



THE VILLAGE OF
OAK LAWN



Village of Oak Lawn, Illinois

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2015**

Submitted by:
Brian J. Hanigan
Director of Finance and Administrative Services

Village of Oak Lawn, Illinois

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Village of Oak Lawn, Illinois

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August 25, 2016

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**DR. SANDRA BURY, VILLAGE PRESIDENT
LARRY R. DEETJEN, VILLAGE MANAGER
MEMBERS OF THE BOARD OF TRUSTEES
RESIDENTS OF THE VILLAGE OF OAK LAWN**

The comprehensive annual financial report of the Village of Oak Lawn (“Village”) for the year ended December 31, 2015 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

This financial report summarizes the results for the Village's 2015 fiscal year through the use of various charts, graphs and narrative descriptions. These descriptions, combined with certain statistical data included in the footnotes and the supplemental information section of the report, present management's analysis of the results of the Village's operations during the 2015 fiscal year as well as the Village's financial position as of December 31, 2015. This report also includes a comparison of these actual results for the year to the 2015 Municipal Budget as voted on and approved by the Village's Board of Trustees on December 18, 2014 and filed with the Cook County Clerk's office on December 23, 2014. The comprehensive annual financial report presents management's discussion and analysis (“MD&A”), basic financial statements and required supplementary information. The MD&A provides an analytical overview of the Village's financial activity during the year. Included in the basic financial statements are the government-wide financial statements, fund financial statements and notes to the financial statements. The required supplementary information presents the budgetary comparison schedules and other schedules considered necessary.

If necessary, the Village is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133 “*Audits of States, Local Governments, and Non-Profit Organizations*” (“Circular”). Based upon the provisions of the Circular, the Village has been required to go through audit procedures necessary to issue a separate Single Audit Report for the years ended December 31, 2009 thru 2012 due to the Village's receipt and subsequent expenditure of federal awards during each of those years in excess of the \$500,000 threshold. The Village was not required to issue a separate Single Audit for the year ended December 31, 2013. The Village was required to go through audit procedures necessary to issue a separate Single Audit Report for the year ended December 31, 2014 and 2015.

The financial reporting entity (“Government”) includes all the funds of the primary government (i.e., the Village of Oak Lawn as legally defined), as well as its component units (the Oak Lawn Public Library, or “Library” and the Oak Lawn Social Service Corporation, or “OLSSC”). Component units are legally separate entities for which the primary government is financially accountable. The Village provides a full range of services as required by State statute, charter or local government ordinance. These services include police and fire protection, emergency services, street and roadway maintenance, health and social services, water distribution services, sanitation and sewer services, public improvements, planning and zoning and general administrative services.

DR. SANDRA BURY
VILLAGE PRESIDENT

JANE M. QUINLAN, MMC
VILLAGE CLERK

LARRY R. DEETJEN, CM
VILLAGE MANAGER

VILLAGE TRUSTEES
MIKE CARBERRY
TIM DESMOND
ALEX G. OLEJNICZAK
BUD STALKER
ROBERT J. STREIT
TERRY VORDERER



ECONOMIC CONDITION AND OUTLOOK

The Village was incorporated in 1909 and is located southwest of the city of Chicago approximately 15 miles from the Chicago Loop within Cook County. The Village has a land area of approximately 8.61 square miles, with 184.91 miles of paved streets and roadways. The Village was incorporated in 1909 and is a home rule community operating under the Council-Manager form of government. The Governing Body is a seven-member Board consisting of a President elected at large every four years and six District Trustees elected every four years on a staggered basis. The Governing Body appoints a professional Village manager who in turn appoints a professional management team for the day-to-day operations of the Village.

The Village administration in recent years and its management team have expended a great deal of time and effort in presenting to Village residents a balanced annual budget. With respect to expenditures, the Village administration has managed to reduce its work force significantly through attrition and the outsourcing of building and grounds maintenance; emergency communication and dispatch services; police front desk services; landscaping; economic development; parking lot snow and ice removal and control; building permit and inspections; and property maintenance. In addition, the Village is in its third year of a “shared-use” agreement with a neighboring municipality whereby its Fire-Rescue Services Chief is used by both communities. One of the Village of Oak Lawn’s long-term goals is to expand the “shared-use” concept in areas of the Village’s operations where it may be particularly efficient. However, rising infrastructure needs and a Board policy not to unduly defer maintenance of key public trust assets such as the Village streets and alleys has lessened the Village’s ability to meet the rising annual costs of Police and Firefighter pensions. These pension benefits are set at levels determined by the Illinois State Assembly and the Governor. The Village’s various budgetary needs have resulted in lower pension contributions to its Police and Firefighter Pension Plans than actuarially recommended. The appearance of a balanced budget has in reality been a budget deficit of approximately \$3 million to \$4 million per year primarily due to these deferred pension contributions. The Village Board committed to a formal funding plan for its Police and Firefighter Pension Plans as the first step toward addressing the Village’s underfunded pension plans. The Village’s operating expenses, in particular personnel costs primarily due to collectively bargained for salaries and step increases, continue to increase by 2.5% to 4% each year while the Village’s revenues are generally flat or declining. As always, the Village Board and its management team will consider the service expectations of its residents while conducting an ongoing and vigilant review of the Village’s net operating expenditures during the coming fiscal year.

On the revenue side, the Village has consistently reduced its property tax levy over the past four years and increased its “fees for services”, the local home rule sales tax, the local gasoline and certain utilities taxes. The Village hopes to continue in this regard as all these increases were pegged against trends and levels of taxation in surrounding market communities and were determined by the Village Board and its management team to be a fairer form of local taxation in order to balance the annual budget.

Fiscal year 2015 did experience somewhat of an economic recovery for durable goods in the Village as reflected in the fact that sales tax revenues experienced a significant increase in excess of 7.5% from 2014. Nevertheless, the economy continues to recover slowly, particularly with respect to unemployment, and the Village administration continues to be concerned about overall business activity and job creation. This has truly been a “jobless recovery” within the Village as unemployment has remained relatively steady at 6.6%. Despite the somewhat disappointing unemployment figure, overall business activity has remained fairly vibrant and steady throughout the Village.

As evidence, there were 2,569 building permits issued during 2015 as compared to 2,628 and 2,414 in 2014 and 2013, respectively. There were 140 permits issued for commercial construction with an estimated value of \$12.5 million (as compared to 129 and 104 at \$26.1 million and \$18.5 million in 2014 and 2013, respectively) and residential new home construction and renovation (including multi-family units) of 1,631 units with estimated construction value of approximately \$14.7 million as compared to 1,730 units with a revised construction value of \$13.4 million in 2014.

On another positive note, 43 new businesses starts occurred in 2015 (and another 21 new business starts thru June 2016) with only 14 closing (12 additional closings thru June 2016) their doors during the year based on the new licenses issued by the Village's business licensing division. As discussed above, the Village's actual sales tax receipts in 2015 increased over 7.5% from 2014's levels as Village businesses contributed over \$14.9 million in sales tax revenues (net of rebates) to the Village's general fund as compared to slightly under \$13.8 million in 2014. Sales tax revenue produced entirely within our local economy comprised approximately 28% of all budgeted local government general fund revenues in 2015 and is obviously a critical component of the Village's operating budget and ability to provide compensation increases to its employees as well as meet its substantial future pension and post retirement obligations. President Bury's "Shop Oak Lawn" initiative, which intended to keep sales tax dollars reinvested in the local economy, appears to have been well received by both residents and local businesses.

In 2014, the Village's major efforts remain focused on community development and infrastructure improvement with the goal of maintaining and building upon the Village's middle class heritage for its 56,690 residents. The Village continues to be a great community for families and businesses. The Village has a rich history that promotes a conservative fiscal policy with a progressive eye for the future. In this regard, the Village continued to monitor the progress of three TIF districts in the downtown area which were created to promote condominium development and to attract newer, more upscale retailers to the Village. The Village amended the 111th & Cicero Avenue TIF district and established the adjacent Cicero Gateway TIF district to support the ongoing redevelopment of a blighted shopping center located at one of the prominent intersections within the Village. During 2015, the Village also reached agreement on the \$33 million sale of Phase I of the Cicero Gateway TIF development for which it received approximately \$6.6 million. The Village used the proceeds from the sale to pay down its bank indebtedness previously used to finance the acquisition of various land parcels necessary to complete the first phase of the redevelopment project.

The Stoney Creek Promenade, originated in the 111th and Cicero Avenue TIF district (and amended with the Cicero Gateway TIF), is a mixed-use development on 26.91 acres being constructed as a multi-phase project at the northwest corner of Cicero Avenue and 111th Street. Approved in November 2013 by the Village Planning and Development Commission and the Village's Board of Trustees, the first phase of the development is on 14.68 acres and was completed in fall 2015. Itasca-based Hamilton Partners is the developer and together with the Village currently owns all the equity in the development. Several exciting commitments were obtained for Phase I of the development including the anchor tenant, Mariano's, who occupied a 72,000 square foot supermarket on the site in September 2014. In addition to Mariano's, which committed to the development in April 2013, Hamilton Partners and the Village obtained contractual commitments during the first quarter of 2014 from Cooper's Hawk Winery & Restaurants, an upscale casual dining restaurant to lease 10,000 square feet of space

at the south end of the development and Massage Envy Spa, an upscale therapeutic massage spa to provide an alternative health care solution for those in the Village in need. Cooper's Hawk opened in May 2015 to near capacity crowds and Massage Envy opened in February 2015. Several other eateries including Chipotle, Starbuck's, Meatheads and Firehouse Subs opened during various dates during the first half of 2015 and have committed to five-year lease agreements on an additional 17,000 square feet of leased space within Phase I. The Village estimates that Phase II of the development on approximately 12.23 acres will begin the redevelopment phase with solicited lease commitments during 2017.

MAJOR INITIATIVES

The Village Board and its management team recognized the Village's ongoing infrastructure needs and beginning in 2009 commenced on an aggressive but necessary capital program at minimal cost to Village taxpayers while trying as much as possible to maintain the level of each resident's property tax rate allocation for Village services. In May 2015, the Village Board approved a small increase in the Village's electric and natural gas utility tax rates in order to provide approximately \$2.5 million per year in additional revenue from all taxpayers in the Village (i.e., commercial, residential, educational and institutional). This additional revenue is expected to provide a dedicated and regular source of funding for streets, sidewalks, alleys, water mains and other capital projects as needed.

The Village added to its goal of being committed to strategic long range planning by partnering with the Southwest Mayor's Conference as well as Chicago Metropolitan Area Planning ("CMAP") to commence planning initiatives for the Village's key commercial business districts along Cicero, Ridgeland and 95th Street. The "95th Street Corridor" serves the region and the Village of Oak Lawn well by virtue of a highly accessible corridor to such regional destinations as Christ Advocate Medical Center and Hope Children's Hospital ("ACMC") and the Chicago Ridge Mall. The Village is engaged in community development efforts that stretch beyond and across 95th Street, including economic development and regional bike planning. This planning effort attempts to balance the regional demands of an automobile oriented corridor with community vision for a safe and livable busy street. Developers and retailers are already reacting positively to these efforts initiated by CMAP and the Village designed to encourage an infusion of private investment and employment in these key geographic districts.

During the past two years, the Village and ACMC have been engaged in ongoing discussions toward the approval of a \$300 million, nine-story 300,000 square foot Ambulatory Pavilion located in the northeastern part of the Village at 95th Street and Kilbourn Avenue. The approval was granted by the Village Board in August 2011. The new addition will contain outpatient clinics, 14 operating suites for outpatient procedures, endoscope laboratories, two floors of advanced imaging technology and space for three of the campus' institutes – cancer, heart and vascular and neurosciences as well as for the Women's Center. The ACMC project will involve the construction of a six-level, 640-space parking tower directly across from the new pavilion on Kilbourn Avenue which will be connected by a pedestrian bridge and walkway. The project will also free up additional space for the treatment of emergency patients and patients admitted to the hospital. ACMC serves an estimated 350,000 outpatients annually, with 85 percent of those outpatient visits occurring at

the medical center's main Oak Lawn campus. The new Ambulatory Pavilion opened in late 2013. In August 2013, the Village and ACMC entered into a three-year agreement under which ACMC agreed to pay the Village \$3.2 million in permit fees and other fees to complete the Ambulatory Pavilion and a new parking tower. These fees are expected to address the impact and inconvenience on local residents from the additional construction and traffic congestion. This agreement expires in 2016.

During 2013, the Village began to explore the privatization of its emergency telecommunicators in order to cost justify the dispatch services provided to its residents. This process was started based on changes in the market for those particular municipal services. In addition, the Village has provided an annual subsidy of approximately \$400,000 to fund its Regional Dispatch Center in order to provide dispatch services in response to fire and police calls from Village residents and the residents of five neighboring municipalities. In January 2014, the Village Board approved a privatization contract with Norcomm Public Safety Communications, Inc. ("Norcomm") as part of the process to eliminate this annual subsidy and establish the Dispatch Center as a true cost center. Under the professional staffing agreement, the Village retained its Dispatch Center management team and each telecommunicator was offered the opportunity to interview with Norcomm for a position at a lower salary based on the current market for such dispatch services. In addition to staffing changes, the Village expects to enter into long-term service contracts with the five municipalities formally establishing the Dispatch Center as a true cost center to be paid for by each agency in accordance with their use based on call volume, assessed property value and population. These long-term service contracts were approved and signed by Village Board and the other five municipalities in June 2016.

As part of the Village's ongoing commitment to its water distribution business and in partnership with the City of Chicago and its eleven municipal customers, the Village authorized Camp, Dresser & McKee ("CDM Smith") to develop a Water System Master Plan ("Water Master Plan") summarizing the approximately \$171 million in capital improvements necessary to maintain the Village's water distribution system (the "System") as state of the art. CDM Smith's Water Master Plan is expected to provide Oak Lawn residents and the System's eleven other municipal customers with a safe and reliable source of high-quality drinking water for future decades. As those communities grow, the System is projected to serve over 400,000 residents from its current population level of 325,000 throughout the Greater Chicago Southland. Issues that are addressed in the preparation of CDM Smith's Water Master Plan include safety measures, reliability and redundancy to respond to an emergency as necessary sustainability as well as other improvements as needed. In February 2013, the Village and the City of Chicago approved an agreement with the City of Chicago to provide potable water from Lake Michigan for the next thirty years with a ten-year mutual option at the end of the contract term. In December 2013, the Village Board approved the System's Sale, Purchase and Service Agreement (the "Agreement") with eleven neighboring municipalities which will remain in full force until 2054. Eight of the Village's eleven municipal customers received unanimous approval from their respective elected Boards and signed the Agreement during the summer of 2014. The Village anticipates that the remaining three municipal customers will approve and execute the Agreement. The Illinois Environment Protection Agency ("IEPA") has committed approximately \$80 million under its Clean Water Initiatives with the possibility that IEPA may be able to provide funding for virtually the System's entire project.

The Village is served by separate sanitary and sewer systems. Certain parts of the sanitary system experience severe surcharging during storm events. This surcharging subsequently causes problems such as manholes flooding to ground level and basement backups. These problems have been caused by improper infiltration and inflow to the system, downstream capacity restrictions, localized bottlenecks or any combination of these factors. To address these problems, the Village retained CDM Smith to develop a comprehensive Sanitary Sewer Master Plan (“Sewer Master Plan”). The purpose of the Sewer Master Plan is to gain a more complete understanding of the Village’s sewer system, identify those areas which experience the worst flooding problems at the highest frequency, determine the cause of those problems in these high-severity areas and implement a set of solutions to address those issues. The Sewer Master Plan is a multiyear planning effort to set forth an iterative process by which each year the Village would be able to address issues in the next high-severity area until the desired level of service is achieved and provided throughout the Village. Implementation of the Village’s Sewer Master Plan began in earnest during 2012 with approximately \$1.2 million of project spending in order to complete the refurbishment of the Village’s four lift stations, approximately \$1 million of spending in 2013 and another \$1.2 million during 2014. For the first time in five years, the Village adjusted residential sewer rates at the end based entirely on water usage to fund these necessary sewer infrastructure projects.

FINANCIAL INFORMATION

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met without exception. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

As indicated earlier, the Village’s 2015 municipal budget was prepared and approved on December 18, 2014 based upon the goals and objectives of the Village’s Board of Trustees as communicated to management during the year and through a series of public meetings. This financial report addresses those goals in providing a comparison between the actual operating results and the approved budget. The Village also maintains certain budgetary controls the objective of which are to ensure compliance with legal provisions embodied in its annual appropriated budget approved by the Village’s governing body. Activities of the general, special revenue, debt service, enterprise and pension trust funds are included in the annual appropriated budget. Also included are minor enterprise funds such as the commuter parking lot fund which are either derived from taxpayer funds or established from fees charged to both residents and nonresidents for their use of Village services. During the 2015 budget process, the Village also included its TIF districts, which primarily consist of debt and tax revenues only, in the annual municipal budget.

Long-Term Planning and Debt Policy

The Village expects to fund its scheduled debt service requirements and to increase the current funding level of approximately \$3 million per year for each of its Police and Firefighter pension plans. As indicated above, the Village Board adopted a long-term funding policy in May 2016 that will commence upon the retirement of certain long term bonds during fiscal 2017 and 2018. This formal funding policy will increase the Village's current funding level by approximately \$1 million per year (\$500,000 for each fund) until 2021. The Village began this ongoing commitment to address its underfunded pension plans in 2011 and has increased overall employer pension contributions from \$1.4 million in 2011 to approximately \$5 million and \$6 million in 2015 and 2016, respectively. The Village has no plan to increase its long-term debt obligations over the next five years as it addresses the severe funding needs of these pension plans which are currently approximately 60% funded.

OTHER INFORMATION

Independent Audit

Illinois statutes require an annual audit by independent certified public accountants. RSM US LLC has served as the Village's auditors since 2008. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included as part of the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association ("GFOA") awards a Certificate of Achievement for Excellence in Financial Reporting only to those governmental units whose financial reports substantially conform to the high standards of financial reporting promulgated by the GASB. The Village has received the Certificate of Achievement from the GFOA for the Village's reports each year from 1989 thru 2014. In addition, the Village has inquired with the GFOA as to the requirements for a similar award for excellence in its budgeting process. The Village has received several comments and suggestions from the GFOA regarding changes necessary to receive the GFOA's budgeting award.

Acknowledgements

The preparation of this report could not have been accomplished without the effort and dedicated services of the entire staff of the Department of Finance and Administrative Services. I would like to express my sincere appreciation to all members of the Village's Finance Department and in particular to Joanne Suczynski, Budget Director and Deborah Neberieza, the Village's Cash Manager.

Very truly yours,



Brian J. Hanigan
Director of Finance and Administrative Services

VILLAGE OF OAK LAWN, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2015

LEGISLATIVE

VILLAGE PRESIDENT

Sandra Bury

VILLAGE CLERK

Jane M. Quinlan

TRUSTEES

Tim Desmond, District 1

Alex G. Olejniczak, District 2

Robert J. Streit, District 3

Terry Vorderer, District 4

William "Bud" Stalker, District 5

Mike Carberry, District 6

ADMINISTRATION

Larry R. Deetjen, Village Manager

Steven M. Barrett, Director of Public Works

John P. Gallagher, Village Engineer and Director of Community Development
and Economic Growth

Brian J. Hanigan, Director of Finance and Administrative Services

Michael Murray, Chief of Police

Joseph Skibinski, Village Treasurer

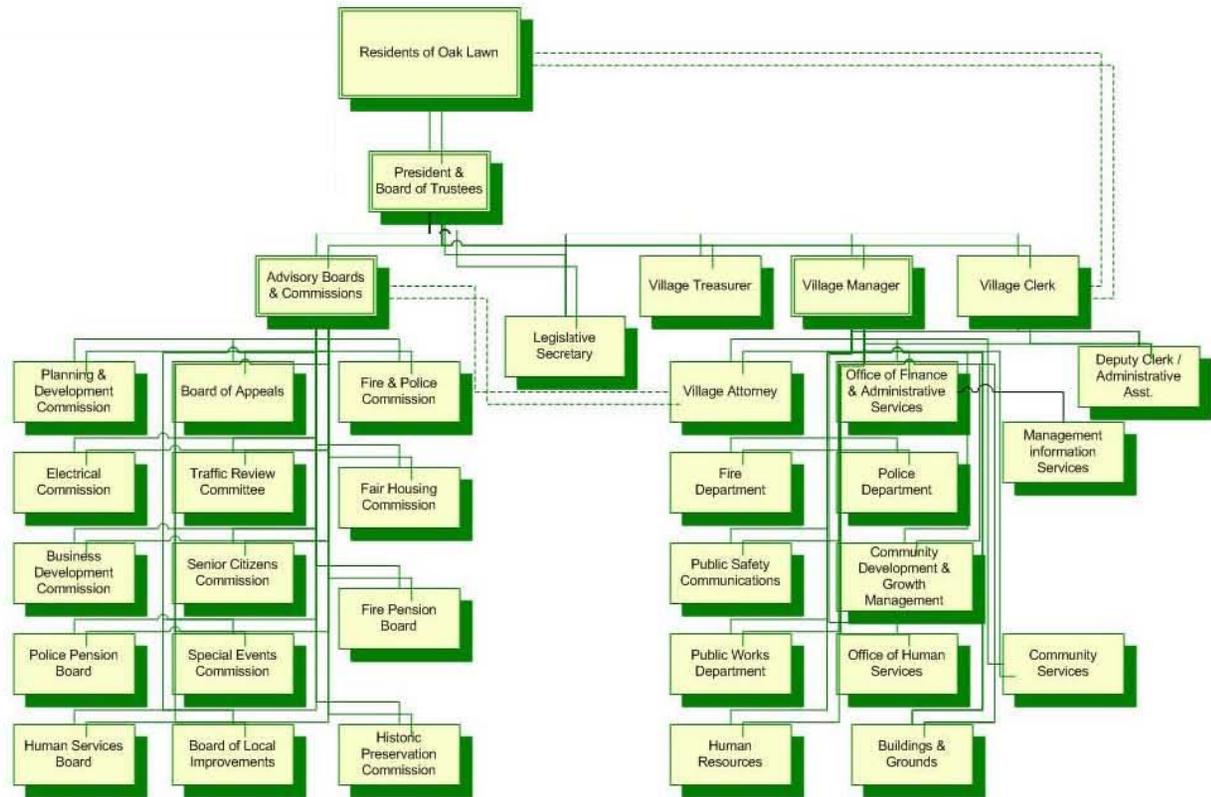
Daniel R. Omiecinski, Director of Human Resources

Peterson Johnson Murray Chicago, LLC (Paul O'Grady/Pat Connelly), Village Attorney

George W. Sheets, Fire Chief

Diana Tousignant, Director of Public Safety Communications

PRESIDENT & BOARD OF TRUSTEES





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Oak Lawn
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



RSM US LLP

Independent Auditor's Report

To the Honorable President and
Members of the Board of Trustees
Village of Oak Lawn, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oak Lawn, Illinois (Village), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oak Lawn Public Library, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oak Lawn Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Oak Lawn, Illinois, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the year ended December 31, 2015, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*. The implementation of GASB Statement No. 68 resulted in a restatement of opening January 1, 2015 net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension and OPEB-related information and budgetary comparison information and related notes on pages 3-21 and 89-104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information consisting of combining and individual fund statements and schedules and debt requirement schedules and the Introductory and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund statements and schedules and debt requirement schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections 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.

RSM US LLP

Chicago, Illinois
August 25, 2016

Management's Discussion and Analysis (MD&A)

VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)

DECEMBER 31, 2015

The management of the Village of Oak Lawn (“Village”) presents this discussion and analysis in order to provide its citizens, investors, vendors and other interested parties with a narrative overview of the Village’s financial activities and resulting financial position for the year ended December 31, 2015. We hope to convey a clear and concise description so that, in conjunction with the other financial information contained in the Comprehensive Annual Financial Report (“CAFR”), those with an interest in the Village’s financial status may better understand the results of its operations and financial position. We encourage all interested parties to consider the information presented here particularly in conjunction with the information provided in the *Letter of Transmittal*, which can be found on pages i–vii of this report.

As with all sections of this CAFR, the information presented within this MD&A section should be considered within the context of the entire document. Therefore, it is important to read and evaluate all sections of this CAFR, including the *Letter of Transmittal*, *Independent Auditor’s Report*, *Basic Financial Statements* (including the Notes to the Financial Statements and the Supplementary Information) and the *Statistical* section, all of which are contained in this document.

Financial Highlights

- The Village’s net position of governmental activities increased by \$5.4 million, or 3.4%, whereas the net position of business-type activities increased by \$0.5 million, or 1.2%, resulting in ending net position of \$(109.9). The net position of the Village fluctuated from the prior year due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68) which revised the reporting requirements for the Village’s deferred outflows of resources, pension liabilities, and deferred inflows of resources.
- At the end of 2015, total governmental funds reported combined ending fund balances of \$17.8 million. At the end of the year, there was a deficit of \$1.5 million in the unassigned fund balance category. As of December 31, 2014, the ending fund balances in the Village’s governmental funds totaled \$25.0 million, and had a deficit of \$0.7 million in the unassigned fund balance category. This represents a significant impact on the Village’s liquidity to fund various municipal expenses. The Village does have \$5.6 million in restricted funds earmarked for infrastructure improvements to the Village’s streets and alleys, sanitary sewers and water mains. In addition, the Village has \$8.8 million of land held for resale and is in the process of selling various assets combined with ongoing improved operational efficiencies in order to address its various fund deficits.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

- At the end of 2015, the Village's total General Fund balance ended with a positive fund balance of approximately \$10.6 million, which remains the same as the December 31, 2014 fund balance.
- The Village's combined long-term debt obligations (general obligation bonds and notes payable) at the end of the fiscal year were \$103.4 million representing an increase of approximately \$3.6 million during the year as compared to \$99.8 million at the end of 2014. This net increase in the Village's long-term debt was primarily due to the issuance of additional notes payable to fund Regional Water System capital expenditures through the IEPA. Debt associated with governmental activities decreased by \$10.0 million from \$86.5 million in 2014 to \$76.5 million in 2015.

The detail underlying these results is presented in the following pages.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's *Basic Financial Statements*, comprised of three components: *Government-Wide Financial Statements*, *Fund Financial Statements*, and *Notes to the Financial Statements*. This report also contains required supplementary information and other supplementary information in addition to the *Basic Financial Statements* themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. The *Government-Wide Financial Statements* can be found on pages 22-24 of this report.

The *Statement of Net Position* presents information on the Village's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference reported as net position. Increases or decreases in the net position over time may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* indicates how the Village's financial operations impact the net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only affect the cash flows of *future* fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave as well as certain other accruals).

VILLAGE OF OAK LAWN, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-Wide Financial Statements distinguish functions of the Village of Oak Lawn that are principally supported by taxes and intergovernmental revenues (governmental activities) from those other governmental functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village's governmental activities include general government, public safety, streets and equipment maintenance and refuse disposal. The business-type activities of the Village include waterworks and sewerage and the municipal commuter parking lot.

The *Government-Wide Financial Statements* include not only the Village itself (known as the "primary government"), but also present summary financial data for the legally separate Oak Lawn Public Library. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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. Like other local governments, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the *Government-Wide Financial Statements*. However, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as their available balances at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the *Government-Wide Financial Statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *Government-Wide Financial Statements*. 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 Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 17 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, Corporate Bond and Interest Fund, and the Cicero Gateway TIF Fund which are considered to be the Village's major governmental funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the Village's full report.

VILLAGE OF OAK LAWN, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Village adopts an annual appropriated budget for all of the governmental funds. Budgetary comparison statements and schedules for the General Fund and special revenue governmental funds have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements (including the reconciliations) can be found on pages 25-29 of this report.

Proprietary Funds: The Village maintains several proprietary funds or enterprise funds. These funds are used to report the same functions presented as business-type activities in the *Government-Wide Financial Statements*. The Village's enterprise funds are used to account for its waterworks and sewerage and its municipal commuter parking lots. Proprietary funds provide the same type of information as the *Government-Wide Financial Statements*, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund and the Commuter Parking Lot Fund which are both considered to be major funds. Individual fund data for each of these funds is provided in the form of supplemental statements in the Village's full report.

The basic proprietary fund financial statements can be found on pages 30-34 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Village has four fiduciary funds. These funds are not reflected in the *Government-Wide Financial Statements* because the resources of those funds are not available to support the Village operations or programs. The accounting treatment for the fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 35-36 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the *Government-Wide and Fund Financial Statements*. The notes to the financial statements can be found on pages 37-88 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information which includes management's discussion and analysis, information concerning the Village's pension funds and certain budgetary schedules. Required supplementary information can be found on pages 89-104 of this report. The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 105-129 of this report.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Government-Wide Financial Analysis

The *Government-Wide Financial Statements* consist of two principal presentations: the *Statement of Net Position* and the *Statement of Activities*. These are each summarized and reviewed as follows.

Statement of Net Position: As noted earlier, the net position may serve over time to be a useful indicator of a government's financial position. Net positions arise from the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Current assets consist mainly of cash, investments and receivables from property taxes, intergovernmental sources, interest, etc. All non-cash current assets are anticipated to be converted to cash over the ensuing year, and thus considered available to meet the financial requirements of that year.

Non-current assets are typically capital, which are longer term in nature, and include land, construction-in-progress, buildings and improvements, equipment and infrastructure, such as roads and bridges. Such assets are employed in providing services to Village residents and are typically reported net of accumulated depreciation. Given their essential and generally fixed nature, they cannot be efficiently liquidated either to fund future expenditures or to repay any existing related debt, the latter of which must be funded by future cash inflows.

Deferred outflows of resources represent assets amortized over a period of years such as the pension actuarial adjustments or the losses on debt refunding.

Current liabilities consist of payables such as accounts, contracts, loans and accrued expenses such as payrolls and interest due within one year. Long-term liabilities consist mainly of the Village's pension liabilities, other postemployment benefit liabilities, and general obligation bonds.

Generally, there are three categories of net position: net investment in capital assets, those that are restricted and those that are available for general spending. The three categories had balances at the end of the 2015 fiscal year as follows:

- **Net investment in capital assets** accounted for \$138.1 million, as compared to \$136.6 million at December 31, 2014. This amount is an indication of the Village's ongoing investment in capital assets offset by depreciation and debt related to finance capital assets.
- **Restricted net position** was \$5.5 million at December 31, 2015 primarily related to public safety, motor fuel tax allotments and capital projects. At December 31, 2014, the Village had a restricted net position of \$5.5 million.
- **Unrestricted net position**, which is available to meet the Village's ongoing financial requirements, resulted in an unrestricted deficit of \$253.5 million, as compared to a deficit of \$86.0 million at the end of 2014, representing a decrease of \$167.5 million in unrestricted net position deficit that is attributable to the implementation of GASB 68.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The table below presents condensed financial information taken from the Village's *Statement of Net Position* for the fiscal year ended December 31, 2015 and indicates that as of the end of the fiscal year, the Village's combined net position was a deficit of \$109.9 million, with a deficit of \$153.1 million allocated to governmental activities and \$43.2 million to business-type activities. The substantial decrease in net position is due to the implementation of GASB 68 for the Village's future liability to its retirees for its police pension, fire pension, and the Illinois Municipal Retirement Fund (IMRF). This implementation led to a restatement of opening net position. Refer to Note 1 in the notes to the financial statements for more details on the restatement.

	Net Position (in millions)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 28.6	\$ 30.0	\$ 10.9	\$ 7.5	\$ 39.5	\$ 37.5
Capital assets	124.5	125.9	79.1	64.5	203.6	190.4
Non-current assets	8.8	15.2	-	-	8.8	15.2
Total assets	<u>\$ 161.9</u>	<u>\$ 171.1</u>	<u>\$ 90.0</u>	<u>\$ 72.0</u>	<u>\$ 251.9</u>	<u>\$ 243.1</u>
Deferred outflows of resources	15.0	0.2	1.6	-	16.6	0.2
Current liabilities	10.7	9.4	10.0	7.3	20.7	16.7
Long-term liabilities	231.9	134.4	38.2	21.5	270.1	155.9
Total liabilities	<u>\$ 242.6</u>	<u>\$ 143.8</u>	<u>\$ 48.2</u>	<u>\$ 28.8</u>	<u>\$ 290.8</u>	<u>\$ 172.6</u>
Deferred inflows of resources	87.4	14.6	0.2	-	87.6	14.6
Net position:						
Net investment in capital assets	95.3	94.0	42.8	42.6	138.1	136.6
Restricted	5.5	5.5	-	-	5.5	5.5
Unrestricted	(253.9)	(86.6)	0.4	0.6	(253.5)	(86.0)
Total net position, as restated	<u>\$ (153.1)</u>	<u>\$ 12.9</u>	<u>\$ 43.2</u>	<u>\$ 43.2</u>	<u>\$ (109.9)</u>	<u>\$ 56.1</u>

Normal Impacts

There are five basic or normal transactions that will affect the comparability of the *Statement of Net Position* summary presentation:

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

- **Net Results of Activities** – results of operating activities which will increase/(decrease) current assets and unrestricted net position.
- **Borrowing for Capital** – financing which will increase current assets and long-term debt.
- **Spending Borrowed Proceeds on New Capital** – payment for capital equipment which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase the Village’s net investment in capital assets.
- **Principal Payment on Debt** – payment for debt obligations which will (a) reduce current assets and long-term debt and (b) reduce unrestricted net position and increase the net investment in capital assets outstanding.
- **Reduction of Capital Assets through Depreciation** – a non-cash expense which will reduce capital assets and, accordingly, net investment in capital assets.

Current Year Impacts

Governmental Activities

Total assets dedicated to governmental activities decreased by \$9.2 million and deferred outflows of resources increased by \$14.8 million. Total liabilities increased by \$98.8 million and deferred inflows of resources increased by \$72.8 million. The Village’s total net pension liabilities as of December 31, 2015 for the police pension, fire pension, and IMRF were \$70,181,552, \$64,319,903, and \$11,245,989, respectively.

Business-Type Activities

The total assets for business-type activities increased by approximately \$18.0 million while total liabilities increased by approximately \$19.4 million. The increase in assets mainly relates to increases in business-type capital assets. The increase in liabilities mainly relates to a \$13.9 million draw on the Village’s loan held with the Illinois Environmental Protection Agency which was used to fund the engineering and construction costs related to the Regional Water System improvements.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Summarized below is a comparison of the Village's revenue and expenses for 2015 and 2014. Governmental and business-type activities are provided separately and represent the primary services provided to Village residents.

	Changes in Net Position (in millions)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenues:						
Charges for Services	\$ 15.3	\$ 14.2	\$ 50.3	\$ 47.3	\$ 65.6	\$ 61.5
Operating Grants	1.1	2.4	-	-	1.1	2.4
Capital Grants and Contributions	-	-	-	0.2	-	0.2
General revenues:						
Property Taxes	16.0	16.0	-	-	16.0	16.0
Sales Taxes	3.9	4.1	-	-	3.9	4.1
Other Taxes	3.6	2.6	-	-	3.6	2.6
Intergovernmental Revenue	22.7	20.4	-	-	22.7	20.4
Other Revenue	2.6	1.7	-	-	2.6	1.7
Total Revenues	65.2	61.4	50.3	47.5	115.5	108.9
Expenses						
Governmental Activities:						
General Government	12.5	12.2	-	-	12.5	12.2
Public Safety	32.6	45.3	-	-	32.6	45.3
Streets and Equip. Maintenance	9.3	10.8	-	-	9.3	10.8
Refuse disposal	3.4	3.2	-	-	3.4	3.2
Interest	3.3	3.2	-	-	3.3	3.2
Business Type:						
Waterworks and Sewerage	-	-	47.9	45.8	47.9	45.8
Municipal Parking Lot	-	-	0.6	0.5	0.6	0.5
Total Expenses	61.1	74.7	48.5	46.3	109.6	121.0
Excess of Rev. Over Exp.	4.1	(13.3)	1.8	1.2	5.9	(12.1)
Transfers in (out)	1.3	4.6	(1.3)	(4.6)	-	-
Change in Net Position	5.4	(8.7)	0.5	(3.4)	5.9	(12.1)
Net position - beginning	12.9	21.6	43.2	46.6	56.1	68.2
Restatement of beginning net position	(171.4)	-	(0.5)	-	(171.9)	-
Net position - beginning, as restated	(158.5)	21.6	42.7	46.6	(115.8)	68.2
Net position - ending, as restated	\$ (153.1)	\$ 12.9	\$ 43.2	\$ 43.2	\$ (109.9)	\$ 56.1

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

As indicated on the above chart, the Village’s combined change in net position as of December 31, 2015 is a deficit of \$109.9 million, a decrease of \$166.0 million. Total revenue increased \$6.6 million from the prior year. The most notable increase in revenues pertains to the \$3.0 million increase in business-type activities due to increases in charges for services. Total expenses decreased by \$11.4 million from the prior year. Operating expenses for all activities remained consistent with the prior year with the exception of the public safety expenses. The decrease in public safety is due to the implementation of GASB 68 which resulted in a decrease of \$11.4 million in the public safety expenses.

