

City of Oakbrook Terrace, Illinois



**Comprehensive Annual Financial Report
For the Year ended April 30, 2017**

City of Oakbrook Terrace, Illinois
April 30, 2017

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Introductory Section

List of City Officials

ELECTED OFFICIALS

Mayor
Alderman
Alderman
Alderman
Alderman
Alderman
Alderman
City Clerk

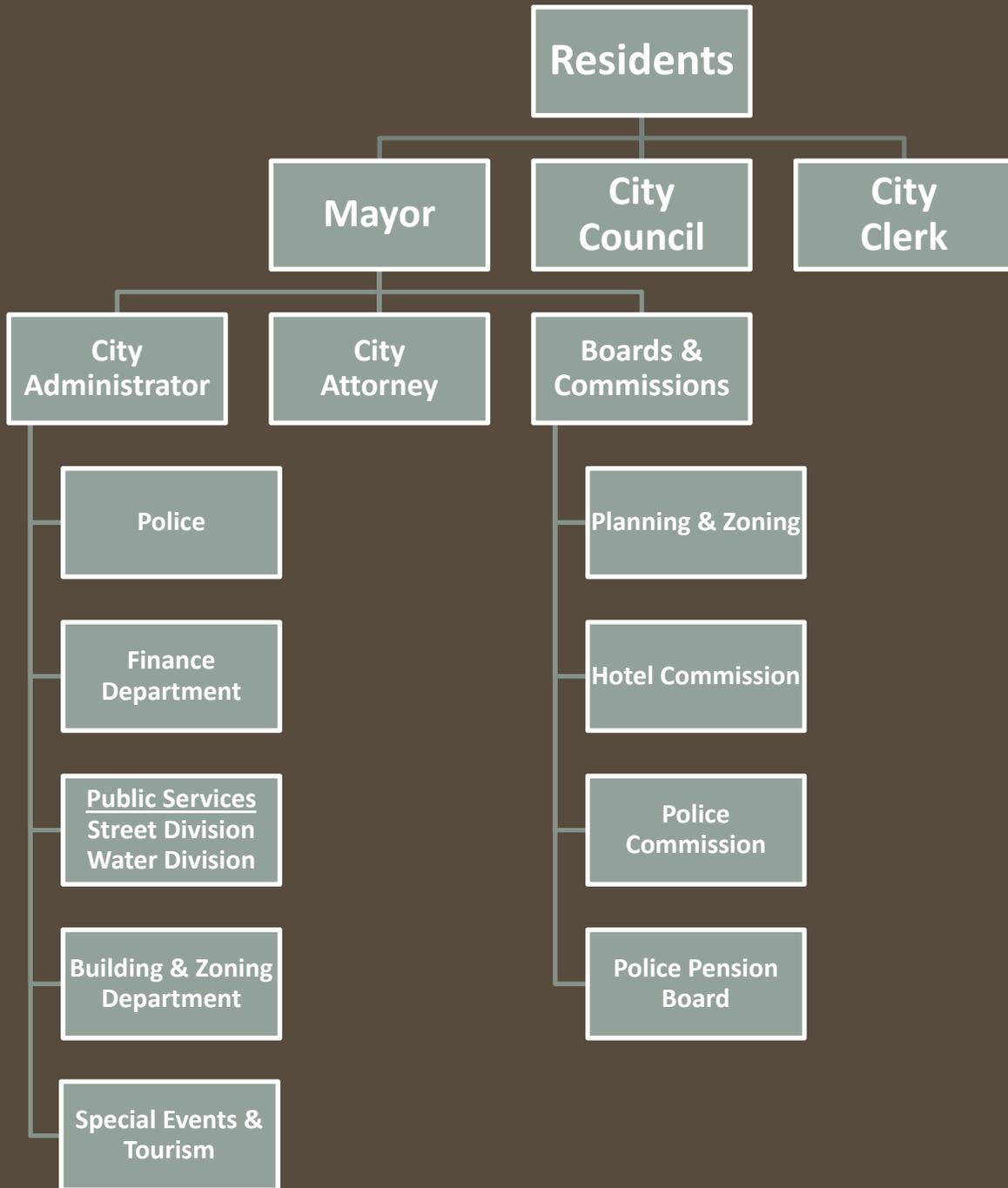
Tony Ragucci
Paul Esposito
Dennis Greco
Robert Przychodni
David Swartz
Tom Thomas
Frank Vlach
Michael Shadley

APPOINTED OFFICIALS

City Attorney
City Administrator
Police Chief
Building and Zoning Administrator
Public Services Director

Storino, Ramello, & Durkin
Amy Marrero
Casey Calvello
Mihaela Dragan
Craig Ward

**City of Oakbrook Terrace
Organization Chart
Fiscal Year Ended April 30, 2017**



Mayor
TONY RAGUCCI

City Clerk
MICHAEL SHADLEY

City Administrator
AMY MARRERO



CITY OF OAKBROOK TERRACE

17W275 BUTTERFIELD ROAD
OAKBROOK TERRACE, IL 60181
630-941-8300 FAX 630-617-0036

Alderman
Ward 1
TOM THOMAS
PAUL ESPOSITO

Alderman
Ward 2
FRANK VLACH
DENNIS GRECO

Alderman
Ward 3
ROBERT PRZYCHODNI
DAVID SWARTZ

October 26, 2017

The Honorable Mayor Ragucci
Members of the City Council
City of Oakbrook Terrace, Illinois

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oakbrook Terrace, Illinois, for the fiscal year ending April 30, 2017. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our 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 and component units of the City of Oakbrook Terrace. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

In developing and evaluating the City's financial position, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable financial records in accordance with generally accepted accounting principles (GAAP). As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

BKD, LLP, a firm of licensed certified public accountants, has audited the City of Oakbrook Terrace's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Oakbrook Terrace for the fiscal year ended April 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Oakbrook Terrace's financial statements for the fiscal year ended April 30, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF OAKBROOK TERRACE

The City of Oakbrook Terrace (the "City") is a home rule unit of local government as defined by the Illinois Constitution and Illinois Statutes. It was incorporated in 1958 as the City of Utopia, but its name was subsequently changed to the City of Oakbrook Terrace. The government operates under the city form as defined by Illinois Statutes, with an elected Mayor and six (6) Aldermen, who collectively form the City Council. A professional City Administrator is employed, along with other staff positions that have been created by local ordinance. The City is located approximately 18 miles directly west of the City of Chicago in DuPage County.

