernmental revenues exceeded budget by about 17% due to sales tax revenues from the Village of Tinley Park pursuant to an intergovernmental agreement being recognized in fiscal 2016 but budgeted for in fiscal 2017;
- Expenditures exceed budget by about 4% primarily due to personal services costs exceeding budget. However, such costs were less than in the prior year.

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

**VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016**

CAPITAL ASSETS

Governmental Activities Change in Capital Assets

	Balance April 30, 2015	Net Additions/ Deletions	Balance April 30, 2016
Non-depreciable assets - land	\$ 10,133,189	\$ -	\$ 10,133,189
Construction in progress	-	-	-
Depreciable capital assets			-
Land improvements	643,328	-	643,328
Buildings & Improvements	4,199,899	-	4,199,899
Equipment	1,211,637	(26,993)	1,184,644
Infrastructure	18,158,714	-	18,158,714
Accumulated depreciation	<u>(12,707,445)</u>	<u>(509,108)</u>	<u>(13,216,553)</u>
Total capital assets, net	<u>\$ 21,639,322</u>	<u>\$ (536,101)</u>	<u>\$ 21,103,221</u>

Capital asset additions included two 2015 Ford Interceptor Sedans and a Police I-Record Digital Video/Audio System. Depreciation expense for the year was \$583,176. More detailed information can be found in Note 4 to the financial statements.

DEBT ADMINISTRATION

At April 30, 2016, the Village had outstanding debt as follows:

South Suburban Mayors Debt Cert 2013	\$278,572
Capital leases	51,990
Net pension liability	7,703,454
OPEB – Health Insurance for Retirees (PSEBA Act)	465,856
Compensated absences	<u>135,482</u>
Total long-term debt	<u>\$8,635,354</u>

The Village's debt increased by approximately \$1,040,575 this year. This was due to:

- The increase of capital leases payable by \$26,272 as a result of new capital leases
- The reduction of the Debt Certificate Payable by \$55,714 due to scheduled payments
- A reduction of compensated absences by over \$17,896
- An increase of \$1,031,585 in the Net Pension Liability and
- An increase of about \$56,328 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 million.

VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

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 slowly 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 minimize 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 more than \$100,000 in revenue. The Village is on a pace for expected growth in revenue of 3-5% for the next fiscal year.

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 Intergovernmental Agreement (IGA) between Orland Hills and a neighboring town to collect sales tax on commercial property. The Village was successful in this endeavor and realized a one-time large cash payment to be followed up with tri-annual (three times per year) payments for the next 80+ years.

**VILLAGE OF ORLAND HILLS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016**

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.

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 94th Ave, Orland Hills, Illinois 60487-4623. E-mails may be directed to contact@orlandhills.org.

BASIC FINANCIAL STATEMENTS



VILLAGE OF ORLAND HILLS, ILLINOIS

VILLAGE OF ORLAND HILLS, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2016

	Governmental
Assets	Activities
Cash and cash equivalents	\$ 240,431
Short-term investments	608,590
Taxes receivable	355,471
Intergovernmental receivables	1,140,851
Accounts receivable	45,588
Prepaid items	87,922
Capital assets not being depreciated	10,133,189
Capital assets being depreciated	10,970,032
Total assets	<u>23,582,074</u>
 Deferred Outflows of Resources	
Related to pensions	<u>2,078,514</u>
Total deferred outflows of resources	<u>2,078,514</u>
 Liabilities	
Current	
Accounts payable	1,023,716
Accrued payroll	54,841
Due to police pension	612,110
Due to other entities	777,040
Other payables	472
Interest payable	2,249
Long-term debt, due within one year	
Capital leases payable	22,077
Debt certificates payable	55,714
Long term	
Long-term debt, due in more than one year	
Capital leases payable	29,913
Net pension liability	7,703,454
Other postemployment benefits obligation	465,856
Debt certificates payable	222,858
Claims payable	1,078,600
Compensated absences	135,482
Total liabilities	<u>12,184,382</u>
 Deferred Inflows of Resources	
Related to pension	57,946
Unearned revenue	262,124
Total deferred inflows of resources	<u>320,070</u>
 Net Position	
Net investment in capital assets	20,772,659
Restricted for highways & streets	342,982
Restricted for other	26,947
Unrestricted net position	<u>(7,986,452)</u>
Total net position	<u>\$ 13,156,136</u>

VILLAGE OF ORLAND HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Changes in</u>
		<u>Fees, Fines & Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Position</u>
					<u>Primary Governmental Activities</u>
Governmental Activities					
General government	\$ 2,572,596	\$ 572,558	\$ 18,989	\$ -	\$ (1,981,049)
Public safety	2,857,141	363,818	23,500	-	(2,469,823)
Culture and recreation	655,212	125,639	655	-	(528,918)
Highways and streets	1,206,927	-	188,314	134,350	(884,263)
Interest on debt	6,658	-	-	-	(6,658)
Total	<u>\$ 7,298,534</u>	<u>\$ 1,062,015</u>	<u>\$ 231,458</u>	<u>\$ 134,350</u>	<u>(5,870,711)</u>
General Revenues					
Taxes					
Property taxes					575,649
State sales tax					1,625,089
Non home-rule sales tax					645,819
Income tax					724,641
Other taxes					446,108
Franchise fees					390,122
Investment income					15,072
Other general revenues					113,156
Total general revenues					<u>4,535,656</u>
Change in net position					<u>(1,335,055)</u>
Net Position - Beginning (Restated)					<u>14,491,191</u>
Net Position - Ending					<u><u>\$ 13,156,136</u></u>

VILLAGE OF ORLAND HILLS, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2016

	Major Funds		Nonmajor	Total
	General Fund	Motor Fuel Tax Fund	Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 97,533	\$ 95,693	\$ 47,205	\$ 240,431
Short-term investments	333,733	231,019	43,838	608,590
Taxes receivable	337,469	-	18,002	355,471
Intergovernmental receivables	1,124,581	16,270	-	1,140,851
Accounts receivable	45,588	-	-	45,588
Prepaid items	87,922	-	-	87,922
Due from other funds	53,567	-	42,354	95,921
Total assets	<u>\$ 2,080,393</u>	<u>\$ 342,982</u>	<u>\$ 151,399</u>	<u>\$ 2,574,774</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 1,023,715	\$ -	\$ -	\$ 1,023,715
Accrued payroll	54,841	-	-	54,841
Other liabilities	472	-	-	472
Due to other entities	777,040	-	-	777,040
Due to police pension fund	612,110	-	-	612,110
Due to other funds	42,354	-	53,567	95,921
Total liabilities	<u>2,510,532</u>	<u>-</u>	<u>53,567</u>	<u>2,564,099</u>
Deferred inflows of resources				
Unearned revenues	589,637	-	-	589,637
Total deferred inflows of resources	<u>589,637</u>	<u>-</u>	<u>-</u>	<u>589,637</u>
Fund balances (deficits)				
Nonspendable				
Prepaid items	87,922	-	-	87,922
Restricted				
Debt service	-	-	108	108
Other purposes	-	342,982	26,839	369,821
Assigned	-	-	124,452	124,452
Unassigned	(1,107,698)	-	(53,567)	(1,161,265)
Total fund balances (deficits)	<u>(1,019,776)</u>	<u>342,982</u>	<u>97,832</u>	<u>(578,962)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,080,393</u>	<u>\$ 342,982</u>	<u>\$ 151,399</u>	<u>\$ 2,574,774</u>