Normal Impacts

Revenues

- Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption. The Village’s financial statements reflect a stable national economy that has resulted in similar sales tax revenue of \$3.9 million and \$4.1 million for the years 2015 and 2014, respectively.
- Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons. Nevertheless, grants and ongoing grant requests remain an important part of the municipal budget and are relied on to a certain extent.
- Market Impacts on Investment Income – market conditions may cause investment income to rise or fall based on fluctuating interest rates which have generally declined over the past five years.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

Expenses

- Changes in Authorized Personnel – changes in service demand may cause the Village Board to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent 51.5% of the Village’s General Fund in 2015 as compared to 55.3% in 2014, and 5.5% of the Water and Sewer Fund’s operating expenses in 2015 as compared to 6.4% in 2014. The ratio of personnel costs has declined almost entirely due to higher raw material costs for gasoline and salt in the General Fund and potable water purchases from the city of Chicago in the Water and Sewer Fund.
- Inflation – while overall inflation appears to be reasonably modest during the past four years, the Village is a major consumer of certain commodities such as gasoline, salt, vehicle parts and other supplies. These commodities are necessary for the Village to provide certain services to its residents and may experience significant price fluctuations over time although the Village has implemented a hedging policy for gasoline and salt purchased to limit the impact of the price fluctuations in a given year.

Current Year Impacts

Governmental Activities

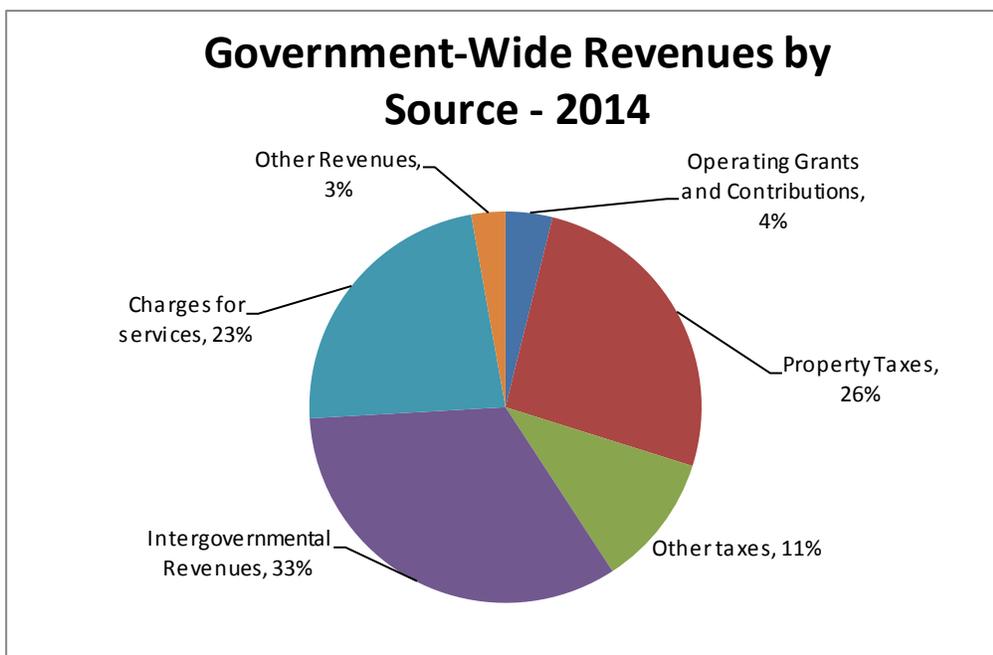
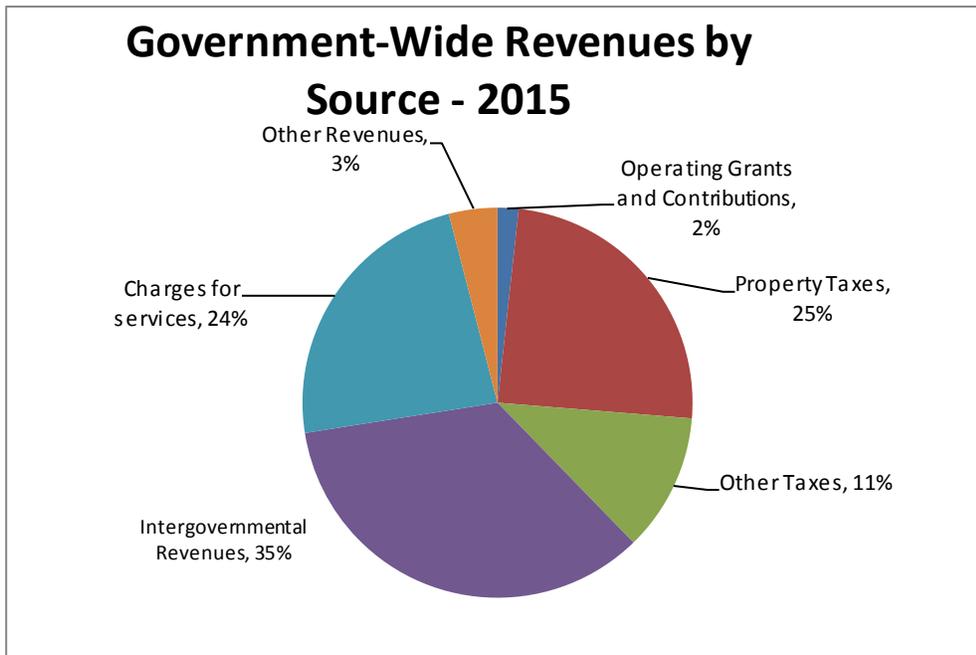
Governmental activities include the following functions:

- General government includes the following functional areas: the Village Manager, the Clerk’s Office, various Boards and Commissions, Finance, Building Permits and Engineering, Equipment Maintenance and Leasing, Building and Grounds Maintenance and other general administrative costs.
- Public safety includes Police, Fire, Emergency Communications and Dispatch, the Emergency Telephone System Board, the Foreign Fire Insurance Tax Board and the Emergency Operations Center (“EOC”) and the Emergency Service Disaster Agency.
- Streets and equipment maintenance includes the Street Division of the Public Works Department, the Equipment Maintenance Division of Public Works and Motor Fuel Tax and other infrastructure projects.
- Refuse disposal includes the cost of providing refuse disposal services to the Village’s residents, the contract for which is outsourced to Allied/Republic.
- Interest on long-term debt contains interest payments and debt related fees.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

Revenues

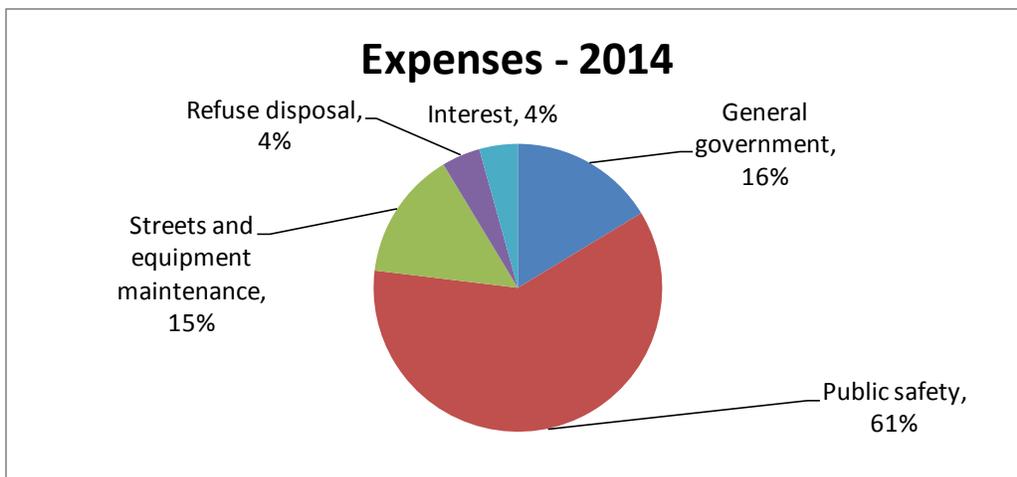
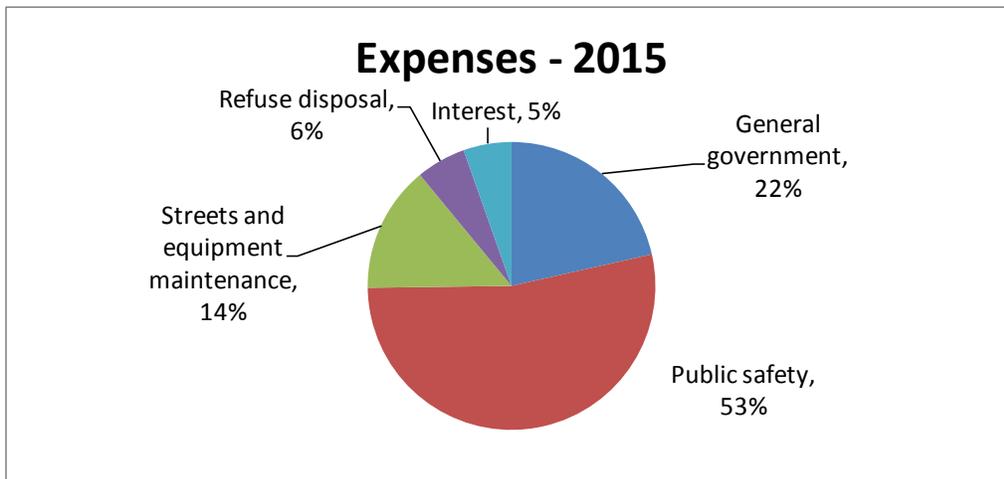
Total revenue derived from governmental activities increased by only \$3.8 million. As indicated in the following graph, intergovernmental taxes (including income and state sales taxes), other taxes, and property taxes comprised approximately 71% and 70% of the Village’s governmental activities revenue as of December 31, 2015 and 2014, respectively.



**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

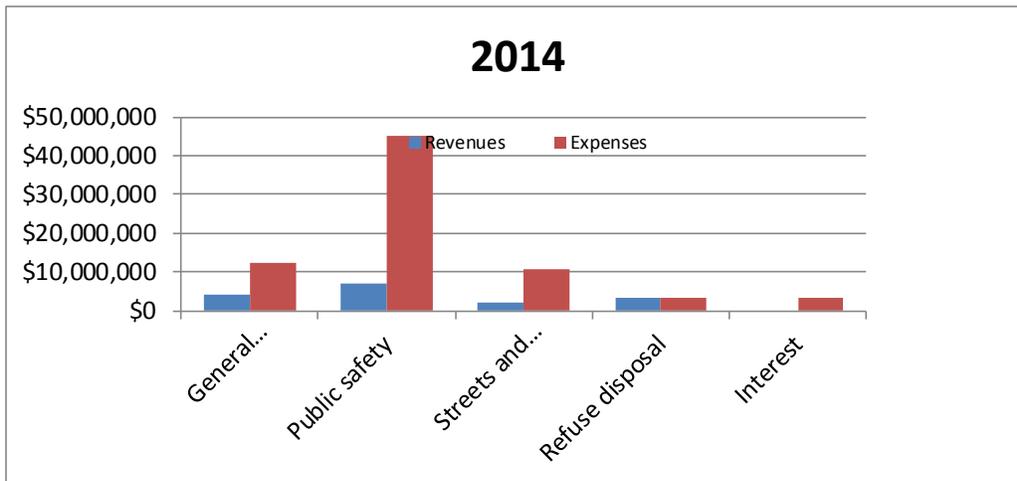
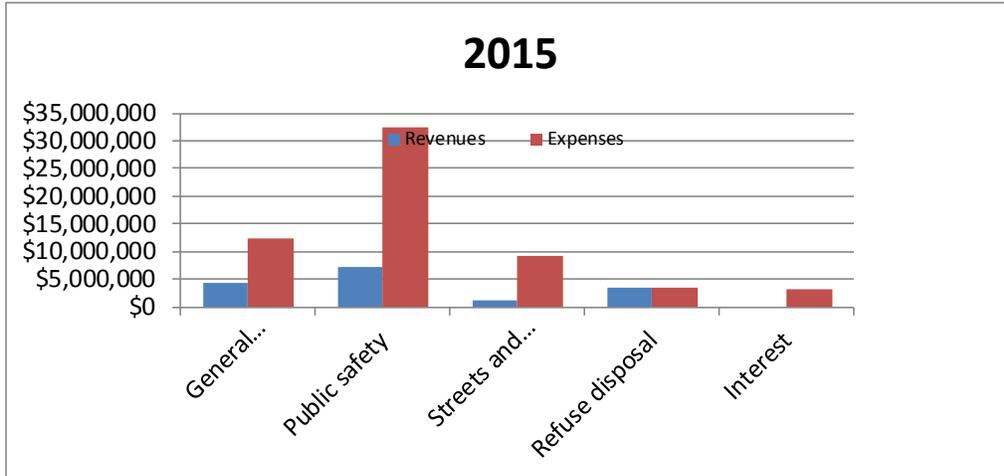
Expenses

The Village’s overall governmental activities expense decreased by \$13.6 million from the previous year. As mentioned above, operating expenses for governmental activities remained consistent with the prior year with the exception of the public safety expenses. The decrease in public safety is due to the implementation of GASB 68 which resulted in a decrease of \$11.4 million in the public safety expenses. The Village maintained spending on public works projects, primarily highway and street repairs, at 14% and 15% of the governmental activities in 2015 and 2014, respectively.



**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

The following table and graph show the total program revenue and expenses for the Village’s governmental activities function:



The graph clearly indicates that all general governmental activities require subsidies by taxpayers. Subsidies come from general revenues such as taxes and interest earnings.

Business-Type Activities

The business-type activities of the Village are those that essentially act as an enterprise fund or in which the Village charges a fee to residents to cover most or all of the cost of the services provided. The business-type activities of the Village include Waterworks and Sewerage and the Commuter Parking Lot. As its name implies, the Waterworks and Sewerage Fund involves the Village’s water supply and sewer treatment facilities and comprises the largest Village fund except for the General Fund. In addition, the Village has established a separate enterprise fund for its commuter parking lot facility.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

The Village’s charges for services, primarily related to water supply and sewerage treatment, comprise approximately 97.8% of the Village’s revenues from business-type activities. This revenue is generated from \$49.2 million in service charges related to the Village’s supply of water to its residents (\$11.0 million) and municipal customers (\$34.9 million) and sewerage treatment (\$3.3 million). In addition, the Village received approximately \$0.8 million in reimbursements related to debt payments from the outside communities which purchased water through the Village’s water supply system and \$0.4 million in commuter parking lot revenue.

Financial Analysis of the Village’s Funds

As noted earlier in this discussion, the Village of Oak Lawn uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Village’s governmental funds is to provide information on near-term inflows, outflows, and the balance of spending resources. Such information is useful in assessing the Village’s financing requirements. In particular, the Village’s unassigned fund balance may serve as a useful measure of the Village’s net resources available for spending at the end of the fiscal year. Total government funds reported combined ending fund balances of \$17.8 million, which was lower than last year's figure of \$25.0 million due mainly to the sale of land held for resale that resulted in an approximate \$6.4 million decrease.

The General Fund is the chief operating fund for the Village. As of December 31, 2015, the ending fund balance of the Village’s General Fund was \$10.6 million, of which \$5.7 million is unassigned and the difference of \$4.9 million is nonspendable, representing interfund advances. During fiscal 2015, the Village’s General Fund revenues of \$53.6 million were more than its \$53.4 million in expenditures representing a \$0.2 million operating surplus for the General Fund. However, loan proceeds of \$0.6 million and net transfers out of \$0.8 million result in an ending December 31, 2015 fund balance of \$10.6 million, which is the same as December 31, 2014.

The following table summarizes the Village’s General Fund revenues which are those funds available for the Village’s general use.

	<u>2015</u>	<u>Percentage</u>
Property taxes	\$ 13,236,490	24.7%
Sales taxes (State & Local)	14,866,719	27.7%
Income and other taxes	11,938,956	22.3%
Refuse and other service charges	5,855,363	10.9%
Licenses, permits, and fees	5,862,835	10.9%
Grants and reimbursements	521,694	1.0%
Interest and other	<u>1,330,846</u>	<u>2.5%</u>
Total General Fund Revenues	<u><u>\$ 53,612,903</u></u>	<u><u>100.0%</u></u>

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Property taxes are one of the major revenue sources for the Village representing 24.7% of General Fund revenues. Property taxes recognized in the General Fund in 2015 remained relatively consistent at \$13.2 million and \$13.4 million in 2015 and 2014, respectively. The Village's property tax millage rate in effect for the property taxes collected during each particular fiscal year had increased during the past three years from 1.188 in 2013 to 1.315 in 2014 to 1.445 in 2015 which is primarily due to the decline in the Village's EAV from \$1.115 billion in fiscal 2013 to \$1.089 billion in fiscal 2014 to \$1.014 in fiscal 2015. Despite the decline in the Village's EAV during the past five years, the Village Board has kept the tax levied relatively constant at approximately \$14 to \$15 million for each fiscal year budget.

Sales tax is another major revenue source comprising 27.7% of General Fund revenues. Effective July 1, 2012, the Village increased its home rule sales tax by 25 basis points to .75% which increased its share of collected sales tax collections to 19.4%. In addition to the home rule sales tax, the Village has a regular local sales tax of 1%. During 2015, the Village's revenue from this 1.75% local sales tax rate represents 24.5% of total sales tax revenue collected by the Village.

The Corporate Bond and Interest Fund is used to reflect the Village's obligations to pay governmental long-term debt, and the related funding sources for the principal and interest payments. As of December 31, 2015, the ending fund balance of the Corporate Bond and Interest Fund was a surplus of \$0.1 million primarily due to timing and representing no significant change from December 31, 2014.

The Cicero Gateway TIF Fund is one of the Village's seven TIF funds. Total change in fund balance was a \$6.5 million increase overall due to interfund transfers from the 111th and Cicero TIF Fund. The Cicero Gateway TIF Fund has approximately \$8.0 million of land held for resale at December 31, 2015 which is recorded at the lower of cost or fair market value.

Proprietary Funds: As noted earlier, the Village of Oak Lawn's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The two major proprietary funds are the Waterworks and Sewerage Fund and the Commuter Parking Lot Fund. The unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$(0.8) million which increased by \$0.1 million during the year and the Commuter Parking Fund amounted to \$1.2 million, a decrease of \$0.1 million over the previous year. The Waterworks and Sewerage Fund experienced an increase of \$0.9 million in its total net position as compared to 2014 mainly due to increases in the fund's capital assets. The Commuter Parking Lot Fund experienced a decrease of \$0.4 million in its net position as compared to 2014 reflecting the buildup in that fund's unrestricted cash arising from commuter fees offset by depreciation on capital assets and the pay down of certain interfund indebtedness to the General Fund.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

General Fund Budgetary Highlights: The Village’s original budget was adopted in December 2015.

**Budget to Actual Comparison
(in millions)**

	Original and Final Budget	Actual	Variance Favorable Unfavorable
General Fund			
Revenues:			
Taxes	\$ 38,414,671	\$ 40,042,165	\$ 1,627,494
Charges for Services	6,081,455	5,855,363	(226,092)
Licenses, Permits, Fees and Fines	6,056,511	5,862,835	(193,676)
Grants, Reimbursements and Interest	1,280,827	1,852,540	571,713
Transfers and Other Sources	1,401,379	1,473,361	71,982
Total	53,234,843	55,086,264	1,851,421
Expenditures:			
Expenditures	50,412,515	53,446,578	(3,034,063)
Transfers and Other Uses	2,822,328	1,617,791	1,204,537
Total	53,234,843	55,064,369	(1,829,526)
Change in Fund Balance	\$ -	\$ 21,895	\$ 21,895

The Village's original 2015 municipal budget for the General Fund was approved by the Village Board in December 2014 and filed as a balanced budget at that time.

During the year, expenditures exceeded budgetary estimates by \$1.8 million in employee costs primarily due to \$800,000 in Firefighter overtime in excess of the \$2 million budgeted figure; \$800,000 in worker’s compensation payments and settlement agreements; and \$200,000 related to the Village’s investment in a new telephone system.

Capital Assets and Long-Term Debt Administration

Capital Assets. The Village’s balance sheet reflects its substantial investment in capital assets (for example, land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. This indicates the Village’s ongoing commitment to its safety, security and public works infrastructure provided on behalf of its residents. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

The Village’s investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$203.6 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, vehicles, machinery and equipment, water distribution system, storm and sanitary sewers and infrastructure including streets, streetlights, sidewalks and right of way. The total increase in capital assets for the current fiscal year was \$13.2 million primarily attributable to the construction in progress.

	Capital Assets (net of depreciation) (in millions)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 10.7	\$ 10.7	\$ 2.6	\$ 2.6	\$ 13.3	\$ 13.3
Construction in Progress	-	-	24.7	10.1	24.7	10.1
Right of Way	78.1	78.1	-	-	78.1	78.1
Land Improvements	0.7	0.8	0.2	0.3	0.9	1.1
Buildings	6.4	6.3	18.8	19.3	25.2	25.6
Machinery and Equipment	2.7	3.0	0.8	0.9	3.5	3.9
Water and Sewer System	-	-	32.0	31.3	32.0	31.3
Infrastructure	25.9	27.0	-	-	25.9	27.0
Total	<u>\$ 124.5</u>	<u>\$ 125.9</u>	<u>\$ 79.1</u>	<u>\$ 64.5</u>	<u>\$ 203.6</u>	<u>\$ 190.4</u>

Additional information on the Village’s capital assets can be found in Note 4 on pages 49-51 of this report.

Long-term Debt: The Village of Oak Lawn has total outstanding bonded debt of \$61.7 million as of December 31, 2015, representing general obligation bonds, which are backed by the Village’s full faith and credit and decreased from \$66.3 million at the end of the prior year. Compensated absences include employees’ vacation and sick time accrued and due to the employee upon termination. The Village drew \$0.9 million on its line of credit which increased the total line of credit to \$9.5 million. Notes payable also increased by \$8.2 million from the prior year to \$41.7 million. Also, due to the implementation of GASB 68, the Village’s net pension liabilities increased by \$110.2 million to \$143.2 million. The other postemployment benefit obligation increased by \$1.4 million. Below is a comparative statement of the Village’s outstanding long-term obligations:

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

	Long-term Obligations (in millions)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 53.2	\$ 57.5	\$ 8.5	\$ 8.8	\$ 61.7	\$ 66.3
Line of credit	-	-	9.5	8.6	9.5	8.6
Note payable	23.3	29.0	18.4	4.5	41.7	33.5
Compensated absences	2.9	3.1	0.2	0.3	3.1	3.4
Net pension liability	140.6	32.7	2.6	0.3	143.2	33.0
Other postemployment benefit obligation	16.4	15.0	-	-	16.4	15.0
Total	<u>\$ 236.4</u>	<u>\$ 137.3</u>	<u>\$ 39.2</u>	<u>\$ 22.5</u>	<u>\$ 275.6</u>	<u>\$ 159.8</u>

The Village maintains an investment grade A2 rating from Moody’s Investor Services and A/Stable rating from Standard and Poor’s Ratings Services for its general obligation debt. As a home-rule unit, no legal limit exists on the amount of debt that can be outstanding. Additional information on the Village’s long-term debt can be found in Note 5 on pages 52-56 of this report.

Economic Factors and Next Year’s Budget

A change in unemployment rates is a significant indicator for changes in tax collections. As unemployment rates rise and consumer disposable income falls, income taxes and sales taxes tend to decline. During 2015, the Village’s unemployment rate was estimated to be 6.6%, which was higher than the unemployment rate of 6.3% for the State of Illinois and the U.S. national overall unemployment rate of 5.0%. In May 2016, the national unemployment rate decreased to an eight year low of 4.7% while the state of Illinois unemployment rate decreased to 6.2%.

The State of Illinois rate is also an important indicator because if unemployment goes up, income tax collections tend to go down as income tax collections are distributed by the state to municipalities by population. Income and use tax collections in 2015 and 2014 are relatively consistent at \$10.1 million in the General Fund. Total sales tax receipts (net of \$1.0 million of sales tax rebates), which increased by \$1.0 million in 2015 as compared to 2014, and income and use taxes, represent approximately 48.4% of the Village’s total General Fund revenues. If combined with property taxes, these totals represent approximately 66.3% of the funding for both the Village’s General Fund and the funding for total governmental activities.

**VILLAGE OF OAK LAWN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

These factors were considered in preparing the Village of Oak Lawn's budget for the 2016 fiscal year. The Village Board's various actions resulted in several fee increases which are expected to offset flat or reduced revenues particularly with respect to the Village's sales tax revenue including:

- Increase in the utility taxes paid by residents for electricity and natural gas to provide dedicated funding for infrastructure needs related primarily to the Village's streets, alleys and water mains;
- Sewer rehabilitation fee to alleviate flooding and repair the Village's aging sanitary and storm sewer system;
- Refuse fuel increases are in line with the cost of living provisions of the contract between the Village and Allied/Republic Waste Services which was executed in 2012.

Requests for Information

This financial report is designed to provide a general overview of the Village of Oak Lawn's financial position and operating results for the fiscal year ended December 31, 2015 and is available for all those with an interest in the government's finances. Any questions concerning any of the information provided in this report or requests for additional information should be directed to Brian J. Hanigan, Director of Finance and Administrative Services, Village of Oak Lawn, 9446 S. Raymond Ave., Oak Lawn, IL 60453.

Basic Financial Statements

Government-Wide Financial Statements

Village of Oak Lawn, Illinois

Statement of Net Position
December 31, 2015

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Library
Assets				
Current Assets:				
Cash and cash equivalents	\$ 7,238,793	\$ 3,478,199	\$ 10,716,992	\$ 2,243,611
Restricted cash	265,047	-	265,047	-
Investments	400,260	-	400,260	-
Prepaid items	-	32,069	32,069	16,518
Receivables:				
Property taxes	14,639,544	-	14,639,544	5,572,512
Accounts and other, net	-	4,734,890	4,734,890	21,021
Intergovernmental	8,148,334	-	8,148,334	-
Due from agency funds	645,203	-	645,203	-
Internal balances	(2,696,414)	2,696,414	-	-
Total current assets	28,640,767	10,941,572	39,582,339	7,853,662
Noncurrent Assets:				
Land held for resale	8,829,864	-	8,829,864	-
Capital assets, not being depreciated	88,840,336	27,303,571	116,143,907	165,688
Capital assets, net of accumulated depreciation	35,677,635	51,788,093	87,465,728	5,131,309
Total noncurrent assets	133,347,835	79,091,664	212,439,499	5,296,997
Total assets	161,988,602	90,033,236	252,021,838	13,150,659
Deferred outflows of resources				
Pension actuarial adjustments	14,810,457	1,622,273	16,432,730	1,585,600
Unamortized losses related to debt refundings	174,995	-	174,995	-
Total deferred outflows of resources	14,985,452	1,622,273	16,607,725	1,585,600

(Continued)

Village of Oak Lawn, Illinois

Statement of Net Position (Continued)
December 31, 2015

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Library
Liabilities				
Current Liabilities:				
Accounts payable	\$ 2,214,364	\$ 8,874,093	\$ 11,088,457	\$ 84,924
Accrued payroll	397,935	16,663	414,598	186,766
Claims payable	982,477	-	982,477	-
Due to agency funds	29,908	-	29,908	-
Accrued interest payable	99,160	191,917	291,077	-
Unearned revenue	-	-	-	39,772
Compensated absences	2,113,997	175,983	2,289,980	199,067
Notes payable	595,981	354,400	950,381	-
General obligation bonds	4,315,000	430,000	4,745,000	-
Total current liabilities	10,748,822	10,043,056	20,791,878	510,529
Long-term Liabilities, net of current maturities				
Other payables	-	48,525	48,525	-
Net pension liability	140,568,874	2,574,234	143,143,108	2,604,336
Claims payable	1,964,955	-	1,964,955	-
Compensated absences	784,911	73,681	858,592	180,291
Other postemployment benefits	16,449,197	-	16,449,197	-
Line of credit	-	9,483,543	9,483,543	-
Notes payable	22,716,234	18,008,015	40,724,249	-
General obligation bonds, net of unamortized bond premium (discount)	49,462,369	8,026,070	57,488,439	-
Total long-term liabilities	231,946,540	38,214,068	270,160,608	2,784,627
Total liabilities	242,695,362	48,257,124	290,952,486	3,295,156
Deferred inflows of resources				
Pension actuarial adjustments	73,091,192	223,991	73,315,183	179,161
Deferred property taxes	14,265,828	-	14,265,828	5,530,275
Total deferred inflows of resources	87,357,020	223,991	87,581,011	5,709,436
Net Position				
Net investment in capital assets	95,270,465	42,789,636	138,060,101	5,296,997
Restricted for:				
General government	649,199	-	649,199	-
Public safety	3,302,707	-	3,302,707	-
Streets and equipment maintenance	291,670	-	291,670	-
Debt service	312,514	-	312,514	-
Capital projects	997,886	-	997,886	-
Unrestricted	(253,902,769)	384,758	(253,518,011)	434,670
Total net position	\$ (153,078,328)	\$ 43,174,394	\$ (109,903,934)	\$ 5,731,667

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit
					Governmental Activities	Business-Type Activities		Library
Governmental activities:								
General government	\$ 12,516,429	\$ 3,460,575	\$ 980,013	\$ -	\$ (8,075,841)	\$ -	\$ (8,075,841)	\$ -
Public safety	32,593,802	7,100,795	154,953	-	(25,338,054)	-	(25,338,054)	-
Streets and equipment maintenance	9,306,952	1,297,782	-	-	(8,009,170)	-	(8,009,170)	-
Refuse disposal	3,409,147	3,457,578	-	-	48,431	-	48,431	-
Interest and amortization expense	3,304,916	-	-	-	(3,304,916)	-	(3,304,916)	-
Total governmental activities	61,131,246	15,316,730	1,134,966	-	(44,679,550)	-	(44,679,550)	-
Business-type activities:								
Waterworks and sewerage	47,961,757	49,986,895	-	-	-	2,025,138	2,025,138	-
Commuter parking lot	620,202	336,356	7,666	-	-	(276,180)	(276,180)	-
Total business-type activities	48,581,959	50,323,251	7,666	-	-	1,748,958	1,748,958	-
Total primary government	\$ 109,713,205	\$ 65,639,981	\$ 1,142,632	\$ -	(44,679,550)	1,748,958	(42,930,592)	-
Component Unit	\$ 6,228,433	\$ 89,320	\$ 103,023	\$ -	-	-	-	(6,036,090)
General revenues								
Taxes:								
Property					16,023,317	-	16,023,317	5,425,809
Other taxes:								
Sales tax - home rule					3,903,977	-	3,903,977	-
Motel tax					517,145	-	517,145	-
Utility tax					1,318,569	-	1,318,569	-
Gas use tax					815,907	-	815,907	-
Real estate transfer tax					908,570	-	908,570	-
Intergovernmental:								
Sales tax, net					11,142,501	-	11,142,501	-
Income and use tax					7,390,734	-	7,390,734	-
Personal property replacement tax					418,679	-	418,679	103,648
Telecommunication tax					1,854,647	-	1,854,647	-
Motor fuel tax					1,385,923	-	1,385,923	-
Gaming tax					451,833	-	451,833	-
Auto rental tax					68,631	-	68,631	-
Interest					66,929	4,698	71,627	9,708
Other					2,558,191	-	2,558,191	17,761
Transfers					1,268,873	(1,268,873)	-	-
Total general revenues and transfers					50,094,426	(1,264,175)	48,830,251	5,556,926
Change in net position					5,414,876	484,783	5,899,659	(479,164)
Net position, as restated (Note 1):								
January 1, 2015					(158,493,204)	42,689,611	(115,803,593)	6,210,831
December 31, 2015					\$ (153,078,328)	\$ 43,174,394	\$ (109,903,934)	\$ 5,731,667

See Notes to Financial Statements.

