

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

POLICE PENSION FUND

ANNUAL FINANCIAL REPORT

For the Years Ended
April 30, 2016 and 2015



VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Police Pension Fund
Village of Olympia Fields, Illinois

We have audited the basic financial statements of the Police Pension Fund (the Fund), a pension trust fund of the Village of Olympia Fields, Illinois (the Village) as of April 30, 2016 and 2015, and for the years then ended and the notes to financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management of the Police Pension Fund is responsible for the preparation and fair presentation of these basic 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 an opinion on these basic financial statements based on our audits. We conducted our audits 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 basic financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net position of the Police Pension Fund of the Village of Olympia Fields, Illinois, as of April 30, 2016 and 2015, and the changes in plan net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, these basic financial statements present only the Fund and are not intended to present fairly the financial position and changes in financial position of the Village, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

The Fund has not presented a Management's Discussion and Analysis as required supplementary information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Matters

Required Supplementary Information

In addition, accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
October 25, 2016

BASIC FINANCIAL STATEMENTS

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

**STATEMENT OF PLAN NET POSITION
POLICE PENSION FUND**

April 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 73,749	\$ 77,923
Investments		
U.S. Treasury securities	1,400,144	1,148,409
U.S. agency securities	1,212,752	1,423,503
Municipal bonds	167,856	193,326
Corporate bonds	1,821,272	1,693,269
Mutual funds	3,503,881	3,573,693
Accrued interest	29,349	28,426
Prepaid expenses	6,145	5,918
	<hr/>	
Total assets	8,215,148	8,144,467
LIABILITIES		
Accounts payable	3,334	7,805
	<hr/>	
Total liabilities	3,334	7,805
	<hr/>	
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 8,211,814</u>	<u>\$ 8,136,662</u>

See accompanying notes to financial statements.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

STATEMENT OF CHANGES IN PLAN NET POSITION
POLICE PENSION FUND

For the Years Ended April 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Contributions		
Employer	\$ 759,609	\$ 906,694
Employee	161,874	149,734
	<u>921,483</u>	<u>1,056,428</u>
Investment income		
Net appreciation (depreciation) in fair value of investments	(159,996)	298,865
Interest earned	223,211	223,678
Less investment expense	(16,469)	(17,769)
	<u>46,746</u>	<u>504,774</u>
Total additions	<u>968,229</u>	<u>1,561,202</u>
DEDUCTIONS		
Benefits and refunds	853,704	791,517
Administration	39,373	31,113
	<u>893,077</u>	<u>822,630</u>
NET INCREASE	75,152	738,572
NET POSITION RESTRICTED FOR PENSIONS		
May 1	<u>8,136,662</u>	<u>7,398,090</u>
April 30	<u>\$ 8,211,814</u>	<u>\$ 8,136,662</u>

See accompanying notes to financial statements.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

POLICE PENSION FUND

NOTES TO FINANCIAL STATEMENTS

April 30, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Police Pension Fund (the Fund) of the Village of Olympia Fields, Illinois have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

a. Reporting Entity

The Fund is a Fiduciary Fund of the Village of Olympia Fields, Illinois (the Village).

b. Fund Accounting

The Fund uses funds to report on its fiduciary net position and the changes in its fiduciary net position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified in this report into the fiduciary category.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the government. When pension plan assets are held under the terms of a formal trust agreement, a pension trust fund is used.

c. Basis of Accounting

The Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities and deferred inflows associated with the operation of this fund are included on the statement of fiduciary net position. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in net position restricted for pension benefits.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time the liabilities are incurred.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Investments

Investments are stated at fair value at April 30, 2016. Securities traded on national exchanges are at the last reported sale price.

e. Use of Estimates

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

2. PLAN DESCRIPTION

a. Plan Administration

Police sworn personnel are covered by the Fund, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village's President, one member is elected by pension beneficiaries and two members are elected by active police employees.

b. Plan Membership

At April 30, 2016, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	15
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>20</u>
TOTAL	<u><u>35</u></u>

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

2. PLAN DESCRIPTION (Continued)

c. Benefits Provided

The following is a summary of benefits of the Fund as provided for in Illinois Compiled Statutes (ILCS):

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. 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 to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

2. PLAN DESCRIPTION (Continued)

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2016, the Village's contribution was 45.95% of covered payroll.