VILLAGE OF ORLAND HILLS, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
APRIL 30, 2016

Total fund balances - governmental funds	\$	(578,962)
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Amounts reported for governmental activities in the statement of net position 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	34,319,773		
Less accumulated depreciation	(13,216,553)		
Net capital assets			21,103,220

Deferred inflows and outflows related to the net pension liability are not current financial resources and therefore are not reported in the governmental funds

Deferred outflows of resources	2,078,514		
Deferred inflows of resources	(57,946)		
			2,020,568

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	327,513
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(2,249)
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Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:

Claims payable	(1,078,600)		
Provision for compensated absences	(135,482)		
Provision for net pension liability	(7,703,454)		
Provision for other postemployment benefits obligation	(465,856)		
Capital leases	(51,990)		
Debt certificates payable	(278,572)		
			(9,713,954)
Total long-term liabilities			(9,713,954)

Net position of governmental activities	\$	<u>13,156,136</u>
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VILLAGE OF ORLAND HILLS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2016

	Major Funds		Nonmajor	
	General Fund	Motor Fuel Tax Fund	Governmental Funds	Total
Revenues				
Taxes	\$ 1,604,326	\$ 23,325	\$ 112,770	\$ 1,740,421
Licenses and permits	172,143	-	-	172,143
Intergovernmental revenue	2,546,103	188,314	-	2,734,417
Fees and charges for services	679,498	-	-	679,498
Fines	361,018	-	-	361,018
Investment income	14,661	330	81	15,072
Grant revenue	-	130,075	-	130,075
Other revenue	134,954	-	24,155	159,109
Total revenues	<u>5,512,703</u>	<u>342,044</u>	<u>137,006</u>	<u>5,991,753</u>
Expenditures				
Current				
Administration	1,022,109	-	92,030	1,114,139
Building and zoning department	154,060	-	-	154,060
Police department	2,497,399	-	4,908	2,502,307
Fire and police commission	-	-	-	-
ESDA	1,159	-	-	1,159
Parks and recreation	489,795	-	-	489,795
Orland Towne Village festival	14,215	-	-	14,215
Concession stand/ seniors	4,339	-	-	4,339
Special transportation	91,387	-	-	91,387
Highways and streets	605,004	82,481	-	687,485
Flood prevention	14,567	-	-	14,567
Capital outlay	57,803	86,793	1,180	145,776
Debt service - principal retired	55,714	-	-	55,714
Debt service - interest and fees	7,101	-	-	7,101
Total expenditures	<u>5,014,652</u>	<u>169,274</u>	<u>98,118</u>	<u>5,282,044</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>498,051</u>	<u>172,770</u>	<u>38,888</u>	<u>709,709</u>
Other Financing Sources (Uses)				
Capital lease proceeds	57,803	-	-	57,803
Transfers in	124,655	-	159	124,814
Transfers out	(159)	-	(124,655)	(124,814)
Total other financing sources (uses)	<u>182,299</u>	<u>-</u>	<u>(124,496)</u>	<u>57,803</u>
Net Change in Fund Balances	<u>680,350</u>	<u>172,770</u>	<u>(85,608)</u>	<u>767,512</u>
Fund Balances - Beginning of Year	<u>(1,700,126)</u>	<u>170,212</u>	<u>183,440</u>	<u>(1,346,474)</u>
Fund Balances - End of Year	<u>\$ (1,019,776)</u>	<u>\$ 342,982</u>	<u>\$ 97,832</u>	<u>\$ (578,962)</u>

See accompanying notes to financial statements

VILLAGE OF ORLAND HILLS, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016

Net change in fund balance of governmental funds		\$ 767,512
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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.		(28,274)
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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 liability	(1,031,585)	
Change in other postemployment benefits obligation	(56,328)	
Change in accrued interest on bonds	443	
		(1,087,470)

Change in deferred outflows and deferred inflows of resources are not included in the governmental funds

Deferred outflows of resources	638,487	
Deferred inflows of resources	(57,946)	
		580,541

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	57,803	
Loss on disposal of capital assets	(10,728)	
Depreciation	(583,177)	
Capital outlay in excess of depreciation		(536,102)

The issuance of long term debt is shown as an other financing source in governmental funds which governmental activities report long term debt

Capital lease issuance	(57,803)
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Claims payable represent an estimated long term liability not accounted for in the governmental funds	(1,078,600)
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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	31,531	
Decrease in compensated absences	17,896	
Total retirement of debt		105,141

Change in net position of governmental activities		\$ (1,335,055)
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VILLAGE OF ORLAND HILLS, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
APRIL 30, 2016

	<u>Public Employee Retirement Plan</u>
Assets	
Investments - at fair value	
Cash	141,880
Money Market Mutual Funds	23,906
Corporate bonds	706,324
U.S. Treasuries	48,412
U.S. Agencies	641,322
Mortgage Backed Securities	5,356
State and Municipal Bonds	173,818
Certificate of Deposit	71,175
Mutual Funds	26,363
Annuities	286,180
Total investments	<u>2,124,736</u>
Receivables	
Due from Village	612,110
Accrued interest on investments	21,369
Total receivables	<u>633,479</u>
Total assets	<u>2,758,215</u>
Net Position	
Plan net position restricted for pension benefits	<u>\$ 2,758,215</u>

See accompanying notes to financial statements

VILLAGE OF ORLAND HILLS, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED APRIL 30, 2016

	Public Employee Retirement Plan
Additions	
Employer contributions	
Property taxes	\$ 228,579
Employee contributions	92,744
Total contributions	<u>321,323</u>
Investment income	
Net appreciation in fair value of investments	(21,401)
Interest and dividends on investments	76,805
	<u>55,404</u>
Less investment expense	(5,466)
Net investment income	<u>49,938</u>
Other income	93,908
Total additions	<u>465,169</u>
Deductions	
Benefits and refunds	363,616
Administrative expenses	11,015
Total deductions	<u>374,631</u>
Change in Plan Net Position	<u>90,538</u>
Net Position Restricted for Pension Benefits	
Beginning of Year	<u>2,667,677</u>
End of Year	<u><u>\$ 2,758,215</u></u>

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 principles (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, 2016, 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.

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 Outflows/Inflows of Resources

Deferred outflows of resources refers to a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The item that qualifies for reporting in this category for the Village relates to their pension plans and is reported in the government-wide statement of net position. 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. An amount related to the pension plan also is reported in the government-wide statement of net position as a deferred inflow. 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, 2016.

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, 2016

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, 2016, expenditures/expenses exceeded budget as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
General Fund	\$ 4,837,573	\$ 5,014,652	\$ 177,079
Integrity Fund I	-	4,849	4,849
Integrity Fund III	-	584	584
Tourism Fund	92,000	92,030	30
Park Donation Fund	-	655	655

DEFICIT FUND BALANCES

As of April 30, 2016, the following funds had deficit fund balances:

General Fund	\$ 1,019,776
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 \$240,431 at April 30, 2016, while the bank balances were \$265,510. 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.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

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.

The following schedule reports the fair values and maturities for the Village's governmental fund investments at April 30, 2016.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less Than One Year</u>
State Treasurer Illinois Funds	\$ 604,860	\$ 604,860
Bond Mutual Fund	<u>3,730</u>	<u>3,730</u>
Total	<u>\$ 608,590</u>	<u>\$ 608,590</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.