Fund Financial Statements

Village of Oak Lawn, Illinois

Balance Sheet – Governmental Funds
December 31, 2015

	General Fund	Corporate Bond & Interest Fund	Cicero Gateway TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,201,960	\$ 7,459	\$ 5,557	\$ 4,023,817	\$ 7,238,793
Restricted cash	-	-	-	265,047	265,047
Investments	-	-	-	400,260	400,260
Receivables					
Property taxes	12,738,172	1,538,418	-	362,954	14,639,544
Other	7,592,039	475	-	555,820	8,148,334
Land held for resale	-	-	8,029,864	800,000	8,829,864
Due from other funds	2,145,798	-	712,928	331,575	3,190,301
Due from agency funds	-	-	-	645,203	645,203
Advance to other funds	4,894,058	-	-	-	4,894,058
Total assets	\$ 30,572,027	\$ 1,546,352	\$ 8,748,349	\$ 7,384,676	\$ 48,251,404
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 1,866,898	\$ 800	\$ 21,260	\$ 325,406	\$ 2,214,364
Accrued payroll	396,697	-	-	1,238	397,935
Due to other funds	2,021,182	-	2,184,471	9,062	4,214,715
Advance from agency fund	29,908	-	-	-	29,908
Advance from other funds	795,000	-	-	5,771,058	6,566,058
Total liabilities	5,109,685	800	2,205,731	6,106,764	13,422,980
Deferred inflows of resources					
Deferred property taxes	12,667,057	1,531,809	-	362,954	14,561,820
Unavailable revenue	2,222,347	-	-	249,030	2,471,377
Total deferred inflows of resources	14,889,404	1,531,809	-	611,984	17,033,197
Fund balances					
Nonspendable - land held for resale	-	-	8,029,864	800,000	8,829,864
Nonspendable - advances	4,894,058	-	-	-	4,894,058
Restricted	-	13,743	-	5,540,233	5,553,976
Unassigned (deficit)	5,678,880	-	(1,487,246)	(5,674,305)	(1,482,671)
Total fund balances	10,572,938	13,743	6,542,618	665,928	17,795,227
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,572,027	\$ 1,546,352	\$ 8,748,349	\$ 7,384,676	\$ 48,251,404

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

**Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
December 31, 2015**

Total fund balances – governmental funds	\$ 17,795,227
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	124,517,971
Certain revenues are considered unavailable in the fund financial statements but they are recognized as revenue in the government-wide financial statements:	
Property taxes	295,992
Other taxes	2,471,377
Deferred outflows and deferred inflows of resources related to pensions, which will be recognized as an increase or reduction to pension expense in future reporting periods:	
Deferred outflows due to pensions	14,810,457
Deferred inflows due to pensions	(73,091,192)
Discount on bonds that is an other financing use in the fund financial statements is an asset that is amortized over the life of the bonds and netted with General Obligation Bonds in the government-wide financial statements.	152,828
Premium on bonds that is an other financing source in the fund financial statements is a liability that is amortized over the life of the bonds and netted with General Obligation Bonds in the government-wide financial statements.	(725,197)
Deferred items on debt refundings that are other financing uses in the fund financial statements are deferred outflows of resources that are amortized over the life of the bonds in the government-wide financial statements.	174,995
The pension liability related to the IMRF, police and firefighters' pension plans is recorded on the Statement of Net Position, but not recorded in the funds:	
Net pension liability - Police Pension Plan	(70,181,552)
Net pension liability - Firefighters' Pension Plan	(64,319,903)
Net pension liability - Illinois Municipal Retirement Fund	<u>(6,067,419)</u>
	(140,568,874)
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 activities consist of:	
Accrued interest	(99,160)
Claims payable	(2,947,432)
Compensated absences	(2,898,908)
Other postemployment benefits	(16,449,197)
Notes payable	(23,312,215)
General obligation bonds	<u>(53,205,000)</u>
Net position of governmental activities	<u>\$ (153,078,328)</u>

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended December 31, 2015**

	General Fund	Corporate Bond & Interest Fund	Cicero Gateway TIF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 13,236,490	\$ 996,050	\$ -	\$ 2,128,860	\$ 16,361,400
Other taxes	6,569,453	-	-	2,506,056	9,075,509
Intergovernmental	20,236,222	-	-	-	20,236,222
Licenses, permits and fees	4,240,306	-	-	-	4,240,306
Charges for services	5,855,363	-	-	3,656,629	9,511,992
Fines and forfeits	1,622,529	-	-	218,450	1,840,979
Grants and reimbursements	521,694	-	-	572,957	1,094,651
Contributions and donations	109,938	-	-	-	109,938
Other	1,218,648	326,150	143,341	609,433	2,297,572
Interest	2,260	-	-	3,604	5,864
Total revenues	53,612,903	1,322,200	143,341	9,695,989	64,774,433
Expenditures					
Current:					
General government	10,025,542	-	312,791	2,287,845	12,626,178
Public safety	31,485,703	-	-	3,528,276	35,013,979
Streets and equipment maintenance	6,662,207	-	-	-	6,662,207
Refuse disposal	3,409,147	-	-	-	3,409,147
Health and welfare	60,007	-	-	45,915	105,922
Culture and recreation	427,441	-	-	-	427,441
Debt service:					
Principal	-	10,372,035	-	-	10,372,035
Interest and fees	-	3,187,308	-	1,500	3,188,808
Bond issuance costs	-	234,097	63,875	-	297,972
Capital outlay	1,376,531	-	-	851,685	2,228,216
Total expenditures	53,446,578	13,793,440	376,666	6,715,221	74,331,905
Excess (deficiency) of revenues over (under) expenditures	166,325	(12,471,240)	(233,325)	2,980,768	(9,557,472)
Other financing sources (uses):					
Sale of assets	13,441	-	229,123	13,260	255,824
Issuance of refunding bonds	-	8,475,000	-	-	8,475,000
Issuance of loan	637,142	-	-	-	637,142
Bond premium	-	447,828	-	-	447,828
Payment to escrow agent	-	(8,688,730)	-	-	(8,688,730)
Transfers in	822,778	12,770,029	12,638,157	1,331,301	27,562,265
Transfers out	(1,617,791)	-	(6,091,337)	(18,584,264)	(26,293,392)
Total other financing sources (uses)	(144,430)	13,004,127	6,775,943	(17,239,703)	2,395,937
Net change in fund balances	21,895	532,887	6,542,618	(14,258,935)	(7,161,535)
Fund balances (deficit):					
January 1, 2015	10,551,043	(519,144)	-	14,924,863	24,956,762
December 31, 2015	\$ 10,572,938	\$ 13,743	\$ 6,542,618	\$ 665,928	\$ 17,795,227

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2015**

Net change in fund balances – total governmental funds \$ (7,161,535)

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

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

Capital outlay	1,296,038	
Depreciation	<u>(2,682,490)</u>	(1,386,452)

Items related to pension expense and revenue are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements:

Deferred outflows of resources related to pension expense	11,722,572	
Deferred inflows of resources related to pension expense	<u>(71,544,834)</u>	(59,822,262)

Certain revenues are deferred inflows of resources in the fund financial statements because they are not available but are recognized in the government-wide financial statements:

Current year unavailable state revenues	2,767,369	
Prior year unavailable state revenues	<u>(2,240,067)</u>	527,302

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

Bond principal retirement		4,086,140
Notes payable retirement		6,285,896

Long-term debt issued is recorded as an other financing source in the fund financial statements, but is recorded as a liability in the Statement of Activities:

Issuance of loan		(8,475,000)
Issuance of notes payable		(637,142)
Principal refunded		8,640,000

Discount on bonds is recorded as other financing uses in the fund financial statements, but the discount is recorded as a liability in the Statement of Net Position which is amortized over the life of the bonds:

Amortization of discount on bonds		(23,186)
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Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the Statement of Net Position which is amortized over the life of the bonds:

Premium on bonds issued		(447,828)
Amortization of premium on bonds		191,455

(Continued)

Village of Oak Lawn, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (Continued)
Year Ended December 31, 2014**

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

Deferred items on refunded debt are recorded as other financing uses in the fund financial statements, but the amount is recorded as a deferred outflow of resources in the Statement of Net Position and is amortized over the life of the bonds. This is the amount in the current period:

Amortization of deferred loss on refunding	(48,898)
--	----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of:

Decrease in accrued interest	47,348
Increase in claims payable	(121,721)
Decrease in compensated absences	218,645
Increase in other postemployment benefits	(1,463,498)
Decrease in net pension liability	65,005,612

Change in net position of governmental activities

\$ 5,414,876

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Net Position – Proprietary Funds
December 31, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 3,468,871	\$ 9,328	\$ 3,478,199
Prepaid items	32,069	-	32,069
Accounts receivable, customer, net	4,734,890	-	4,734,890
Due from other funds	1,739,607	-	1,739,607
Total current assets	9,975,437	9,328	9,984,765
Noncurrent Assets:			
Advance to other funds	300,000	1,372,000	1,672,000
Capital assets not being depreciated	25,532,187	1,771,384	27,303,571
Capital assets, net of accumulated depreciation	41,477,815	10,310,278	51,788,093
Total noncurrent assets	67,310,002	13,453,662	80,763,664
Total assets	77,285,439	13,462,990	90,748,429
Deferred outflows of resources			
Pension actuarial adjustments	1,622,273	-	1,622,273

(Continued)

Village of Oak Lawn, Illinois

Statement of Net Position – Proprietary Funds (Continued)
December 31, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Liabilities			
Current Liabilities:			
Accounts payable	\$ 8,727,473	\$ 146,620	\$ 8,874,093
Accrued payroll	16,663	-	16,663
Accrued interest payable	191,917	-	191,917
Due to other funds	715,193	-	715,193
Compensated absences	175,983	-	175,983
Notes payable	354,400	-	354,400
General obligation bonds	430,000	-	430,000
Total current liabilities	10,611,629	146,620	10,758,249
Long-term Liabilities, net of current maturities:			
Other payables	48,525	-	48,525
Net pension liability	2,574,234	-	2,574,234
Compensated absences	73,681	-	73,681
Line of credit	9,483,543	-	9,483,543
Notes payable	18,008,015	-	18,008,015
General obligation bonds, net of unamortized bond discount/premium	8,026,070	-	8,026,070
Total long-term liabilities	38,214,068	-	38,214,068
Total liabilities	48,825,697	146,620	48,972,317
Deferred inflows of resources			
Pension actuarial adjustments	223,991	-	223,991
Net position			
Net investment in capital assets	30,707,974	12,081,662	42,789,636
Unrestricted (deficit)	(849,950)	1,234,708	384,758
Total net position	\$ 29,858,024	\$13,316,370	\$ 43,174,394

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Revenues, Expenses and Changes in Net Position –
 Proprietary Funds
 Year Ended December 31, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Operating revenues:			
Charges for services	\$ 49,116,831	\$ 333,855	\$ 49,450,686
Charges for debt payments	848,246	-	848,246
Other charges	21,818	2,501	24,319
Total operating revenues	49,986,895	336,356	50,323,251
Operating expenses:			
Water division	43,602,266	-	43,602,266
Sewer division	1,727,082	-	1,727,082
Commuter parking lot	-	311,848	311,848
Total operating expenses excluding depreciation	45,329,348	311,848	45,641,196
Operating income before depreciation	4,657,547	24,508	4,682,055
Depreciation	2,144,567	308,354	2,452,921
Operating income (loss)	2,512,980	(283,846)	2,229,134
Nonoperating revenues (expenses):			
Interest income	4,698	-	4,698
Intergovernmental, grant reimbursement	-	7,666	7,666
Interest expense	(402,355)	-	(402,355)
Amortization expense	(85,487)	-	(85,487)
Total non-operating revenues (expenses)	(483,144)	7,666	(475,478)
Income (loss) before contributions and transfers	2,029,836	(276,180)	1,753,656
Transfers in	240,462	-	240,462
Transfers out	(1,359,335)	(150,000)	(1,509,335)
	(1,118,873)	(150,000)	(1,268,873)
Change in net position	910,963	(426,180)	484,783
Net position:			
January 1, 2015, as restated (Note 1)	28,947,061	13,742,550	42,689,611
December 31, 2015	\$ 29,858,024	\$ 13,316,370	\$ 43,174,394

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended December 31, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Cash flows from operating activities			
Cash received for services	\$ 49,230,320	\$ 336,356	\$ 49,566,676
Payments to employees	(2,199,076)	-	(2,199,076)
Payments to suppliers	(40,241,704)	(177,536)	(40,419,240)
Net cash provided by operating activities	6,789,540	158,820	6,948,360
Cash flows from noncapital financing activities			
Grant reimbursement	-	7,666	7,666
Decrease in due from other funds	(1,876,507)	-	(1,876,507)
Decrease in due to other funds	715,193	-	715,193
Decrease (increase) in advances to other funds	225,000	(320,500)	(95,500)
Transfers in	240,462	-	240,462
Transfers out	(1,359,335)	(150,000)	(1,509,335)
Net cash used in noncapital financing activities	(2,055,187)	(462,834)	(2,518,021)
Cash flows from capital and related financing activities			
Capital assets purchased	(17,027,694)	(8,016)	(17,035,710)
Cash payments for interest	(327,432)	-	(327,432)
Proceeds from loan	14,013,253	-	14,013,253
Proceeds from line of credit	883,543	-	883,543
Principal payments on debt	(590,883)	-	(590,883)
Net cash used in capital and related financing activities	(3,049,213)	(8,016)	(3,057,229)
Cash flows from investing activities			
Cash receipts from interest	4,698	-	4,698
Net cash provided by investing activities	4,698	-	4,698
Net increase (decrease) in cash and cash equivalents	1,689,838	(312,030)	1,377,808
Cash and cash equivalents:			
January 1, 2015	1,779,033	321,358	2,100,391
December 31, 2015	\$ 3,468,871	\$ 9,328	\$ 3,478,199

(Continued)

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Cash Flows – Proprietary Funds (Continued)
Year Ended December 31, 2015

	Business-Type Activities		
	Waterworks and Sewerage Fund	Commuter Parking Lot Fund	Total
Reconciliation of operating (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 2,512,980	\$ (283,846)	\$ 2,229,134
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	2,144,567	308,354	2,452,921
Amortization	85,487	-	85,487
Changes in assets, liabilities, deferred inflows of resources, and deferred outflows of resources			
Prepaid items	(17,855)	-	(17,855)
Accounts receivable, net	(738,720)	-	(738,720)
Accounts payable	2,525,509	134,312	2,659,821
Accrued payroll and compensated absences	(2,616)	-	(2,616)
Deferred outflows of pension contributions	280,188	-	280,188
Total adjustments	4,276,560	442,666	4,719,226
Net cash provided by operating activities	\$ 6,789,540	\$ 158,820	\$ 6,948,360

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Fiduciary Net Position –
Pension Trust and Agency Funds
December 31, 2015

	Pension Trust	Agency
Assets		
Cash and cash equivalents	\$ 5,973,906	\$ 1,000,380
Prepaid items	3,679	-
Investments:		
U.S. Government securities	9,348,963	-
U.S. Treasury securities	10,091,157	-
Municipal bonds	609,798	-
Mutual funds	85,306,122	-
Corporate bonds	25,954,448	-
Illinois Metropolitan Investment Fund	10,025	-
Interest and other receivable	256,220	5,238
Advance to other funds	-	29,908
	<hr/>	<hr/>
Total assets	137,554,318	\$ 1,035,526
	<hr/>	<hr/>
Liabilities		
Accounts payable	68,016	\$ -
Due to other governments	-	645,203
Deposits	-	390,323
	<hr/>	<hr/>
Total liabilities	68,016	\$ 1,035,526
	<hr/>	<hr/>
Net Position		
Held in trust for pension benefits	\$ 137,486,302	
	<hr/>	

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Statement of Changes in Fiduciary Net Position –
Pension Trust Funds
Year Ended December 31, 2015

Additions

Contributions:

Employer	\$ 4,915,050
Plan members	1,808,244
Total contributions	<u>6,723,294</u>

Investment income:

Net increase (decrease) in fair value of investments	(6,880,244)
Other income	4,695
Dividends	2,410,940
Interest	1,226,836
Less: investment expenses	(209,769)
Net investment income (loss)	<u>(3,447,542)</u>

Total additions	<u>3,275,752</u>
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Deductions

Benefits	12,272,786
Administrative expenses	194,235
Total deductions	<u>12,467,021</u>

Change in net position	(9,191,269)
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Net position held in trust for pension benefits:

January 1, 2015	<u>146,677,571</u>
December 31, 2015	<u>\$ 137,486,302</u>

See Notes to Financial Statements.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Village of Oak Lawn, Illinois ("Village") was incorporated on May 13, 1909. The Village operates under the Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. As required by accounting principles generally accepted in the United States of America ("U.S. GAAP"), the financial statements of the reporting entity include those of the primary government (the Village) and its component unit (the Oak Lawn Public Library). The Library's financial information is included in the Village's reporting entity because the Village is financially accountable for the Library.

The accounting policies of the Village conform to U.S. GAAP as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

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

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

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

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

The Oak Lawn Public Library is responsible for providing library services to the Village's residents. The members of the governing board of the Oak Lawn Public Library are elected by the voters of the Village; however, the Library is fiscally dependent on the Village as the tax levy established by the Library and bonded debt must be approved by the Village. Based on the applicable criteria above, the Library is a discretely presented component unit within these financial statements.

Complete audited financial statements for the Library can be obtained directly from their administrative offices.

Oak Lawn Public Library
9444 South Cook Avenue
Oak Lawn, IL 60453

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Oak Lawn Social Service Corporation was established as a non-profit organization under Section 501(c)(4) of the Internal Revenue Code in order to be exempt from federal income tax on the redemption of stock that was received by the Village as a gift in previous years. Based on the applicable criteria on the previous page, the Oak Lawn Social Service Corporation is a blended component unit within these financial statements. It has substantively the same governing board as the primary government and there is a financial benefit between the Village and the Oak Lawn Social Service Corporation. There is no separate audit performed of the Oak Lawn Social Service Corporation.

Government-wide and Fund Financial Statements

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

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

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

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

The Village administers the following major governmental funds:

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

Corporate Bond and Interest Fund – This debt service fund accounts for the proceeds of general obligation debt as well as the payment of principal and interest on Village debt.

Cicero Gateway TIF Fund – This fund is used to account for all development costs and activities of the Cicero Gateway TIF District.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Village administers the following major proprietary funds:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer services to the residents of the Village and the sale of water to various other municipalities. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Commuter Parking Lot Fund – This fund accounts for the operations of the existing parking facilities. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service.

Additionally, the Village administers fiduciary funds (pension trust and agency) for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a trust fund is used.

The following are the Village's fiduciary fund types and funds:

Trust Funds are used to account for and report contributions, investment activity and benefit payments related to the Village's pension plans. The Village has the following pension trust funds – Police Pension Fund and Firefighters' Pension Fund.

Agency Funds are used to account for and report assets held on behalf of other parties and changes in the assets. The Village has the following agency funds – Escrow Fund and OCDEF Strikeforce Fund.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary, and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds which have no measurement focus. Revenues and contributions are recorded when earned and expenses including benefits and refunds paid are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

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

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

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The accrual basis of accounting is utilized by the enterprise and fiduciary funds. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

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

Cash and Cash Equivalents

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

Investments

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

Prepaid Items

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

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

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

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net position.

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

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital and Intangible Assets

Capital assets which include land and improvements, streets and sidewalks, buildings, storm sewers, sanitary sewers, water distribution system, machinery and equipment and intangible assets, which include easements and similar items, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$25,000 (as well as any vehicle under \$25,000), and an estimated useful life of greater than two years. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

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

Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. The Village has a line of credit for the purpose of making capital improvements to the regional water distribution system. Interest incurred on the line of credit during 2015 was \$222,829, which was capitalized in capital assets.

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

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

	<u>Estimated Useful Lives</u>
Buildings and Improvements	40 - 50 Years
Land Improvements	40 - 50 Years
Machinery and Equipment	5 - 20 Years
Infrastructure	20 - 50 Years
Water Distribution and Sanitary System	20 - 50 Years

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

Property Held for Resale

Property held for resale is recorded at the lower of cost or fair value less costs to sell. The Village recorded property held for resale totaling \$8,029,864 at December 31, 2015 in the Cicero Gateway TIF Fund. During 2015, the Gateway Cicero TIF Fund sold a portion of the Phase 1 property in the amount of \$6,643,517. As of December 31, 2015, the Village also has property held for resale of \$800,000 in the Capital Improvements Fund, which has not changed in value from the previous year.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Inflows or Deferred Outflows of Resources and Unearned Revenue

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the “measurable” and “available” criteria for recognition in the current period.

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, as well as pension payments made subsequent to the pension liability measurement date are reported as deferred outflows or inflows of resources on the government-wide financial statements. See Note 7 for pension related disclosures.

Unearned revenues arise when resources are received by the Village before it has a legal claim to them. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Compensated Absences

Vacation leave is recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding are amortized over the life of the bonds and are reported as deferred outflows of resources in the Statement of Net Position.

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

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a fund liability of a governmental fund.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

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

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

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

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

Fund Balance

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

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

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

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit its fund balances. At December 31, 2015, the Village had no committed fund balances.

Assigned – includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board has not delegated the authority to assign amounts to be used for specific purposes. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At December 31, 2015, the Village had no assigned fund balances.

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

At December 31, 2015, the Village's fund balance restrictions were for the following purposes:

Restricted purpose:

Street and equipment maintenance	\$ 291,670
Oak Lawn Emergency Phone System Board	1,283,615
Public safety - fire	132,730
Community development block grant program	183,433
Public safety - police investigation	1,860,933
Public safety - police grant	25,429
Oak Lawn Social Service Corporation	465,766
Debt service	312,514
Capital projects	997,886
Total	<u><u>\$ 5,553,976</u></u>

Claims and Judgments

Liabilities resulting from claims and judgments, including claims incurred but not reported, have been reflected in the government-wide financial statements as claims payable.

Accounting Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Elimination and Reclassifications

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

Restatement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which was adopted by the Village for the year ended December 31, 2015. GASB 68 improves accounting and financial reporting by state and local governments for pensions and improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pension that are provided through pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

The implementation of this standard resulted in an unfunded pension liability to be recognized on the Statement of Net Position. The Village restated its January 1, 2015 net position within the Governmental and Business-Type Activities to reflect the changes due to Statement No. 68.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

	Governmental Activities	Business-Type Activities	Waterworks and Sewerage Fund
Net position, January 1, 2015	\$ 12,875,772	\$ 43,264,402	\$ 29,521,852
Restatement amount related to the implementation of GASB 68	(171,368,976)	(574,791)	(574,791)
Net position as restated, January 1, 2015	<u>\$ (158,493,204)</u>	<u>\$ 42,689,611</u>	<u>\$ 28,947,061</u>

The Oak Lawn Public Library issues separate financial statements and presents comparative financial statements. As such, the Library's net position as a result of the GASB 68 implementation is as follows:

	Component Unit - Library
Net position, January 1, 2014	\$ 6,905,419
Restatement amount related to the implementation of GASB 68	(694,588)
Net position as restated, January 1, 2014	<u>\$ 6,210,831</u>

Note 2. Deposits and Investments

The Village maintains a cash and investment pool that is available for use by most funds. Each fund's portion of this pool is displayed on the balance sheet/statement of net position as "cash and cash equivalents" and "investments." In addition, investments are separately held by several of the Village's funds. The Village's investment policy and state statutes allow the Village to invest in the following:

- Interest-bearing accounts of banks and savings and loan associations insured by the Federal Deposit Insurance Corporation.
- Obligations of the U.S. Treasury and U.S. agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.
- Short-term obligations of U.S. corporations rated in the three highest classifications by at least two standard rating agencies.
- The Illinois Funds.
- Illinois Metropolitan Investment Fund.

The Village's investment policy limits the Village from investing in any financial institution in which the Village's funds on deposit are in excess of 75% of the institution's capital stock and surplus.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

The deposits and investments of the Police Pension Fund and the Firefighters' Pension Fund are held separately from each other and from those of other Village funds. In addition to the aforementioned investments, these pension funds are also permitted to invest in the following instruments:

- Bonds issued by any county, city, township, village, incorporated town, municipal corporation, or school district in Illinois.
- Direct obligations of the State of Israel.
- Separate accounts of Illinois-licensed insurance companies.
- Common and preferred stock.

As of December 31, 2015, cash and investments consisted of the following:

	Fiduciary Funds				Component Unit - Oak Lawn Library
	Governmental & Business-Type Activities	Police Pension Fund	Fire Pension Fund	Agency Fund	
Petty Cash	\$ 8,604	\$ -	\$ -	\$ -	\$ -
Demand Deposits	10,667,342	59,226	254,275	1,000,380	1,299,777
Restricted Cash	265,047	-	-	-	-
Certificate of Deposit	440,582	-	-	-	-
IMET	-	5,087	4,938	-	-
Illinois Funds	724	-	-	-	943,834
Money Market	-	3,094,446	2,565,959	-	-
U.S. Government Obligations	-	9,817,538	9,622,582	-	-
Municipal/Corporate Bonds	-	13,282,123	13,282,123	-	-
Mutual Funds	-	42,939,817	42,366,305	-	-
	<u>\$ 11,382,299</u>	<u>\$ 69,198,237</u>	<u>\$ 68,096,182</u>	<u>\$ 1,000,380</u>	<u>\$ 2,243,611</u>

The Illinois Funds

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

Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village's investment policy requires that deposits that exceed the amount insured by the FDIC insurance protection be secured by some form of collateral at the rate of 110% of such deposits by U.S. Government Securities, obligations of Federal instrumentalities, obligations of the State of Illinois, or general obligation municipal bonds rated "AA" or better. As of December 31, 2015, the Village was not exposed to custodial credit risk on deposits.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio so that securities or other allowable investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities or other allowable investments on the open market prior to maturity and by investing operating funds primarily in shorter-term securities or other allowable investments. The policy was put in place to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

In accordance with their investment policies, the pension funds limit their exposure to interest rate risk by structuring the portfolios to provide liquidity for short- and long-term cash flow needs while providing a reasonable rate of return based on the current market.

As of December 31, 2015, the Police and Firefighters' Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Fiduciary Activities					
Police Pension Fund					
Corporate Bonds	\$ 12,977,224	\$ 1,588,739	\$ 8,483,700	\$ 2,904,785	\$ -
U.S. Government Securities	4,702,466	14,608	950,747	316,051	3,421,060
U.S. Treasuries	5,115,072	1,854,388	848,970	1,284,910	1,126,804
Municipal Bonds	304,899	-	-	304,899	-
Total Police Pension	23,099,661	3,457,735	10,283,417	4,810,645	4,547,864
Firefighters' Pension Fund					
Corporate Bonds	12,977,224	1,588,739	8,483,700	2,904,785	-
U.S. Government Securities	4,646,497	-	874,119	512,536	3,259,842
U.S. Treasuries	4,976,085	1,698,055	1,074,571	1,573,133	630,326
Municipal Bonds	304,899	-	-	304,899	-
Total Firefighters' Pension	22,904,705	3,286,794	10,432,390	5,295,353	3,890,168
Total Fiduciary Activities	\$ 46,004,366	\$ 6,744,529	\$ 20,715,807	\$ 10,105,998	\$ 8,438,032

Credit Risk

Credit risk is the risk that the Village, Pension Funds or Library will not recover their investments due to the ability of the counterparty to fulfill its obligation. U.S. Treasury obligations are backed by the full faith and credit of the U.S. Government and are not considered to have credit risk.

The Village limits its exposure to credit risk, by investing mainly in external investment pools. The Illinois Funds Money Market Fund and Prime Fund are rated AAA by Standard & Poor's.

The Pension Funds' general investment policies follow the prudent person rule subject to the specific restrictions of the Illinois Pension Code and the Pension Funds' asset allocation policy. Under the prudent person rule, investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund or like character and with like aims.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

The Illinois Funds Money Market Fund and Prime Fund are rated AAA by Standard & Poor's.

As of December 31, 2015, the Pension Funds had the following fixed income investments which are rated by Standard & Poor's as follows:

Moody's:

	Fair Value	Aaa	Aa	A	Baa	Ba
Police Pension Fund						
Corporate Bonds	\$ 12,977,224	\$ -	\$ 1,265,970	\$ 5,114,202	\$ 6,597,052	\$ -
U.S. Government Securities	4,702,466	4,702,466	-	-	-	-
Municipal Bonds	304,899	-	-	-	-	304,899
Total Police Pension	17,984,589	4,702,466	1,265,970	5,114,202	6,597,052	304,899
Firefighters' Pension Fund						
Corporate Bonds	12,977,224	-	1,265,970	5,114,202	6,597,052	-
U.S. Government Securities	4,646,497	4,646,497	-	-	-	-
Municipal Bonds	304,899	-	-	-	-	304,899
Total Firefighters' Pension	17,928,620	4,646,497	1,265,970	5,114,202	6,597,052	304,899
Total Fiduciary Activities	\$ 35,913,209	\$ 9,348,963	\$ 2,531,940	\$ 10,228,404	\$ 13,194,104	\$ 609,798

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. To limit its exposure, the Village's investment policy requires all investments to be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors, soundly diversified and held by a third-party custodian. The Illinois Funds are not subject to custodial credit risk.

Custodial Credit Risk (Continued)

The Police Pension Fund's investment policy requires all securities that are exposed to custodial credit risk to be held by a third-party custodian. The Firefighters' Pension Fund's investment policy requires all investments to be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors, soundly diversified and held by a third-party custodian. The Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in an overconcentration in a security, maturity, issuer, or class of securities. The Village was not exposed to concentration of credit risk as of December 31, 2015.

The Pension Funds' investment policies require diversification of investment to avoid unreasonable risk. As of December 31, 2015, the Police and Firefighters' Pension Funds did not have any such investments that exceeded 5% of the respective Plan net position.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance approved by the Village's Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Cook County and issued on or about February 1 and September 1, and are payable in two installments which become due on or about March 1 and October 1. The County collects such taxes and periodically remits them to the Village.

The 2015 property tax assessment, which was levied in December 2015, is to finance the budget for the fiscal year beginning January 1, 2016 and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. A reduction for collection losses based on historical collection experience has been provided on uncollected tax levies. Property tax amounts recorded as receivables in advance of the fiscal year for which they are levied are recorded as deferred inflows of resources and are recognized as revenue in the year for which they are levied.

Property taxes are billed and collected by the Cook County Treasurer.

Note 4. Capital Assets

Governmental Activities

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

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,704,741	\$ -	\$ -	\$ 10,704,741
Rights of way	78,135,595	-	-	78,135,595
Total capital assets not being depreciated	<u>88,840,336</u>	-	-	<u>88,840,336</u>
Capital assets being depreciated:				
Land improvements	3,009,220	1,136	-	3,010,356
Buildings and improvements	11,983,410	460,571	-	12,443,981
Machinery and equipment	13,942,335	513,331	76,993	14,378,673
Infrastructure	92,382,582	321,000	-	92,703,582
	<u>121,317,547</u>	<u>1,296,038</u>	<u>76,993</u>	<u>122,536,592</u>
Less accumulated depreciation for:				
Land improvements	2,215,580	134,335	-	2,349,915
Buildings and improvements	5,723,578	278,852	-	6,002,430
Machinery and equipment	10,938,634	848,585	76,993	11,710,226
Infrastructure	65,375,668	1,420,718	-	66,796,386
	<u>84,253,460</u>	<u>2,682,490</u>	<u>76,993</u>	<u>86,858,957</u>
Total capital assets being depreciated, net	<u>37,064,087</u>	<u>(1,386,452)</u>	-	<u>35,677,635</u>
Governmental activities capital assets, net	<u>\$ 125,904,423</u>	<u>\$ (1,386,452)</u>	<u>\$ -</u>	<u>\$ 124,517,971</u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Business-Type Activities

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

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,587,586	\$ -	\$ -	\$ 2,587,586
Construction in progress	10,086,568	14,946,043	316,626	24,715,985
	<u>12,674,154</u>	<u>14,946,043</u>	<u>316,626</u>	<u>27,303,571</u>
Capital assets being depreciated:				
Land improvements	916,294	-	-	916,294
Buildings and improvements	28,028,026	-	-	28,028,026
Machinery and equipment	4,675,939	77,204	18,156	4,734,987
Water distribution and sanitary system infrastructure	81,196,729	2,329,089	-	83,525,818
	<u>114,816,988</u>	<u>2,406,293</u>	<u>18,156</u>	<u>117,205,125</u>
Less accumulated depreciation for:				
Land improvements	655,539	39,230	-	694,769
Buildings and improvements	8,679,234	543,053	-	9,222,287
Machinery and equipment	3,738,336	212,959	18,156	3,933,139
Water distribution and sanitary system infrastructure	49,909,158	1,657,679	-	51,566,837
	<u>62,982,267</u>	<u>2,452,921</u>	<u>18,156</u>	<u>65,417,032</u>
Total capital assets being depreciated, net	<u>51,834,721</u>	<u>(46,628)</u>	<u>-</u>	<u>51,788,093</u>
Business-type activities capital assets, net	<u>\$ 64,508,875</u>	<u>\$ 14,899,415</u>	<u>\$ 316,626</u>	<u>\$ 79,091,664</u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Component Unit Library

A summary of changes in capital assets for the Oak Lawn Public Library is as follows:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Capital assets not being depreciated:				
Land	\$ 165,688	\$ -	\$ -	\$ 165,688
Capital assets being depreciated:				
Buildings	8,862,889	275,998	-	9,138,887
Equipment and furnishings	1,002,700	27,831	-	1,030,531
	<u>9,865,589</u>	<u>303,829</u>	<u>-</u>	<u>10,169,418</u>
Less accumulated depreciation for:				
Buildings	4,101,154	169,875	-	4,271,029
Equipment and furnishings	693,314	73,766	-	767,080
	<u>4,794,468</u>	<u>243,641</u>	<u>-</u>	<u>5,038,109</u>
Total capital assets being depreciated, net	<u>5,071,121</u>	<u>60,188</u>	<u>-</u>	<u>5,131,309</u>
Component unit library capital assets, net	<u>\$ 5,236,809</u>	<u>\$ 60,188</u>	<u>\$ -</u>	<u>\$ 5,296,997</u>

Depreciation Charged to Functions / Programs

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 622,283
Public safety	1,730,886
Streets and equipment maintenance	329,321
Total depreciation expense - governmental activities	<u>\$ 2,682,490</u>
Business-type activities:	
Waterworks and sewerage	\$ 2,144,567
Commuter parking lot	308,354
Total depreciation expense - business-type activities	<u>\$ 2,452,921</u>
Component unit, Library:	
Culture and recreation	<u>\$ 243,641</u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations

General obligation bonds have been issued to finance capital acquisitions or projects and to refund existing bonds. The Village's bonds are to be paid using various revenue sources of the Village. All pledges will remain until all bonds are retired. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the Village.

Long-Term Obligations

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended December 31, 2015:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015	Due Within One Year
<i>Governmental Activities</i>					
General obligation bonds:					
Series 2004	\$ 2,545,000	\$ -	\$ 2,545,000	\$ -	\$ -
Series 2004A	1,380,000	-	1,380,000	-	-
Series 2005A	680,000	-	680,000	-	-
Series 2005B	3,710,000	-	3,710,000	-	-
Series 2005C	1,880,000	-	1,880,000	-	-
Series 2009A	10,445,000	-	950,000	9,495,000	1,150,000
Series 2009B	86,140	-	86,140	-	-
Series 2010A	30,420,000	-	1,065,000	29,355,000	1,085,000
Series 2011B	2,060,000	-	270,000	1,790,000	280,000
Series 2012 (SSA)	4,250,000	-	160,000	4,090,000	165,000
Series 2015	-	8,475,000	-	8,475,000	1,635,000
Total general obligation bonds	57,456,140	8,475,000	12,726,140	53,205,000	4,315,000
Notes payable:					
Capital loan 2010	302,376	-	302,376	-	-
Capital loan 2011	1,161,240	-	232,268	928,972	232,267
Capital loan 2013	2,497,353	-	125,000	2,372,353	300,000
Capital loan 2015	-	637,142	-	637,142	63,714
Promissory note 2012	25,000,000	-	5,626,252	19,373,748	-
Total notes payable	28,960,969	637,142	6,285,896	23,312,215	595,981
Unamortized premium	468,824	447,828	191,455	725,197	-
Unamortized discount	(176,014)	-	(23,186)	(152,828)	-
Compensated absences	3,117,553	2,054,797	2,273,442	2,898,908	2,113,997
Net pension liability	205,574,486	53,776,056	118,781,668	140,568,874	-
Other postemployment benefits	14,985,699	2,641,017	1,177,519	16,449,197	-
	<u>\$ 310,387,657</u>	<u>\$ 68,031,840</u>	<u>\$ 141,412,934</u>	<u>\$ 237,006,563</u>	<u>\$ 7,024,978</u>

Compensated absences, pension obligations and other postemployment benefits historically are retired by the Village's General Fund. General obligation bonds are payable with either general fund resources, property tax levies, or incremental revenues available in the TIF funds as applicable. The pledged revenue and payments table on the following page includes detail on the fund source for all outstanding bonds. The capital loans are retired by General and ETSB funds while the promissory note is primarily funded by incremental taxes in the Cicero Gateway TIF fund.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended December 31, 2015:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015	Due Within One Year
<i>Business-type Activities</i>					
General obligation bonds:					
Series 2006	\$ 4,555,000	\$ -	\$ 125,000	\$ 4,430,000	\$ 130,000
Series 2009B	38,860	-	38,860	-	-
Series 2011A	4,265,000	-	305,000	3,960,000	300,000
Unamortized discount	(91,494)	-	(91,494)	-	-
Unamortized premium	72,077	-	6,007	66,070	-
Total general obligation bonds	8,839,443	-	383,373	8,456,070	430,000
Line of credit	8,600,000	13,000,000	12,116,456	9,483,544	-
Notes payable:					
Capital loan 2010	87,623	-	87,623	-	-
Capital loan 2011	172,094	-	34,400	137,694	34,400
Capital loan 2013	773,600	159,455	-	933,055	320,000
IEPA Note Payable	3,437,868	7,505,684	-	10,943,552	-
IEPA Note Payable	-	6,348,114	-	6,348,114	-
Total notes payable	4,471,185	14,013,253	122,023	18,362,415	354,400
Compensated absences	264,423	171,627	186,386	249,664	175,983
Net pension liability	941,870	1,905,843	273,479	2,574,234	-
	<u>\$ 23,116,921</u>	<u>\$ 29,090,723</u>	<u>\$ 13,081,717</u>	<u>\$ 39,125,927</u>	<u>\$ 960,383</u>

Additions to Long-Term Obligations

On December 17, 2015, the Village issued \$8,475,000 in General Obligation Refunding Bonds Series 2015 with an average interest rate of 3.25% to currently refund the \$2,240,000 General Obligation Corporate Purpose Bonds Series 2004 with an average interest rate of 3.80%, \$935,000 General Obligation Corporate Purpose Bonds Series 2004A with an average interest rate of 4.50%, \$465,000 General Obligation Corporate Purpose Bonds Series 2005A with an average interest rate of 4.00%, \$3,275,000 General Obligation Corporate Purpose Bonds Series 2005B with an average interest rate of 3.80%, and \$1,560,000 General Obligation Corporate Purpose Refunding Bonds Series 2005C with an average rate of 4.00%. The proceeds of \$8,922,828 were paid to the paying agent and placed in a trust until the bonds were called on January 18, 2016. The refunding resulted in a refunding loss approximating \$16,000, had no effect on the life of the bonds, while decreasing the Village's future debt service by approximately \$564,000.