The City currently has a land area of 1.8 square miles and an estimated overnight population of 2,134, but has an estimated daytime population of 30,000 to 50,000. The City is home to numerous restaurants, retailers, six (6) hotels, entertainment venues, and over 4,000,000 square feet of office development.

The City Council sets policy for the City by adopting ordinances, resolutions, and the annual budget. The Mayor and City Clerk are elected for four-year terms. Aldermen are elected to staggered four-year terms from three (3) aldermanic districts. The Mayor is the Chief Executive Officer of the City and ensures that the laws and ordinances are faithfully executed. The Mayor has supervision over all executive officers and employees of the City. The Mayor appoints by and with the advice and consent of the City Council, the City Administrator, the City Treasurer, the City Attorney, the Chief of Police, Department Heads, and the Commission members. The City Administrator is responsible for the proper administration of the affairs of the City as assigned by the Mayor. The City has thirty-eight (38) full-time employees, which includes nineteen (19) sworn police officers.

The City provides a limited range of services including police protection, construction and maintenance of streets and infrastructure; potable water utility service; community development and general administrative services. Fire Protection, Emergency Medical Services, and Parks and Recreation are provided by other local governments.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City government are required to submit their budget requests to the City Administrator by the last week in November of each year. The City Administrator, in his role as the appointed Budget Officer, uses these requests as a starting point for developing the budget that will be presented to the City Council pursuant to the provisions of the Illinois Budget Officer Act (65 ILCS 5/8-2-9.1) and the City's home rule powers. After the proposed budget is presented to the City Council, they are required to hold at least one (1) public hearing concerning the proposed budget, and to adopt a final budget prior to May 1st, the beginning of the new fiscal year. The budget is prepared by fund and appropriations are made at the department line item level. The budget also includes information on the past year actual expenditures, current year estimates, and requested figures for the next fiscal year. Subsequent to budget approval, and during the course of the fiscal year, the budget may be amended by a two-thirds majority of the City Council. In addition, the Budget Officer may make line item transfers under \$10,000 within a department and/or between departments within the same fund. Budget transfers that are greater than \$10,000 require the approval of the City Council. The City's legal level of budgetary control is that expenditures may not legally exceed the budget at the department level for the General Fund. All other funds, with the exception of the Water Fund, may not legally exceed the budget at the fund level. The Water Fund may not legally exceed the budget by line item.

MAJOR INITIATIVES

(Present and Future)

In December of 2013, the City Council approved an extensive list of goals and objectives which have either been completed in this fiscal year or will continue into future fiscal years. Presented below are a listing, and a progress report, of the major initiatives specified by the Council.

➤ Oversee the completion of New Police Station and City Hall Renovation.

The new Police Station was completed in October 2015 and the total cost of the project was \$9.8 million. The City Hall renovation was completed in October 2016 and cost approximately \$791,956. The entire project was financed with reserves and current revenues without issuing any debt, saving significant interest fees.

➤ Develop vacant property and encourage businesses to remain in Oakbrook Terrace.

The City welcomed several new restaurants this past year including: Dunkin Donuts on Butterfield, En Fuego Mexican Grille, Pony Up Pub and Eatery, and Way Back Burgers. Some new businesses opened in the City including: Party City, Leap Frog Toys Corporate Headquarters, Road Runner Transport Corporate Office, Luna Flooring Gallery, Magic Nail Salon, Mathnasium, and Metro PCS. In addition, several major office complexes are remodeling their interiors including: a \$3.1 million lobby and interior renovation at Mid-America Plaza, a major renovation at UBS Financial Services in the Oakbrook Terrace Tower, and the relocation of ACH Foods corporate headquarters to Oakbrook Terrace and the expansion of their current location at Park View Plaza by 6,000 square feet. In the coming year the Butterfield Point retail center

should open in the fall with the popular Stan's Donuts. Also, Office Depot will be opening in the Business District at the Oakbrook Terrace Square Shopping Center.

➤ Encourage the current Off-Track Betting (OTB) facility to remain within the City.

This past year, Hawthorne Race Track performed a major facelift to the OTB and added two (2) new restaurants to the location. In FY 2017, the City abated \$75,000 in Off-Track betting host fees through an economic incentive agreement with Hawthorne to assist with the remodeling project costs. The City looks forward to being a long term partner to the OTB.

➤ Maintain viability of the City's Water System and continue to add residential and commercial customers.

The addition of several major new water customers over the last couple of years improved the Water Fund's bottom line. For FY 2017, Water Sales were up \$11,000 or 1.2% from FY 2017 and the Water Fund realized a net gain of \$32,886. Also, in FY 2017, the City paid-off several outstanding Water Fund debt issues including the restructured 2003 Series with a principal balance of \$165,000 and the 2004 Series with a principal balance of \$60,000. In FY 2017 eight (8) residential properties connected to the City's Water system.

FINANCIAL POLICIES SIGNIFICANT IMPACT ON FINANCIAL STATEMENTS

Budget Reserves

The City's Budget Reserves policy requires that the City will maintain a General Fund reserve equal to at least 40% of estimated yearly revenues. Fiscal Year 2017 resulted in an unassigned fund balance of \$6,379,449, which represents 85% of General Fund budgeted revenues of \$7,522,847. Accordingly, the City continues to surpass the budget reserve criteria. Furthermore, the unassigned fund balance in the General Fund increased by \$559,499 or 10% from the FY 2016 amount. The City continues to rebuild the cash reserves in the Capital Improvement Fund. With the new Police Department and remodeled City Hall projects completed, the Capital Improvement's fund balance went from \$516,753 in FY 2016 to \$1,730,100 in FY 2017.