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Credit ratings for the Village's investments in debt securities as described by Standard & Poor's for the Illinois Funds and Moody's for the Bond Mutual Fund at April 30, 2016 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%

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, 2016.

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, TIF Eligible Fund, Non-Drug Seizure Fund, and 1992 G.O. Corporate Bond 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.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

The following was the Board's adopted asset allocation policy as of April 30, 2016:

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

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, 2016:

<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	23,906	23,906	-	-
Certificats of Deposit	71,175	-	71,175	-
Corporate Bonds	706,324	41,255	494,285	170,784
U.S. Agencies	641,322	126,722	267,731	246,869
U.S. Treasury Notes	48,412	48,412	-	-
Mortgage Backed Securities	5,355	-	-	391
State and Municipal Bonds	173,818	40,924	69,725	63,169
State Treasurer - Illinois Funds	141,880	101,128	-	-
Total	<u>1,812,192</u>	<u>382,347</u>	<u>902,916</u>	<u>481,213</u>
Investments not sensitive to Interest Rate Risk:				
Mutual Funds	26,363			
Life Insurance Annuities	<u>286,180</u>			
Total Investments	<u>2,124,736</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.

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**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.

Credit ratings for the Police Pension Fund's investments in debt securities at April 30, 2016 (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+	8%	46%
	AA-	8%	
	A	14%	
	A-	29%	
	BBB+	32%	
	BBB	9%	
U.S. Agencies	AA+	100%	42%
State and Municipal Bonds	AA	24%	12%
	A	15%	
	Aaa *	24%	
	Aa2 *	12%	
	A1 *	25%	

* Indicates this is a Moody's Rating; all other Investments rated by S&P.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

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, 2016.

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 primarily in corporate bonds, U. S. Agency notes, annuities and municipal bonds. These investments are 33%, 30%, 13% and 8% respectively, of the total Police Pension Fund's investments.

Rate of Return: For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.70 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	\$ 240,431
Cash-Pension Trust Fund	141,880
Investments - Village	608,590
Investments - Pension Trust Fund	<u>1,982,856</u>
Total cash and investments	<u>\$ 2,973,757</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
 April 30, 2016

NOTE 4 CAPITAL ASSETS

The summary of changes in the capital asset of the Village's governmental activities for the year ended April 30, 2016 is as follows:

	Balance at May 1, 2015	Additions	Deletions	Balance at April 30, 2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,133,189	\$ -	\$ -	\$ 10,133,189
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	10,133,189	-	-	10,133,189
Capital assets being depreciated:				
Land improvements	643,328	-	-	643,328
Buildings and improvements	4,199,899	-	-	4,199,899
Machinery and equipment	1,211,637	57,803	84,796	1,184,644
Infrastructure	18,158,714	-	-	18,158,714
Total capital assets being depreciated	24,213,578	57,803	84,796	24,186,585
Less accumulated depreciation for:				
Land improvements	(282,150)	(30,142)	-	(312,292)
Buildings and improvements	(1,426,695)	(84,115)	-	(1,510,810)
Machinery and equipment	(887,853)	(78,124)	74,068	(891,909)
Infrastructure	(10,110,747)	(390,795)	-	(10,501,542)
Total accumulated depreciation	(12,707,445)	(583,176)	74,068	(13,216,553)
Total capital assets being depreciated, net	11,506,133			10,970,032
Capital assets, net	<u>\$ 21,639,322</u>			<u>\$ 21,103,221</u>

Depreciation expense of \$583,176 was charged to the governmental activities functional expense categories as follows:

	<u>Depreciation</u>
General government	\$ 76,882
Public safety	33,391
Culture and recreation	54,821
Highway and streets	418,082
	<u>\$ 583,176</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of April 30, 2016 are summarized below:

	Due from Other <u>Funds</u>	Due to Other <u>Funds</u>
Major governmental funds:		
General	\$ 53,567	\$ 42,354
Nonmajor governmental funds:	<u>42,354</u>	<u>53,567</u>
	<u>\$ 95,921</u>	<u>\$ 95,921</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	\$ 124,655	\$ 159
Nonmajor governmental funds:	<u>159</u>	<u>124,655</u>
	<u>\$ 124,814</u>	<u>\$ 124,814</u>

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.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 6 RECEIVABLES

The following is a summary of other taxes, amounts due from governments and other receivables by fund type at April 30, 2016. 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	\$ 263,172	\$ -	\$ -	\$ 263,172
Franchise tax	53,317	-	-	53,317
Non-retail business tax	20,980	-	-	20,980
Hotel taxes	-	-	18,002	18,002
Total taxes receivable	<u>\$ 337,469</u>	<u>\$ -</u>	<u>\$ 18,002</u>	<u>\$ 355,471</u>
Intergovernmental receivable:				
Illinois income tax	\$ 258,017	\$ -	\$ -	\$ 258,017
Illinois sales tax	791,306	-	-	791,306
Illinois local use tax	40,788	-	-	40,788
Telecommunications tax	34,470	-	-	34,470
Motor fuel tax	-	16,270	-	16,270
Total intergovernmental receivable	<u>\$ 1,124,581</u>	<u>\$ 16,270</u>	<u>\$ -</u>	<u>\$ 1,140,851</u>
Accounts receivable:				
Police fines	\$ 45,588	\$ -	\$ -	\$ 45,588
Total accounts receivable	<u>\$ 45,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,588</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

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, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>April 30, 2016</u>	Due Within <u>One Year</u>
South Suburban Mayors and Manager's Association Debt Certificate Payable Series of 2013	334,286	-	55,714	278,572	55,714
Capital leases					
2011 copy machine	3,631	-	3,631	-	-
2014 Ford vehicles	22,087	-	17,670	4,417	4,417
2016 Ford vehicles	-	50,303	9,321	40,982	16,285
Police I Record 2016	-	7,500	909	6,591	1,375
Compensated absences	153,378	-	17,896	135,482	-
Net pension liability	6,671,869	1,031,585	-	7,703,454	-
OPEB obligation	409,528	56,328	-	465,856	-
Total governmental activities	<u>\$ 7,594,779</u>	<u>\$1,145,716</u>	<u>\$ 105,141</u>	<u>\$ 8,635,354</u>	<u>\$ 77,791</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>
2017	\$ 55,714	\$ 5,969	\$ 61,683
2018	55,714	4,747	60,461
2019	55,714	3,560	59,274
2020	55,714	2,373	58,087
2021	55,714	1,190	56,904
	<u>\$ 278,570</u>	<u>\$ 17,839</u>	<u>\$ 296,409</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

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 were \$5,753 with the first annual payment due at lease signing. The payments were for a five-year period, after which the Village exercised the right to purchase the machine for \$1. As of April 30, 2016, there is no longer any outstanding debt related to this item and the amount of capital assets acquired through this lease was \$20,229. Accumulated depreciation totaled \$15,173 leaving a book value of \$5,056.

2014 Ford Vehicles

In 2014, 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, 2016, the amount of capital assets acquired through this lease was \$53,009. Accumulated depreciation totaled \$19,878 leaving a book value of \$33,131.