On November 20, 2015, the Village was issued a governmental capital loan in the amount of \$1,500,000. As of December 31, 2015, the Village has outstanding draws of \$637,142. The note bears interest at 2.875% and is due May 5, 2024.

The Village was issued a regional water system revenue bond, revolving line of credit, series 2014 for its regional waterworks and sewerage division during 2014 in the amount of \$20,000,000 of which the Village has outstanding draws (bonds) of \$9,483,543 at December 31, 2015. The interest rate on the amount drawn is equal to 80% of LIBOR plus 0.60 percent.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The line of credit also has a non-usage fee payable in arrears each quarter equal to a monthly rate of 0.01042 percent on the undrawn portion. The principal and interest of the drawn portion can be prepaid with available funds with two days' notice. The Village has until December 1, 2019 to draw the remaining available amount to draw on the line of credit. Unless otherwise paid in full on December 1, 2019, the principal amount of draws (bonds) shall bear interest at the rate above plus 1.00 percent and are due December 1, 2021.

In a previous year, the Village was issued a governmental capital loan in the amount of \$2,500,000. As of December 31, 2015, the Village has outstanding draws of \$2,372,353. The note bears interest at 2.875% and is due May 5, 2024.

In a previous year, the Village was authorized to issue a promissory note for various governmental activities in the amount of \$25,000,000. As of December 31, 2015, the Village has outstanding draws of \$19,373,748. The note bears interest at a one-month LIBOR rate plus 1.15% with interest due monthly. As of December 31, 2015, the one-month LIBOR rate was 0.4295% and is due August 1, 2017.

In a previous year, the Village was issued an enterprise fund capital loan in the amount of \$1,600,000 of which \$159,455 was drawn in 2015. As of December 31, 2015, the Village has outstanding draws of \$933,055. The note bears interest at 2.875% and is due May 5, 2019.

In a previous year, the Village entered into an agreement with the Illinois Environmental Protection Agency ("IEPA") to borrow an amount not exceeding \$12,689,237 of which the Village has outstanding draws of \$10,943,552 at December 31, 2015. The loan bears interest at 1.930% and is due August 1, 2036.

In a previous year, the Village entered into an agreement with the IPEA to borrow an amount not exceeding \$27,631,015. No draws occurred in 2014. During 2015, the Village has outstanding draws of \$6,348,114 at December 31, 2015. The loan bears interest at 1.995% and is due July 9, 2037.

In October 2015, the Village entered into an agreement with the IEPA to borrow an amount not exceeding \$3,273,149. No draws occurred in 2015. The loan will bear interest at 1.860% and is due March 15, 2037.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Pledged Revenue and Payments

Pledged revenue information for the Village's outstanding bonds is as follows:

Debt Issue	Pledged Revenue Source	Interest Rates	Pledged Revenue	Pledge Remaining	Principal and Interest Retired	End Date	Percentage Commitment of Revenue Pledged
<i>Governmental Activities:</i>							
Series 2009A	Property Taxes	4.00% to 4.65%	13,236,490	\$ 13,329,943	1,388,073	12/1/2034	10.49%
Series 2010A	Gasoline Taxes, Motor Fuel Taxes**	1.48% to 6.11%	1,385,923	49,047,845	2,670,636	8/20/2035	192.70%
Series 2011B	Village and Library Property Taxes	2.00% to 3.00%	13,236,490	1,973,475	326,150	12/1/2021	2.46%
Series 2012 (SSA)	Special Service Area Fund Sales Taxes	2.00% to 5.50%	260,640	6,085,700	356,161	12/1/2032	136.65%
Series 2015	Property Taxes	2.00% to 4.00%	13,236,490	9,560,027	-	12/1/2023	0.00%
				<u>\$ 79,996,990</u>			
<i>Business-type Activities:</i>							
Series 2006	Sewerage Service Charges	4.25% to 4.50%	3,265,930	\$ 6,924,058	325,816	12/1/2036	9.98%
Series 2011A	Waterworks & Sewerage Fund Service Charges	2.00% to 3.35%	45,850,901	4,719,527	414,578	12/1/2026	0.90%
				<u>\$ 11,643,585</u>			

** In the event gasoline taxes, motor fuel taxes, and the Federal Interest subsidy received in connection with the bonds are not available, the Village intends to use available revenues from the water and sewer fees.

Intergovernmental Water Service Agreements

The Village has entered into water sale, purchase, and service agreements with numerous municipalities to provide for the delivery of water through the Village's water distribution system. Under the terms of these contracts, certain municipalities are required to reimburse the Village for a specified portion of the annual principal and interest requirements of the general obligation bonds originally issued for construction of these pipelines. Other municipalities are required to contribute toward debt service payments based on water allocation factors and rates as specified in the respective contracts. Others are required to contribute toward debt service payments based on their actual water usage from the prior year. The total amount recognized in the Waterworks and Sewerage Fund charges for debt payments from other municipalities during 2015 was \$848,246.

Component Unit, Library

Long-term obligation activity for the Oak Lawn Public Library for the year ended December 31, 2015, is as follows:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015	Due Within One Year
Compensated absences	\$ 406,095	\$ 184,232	\$ 210,969	\$ 379,358	\$ 199,067
Net pension liability	1,152,559	1,451,777	-	2,604,336	-
	<u>\$ 1,558,654</u>	<u>\$ 1,636,009</u>	<u>\$ 210,969</u>	<u>\$ 2,983,694</u>	<u>\$ 199,067</u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Debt Service Requirements

The future debt service requirements to amortize the outstanding debt other than the compensated absences, pension liabilities and other postemployment benefits, but including interest, are as follows:

Year Ending December 31,	Governmental				Business-Type				Total
	General Obligation Bonds		Notes Payable		General Obligation Bonds		Notes Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 4,315,000	\$ 2,464,925	\$ 595,981	\$ 376,873	\$ 430,000	\$ 311,655	\$ 34,400	\$ 31,250	\$ 8,560,084
2017	3,985,000	2,341,822	20,033,443	234,616	455,000	298,631	901,578	236,331	28,486,421
2018	3,585,000	2,217,168	659,695	74,598	485,000	284,893	1,218,983	340,455	8,865,792
2019	2,995,000	2,088,520	659,600	54,361	490,000	270,231	1,192,132	313,184	8,063,029
2020	2,870,000	1,977,601	127,428	4,579	515,000	253,655	864,583	289,286	6,902,133
2021 - 2025	11,975,000	8,182,531	1,236,066	82,511	2,770,000	998,758	4,322,917	1,193,039	30,760,822
2026 - 2030	11,325,000	5,451,686	-	-	1,525,000	554,510	4,322,917	770,720	23,949,833
2031 - 2035	12,155,000	2,067,737	-	-	1,400,000	266,852	4,322,917	348,401	20,560,906
2036 - 2039	-	-	-	-	320,000	14,400	1,181,988	23,751	1,540,139
	<u>\$ 53,205,000</u>	<u>\$ 26,791,990</u>	<u>\$ 23,312,215</u>	<u>\$ 827,538</u>	<u>\$ 8,390,000</u>	<u>\$ 3,253,585</u>	<u>\$ 18,362,415</u>	<u>\$ 3,546,417</u>	<u>\$ 137,689,160</u>

Note 6. Employee Retirement Systems

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

Illinois Municipal Retirement Fund

Library employees participate in the Illinois Municipal Retirement Fund ("IMRF") through the Village. Thus, the information that follows includes both Village and Library employees and balances.

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

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

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

Employees Covered by Benefit Terms. As of December 31, 2015, the following employees were covered by the benefit terms:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	329
Inactive Plan members entitled to but not yet receiving benefits	208
Active Plan members	<u>185</u>
Total membership	<u><u>722</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 12.87 percent. For the fiscal year ended December 31, 2015, the Village contributed \$1,471,601 to the plan. The contributions as of December 31, 2015 are reported in the financial statements as follows:

Governmental Activities - general government expense	\$ 793,956
Business-Type Activities and Waterworks and Sewerage Fund	336,853
Component Unit - Library	<u>340,792</u>
Total	<u><u>\$ 1,471,601</u></u>

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

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

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

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

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

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

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

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

Changes in the Net Pension Liability.

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 99,411,306	\$ 93,908,519	\$ 5,502,787
Changes for the year:			
Service cost	1,302,965	-	1,302,965
Interest on the total pension liability	7,293,008	-	7,293,008
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(269,225)	-	(269,225)
Changes of assumptions	118,529	-	118,529
Contributions - employer	-	1,471,601	(1,471,601)
Contributions - employee	-	513,427	(513,427)
Net investment income	-	461,041	(461,041)
Benefit payments, including refunds of employee contributions	(5,385,721)	(5,385,721)	-
Other (net transfer)	-	256,006	(256,006)
Net changes	3,059,556	(2,683,646)	5,743,202
Balances at December 31, 2015	\$ 102,470,862	\$ 91,224,873	\$ 11,245,989

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

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

	1% Decrease 6.48%	Current Discount Rate 7.48%	1% Increase 8.48%
Net pension liability	\$ 24,085,799	\$ 11,245,989	\$ 696,988

The net pension liability as of December 31, 2015 is reported on the financial statements as follows:

Governmental Activities	\$ 6,067,419
Business-Type Activities and Waterworks and Sewerage Fund	2,574,234
Component Unit - Library	2,604,336
	<hr/>
	\$ 11,245,989

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 \$1,243,133. Pension expense as of December 31, 2015 is reported in the financial statements as follows:

Governmental Activities	\$ 583,835
Business-Type Activities and Waterworks and Sewerage Fund	273,479
Component Unit - Library	385,819
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	\$ 1,243,133

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 773,648
Changes of assumptions	892,322	-
Net difference between projected and actual earnings on pension plan investments	5,922,921	-
Recognized in current pension expense	69,580	69,580
	<hr/>	<hr/>
Total Deferred Amounts Related to Pensions	\$ 6,884,823	\$ 843,228
	<hr/> <hr/>	<hr/> <hr/>
Governmental Activities	\$ 3,676,950	\$ 440,076
Business-Type Activities and Waterworks and Sewerage Fund	1,622,273	223,991
Component Unit - Library	1,585,600	179,161
	<hr/>	<hr/>
	\$ 6,884,823	\$ 843,228
	<hr/> <hr/>	<hr/> <hr/>

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

	Net deferred Outflows of Resources
Year ending December 31:	
2016	\$ 1,697,634
2017	1,507,763
2018	1,543,363
2019	1,292,836
2020	-
Thereafter	-
	<hr/>
Total	\$ 6,041,596
	<hr/> <hr/>

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Police Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Plan Description

Plan Administration:

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of Oak Lawn. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of December 31, 2015, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the beneficiaries and two are appointed by the Village President with the approval of the Village Board of Trustees. There have been no changes in the makeup of the Board during fiscal year 2015.

Plan Membership:

At December 31, 2015, the Police Pension Plan membership consisted of:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	99
Inactive Plan members entitled to but not yet receiving benefits	2
Active Plan members	<u>108</u>
Total membership	<u><u>209</u></u>

Benefits Provided:

The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Plan Description (Continued)

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by December 31, 2040. Only the State legislature can amend the contribution requirements. For the year ended December 31, 2015, the statutory minimum which the Village was required to contribute was \$3,729,587, or 36.41% of member payroll, to the Police Pension Fund.

Investments

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of December 31, 2015:

<u>Asset Class</u>	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	2%	20%
Fixed Income	33%	65%
Equities	20%	55%

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Investments (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected geometric real rates of return by asset class as of December 31, 2015:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	2.30%	2.30%	0.00%
Fixed Income	4.90%	2.30%	2.60%
Equities:			
International Equities	8.40%	2.30%	6.10%
US Large-Cap Equities	9.00%	2.30%	6.70%
US Mid-Cap Equities	9.50%	2.30%	7.20%
US Small-Cap Equities	10.00%	2.30%	7.70%
Emerging Markets	9.40%	2.30%	7.10%
Master Limited Partnerships	8.00%	2.30%	5.70%
REITS	8.00%	2.30%	5.70%

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments:

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

Rate of Return:

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 2.44 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	December 31, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll Closed
Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.57%
Projected Individual Salary Increases	3.50 - 14.50%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	3.00%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Police Mortality Rates
Retirement Rates	L&A 2016 Illinois Police Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Police Disability Rates
Termination Rates	L&A 2016 Illinois Police Termination Rates
Percent Married	80%

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009-June 2015.

The study was performed by Lauterbach and Amen LLP (L&A), which provides a variety of accounting and actuarial services to Police and Firefighter Pension Funds across the State of Illinois.

Discount Rate:

The discount rate used to measure the total pension liability is 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Net Pension Liability (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at January 1, 2015	\$ 178,454,078	\$ 73,929,804	\$ 104,524,274
Changes for the year:			
Service cost	1,922,628	-	1,922,628
Interest on the total pension liability	12,269,950	-	12,269,950
Actuarial experience	382,950	-	382,950
Changes of assumptions	(47,215,690)	-	(47,215,690)
Contributions - employer	-	2,457,525	(2,457,525)
Contributions - employee	-	1,068,805	(1,068,805)
Net investment income	-	(1,727,215)	1,727,215
Benefit payments, including refunds of employee contributions	(6,338,152)	(6,338,152)	-
Other (net transfer)	-	(96,555)	96,555
Net changes	(38,978,314)	(4,635,592)	(34,342,722)
Balances at December 31, 2015	\$ 139,475,764	\$ 69,294,212	\$ 70,181,552

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

The following presents the net pension liability of the Village, calculated using the discount rate of 7.00 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 89,146,596	\$ 70,181,552	\$ 54,547,638

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Police Pension Fund (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 (income) of \$(360,629). At December 31, 2015, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<hr/>		
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods		
Differences between expected and actual experience	\$ 322,356	\$ -
Changes of assumptions	-	39,744,854
Net difference between projected and actual earnings on pension plan investments	<u>5,440,405</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 5,762,761</u>	<u>\$ 39,744,854</u>

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

	Net deferred Outflows of Resources
<hr/>	
Year ending December 31:	
2016	\$ (6,050,142)
2017	(6,050,142)
2018	(6,050,142)
2019	(6,050,142)
2020	(7,410,244)
Thereafter	<u>(2,371,281)</u>
Total	<u>\$ (33,982,093)</u>

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Firefighters' Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings.

Plan Description

Plan Administration:

Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of Oak Lawn. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 4 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's most recent actuarial valuation was performed as of December 31, 2015, and, accordingly, the most recent available information has been presented.

Management of the Firefighters' Pension Plan is vested in the Firefighters' Pension Board which consists of five members, two members are elected from and by active firefighters, one elected from and by the beneficiaries and two appointed by the Village President. There have been no changes in the makeup of the Board during fiscal year 2015.

Plan Membership:

At December 31, 2015, the Firefighters' Pension Plan membership consisted of:

	<u>Membership</u>
Inactive Plan members or beneficiaries currently receiving benefits	102
Inactive Plan members entitled to but not yet receiving benefits	2
Active Plan members	<u>75</u>
Total membership	<u><u>179</u></u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Firefighters' Pension Fund (Continued)

Plan Description (Continued)

Benefits Provided:

The Illinois Pension Code (40 ILCS 5/Art. 4) is the authority under which pension benefit terms are established. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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 or more with 10 or more years of 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 firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered firefighter employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund or 7.5% of the salaries and wages to be paid to firefighters for the year involved, whichever is greater, plus (2) an annual amount sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by December 31, 2040. Only the State legislature can amend the contribution requirements. For the year ended December 31, 2015, the statutory minimum which the Village was required to contribute was \$3,978,956, or 55.14% of member payroll, to the Firefighters' Pension Fund.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Firefighters' Pension Fund (Continued)

Investments

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Firefighters' Pension Board by a majority vote of its members. It is the policy of the Firefighters' Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 2 for more details on the Firefighters' Pension's investment policy. The following is the Board's adopted asset allocation policy as of December 31, 2015:

Asset Class	Minimum Target Asset Allocation	Maximum Target Asset Allocation
Cash and Cash Equivalents	2%	20%
Fixed Income	33%	65%
Equities	20%	55%

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the

Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected geometric real rates of return by asset class as of December 31, 2015:

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.30%	2.30%	0.00%
Fixed Income	4.90%	2.30%	2.60%
Equities:			
International Equities	8.40%	2.30%	6.10%
US Large-Cap Equities	9.00%	2.30%	6.70%
US Mid-Cap Equities	9.50%	2.30%	7.20%
US Small-Cap Equities	10.00%	2.30%	7.70%
Emerging Markets	9.40%	2.30%	7.10%
Master Limited Partnerships	8.00%	2.30%	5.70%
REITS	8.00%	2.30%	5.70%

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Firefighters' Pension Fund (Continued)

Investments (Continued)

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments:

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

Rate of Return:

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a negative 2.32 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	December 31, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll Closed
Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.57%
Projected Individual Salary Increases	3.00% - 12.00%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Actuarial assumptions:	
Mortality Table	Lauterbach & Amen (L&A) 2016 Illinois Firefighters' Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters' Retirement Rates Capped at age 60
Disability Rates	L&A 2016 Illinois Firefighters' Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters' Termination Rates
Percent Married	80%

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial assumption study for the period including various municipal fiscal years ending December 2009–June 2015.

The study was performed by Lauterbach and Amen LLP (L&A), which provides a variety of accounting and actuarial services to Police and Firefighter Pension Funds across the State of Illinois.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Firefighters' Pension Fund (Continued)

Net Pension Liability (Continued)

Discount Rate:

The discount rate used to measure the total pension liability is 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at January 1, 2015	\$ 170,020,641	\$ 72,747,767	\$ 97,272,874
Changes for the year:			
Service cost	1,604,429	-	1,604,429
Interest on the total pension liability	11,693,733	-	11,693,733
Actuarial experience	(455,114)	-	(455,114)
Changes of assumptions	(44,417,062)	-	(44,417,062)
Contributions - employer	-	2,457,525	(2,457,525)
Contributions - employee	-	739,439	(739,439)
Net investment income	-	(1,720,327)	1,720,327
Benefit payments, including refunds of employee contributions	(5,934,634)	(5,934,634)	-
Other (net transfer)	-	(97,680)	97,680
Net changes	(37,508,648)	(4,555,677)	(32,952,971)
Balances at December 31, 2015	\$ 132,511,993	\$ 68,192,090	\$ 64,319,903

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

The following presents the net pension liability of the Village, calculated using the discount rate of 7.00 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 81,876,820	\$ 64,319,903	\$ 49,793,639

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 6. Employee Retirement Systems (Continued)

Firefighters' Pension Fund (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 (income) of \$(5,415,454). At December 31, 2015, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<hr/>		
Deferred Amounts to be Recognized in Pension		
Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 333,750
Changes of assumptions	-	32,572,512
Net difference between projected and actual earnings on pension plan investments	<u>5,370,746</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 5,370,746</u>	<u>\$ 32,906,262</u>

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

	Net deferred Outflows of Resources
<hr/>	
Year ending December 31:	
2016	\$ (10,623,227)
2017	(10,623,227)
2018	(7,631,747)
2019	1,342,685
2020	-
Thereafter	<u>-</u>
Total	<u>\$ (27,535,516)</u>

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

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 7. Pension Trust Funds – Financial Data

Schedule of Fiduciary Plan Net Position as of December 31, 2015

	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 3,153,672	\$ 2,820,234	\$ 5,973,906
Prepaid expense	2,577	1,102	3,679
Investments:			
U.S. Government securities	4,702,466	4,646,497	9,348,963
U.S. Treasury securities	5,115,072	4,976,085	10,091,157
Municipal bonds	304,899	304,899	609,798
Mutual funds	42,939,817	42,366,305	85,306,122
Corporate bonds	12,977,224	12,977,224	25,954,448
Illinois Metropolitan Investment Fund	5,087	4,938	10,025
Interest and other receivable	127,665	128,555	256,220
Total assets	69,328,479	68,225,839	137,554,318
Liabilities			
Accounts payable	34,267	33,749	68,016
Net Position			
Held in trust for pension benefits	\$ 69,294,212	\$ 68,192,090	\$ 137,486,302

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 7. Pension Trust Funds – Financial Data (Continued)

Schedule of Changes in Fiduciary Plan Net Position for the year ended December 31, 2015

	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Additions			
Contributions:			
Employer	\$ 2,457,525	\$ 2,457,525	\$ 4,915,050
Plan members	1,068,805	739,439	1,808,244
Total contributions	3,526,330	3,196,964	6,723,294
Investment income:			
Net increase (decrease) in fair value of investments	(3,458,447)	(3,421,797)	(6,880,244)
Other income	3,516	1,179	4,695
Dividends	1,207,342	1,203,598	2,410,940
Interest	626,105	600,731	1,226,836
Less: investment expenses	(105,731)	(104,038)	(209,769)
Net investment income (loss)	(1,727,215)	(1,720,327)	(3,447,542)
Total additions	1,799,115	1,476,637	3,275,752
Deductions			
Benefits	6,338,152	5,934,634	12,272,786
Administrative expenses	96,555	97,680	194,235
Total deductions	6,434,707	6,032,314	12,467,021
Changes in net position	(4,635,592)	(4,555,677)	(9,191,269)
Net position held in trust for pension benefits:			
January 1, 2015	73,929,804	72,747,767	146,677,571
December 31, 2015	\$ 69,294,212	\$ 68,192,090	\$ 137,486,302

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 8. Postemployment Healthcare Plan

Plan Description. The Village provides employer paid retiree medical (including prescription drugs) to current and future eligible retirees until the age of 65 or until their death (whichever is earlier). Retirees who opt out of the Village’s medical coverage receive payments equal to the base retiree plan premium until the age of 65 or until their death. Dependents are provided access to coverage on a fully contributory basis. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Village’s health plan with an employer contribution rate of 100% of the premiums for the coverage elected by the employee. During 2015, the Village contributed \$1,177,519 to the plan.

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

The following table shows the components of the Village’s annual OPEB cost for the year ended December 31, 2015, the amount actually contributed to the plan, and changes in the Village’s net OPEB obligation to the plan:

Annual required contribution	\$ 2,933,735
Interest on net OPEB obligation	449,571
Adjustment to annual required contribution	(742,289)
Annual OPEB cost (expense)	<u>2,641,017</u>
Contributions made	<u>1,177,519</u>
Increase in net OPEB obligation	1,463,498
Net OPEB obligation beginning of year	<u>14,985,699</u>
Net OPEB obligation end of year	<u><u>\$ 16,449,197</u></u>

The Village’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ending	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 2,641,017	45%	\$ 16,449,197
12/31/2014	2,671,600	41%	14,985,699
12/31/2013	2,913,056	29%	13,419,938

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 8. Postemployment Healthcare Plan (Continued)

Funded Status and Funding Progress. As of January 1, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$29,168,684, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability ("UAAL") of \$29,168,684. The covered payroll (annual payroll of active employees covered by the plan) was \$29,655,340 and the ratio of the UAAL to the covered payroll was 98.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined reporting the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the January 1, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3.0 percent discount rate, 3.0 investment rate of return annual healthcare cost trend rate of 4.59 percent initially, first increased to 7.0 percent in the subsequent year then reduced to an ultimate rate of 5.0 percent over the next 10 years, and anticipated participation of 100 percent of active employees and future retirees assumed to elect the benefit. The inflation rate was not explicitly stated in the actuarial valuation and projected salary increases are not applicable to the valuation. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at January 1, 2015 was 29 years.

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

Note 9. Risk Management

The Village purchases its insurance coverage from various private insurance carriers. The Village is self-insured up to \$50,000 for property claims, \$100,000 for general liability, \$600,000 for workers' compensation claims for police, fire and EMT employees, and \$500,000 for all other Village employees. The amount of the insurance coverage has not decreased nor have the amounts of the settlements exceeded the coverage in the current year or in any of the past three years.

The Village accounts for claims liabilities based on estimates of the ultimate cost of reported claims (including future claims adjustment expenses) which in turn is determined based on historical experience. Claims liabilities include specific claim costs, incremental claim adjustment expenses and the annual allocated loss adjustment and are reduced by estimated recoveries on unsettled claims such as proceeds received from salvage value or the exercise of subrogation rights.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 9. Risk Management (Continued)

Changes in the balances of claims liabilities are as follows:

Unpaid Claims at December 31, 2013	\$ 2,067,678
Claims Expense	1,340,197
Claim Payments	<u>(582,164)</u>
Unpaid Claims at December 31, 2014	2,825,711
Claims Expense	1,471,386
Claim Payments	<u>(1,349,665)</u>
Unpaid Claims at December 31, 2015	<u><u>\$ 2,947,432</u></u>

The purchase of excess liability coverage or an umbrella policy is an important component of the Village's risk management program in order to protect the Village residents against a multi-million dollar claim. The Village had been a member of a High-Level Excess Liability Pool ("HELP") which was comprised of 15 municipalities since 1988. HELP provided excess liability coverage of \$11,000,000 of additional coverage after the initial \$2,000,000 retention. The purpose of HELP is to act as a self-insurance pool for the purpose of providing excess liability insurance to municipalities.

Each municipality has one member on the HELP Board of Directors and all budgeting and finance decisions are approved by the Board. Each director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of any debt by HELP, adopts bylaws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws. The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

Based on the availability of lower cost excess liability coverage from the commercial insurance market and the risk of loss being spread among a wider group of insured at a lower annual premium, the Village decided not to renew for a third 10-year commitment under HELP.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 10. Other Fund Disclosures (FFS Level Only)

Other information related to individual funds includes the following:

Interfunds

Individual fund interfund receivable and payable balances as of December 31, 2015, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>
Major Governmental:	
General Fund:	
Cicero Gateway TIF Fund	\$ 2,134,471
Waterworks and Sewerage Fund	2,265
Nonmajor Governmental Funds	9,062
Cicero Gateway TIF Fund	
Waterworks and Sewerage Fund	712,928
Nonmajor Governmental:	
General Fund	281,575
Cicero Gateway TIF Fund	50,000
Agency Fund, Revolving Escrow	645,203
Major Enterprise Fund:	
Waterworks and Sewerage Fund,	
General Fund	<u>1,739,607</u>
 Total	 <u><u>\$ 5,575,111</u></u>

<u>Fund</u>	<u>Due To Other Funds</u>
Major Governmental:	
General Fund	
Waterworks and Sewerage	\$ 1,739,607
Nonmajor Governmental Funds	281,575
Cicero Gateway TIF Fund	
General Fund	2,134,471
Nonmajor Governmental Funds	50,000
Nonmajor Governmental Funds:	
General Fund	9,062
Major Enterprise Fund:	
Waterworks and Sewerage Fund	
General Fund	2,265
Cicero Gateway TIF Fund	712,928
Agency:	
Revolving Escrow Fund	
Nonmajor Governmental Funds	<u>645,203</u>
 Total	 <u><u>\$ 5,575,111</u></u>

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

Village of Oak Lawn, Illinois

Notes to Financial Statements

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

The loans included above relate to expenditures paid by a fund that were intended to be paid by another fund, and are short-term in nature based on expected repayments.

Advances

Advances reflect loans between funds which are not expected to be repaid in the following fiscal year.

<u>Fund</u>	<u>Advance To Other Funds</u>
Major Governmental:	
General Fund	
Nonmajor Governmental Funds	\$ 4,894,058
Major Enterprise:	
Waterworks and Sewerage Fund	
Nonmajor Governmental Funds	300,000
Commuter Parking Lot Fund	
General Fund	795,000
Nonmajor Governmental Funds	577,000
Agency:	
Revolving Escrow Fund	
General Fund	29,908
	<hr/>
Total	<u>\$ 6,595,966</u>
<u>Fund</u>	<u>Advance From Other Funds</u>
Major Governmental:	
General Fund	
Agency Fund, Revolving Escrow	\$ 29,908
Commuter Parking Lot Fund	795,000
Nonmajor Governmental Funds:	
General Fund	4,894,058
Waterworks and Sewerage Fund	300,000
Commuter Parking Lot Fund	577,000
	<hr/>
Total	<u>\$ 6,595,966</u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

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

Transfers

Interfund transfers for the year ended December 31, 2015, are as follows:

<u>Fund</u>	<u>Transfer From Other Funds</u>
Major Governmental Funds:	
General Fund	
Nonmajor Governmental Fund	\$ 130,000
Waterworks and Sewerage Fund	542,778
Commuter Park Lot Fund	150,000
Corporate Bond and Interest Fund	
General Fund	1,617,791
Cicero Gateway TIF Fund	5,850,875
Nonmajor Governmental Fund	4,989,071
Waterworks and Sewerage Fund	312,292
Cicero Gateway TIF Fund	
Nonmajor Governmental Funds	12,638,157
Nonmajor Governmental Fund:	
Nonmajor Governmental Funds	827,035
Waterworks and Sewerage Fund	504,265
Major Enterprise Funds:	
Waterworks and Sewerage Fund,	
Cicero Gateway TIF Fund	<u>240,462</u>
 Total	 <u><u>\$ 27,802,726</u></u>

Village of Oak Lawn, Illinois

Notes to Financial Statements

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

<u>Fund</u>	<u>Transfer To Other Funds</u>
Major Governmental Funds:	
General Fund	
Corporate Bond and Interest Fund	\$ 1,617,791
Cicero Gateway TIF Fund	
Corporate Bond and Interest Fund	5,850,875
Waterworks and Sewerage Fund	240,462
Nonmajor Governmental Fund:	
General Fund	130,000
Corporate Bond and Interest Fund	4,989,071
Cicero Gateway TIF Fund	12,638,157
Nonmajor Governmental Fund	827,035
Major Enterprise Funds:	
Waterworks and Sewerage Fund,	
General Fund	542,778
Corporate Bond and Interest Fund	312,292
Nonmajor Governmental Fund	504,265
Commuter Parking Lot Fund,	
General Fund	<u>150,000</u>
Total	<u>\$ 27,802,726</u>

Interfund transfers are to assist with payment of debt and cover expenses incurred in funds where work is related to other funds.

Village of Oak Lawn, Illinois

Notes to Financial Statements

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

Budget Over Expenditures

For the year ended December 31, 2015, expenditures/expenses exceeded budget in the following funds:

	<u>Excess</u>
Major Governmental:	
General	\$ 3,034,063
Corporate Bond & Interest	6,003,793
Nonmajor Governmental Funds:	
Motor Fuel Tax	1,011,470
Foreign Fire Insurance	35,659
Police Investigation	211,563
Commuter Parking Lot	204,258

Deficit Fund Balances/Net Position

As of December 31, 2015, the following funds had deficit fund balances:

	<u>Deficit</u>	<u>Intended Financing</u>
Nonmajor Governmental Funds:		
Special Service Area	\$ 1,132,618	Sales Tax and Property Tax
Train Station TIF	801,768	Property Tax
TIF Triangle Project	3,505,812	Property Tax
Commuter Parking Lot TIF	234,107	Property Tax

Note 11. Contingent Liabilities

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the Village has determined that the resolution of these matters will not have an adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 12. Commitments

Special Service Area

The Village has agreements associated with the development of the property generally located at the northwest corner of 95th Street and Pulaski Road (the "Subject Property"). Under the 2002 agreement, Home Depot U.S.A. (the "Developer") split the approximately 18.456 acres of real estate into three parcels hereinafter referred to as the Developer Parcel, the Thompson Parcel and the Jewel Parcel. A Home Depot Store was constructed on the Developer Parcel and under the 2002 agreement the Village was to provide possible future economic assistance to the Developer. The agreement stated the Village shall annually refund to the Developer an amount equal to a portion of the amount the Village has received from the collection of sales tax revenue within 90 days after the end of each annual period. The agreement expired on the 4,389th day after the date on which the first annual period began or on February 7, 2015. As of December 31, 2015, the total economic assistance provided under this agreement is \$2,973,006.

In April 2005, the Target Corporation ("Target") acquired the entire Thompson Parcel from the developer and an agreement between the Village and the developer was approved and committed to by the Village. The amended agreement between the Village and Target will expire on the earlier of when the Village has paid property tax rebates not to exceed \$3,624,371, or on October 31, 2027. As of December 31, 2015, a total of \$1,938,328 of tax rebates was provided by the Village to Target under this revised incentive agreement. Incentive dollars earned through December 31, 2015, have been accrued in the amount of \$227,464, but are not due and payable until 2016.

Although both the Store Tract and the Parking Lot Tract are located in the Special Service Area, tax rebate payments will go directly to Target and will not be part of the Special Service Area's debt service. Those payments will come from Jewel Food Stores, Portillo's restaurant and from Home Depot for that portion not rebated back to Home Depot as part of their agreement with the Village. The Village shall terminate the Special Service Area and repeal the special service sales tax imposed of an additional .5% upon the retirement or defeasance of all the bonds or other debt instruments issued by the Village related to the Special Service Area. In January 2012, due to low market interest rates, the \$4,520,000 of 7% Special Service Area bonds were refinanced with \$4,750,000 of twenty-year public bonds at 3.88% resulting in a net reduction in future debt service of \$1,912,215 and interest savings of over \$2 million. The refinancing of the Special Service Bonds resulted in debt service payments being extended out to 2032 so that those sales taxes in the Special Service Area will be able to service the debt. As of December 31, 2015, the cumulative total Special Service Area sales taxes collected is \$1,037,345 in order to help extinguish the Special Service Area debt.

Webb Chevy

The Village entered into an agreement with Webb Chevy ("Webb") to provide possible future economic assistance. Under this agreement, the Village was to remit to Webb funds equal to 50% of all sales tax revenue over the 2007 to 2009 average base amount of \$204,666 collected by Webb and received by the Village from the state of Illinois. The agreement will expire on the earlier of when Village of Oak Lawn has paid Webb the actual construction costs for the Development, but not to exceed a limit of \$4,000,000 in total, or on December 31, 2023. As of December 31, 2015, the total economic assistance provided under this agreement is \$433,463. Incentive dollars earned through December 31, 2015, have been accrued in the amount of \$126,434, but are not due and payable until 2016.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 12. Commitments (Continued)

Mancari's Chrysler Plymouth

The Village entered into an agreement with Mancari's Chrysler Plymouth ("Mancari") on December 15, 2009 to provide possible future economic assistance in relation to actual construction costs incurred by Mancari at the property located at 4630 West 95th Street. Under this 2009 agreement, the Village was to remit to Mancari funds equal to 50% of the amount of sales tax revenue over the 2009 base amount of \$296,058 collected by Mancari relating to their Chrysler Plymouth dealership and received by the Village from the state of Illinois. The agreement will expire on the earlier of when Village of Oak Lawn has paid Mancari the actual construction costs for the Development, but not to exceed a limit of \$1,800,000 in total, or on December 31, 2019. As of December 31, 2015, the total economic assistance provided under this agreement is \$1,265,586. Incentive dollars earned through December 31, 2015, have been accrued in the amount of \$284,619, but are not due and payable until 2016.

Napleton Honda

The Village entered into an agreement with Napleton Honda ("Napleton") on April 13, 2010 to provide possible future economic assistance in relation to actual construction costs incurred by Napleton at the property located at 5800 West 95th Street. Under this agreement, the Village is to remit to Napleton funds equal to 50% of amount of sales tax revenue over the 2009 base amount of \$274,154 collected by Napleton and received by the Village from the state of Illinois. This agreement was amended December 14, 2010 to include property located at 5840 West 95th Street. The agreement will expire the earlier of when the Village of Oak Lawn has paid Napleton the actual construction costs for the Development, but not to exceed a limit of \$2,000,000 in total, or on December 31, 2021. As of December 31, 2015, the total economic assistance provided under this agreement is \$278,483. Incentive dollars earned through December 31, 2015, have been accrued in the amount of \$86,953, but are not due and payable until 2016.