Reinstatement of Major Capital Programming – Capital Improvement Plan & Regular Replacement of Capital Assets

Since FY 2013 the City has spent \$12.3 million on capital improvements. The City has financed these improvements with current reserves and without issuing debt, saving the City considerable interest costs. For FY 2017, the City spent \$626,262 on the final phase of the City Hall renovation.

Debt Administration

The City aspires to maintain good communication with bond rating agencies about its financial condition. The City's most recent bond issue in November of 2012 received an AA bond rating from Standard and Poor's. The City has no plans to issue new bonds.

Review of Fees

The City's policy is to periodically re-evaluate all user charges at a level related to the cost of providing the service and to establish new fees when necessary. The City increased the rental property inspection fee from \$150 to \$250. The City currently has 50 residential rental units. The adjusted fee better reflects the costs associated with the Code Enforcement Officer inspecting the rental unit for safety and wellness purposes and includes any re-inspection costs as well.

FACTORS AFFECTING FINANCIAL CONDITION

Net Position

Last year the City's implemented GASB 67 and 68 which requires the City to record pension liabilities for the Illinois Municipal Retirement Fund (IMRF) and Police Pension Plan on the Statement of Net Position. Even with this new requirement of recording a net pension liability in the Government funds of \$13.3 million and \$239,402 in the Water Fund, the City still ended with a positive net position of \$16,209,226 for Governmental Activities and \$4,801,150 for Business-Type Activities.

Local Economy

FY 2017 represented another year of record growth for the City with FY 2017 General Fund revenues exceeding FY 2016 revenues by \$200,343 or 2.7%. Sales tax revenue increased by 31.9% or \$563,080 over FY 2016, while Home Rule Sales taxes increased by \$553,776 or 33.4%. The FY 2017 Sales taxes at \$2.3 million and Home Rule Sales taxes at \$2.2 million reflect the highest amount ever received by the City for both sources.

Video gaming revenues increased by \$55,695 over FY 2016, with two (2) new establishments now offering this service. The City's Amusement Tax increased by \$16,243 or 6.6%. Zoning fees increased by \$42,159 over FY 2016 due to an increase in the number of public hearing cases.

The City's equalized assessed valuation increased from \$243,499,906 for the 2015 tax levy to \$256,150,685 for the 2016 tax levy representing an increase of \$12.7 million or 5.2%. Oakbrook Terrace is primarily a commercial and office center community with an 18% residential tax base and 82% commercial. According to the 2011-2015 Census Bureau's American Community survey, the per capita median household income was \$68,167.

Long-term Financial Planning

The City has a detailed Capital Improvement Program (CIP). The CIP covers the period of one (1) to five (5) years in detail. As part of the budget preparation process, the CIP is reviewed, modified, and approved annually.

Debt Administration

At year-end, the City had one (1) general obligation refunding building, one (1) general obligation (refunding), and one (1) Special Service Area debt issues outstanding. The City also has four (4) Business District outstanding general obligation debt issues, which includes two (2) non-taxable and two (2) taxable issuances. The City's total debt outstanding as of April 30, 2017 is \$12,510,000.

OTHER INFORMATION

Awards

The Government Finance Officers Association (GFOA) awards Certificates of Achievements for Excellence in Financial Reporting to governments who publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), which satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. We believe our current report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate. If awarded to the City's CAFR for the Fiscal Year ending April 30, 2017, it will be the fourteenth Certificate of Achievement for the City of Oakbrook Terrace.

Acknowledgements

I would like to thank Mayor Ragucci and the City Council for their direction and support in guiding the administration in the planning and conducting the operations of the City in a responsible and progressive manner.

Furthermore, the work of the independent auditors from BKD, LLP is greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'A. Marrero', written in a cursive style.

Amy L. Marrero
City Administrator



Government Finance Officers Association

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

Presented to

**City of Oakbrook Terrace
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2016

Executive Director/CEO

Financial Section

Independent Auditor's Report

Independent Auditor's Report

The Honorable Mayor Ragucci
Members of the City Council
City of Oakbrook Terrace, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information for the City of Oakbrook Terrace, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplementary information, and the statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents has 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 it.

BKD, LLP

Oakbrook Terrace, Illinois
October 26, 2017

Management's Discussion and Analysis

CITY OF OAKBROOK TERRACE

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2017

The City of Oakbrook Terrace's (the City) Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's basic financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

- The City's net position was \$21,010,376 at the end of the 2017 fiscal year reflecting an increase of \$1,928,036 or 10.1% from \$19,082,340 last year. The Governmental Activities (tax supported) resulted in a year-end increase in net position of \$1,895,150, while the Business-Type Activities (user fees based) experienced a gain of \$32,886. The net increase in net position in Governmental Activities is directly attributable to higher Sales and Home Rule Sales taxes, while the increase in Business-Type Activities is due to lower costs.
- Unrestricted net position was a negative amount of \$12,309,042 at the end of the 2017 fiscal year compared to a negative \$14,047,122 last year. Unrestricted net position now includes the net pension liability of \$13,594,186.
- The City's net position for Governmental Activities was \$16,209,266 and \$4,801,150 for Business-Type Activities. Also, the City's total assets and deferred outflows of \$49,575,433 exceeded total liabilities and deferred inflows of \$28,565,057 by \$21,010,376 demonstrating the City's ability to meet its current and future obligations.
- Total liabilities for all funds decreased by \$581,934 or 2.1%. Governmental liabilities decreased by \$368,745, while Business-Type liabilities decreased by \$213,189 from last year. The total liabilities decreased due to lower bond payments for both Governmental and Business-Type Activities.
- Total combined revenues increased by \$286,551 or 2.5% to \$11,847,001 from last year's total of \$11,560,450. Fiscal year revenues from Governmental Activities equaled \$10,605,137 and \$1,241,864 for Business-Type Activities. The total cost for City programs was \$9,918,965 compared to \$9,921,335 last year reflecting a decrease of \$2,370.
- The ending fund balance for the General Fund equaled \$6,661,041, an increase of \$508,717 from the beginning balance of \$6,152,324. Of the total General Fund's fund balance, \$6,379,449 is unassigned and can be used to meet the City's ongoing obligations to residents and creditors.
- The City has \$36,971,440 in capital assets with \$30,891,322 in Governmental Activities and \$6,080,118 in Business-Type Activities.