Debt service for the cars is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	<u>\$ 4,417</u>	<u>\$ 373</u>	<u>\$ 4,790</u>
	<u>\$ 4,417</u>	<u>\$ 373</u>	<u>\$ 4,790</u>

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 7 LONG-TERM DEBT (Continued)**2016 Ford Vehicles**

In 2015, the Village entered into a capital lease agreement for the lease of two 2015 Ford Police Interceptor sedans. Total annual payments for the vehicles are \$18,183 with the first annual payment due on November 1, 2015. 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, 2016, the amount of capital assets acquired through this lease was \$50,303. Accumulated depreciation totaled \$3,144 leaving a book value of \$47,159.

Debt service for the cars is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 16,285	\$ 1,898	\$ 18,183
2018	17,229	954	18,183
2019	<u>7,468</u>	<u>106</u>	<u>7,574</u>
	<u>\$ 40,982</u>	<u>\$ 2,958</u>	<u>\$ 43,940</u>

2016 I-Record Digital Video/Audio System

In 2015, the Village entered into a capital lease agreement for the lease of an I-Record Digital Video/Audio Recording System. Total annual payments for the system are \$1,728 with the first annual payment due on October 15, 2015. The payments are for a five-year period, after which the Village will retain title to the system. As of April 30, 2016, the amount of capital assets acquired through this lease was \$7,500. Accumulated depreciation totaled \$375 leaving a book value of \$7,125.

Debt service for the cars is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,375	\$ 353	\$ 1,728
2018	1,458	270	1,728
2019	1,547	181	1,728
2020	1,641	87	1,728
2021	<u>570</u>	<u>7</u>	<u>577</u>
	<u>\$ 6,591</u>	<u>\$ 898</u>	<u>\$ 7,489</u>

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, 2016, the equalized assessed valuation of the Village is \$128,035,438 and the legal debt margin is \$11,043,057. 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. One such suit involves a developer seeking payment from the Village pursuant to a redevelopment agreement. The plaintiff asserts that the Village under reported property tax and sales tax revenues and improperly deducted bond payments and administrative expenses in determining payments to the plaintiff. The court has entered summary judgment in favor of the plaintiff but, rather than entering a judgment for a specific amount, the court ordered the parties to conduct their own accounting jointly to determine the amounts actually owed. The Village believes that it is probable that they have incurred a liability of \$1.1 million which is included as claims payable in the statement of net position. It is reasonably possible that the liability could be higher by an indeterminable amount.

The Village also entered into an economic incentive agreement with a major retailer in 2010 providing for the rebate of a portion of sales tax to the retailer. However, payments have not been made pursuant to the agreement pending the resolution of the above lawsuit since the retailer is located within that development. In addition, any amount due under the agreement cannot be reasonably estimated at this time.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS

Plan Descriptions:

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel (SLEP), an agent multiple-employer public employee retirement system affiliated with IMRF; and, the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the Police Pension Plan 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 which is prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. A stand-alone financial report is not issued for the plan. IMRF and SLEP benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF and SLEP issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report can be obtained online at www.imrf.org.

Below is aggregate information related to all of the pension plans in total reported by the Village as of and for the year ended April 30, 2016:

Total Pension Liability	\$ 14,628,522
Plan Fiduciary Net Position	<u>6,925,068</u>
Village's Net Pension Liability	<u><u>7,703,454</u></u>
Deferred Inflows of Resources	\$ 57,946
Deferred Outflows of Resources	2,078,514
Pension Expense	1,031,585

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

Illinois Municipal Retirement Fund

General Information about the Pension Plan

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statutes require employers 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 2015 was 19.36%. The employer actual contribution for the calendar year 2015 was 22.30%. 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.

At December 31, 2015, the following employees were covered by the IMRF benefit terms:

Retirees and Beneficiaries	14
Inactive, Non-retired Members	18
Active Members	<u>21</u>
Total	53

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

Net Pension Liability

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

Actuarial Assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50%
Investment Rate of Return:	7.17%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

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

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.17% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on IMRF's pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.17%.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2014	\$ 5,440,629	\$ 3,780,556	\$ 1,660,073
Changes for the year:			
Service Cost	136,139	-	136,139
Interest on the Total Pension Liability	394,500	-	394,500
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	696,883	-	696,883
Changes of Assumptions	90,802	-	90,802
Contributions - Employer	-	207,168	(207,168)
Contributions - Employees	-	62,715	(62,715)
Net Investment Income	-	19,092	(19,092)
Benefit Payments, including Refunds of Employee Contributions	(194,351)	(194,351)	-
Other (Net Transfer)	-	123,547	(123,547)
Net Changes	1,123,973	218,171	905,802
Balances at December 31, 2015	<u>\$ 6,564,602</u>	<u>\$ 3,998,727</u>	<u>\$ 2,565,875</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the IMRF plan's net pension liability, calculated using a Single Discount Rate of 7.17%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.17%)	Current Discount Rate (7.17%)	1% Increase (8.17%)
Net Pension Liability (Asset)	\$ 3,409,786	\$ 2,565,875	\$ 1,870,570

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the Village recognized pension expense of \$368,357 related to IMRF. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 480,083	\$ -
Changes of assumptions	62,553	-
Net difference between projected and actual earnings on pension plan investments	<u>217,532</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	760,168	-
Pension Contributions made subsequent to the Measurement Date	<u>83,727</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 843,895</u>	<u>\$ -</u>

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

<u>Year Ended December 31</u>	<u>Annual Amortization</u>
2016	\$ 383,159
2017	299,432
2018	106,921
2019	54,383
2020	-
Thereafter	-

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

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

Sheriff's Law Enforcement Personnel

General Information about the Pension Plan

The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. The plan is affiliated with IMRF. Participating members who retire at age 50 with twenty years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings, for each year of credited service.

As set by statute, the Village's SLEP plan members are required to contribute 7.5% of their annual covered salary. The statutes require employers 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 2015 was 14.24%. The employer actual contribution for the calendar year 2015 was 14.24%. 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.

At December 31, 2015, the following employees were covered by the SLEP benefit terms:

Retirees and Beneficiaries	-
Inactive, Non-retired Members	-
Active Members	<u>1</u>
Total	1

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

Net Pension Liability

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

Actuarial Assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50%
Investment Rate of Return:	7.01%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

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

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.01% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on SLEP's pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.01%.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2014	\$ 256,737	\$ 117,714	\$ 139,023
Changes for the year:			
Service Cost	25,198	-	25,198
Interest on the Total Pension Liability	20,039	-	20,039
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,997	-	2,997
Changes of Assumptions	16,411	-	16,411
Contributions - Employer	-	19,183	(19,183)
Contributions - Employees	-	10,104	(10,104)
Net Investment Income	-	662	(662)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(12,479)	12,479
Net Changes	64,645	17,470	47,175
Balances at December 31, 2015	<u>\$ 321,382</u>	<u>\$ 135,184</u>	<u>\$ 186,198</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the SLEP plan's net pension liability, calculated using a Single Discount Rate of 7.01%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.01%)	Current Discount Rate (7.01%)	1% Increase (8.01%)
Net Pension Liability (Asset)	\$ 229,700	\$ 186,198	\$ 149,737

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
 April 30, 2016

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the Village recognized pension expense of \$43,078 related to SLEP. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,508	\$ -
Changes of assumptions	13,734	-
Net difference between projected and actual earnings on pension plan investments	<u>7,038</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	23,280	-
Pension Contributions made subsequent to the Measurement Date	<u>-</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 23,280</u></u>	<u><u>\$ -</u></u>

Pension contributions made subsequent to year end for SLEP are not considered material and are included with the payments to the IMRF plan.