3. INVESTMENTS

The deposits and investments of the Fund are held separately from those of the Village.

a. Investment Policy

The Fund's investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, corporate bonds, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and Illinois Funds. Illinois Funds was created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value. There were no changes to the investment policy during the fiscal year.

It is the policy of the Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity and rate of return.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

a. Investment Policy (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	3%	(0.26%)
Fixed Income	52%	
Corporate Bonds		2.69%
Intermediate U.S. Treasuries		2.03%
High Yield		4.14%
Equities	45%	
U.S. Large Cap Equity		5.34%
U.S. Mid Cap Equity		6.08%
U.S. Small Cap Equity		6.55%
U.S. Convertible Bonds		6.55%
International Developed Markets Equity		5.84%
Emerging Markets Equity		9.51%
Real Estate		5.91%
Commodities		2.96%

ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund. The target allocation of the equity portion of the portfolio is 75% U.S. equities, 15% international equities and 10% real estate.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in November 2014, in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation 2.26%) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

b. Concentrations

Concentration of credit risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. Investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of Fund's investments as of April 30, 2016 are as follows:

	Investment Amount	% of Assets
Vanguard Total Stock Market Fund	\$ 2,925,169	36.0%
Schwab International Index Fund	578,712	7.1%

c. Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

d. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 105% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank of Chicago.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

e. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,400,144	\$ 119,519	\$ 621,864	\$ 282,849	\$ 375,912
FHLMC	861,007	137,878	-	71,044	652,085
FNMA	192,163	-	22,671	-	169,492
FHLB	106,432	-	106,432	-	-
GNMA	53,150	-	-	-	53,150
Municipal bonds	167,856	-	67,317	17,213	83,326
Corporate bonds	1,821,272	115,510	839,177	648,837	217,748
TOTAL	\$ 4,602,024	\$ 372,907	\$ 1,657,461	\$ 1,019,943	\$ 1,551,713

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,148,409	\$ -	\$ 445,491	\$ 352,816	\$ 350,102
FHLMC	995,830	-	144,098	20,835	830,897
FNMA	235,693	-	36,369	2,826	196,498
FHLB	121,261	10,906	110,355	-	-
GNMA	70,719	-	-	-	70,719
Municipal bonds	193,326	-	67,537	17,571	108,218
Corporate bonds	1,693,269	95,737	968,363	309,800	319,369
TOTAL	\$ 4,458,507	\$ 106,643	\$ 1,772,213	\$ 703,848	\$ 1,875,803

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to remain sufficiently liquid to meet all cash flow demands while providing a reasonable rate of return based on the current market cycle.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

3. INVESTMENTS (Continued)

f. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. The U.S. agency obligations and money market mutual funds are rated AAA, corporate bonds are rated from AA1 to Baa3 and municipal bonds are rated AAA, AA1 or unrated.

g. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party and evidenced by safekeeping receipts.

4. PENSION LIABILITY OF THE VILLAGE

a. Net Pension Liability

The components of the net pension liability of the employer as of April 30, 2016 are as follows:

Total pension liability	\$ 24,563,425
Plan fiduciary net position	8,211,814
Village's net pension liability	16,351,611
Plan fiduciary net position as a percentage of the total pension liability	33.43%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PENSION LIABILITY OF THE VILLAGE (Continued)

b. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2016
Actuarial cost method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary increases	3.75% to 14.48%
Discount rate	5.76%
Cost of living adjustments	3.00%
Asset valuation method	Market

The RP-2014 Mortality Table with Blue Collar Adjustment for Males and Females, projected to 2016, was used for active employees and pensioners. The RP-2014 Disabled Mortality Table, projected to 2016, was used for disabled police officers.

c. Discount Rate

The discount rate used to measure the total pension liability was 5.76%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected not 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 of 6.50% was blended with the index rate of 3.32% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2016 to arrive at a discount rate of 5.76% used to determine the total pension liability.