- The City has outstanding debt of \$12,510,000, which decreased by \$775,000 from the prior year. The City has no intentions are issuing any new bonds in the coming years.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statements focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the City's accountability.

Government-Wide Statements

The government-wide financial statements (see pages 16-19) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 18-19) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy reflected in general revenue of the City.

The governmental activities reflect the City's basic services, including general government, public safety, public services, and culture and recreation. The business-type activities reflect private sector type operations (Water System), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: *governmental funds, proprietary funds, and fiduciary funds.*

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 City maintains six (6) 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 balance for the General Fund, and the Capital Improvements Fund which are considered major funds, while the Motor Fuel Tax Fund, Debt Service SSA II Fund, 2010 Debt Service Bond Fund, and the 2012 Debt Service Bond Fund are considered nonmajor funds.

The City adopts an annual budget for all of the major governmental funds. A budgetary comparison statement for the General Fund has been provided on page 24 to demonstrate compliance with this budget. Budgetary information for the other funds can be found elsewhere in the report.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary Funds

The City maintains only one type of proprietary fund, an enterprise fund which is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Water Utility.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. This fund accounts for all the operations of the municipal water system. Water is purchased from the DuPage Water Commission and then sold to municipal customers and distributed through the City's water main system. The City sells water to municipal customers at rates that are intended to provide sufficient resources for current operations as well as necessary investments in the capital infrastructure supporting the water system. The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of fiduciary funds are not available to support the City of Oakbrook Terrace's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements for the Police Pension Fund can be found on pages 28 and 29 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 30-72 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Oakbrook Terrace Illinois Municipal Retirement Fund, police employee pension and postemployment healthcare benefits obligations. Required supplementary information can be found on pages 73 to 78 of this report. Combining and individual fund statements and schedules can be found beginning on page 79 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure assets – *i.e.*, roads, bridges etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their

estimated useful life, or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system, (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Net position serves as a useful indicator of a government's financial position. The City's net position is comprised of net investment in capital assets, restricted position and unrestricted position. The City uses the Governmental Activities net investment in capital assets totaling \$27,596,485 to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

Governmental Activities restricted net position comprised \$977,815, consisting of Motor Fuel Tax, Debt Service, and DUI Equipment and can only be used for these designated purposes. The City has an unrestricted net deficit of \$12,365,074 due to the net pension liability which is recorded in accordance with GASB 68. The unrestricted net deficit actually declined by \$1.6 million from last year's because the City financed the City Hall renovation with cash on hand, rather than borrowing the money. Also, the unrestricted net deficit decreased because some of the bond series matured in fiscal year 2017.

Table 1 reflects the condensed Statement of Net Position compared to fiscal year 2016. Table 2 focuses on the Changes in Net Position compared to fiscal year 2016.

	Governmental Activities		Business-Type Activities		Total City	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 10,915,790	9,090,533	367,079	309,864	11,282,869	9,400,397
Capital Assets	30,891,322	30,820,662	6,080,118	6,321,606	36,971,440	37,142,268
Total Assets	41,807,112	39,911,195	6,447,197	6,631,470	48,254,309	46,542,665
Deferred Outflows of Resources						
Unamortized Loss on Refunding	318,379	345,669	-	-	318,379	345,669
Pensions	930,740	1,149,154	72,005	68,776	1,002,745	1,217,930
Total Deferred Outflows	1,249,119	1,494,823	72,005	68,776	1,321,124	1,563,599
Liabilities						
Current Liabilities	1,392,652	1,251,500	288,206	341,182	1,680,858	1,592,682
Long-term Liabilities	24,305,557	24,815,454	1,421,008	1,581,221	25,726,565	26,396,675
Total Liabilities	25,698,209	26,066,954	1,709,214	1,922,403	27,407,423	27,989,357
Deferred Inflows of Resources						
Deferred Revenue - Property Taxes	990,346	978,221	-	-	990,346	978,221
Pensions	158,450	46,767	8,838	9,579	167,288	56,346
Total Deferred Inflows	1,148,796	1,024,988	8,838	9,579	1,157,634	1,034,567
Net Position						
Net Investment in Capital Assets	27,596,485	27,299,268	4,745,118	4,761,606	32,341,603	32,060,874
Restricted	977,815	1,068,588	-	-	977,815	1,068,588
Unrestricted	(12,365,074)	(14,053,780)	56,032	6,658	(12,309,042)	(14,047,122)
Total Net Position	16,209,226	14,314,076	4,801,150	4,768,264	21,010,376	19,082,340

The net position of the City's Governmental Activities was \$16,209,226; while the Business-Type Activities was \$4,801,150. The restricted net position in the Governmental Activities decreased \$90,773 due to a reduction in ending balances for Motor Fuel Tax and DUI funds. The combined net investment in capital assets increased by \$280,729 over last year due to the completion of the City Hall renovation. For more detailed information, see the Statement of Net Position (pages 16 and 17).

The net pension liability is the unfunded pension liability that is calculated by an actuary and is the City's total pension liability for the Police and IMRF plans, less the amount currently on hand to fund the liability. Deferred inflows and outflows are also recorded because some of the changes to the total pension liability are recognized over time rather than in the current year. Deferred inflows are increases to net position that will be recognized in future years. Deferred outflows will decrease net pension in future years.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in net investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets, and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

Capital assets decreased by \$170,828, while current and other assets increased by \$1,882,472 because cash reserves were higher in 2017. Long-term liabilities decreased by \$670,110 because several bond series matured and were paid off in fiscal year 2017. Current liabilities increased \$88,176 because accounts payable was higher than last year.

Total revenues increased by \$286,551 due to higher Sales and Home Rule Sales tax collections for fiscal year 2017. Expenses decreased by \$2,370 from last year due to the completion of the new Police Station last year.

Changes in net position for the year are shown in the following table.