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

<u>Year Ended December 31</u>	<u>Annual Amortization</u>
2016	\$ 4,925
2017	4,925
2018	4,925
2019	4,927
2020	3,166
Thereafter	412

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

Police Pension Plan

General Information about the Pension Plan

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.

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. The employer contribution rate for the calendar year 2015 was 50.45%. The employer annual required contribution rate for the calendar year 2015 was 77.43%. 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.

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

Police Pension

Retirees and Beneficiaries	8
Inactive, Non-retired Members	2
Active Members	9
Total	<u>19</u>

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

Net Pension Liability

The Village's net pension liability for the Police Pension was measured as of April 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the April 30, 2016 actuarial valuation and the prior valuation:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level dollar
Asset Valuation Method:	5-year smoothed market; no corridor
Inflation:	1.5%
Salary Increases:	Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 1.50% inflation allowance
Investment Rate of Return:	6.50%
Retirement Age:	

<u>Age</u>	<u>Rate of Retirement</u>	<u>Age</u>	<u>Rate of Retirement</u>
50	0.36	60	0.22
51	0.22	61	0.30
52	0.18	62	0.39
53	0.19	63	0.48
54	0.19	64	0.57
55	0.20	65	0.65
56	0.20	66	0.74
57	0.20	67	0.83
58	0.21	68	0.91
59	0.21	69	1.00

Mortality:	Active Lives – RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015. Disabled Lives – RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50.
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Other Information:	There were no benefit changes during the year.
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
US Treasuries	8.46%	4.30%
US Agencies	38.11%	4.50%
Taxable IL Municipal Bonds	10.24%	4.50%
US Corporate Bonds	41.63%	5.00%
US Large Cap	0.81%	7.50%
US Mid Cap	0.15%	7.80%
US Small Cap	0.07%	7.50%
International Stocks	0.33%	7.80%
Emerging Market Stocks	0.06%	10.70%
Real Estate	0.07%	6.80%
Global Infrastructure	0.07%	7.30%

Single Discount Rate: The Single Discount Rate reflects:

1. A long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary position is projected to be sufficient to pay benefits), and
2. A tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary position is insufficient to pay benefits).

For the purposes of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.32% (based upon the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve 04-28-2016); and the resulting single discount rate is 6.50%.

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
April 30, 2016

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at April 30, 2015	\$ 7,540,450	\$ 2,667,677	\$ 4,872,773
Service Cost	153,180	-	153,180
Interest on the Total Pension Liability	479,297	-	479,297
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(66,773)	-	(66,773)
Changes of Assumptions	-	-	-
Contributions - Employer	-	322,487	(322,487)
Contributions - Employees	-	92,744	(92,744)
Net Investment Income	-	55,404	(55,404)
Benefit Payments, including Refunds of Employee Contributions	(363,616)	(363,616)	-
Other (Admin Expenses)	-	16,461	(16,461)
Net Changes	202,088	123,480	78,608
Balances at April 30, 2016	<u>\$ 7,742,538</u>	<u>\$ 2,791,157</u>	<u>\$ 4,951,381</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the police pension plan of the Village calculated using the discount rate of 6.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability (Asset)	\$ 6,035,161	\$ 4,951,381	\$ 4,048,983

VILLAGE OF ORLAND HILLS, ILLINOIS

Notes to financial statements
 April 30, 2016

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS-DEFINED BENEFIT PLANS (Continued)**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position can be found in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position located in the financial section of this report.

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

For the year ended April 30, 2016, the Village recognized pension expense of \$598,088 related to the police pension plan. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 607,360	\$ 57,946
Changes of assumptions	463,034	-
Net difference between projected and actual earnings on pension plan investments	<u>164,225</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 1,234,619</u>	<u>\$ 57,946</u>

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

<u>Year Ended April 30</u>	<u>Total Annual Amortization</u>
2017	\$ 223,149
2018	223,149
2019	223,149
2020	201,968
2021	176,798
Thereafter	128,459

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>		
	<u>Police</u>	<u>Other Departments</u>	<u>Total</u>
Active participants	9	8	17
Disable participants	4	0	4
Retired participants	<u>0</u>	<u>1</u>	<u>1</u>
	<u>13</u>	<u>9</u>	<u>22</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 \$69,518 for 2016.

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 2016, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

	<u>Other</u>		
	<u>Police</u>	<u>Departments</u>	<u>Total</u>
Annual required contribution	\$ 125,337	\$ 6,899	\$ 132,236
Interest on the net OPEB obligation	14,370	2,012	16,382
Adjustment to the annual required contribution	<u>(19,976)</u>	<u>(2,796)</u>	<u>(22,772)</u>
Annual OPEB cost	119,731	6,115	125,846
Contribution made	<u>(69,024)</u>	<u>(494)</u>	<u>(69,518)</u>
Increase in the net OPEB obligation	50,707	5,621	56,328
Net OPEB obligation beginning of year	<u>359,239</u>	<u>50,289</u>	<u>409,528</u>
Net OPEB obligation end of year	<u>\$ 409,946</u>	<u>\$ 55,910</u>	<u>\$ 465,856</u>

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 2016 was as follows:

<u>Three-Year Trend Information</u>			
<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2016	\$ 125,846	55.2%	\$ 465,856
4/30/2015	129,222	31.6%	409,528
4/30/2014	130,093	38.5%	337,565

As of April 30, 2016 (the most recent actuarial valuation), the actuarial accrued liability for benefits was \$1,741,767. The covered payroll was approximately \$1,235,188 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 141.0%.

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, 2016 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 8.5 percent initially, reduced to an ultimate rate of 4.5 percent after eight years. Rates include a 2.5 percent inflation assumption. The assumptions also include a 4.0 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, 2016.

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. 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 within 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.

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.

NOTE 12 PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

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.

GASB Statement No. 78 – *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* is effective for the Village beginning with its fiscal year ending April 30, 2017. This statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple employer defined benefit pension plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and has no predominant state or local governmental employer. Requirements for recognition and measurement of pensions expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions described above are established.

GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants* is effective for the Village beginning with its fiscal year ending April 30, 2017. The statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80 – *Blending Requirements for Certain Component Units* is effective for the Village beginning with its fiscal year ending April 30, 2018. The statement provides for additional criterion to blend a component unit that is incorporated as a not-for-profit corporation where the primary government is the sole corporate member.

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements* is effective for the Village beginning with its fiscal year ending April 30, 2018. The statement requires a government that receives resources to an irrevocable split-interest agreement to record assets, liabilities and deferred inflows of resources at the inception of the agreement. In instances where assets representing a beneficial interest to the government are administered by a third party, these assets must be recognized if the government controls the present service capacity of the beneficial interest.

NOTE 12 PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

GASB Statement No. 82 – *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73* is effective for the Village beginning with its fiscal year April 30, 2018. The statement addresses issues related to the presentation of payroll-related measures in required supplementary information, selection of assumptions and the classification of employer-paid member contributions.

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 \$278,500.