111th & Cicero Avenue and Cicero Gateway TIFs

In August 2006, the Village established the 111th & Cicero Avenue TIF district. The 111th & Cicero Avenue TIF was expected to be a very large scale project taking several years to complete and involved litigation regarding the leasehold rights of the Kmart Corporation ("Kmart") with the property owner, J.C. Penney Properties, Inc. ("Penney"). The Village resolved all litigation related to the 111th & Cicero Avenue TIF and completed the purchase from Penney of the 22.6 acres of property commonly known as the Northwest corner of 111th & Cicero in Oak Lawn, Illinois as well as several other parcels in the project area owned by third parties for approximately \$22.5 million. The Village's cost to buy out the leasehold rights of Kmart for consideration of approximately \$2 million is included in the purchase price for the various parcels. Also in 2012, the Village amended the 111th & Cicero TIF development agreement and related documents to include a parcel of property previously acquired in 2009 for \$2.5 million located at 109th & Cicero immediately adjacent to the TIF development. The Village currently has \$19.4 million in outstanding bank loan indebtedness related to these various property purchases.

In April 2014, the Village established the Cicero Gateway TIF District which is adjacent to the 111th and Cicero Avenue TIF District. The County froze the EAV of the Cicero Gateway TIF District in May 2014. The Stoney Creek Promenade comprises most of the Cicero Gateway TIF District and is a mixed-use real estate development on 26.91 acres being constructed as a multi-phase project at the northwest corner of Cicero Avenue and 111th Street. Approved in November 2013 by the Village Planning and Development Commission and the Village Board of Trustees, the first phase of the development on 14.68 acres was completed in fall 2014. Itasca-based Hamilton Partners is the developer who, together with the Village, currently owns all the equity in the development. In 2014, Mariano's, Cooper's Hawk Winery & Restaurants and Massage Envy Spa opened for business in the Promenade. During 2015, several other businesses including Starbuck's, Firehouse Subs, Mattress Firm and Meatheads opened their retail businesses. The Village expects that Phase I of the development will be complete by the end of 2016 with the addition of Raising Cane's, a Louisiana-based retail restaurant. In addition, the Village currently estimates that Phase II of the development on approximately 12.23 acres will begin the redevelopment phase with solicited lease commitments during 2017.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 12. Commitments (Continued)

Water Contracts

In December 2013, as part of the Village's ongoing commitment to its water distribution business and its partnership with the City of Chicago and eleven neighboring municipalities, the Village Board approved the Regional Water System Sale, Purchase and Service Agreement (the "Regional System Agreement"). In February 2013, the Village and the City of Chicago approved an agreement with the City of Chicago to provide potable water from Lake Michigan for the next thirty years with a ten-year mutual option at the end of the contract term. The agreement with the City of Chicago and the Regional System Agreement is evidence of the Village's commitment to provide reliable potable water at a reasonable price to approximately 325,000 residents throughout the greater Chicago Southland area including Village residents. The Regional System Agreement will remain in full force and effect for a duration of forty years until 2054. This landmark agreement provides for each municipality to pay its proportionate share of the Regional Water System's costs to deliver safe and dependable drinking water from Lake Michigan to its residents. Approval of the Regional System Agreement by the municipalities involved also signifies acceptance of an approximately \$171 million public works project to improve the Regional System's pump and transmission line infrastructure as well as provide redundancy and improve security and maintenance. Most, if not all, of the funding for this project is anticipated to be provided by the Illinois Environment Protection Agency ("IEPA") under the Clean Water initiatives promoted by the Governor and the General Assembly. In September 2013, the Village received approval from the IEPA for a \$12.7 million loan to provide future funding for improvements to the Regional Water System's Harker Pumping Complex. In December 2013, the Village awarded the construction contract for the Harker Complex Improvement Project to Joseph J. Henderson and Son, Inc. which commenced in March 2014. In September 2014, the Village received approval from the IEPA for a \$27.6 million loan to provide future funding for improvements to the Regional Water System's Reich Complex. In April 2014, the Village awarded the construction contract for the Reich Complex Improvement Project to Kenny Construction Company, which commenced in May 2015. As of December 31, 2015, the Village has outstanding construction commitments of approximately \$23,700,000.

Note 13. New Governmental Accounting Standards

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Village beginning with its year ended December 31, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Village beginning with its year ended December 31, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pension that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended December 31, 2017. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ended December 31, 2017. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 13. New Governmental Accounting Standards (Continued)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ended December 31, 2018. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Village beginning with its year ended December 31, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the Village beginning with its year ended December 31, 2016. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, will be effective for the Village beginning with its year ended December 31, 2016. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, will be effective for the Village beginning with its year ended December 31, 2017. This statement addresses accounting and financial reporting for certain external investment pools and pool participants.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, will be effective for the Village beginning with its year ended December 31, 2017. This Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the Village beginning with its year ended December 31, 2017. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective for the Village beginning with its year ended December 31, 2017 except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Village of Oak Lawn, Illinois

Notes to Financial Statements

Note 13. New Governmental Accounting Standards (Continued)

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

**Required Supplementary Information
(Unaudited)**

Village of Oak Lawn, Illinois

Required Supplementary Information
Postemployment Healthcare Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2015	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2014	-	\$ 29,168,684	\$ 29,168,684	-	% \$ 29,655,340	98.4 %
1/1/2013	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2012	-	28,389,593	28,389,593	-	30,050,917	94.5
1/1/2011	N/A	N/A	N/A	N/A	N/A	N/A
1/1/2010	-	31,258,580	31,258,580	-	29,063,747	107.6
1/1/2009	N/A	N/A	N/A	N/A	N/A	N/A

N/A – GASB 45 requires biennial valuations to be performed. Information for other years is not available.

Village of Oak Lawn, Illinois

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

Fiscal year ended December 31,	2015	2014
Total pension liability		
Service cost	\$ 1,302,965	\$ 1,632,156
Interest on the total pension liability	7,293,008	6,985,903
Changes in benefit terms	-	-
Differences between expected and actual experience	(269,225)	(2,485,480)
Changes in assumptions	118,529	3,352,492
Benefit payments	(5,385,721)	(4,806,123)
Net change in total pension liability	3,059,556	4,678,948
Total pension liability—beginning	99,411,306	94,732,358
Total pension liability—ending (a)	<u>\$ 102,470,862</u>	<u>\$ 99,411,306</u>
Plan fiduciary net position		
Contributions - Employer	\$ 1,471,601	\$ 1,604,697
Contributions - Member	513,427	559,832
Pension plan net investment income	461,041	5,484,293
Benefit payments	(5,385,721)	(4,806,123)
Pension plan administrative expense	256,006	(161,413)
Net change in plan fiduciary net position	(2,683,646)	2,681,286
Plan fiduciary net position—beginning	93,908,519	91,227,233
Plan fiduciary net position—ending (b)	<u>\$ 91,224,873</u>	<u>\$ 93,908,519</u>
Net pension liability - ending (a) - (b)	\$ 11,245,989	\$ 5,502,787
Plan fiduciary net position as a percentage of the total pension liability	89.03%	94.46%
Covered-Employee Payroll	\$ 11,284,480	\$ 11,557,829
Employer net pension liability as a percentage of covered-employee payroll	99.66%	47.61%

Note to Schedule:

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

Village of Oak Lawn, Illinois

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

Fiscal year ended December 31,	2015	2014
Total pension liability		
Service cost	\$ 1,922,628	\$ 4,140,793
Interest on the total pension liability	12,269,950	7,206,597
Changes in benefit terms	-	-
Differences between expected and actual experience	382,950	-
Changes in assumptions	(47,215,690)	-
Benefit payments	(6,338,152)	(5,720,460)
Net change in total pension liability	(38,978,314)	5,626,930
Total pension liability—beginning	178,454,078	172,827,148
Total pension liability—ending (a)	<u>\$ 139,475,764</u>	<u>\$ 178,454,078</u>
Plan fiduciary net position		
Contributions - Employer	\$ 2,457,525	\$ 1,712,766
Contributions - Member	1,068,805	1,082,394
Pension plan net investment income	(1,727,215)	4,049,542
Benefit payments	(6,338,152)	(5,720,461)
Pension plan administrative expense	(96,555)	(88,559)
Net change in plan fiduciary net position	(4,635,592)	1,035,682
Plan fiduciary net position—beginning	73,929,804	72,894,122
Plan fiduciary net position—ending (b)	<u>\$ 69,294,212</u>	<u>\$ 73,929,804</u>
Net pension liability - ending (a) - (b)	\$ 70,181,552	\$ 104,524,274
Plan fiduciary net position as a percentage of the total pension liability	49.68%	41.43%
Covered-Employee Payroll	\$ 10,400,880	\$ 10,090,697
Employer net pension liability as a percentage of covered-employee payroll	674.77%	1035.85%
Annual money-weighted rate of return, net of investment expense	-2.44%	4.15%

Note to Schedule:

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

Village of Oak Lawn, Illinois

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

Fiscal year ended December 31,	2015	2014
Total pension liability		
Service cost	\$ 1,604,429	\$ 3,146,168
Interest on the total pension liability	11,693,733	7,153,273
Changes in benefit terms	-	-
Differences between expected and actual experience	(455,114)	-
Changes in assumptions	(44,417,062)	-
Benefit payments	(5,934,634)	(5,706,389)
Net change in total pension liability	(37,508,648)	4,593,052
Total pension liability—beginning	170,020,641	165,427,589
Total pension liability—ending (a)	\$ 132,511,993	\$ 170,020,641
Plan fiduciary net position		
Contributions - Employer	\$ 2,457,525	\$ 1,713,395
Contributions - Member	739,439	742,254
Pension plan net investment income	(1,720,327)	3,934,655
Benefit payments	(5,934,634)	(5,706,390)
Pension plan administrative expense	(97,680)	(104,224)
Net change in plan fiduciary net position	(4,555,677)	579,690
Plan fiduciary net position—beginning	72,747,767	72,168,077
Plan fiduciary net position—ending (b)	\$ 68,192,090	\$ 72,747,767
Net pension liability - ending (a) - (b)	\$ 64,319,903	\$ 97,272,874
Plan fiduciary net position as a percentage of the total pension liability	51.46%	42.79%
Covered-Employee Payroll	\$ 7,404,503	\$ 7,109,092
Employer net pension liability as a percentage of covered-employee payroll	868.66%	1368.29%
Annual money-weighted rate of return, net of investment expense	-2.32%	3.85%

Note to Schedule:

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

Village of Oak Lawn, Illinois

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

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 1,471,601	\$ 1,471,601	\$ -	\$ 11,284,480	13.04%
2014	1,494,427	1,604,697	(110,270)	11,557,829	13.88%

Note to Schedule:

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

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

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal
 Amortization Method: Level Percentage of Payroll, Closed
 Remaining Amortization Period: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period)
 Asset Valuation Method: 5-year smoothed market; 20% corridor
 Wage Growth: 4%
 Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.
 Salary Increases: 4.40% to 16%, including inflation
 Investment Rate of Return: 7.50%
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
 Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

Village of Oak Lawn, Illinois

**Required Supplementary Information
Schedule of Contributions**

Police Pension Plan

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 4,462,996	\$ 3,997,163	\$ 3,694,190	\$ 3,347,204	\$ 3,752,282	\$ 3,748,309	\$ 2,349,613	\$ 1,919,271	\$ 2,265,415	\$ 1,380,107
Contributions in Relation to the Actuarial Determined Contribution	2,457,525	1,712,766	1,196,279	1,004,965	839,883	1,165,285	1,273,944	1,438,440	1,374,301	1,243,724
Contribution Deficiency (excess)	\$ 2,005,471	\$ 2,284,397	\$ 2,497,911	\$ 2,342,239	\$ 2,912,399	\$ 2,583,024	\$ 1,075,669	\$ 480,831	\$ 891,114	\$ 136,383
Covered-Employee Payroll	\$10,400,880	\$ 10,090,697	\$ 9,688,563	\$ 9,065,378	\$ 8,764,292	\$ 8,855,848	\$ 8,245,537	\$ 7,244,682	\$ 7,091,548	\$ 6,909,989
Contributions as a Percentage of Covered-Employee Payroll	23.63%	16.97%	12.35%	11.09%	9.58%	13.16%	15.45%	19.86%	19.38%	18.00%

Firefighters' Pension Plan

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 4,244,914	\$ 4,003,644	\$ 3,535,720	\$ 3,451,651	\$ 3,563,107	\$ 3,664,542	\$ 2,402,959	\$ 2,187,304	\$ 2,797,168	\$ 1,359,859
Contributions in Relation to the Actuarial Determined Contribution	2,457,525	1,713,395	1,196,675	992,584	526,846	1,239,062	1,451,970	1,433,738	1,367,198	1,269,570
Contribution Deficiency (excess)	\$ 1,787,389	\$ 2,290,249	\$ 2,339,045	\$ 2,459,067	\$ 3,036,261	\$ 2,425,480	\$ 950,989	\$ 753,566	\$ 1,429,970	\$ 90,289
Covered-Employee Payroll	\$ 7,404,503	\$ 7,109,092	\$ 6,881,361	\$ 6,912,128	\$ 6,918,857	\$ 7,298,092	\$ 6,707,648	\$ 6,833,455	\$ 6,906,160	\$ 6,462,228
Contributions as a Percentage of Covered-Employee Payroll	33.19%	24.10%	17.39%	14.36%	7.61%	16.98%	21.65%	20.98%	19.80%	19.65%

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Revenues - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Property taxes	\$ 13,599,496	\$ 13,236,490	\$ (363,006)
Other taxes:			
Home rule sales tax	3,594,387	3,642,373	47,986
Utility tax	595,825	1,318,569	722,744
Gas use tax	100,985	182,796	81,811
Motel tax	432,790	517,145	84,355
Real estate transfer tax	821,293	908,570	87,277
Total other taxes	<u>5,545,280</u>	<u>6,569,453</u>	<u>1,024,173</u>
Intergovernmental:			
Sales taxes (net of rebates)	10,930,707	11,224,346	293,639
State income taxes	5,594,282	6,031,998	437,716
Telecommunication tax	889,133	788,855	(100,278)
Use tax	1,009,082	1,251,880	242,798
Personal property replacement taxes	410,404	411,480	1,076
Video game tax	360,000	451,833	91,833
Charitable games tax	7,354	-	(7,354)
Road and bridge personal property replacement taxes	5,345	7,199	1,854
Auto rental tax	63,588	68,631	5,043
Total intergovernmental	<u>19,269,895</u>	<u>20,236,222</u>	<u>966,327</u>
Licenses, permits and fees:			
Motor vehicle licenses	834,060	809,406	(24,654)
Motorbike licenses	4,600	4,178	(422)
Dog licenses	5,000	4,122	(878)
Building permits	893,839	1,032,434	138,595
Electrical permits and fees	42,000	45,736	3,736
Plumbing permits	16,000	26,296	10,296
Alarm permits	18,000	18,438	438
Cable TV franchise fees	1,144,881	959,304	(185,577)
PEG fees	49,592	71,507	21,915
Towing franchise fees	27,000	33,175	6,175
Miscellaneous permit and fees	1,214	2,134	920
Business license	340,000	299,851	(40,149)
Hospital service fee	500,000	500,000	-
Rental property registration	54,084	220,480	166,396
Alcoholic beverage license	180,000	209,682	29,682
Tobacco licenses	3,900	3,563	(337)
Total licenses, permits and fees	<u>4,114,170</u>	<u>4,240,306</u>	<u>126,136</u>

(Continued)

See Note to Required Supplementary Information.

Village of Oak Lawn, Illinois

Required Supplementary Information
Schedule of General Fund Revenues - Budget and Actual
Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Charges for services:			
Police services	\$ 211,000	\$ 183,618	\$ (27,382)
State highway maintenance	186,707	193,191	6,484
Subdivision fees	-	150	150
Refuse service charges	3,268,900	3,457,578	188,678
Development board fees	3,530	6,307	2,777
Elevator inspection fees	-	23,720	23,720
Employee testing fees	3,000	4,305	1,305
Paramedic ambulance fees	2,173,248	1,770,869	(402,379)
Rentals	227,820	203,000	(24,820)
Plans and specifications	250	125	(125)
Fire Academy tuition	2,000	12,500	10,500
Police training reimbursement	5,000	-	(5,000)
Total charges for services	6,081,455	5,855,363	(226,092)
Fines and forfeits:			
Traffic fines	125,309	94,125	(31,184)
Traffic fines - camera program	655,232	540,141	(115,091)
Parking fines	472,400	322,309	(150,091)
Supervision fees	20,201	16,429	(3,772)
Other fines and penalties	367,906	390,555	22,649
Housing adjudication and non-compliance	301,293	258,970	(42,323)
Total fines and forfeits	1,942,341	1,622,529	(319,812)
Contributions and donations			
Farmer's market fees	5,000	6,270	1,270
Food vendor fees	7,500	7,650	150
Ticket sales	2,000	2,360	360
Business booth fees	6,000	6,880	880
Arts & crafts vendor fees	7,000	7,825	825
Beverage sales	70,000	78,953	8,953
Total contributions and donations	97,500	109,938	12,438
Grants and reimbursements:			
Grant revenue	145,000	347,482	202,482
Collection agency reimbursement	10,000	10,360	360
Sponsorships	125,000	110,025	(14,975)
Other reimbursements	177,694	53,827	(123,867)
Total grants and reimbursements	457,694	521,694	64,000
Interest	1,552	2,260	708
Other	724,081	1,218,648	494,567
Total Revenues	51,833,464	53,612,903	1,779,439
Other financing sources:			
Sale of capital assets	450,000	13,441	(436,559)
Issuance of loan	-	637,142	637,142
Transfers in	951,379	822,778	(128,601)
Total other financing sources	1,401,379	1,473,361	71,982
Total revenues and other financing sources	\$ 53,234,843	\$ 55,086,264	\$ 1,851,421

See Note to Required Supplementary Information.

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
General government:			
President and trustees:			
Personnel	\$ 197,405	\$ 205,562	\$ (8,157)
Contractual services	169,484	125,638	43,846
Commodities	9,900	8,945	955
Total president and trustees	<u>376,789</u>	<u>340,145</u>	<u>36,644</u>
Legal administration:			
Contractual services	<u>850,000</u>	<u>696,707</u>	<u>153,293</u>
Planning and development:			
Personnel	6,500	6,400	100
Contractual services	300	(18)	318
Commodities	250	43	207
Total planning and development	<u>7,050</u>	<u>6,425</u>	<u>625</u>
Board of appeals:			
Personnel	3,800	3,600	200
Contractual services	200	67	133
Total board of appeals	<u>4,000</u>	<u>3,667</u>	<u>333</u>
Fire and police commission:			
Personnel	10,755	1,755	9,000
Contractual services	44,305	30,277	14,028
Commodities	1,350	(41,621)	42,971
Total fire and police commission	<u>56,410</u>	<u>(9,589)</u>	<u>65,999</u>
Electrical commission,			
Personnel	<u>150</u>	<u>100</u>	<u>50</u>
Traffic review commission:			
Personnel	3,800	3,200	600
Commodities	300	-	300
Total traffic review commission	<u>4,100</u>	<u>3,200</u>	<u>900</u>
Business development commission:			
Personnel	<u>1,200</u>	<u>3,100</u>	<u>(1,900)</u>
Fair housing commission,			
Contractual services	<u>2,000</u>	<u>1,600</u>	<u>400</u>

See Note to Required Supplementary Information.

(Continued)

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
General government: (continued)			
Human resources:			
Personnel	\$ 179,275	\$ 190,511	\$ (11,236)
Contractual services	33,328	48,307	(14,979)
Commodities	500	979	(479)
Total human resources	<u>213,103</u>	<u>239,797</u>	<u>(26,694)</u>
Village manager's office:			
Personnel	252,528	257,516	(4,988)
Contractual services	101,927	95,023	6,904
Commodities	3,300	3,295	5
Total village manager's office	<u>357,755</u>	<u>355,834</u>	<u>1,921</u>
Office of administrative services:			
Finance administration:			
Personnel	682,425	732,418	(49,993)
Contractual services	555,977	591,752	(35,775)
Commodities	135,200	357,678	(222,478)
Total finance administration	<u>1,373,602</u>	<u>1,681,848</u>	<u>(308,246)</u>
Information services:			
Personnel	295,467	306,208	(10,741)
Contractual services	274,923	231,055	43,868
Commodities	217,000	86,152	130,848
Total information services	<u>787,390</u>	<u>623,415</u>	<u>163,975</u>
Insurance administration,			
Contractual services	<u>957,000</u>	<u>1,741,612</u>	<u>(784,612)</u>
Total office of administrative services	<u>3,117,992</u>	<u>4,046,875</u>	<u>(928,883)</u>
Community development and growth management department:			
Quality control administration:			
Personnel	319,481	321,080	(1,599)
Contractual services	89,767	114,118	(24,351)
Commodities	6,110	13,856	(7,746)
Total quality control administration	<u>415,359</u>	<u>449,054</u>	<u>(33,695)</u>
Planning and zoning:			
Personnel	161,144	171,477	(10,333)
Contractual services	26,750	64,274	(37,524)
Commodities	4,550	698	3,852
Total planning and zoning	<u>192,444</u>	<u>236,449</u>	<u>(44,005)</u>
Property management:			
Personnel	207,396	216,067	(8,671)
Contractual services	30,000	66,928	(36,928)
Commodities	4,950	700	4,250
Total property management	<u>242,346</u>	<u>283,695</u>	<u>(41,349)</u>
Total community development and growth management	<u>850,149</u>	<u>969,198</u>	<u>(119,049)</u>

See Note to Required Supplementary Information.

(Continued)

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
General government: (continued)			
Capital improvements - non-department			
Administration,			
Contractual services	\$ 2,231,662	\$ 3,368,483	\$ (1,136,821)
Total general government	8,072,360	10,025,542	(1,953,182)
Public safety:			
Police department:			
Administration:			
Personnel	2,094,576	2,041,517	53,059
Contractual services	2,110,369	1,992,899	117,470
Commodities	80,048	36,507	43,541
Total administration	4,284,993	4,070,923	214,070
Detective division:			
Personnel	2,279,704	2,222,570	57,134
Contractual services	45,900	39,890	6,010
Commodities	2,500	1,577	923
Total detective division	2,328,104	2,264,037	64,067
Uniformed patrol:			
Personnel	8,489,379	8,213,708	275,671
Contractual services	60,930	33,176	27,754
Commodities	73,300	70,523	2,777
Total uniformed patrol	8,623,609	8,317,407	306,202
Animal control:			
Personnel	40,684	41,729	(1,045)
Contractual services	6,000	5,755	245
Commodities	1,000	799	201
Total animal control	47,684	48,283	(599)
Emergency operations center:			
Personnel	153,651	152,464	1,187
Contractual services	10,460	8,232	2,228
Commodities	3,000	41,160	(38,160)
Total emergency operations center	167,111	201,856	(34,745)
Special operations:			
Personnel	12,000	4,509	7,491
Contractual services	45,848	42,070	3,778
Commodities	39,400	40,282	(882)
Total special operations	97,248	86,861	10,387
Police pension contribution	2,457,525	2,457,525	-
Total police department	18,006,274	17,446,892	559,382

See Note to Required Supplementary Information.

(Continued)

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Public Safety: (continued)			
Fire department:			
Fire administration:			
Personnel	\$ 446,895	\$ 494,031	\$ (47,136)
Contractual services	1,183,039	1,144,398	38,641
Commodities	113,080	93,641	19,439
Total fire administration	<u>1,743,014</u>	<u>1,732,070</u>	<u>10,944</u>
Training:			
Personnel	148,988	94,194	54,794
Contractual services	17,000	4,755	12,245
Commodities	8,000	607	7,393
Total training	<u>173,988</u>	<u>99,556</u>	<u>74,432</u>
Fire support services			
Personnel	225,588	231,089	(5,501)
Contractual services	14,500	9,260	5,240
Commodities	12,600	12,656	(56)
Total fire support services	<u>252,688</u>	<u>253,005</u>	<u>(317)</u>
Ambulance services:			
Personnel	2,305,985	2,316,010	(10,025)
Contractual services	94,500	119,939	(25,439)
Commodities	17,000	16,833	167
Total ambulance services	<u>2,417,485</u>	<u>2,452,782</u>	<u>(35,297)</u>
Fire fighting force:			
Personnel	6,177,622	6,982,316	(804,694)
Contractual services	29,362	20,296	9,066
Commodities	32,500	37,548	(5,048)
Total fire fighting force	<u>6,239,484</u>	<u>7,040,160</u>	<u>(800,676)</u>
Fire pension contribution	<u>2,457,525</u>	<u>2,461,238</u>	<u>(3,713)</u>
Total fire department	<u>13,284,184</u>	<u>14,038,811</u>	<u>(754,627)</u>
Total public safety	<u>31,290,458</u>	<u>31,485,703</u>	<u>(195,245)</u>
Streets and equipment maintenance:			
Streets division:			
Streets administration:			
Personnel	729,295	733,790	(4,495)
Contractual services	329,241	326,631	2,610
Commodities	2,000	1,965	35
Total streets administration	<u>1,060,536</u>	<u>1,062,386</u>	<u>(1,850)</u>

See Note to Required Supplementary Information.

(Continued)

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Refuse disposal:			
Contractual services	\$ 3,298,552	\$ 3,317,810	\$ (19,258)
Commodities	4,000	91,337	(87,337)
Total refuse disposal	3,302,552	3,409,147	(106,595)
Health and welfare:			
Family service commission:			
Contractual services	60,000	60,000	-
Commodities	-	7	(7)
Total health and welfare	60,000	60,007	(7)
Culture and recreation:			
Senior citizen commission:			
Senior citizen administration:			
Personnel	13,130	11,842	1,288
Contractual services	101,092	105,784	(4,692)
Commodities	1,200	986	214
Total senior citizen administration	<u>115,422</u>	<u>118,612</u>	<u>(3,190)</u>
Senior citizen program activities:			
Personnel	73,216	65,544	7,672
Total senior citizen commission	<u>188,638</u>	<u>184,156</u>	<u>4,482</u>
Historic preservation commission:			
Personnel	3,100	1,500	1,600
Contractual services	400	-	400
Commodities	700	-	700
Total historic preservation commission	<u>4,200</u>	<u>1,500</u>	<u>2,700</u>
Architectural design review committee:			
Personnel	2,500	2,100	400
Contractual services	200	-	200
Commodities	250	-	250
Total architectural design review committee	<u>2,950</u>	<u>2,100</u>	<u>850</u>
Special events:			
Personnel	5,600	4,400	1,200
Contractual services	-	(2,435)	2,435
Commodities	-	43	(43)
Total special events	<u>5,600</u>	<u>2,008</u>	<u>3,592</u>
Easter egg hunt,			
Commodities	1,900	1,133	767
Total easter egg hunt	<u>1,900</u>	<u>1,133</u>	<u>767</u>

See Note to Required Supplementary Information.

(Continued)

Village of Oak Lawn, Illinois

Required Supplementary Information
 Schedule of General Fund Expenditures - Budget and Actual
 Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance
Culture and recreation: (continued)			
4th of July:			
Contractual services	\$ 17,000	\$ 14,505	\$ 2,495
Commodities	200	272	(72)
Total 4th of July	<u>17,200</u>	<u>14,777</u>	<u>2,423</u>
Summer concerts and movies:			
Contractual services	12,000	19,497	(7,497)
Commodities	1,000	402	598
Total summer concerts and movies	<u>13,000</u>	<u>19,899</u>	<u>(6,899)</u>
Fall on the green:			
Contractual services	122,500	112,286	10,214
Commodities	60,500	53,250	7,250
Total fall on the green	<u>183,000</u>	<u>165,536</u>	<u>17,464</u>
Santa on the green:			
Contractual services	36,350	34,230	2,120
Commodities	5,500	1,802	3,698
Total Santa on the green	<u>41,850</u>	<u>36,032</u>	<u>5,818</u>
Farmer's market:			
Commodities	2,350	300	2,050
Total culture and recreation	<u>460,688</u>	<u>427,441</u>	<u>33,247</u>
Capital outlay	174,438	1,376,531	(1,202,093)
Total expenditures	<u>50,412,515</u>	<u>53,446,578</u>	<u>(3,034,063)</u>
Other financing uses:			
Transfers out	2,822,328	1,617,791	1,204,537
Total expenditures and other financing uses	<u>\$ 53,234,843</u>	<u>\$ 55,064,369</u>	<u>\$ (1,829,526)</u>

See Note to Required Supplementary Information.

Village of Oak Lawn, Illinois

Notes to Required Supplementary Information

Note 1. Budget Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds except the capital project funds.

Budgetary Process

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

All departments of the Village submit requests for appropriation to the Director of Administrative Services who prepares a budget for submission to the Village Manager. The budget 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 budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget is legally enacted through passage of an ordinance. The original budget for the year ended December 31, 2015 was adopted by the Village on December 9, 2014.

The Village Manager is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

Budgets are adopted on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for enterprise, internal service and fiduciary funds. The levels of control (level at which expenditures may not exceed budget/appropriations) is the fund. Appropriations lapse at the end of the fiscal year.

Budgeted amounts are as originally adopted, or as otherwise amended.

Village of Oak Lawn, Illinois

Notes to Required Supplementary Information

Note 2. Pension Contributions

The following methods and assumptions were utilized to measure the actuarially determined contribution ("ADC") for each applicable pension plan.

Police Pension Plan

Methods and Assumptions

Valuation date	January 1, 2015
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.00%
Projected Individual Salary Increases	3.5% - 14.5%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	3.00%
Inflation Rate Included	3.00%
Mortality Table	Lauterbach & Amen (L&A) 2012 Illinois Police

Firefighters' Pension Plan

Methods and Assumptions

Valuation date	January 1, 2015
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.00%
Projected Individual Salary Increases	3.5% - 12.0%
Projected Increase in Total Payroll	3.00%
Consumer Price Index (Utilities)	3.00%
Inflation Rate Included	3.00%
Mortality Table	Lauterbach & Amen (L&A) 2012 Illinois Fire

Supplemental Information

Nonmajor Governmental Funds – Combining Schedules

Village of Oak Lawn, Illinois

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2015

	Special Revenue	Debt Service Special Service Area	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,002,655	\$ 52,030	\$ 969,132	\$ 4,023,817
Restricted cash	265,047	-	-	265,047
Investments	400,260	-	-	400,260
Receivables:				
Property taxes	-	362,954	-	362,954
Other	480,776	21,480	53,564	555,820
Land held for resale	-	-	800,000	800,000
Due from other funds	-	-	331,575	331,575
Due from agency fund	645,203	-	-	645,203
Total assets	\$ 4,793,941	\$ 436,464	\$ 2,154,271	\$ 7,384,676
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 291,035	\$ -	\$ 34,371	\$ 325,406
Accrued payroll	1,238	-	-	1,238
Due to other funds	9,062	-	-	9,062
Advance from other funds	-	1,206,128	4,564,930	5,771,058
Total liabilities	301,335	1,206,128	4,599,301	6,106,764
Deferred inflows of resources				
Deferred property taxes	-	362,954	-	362,954
Unavailable revenue	249,030	-	-	249,030
Total deferred inflows of resources	249,030	362,954	-	611,984
Fund balances (deficits)				
Nonspendable - land held for resale	-	-	800,000	800,000
Restricted	4,243,576	-	1,296,657	5,540,233
Unassigned (deficit)	-	(1,132,618)	(4,541,687)	(5,674,305)
Total fund balances (deficits)	4,243,576	(1,132,618)	(2,445,030)	665,928
Total liabilities, deferred inflows of resources and fund balances	\$ 4,793,941	\$ 436,464	\$ 2,154,271	\$ 7,384,676

Village of Oak Lawn, Illinois

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015**

	Special Revenue	Debt Service Special Service Area	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ 2,128,860	\$ 2,128,860
Intergovernmental taxes	2,245,416	260,640	-	2,506,056
Charges for services	3,656,629	-	-	3,656,629
Fines and forfeits	218,450	-	-	218,450
Grants and reimbursements	572,957	-	-	572,957
Other	-	-	609,433	609,433
Interest	3,324	66	214	3,604
Total revenues	6,696,776	260,706	2,738,507	9,695,989
Expenditures				
Current:				
General government	1,832,470	-	455,375	2,287,845
Public safety	3,528,276	-	-	3,528,276
Health and welfare	45,915	-	-	45,915
Debt service:				
Interest and fees	-	1,500	-	1,500
Capital outlay	63,821	-	787,864	851,685
Total expenditures	5,470,482	1,500	1,243,239	6,715,221
Excess of revenues over expenditures	1,226,294	259,206	1,495,268	2,980,768
Other financing sources (uses)				
Sale of capital assets	13,260	-	-	13,260
Transfers in	246,168	-	1,085,133	1,331,301
Transfers (out)	(1,153,518)	(356,636)	(17,074,110)	(18,584,264)
Total other financing sources (uses)	(894,090)	(356,636)	(15,988,977)	(17,239,703)
Change in fund balance	332,204	(97,430)	(14,493,709)	(14,258,935)
Fund balances (deficit):				
January 1, 2015	3,911,372	(1,035,188)	12,048,679	14,924,863
December 31, 2015	\$ 4,243,576	\$ (1,132,618)	\$ (2,445,030)	\$ 665,928

Village of Oak Lawn, Illinois

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2015

	Motor Fuel Tax Fund	Oak Lawn Emergency Telephone System Board	Foreign Fire Insurance	Community Development Block Grant	Police Investigation	Police Grant	Oak Lawn Social Service Corporation	Total
Assets								
Cash and cash equivalents	\$ 275,739	\$ 382,164	\$ 77,884	\$ 183,433	\$ 1,992,500	\$ 25,429	\$ 65,506	\$ 3,002,655
Restricted cash	-	265,047	-	-	-	-	-	265,047
Investments	-	-	-	-	-	-	400,260	400,260
Receivables	127,943	297,982	54,846	-	5	-	-	480,776
Due from agency fund	-	645,203	-	-	-	-	-	645,203
Total assets	\$ 403,682	\$ 1,590,396	\$ 132,730	\$ 183,433	\$ 1,992,505	\$ 25,429	\$ 465,766	\$ 4,793,941
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 112,012	\$ 56,513	\$ -	\$ -	\$ 122,510	\$ -	\$ -	\$ 291,035
Accrued payroll	-	1,238	-	-	-	-	-	1,238
Due to other funds	-	-	-	-	9,062	-	-	9,062
Total liabilities	112,012	57,751	-	-	131,572	-	-	301,335
Deferred inflows of resources								
Unavailable revenue	-	249,030	-	-	-	-	-	249,030
Fund balances								
Restricted	291,670	1,283,615	132,730	183,433	1,860,933	25,429	465,766	4,243,576
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	291,670	1,283,615	132,730	183,433	1,860,933	25,429	465,766	4,243,576
Total liabilities, deferred inflows of resources and fund balances	\$ 403,682	\$ 1,590,396	\$ 132,730	\$ 183,433	\$ 1,992,505	\$ 25,429	\$ 465,766	\$ 4,793,941

Village of Oak Lawn, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended December 31, 2015