Table 2
Changes in Net Position
Years Ended April 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total City	
	2017	2016	2017	2016	2017	2016
Revenue						
Program Revenues						
Charges for Service	\$ 1,146,038	1,257,324	955,191	1,189,857	2,101,229	2,447,181
Capital Grants and Contributions	54,089	54,585	-	-	54,089	54,585
Operating Grants and Contributions	5,246	3,092	-	-	5,246	3,092
General Revenue						
Property	978,529	975,181	-	-	978,529	975,181
Other Taxes	8,157,798	7,273,270	285,671	274,371	8,443,469	7,547,641
Other Revenues	263,437	532,418	1,002	352	264,439	532,770
Total Revenue	10,605,137	10,095,870	1,241,864	1,464,580	11,847,001	11,560,450
Expenses						
Governmental						
General Government	2,044,231	1,961,867	-	-	2,044,231	1,961,867
Culture and Recreation	169,897	168,873	-	-	169,897	168,873
Public Safety	5,152,760	4,996,796	-	-	5,152,760	4,996,796
Public Services	969,327	1,026,711	-	-	969,327	1,026,711
Interest	373,772	390,574	-	-	373,772	390,574
Business-Type Activities						
Water	-	-	1,208,978	1,376,514	1,208,978	1,376,514
Total Expenses	8,709,987	8,544,821	1,208,978	1,376,514	9,918,965	9,921,335
Change in Net Position	1,895,150	1,551,048	32,886	88,066	1,928,036	1,639,115
Net Position, May 1	14,314,076	12,763,027	4,768,264	4,680,198	19,082,340	17,443,225
Net Position, April 30	16,209,226	14,314,075	4,801,150	4,768,264	21,010,376	19,082,339

There are eight basic impacts on revenues and expenditures as reflected below.

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.

Increase/Decrease in City approved rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, impact fees, building fees, etc.).

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.

Market Impacts on Investment Income – the City’s investment portfolio is managed using a similar average maturity to most governments and the market condition may cause investment income to fluctuate more than alternative shorter-term options.

EXPENDITURES/EXPENSES:

Introduction of New Programs – within the functional expenditure categories (Public Safety, Public Services, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Personnel costs (salary and related benefits) represent 70% of the City’s operating costs.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

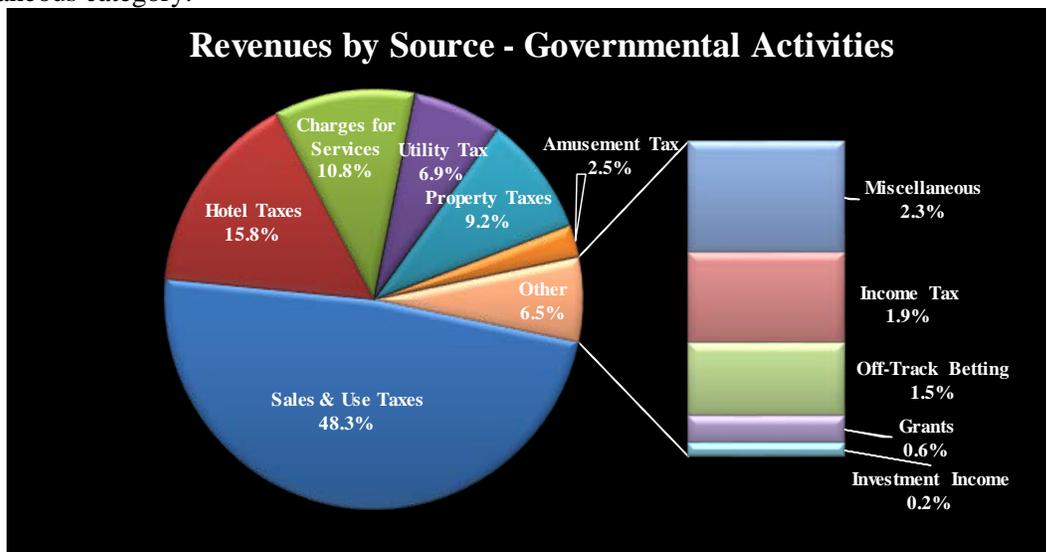
Current Year Impacts

Total City revenues equaled \$11,847,001, while expenses were \$9,918,965, resulting in an increase of \$1,928,036 in net position. The increase in net position is partially due to General Fund revenues coming in 3.1% or \$233,243 higher than budgeted, while expenses were lower than originally budgeted by \$275,474 or 3.7%.

Governmental Activities

Revenue:

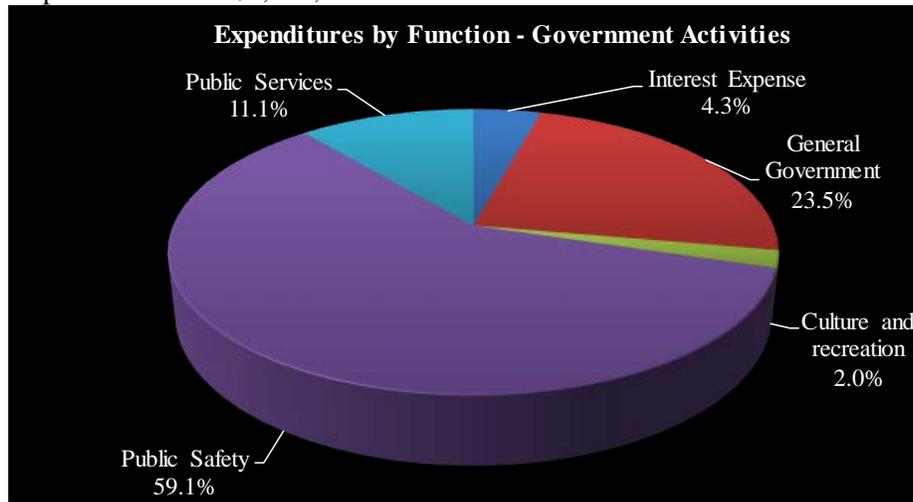
Revenues for Governmental Activities equaled \$10,605,137 in 2017 representing an increase of \$509,266 or 5.0% from 2016. This increase is mainly attributable to higher taxes for Sales, Use, Property, Amusement, and Miscellaneous Income. The graph below depicts the major revenue sources for the City. The Sales and Use category was the City’s number one (1) revenue source at 48.3% with \$5,123,266 in taxes collected compared to \$3,942,630 last year. Hotel taxes represented 15.8% of total revenues and Charges for services comprised 10.8%. Video Gaming revenue and licensing fees increased by \$55,695 or 29.2% from \$190,523 in fiscal year 2016 to \$246,218 in fiscal year 2017 and are included in the miscellaneous category.