Management’s ongoing plans include the following:

- Efforts to reduce employee health insurance and workers compensation costs
- Efforts to expand the commercial business base

NOTE 14 RESTATEMENT OF BEGINNING NET POSITION

In the current year, the Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which resulted in the restatement of beginning net position for governmental activities. The restatement was necessary to establish the net pension liability at April 30, 2015 in accordance with the new standard. The effect of the restatement is as follows:

Beginning net position, April 30, 2015 (as previously reported)	19,454,260
Add: Beginning net pension liability	(6,671,869)
Beginning deferred outflow of resources related to pensions	1,440,027
Net Pension Obligation removal	<u>268,773</u>
Beginning net position, April 30, 2015 (as restated)	<u><u>14,491,191</u></u>

REQUIRED SUPPLEMENTARY INFORMATION



VILLAGE OF ORLAND HILLS, ILLINOIS

**VILLAGE OF ORLAND HILLS, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED APRIL 30, 2016**

Other Post Employee Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b- a/c)]
4/30/2016	\$ -	\$ 1,741,767	\$ 1,741,767	0.00%	\$ 1,235,188	141.01%
4/30/2015	N/A	N/A	N/A	0.00%	N/A	N/A
4/30/2014	N/A	N/A	N/A	0.00%	N/A	N/A
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%
4/30/2011	-	1,064,955	1,064,955	0.00%	1,582,268	67.31%
4/30/2010	-	1,011,073	1,011,073	0.00%	1,528,761	66.14%

**VILLAGE OF ORLAND HILLS, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED APRIL 30, 2016**

Other Post Employment Benefit

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed
4/30/2016	\$ 125,846	\$ 69,518	55.2%
4/30/2015	129,222	40,834	31.6%
4/30/2014	130,093	50,085	38.5%
4/30/2013	130,974	57,259	43.7%
4/30/2012	89,960	29,416	32.7%
4/30/2011	90,722	27,035	29.8%
4/30/2010	91,520	24,800	27.1%

See accompanying notes to required supplementary information

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, 2016

	Last 10 Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$ 153,180	\$ 167,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	479,297	370,461	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(66,773)	818,012	-	-	-	-	-	-	-	-
Changes of assumptions	-	623,630	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(363,616)	(255,437)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>202,088</u>	<u>1,723,970</u>	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	<u>7,540,450</u>	<u>5,816,480</u>	-	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	<u>\$ 7,742,538</u>	<u>\$ 7,540,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 322,487	\$ 196,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	92,744	59,471	-	-	-	-	-	-	-	-
Net investment income	55,404	64,387	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(363,616)	(255,437)	-	-	-	-	-	-	-	-
Other	16,461	(34,764)	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ 123,480</u>	<u>\$ 29,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position - Beginning	<u>2,667,677</u>	<u>2,637,994</u>	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,791,157</u>	<u>\$ 2,667,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 4,951,381</u>	<u>\$ 4,872,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.05%	35.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 639,223	\$ 639,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	774.59%	762.30%	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 VILLAGE CONTRIBUTIONS
APRIL 30, 2016

	Last 10 Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Contribution	\$ 494,931	\$ 489,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	322,487	196,026	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 172,444	\$ 293,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 639,223	\$ 639,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	50.45%	30.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date: Actuarially determined contribution are calculated as of May 1 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported

Actuarial Cost Method: Entry age normal

Amortization Method: Level dollar

Asset Valuation Method: 5-year smoothed market; no corridor

Inflation: 1.5%

Salary Increases: Graded rates from 4.86% at age 25 to 1.12% at age 55, plus inflation

Investment Rate of Return: 6.5%

Retirement Age:

Age	Rate of Retirement	Age	Rate of Retirement
50	0.36	\$ 60	\$ 0
51	0.22	61	0.3
52	0.18	62	0
53	0	63	0
54	0	64	1
55	0	65	1
56	0	66	1
57	0	67	1
58	0.21	68	0.91
59 \$	0	\$ 69	\$ 1

Mortality: Active Lives: RP-2000 Combined Healthy Mortality Table (male), with blue collar adjustment projected by Scale BB to 2015

Disabled Lives: RP2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

**VILLAGE OF ORLAND HILLS, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
APRIL 30, 2016**

Last 10 Fiscal Years

	<u>2016</u>	<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>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.70%	3.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF ORLAND HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
APRIL 30, 2016

Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 136,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	394,500	-	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	696,883	-	-	-	-	-	-	-	-	-
Changes of assumptions	90,802	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(194,351)	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>1,123,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Beginning	<u>5,440,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u>\$ 6,564,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 207,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	62,715	-	-	-	-	-	-	-	-	-
Net investment income	19,092	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(194,351)	-	-	-	-	-	-	-	-	-
Other	123,547	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ 218,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position - Beginning	<u>3,780,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,998,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 2,565,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 929,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	276.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Information is presented for those years for which it was available

**VILLAGE OF ORLAND HILLS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
APRIL 30, 2016**

	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	\$ 179,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>207,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	\$ (27,299)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 929,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	22.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

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

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 10-year rolling period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Inflation: 3%

Salary Increases: 4.4% to 16%, including inflation

Investment Rate of Return: 7.5%

Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

VILLAGE OF ORLAND HILLS, ILLINOIS
SHERIFF'S LAW ENFORCEMENT PERSONNEL
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
APRIL 30, 2016

	Last 10 Fiscal Years									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 25,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	20,039	-	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,997	-	-	-	-	-	-	-	-	-
Changes of assumptions	16,411	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	64,646	-	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	256,737	-	-	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 321,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 19,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	10,104	-	-	-	-	-	-	-	-	-
Net investment income	662	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	-	-	-	-	-	-	-	-	-	-
Other	(12,479)	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 17,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	117,714	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 135,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 186,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 134,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	138.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Information is presented for those years for which it was available

**VILLAGE OF ORLAND HILLS, ILLINOIS
SHERIFF'S LAW ENFORCEMENT PERSONNEL
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
APRIL 30, 2016**

	Last 10 Fiscal Years									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 19,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	19,183	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 134,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	14.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

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

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 10-year rolling period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Inflation: 3%

Salary Increases: 4.4% to 16%, including inflation

Investment Rate of Return: 7.5%

Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used.

Other Information: There were no benefit changes during the year

VILLAGE OF ORLAND HILLS, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MOTOR FUEL TAX FUND
YEAR ENDED APRIL 30, 2016