	Motor Fuel Tax Fund	Oak Lawn Emergency Telephone System Board	Foreign Fire Insurance	Community Development Block Grant	Police Investigation	Police Grant	Oak Lawn Social Service Corporation	Total
Revenues								
Intergovernmental taxes	\$ 1,385,923	\$ 859,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,245,416
Charges for services	-	3,656,629	-	-	-	-	-	3,656,629
Fines and forfeits	-	-	-	-	218,450	-	-	218,450
Grants and reimbursements	-	171,874	109,691	286,445	-	-	4,947	572,957
Interest	328	213	-	61	607	8	2,107	3,324
Total revenues	1,386,251	4,688,209	109,691	286,506	219,057	8	7,054	6,696,776
Expenditures								
Current:								
General government	1,832,470	-	-	-	-	-	-	1,832,470
Public safety	-	3,055,226	16,787	-	456,263	-	-	3,528,276
Health and welfare	-	-	-	42,080	-	-	3,835	45,915
Capital outlay	-	24,949	38,872	-	-	-	-	63,821
Total expenditures	1,832,470	3,080,175	55,659	42,080	456,263	-	3,835	5,470,482
Excess (deficiency) of revenues over (under) expenditures	(446,219)	1,608,034	54,032	244,426	(237,206)	8	3,219	1,226,294
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	13,260	-	-	13,260
Transfer in	246,168	-	-	-	-	-	-	246,168
Transfer (out)	(777,350)	(130,000)	-	(246,168)	-	-	-	(1,153,518)
Total other financing sources (uses)	(531,182)	(130,000)	-	(246,168)	13,260	-	-	(894,090)
Change in fund balance	(977,401)	1,478,034	54,032	(1,742)	(223,946)	8	3,219	332,204
Fund balances:								
January 1, 2015	1,269,071	(194,419)	78,698	185,175	2,084,879	25,421	462,547	3,911,372
December 31, 2015	\$ 291,670	\$ 1,283,615	\$ 132,730	\$ 183,433	\$ 1,860,933	\$ 25,429	\$ 465,766	\$ 4,243,576

Village of Oak Lawn, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 Motor Fuel Tax Fund
 Year Ended December 31, 2015

	Original and Final Budget	Actual
Revenues		
Intergovernmental taxes	\$ 1,628,911	\$ 1,385,923
Interest	200	328
Total revenues	<u>1,629,111</u>	<u>1,386,251</u>
Expenditures		
Current: general government	<u>821,000</u>	<u>1,832,470</u>
Excess of revenues over expenditures	<u>808,111</u>	<u>(446,219)</u>
Other financing sources (uses)		
Transfers in	-	246,168
Transfers (out)	<u>(762,653)</u>	<u>(777,350)</u>
Total other financing sources (uses)	<u>(762,653)</u>	<u>(531,182)</u>
Change in fund balance	<u>\$ 45,458</u>	<u>(977,401)</u>
Fund balance:		
January 1, 2015		<u>1,269,071</u>
December 31, 2015		<u>\$ 291,670</u>

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Emergency Telephone System Board Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
Revenues		
Intergovernmental taxes	\$ 597,822	\$ 859,493
Charges for services	1,888,411	3,656,629
Grants and reimbursements	106,000	171,874
Interest	-	213
Total revenues	<u>2,592,234</u>	<u>4,688,209</u>
Expenditures		
Current, public safety	3,091,992	3,055,226
Capital outlay	27,000	24,949
Total expenditures	<u>3,118,992</u>	<u>3,080,175</u>
(Deficiency) of revenues (under) expenditures	<u>(526,758)</u>	<u>1,608,034</u>
Other financing sources (uses)		
Transfers in	801,296	-
Transfers out	(130,000)	(130,000)
Total other financing sources (uses)	<u>671,296</u>	<u>(130,000)</u>
Change in fund balance	<u>\$ 144,538</u>	<u>1,478,034</u>
Fund balance:		
January 1, 2015		<u>(194,419)</u>
December 31, 2015		<u>\$ 1,283,615</u>

Village of Oak Lawn, Illinois

Schedule of Revenues
Emergency Telephone System Board
Year Ended December 31, 2015

	Emergency Telephone System Board
<hr/>	
Revenues:	
Intergovernmental taxes:	
911 Surcharge Tax:	
Village of Oak Lawn	\$ 232,408
Village of Evergreen Park	12,912
City of Burbank	12,911
Total 911 Surcharge Tax	<u>258,231</u>
911 Wireless Fees,	
Village of Oak Lawn	270,567
Village of Evergreen Park	102,215
Village of Bridgeview	84,177
City of Burbank	144,303
Total 911 Wireless Fees	<u>601,262</u>
Total Intergovernmental Taxes	<u>859,493</u>
Charges for services:	
Dispatch Services:	
Village of Oak Lawn	1,537,775
Village of Evergreen Park	546,030
Village of Bridgeview	521,740
City of Burbank	655,103
Bedford Park Fire Protection District	53,385
Central Stickney Fire Protection District	17,596
Dispatch services - capital assessments	325,000
Total Charges for Services	<u>3,656,629</u>
Grants and reimbursements	<u>171,874</u>
Interest	<u>213</u>
Total revenues	<u><u>\$ 4,688,209</u></u>

Village of Oak Lawn, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Foreign Fire Insurance Fund
 Year Ended December 31, 2015

	Original and Final Budget	Actual
Revenues		
Grants and reimbursements	\$ -	\$ 109,691
Expenditures		
Current: Public safety	20,000	16,787
Capital outlay	-	38,872
Total expenditures	20,000	55,659
Change in fund balance	\$ (20,000)	54,032
Fund balance:		
January 1, 2015		78,698
December 31, 2015		\$ 132,730

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Community Development Block Grant Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
Revenues		
Grants and reimbursements	\$ 250,000	\$ 286,445
Interest	-	61
Total revenues	<u>250,000</u>	<u>286,506</u>
Expenditures		
Current: Health and welfare	<u>250,000</u>	<u>42,080</u>
Excess of revenues over expenditures	-	244,426
Other financing (uses)		
Transfers out	<u>-</u>	<u>(246,168)</u>
Change in fund balance	<u><u>\$ -</u></u>	<u>(1,742)</u>
Fund balance:		
January 1, 2015		<u>185,175</u>
December 31, 2015		<u><u>\$ 183,433</u></u>

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Police Investigation Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
Revenues		
Fines and forfeits	\$ 110,000	\$ 218,450
Interest	50	607
Total revenues	<u>110,050</u>	<u>219,057</u>
Expenditures		
Current: Public safety	<u>244,700</u>	<u>456,263</u>
Excess (deficiency) of revenues over (under) expenditures	(134,650)	(237,206)
Other financing sources		
Sale of capital assets	<u>(15,000)</u>	<u>13,260</u>
Change in fund balance	<u>\$ (149,650)</u>	<u>(223,946)</u>
Fund balance:		
January 1, 2015		<u>2,084,879</u>
December 31, 2015		<u>\$ 1,860,933</u>

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Police Grant Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
<hr/>		
Revenues		
Interest	\$ 15	\$ 8
<hr/>		
Expenditures		
Current:		
General government	-	-
<hr/>		
Change in fund balance	<u>\$ 15</u>	8
<hr/>		
Fund balance:		
January 1, 2015		<u>25,421</u>
December 31, 2015		<u>\$ 25,429</u>

Village of Oak Lawn, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Oak Lawn Social Service Corporation
Year Ended December 31, 2015

	Original and Final Budget	Actual
Revenues		
Contributions and donations	\$ -	\$ 4,947
Interest	10	2,107
Total revenues	<u>10</u>	<u>7,054</u>
Expenditures		
Current: Health and welfare	<u>10,250</u>	<u>3,835</u>
Change in fund balance	<u>\$ (10,240)</u>	<u>3,219</u>
Fund balance:		
January 1, 2015		<u>462,547</u>
December 31, 2015		<u>\$ 465,766</u>

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Debt Service Fund
Corporate Bond and Interest Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
Revenues		
Property taxes	\$ 987,086	\$ 996,050
Other income - interest subsidy	327,150	326,150
Total revenues	<u>1,314,236</u>	<u>1,322,200</u>
Expenditures		
Debt service:		
Principal	4,641,667	10,372,035
Interest and fees	3,147,980	3,187,308
Bond issuance costs	-	234,097
Total expenditures	<u>7,789,647</u>	<u>13,793,440</u>
(Deficiency) of revenues (under) expenditures	<u>(6,475,411)</u>	<u>(12,471,240)</u>
Other financing sources (uses)		
Issuance of refunding bonds	-	8,475,000
Bond premium	-	447,828
Payment to escrow agent	-	(8,688,730)
Transfers in	6,475,811	12,770,029
Change in fund balance	<u>\$ 400</u>	532,887
Fund balance (deficit):		
January 1, 2015		<u>(519,144)</u>
December 31, 2015		<u>\$ 13,743</u>

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Fund
Special Service Area Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
Revenues		
Sales taxes	\$ 357,661	\$ 260,640
Interest	-	66
Total revenues	<u>357,661</u>	<u>260,706</u>
Expenditures		
Debt service:		
Interest and fees	<u>1,500</u>	<u>1,500</u>
Excess of revenues over expenditures	356,161	259,206
Other financing sources (uses)		
Transfers (out)	<u>(356,161)</u>	<u>(356,636)</u>
Change in fund balance	<u><u>\$ -</u></u>	(97,430)
Fund balance (deficit):		
January 1, 2015		<u>(1,035,188)</u>
December 31, 2015		<u><u>\$ (1,132,618)</u></u>

Village of Oak Lawn, Illinois

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2015

	Capital Improvements Fund	Train Station TIF	Cicero Avenue TIF	Commuter Parking Lot TIF	Triangle TIF	111th & Cicero TIF	Total
Assets							
Cash and cash equivalents	\$ 918,605	\$ 7,597	\$ 17,196	\$ 7,393	\$ 9,716	\$ 8,625	\$ 969,132
Other receivables	53,564	-	-	-	-	-	53,564
Land held for resale	800,000	-	-	-	-	-	800,000
Due from other funds	50,000	-	281,575	-	-	-	331,575
Total assets	\$ 1,822,169	\$ 7,597	\$ 298,771	\$ 7,393	\$ 9,716	\$ 8,625	\$ 2,154,271
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 32,908	\$ 195	\$ -	\$ -	\$ 1,268	\$ -	\$ 34,371
Advances from other funds	-	809,170	-	241,500	3,514,260	-	4,564,930
Total liabilities	32,908	809,365	-	241,500	3,515,528	-	4,599,301
Fund balances							
Nonspendable - land held for resale	800,000	-	-	-	-	-	800,000
Restricted	989,261	-	298,771	-	-	8,625	1,296,657
Unassigned (deficit)	-	(801,768)	-	(234,107)	(3,505,812)	-	(4,541,687)
Total fund balances	1,789,261	(801,768)	298,771	(234,107)	(3,505,812)	8,625	(2,445,030)
Total liabilities and fund balances	\$ 1,822,169	\$ 7,597	\$ 298,771	\$ 7,393	\$ 9,716	\$ 8,625	\$ 2,154,271

Village of Oak Lawn, Illinois

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2015**

	Capital Improvements Fund	Train Station TIF	Cicero Avenue TIF	Commuter Parking Lot TIF	Triangle TIF	111th & Cicero TIF	Total
Revenues							
Property taxes	\$ 633,111	\$ 283,560	\$ 220,547	\$ 416,261	\$ 550,867	\$ 24,514	\$ 2,128,860
Other	522,353	-	-	-	-	87,080	609,433
Interest	-	31	46	66	67	4	214
Total revenues	1,155,464	283,591	220,593	416,327	550,934	111,598	2,738,507
Expenditures							
Current:							
General government	80,009	2,373	2,031	1,836	14,240	354,886	455,375
Capital outlay	26,735	-	-	-	-	761,129	787,864
Total expenditures	106,744	2,373	2,031	1,836	14,240	1,116,015	1,243,239
Excess of revenues over expenditures	1,048,720	281,218	218,562	414,491	536,694	(1,004,417)	1,495,268
Other financing sources (uses)							
Transfers in	1,085,133	-	-	-	-	-	1,085,133
Transfers out	(2,443,588)	(567,316)	(41,734)	(429,374)	(872,457)	(12,719,641)	(17,074,110)
Change in fund balance	(309,735)	(286,098)	176,828	(14,883)	(335,763)	(13,724,058)	(14,493,709)
Fund balances (deficits):							
January 1, 2015	2,098,996	(515,670)	121,943	(219,224)	(3,170,049)	13,732,683	12,048,679
December 31, 2015	\$ 1,789,261	\$ (801,768)	\$ 298,771	\$ (234,107)	\$ (3,505,812)	\$ 8,625	\$ (2,445,030)

Village of Oak Lawn, Illinois

Schedule of Revenues, Expenses and Changes in Net Position
 Budget and Actual - Waterworks and Sewerage Fund
 Year Ended December 31, 2015

	Original and Final Budget	Actual
Operating revenues:		
Charges for services:		
Water sales - Oak Lawn residents	\$ 12,929,519	\$ 10,978,118
Water sales - outside communities	40,172,272	34,872,783
Sewer sales	3,698,704	3,265,930
Charges for debt payments	834,490	848,246
Other	-	21,818
Total operating revenues	<u>57,634,985</u>	<u>49,986,895</u>
Operating expenses:		
Water division:		
Water operations:		
Electricity	858,607	836,039
Commodities	44,636,091	39,739,346
Total water operations	<u>45,494,698</u>	<u>40,575,385</u>
Water administration:		
Salaries	304,780	250,856
Contractual	3,302,289	1,116,049
Commodities	91,200	74,853
Total water administration	<u>3,698,268</u>	<u>1,441,758</u>
Public property maintenance:		
Salaries	24,700	13,958
Contractual	21,836	16,764
Commodities	2,500	634
Total public property maintenance	<u>49,036</u>	<u>31,356</u>
Pump equipment maintenance:		
Salaries	277,860	282,805
Contractual	160,486	231,753
Commodities	20,500	7,924
Total pump equipment maintenance	<u>458,846</u>	<u>522,482</u>

(Continued)

Village of Oak Lawn, Illinois

Schedule of Revenues, Expenses and Changes in Net Position
 Budget and Actual - Waterworks and Sewerage Fund
 Year Ended December 31, 2015

	Original and Final Budget	Actual
Operating expenses: (continued)		
Water division: (continued)		
Water main maintenance:		
Salaries	\$ 735,044	\$ 699,355
Contractual	633,471	433,034
Commodities	165,500	119,340
Capital outlay	2,859,044	212,199
Total water main maintenance	<u>4,393,059</u>	<u>1,463,928</u>
Water meter operations:		
Salaries	331,856	334,120
Contractual	142,994	24,549
Commodities	30,000	44,727
Total water meter operations	<u>504,850</u>	<u>403,396</u>
Less capitalized items	<u>2,859,044</u>	-
Total water division	<u>56,599,195</u>	<u>43,602,266</u>
Sewer division:		
Sewer administration:		
Contractual	40,719	461,306
Commodities	-	216
Total sewer administration	<u>40,719</u>	<u>461,522</u>
Ice and snow removal:		
Salaries	15,000	33,256
Contractual	3,074	-
Total ice and snow removal	<u>18,074</u>	<u>33,256</u>

(Continued)

Village of Oak Lawn, Illinois

**Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Waterworks and Sewerage Fund
Year Ended December 31, 2015**

	Original and Final Budget	Actual
Operating expenses: (continued)		
Sewer division: (continued)		
Sanitary sewers:		
Salaries	\$ 510,932	\$ 454,770
Contractual	371,748	105,050
Commodities	103,000	100,523
Total sanitary sewers	<u>985,680</u>	<u>660,343</u>
Storm sewers:		
Salaries	540,384	440,784
Contractual	205,485	131,177
Total storm sewers	<u>745,869</u>	<u>571,961</u>
Total sewer division	<u>1,790,342</u>	<u>1,727,082</u>
Total operating expenses	<u>58,389,537</u>	<u>45,329,348</u>
Operating income before depreciation	(754,552)	4,657,547
Depreciation	-	2,144,567
Operating income	<u>(754,552)</u>	<u>2,512,980</u>
Non-operating income (expense):		
Interest income	-	4,698
Interest expense and issuance costs	(530,549)	(402,355)
Amortization expense	-	(85,487)
Total non-operating income (expense)	<u>(530,549)</u>	<u>(483,144)</u>
Income before contributions and transfers	<u>(1,285,102)</u>	<u>2,029,836</u>
Principal retirement	(691,094)	-
Transfers in	975,755	240,462
Transfers (out)	<u>(1,752,145)</u>	<u>(1,359,335)</u>
Change in net position	<u>\$ (2,752,585)</u>	910,963
Net position:		
January 1, 2015, as restated (Note 1)		<u>28,947,061</u>
December 31, 2015		<u>\$ 29,858,024</u>

Village of Oak Lawn, Illinois

Schedule of Net Position - by Division, Waterworks and Sewerage Fund
December 31, 2015

	Retail Division	Regional Division	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,390,855	\$ 2,078,016	\$ 3,468,871
Prepaid items	-	32,069	32,069
Receivables:			
Customer accounts, net	2,078,882	2,656,008	4,734,890
Due from other funds	132,689	1,606,918	1,739,607
Total current assets	3,602,426	6,373,011	9,975,437
Noncurrent Assets:			
Advance to other funds	300,000	-	300,000
Capital assets not being depreciated	857,157	24,675,030	25,532,187
Capital assets, net of accumulated depreciation	26,851,900	14,625,915	41,477,815
Total noncurrent assets	28,009,057	39,300,945	67,310,002
Total assets	31,611,483	45,673,956	77,285,439
Deferred outflows of resources			
Pension actuarial adjustments	1,298,022	324,251	1,622,273

(Continued)

Village of Oak Lawn, Illinois

Schedule of Net Position - by Division, Waterworks and Sewerage Fund
December 31, 2015

	Retail Division	Regional Division	Total
Liabilities			
Current Liabilities:			
Accounts payable	\$ 204,333	\$ 8,523,140	\$ 8,727,473
Accrued payroll	16,663	-	16,663
Accrued interest payable	4,144	187,773	191,917
Due to other funds	712,928	2,265	715,193
Compensated absences	175,983	-	175,983
Notes payable	354,400	-	354,400
General obligation bonds	-	430,000	430,000
Total current liabilities	1,468,451	9,143,178	10,611,629
Long-term Liabilities, net of current maturities:			
Other payables	48,525	-	48,525
Net pension liability	2,141,895	432,339	2,574,234
Compensated absences	73,681	-	73,681
Line of credit	-	9,483,543	9,483,543
Notes payable	716,349	17,291,666	18,008,015
General obligation bonds, net of unamortized bond discount/premium	-	8,026,070	8,026,070
Total long-term liabilities	2,980,450	35,233,618	38,214,068
Total liabilities	4,448,901	44,376,796	48,825,697
Deferred inflows of resources			
Pension actuarial adjustments	194,249	29,742	223,991
Net position			
Net investment in capital assets	26,638,308	4,069,666	30,707,974
Unrestricted (deficit)	1,628,047	(2,477,997)	(849,950)
Total net position	\$ 28,266,355	\$ 1,591,669	\$ 29,858,024

Village of Oak Lawn, Illinois

Combining Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Waterworks and Sewerage Fund
Year Ended December 31, 2015

	Retail Division		Regional Division		Eliminations		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Operating revenues:								
Charges for services:								
Water sales - Oak Lawn residents	\$ 12,929,519	\$ 10,978,118	\$ -	\$ -	\$ -	\$ -	\$ 12,929,519	\$ 10,978,118
Water sales - outside communities	-	-	48,839,324	42,140,504	(8,667,052)	(7,267,721)	40,172,272	34,872,783
Sewer sales	3,698,704	3,265,930	-	-	-	-	3,698,704	3,265,930
Charges for debt payments	-	-	834,490	848,246	-	-	834,490	848,246
Other	-	21,818	-	-	-	-	-	21,818
Total operating revenues	16,628,223	14,265,866	49,673,814	42,988,750	(8,667,052)	(7,267,721)	57,634,985	49,986,895
Operating expenses:								
Water division:								
Water operations:								
Electricity	2,600	6,168	856,007	829,871	-	-	858,607	836,039
Commodities	8,667,052	7,267,721	43,777,484	38,903,307	(8,667,052)	(7,267,721)	43,777,484	38,903,307
	8,669,652	7,273,889	44,633,491	39,733,178	(8,667,052)	(7,267,721)	44,636,091	39,739,346
Water administration:								
Salaries	229,097	187,406	75,683	63,450	-	-	304,780	250,856
Contractual	347,348	775,033	2,954,941	341,016	-	-	3,302,289	1,116,049
Commodities	91,200	74,403	-	450	-	-	91,200	74,853
Total water administration	667,645	1,036,842	3,030,624	404,916	-	-	3,698,268	1,441,758
Public property maintenance:								
Salaries	24,700	13,958	-	-	-	-	24,700	13,958
Contractual	21,836	16,764	-	-	-	-	21,836	16,764
Commodities	2,500	634	-	-	-	-	2,500	634
Total public property maintenance	49,036	31,356	-	-	-	-	49,036	31,356
Pump equipment maintenance:								
Salaries	95,014	97,946	182,846	184,859	-	-	277,860	282,805
Contractual	43,569	3,064	116,917	228,689	-	-	160,486	231,753
Commodities	10,500	1,200	10,000	6,724	-	-	20,500	7,924
Total pump equipment maintenance	149,083	102,210	309,763	420,272	-	-	458,846	522,482

(Continued)

Village of Oak Lawn, Illinois

Combining Schedule of Revenues, Expenses and Changes in Net Position
 Budget and Actual - Waterworks and Sewerage Fund
 Year Ended December 31, 2015

	Retail Division		Regional Division		Eliminations		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Operating expenses: (continued)								
Water division: (continued)								
Water main maintenance:								
Salaries	\$ 570,698	\$ 533,744	\$ 164,346	\$ 165,611	\$ -	\$ -	\$ 735,044	\$ 699,355
Contractual	534,440	296,687	99,031	136,347	-	-	633,471	433,034
Commodities	137,500	117,282	28,000	2,058	-	-	165,500	119,340
Capital outlay	2,859,044	38,267	-	173,932	-	-	2,859,044	212,199
Total water main maintenance	4,101,682	985,980	291,377	477,948	-	-	4,393,059	1,463,928
Water meter operations:								
Salaries	331,856	334,120	-	-	-	-	331,856	334,120
Contractual	142,994	24,549	-	-	-	-	142,994	24,549
Commodities	30,000	44,382	-	345	-	-	30,000	44,727
Total water meter operations	504,850	403,051	-	345	-	-	504,850	403,396
Less capitalized items	2,859,044	-	-	-	-	-	2,859,044	-
Total water division	17,000,993	9,833,328	48,265,254	41,036,659	(8,667,052)	(7,267,721)	56,599,195	43,602,266
Sewer division:								
Sewer administration:								
Contractual	40,719	461,306	-	-	-	-	40,719	461,306
Commodities	-	216	-	-	-	-	-	216
Total sewer administration	40,719	461,522	-	-	-	-	40,719	461,522
Ice and snow removal:								
Salaries	15,000	33,256	-	-	-	-	15,000	33,256
Contractual	3,074	-	-	-	-	-	3,074	-
Total ice and snow removal	18,074	33,256	-	-	-	-	18,074	33,256

(Continued)

Village of Oak Lawn, Illinois

Combining Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Waterworks and Sewerage Fund
Year Ended December 31, 2015

	Retail Division		Regional Division		Eliminations		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Operating expenses: (continued)								
Sewer division: (continued)								
Sanitary sewers:								
Salaries	\$ 510,932	\$ 454,770	\$ -	\$ -	\$ -	\$ -	\$ 510,932	\$ 454,770
Contractual	371,748	105,050	-	-	-	-	371,748	105,050
Commodities	103,000	100,523	-	-	-	-	103,000	100,523
Total sanitary sewers	985,680	660,343	-	-	-	-	985,680	660,343
Storm sewers:								
Salaries	540,384	440,784	-	-	-	-	540,384	440,784
Contractual	205,485	131,177	-	-	-	-	205,485	131,177
Total storm sewers	745,869	571,961	-	-	-	-	745,869	571,961
Total sewer division	1,790,342	1,727,082	-	-	-	-	1,790,342	1,727,082
Total operating expenses	18,791,335	11,560,410	48,265,254	41,036,659	(8,667,052)	(7,267,721)	58,389,537	45,329,348
Operating income before depreciation	(2,163,112)	2,705,456	1,408,560	1,952,091	-	-	(754,552)	4,657,547
Depreciation	-	1,383,475	-	761,092	-	-	-	2,144,567
Operating income	(2,163,112)	1,321,981	1,408,560	1,190,999	-	-	(754,552)	2,512,980
Non-operating income (expense):								
Interest income	-	4,555	-	143	-	-	-	4,698
Interest expense and issuance costs	(126,459)	(61,604)	(404,090)	(340,751)	-	-	(530,549)	(402,355)
Amortization expense	-	-	-	(85,487)	-	-	-	(85,487)
Total non-operating income (expense)	(126,459)	(57,049)	(404,090)	(426,095)	-	-	(530,549)	(483,144)
Income before contributions and transfers	(2,289,572)	1,264,932	1,004,470	764,904	-	-	(1,285,102)	2,029,836
Principal retirement	(261,094)	-	(430,000)	-	-	-	(691,094)	-
Transfers in	975,755	1,806,150	-	-	-	(1,565,688)	975,755	240,462
Transfers (out)	(1,178,390)	(1,332,936)	(573,755)	(1,592,087)	-	1,565,688	(1,752,145)	(1,359,335)
Change in net position	\$ (2,753,300)	1,738,146	\$ 715	(827,183)	\$ -	-	\$ (2,752,585)	910,963
Net position:								
January 1, 2015, as restated (Note 1):		26,528,209		2,418,852		-		28,947,061
December 31, 2015		<u>\$ 28,266,355</u>		<u>\$ 1,591,669</u>		<u>\$ -</u>		<u>\$ 29,858,024</u>

Village of Oak Lawn, Illinois

Schedule of Revenues, Expenses and Changes in Net Position
 Budget and Actual - Commuter Parking Lot
 Year Ended December 31, 2015

	Original and Final Budget	Actual
Operating revenues:		
Charges for services:		
Parking fees	\$ 336,024	\$ 333,855
Other	-	2,501
Total operating revenues	<u>336,024</u>	<u>336,356</u>
Operating expenses, other than depreciation	<u>107,590</u>	<u>311,848</u>
Operating income before capitalized items	228,434	24,508
Depreciation	<u>-</u>	<u>308,354</u>
Operating income (loss)	228,434	(283,846)
Non-operating income (expense):		
Intergovernmental, grant reimbursement	<u>-</u>	<u>7,666</u>
Income before transfers	228,434	(276,180)
Transfers out	<u>(105,000)</u>	<u>(150,000)</u>
Change in net position	<u><u>\$ 123,434</u></u>	(426,180)
Net position:		
January 1, 2015		<u>13,742,550</u>
December 31, 2015		<u><u>\$ 13,316,370</u></u>

Village of Oak Lawn, Illinois

Statement of Changes in Assets and Liabilities
 Agency Funds
 Year Ended December 31, 2015

	Balances		Balances	
	January 1, 2015	Additions	Deletions	December 31, 2015
Escrow Fund				
Assets				
Cash and cash equivalents	\$ 367,069	\$ 1,436,885	\$ 803,574	\$ 1,000,380
Other receivables	5,671	5,238	5,671	5,238
Advance to other funds	459,979	-	430,071	29,908
	<u>\$ 832,719</u>	<u>\$ 1,442,123</u>	<u>\$ 1,239,316</u>	<u>\$ 1,035,526</u>
Liabilities				
Accounts payable	\$ 30,378	\$ -	\$ 30,378	\$ -
Deposits	802,341	302	412,320	390,323
Due to other funds	-	645,203	-	645,203
	<u>\$ 832,719</u>	<u>\$ 645,505</u>	<u>\$ 442,698</u>	<u>\$ 1,035,526</u>
OCDEF Strikeforce Fund				
Assets				
Cash and cash equivalents	\$ 298,676	\$ -	\$ 298,676	\$ -
Due from other governments	1,324	-	1,324	-
	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total				
Assets				
Cash and cash equivalents	\$ 665,745	\$ 1,436,885	\$ 1,102,250	\$ 1,000,380
Other receivables	5,671	5,238	5,671	5,238
Due from other governments	1,324	-	1,324	-
Advance to other funds	459,979	-	430,071	29,908
	<u>\$ 1,132,719</u>	<u>\$ 1,442,123</u>	<u>\$ 1,539,316</u>	<u>\$ 1,035,526</u>
Liabilities				
Accounts payable	\$ 30,378	\$ -	\$ 30,378	\$ -
Due to other governments	-	645,203	-	645,203
Deposits	802,341	302	412,320	390,323
	<u>\$ 832,719</u>	<u>\$ 645,505</u>	<u>\$ 442,698</u>	<u>\$ 1,035,526</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

General Obligation Bonds - Series 2009A
December 31, 2015

Date of Issue November 24, 2009
Date of Maturity December 1, 2034
Authorized Issue \$10,445,000
Interest Rates 4.00% to 4.65%
Interest Dates June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Principal					Interest					Totals
	General	TIF Triangle	Train Station TIF	Bond & Interest	Total Principal	General	TIF Triangle	Train Station TIF	Bond & Interest	Total Interest	
2016	\$ 94,478	\$ 105,000	\$ 114,282	\$ 836,240	\$ 1,150,000	\$ 32,869	\$ 36,528	\$ 39,757	\$ 290,918	\$ 400,072	\$ 1,550,072
2017	59,152	65,739	71,550	523,559	720,000	29,089	32,328	35,186	257,470	354,073	1,074,073
2018	79,691	88,565	96,394	705,350	970,000	26,723	29,699	32,324	236,526	325,272	1,295,272
2019	24,646	27,391	29,813	218,150	300,000	23,536	26,156	28,468	208,313	286,473	586,473
2020	25,879	28,761	31,303	229,057	315,000	22,549	25,060	27,276	199,587	274,472	589,472
2021	26,700	29,674	32,297	236,329	325,000	21,514	23,910	26,024	190,425	261,873	586,873
2022	27,933	31,043	33,788	247,236	340,000	20,446	22,723	24,732	180,971	248,872	588,872
2023	29,165	32,413	35,278	258,144	355,000	19,329	21,481	23,380	171,083	235,273	590,273
2024	29,987	33,326	36,272	265,415	365,000	18,162	20,185	21,969	160,756	221,072	586,072
2025	31,218	34,696	37,763	276,323	380,000	16,963	18,852	20,518	150,140	206,473	586,473
2026	32,862	36,522	39,750	290,866	400,000	15,674	17,421	18,961	138,742	190,798	590,798
2027	34,094	37,891	41,241	301,774	415,000	14,278	15,869	17,271	126,381	173,799	588,799
2028	35,738	39,717	43,228	316,317	435,000	12,786	14,211	15,467	113,177	155,641	590,641
2029	36,970	41,087	44,719	327,224	450,000	11,223	12,473	13,576	99,338	136,610	586,610
2030	38,612	42,913	46,707	341,768	470,000	9,606	10,675	11,619	85,022	116,922	586,922
2031	40,667	45,195	49,191	359,947	495,000	7,907	8,787	9,564	69,984	96,242	591,242
2032	42,310	47,022	51,178	374,490	515,000	6,117	6,799	7,400	54,146	74,462	589,462
2033	43,953	48,848	53,166	389,033	535,000	4,160	4,624	5,033	36,827	50,644	585,644
2034	46,007	51,130	55,650	407,213	560,000	2,128	2,364	2,574	18,834	25,900	585,900
	<u>\$ 780,062</u>	<u>\$ 866,933</u>	<u>\$ 943,570</u>	<u>\$ 6,904,435</u>	<u>\$ 9,495,000</u>	<u>\$ 315,059</u>	<u>\$ 350,145</u>	<u>\$ 381,099</u>	<u>\$ 2,788,640</u>	<u>\$ 3,834,943</u>	<u>\$ 13,329,943</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

General Obligation Bonds - Series 2010A (Build America Bonds - Direct Payment)
December 31, 2015

Date of Issue	August 20, 2010
Date of Maturity	August 20, 2035
Authorized Issue	\$ 33,530,000
Interest Rates	1.48% to 6.11%
Interest Dates	June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Principal	Interest	Federal Interest Subsidy	Total
2016	\$ 1,085,000	\$ 1,575,815	\$ (551,535)	\$ 2,109,280
2017	1,105,000	1,541,638	(539,573)	2,107,065
2018	1,130,000	1,502,410	(525,844)	2,106,566
2019	1,160,000	1,457,436	(510,103)	2,107,333
2020	1,190,000	1,408,368	(492,929)	2,105,439
2021	1,225,000	1,355,651	(474,478)	2,106,173
2022	1,265,000	1,298,934	(454,627)	2,109,307
2023	1,305,000	1,237,835	(433,242)	2,109,593
2024	1,345,000	1,172,193	(410,268)	2,106,925
2025	1,390,000	1,101,850	(385,647)	2,106,203
2026	1,440,000	1,026,373	(359,230)	2,107,143
2027	1,495,000	946,021	(331,107)	2,109,914
2028	1,550,000	860,357	(301,125)	2,109,232
2029	1,610,000	769,217	(269,226)	2,109,991
2030	1,670,000	673,261	(235,641)	2,107,620
2031	1,735,000	573,729	(200,805)	2,107,924
2032	1,805,000	467,721	(163,702)	2,109,019
2033	1,875,000	357,435	(125,102)	2,107,333
2034	1,950,000	242,873	(85,005)	2,107,868
2035	2,025,000	123,728	(43,307)	2,105,421
	<u>\$ 29,355,000</u>	<u>\$ 19,692,845</u>	<u>\$ (6,892,496)</u>	<u>\$ 42,155,349</u>

Note: Principal and interest payments are paid with gasoline taxes and motor fuel taxes. In the event those taxes are not available, the Village intends to use water and sewer fees.