Expenses:

For the fiscal year ended April 30, 2017, expenses from Governmental Activities totaled \$8,709,987, representing an increase of \$165,166 from fiscal year 2016. The increase in expenses was primarily due to a higher contribution to the Police Pension for fiscal year 2017 and higher legal costs.

Public Safety comprised 59.1% of total expenses at \$5,152,760 and increased by \$155,964 from last year because of a higher police pension contribution. Culture and recreation at \$169,897 represents 2.0% of the total expenses, while Public Services at \$969,327 represents 11.1% of the total expenses. General government comprised 23.5% at \$2,044,231.

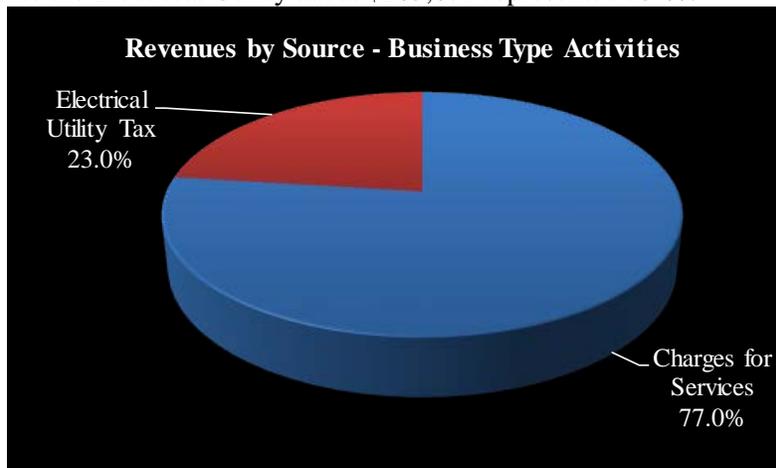


Business-Type Activities

Revenue:

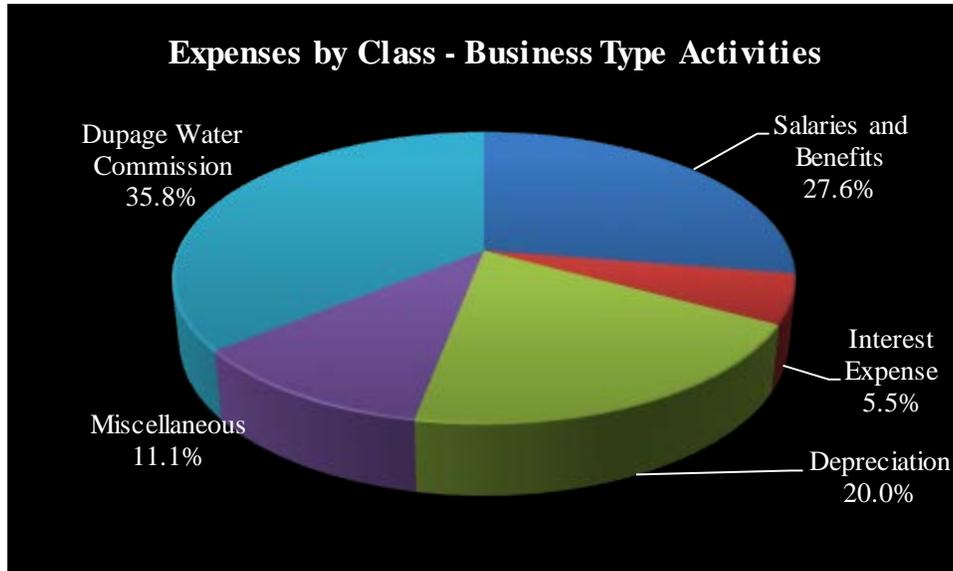
Revenues supporting the City’s Business-Type Activities equaled \$1,241,864 in 2017. The following graph depicts the revenue sources for Business-Type Activities. Total revenues for the Water Fund decreased by \$222,716 or 15.2% due to lower connection fees received in fiscal year 2017. The last water rate increase was on January 1, 2015. The City purchases water from the DuPage Water Commission at a rate of \$4.80 per \$1,000 gallons. Oakbrook Terrace residents pay \$9.97 for every 1,000 gallons, with a bi-monthly minimum of 6,000 gallons. The difference between the amount paid to the DuPage Water Commission and the customer rate covers the Water Fund’s operational costs, outstanding debt service, and future capital improvements.

In terms of revenues by source, Charges for Services at \$955,191 comprised 77.0% of total revenues for fiscal year 2017, while the Electrical Utility tax at \$285,671 represented 23.0%.



Expenses:

Expenses for Business-Type Activities equaled \$1,208,978, reflecting a decline of \$167,536 or 12.2% from last year’s total of \$1,376,514. The major expenses for the Business-Type Activities included salaries and wages and other personnel benefits totaling \$333,080 or 27.6%. Interest expense for the General Obligation Bonds consisted of \$65,920 or 5.5%. Interest expense decreased by \$23,150 from last year because the remaining portion of the 2003 and 2004 bonds matured in fiscal year 2017. Water purchased from the DuPage Water Commission (DWC) represented expenses of \$433,301 or 35.8%. The DuPage Water Commission expense decreased by \$14,093 or 3% because in fiscal year 2016 the City paid-off the DWC fixed costs and local facility charges, which reduced the monthly bill by \$1,800. Depreciation of the Water System capital assets equaled \$241,488 or 20.0% of total expenses.



FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The General Fund is the City’s primary operating fund. The fund balance for the General Fund balance increased by \$508,717 from \$6,152,324 in fiscal year 2016 to \$6,661,041 in fiscal year 2017. This increase results from fiscal year 2017 revenues being \$200,343 more than last year, while fiscal year 2017 General Fund expenditures increased by \$219,242 or 3.19% over fiscal year 2016 due to a higher police pension contribution and increased legal costs.