	General Fund			Motor Fuel Tax Fund		
	Original and Final Budget	Actual	Variance Over (Under) Final	Original and Final Budget	Actual	Variance Over (Under) Final
Revenues						
Taxes	\$ 1,392,730	\$ 1,604,326	\$ 211,596	\$ 24,000	\$ 23,325	\$ (675)
Licenses and permits	179,110	172,143	(6,967)	-	-	-
Intergovernmental	2,166,696	2,546,103	379,407	170,146	188,314	18,168
Fees and charges for services	668,836	679,498	10,662	-	-	-
Fines	325,000	361,018	36,018	-	-	-
Investment income	20	14,661	14,641	15	330	315
Grant revenue	-	-	-	-	130,075	130,075
Other revenues	159,500	134,954	(24,546)	-	-	-
Total revenues	<u>4,891,892</u>	<u>5,512,703</u>	<u>620,811</u>	<u>194,161</u>	<u>342,044</u>	<u>147,883</u>
Expenditures						
Administration	835,531	1,022,109	186,578	-	-	-
Building and zoning department	169,470	154,060	(15,410)	-	-	-
Police department	2,288,966	2,497,399	208,433	-	-	-
Fire and police commission	4,000	-	(4,000)	-	-	-
ESDA	3,300	1,159	(2,141)	-	-	-
Parks and recreation	529,530	489,795	(39,735)	-	-	-
Orland Towne Village festival	40,000	14,215	(25,785)	-	-	-
Concession stand/ seniors	5,700	4,339	(1,361)	-	-	-
Special transportation	92,432	91,387	(1,045)	-	-	-
Highway and streets	660,206	605,004	(55,202)	148,000	82,481	(65,519)
Flood prevention	33,500	14,567	(18,933)	-	-	-
Capital outlay	112,000	57,803	(54,197)	150,000	86,793	(63,207)
Debt service - principal retired	55,714	55,714	-	-	-	-
Debt service - interest and fees	7,224	7,101	(123)	-	-	-
Total expenditures	<u>4,837,573</u>	<u>5,014,652</u>	<u>177,079</u>	<u>298,000</u>	<u>169,274</u>	<u>(128,726)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>54,319</u>	<u>498,051</u>	<u>443,732</u>	<u>(103,839)</u>	<u>172,770</u>	<u>276,609</u>
Other Financing Sources/(Uses)						
Capital lease proceeds	-	57,803	57,803	-	-	-
Transfers in	70,000	124,655	54,655	-	-	-
Transfers out	(123,632)	(159)	123,473	-	-	-
Total other financing sources	<u>(53,632)</u>	<u>182,299</u>	<u>235,931</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 687</u>	<u>680,350</u>	<u>\$ 679,663</u>	<u>\$ (103,839)</u>	<u>172,770</u>	<u>\$ 276,609</u>
Fund Balances - Beginning of Year		<u>(1,700,126)</u>			<u>170,212</u>	
Fund Balances - End of Year		<u>\$ (1,019,776)</u>			<u>\$ 342,982</u>	

VILLAGE OF ORLAND HILLS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

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, 2016:

<u>Fund</u>	<u>Amount</u>
General	\$177,079

SUPPLEMENTARY INFORMATION



VILLAGE OF ORLAND HILLS, ILLINOIS

VILLAGE OF ORLAND HILLS, ILLINOIS
GENERAL FUND
SCHEDULES OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2016

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Taxes			
Property tax	\$ 350,000	\$ 552,324	\$ 202,324
Non home-rule sales tax	652,020	645,819	(6,201)
Telecommunication utility tax	155,000	144,780	(10,220)
Nonretail business tax	179,922	206,634	26,712
Vehicle lease tax	55,788	54,769	(1,019)
Total taxes	<u>1,392,730</u>	<u>1,604,326</u>	<u>211,596</u>
Licenses and permits			
Vehicle licenses	77,210	69,335	(7,875)
Liquor licenses	30,000	32,150	2,150
Other licenses and permits	6,900	5,335	(1,565)
Business licenses	40,000	41,340	1,340
Contractor licenses	25,000	23,983	(1,017)
Total licenses and permits	<u>179,110</u>	<u>172,143</u>	<u>(6,967)</u>
Intergovernmental revenues			
Personal property replacement tax	4,000	3,428	(572)
State income tax	707,000	761,886	54,886
State sales tax	1,317,000	1,615,762	298,762
Use tax	138,696	165,027	26,331
Total intergovernmental revenues	<u>2,166,696</u>	<u>2,546,103</u>	<u>379,407</u>
Fees and charges for services			
Franchise fees	439,036	390,122	(48,914)
Permit and inspection fees	66,200	71,155	4,955
Recreation fees	113,200	115,998	2,798
Video provider fee	39,000	37,836	(1,164)
Other fees and charges	11,400	64,387	52,987
Total fees and charges for services	<u>668,836</u>	<u>679,498</u>	<u>10,662</u>
Fines			
Police fines	250,000	294,163	44,163
Forfeiture proceeds	-	-	-
Miscellaneous fines	75,000	66,855	(8,145)
Total fines	<u>325,000</u>	<u>361,018</u>	<u>36,018</u>
Investment income	<u>20</u>	<u>14,661</u>	<u>14,641</u>
Grant revenue	<u>-</u>	<u>-</u>	<u>-</u>
Other revenue			
Donations	27,000	22,400	(4,600)
Reimbursements	15,000	44,421	29,421
Miscellaneous	117,500	68,133	(49,367)
Total other revenue	<u>159,500</u>	<u>134,954</u>	<u>(24,546)</u>
Total revenues	<u>\$ 4,891,892</u>	<u>\$ 5,512,703</u>	<u>\$ 620,811</u>

VILLAGE OF ORLAND HILLS, ILLINOIS
GENERAL FUND
SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2016

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
Expenditures			
General Government			
Administration			
Personal services	\$ 481,531	\$ 684,771	\$ (203,240)
Contractual	283,500	272,700	10,800
Commodities	62,500	62,675	(175)
Capital outlay	8,000	1,963	6,037
Total administration	<u>835,531</u>	<u>1,022,109</u>	<u>(186,578)</u>
Building & zoning department			
Personal services	108,820	129,859	(21,039)
Contractual	52,000	14,759	37,241
Commodities	6,450	7,479	(1,029)
Capital outlay	2,200	1,963	237
Total building & zoning department	<u>169,470</u>	<u>154,060</u>	<u>15,410</u>
Total general government	<u>1,005,001</u>	<u>1,176,169</u>	<u>(171,168)</u>
Public Safety			
Police department			
Personal services	1,701,766	1,820,015	(118,249)
Contractual	433,300	557,915	(124,615)
Commodities	116,900	81,990	34,910
Capital outlay	37,000	37,479	(479)
Total police department	<u>2,288,966</u>	<u>2,497,399</u>	<u>(208,433)</u>
Fire and Police Commission			
Contractual	3,500	-	3,500
Commodities	500	-	500
Total fire and police commission	<u>4,000</u>	<u>-</u>	<u>4,000</u>
ESDA			
Personal services	2,100	938	1,162
Contractual	300	121	179
Commodities	900	100	800
Total ESDA	<u>3,300</u>	<u>1,159</u>	<u>2,141</u>
Total public safety	<u>2,296,266</u>	<u>2,498,558</u>	<u>(202,292)</u>
Culture and Recreation			
Parks and recreation			
Personal services	335,080	338,048	(2,968)
Contractual	85,300	75,023	10,277
Commodities	94,950	74,010	20,940
Capital outlay	14,200	2,714	11,486
Total parks and recreation	<u>529,530</u>	<u>489,795</u>	<u>39,735</u>

VILLAGE OF ORLAND HILLS, ILLINOIS
GENERAL FUND
SCHEDULES OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Culture and Recreation (Continued)			
Orland Towne Village festival			
Commodities	\$ 40,000	\$ 14,215	\$ 25,785
Concession stand/seniors			
Personal services	300	118	182
Contractual	400	182	218
Commodities	5,000	4,039	961
Total concession stand/seniors	5,700	4,339	1,361
Special transportation			
Personal services	85,132	81,706	3,426
Contractual	1,800	4,158	(2,358)
Commodities	4,300	4,323	(23)
Capital outlay	1,200	1,200	-
Total special transportation	92,432	91,387	1,045
Total culture and recreation	667,662	599,736	67,926
Highways and Streets			
Public works			
Personal services	496,456	468,321	28,135
Contractual	115,300	100,517	14,783
Commodities	46,450	34,009	12,441
Capital outlay	2,000	2,157	(157)
Total public works	660,206	605,004	55,202
Flood Prevention	33,500	14,567	18,933
Total highways and streets	693,706	619,571	74,135
Capital Outlay	112,000	57,803	54,197
Debt Service - Principal Retired	55,714	55,714	-
Debt Service - Interest and Fees	7,224	7,101	123
Total expenditures	\$ 4,837,573	\$ 5,014,652	\$ (177,079)