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

General Obligation Bonds - Series 2011B
December 31, 2015

Date of Issue December 19, 2011
 Date of Maturity December 1, 2021
 Authorized Issue \$ 2,825,000
 Interest Rates 2.00% to 3.00%
 Interest Dates June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST
 REQUIREMENTS

Year Ending	Library		
	Principal	Interest	Total
2016	\$ 280,000	\$ 49,400	\$ 329,400
2017	285,000	42,400	327,400
2018	295,000	35,275	330,275
2019	300,000	27,900	327,900
2020	310,000	18,900	328,900
2021	320,000	9,600	329,600
	<u>\$ 1,790,000</u>	<u>\$ 183,475</u>	<u>\$ 1,973,475</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

General Obligation Bonds - Series 2012 (SSA)
December 31, 2015

Date of Issue January 24, 2012
Date of Maturity December 1, 2032
Authorized Issue \$4,750,000
Interest Rates 2.00% - 5.50%
Interest Dates June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Principal	Interest	Total
2016	\$ 165,000	\$ 191,361	\$ 356,361
2017	175,000	184,761	359,761
2018	180,000	177,761	357,761
2019	190,000	170,561	360,561
2020	195,000	161,061	356,061
2021	205,000	151,311	356,311
2022	215,000	141,061	356,061
2023	230,000	130,311	360,311
2024	240,000	118,811	358,811
2025	245,000	111,011	356,011
2026	255,000	102,681	357,681
2027	265,000	93,756	358,756
2028	275,000	84,150	359,150
2029	290,000	69,025	359,025
2030	305,000	53,075	358,075
2031	320,000	36,300	356,300
2032	340,000	18,703	358,703
	<u>\$ 4,090,000</u>	<u>\$ 1,995,700</u>	<u>\$ 6,085,700</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

General Obligation Bonds - Series 2015
December 31, 2015

Date of Issue December 17, 2015
Date of Maturity December 1, 2023
Authorized Issue \$8,475,000
Interest Rates 2.50% to 4.00%
Interest Dates June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Principal					Interest					Totals
	General	Triangle TIF	Train Station TIF	Commuter Parking Lot TIF	Total Principal	General	Triangle TIF	Train Station TIF	Commuter Parking Lot	Total Interest	
2016	\$ 302,475	\$ 269,775	\$ 531,375	\$ 531,375	\$ 1,635,000	\$ 45,929	\$ 40,966	\$ 80,691	\$ 80,691	\$ 248,277	\$ 1,883,277
2017	314,500	280,500	552,500	552,500	1,700,000	40,508	36,126	71,158	71,158	218,950	1,918,950
2018	186,850	166,650	328,250	328,250	1,010,000	32,644	29,114	57,346	57,346	176,450	1,186,450
2019	193,325	172,425	339,625	339,625	1,045,000	27,040	24,114	47,498	47,498	146,150	1,191,150
2020	159,100	141,900	279,500	279,500	860,000	21,238	18,942	37,310	37,310	114,800	974,800
2021	131,350	117,150	230,750	230,750	710,000	16,462	14,686	28,926	28,926	89,000	799,000
2022	137,825	122,925	242,125	242,125	745,000	11,208	10,000	19,696	19,696	60,600	805,600
2023	142,450	127,050	250,250	250,250	770,000	5,698	5,082	10,010	10,010	30,800	800,800
	<u>\$ 1,567,875</u>	<u>\$ 1,398,375</u>	<u>\$ 2,754,375</u>	<u>\$ 2,754,375</u>	<u>\$ 8,475,000</u>	<u>\$ 200,727</u>	<u>\$ 179,030</u>	<u>\$ 352,635</u>	<u>\$ 352,635</u>	<u>\$ 1,085,027</u>	<u>\$ 9,560,027</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Capital Note 2011
December 31, 2015

Date of Issue November 30, 2011
Date of Maturity November 5, 2019
Authorized Issue \$ 2,000,000
Interest Rates 3.375%
Interest Dates May 1 and November 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Principal			Interest			Totals
	General	Water and Sewerage	Total Principal	General	Water and Sewerage	Total Interest	
2016	\$ 232,267	\$ 34,400	\$ 266,667	\$ 29,875	\$ 4,425	\$ 34,300	\$ 300,967
2017	232,267	34,400	266,667	21,840	3,235	25,075	291,742
2018	232,267	34,400	266,667	13,892	2,058	15,950	282,617
2019	232,172	34,494	266,666	5,945	880	6,825	273,491
	<u>\$ 928,973</u>	<u>\$ 137,694</u>	<u>\$ 1,066,667</u>	<u>\$ 71,552</u>	<u>\$ 10,598</u>	<u>\$ 82,150</u>	<u>\$ 1,148,817</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Promissory Note 2012
December 31, 2015

Date of Issue August 16, 2012
Date of Maturity August 1, 2017
Authorized Issue \$ 25,000,000
Interest Rates Variable based on LIBOR Rate (0.1540% at December 31, 2014) - Interest Payable Monthly
Interest Dates Monthly

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Principal			Interest			Totals
	General	111th & Cicero	Total Principal	General	111th & Cicero	Total Interest	
2016	\$ -	\$ -	\$ -	\$ 34,346	\$ 237,444	\$ 271,790	\$ 271,790
2017	2,559,951	16,813,797	19,373,748	16,104	123,678	139,782	19,513,530
	<u>\$ 2,559,951</u>	<u>\$ 16,813,797</u>	<u>\$ 19,373,748</u>	<u>\$ 50,450</u>	<u>\$ 361,122</u>	<u>\$ 411,572</u>	<u>\$ 19,785,320</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Capital Note 2013
December 31, 2015

Date of Issue July 11, 2013
Date of Maturity May 5, 2024
Authorized Issue \$2,500,000
Interest Rates 2.8750%
Interest Dates May 5 and November 5

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	General Fund		
	Principal	Interest	Total
2016	\$ 300,000	\$ 66,049	\$ 366,049
2017	300,000	57,424	357,424
2018	300,000	48,799	348,799
2019	300,000	40,173	340,173
2020	300,000	31,549	331,549
2021	250,000	23,283	273,283
2022	250,000	16,096	266,096
2023	250,000	8,908	258,908
2024	122,353	1,759	124,112
	<u>\$ 2,372,353</u>	<u>\$ 294,040</u>	<u>\$ 2,666,393</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Capital Note 2015 - Governmental Activities
December 31, 2015

Date of Issue November 20, 2015
Date of Maturity May 5, 2021
Authorized Issue \$1,500,000
Interest Rates 2.8750%
Interest Dates May 5 and November 5

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	General Fund		
	Principal	Interest	Total
2016	\$ 63,714	\$ 9,159	\$ 72,873
2017	127,428	15,570	142,999
2018	127,428	11,907	139,335
2019	127,428	8,243	135,671
2020	127,428	4,579	132,008
2021	63,714	916	64,630
	<u>\$ 637,142</u>	<u>\$ 50,374</u>	<u>\$ 687,516</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Waterworks and Sewerage General Obligation Bonds - Series 2006
December 31, 2015

Date of Issue	July 25, 2006
Date of Maturity	December 1, 2036
Authorized Issue	\$ 5,400,000
Interest Rates	4.25% - 4.50%
Interest Dates	June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Waterworks and Sewerage Fund		
	Principal	Interest	Total
2016	\$ 130,000	\$ 195,402	\$ 325,402
2017	135,000	189,878	324,878
2018	145,000	184,140	329,140
2019	150,000	177,978	327,978
2020	155,000	171,602	326,602
2021	160,000	165,016	325,016
2022	170,000	158,216	328,216
2023	175,000	150,990	325,990
2024	185,000	143,466	328,466
2025	195,000	135,510	330,510
2026	205,000	126,930	331,930
2027	210,000	117,910	327,910
2028	220,000	108,566	328,566
2029	230,000	98,776	328,776
2030	245,000	88,426	333,426
2031	255,000	77,400	332,400
2032	265,000	65,926	330,926
2033	280,000	54,000	334,000
2034	295,000	41,400	336,400
2035	305,000	28,126	333,126
2036	320,000	14,400	334,400
	<u>\$ 4,430,000</u>	<u>\$ 2,494,058</u>	<u>\$ 6,924,058</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Waterworks and Sewerage General Obligation Bonds - Series 2011A
December 31, 2015

Date of Issue December 19, 2011
 Date of Maturity December 1, 2026
 Authorized Issue \$ 5,150,000
 Interest Rates 2.00% - 3.35%
 Interest Dates June 1 and December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Waterworks and Sewerage Fund		
	Principal	Interest	Total
2016	\$ 300,000	\$ 116,253	\$ 416,253
2017	320,000	108,753	428,753
2018	340,000	100,753	440,753
2019	340,000	92,253	432,253
2020	360,000	82,053	442,053
2021	375,000	71,252	446,252
2022	355,000	60,002	415,002
2023	370,000	49,352	419,352
2024	385,000	38,252	423,252
2025	400,000	26,702	426,702
2026	415,000	13,902	428,902
	<u>\$ 3,960,000</u>	<u>\$ 759,527</u>	<u>\$ 4,719,527</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Capital Note 2013 - Waterworks & Sewerage
December 31, 2015

Date of Issue July 11, 2013
Date of Maturity May 5, 2019
Authorized Issue \$1,600,000
Interest Rates 2.8750%
Interest Dates May 5 and November 5

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Waterworks and Sewerage Fund		
	Principal	Interest	Total
2016	\$ -	\$ 26,825	\$ 26,825
2017	320,000	24,525	344,525
2018	320,000	15,325	335,325
2019	293,055	6,125	299,180
	<u>\$ 933,055</u>	<u>\$ 72,801</u>	<u>\$ 1,005,856</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Illinois Environmental Protection Agency Note Payable - Waterworks & Sewerage
December 31, 2015

Date of Issue	November 12, 2014
Date of Maturity	August 1, 2036
Authorized Issue	\$12,689,237
Interest Rates	1.93%
Interest Dates	February 1 and August 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Waterworks and Sewerage Fund		
	Principal	Interest	Total
2017	\$ 547,178	\$ 208,570	\$ 755,748
2018	547,178	198,010	745,188
2019	547,178	187,449	734,627
2020	547,178	176,889	724,066
2021	547,178	166,328	713,506
2022	547,178	155,768	702,945
2023	547,178	145,207	692,385
2024	547,178	134,647	681,824
2025	547,178	124,086	671,264
2026	547,178	113,526	660,703
2027	547,178	102,965	650,143
2028	547,178	92,405	639,582
2029	547,178	81,844	629,022
2030	547,178	71,284	618,461
2031	547,178	60,723	607,901
2032	547,178	50,163	597,340
2033	547,178	39,602	586,780
2034	547,178	29,041	576,219
2035	547,178	18,481	565,659
2036	547,178	7,920	555,098
	<u>\$ 10,943,552</u>	<u>\$ 2,164,908</u>	<u>\$ 13,108,461</u>

Village of Oak Lawn, Illinois

Long-Term Debt Requirements

Illinois Environmental Protection Agency Note Payable - Waterworks & Sewerage
December 31, 2015

Date of Issue November 12, 2014
Date of Maturity August 1, 2036
Authorized Issue \$27,631,015
Interest Rates 1.995%
Interest Dates February 1 and August 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending	Waterworks and Sewerage Fund		
	Principal	Interest	Total
2018	\$ 317,406	\$ 125,062	\$ 442,468
2019	317,406	118,730	436,135
2020	317,406	112,397	429,803
2021	317,406	106,065	423,471
2022	317,406	99,733	417,139
2023	317,406	93,401	410,806
2024	317,406	87,068	404,474
2025	317,406	80,736	398,142
2026	317,406	74,404	391,810
2027	317,406	68,072	385,477
2028	317,406	61,739	379,145
2029	317,406	55,407	372,813
2030	317,406	49,075	366,481
2031	317,406	42,743	360,148
2032	317,406	36,410	353,816
2033	317,406	30,078	347,484
2034	317,406	23,746	341,152
2035	317,406	17,414	334,819
2036	317,406	11,081	328,487
2037	317,406	4,749	322,155
	<u>\$ 6,348,114</u>	<u>\$ 1,298,110</u>	<u>\$ 7,646,224</u>

Statistical Section

Statistical Section

This part of the Village of Oak Lawn comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	145 - 149
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	150 - 161
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	162 - 165
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	166 - 168
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	169- 170

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Village of Oak Lawn, Illinois

Net Position by Component

Last Ten Fiscal Years

Fiscal Year	2015	2014	2013	2012*	2011	2010	2009	2008	2007	2006	2005
Governmental Activities											
Net investment in capital assets	\$ 95,270,465	\$ 93,996,642	\$ 67,632,144	\$ 78,264,714	\$ 90,056,152	\$ 92,251,301	\$ 98,918,654	\$ 94,294,162	\$ 93,073,149	\$ 75,361,426	\$ 73,953,965
Restricted	5,553,976	5,526,730	4,809,811	20,480,623	5,201,372	2,836,079	751,008	544,935	3,967,034	1,930,971	2,047,829
Unrestricted	(253,902,769)	(86,647,600)	(50,869,796)	(43,794,528)	(28,280,753)	(13,313,591)	(895,824)	9,656,880	19,051,557	28,302,227	27,520,827
Total Governmental Activities Net Position	\$ (153,078,328)	\$ 12,875,772	\$ 21,572,159	\$ 54,950,809	\$ 66,976,771	\$ 81,773,789	\$ 98,773,838	\$ 104,495,977	\$ 116,091,740	\$ 105,594,624	\$ 103,522,621
Business-type Activities											
Net investment in capital assets	\$ 42,789,636	\$ 42,598,247	\$ 48,454,898	\$ 43,682,430	\$ 41,900,768	\$ 40,098,484	\$ 38,122,510	\$ 39,878,519	\$ 40,321,692	\$ 23,048,641	\$ 26,560,267
Restricted	-	-	-	-	-	-	-	-	-	3,143,461	-
Unrestricted	384,758	666,155	(1,805,074)	4,879,767	9,918,824	9,896,897	9,730,405	7,331,187	4,505,118	2,621,242	970,375
Total Business-type Activities Net Position	\$ 43,174,394	\$ 43,264,402	\$ 46,649,824	\$ 48,562,197	\$ 51,819,592	\$ 49,995,381	\$ 47,852,915	\$ 47,209,706	\$ 44,826,810	\$ 28,813,344	\$ 27,530,642
Primary Government											
Net investment in capital assets	\$ 138,060,101	\$ 136,594,889	\$ 116,087,042	\$ 121,947,144	\$ 131,956,920	\$ 132,349,785	\$ 137,041,164	\$ 134,172,681	\$ 133,394,841	\$ 98,410,067	\$ 100,514,232
Restricted	5,553,976	5,526,730	4,809,811	20,480,623	5,201,372	2,836,079	751,008	544,935	3,967,034	5,074,432	2,047,829
Unrestricted	(253,518,011)	(85,981,445)	(52,674,870)	(38,914,761)	(18,361,929)	(3,416,694)	8,834,581	16,988,067	23,556,675	30,923,469	28,491,202
Total Primary Government Net Position	\$ (109,903,934)	\$ 56,140,174	\$ 68,221,983	\$ 103,513,006	\$ 118,796,363	\$ 131,769,170	\$ 146,626,753	\$ 151,705,683	\$ 160,918,550	\$ 134,407,968	\$ 131,053,263

* Governmental activities net position as of December 31, 2012 was restated in the 2013 financial statements due to the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The above 2012 and prior columns do not reflect this restatement.

Village of Oak Lawn, Illinois

Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses											
Governmental Activities											
General Government	\$ 12,516,429	\$ 12,202,879	\$ 11,263,249	\$ 11,643,608	\$ 11,118,685	\$ 11,918,947	\$ 15,396,930	\$ 12,617,280	\$ 14,879,360	\$ 13,081,779	\$ 13,499,047
Public Safety	32,593,802	45,311,911	40,306,944	39,344,340	38,404,889	38,627,722	29,365,996	33,446,193	24,744,032	24,249,910	23,325,952
Streets and Equipment Maintenance	9,306,952	10,806,709	14,655,431	15,277,207	14,297,664	13,973,136	11,259,526	13,209,032	8,450,602	5,991,171	5,829,438
Refuse Disposal	3,409,147	3,225,869	3,536,765	4,274,972	4,538,549	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-	1,878,647
Interest and Amortization Expense	3,304,916	3,228,713	3,336,922	3,850,680	3,717,482	2,502,438	2,219,503	2,330,188	1,904,491	2,142,085	2,169,696
Total Governmental Activities Expenses	61,131,246	74,776,081	73,099,311	74,390,807	72,077,269	67,022,243	58,241,955	61,602,693	49,978,485	45,464,945	46,702,780
Business-type Activities											
Waterworks and Sewerage	47,961,757	45,723,060	44,072,273	40,480,909	32,399,750	32,374,094	30,394,276	27,129,382	26,213,249	23,357,599	25,781,895
Commuter Parking Lot	620,202	492,765	445,188	395,767	379,259	427,634	389,757	478,137	367,471	342,559	339,740
Refuse Disposal	-	-	-	-	-	3,862,211	3,774,384	3,574,038	3,368,139	2,851,122	2,271,931
Total Business-type Activities Expenses	48,581,959	46,215,825	44,517,461	40,876,676	32,779,009	36,663,939	34,558,417	31,181,557	29,948,859	26,551,280	28,393,566
Total Primary Government Expenses	\$ 109,713,205	\$ 120,991,906	\$ 117,616,772	\$ 115,267,483	\$ 104,856,278	\$ 103,686,182	\$ 92,800,372	\$ 92,784,250	\$ 79,927,344	\$ 72,016,225	\$ 75,096,346
Program Revenues											
Governmental Activities											
Charges for Services											
General Government	\$ 3,460,575	\$ 2,930,143	\$ 2,694,098	\$ 2,838,598	\$ 2,818,029	\$ 2,444,953	\$ 2,483,063	\$ 2,559,816	\$ 2,481,780	\$ 2,558,642	\$ 2,642,153
Public Safety	7,100,795	7,054,778	5,556,366	4,725,836	3,949,788	3,875,363	4,150,767	4,099,130	3,336,042	3,269,201	3,261,670
Streets and Equipment Maintenance	1,297,782	968,558	2,786,867	461,057	2,786,867	382,594	290,735	594,428	608,240	172,993	229,073
Refuse Disposal	3,457,578	3,239,742	3,157,743	3,677,314	3,843,768	-	-	-	-	-	-
Operating Grants and Contributions	1,134,966	2,376,614	1,423,695	2,271,259	2,099,658	3,406,559	6,971,016	7,825,685	7,711,796	2,094,594	2,414,624
Capital Grants and Contributions	-	-	-	-	-	18,000	672,054	-	-	425,000	5,884,105
Total Governmental Activities Program Revenues	16,451,696	16,569,835	15,618,769	13,974,064	13,376,559	10,127,469	14,567,635	15,079,059	14,137,858	8,520,430	14,431,625
Business-type Activities											
Charges for Services											
Waterworks and Sewerage	49,986,895	46,958,343	42,195,924	38,571,708	32,811,013	33,317,344	31,229,688	29,162,357	27,276,139	25,416,715	25,281,994
Commuter Parking Lot	336,356	341,063	340,760	317,611	327,263	322,534	318,814	304,074	331,488	200,115	133,978
Refuse Disposal	-	-	-	-	-	3,895,306	3,661,579	3,858,321	3,397,105	3,032,444	2,399,884
Operating Grants and Contributions	7,666	17,006	-	-	-	-	-	585,895	-	-	-
Capital Grants and Contributions	-	147,245	2,050,290	2,962,049	2,470,415	1,534,385	201,549	-	-	-	-
Total Business-type Activities Program Revenues	50,330,917	47,463,657	44,586,974	41,851,368	35,608,691	39,069,569	35,411,630	33,910,647	31,004,732	28,649,274	27,815,856
Total Primary Government Program Revenues	\$ 66,782,613	\$ 64,033,492	\$ 60,205,743	\$ 55,825,432	\$ 48,985,250	\$ 49,197,038	\$ 49,979,265	\$ 48,989,706	\$ 45,142,590	\$ 37,169,704	\$ 42,247,481
Net (Expense) Revenue											
Governmental Activities	\$ (44,679,550)	\$ (58,206,246)	\$ (57,480,542)	\$ (60,416,743)	\$ (58,700,710)	\$ (56,894,774)	\$ (43,674,320)	\$ (46,523,634)	\$ (35,840,627)	\$ (36,944,515)	\$ (32,271,155)
Business-type Activities	1,748,958	1,247,832	69,513	974,692	2,829,682	2,405,630	853,213	2,729,090	1,055,873	2,097,994	(577,710)
Total Primary Government Net Expense	\$ (42,930,592)	\$ (56,958,414)	\$ (57,411,029)	\$ (59,442,051)	\$ (55,871,028)	\$ (54,489,144)	\$ (42,821,107)	\$ (43,794,544)	\$ (34,784,754)	\$ (34,846,521)	\$ (32,848,865)

Village of Oak Lawn, Illinois

Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Position											
Governmental Activities											
Taxes											
Property	\$ 16,023,317	\$ 15,971,015	\$ 16,419,941	\$ 16,556,012	\$ 17,398,500	\$ 16,568,983	\$ 16,925,719	\$ 15,684,614	\$ 14,457,798	\$ 13,788,259	\$ 13,341,306
Sales	15,046,478	14,174,462	4,114,673	3,064,011	2,748,214	2,679,420	2,478,395	2,760,045	2,716,214	2,617,211	2,498,197
Intergovernmental	11,570,447	10,380,266	17,427,448	15,528,978	14,238,759	14,062,461	13,734,861	15,071,886	15,670,255	15,554,808	14,731,463
Other	3,560,191	2,622,489	4,989,764	7,135,929	6,709,675	5,632,758	4,455,487	395,751	405,881	5,332,523	6,249,855
Interest	66,929	57,019	50,586	14,141	33,524	46,070	37,491	537,224	862,574	733,811	350,276
Other	2,558,191	1,669,349	1,772,483	1,854,139	1,759,938	626,860	93,044	25,839	111,869	41,126	506,264
Transfers	1,268,873	4,635,259	1,816,797	4,237,571	641,160	278,173	227,184	452,511	977,511	948,780	(9,050,838)
Special item, redevelopment cost	-	-	(6,752,999)	-	-	-	-	-	-	-	-
Total Governmental Activities	50,094,426	49,509,859	39,838,693	48,390,781	43,529,770	39,894,725	37,952,181	34,927,870	35,202,102	39,016,518	28,626,523
Business-type Activities											
Interest	4,698	2,005	2,021	5,484	9,611	15,009	17,180	106,317	181,491	133,488	183,043
Transfers	(1,268,873)	(4,635,259)	(1,816,797)	(4,237,571)	(641,160)	(278,173)	(227,184)	(452,511)	(977,511)	(948,780)	9,050,838
Total Business-type Activities	(1,264,175)	(4,633,254)	(1,814,776)	(4,232,087)	(631,549)	(263,164)	(210,004)	(346,194)	(796,020)	(815,292)	9,233,881
Total Primary Government	\$ 48,830,251	\$ 44,876,605	\$ 38,023,917	\$ 44,158,694	\$ 42,898,221	\$ 39,631,561	\$ 37,742,177	\$ 34,581,676	\$ 34,406,082	\$ 38,201,226	\$ 37,860,404
Change in Net Position											
Governmental Activities	\$ 5,414,876	\$ (8,696,387)	\$ (17,641,849)	\$ (12,025,962)	\$ (15,170,940)	\$ (17,000,049)	\$ (5,722,139)	\$ (11,595,764)	\$ (638,525)	\$ 2,072,003	\$ (3,644,632)
Business-type Activities	484,783	(3,385,422)	(1,745,263)	(3,257,395)	2,198,133	2,142,466	643,209	2,382,896	259,853	1,282,702	8,656,171
Total Primary Government Change in Net Position	\$ 5,899,659	\$ (12,081,809)	\$ (19,387,112)	\$ (15,283,357)	\$ (12,972,807)	\$ (14,857,583)	\$ (5,078,930)	\$ (9,212,868)	\$ (378,672)	\$ 3,354,705	\$ 5,011,539

Village of Oak Lawn, Illinois

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2015	2014	2013	2012	2011	2010 *	2009	2008	2007	2006	2005
General Fund											
Nonspendable - prepaid items	\$ -	\$ 1,922	\$ 1,169	\$ 3,213	\$ 2,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable - advances	4,894,058	4,846,633	3,848,470	3,891,474	2,728,323	-	-	-	-	-	-
Unassigned (deficit)	5,678,880	5,702,488	7,085,864	2,725,357	(2,018,468)	-	-	-	-	-	-
Reserved											
Reserved for Prepaid Items	-	-	-	-	-	44,328	-	-	-	-	3,850
Reserved for Advances	-	-	-	-	-	1,501,799	1,511,799	1,357,799	-	-	-
Unreserved											
Undesignated (deficit)	-	-	-	-	-	(2,171,945)	(315,355)	2,578,570	5,538,963	5,909,305	4,597,811
Total General Fund	10,572,938	10,551,043	10,935,503	6,620,044	712,133	(625,818)	1,196,444	3,936,369	5,538,963	5,909,305	4,601,661
All Other Governmental Funds											
Nonspendable - land held for resale	8,829,864	1,524,458	13,144,258	17,717,860	-	-	-	-	-	-	-
Nonspendable - advances	-	-	713,355	928,591	-	-	-	-	-	-	-
Restricted	5,553,976	5,526,730	5,087,693	12,696,358	22,510,705	-	-	-	-	-	-
Unassigned (deficit)	(7,161,551)	(6,365,269)	(5,765,158)	(5,374,110)	(4,175,935)	-	-	-	-	-	-
Reserved											
Reserved for Prepaid Items	-	-	-	-	-	16,599	300	-	-	-	-
Reserved for Advances	-	-	-	-	-	1,752,512	305,595	-	-	-	-
Reserved for Capital Projects	-	-	-	-	-	-	-	-	-	1,817,811	1,924,387
Reserved for Debt Service	-	-	-	-	-	-	1,310,575	-	-	113,160	123,442
Unreserved											
Special Revenue Funds	-	-	-	-	-	3,129,477	4,215,314	4,464,711	8,146,314	6,565,216	7,067,322
Debt Service Funds	-	-	-	-	-	(1,510,884)	(1,065,426)	(3,774,808)	(3,589,564)	-	-
Capital Projects Funds	-	-	-	-	-	26,086,625	(304,719)	(3,123,048)	(2,559,516)	-	-
Total All Other Governmental Funds	7,222,289	685,919	13,180,148	25,968,699	18,334,770	29,474,329	4,461,639	(2,433,145)	1,997,234	8,496,187	9,115,151
Total Governmental Funds	\$ 17,795,227	\$ 11,236,962	\$ 24,115,651	\$ 32,588,743	\$ 19,046,903	\$ 28,848,511	\$ 5,658,083	\$ 1,503,224	\$ 7,536,197	\$ 14,405,492	\$ 13,716,812
Governmental Fund Balances Over (Under)											
Prior Year	\$ 6,558,265	\$ (12,878,689)	\$ (8,473,092)	\$ 13,541,840	\$ (9,801,608)	\$ 23,190,428	\$ 4,154,859	\$ (6,032,973)	\$ (6,869,295)	\$ 688,680	\$ 1,243,148

* Restatements to the 2010 fund balances have been reflected in the 2010 column above as a result of the implementation of GASB Statement No. 54.

Village of Oak Lawn, Illinois

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues											
Property Taxes	\$ 16,361,400	\$ 16,626,468	\$ 16,419,941	\$ 16,531,438	\$ 17,270,794	\$ 16,546,106	\$ 16,287,118	\$ 14,840,971	\$ 13,855,681	\$ 13,387,793	\$ 12,990,530
Other Taxes	9,075,509	7,918,847	9,104,437	7,722,484	7,158,579	8,140,597	6,933,882	8,379,377	8,053,855	13,540,132	14,007,881
Intergovernmental	20,236,222	18,598,145	17,505,125	18,201,926	16,071,577	14,528,172	15,601,754	16,763,254	17,767,238	11,191,860	10,888,741
Licenses and Permits	4,240,306	3,395,831	4,957,330	2,620,015	2,667,950	2,422,212	2,314,350	2,508,037	2,523,961	2,693,929	2,849,055
Charges for Services	9,511,992	7,454,545	6,862,897	7,056,476	7,125,798	3,097,735	2,978,665	3,128,397	2,948,649	2,859,803	2,424,310
Fines and Forfeits	1,840,979	3,193,552	2,253,489	1,925,567	1,483,153	1,182,963	1,631,550	1,616,940	953,452	658,163	702,851
Grants and Reimbursements	1,094,651	2,452,502	1,423,695	2,271,259	2,099,658	987,273	5,555,227	910,736	683,053	779,199	6,443,519
Contributions and donations	109,938	126,802	124,294	90,307	-	101,185	220,949	-	-	-	-
Interest	5,864	8,271	50,586	14,141	33,524	46,070	37,491	537,224	862,574	733,811	332,549
Other	2,297,572	1,669,349	1,769,578	2,384,580	1,239,938	626,860	93,044	25,839	26,259	349,339	706,978
Total Revenues	64,774,433	61,444,312	60,471,372	58,818,193	55,150,971	47,679,173	51,654,030	48,710,775	47,674,722	46,194,029	51,346,414
Expenditures											
Current											
General Government	12,626,178	10,891,813	8,611,391	9,638,828	8,651,885	9,606,412	13,883,380	10,497,861	12,915,271	11,791,841	12,103,485
Public Safety	35,013,979	34,598,479	31,919,432	30,772,246	27,753,710	27,896,408	26,615,502	25,789,019	22,202,047	23,372,417	22,532,901
Streets and Equipment Maintenance	6,662,207	7,487,075	13,181,032	13,678,427	12,305,364	11,833,158	10,593,317	11,773,600	7,651,089	5,542,301	5,309,038
Refuse Disposal	3,409,147	3,225,869	3,192,890	3,827,591	3,906,127	-	-	-	-	-	-
Health and Welfare	105,922	183,356	172,396	173,011	361,702	367,694	467,364	626,616	463,580	571,748	785,269
Culture and Recreation	427,441	373,963	487,820	452,113	411,406	119,461	135,172	121,677	92,770	254,697	325,957
Capital Outlay	2,228,216	3,503,534	4,143,999	4,907,803	5,974,201	3,309,309	6,478,431	1,233,569	6,641,337	1,021,574	5,586,929
Debt Service											
Principal	10,372,035	4,297,160	4,697,743	5,136,464	3,514,121	3,167,840	2,927,353	3,087,861	3,520,000	1,840,000	2,045,000
Interest	3,188,808	3,260,799	3,375,551	3,943,956	3,706,366	2,499,758	2,492,035	2,136,988	2,027,373	2,075,541	2,052,682
Bond Issuance Costs/Fiscal Charges	297,972	-	-	-	-	-	-	-	-	9,819	197,937
Total Expenditures	74,331,905	67,822,048	69,789,254	72,530,439	66,584,882	58,800,040	63,592,554	55,267,191	55,513,467	46,479,938	50,939,198
Excess (Deficiency) of Revenues over Expenditures	(9,557,472)	(6,377,736)	(9,317,882)	(13,712,246)	(11,433,911)	(11,120,867)	(11,938,524)	(6,556,416)	(7,838,745)	(285,909)	407,216
Other Financing Sources (Uses)											
Issuance of loan	637,142	2,187,468	3,898,703	27,688,095	1,650,465	29,617,428	22,244,885	-	778,606	-	13,295,137
Issuance of refunding bonds	8,475,000	-	-	-	2,060,000	4,250,000	-	-	-	-	-
Premium/(discount) on debt issued	447,828	-	-	391,694	70,353	(246,342)	174,999	-	-	-	-
Transfers In	27,562,265	11,217,133	8,758,760	14,995,648	8,527,345	4,963,182	5,667,413	7,793,902	7,604,313	4,934,252	4,647,288
Transfers Out	(26,293,392)	(6,581,874)	(6,941,965)	(10,758,077)	(7,886,185)	(4,685,009)	(5,440,229)	(7,341,391)	(6,626,802)	(3,998,872)	(13,698,126)
Payment to Escrow Agent	(8,688,730)	-	-	(9,349,546)	(2,845,000)	-	(6,640,000)	-	-	-	(3,993,921)
Sale of Capital Assets	255,824	396,120	1,882,291	4,286,272	55,325	38,114	86,315	70,932	85,610	39,209	585,554
Total Other Financing Sources (Uses)	2,395,937	7,218,847	7,597,789	27,254,086	1,632,303	33,937,373	16,093,383	523,443	1,841,727	974,589	835,932
Special item, redevelopment cost	-	-	(6,752,999)	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ (7,161,535)	\$ 841,111	\$ (8,473,092)	\$ 13,541,840	\$ (9,801,608)	\$ 22,816,506	\$ 4,154,859	\$ (6,032,973)	\$ (5,997,018)	\$ 688,680	\$ 1,243,148
Debt Service as a Percent of Noncapital Expenditures											
Total Expenditures	\$ 74,331,905	\$ 67,822,048	\$ 69,789,254	\$ 72,530,439	\$ 66,584,882	\$ 58,800,040	\$ 63,592,554	\$ 55,267,191	\$ 55,513,467	\$ 46,479,938	\$ 50,939,198
Less Capital Additions	(1,296,038)	(1,078,309)	(959,753)	(1,483,734)	(3,179,263)	(2,348,468)	(8,551,613)	(941,910)	(5,541,265)	(1,021,574)	(5,586,929)
Net Noncapital Expenditures	\$ 73,035,867	\$ 66,743,739	\$ 68,829,501	\$ 71,046,705	\$ 63,405,619	\$ 56,451,572	\$ 55,040,941	\$ 54,325,281	\$ 49,972,202	\$ 45,458,364	\$ 45,352,269
Total Debt Service	\$ 13,858,815	\$ 7,557,959	\$ 8,073,294	\$ 9,080,420	\$ 7,220,487	\$ 5,667,598	\$ 5,419,388	\$ 5,224,849	\$ 5,547,373	\$ 3,925,360	\$ 4,295,619
Debt Service as a Percentage of Noncapital Expenditures	19.0%	11.3%	11.7%	12.8%	11.4%	10.0%	9.8%	9.6%	11.1%	8.6%	9.5%

Village of Oak Lawn, Illinois

Construction - Last Ten Fiscal Years

Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction		Other Construction Alterations, Etc.		Total Construction Permits	
	Number of Units	Property Value	Number of Units	Property Value	Number of Permits	Property Value	Number of Permits	Property Value
2015	2	\$ 1,302,700	10	\$ 2,045,000	2,557	\$ 85,133,882	2,569	\$ 88,481,582
2014	7	15,427,086	6	1,254,000	2,615	69,493,455	2,628	86,174,541
2013	5	10,406,266	7	1,442,000	2,402	167,683,416	2,414	179,531,682
2012	-	-	5	748,500	2,517	28,238,721	2,522	28,987,221
2011	-	-	3	610,000	1,811	178,582,354	1,814	179,192,354
2010	-	-	5	901,000	1,794	22,358,806	1,799	23,259,806
2009	-	-	2	425,000	1,358	12,228,308	1,360	12,653,308
2008	-	-	11	2,223,380	1,678	22,439,033	1,689	24,662,413
2007	3	1,930,000	129	24,070,000	1,665	18,141,124	1,797	44,141,124
2006	12	12,641,610	63	11,630,000	1,953	24,511,384	2,028	48,782,994

Data Source

Village's Building Department Records

Village of Oak Lawn, Illinois

Assessed and Estimated Actual Value of Taxable Property

Last Ten Levy Years

Tax Levy Year	Residential		Commercial		Industrial		Railroad		Total Assessed Value	Ratio of Assessed Value to Estimated Actual Value	Estimated Actual Value	Village Property Millage Tax Rate
	Amount	% of Total Assessed Value	Amount	% of Total Assessed Value	Amount	% of Total Assessed Value	Amount	% of Total Assessed Value				
2015*	\$ 729,164,633	74.1%	\$ 184,141,292	18.7%	\$ 69,716,779	7.1%	\$ 451,931	0.05%	\$ 983,420,172 *	33.333%	\$ 2,950,260,516	1.460%
2014	751,709,726	74.1%	189,834,769	18.7%	71,872,357	7.1%	409,757	0.04%	1,013,826,609	33.333%	3,041,479,827	1.445%
2013	807,915,332	74.1%	204,028,783	18.7%	77,246,279	7.1%	440,395	0.04%	1,089,630,789	33.333%	3,268,892,367	1.366%
2012	858,363,017	74.3%	213,936,364	18.5%	82,109,402	7.1%	481,892	0.04%	1,154,890,675	33.333%	3,464,672,025	1.315%
2011	943,270,551	74.3%	235,554,414	18.6%	90,179,733	7.1%	482,645	0.04%	1,269,487,343	33.333%	3,808,462,029	1.188%
2010	1,133,102,514	75.3%	280,986,046	18.7%	90,212,716	6.0%	451,537	0.03%	1,504,752,813	33.333%	4,514,258,439	0.999%
2009	1,092,606,289	73.3%	302,690,474	20.3%	94,848,085	6.4%	444,259	0.03%	1,490,589,107	33.333%	4,471,767,321	1.007%
2008	996,902,983	69.5%	324,834,003	22.6%	112,343,538	7.8%	351,644	0.02%	1,434,432,168	33.333%	4,303,296,504	1.002%
2007	897,138,514	70.1%	286,293,431	22.4%	95,992,724	7.5%	302,965	0.02%	1,279,727,634	33.333%	3,839,182,902	1.043%
2006	836,027,521	69.8%	267,207,551	22.3%	94,425,664	7.9%	256,103	0.02%	1,197,916,839	33.333%	3,593,750,517	1.113%
2005	796,678,356	67.4%	291,939,447	24.7%	93,680,805	7.9%	203,311	0.02%	1,182,501,919	33.333%	3,547,505,757	1.093%

Notes:

* This is the most recent information available from the Cook County Clerk's office. Certain of the 2015 figures are the Village's estimated allocations based on previous years.

Property in the Village is reassessed every three years.

Refer to the Property Tax Rates - Direct and Overlapping Governments schedule for additional property tax rate information.