The Capital Improvements Fund (CIF) is another major governmental fund. The fund balance of the CIF Fund at April 30, 2017, was \$1,730,100, an increase of \$1.2 million from fiscal year 2016. This increase is attributable to lower capital costs in fiscal year 2017 after several years of major building projects. Capital Improvement Fund revenues increased by \$542,590 due to the increase in Home Rule Sales taxes. Capital outlays were \$4.2 million lower than last year due to the costs for the new Police Station, which was completed and paid for last fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$9,328,408, which is an increase of \$1.7 million or 22.1% from the beginning of the year at \$7,637,971. This increase directly results from higher Sales and Home Rule Sales taxes.

Of the total fund balance, \$6,379,449 is unassigned, indicating availability for continuing City services. This unassigned fund balance represents 84.8% of fiscal year 2017 budgeted revenues for the General Fund. The City's policy is to maintain a General Fund reserve which is equal to at least 40% of estimated yearly revenues. Accordingly, the City is once again well above the requirement.

The remainder of the fund balance is split between the following three (3) classifications. The non-spendable portion of fund balance represents \$241,044; essentially meaning this amount cannot be spent because it is comprised of inventories and prepaid items. The restricted portion of fund balance at \$977,815 means this amount can only be spent for specific purposes as prescribed by City and State laws. In the City's case, the restricted fund balance is earmarked for roadway maintenance, SSA II and Business District debt service payments, and DUI equipment. The restricted amount is the same in the government wide Statement of Net Position. The committed fund balance portion at \$1,730,100 can only be spent on capital, stormwater, and an advance to the Water Fund from the Capital Improvements Fund as determined by the City Council. The City's Five (5) Year Capital Improvement Plan is approved annually and determines how the committed fund balance can be spent on capital projects.

The table on the next page provides information on the fund balance classifications in the governmental funds.

**Table 3
Governmental Funds
Fund Balance Analysis
As of April 30, 2017**

	Current Year	Prior Year	Change	% Change
Fund Balances				
Nonspendable				
Prepaid Items	\$ 201,243	196,598	4,645	2%
Inventories	39,801	33,719	6,082	18%
Restricted				
Maintenance of Roadways	405,047	455,568	(50,521)	-11%
Debt Service	532,220	513,326	18,894	4%
DUI Equipment	40,548	99,694	(59,146)	-59%
Committed to				
Capital Improvements	1,730,100	516,753	1,213,347	235%
Stormwater Best Management Practice Fee	-	2,363	(2,363)	-100%
Unassigned	6,379,449	5,819,950	559,499	10%
Total Fund Balances	<u>9,328,408</u>	<u>7,637,971</u>	<u>1,690,437</u>	<u>22%</u>

General Fund Budgetary Highlights

For fiscal year 2017, General Fund actual revenues totaled \$7,756,090 and were 3.1% over the budget because Sales taxes came in 25.6% or \$475,499 higher than the budgeted amount. Actual expenditures for 2017 came in at \$7,247,373 which is \$275,474 lower than budgeted. Salaries and benefits came in \$247,547 lower than the budget due to the elimination of the deputy police chief position. Below is a table that reflects the original and revised budget and the actual for the revenues and expenditures for the General Fund. There were no variances between the General Fund's original and amended budget.

Table 4
General Fund Budgetary Highlights
Year Ended April 30, 2017

General Fund	Original & Final Budget	Actual
Revenues and Other Financing Sources		
Taxes	\$ 4,065,224	3,950,175
Intergovernmental	2,128,597	2,589,958
Other	1,329,026	1,215,957
Total Revenue	<u>7,522,847</u>	<u>7,756,090</u>
Expenditures	<u>7,522,847</u>	<u>7,247,373</u>
Change in Fund Balance	<u>-</u>	<u>508,717</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Oakbrook Terrace's investment in capital assets for its governmental and business-type activities as of April 30, 2017, was \$36,971,440 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, roads, bridges and utility infrastructure. This amount represents a net decrease of \$170,828. Governmental Activities capital assets increased by \$70,660 while Business-Type Activities capital assets decreased by \$241,488. Major capital asset activities during fiscal year 2017 are detailed below.

City Hall remodel	\$ 626,262
Replace gator	18,003
Spring Road Culvert project	29,040
14th Street Paving project	48,570
Vehicles	61,970
	<u>783,845</u>

The reconciliation below summarizes the changes in Capital Assets which are presented in detail on pages 42 and 43 in the Notes.

Table 5
Capital Assets at Year End Net of Depreciation
As of April 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total City	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,224,585	4,224,585	235,000	235,000	4,459,585	4,459,585
Construction in Progress	791,956	165,694	-	-	791,956	165,694
Right of Way Land	3,895,628	3,895,628	-	-	3,895,628	3,895,628
Land Improvements	1,136,453	1,209,614	-	-	1,136,453	1,209,614
Buildings & Improvements	14,302,145	14,618,672	-	-	14,302,145	14,618,672
Vehicles	349,136	374,516	15,007	22,979	364,143	397,495
Machinery & Equipment	313,753	357,021	1,395	2,326	315,148	359,347
Streets, Storm Drainage and Bridges	5,877,666	5,974,932	-	-	5,877,666	5,974,932
Water Distribution System	-	-	582,871	606,130	5,828,716	6,061,301
Total	30,891,322	30,820,662	6,080,118	6,321,606	36,971,440	37,142,268

Debt Administration

On April 30, 2017, the City had four (4) outstanding General Obligation Debt issues and one (1) Special Service Area Debt issue.