**VILLAGE OF ORLAND HILLS, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016**

	Nonmajor Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 47,205	\$ -	\$ -	\$ 47,205
Short-term investments	43,730	108	-	43,838
Receivables				
Hotel taxes	18,002	-	-	18,002
Due from other funds	42,354	-	-	42,354
Total assets	<u>\$ 151,291</u>	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ 151,399</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	53,567	-	53,567
Total liabilities	<u>-</u>	<u>53,567</u>	<u>-</u>	<u>53,567</u>
Fund balances (deficits)				
Restricted, reported in				
Special revenue funds	26,839	-	-	26,839
Debt service funds	-	108	-	108
Assigned	124,452	-	-	124,452
Unassigned	-	(53,567)	-	(53,567)
Total fund balances (deficits)	<u>151,291</u>	<u>(53,459)</u>	<u>-</u>	<u>97,832</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 151,291</u>	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ 151,399</u>

VILLAGE OF ORLAND HILLS, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2016

	Nonmajor Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel taxes	112,770	-	-	112,770
Investment income	81	-	-	81
Other revenue	24,155	-	-	24,155
Total revenues	<u>137,006</u>	<u>-</u>	<u>-</u>	<u>137,006</u>
Expenditures				
Administration	92,030	-	-	92,030
Police department	4,908	-	-	4,908
Capital outlay	1,180	-	-	1,180
Total expenditures	<u>98,118</u>	<u>-</u>	<u>-</u>	<u>98,118</u>
Excess (Deficiency) of Revenues over Expenditures	<u>38,888</u>	<u>-</u>	<u>-</u>	<u>38,888</u>
Other Financing Sources (Uses)				
Transfers in	159	-	-	159
Transfers out	(24,365)	-	(100,290)	(124,655)
Total other financing sources (uses)	<u>(24,206)</u>	<u>-</u>	<u>(100,290)</u>	<u>(124,496)</u>
Net Change in Fund Balances	<u>14,682</u>	<u>-</u>	<u>(100,290)</u>	<u>(85,608)</u>
Fund Balances (Deficit)				
Beginning of year	136,609	(53,459)	100,290	183,440
End of year	<u>\$ 151,291</u>	<u>\$ (53,459)</u>	<u>\$ -</u>	<u>\$ 97,832</u>

**VILLAGE OF ORLAND HILLS, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
APRIL 30, 2016**

	SPECIAL REVENUE FUNDS											Total
	Integrity Fund I	Integrity Fund III	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	
Assets												
Cash and cash equivalents	\$ 18,224	\$ 15	\$ 26,423	\$ -	\$ -	\$ -	\$ -	\$ 2,542	\$ -	\$ -	\$ 1	\$ 47,205
Short-term investments	-	-	37,673	1,489	1,593	568	-	335	2,072	-	-	43,730
Receivables												
Hotel taxes	-	-	18,002	-	-	-	-	-	-	-	-	18,002
Due from other funds	-	-	11,066	-	-	-	-	-	-	31,288	-	42,354
Total assets	<u>\$ 18,224</u>	<u>\$ 15</u>	<u>\$ 93,164</u>	<u>\$ 1,489</u>	<u>\$ 1,593</u>	<u>\$ 568</u>	<u>\$ -</u>	<u>\$ 2,877</u>	<u>\$ 2,072</u>	<u>\$ 31,288</u>	<u>\$ 1</u>	<u>\$ 151,291</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances												
Liabilities												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>-</u>
Fund balances (deficits)												
Restricted	18,224	15	-	1,489	1,593	568	-	2,877	2,072		1	26,839
Assigned	-	-	93,164	-	-	-	-	-	-	31,288	-	124,452
Total fund balance	<u>18,224</u>	<u>15</u>	<u>93,164</u>	<u>1,489</u>	<u>1,593</u>	<u>568</u>	<u>-</u>	<u>2,877</u>	<u>2,072</u>	<u>31,288</u>	<u>1</u>	<u>151,291</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,224</u>	<u>\$ 15</u>	<u>\$ 93,164</u>	<u>\$ 1,489</u>	<u>\$ 1,593</u>	<u>\$ 568</u>	<u>\$ -</u>	<u>\$ 2,877</u>	<u>\$ 2,072</u>	<u>\$ 31,288</u>	<u>\$ 1</u>	<u>\$ 151,291</u>

VILLAGE OF ORLAND HILLS, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED APRIL 30, 2016

	SPECIAL REVENUE FUNDS											Total
	Integrity Fund I	Integrity Fund III	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	
Revenues												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel tax	-	-	112,770	-	-	-	-	-	-	-	-	112,770
Investment income	20	-	51	1	2	-	-	6	1	-	-	81
Other revenue	23,050	450	-	655	-	-	-	-	-	-	-	24,155
Total revenues	23,070	450	112,821	656	2	-	-	6	1	-	-	137,006
Expenditures												
Administration	-	-	92,030	-	-	-	-	-	-	-	-	92,030
Police department	4,324	584	-	-	-	-	-	-	-	-	-	4,908
Capital outlay	525	-	-	655	-	-	-	-	-	-	-	1,180
Total expenditures	4,849	584	92,030	655	-	-	-	-	-	-	-	98,118
Excess (Deficiency) of Revenues over Expenditures	18,221	(134)	20,791	1	2	-	-	6	1	-	-	38,888
Other Financing Sources (Uses)												
Transfers in	-	159	-	-	-	-	-	-	-	-	-	159
Transfers out	-	(10)	-	-	-	-	(24,355)	-	-	-	-	(24,365)
Total other financing sources (uses)	-	149	-	-	-	-	(24,355)	-	-	-	-	(24,206)
Net Change in Fund Balances	18,221	15	20,791	1	2	-	(24,355)	6	1	-	-	14,682
Fund Balances (Deficits)												
Beginning of year	3	-	72,373	1,488	1,591	568	24,355	2,871	2,071	31,288	1	136,609
End of year	\$ 18,224	\$ 15	\$ 93,164	\$ 1,489	\$ 1,593	\$ 568	\$ -	\$ 2,877	\$ 2,072	\$ 31,288	\$ 1	\$ 151,291

VIIAGE OF ORLAND HILLS, ILLINOIS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
APRIL 30, 2016

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

VILLAGE OF ORLAND HILLS, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - DEBT SERVICE FUNDS
YEAR ENDED APRIL 30, 2016

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

STATISTICAL SECTION



VILLAGE OF ORLAND HILLS, ILLINOIS

VILLAGE OF ORLAND HILLS, ILLINOIS
GENERAL PROPERTY TAX DATA
LAST TEN YEARS
(Unaudited)

	<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>
Assessed										
Valuation	\$ 128,035,438	\$ 131,289,244	\$ 135,063,473	\$ 143,633,188	\$ 155,343,519	\$ 181,065,140	\$ 169,916,160	\$ 154,791,619	\$ 139,502,747	\$ 137,805,740
Tax Rate										
General	0.433	0.418	0.400	0.369	0.331	0.278	0.269	0.280	0.279	0.288
Gross Levy										
General	554,393	548,789	540,254	529,320	513,365	503,858	456,555	444,960	411,821	395,813