Village of Oak Lawn, Illinois

Property Tax Rates - Direct and Overlapping Governments

Last Ten Levy Years

Tax Levy Year (property taxes collected in following year)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tax Rates:*										
Village Corporate	1.0204	0.9501	0.8682	0.8252	0.7095	0.7014	0.5762	0.6125	0.6478	0.6533
Bonds & Interest	0.1022	0.1165	0.1059	0.0876	0.1311	0.0535	0.1379	0.0584	0.0797	0.0810
Police Pension	0.1219	0.1134	0.1070	0.0811	0.0500	0.0859	0.0919	0.1144	0.1187	0.1089
Firefighter Pension	0.1219	0.1134	0.1070	0.0811	0.0281	0.0913	0.1036	0.1127	0.1169	0.1104
IMRF Pension	0.0779	0.0717	0.1266	0.1123	0.0802	0.0747	0.0922	0.1442	0.1496	0.1394
Village of Oak Lawn	1.4443	1.3651	1.3147	1.1873	0.9989	1.0068	1.0018	1.0422	1.1127	1.0930
Oak Lawn Public Library	0.5560	0.5060	0.4650	0.4090	0.3380	0.3360	0.3290	0.3510	0.3640	0.3520
Oak Lawn Park District	0.5800	0.5340	0.4910	0.4260	0.3490	0.3410	0.3530	0.3840	0.4030	0.3970
County:										
General	0.5680	0.5600	0.5310	0.4620	0.4230	0.3940	0.4150	0.4460	0.5000	0.5330
Forest Preserve	0.0690	0.0690	0.0630	0.0580	0.0510	0.0490	0.0510	0.0530	0.0570	0.0600
Suburban Tuberculosis Sanitarium	-	-	-	-	-	-	-	-	0.0050	0.0050
South Cook County Mosquito Abatement	0.0170	0.0160	0.0140	0.0120	0.0100	0.0090	0.0090	0.0060	0.0070	0.0100
Elections	-	0.0310	-	0.0250	-	0.0210	-	0.0120	-	0.0140
Township:										
Road & Bridge	0.0370	0.0350	0.0330	0.0300	0.0250	0.0240	0.0240	0.0260	0.0270	0.0260
General Assistance	0.0200	0.0180	0.0170	0.0150	0.0130	0.0120	0.0120	0.0140	0.0140	0.0140
General	0.0760	0.0730	0.0680	0.0600	0.0500	0.0480	0.0480	0.0520	0.0540	0.0510
Metropolitan Water Reclamation District	0.4300	0.4170	0.3700	0.3200	0.2740	0.2610	0.2520	0.2630	0.2840	0.3150
School District:										
School District # 122	4.6610	4.3190	4.0040	3.5850	2.9510	2.8850	2.8840	3.1050	3.2040	2.8810
School District # 123	5.6890	5.1070	4.7430	4.1220	3.3930	3.3600	3.4630	3.6670	3.7090	3.5500
School District # 125	5.3010	4.8250	4.4760	3.9620	3.2800	3.1750	3.1830	3.2390	3.2620	2.7670
School District # 126	5.0100	4.7690	4.3700	3.8100	3.1290	2.9580	2.7100	2.6350	2.6030	2.3430
School District # 127 1/2	5.2750	4.8170	4.4330	3.8590	3.1320	3.1930	3.3970	3.3500	3.4000	3.2650
Community High School District # 218	4.0490	3.7750	3.4420	3.0370	2.4820	2.3640	2.3430	2.5170	2.5660	2.4740
Community High School District # 229	3.2540	2.9790	2.7640	2.4520	2.0240	1.9860	1.9870	2.0130	1.9800	1.8100
Moraine Valley Community College District # 524	0.4030	0.3750	0.3460	0.3110	0.2560	0.2470	0.2470	0.2620	0.2700	0.2080
Total Tax Rate	37.4393	34.5901	31.9447	28.1423	23.1789	22.6698	22.7088	23.4372	23.8217	22.1680

*Property tax rates are per \$100 of assessed valuation.

NOTE: The Village property tax millage rate for the 2014 levy year was rounded to 1.445% by Cook County for purpose of their reporting. The rate for the 2015 tax year was 1.460%. The detailed breakout of the 2015 tax rate was not available from Cook County at the time of the filing of this annual report.

Data Source

Office of the Cook County Clerk

Village of Oak Lawn, Illinois

Property Tax Rates - Direct and Overlapping Governments by District Boundaries

District 122, 218 & 524			District 122, 229 & 524			District 123, 218 & 524			District 123, 229 & 524		
2014			2014			2014			2014		
Taxing Body	Tax Rates*	Percent									
School Dist. 122	4.661	36.10%	School Dist. 122	4.661	38.47%	School Dist. 123	5.689	40.81%	School Dist. 123	5.689	43.28%
School Dist. 218	4.049	31.36%	School Dist. 229	3.254	26.86%	School Dist. 218	4.049	29.05%	School Dist. 229	3.254	24.76%
School Dist. 524	0.403	3.12%	School Dist. 524	0.403	3.33%	School Dist. 524	0.403	2.89%	School Dist. 524	0.403	3.07%
Village of Oak Lawn	1.445	11.19%	Village of Oak Lawn	1.445	11.93%	Village of Oak Lawn	1.445	10.37%	Village of Oak Lawn	1.445	10.99%
Oak Lawn Park District	0.580	4.49%	Oak Lawn Park District	0.580	4.79%	Oak Lawn Park District	0.580	4.16%	Oak Lawn Park District	0.580	4.41%
Oak Lawn Public Library	0.556	4.31%	Oak Lawn Public Library	0.556	4.59%	Oak Lawn Public Library	0.556	3.99%	Oak Lawn Public Library	0.556	4.23%
Cook County	0.568	4.40%	Cook County	0.568	4.69%	Cook County	0.568	4.07%	Cook County	0.568	4.32%
Worth Township	0.076	0.59%	Worth Township	0.076	0.63%	Worth Township	0.076	0.55%	Worth Township	0.076	0.58%
General Assistance	0.020	0.15%	General Assistance	0.020	0.17%	General Assistance	0.020	0.14%	General Assistance	0.020	0.15%
Road & Bridge	0.037	0.29%	Road & Bridge	0.037	0.31%	Road & Bridge	0.037	0.27%	Road & Bridge	0.037	0.28%
Met. Wat. Rec. Dist.	0.430	3.33%	Met. Wat. Rec. Dist.	0.430	3.55%	Met. Wat. Rec. Dist.	0.430	3.08%	Met. Wat. Rec. Dist.	0.430	3.27%
Forest Preserves	0.069	0.53%	Forest Preserves	0.069	0.57%	Forest Preserves	0.069	0.50%	Forest Preserves	0.069	0.52%
Other (South Cook County Mosquito Abatement)	0.017	0.13%	Other (South Cook County Mosquito Abatement)	0.017	0.14%	Other (South Cook County Mosquito Abatement)	0.017	0.12%	Other (South Cook County Mosquito Abatement)	0.017	0.13%
	<u>12.911</u>	<u>100.0%</u>		<u>12.116</u>	<u>100.0%</u>		<u>13.939</u>	<u>100.0%</u>		<u>13.144</u>	<u>100.0%</u>

*The 2014 tax levy (collectible in 2015) is the most recent information available from the Cook County Clerk's office. Property tax rates are per \$100 of assessed valuation.

Village of Oak Lawn, Illinois

Property Tax Rates - Direct and Overlapping Governments by District Boundaries (continued)

Taxing Body	District 125, 218 & 524		Taxing Body	District 126, 218 & 524		Taxing Body	District 127 1/2, 218 & 524	
	2014 Tax Rates*	Percent		2014 Tax Rates*	Percent		2014 Tax Rates*	Percent
School Dist. 125	5.301	39.12%	School Dist. 126	5.010	37.78%	School Dist. 127 1/2	5.275	39.00%
School Dist. 218	4.049	29.88%	School Dist. 218	4.049	30.54%	School Dist. 218	4.049	29.94%
School Dist. 524	0.403	2.97%	School Dist. 524	0.403	3.04%	School Dist. 524	0.403	2.98%
Village of Oak Lawn	1.445	10.66%	Village of Oak Lawn	1.445	10.90%	Village of Oak Lawn	1.445	10.68%
Oak Lawn Park District	0.580	4.28%	Oak Lawn Park District	0.580	4.37%	Oak Lawn Park District	0.580	4.29%
Oak Lawn Public Library	0.556	4.10%	Oak Lawn Public Library	0.556	4.19%	Oak Lawn Public Library	0.556	4.11%
Cook County	0.568	4.19%	Cook County	0.568	4.28%	Cook County	0.568	4.20%
Worth Township	0.076	0.56%	Worth Township	0.076	0.57%	Worth Township	0.076	0.56%
General Assistance	0.020	0.15%	General Assistance	0.020	0.15%	General Assistance	0.020	0.15%
Road & Bridge	0.037	0.27%	Road & Bridge	0.037	0.28%	Road & Bridge	0.037	0.27%
Met. Wat. Rec. Dist.	0.430	3.17%	Met. Wat. Rec. Dist.	0.430	3.24%	Met. Wat. Rec. Dist.	0.430	3.18%
Forest Preserves	0.069	0.51%	Forest Preserves	0.069	0.52%	Forest Preserves	0.069	0.51%
Other (South Cook County Mosquito Abatement)	0.017	0.13%	Other (South Cook County Mosquito Abatement)	0.017	0.13%	Other (South Cook County Mosquito Abatement)	0.017	0.13%
	<u>13.551</u>	<u>100.0%</u>		<u>13.260</u>	<u>100.0%</u>		<u>13.525</u>	<u>100.0%</u>

*The 2014 tax levy (collectible in 2015) is the most recent information available from the Cook County Clerk's office. Property tax rates are per \$100 of assessed valuation.

Village of Oak Lawn, Illinois

Property Tax Levies and Collections

Last Ten Fiscal Years

Levy Year	Tax Levied	Collected within the Fiscal Year of Levy		Collections In Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 14,349,837	N/A	N/A	N/A	N/A	N/A
2014	14,643,279	13,830,365	94.45%	77,624	13,907,989	94.98%
2013	14,875,735	14,232,479	95.68%	334,153	14,566,632	97.92%
2012	15,183,855	15,111,203	99.52%	(141,298)	14,969,905	98.59%
2011	15,073,329	14,205,881	94.25%	550,602	14,756,483	97.90%
2010	15,031,395	14,242,002	94.75%	329,482	14,571,484	96.94%
2009	15,008,519	13,283,827	88.51%	1,154,770	14,438,597	99.81%
2008	14,369,912	13,769,420	95.82%	159,956	13,929,376	96.93%
2007	13,339,075	12,861,190	96.42%	178,317	13,039,507	97.75%
2006	13,330,067	13,094,129	98.23%	210,647	13,097,088	98.25%

Notes:

2015 Tax Levy to be collected in Fiscal Year 2016.

Property in the Village is reassessed every three years. Property is assessed at 33.333% of actual value.

Source:

Cook County Treasurer's Office. Year-to-year fluctuations due to property tax refunds, appeals and foreclosures.

Village of Oak Lawn, Illinois

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

Taxpayer	Type of Business	2014 Equalized Assessed Valuation*	Percentage of Total Equalized Assessed Valuation
Robin Realty Management	Shopping Center	\$ 13,194,658	1.30 %
Target Prop Tax	Department Store	10,219,869	1.01
Manor Care Health Service	Nursing Homes	9,798,137	0.97
New Albertson's LLC (Jewel Foods)	Food and Drug Stores (3 Jewel Stores)	7,143,561	0.70
KRCV Corporation	Department Store	5,985,279	0.59
Hilton Inn Oak Lawn	Hotel	5,741,798	0.57
Fifth Third Bank	Bank Facilities	5,160,597	0.51
GLR Medical Property One	Commercial Building	4,706,291	0.46
Home Depot	Home Improvement Store	3,612,709	0.36
Wienke Commercial Property	Commercial Property	3,287,903	0.32
		<u>\$ 68,850,802</u>	<u>6.79 %</u>

Taxpayer	Type of Business	2005 Equalized Assessed Valuation	Percentage of Total Equalized Assessed Valuation
Robin Realty Management	Shopping Center	\$ 17,006,027	1.44 %
Manor Care Assessment Management	Nursing Homes	11,794,035	1.00
Fifth Third Bank	Bank Facilities	8,833,012	0.75
KRCV Corporation	Department Store	7,533,594	0.64
Kmart Corporation**	Department Store	7,432,267	0.63
Hilton Inn Oak Lawn	Hotel	6,444,074	0.54
Home Depot	Home Improvement Store	5,685,952	0.48
Ameritech Illinois	Service Center	3,977,083	0.34
Jewel Food Stores	Food and Drug Stores (3 Jewel Stores)	3,853,565	0.33
Albertson Properties	Department Store	3,543,076	0.30
		<u>\$ 76,102,685</u>	<u>6.44 %</u>

* This is the most recent information available.

** Kmart Corporation had two different locations in the Village.

Data Source

Office of the County Clerk	Village's tax year 2014 EAV =	\$ 1,013,826,609
	Village's tax year 2005 EAV =	1,182,501,919

Village of Oak Lawn, Illinois

Sales Taxes Generated by Category* (in 000's)

Last Ten Fiscal Years

	2015				2014				2013				2012			
	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year
General Merchandise	\$ 860.8	\$ 532.6	\$ 1,393.4	2.7%	\$ 835.9	\$ 521.5	\$ 1,357.4	-2.1%	\$ 850.8	\$ 535.1	\$ 1,385.9	2.2%	\$ 890.0	\$ 466.7	\$ 1,356.7	-0.8%
Food	1,776.0	500.0	2,276.0	23.2%	1,452.7	394.7	1,847.4	16.3%	1,234.1	354.3	1,588.4	6.9%	1,185.7	300.8	1,486.5	0.3%
Drinking and Eating Places	1,249.8	933.2	2,183.0	10.9%	1,127.5	841.4	1,968.9	3.3%	1,091.9	813.4	1,905.3	6.7%	1,109.2	675.8	1,785.0	21.8%
Apparel	99.6	74.6	174.2	-20.7%	125.7	93.9	219.6	5.7%	118.7	89.0	207.7	0.8%	127.9	78.2	206.1	17.4%
Furniture, Households and Radio	113.1	84.4	197.5	21.2%	93.3	69.6	162.9	1.2%	92.2	68.7	160.9	24.4%	79.5	49.8	129.3	4.1%
Lumber, Building and Hardware	545.3	407.5	952.8	4.2%	523.7	391.1	914.8	-2.1%	535.8	398.8	934.6	13.6%	508.4	314.4	822.8	7.3%
Automotive Dealers and Filling Stations	5,089.1	487.9	5,577.0	0.4%	5,011.5	545.3	5,556.8	9.0%	4,545.5	554.7	5,100.2	8.8%	4,220.8	466.3	4,687.1	9.0%
Drugs and Other Retail	1,577.8	580.2	2,158.0	-10.4%	1,690.0	718.7	2,408.7	-7.1%	1,852.2	739.8	2,592.0	8.9%	1,758.7	621.3	2,380.0	7.3%
Agriculture and Extractive	470.1	305.4	775.5	39.0%	332.4	225.6	558.0	19.2%	277.3	190.8	468.1	11.3%	269.8	150.7	420.5	11.4%
Manufacturers	92.3	59.3	151.6	239.1%	30.7	14.0	44.7	4.0%	25.9	17.1	43.0	-21.2%	43.9	10.7	54.6	16.4%
	<u>\$ 11,873.9</u>	<u>\$ 3,965.1</u>	<u>\$ 15,839.0</u>	5.3%	<u>\$ 11,223.4</u>	<u>\$ 3,815.8</u>	<u>\$ 15,039.2</u>	4.5%	<u>\$ 10,624.4</u>	<u>\$ 3,761.7</u>	<u>\$ 14,386.1</u>	7.9%	<u>\$ 10,193.9</u>	<u>\$ 3,134.7</u>	<u>\$ 13,328.6</u>	8.2%
*Village Statutory Tax Allocated:																
General Municipal Sales Tax Rate	<u>1.00%</u>															
Village Home Rule Tax Rate	<u>0.75%</u>															

Notes:

Sales tax is imposed on a seller's receipts from sales of tangible personal property for use or consumption. Tangible personal property does not include real estate, stocks, bonds or other "paper" assets. The above-referenced Sales Tax categories are determined by the State of Illinois.

Data Source

Illinois Department of Revenue

2011				2010				2009				2008			
Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year
\$ 964.1	\$ 403.1	\$ 1,367.2	2.2%	\$ 932.6	\$ 405.5	\$ 1,338.1	7.8%	\$ 863.9	\$ 377.5	\$ 1,241.4	4.0%	\$ 829.7	\$ 364.0	\$ 1,193.7	1.8%
1,235.8	245.8	1,481.6	-4.1%	1,308.2	237.0	1,545.2	-4.9%	1,402.0	223.6	1,625.6	0.8%	1,396.3	216.9	1,613.2	-3.0%
978.9	486.6	1,465.5	2.7%	952.4	475.0	1,427.4	1.8%	936.8	465.9	1,402.7	-3.7%	973.4	483.1	1,456.5	1.2%
117.0	58.5	175.5	-14.1%	136.6	67.8	204.4	-2.6%	139.9	69.9	209.8	-15.8%	166.2	83.1	249.3	4.0%
82.9	41.3	124.2	5.8%	78.3	39.1	117.4	-16.0%	93.2	46.6	139.8	-11.7%	105.5	52.8	158.3	-8.5%
511.4	255.6	767.0	-8.9%	561.4	280.2	841.6	38.2%	405.9	202.9	608.8	0.8%	402.5	201.2	603.7	-9.2%
3,916.8	382.7	4,299.5	3.2%	3,808.8	356.4	4,165.2	10.4%	3,463.2	308.1	3,771.3	-12.9%	3,979.8	352.2	4,332.0	-12.6%
1,716.1	502.2	2,218.3	6.3%	1,607.9	479.2	2,087.1	4.7%	1,545.6	448.1	1,993.7	-3.5%	1,589.8	476.9	2,066.7	-2.7%
260.4	116.9	377.3	-4.6%	274.4	120.9	395.3	-9.2%	297.4	137.9	435.3	-23.3%	395.1	172.8	567.9	-1.5%
41.8	5.1	46.9	10.4%	43.0	(0.5)	42.5	-40.7%	62.9	8.8	71.7	-20.1%	77.6	12.1	89.7	-32.1%
<u>\$ 9,825.2</u>	<u>\$ 2,497.8</u>	<u>\$ 12,323.0</u>	1.3%	<u>\$ 9,703.6</u>	<u>\$ 2,460.6</u>	<u>\$ 12,164.2</u>	5.8%	<u>\$ 9,210.8</u>	<u>\$ 2,289.3</u>	<u>\$ 11,500.1</u>	-6.7%	<u>\$ 9,915.9</u>	<u>\$ 2,415.1</u>	<u>\$ 12,331.0</u>	-6.2%
<u>1.00%</u>				<u>1.00%</u>				<u>1.00%</u>				<u>1.00%</u>			
<u>0.50%</u>				<u>0.50%</u>				<u>0.50%</u>				<u>0.50%</u>			

	2007				2006			
	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year	Municipal Sales Taxes	Home Rule Taxes	Total Sales Taxes	% Change from Previous Year
General Merchandise	\$ 809.9	\$ 363.2	\$ 1,173.1	66.2%	\$ 484.3	\$ 221.7	\$ 706.0	-6.4%
Food	1,440.5	223.0	1,663.5	4.8%	1,371.1	216.3	1,587.4	-2.5%
Drinking and Eating Places	962.1	477.0	1,439.1	3.5%	940.9	449.5	1,390.4	9.9%
Apparel	159.8	79.9	239.7	12.0%	142.7	71.3	214.0	-4.2%
Furniture, Households and Radio	115.4	57.7	173.1	-30.7%	166.4	83.4	249.8	59.6%
Lumber, Building and Hardware	443.2	221.4	664.6	-0.2%	444.0	222.0	666.0	-1.4%
Automotive Dealers and Filling Stations	4,616.8	340.8	4,957.6	-0.2%	4,634.6	333.4	4,968.0	3.7%
Drugs and Other Retail	1,626.9	496.2	2,123.1	0.6%	1,612.6	497.3	2,109.9	1.5%
Agriculture and Extractive	401.0	175.5	576.5	-5.2%	420.6	187.5	608.1	12.1%
Manufacturers	102.1	30.1	132.2	23.6%	84.4	22.6	107.0	11.8%
	<u>\$ 10,677.7</u>	<u>\$ 2,464.8</u>	<u>\$ 13,142.5</u>	4.3%	<u>\$ 10,301.6</u>	<u>\$ 2,305.0</u>	<u>\$ 12,606.6</u>	3.2%
<u>*Village Statutory Tax Allocated:</u>								
General Municipal Sales Tax Rate	<u>1.00%</u>				<u>1.00%</u>			
Village Home Rule Tax Rate	<u>0.50%</u>				<u>0.50%</u>			

Village of Oak Lawn, Illinois

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Issuing Body										
DIRECT (Locally Imposed)										
Village of Oak Lawn Municipal Tax	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village of Oak Lawn Home Rule Tax	0.75%	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Total Direct	1.75%	1.75%	1.75%	1.75%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
RTA	1.00%	0.75%	0.75%							
OVERLAPPING (State Imposed)										
State of Illinois	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cook County	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Cook County Home Rule	0.75%	0.75%	0.75%	1.00%	1.00%	1.25%	1.75%	1.75%	0.75%	0.75%
Total Overlapping	6.00%	6.00%	6.00%	6.25%	6.25%	6.50%	7.00%	7.00%	6.00%	6.00%
Total Sales Tax Rate	8.75%	8.75%	8.75%	9.00%	8.75%	9.00%	9.50%	9.50%	8.25%	8.25%

NOTE: Effective 1/1/2016, Cook County Home Rule rate increased from .75% to 1.75%. The Village of Oak Lawn overall sales tax rate became 9.75% as of that date.

Date Source

Illinois Department of Revenue

Village of Oak Lawn, Illinois

Retailers' Occupation, Service Occupation and Use Tax Distributions

Last Ten Fiscal Years

Fiscal Year	State of Illinois Sales & Use Tax Cash Distributions	Annual Change	
		Amount	Percentage
2015	\$ 16,916,987	\$ 1,130,185	7.16%
2014	15,786,802	582,492	3.83%
2013	15,204,310	1,354,898	9.78%
2012	13,849,412	679,516	5.16%
2011	13,169,896	576,259	4.58%
2010	12,593,636	469,862	3.88%
2009	12,123,774	(1,527,758)	-11.19%
2008	13,651,532	(2,664)	-0.02%
2007	13,654,196	412,362	3.11%
2006	13,241,834	459,011	3.59%

Data Source
Village Records

Village of Oak Lawn, Illinois

Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business Type-Activities			Total Outstanding Debt of Primary Government	Total Outstanding Debt as a Percentage of Personal Income	Total Outstanding Debt per Capita*
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Revenue Bonds	Notes Payable			
2015	\$ 53,205,000	\$ 23,312,215	\$ 8,456,070	-	\$ 18,362,415	\$ 103,335,700	5.50%	1,823
2014	57,525,057	28,960,969	8,839,443	-	4,471,185	99,796,654	5.56%	1,760
2013	61,345,592	27,315,741	9,588,434	-	410,769	98,660,536	5.76%	1,740
2012	64,975,438	24,501,208	10,322,955	-	491,642	100,291,243	6.13%	1,766
2011	68,179,629	7,745,460	11,044,414	-	548,993	87,518,496	5.51%	1,543
2010	70,339,985	8,172,563	11,533,040	-	196,641	90,242,229	5.11%	1,404
2009	38,922,347	8,895,930	12,192,653	2,342,445	324,864	62,678,239	3.69%	1,135
2008	35,140,745	700,745	11,159,255	3,400,520	199,255	50,600,520	3.07%	916
2007	38,228,606	-	11,476,394	4,389,677	-	54,094,677	3.41%	979
2006	40,970,000	-	11,550,000	5,314,991	-	57,834,991	3.75%	1,031

Notes:

Details of the Village's outstanding debt may be found in the Notes to the Financial Statements.

*Refer to the Schedule of Demographic and Economic Statistics for personal income and population data.

Data Source

Village Records

U.S. Department of Commerce, Bureau of Census. 2000 and 2010 Census.

Village of Oak Lawn, Illinois

Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita

Last Ten Levy Years

Tax Levy Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Population	56,690	56,690	56,690	56,690	56,690	56,690	55,245	55,245	55,245	56,075
Assessed Value (previous tax levy year)*	\$ 1,013,826,609	\$ 1,089,630,789	\$ 1,154,890,675	\$ 1,269,487,343	\$ 1,504,752,813	\$ 1,490,589,107	\$ 1,434,432,168	\$ 1,279,727,634	\$ 1,197,916,839	\$ 1,182,501,920
Gross General Obligation Bonded Debt (Tax Supported Debt Only)**	66,670,286	71,358,786	74,087,748	78,880,061	87,518,496	90,242,229	62,678,239	50,600,520	54,094,677	57,834,991
Less: Debt Service Funds	13,743	- ***	- ***	- ***	- ***	1,008,254	1,616,170	143,724	122,768	113,160
Net General Obligation Bonded Debt	66,656,543	71,358,786	74,087,748	78,880,061	87,518,496	89,233,975	61,062,069	50,456,796	53,971,909	40,856,840
Ratio of Net General Obligation Bonded Debt to Assessed Value	6.575%	6.549%	6.415%	6.214%	5.816%	5.986%	4.257%	3.943%	4.505%	3.455%
Net General Obligation Bonded Debt Per Capita	\$ 1,175.81	\$ 1,258.75	\$ 1,306.89	\$ 1,391.43	\$ 1,543.81	\$ 1,574.07	\$ 1,105.30	\$ 913.33	\$ 976.96	\$ 728.61

Data Source

(1) U.S. Department of Commerce, Bureau of Census

(2) Office of the County Clerk

(3) Village Records

* NOTE: The Village's 2015 EAV (for property taxes to be collected in 2016) was \$983,420,172.

** The Gross general obligation debt does not include the IEPA notes payable nor the 2012 promissory note as these will be repaid with water and sewer charges

*** The debt service fund had a deficit fund balance during these years.

Village of Oak Lawn, Illinois

Direct and Overlapping Governmental Activities Debt

As of December 31, 2015

Overlapping Agencies	Outstanding Bonds	Applicable to Village	
		Percent (3)	Amount
Cook County	\$3,386,301,750	0.790%	\$ 26,765,793
Cook County Forest Preserve	112,720,000	0.790%	890,954
Metropolitan Water Reclamation District	2,393,400,742 (1)	0.806%	19,290,050
Bridgeview Park District	0 (2)	0.000%	0
Oak Lawn Park District	1,949,890	100.000%	1,949,890
Worth Park District	100,000	4.400%	4,400
School District #122	39,267,381	60.558%	23,779,602
School District #123	24,273,604	93.228%	22,629,901
School District #125	4,814,492	23.796%	1,145,656
School District #126	4,170,000	24.356%	1,015,654
School District #127 1/2	4,430,000	16.693%	739,487
Community High School District #218	27,211,229 (2)	38.577%	10,497,384
Community High School District #229	2,810,000	77.698%	2,183,322
Community College District #524	64,795,000	11.353%	7,356,485
Subtotal, overlapping debt	\$6,066,244,088		\$ 118,248,578
Village of Oak Lawn direct debt	76,517,215 *	100.000%	\$76,517,215
Total direct and overlapping debt	<u>\$6,142,761,303</u>		<u>\$ 194,765,793</u>

* Excludes alternate bonded debt of the Village of Oak Lawn Special Service Area #2001-1 which applies to only a small portion of the Village.

(1) Excludes IEPA State Revolving Loan Fund Bonds

(2) Excludes outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

(3) Determined by the ratio of assessed valuation of property subject to taxation in the Village of Oak Lawn to the valuation of property subject to taxation in the overlapping unit. Based on 2014 real property valuations.

Sources: (1) Offices of the Cook County Clerk, Cook County Department of Revenue and
(2) Treasurer of the Metropolitan Water Reclamation District

Village of Oak Lawn, Illinois

Schedule of Legal Debt Margin

December 31, 2015

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or where is thereafter approved by referendum... shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities, and therefore, the Village is not required to present a computation of legal debt margin in its financial statements.

Village of Oak Lawn, Illinois

Demographic and Economic Statistics

Last Ten Fiscal Years

The following table shows the ten year trend in population, personal income and per capita income for the Village, as well as average annual unemployment rates for the Village and the State of Illinois.

Fiscal Year	Population (1)	Estimated Total Personal Income of Population	Per Capita Personal Income (1)	Unemployment Rate (2)		
				U.S.	State of Illinois	Village of Oak Lawn
2015	56,690	\$ 1,877,791,752	\$ 33,124	5.0%	6.3%	6.6%
2014	56,690	1,794,097,121	31,648	5.6%	6.2%	8.5%
2013	56,690	1,714,132,825	30,237	6.7%	8.9%	9.5%
2012	56,690	1,632,507,452	30,742	8.1%	8.6%	9.3%
2011	56,690	1,587,320,000	29,839	10.1%	9.7%	9.1%
2010	56,690	1,558,464,790	28,744	9.5%	9.1%	9.2%
2009	55,245	1,698,341,790	27,526	10.5%	10.1%	10.5%
2008	55,245	1,648,472,129	26,744	6.5%	6.5%	6.5%
2007	55,245	1,587,962,280	26,426	4.7%	5.0%	4.7%
2006	56,075	1,543,511,426	25,857	4.4%	5.5%	4.4%

Notes:

Population data source is the U.S. Census Bureau's estimate of 2010 population. Post 2010 personal income data is extrapolated to 2014 using annual changes in the U.S. Bureau of Labor Statistics' Consumer Price Index.

Data Source

- (1) U.S. Department of Commerce, Bureau of Census
- (2) Illinois Department of Employment Security, Illinois Department of Labor, Illinois Department of Commerce and Economic Opportunity and the Northeastern Illinois Planning Commission

Village of Oak Lawn, Illinois

Principal Employers

Current Fiscal Year and Nine Years Ago

Employer	Product/Service	Rank	2015		2006		Source
			Approximate Employment	% of Village Population	Approximate Employment	% of Village Population	
Advocate Christ Medical Center	Teaching Hospital and Trauma Center	1	5,500	9.7%	5,500	9.8%	2014 Services Directory
Community High School District #218	Public High School District	2	780	1.4%	625	1.1%	CHSD #218 Human Resources
Jewel Food Stores (3 Locations)	Retail Food Stores	3	520	0.9%	680	1.2%	Jewel Foods Corporate Office
Community School District #123	Public Elementary School District	4	450	0.8%	375	0.7%	CSD #123 Human Resources
Village of Oak Lawn	Village Government	5	307	0.5%	392	0.7%	Village Payroll and Personnel Records
Community School District #122	Public Elementary School District	6	295	0.5%	250	0.4%	CSD #122 Human Resources
Wynright Corp (previously Automotion, Inc.)	Manufacturer of Engineered Conveyor Systems	7	250	0.4%	250	0.4%	2014 Manufacturer's Directory
Target Store	Retail Department Store	8	240	0.4%	-	0.0%	Target Corporation Corporate Office
Community High School District #229	Public High School District	9	198	0.3%	205	0.4%	CHSD #229 Human Resources
Kmart Store	Retail Department Store	10	148	0.3%	-	0.0%	Phone Survey to Store Manager
Hawk Ford of Oak Lawn	Auto and Truck Dealership and Parts	-	-	-	165	0.3%	2014 Services Directory
			<u>8,688</u>	<u>15.3%</u>	<u>8,442</u>	<u>15.1%</u>	

Data Source

(1) U.S. Department of Commerce, Bureau of Census

(2) Village Records

Village of Oak Lawn, Illinois

Full-Time Employees

Last Ten Fiscal Years

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Executive	8	8	8	8	8	8	8	8	8	8
Administration	19	20	40	45	44	46	47	47	44	51
Finance	8	8	8	8	9	10	11	11	11	15
Total General Government	35	36	56	61	61	64	66	66	63	74
Public Safety										
Police										
Sworn	109	108	106	109	106	103	102	108	101	104
Non-Sworn	16	15	18	21	22	21	21	22	20	21
Fire										
Sworn	75	74	76	78	79	81	86	88	93	96
Non-Sworn	1	1	2	2	1	1	1	1	1	2
Total Public Safety	201	198	202	210	208	206	210	219	215	223
Village Services										
Public Works	71	74	82	84	83	81	83	85	88	95
Total Village Services	71	74	82	84	83	81	83	85	88	95
Total Village	307	308	340	355	352	351	359	370	366	392

Date Source

Village Payroll and Personnel Records

Village of Oak Lawn, Illinois

Operating Indicators

Last Ten Fiscal Years

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Area in Square Miles	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Highways and Streets										
Miles of Paved Streets										
Village Streets	161.5	161.5	161.5	161.5	161.5	161.5	161.5	161.5	161.5	161.5
State and County Streets	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4
Miles of Unpaved Streets										
Alleys	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.4
Sidewalks	271.6	271.6	271.6	271.6	271.6	271.6	271.6	271.6	271.6	271.6
Building Permits										
Number	2,569	2,628	2,414	2,522	1,814	1,799	1,360	1,689	1,797	2,028
Value	\$ 88,481.6	\$ 86,174.5	\$ 179,531.7	\$ 28,987.2	\$ 179,192.4	\$ 23,359.8	\$ 12,653.3	\$ 24,662.4	\$ 44,141.1	\$ 48,783.0
Public Safety										
Fire										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Number of Employees	76	78	78	80	80	82	87	89	94	98
Number of Fire Calls	2,574	2,751	2,726	2,715	2,632	2,895	2,852	2,702	2,363	2,363
Number of Ambulance Calls	5,588	5,437	5,179	5,185	5,296	4,841	4,988	4,892	5,129	4,951
Police										
Number of Employees	125	124	124	130	128	124	123	130	121	125
Number of Holding Cells	17	17	17	17	17	17	17	17	17	17
Number of Police Calls	58,230	53,365	53,365	56,868	47,159	42,805	39,115	39,385	40,144	40,380
Recreation										
Acres in Parkland	308.3	308.3	308.3	308.3	308.3	308.3	308.3	308.3	308.3	308.3
Number of Facilities	33	33	33	33	33	33	33	33	33	33
Number of Playgrounds	20	20	20	20	20	20	20	20	20	20
Golf Courses	1	1	1	1	1	1	1	1	1	1
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Ice Rinks	1	1	1	1	1	1	1	1	1	1

Village of Oak Lawn, Illinois

Operating Indicators (Cont.)

Last Ten Fiscal Years

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Education										
Number of Schools										
Elementary	19	19	19	19	19	19	19	19	19	19
Secondary	2	2	2	2	2	2	2	2	2	2
Number of Administrative Personnel										
Elementary	38	38	38	38	38	38	38	38	38	38
Secondary	20	20	20	20	20	20	20	20	20	20
Number of Teachers										
Elementary	457	457	457	457	457	457	457	457	457	457
Secondary	222	222	222	222	222	222	222	222	222	222
Number of Students										
Elementary	N/A									
Secondary	N/A									
Public Services										
Water										
Number of Employees	25	24	24	24	23	23	23	22	22	22
Number of Connections	113,671	113,671	113,671	113,671	113,671	113,682	113,067	113,034	112,341	110,257
Total Gallons Pumped (in millions)	11,212.6	11,212.6	11,212.6	11,741.5	11,239.9	11,465.6	11,715.8	11,999.1	13,033.7	12,326.8
Number of Plants	2	2	2	2	2	2	2	2	2	2
Number of Tanks	2	2	2	2	2	2	2	2	2	2
Miles of Mains	258.4	258.4	258.4	258.4	258.4	258.4	258.4	258.4	242.9	242.9
Sanitary Sewer										
Number of Employees	13	15	15	15	15	14	15	15	15	17
Number of Retail Customers	16,772	16,772	16,772	16,772	16,772	16,772	16,444	16,444	16,444	16,444
Miles of Sanitary Sewers	122.9	122.9	122.9	122.9	122.9	122.9	122.9	122.9	122.9	122.9
Number of Lift Stations	6	6	6	6	6	6	6	6	6	5
Number of Wet Wells	6	6	6	6	6	6	6	6	6	5
Storm Sewer										
Miles of Storm Sewers	120.5	120.5	120.5	120.5	120.5	120.5	120.5	120.5	120.5	120.5
Number of Storm Basins	4,607	4,607	4,607	4,607	4,607	4,607	4,607	4,607	4,607	4,607

Date Source
Village Records