VILLAGE OF OLYMPIA FIELDS, ILLINOIS
POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PENSION LIABILITY OF THE VILLAGE (Continued)

d. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 5.76% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.76%) or 1 percentage point higher (6.76%) than the current rate:

	1% Decrease (4.76%)	Current Discount Rate (5.76%)	1% Increase (6.76%)
Net pension liability	\$ 20,371,424	\$ 16,351,611	\$ 13,117,715

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

April 30, 2016

	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 491,167	\$ 512,002
Interest	1,219,841	1,099,670
Changes of benefit terms	-	-
Differences between expected and actual experience	117,335	885,300
Changes of assumptions	907,583	3,401,808
Benefit payments, including refunds of member contributions	(791,517)	(853,704)
	1,944,409	5,045,076
Net change in total pension liability	1,944,409	5,045,076
Total pension liability - beginning	17,573,940	19,518,349
TOTAL PENSION LIABILITY - ENDING	\$ 19,518,349	\$ 24,563,425
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 906,694	\$ 759,609
Contributions - member	149,734	161,874
Net investment income	504,774	46,746
Benefit payments, including refunds of member contributions	(791,517)	(853,704)
Administrative expense	(31,113)	(39,373)
	738,572	75,152
Net change in plan fiduciary net position	738,572	75,152
Plan fiduciary net position - beginning	7,398,090	8,136,662
PLAN FIDUCIARY NET POSITION - ENDING	\$ 8,136,662	\$ 8,211,814
EMPLOYER'S NET PENSION LIABILITY	\$ 11,381,687	\$ 16,351,611
Plan fiduciary net position		
as a percentage of the total pension liability	41.7%	33.4%
Covered-employee payroll	\$ 1,657,537	\$ 1,653,078
Employer's net pension liability		
as a percentage of covered-employee payroll	686.7%	989.2%

(See independent auditor's report.)

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2016

	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 896,232	\$ 881,696
Contributions in relation to the actuarially determined contribution	<u>906,694</u>	<u>759,609</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ (10,462)</u>	<u>\$ 122,087</u>
Covered-employee payroll	\$ 1,657,537	\$ 1,653,078
Contributions as a percentage of covered-employee payroll	54.7%	46.0%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of May 1 of the prior fiscal year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed; 90%
Remaining amortization period	25 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	3.75% to 14.48%
Investment rate of return	6.50%
Mortality	RP-2014 Mortality Table

(See independent auditor's report.)

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

April 30, 2016

	<u>2015</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	6.86%	0.59%

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

VILLAGE OF OLYMPIA FIELDS, ILLINOIS

SCHEDULE OF CASH AND INVESTMENTS
POLICE PENSION FUND

April 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH AND CASH EQUIVALENTS		
Petty cash	\$ 100	\$ 100
Harris Bank	50,937	61,067
Money market Schwab	22,712	16,756
	<hr/>	<hr/>
Total cash and cash equivalents	73,749	77,923
INVESTMENTS		
U.S. Treasury securities	1,400,144	1,148,409
U.S. agency securities		
FHLMC	861,007	995,830
FNMA	192,163	235,693
FHLB	106,432	121,261
GNMA	53,150	70,719
Municipal bonds	167,856	193,326
Corporate bonds	1,821,272	1,693,269
Mutual funds		
Vanguard Total Stock Market Fund	2,925,169	2,931,775
Schwab Intl Index	578,712	641,918
	<hr/>	<hr/>
Total investments	8,105,905	8,032,200
	<hr/>	<hr/>
TOTAL CASH AND INVESTMENTS	\$ 8,179,654	\$ 8,110,123

(See independent auditor's report.)