Table 6
Outstanding Debt
As of April 30, 2017

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 10,835,000	1,335,000	12,170,000
Special Service Area Bonds	340,000	-	340,000
	11,175,000	1,335,000	12,510,000

The first General Obligation Bond was issued in 2010 to refund the 2003 bonds and to improve the cash flow of the Water Fund and has an outstanding balance of \$1,335,000. The second bond issue is the General Obligation Debt Series 2010A and 2010B, with an outstanding balance of \$3,760,000. The third bond issue is the General Obligation Debt Series 2012A and 2012B, with an outstanding balance of \$3,565,000. Both the 2010 and 2012 Business District bonds were issued to provide an economic stimulus for the redevelopment of the Oakbrook Terrace Square Shopping Center. Proceeds from the bonds were remitted to the developer for land costs and site improvements, so that the grocery store would provide an anchor for the Shopping Center. The newest and final bond issue is the General Obligation Series 2013 with an outstanding balance of \$3,510,000. These bonds refinanced a portion of the 2008 bonds for the Public Services building to a lower interest rate saving the City approximately \$254,000. The Special Service Area Bonds for \$600,000 are being used to provide a connection to the City's potable water supply for several businesses which were served by private wells. This bond has a remaining balance of \$340,000.

The City, under its home-rule authority, does not have a legal debt limit. In fiscal year 2017, the City retired \$775,000 in general obligation and special service area debt.

For more detailed information, see pages 44 to 49.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

New businesses continue to select Oakbrook Terrace to locate their business. Office Depot will break ground this fall with a new retail store in the Oakbrook Terrace Square Shopping Center, which is home to the City's Business District. Higher police pension costs challenge the City in the present and in the future. The City's police pension contribution has increased by \$546,721 going from \$448,464 in fiscal year 2008 to \$995,185 for fiscal year 2017 and \$1,039,771 projected for fiscal year 2018.

Illinois lawmakers passed a budget for the first time in two (2) years. Prior to this the State of Illinois was without a budget. The new State budget included cutbacks to local government revenues. Income tax distributions will be reduced by 10%, which translates into a \$20,000 loss for the City. Also, a new 4% administrative fee will be applied towards all locally imposed taxes including the City's Home Rule Sales tax and the Business District tax, amounting to a \$40,000 loss in the Capital Improvement Fund and a \$1,500 loss in the Business District Debt Service funds.

One of the City's hotels, La Quinta, experienced a fire back in August 2016 and closed for remodeling. This hotel property is currently on the market and will most likely remain a hotel property. As the property is being redeveloped the City will lose approximately \$61,000 in hotel taxes for fiscal year 2018. The City's traffic enforcement cameras at the corner of Route 83 and 22nd Street were activated in August of 2017. For fiscal year 2018, the City anticipates estimated revenues of \$1.8 million and expenditures of \$878,731 for this new division.

It has been almost 10 years since the 2008 recession hit and there are steady indicators that the downturn is over. One of the leading indicators is the national unemployment rate which was 4.4% for August 2017, representing one of the lowest rates experienced over the last 10 years. The Illinois unemployment rate for August 2017 was 5%. Another significant indicator would be the City's Sales taxes, which at \$2.3 million for FY 2017 is the highest amount collected on record.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information in this report, or requests for additional financial information, should be addressed to the City Administrator, 17W275 Butterfield Road, Oakbrook Terrace, IL 60181.

Basic Financial Statements

City of Oakbrook Terrace, Illinois
Statement of Net Position
April 30, 2017

Assets	Governmental Activities	Business-Type Activities	Total
Current Assets			
Deposits	\$ 4,835,962	\$ 201,839	\$ 5,037,801
Investments	2,278,648	-	2,278,648
Receivables			
Local taxes	1,471,281	-	1,471,281
Intergovernmental	1,986,651	33,448	2,020,099
Accounts	-	134,232	134,232
Other	53,367	-	53,367
Internal balances	48,837	(48,837)	-
Inventories	39,801	-	39,801
Prepaid Items	201,243	46,397	247,640
Total current assets	<u>10,915,790</u>	<u>367,079</u>	<u>11,282,869</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation			
Land	4,224,585	235,000	4,459,585
Construction in progress	791,956	-	791,956
Right of way land	3,895,628	-	3,895,628
Land improvements	1,136,453	-	1,136,453
Buildings and improvements	14,302,145	-	14,302,145
Vehicles	349,136	15,007	364,143
Machinery and equipment	313,753	1,395	315,148
Infrastructure			
Storm drainage	869,966	-	869,966
Bridges	1,308,570	-	1,308,570
Streets	3,699,130	-	3,699,130
Water distribution system and improvements	-	5,828,716	5,828,716
Total capital assets, net of accumulated depreciation	<u>30,891,322</u>	<u>6,080,118</u>	<u>36,971,440</u>
Total assets	<u>41,807,112</u>	<u>6,447,197</u>	<u>48,254,309</u>
Deferred Outflows of Resources			
Unamortized loss on refunding	318,379		318,379
Pensions	930,740	72,005	1,002,745
Total deferred outflows of resources	<u>1,249,119</u>	<u>72,005</u>	<u>1,321,124</u>

City of Oakbrook Terrace, Illinois
Statement of Net Position
April 30, 2017

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 298,334	\$ 42,349	\$ 340,683
Accrued payroll	120,746	9,126	129,872
Refundable deposits	-	33,949	33,949
Unearned revenue - other	177,956	-	177,956
Accrued interest	127,538	24,968	152,506
Compensated absences payable - current portion	98,078	7,814	105,892
Special Service Area Bonds - current portion	30,000	-	30,000
General Obligation Bonds payable - current portion	540,000	170,000	710,000
	<u>1,392,652</u>	<u>288,206</u>	<u>1,680,858</u>
Noncurrent Liabilities			
Compensated absences payable	208,415	16,606	225,021
Other postemployment benefits	49,754	-	49,754
Net pension liability	13,354,784	239,402	13,594,186
Special service area bonds	310,000	-	310,000
General obligation bonds payable	10,382,604	1,165,000	11,547,604
Total noncurrent liabilities	<u>24,305,557</u>	<u>1,421,008</u>	<u>25,726,565</u>
Total liabilities	<u>25,698,209</u>	<u>1,709,214</u>	<u>27,407,423</u>
Deferred Inflows of Resources			
Deferred revenue - property taxes	990,346	-	990,346
Pensions	158,450	8,838	167,288
Total deferred inflows of resources	<u>1,148,796</u>	<u>8,838</u>	<u>1,157,634</u>
Net Position			
Net investment in capital assets	27,596,485	4,745,118	32,341,603
Restricted			
Maintenance of roadways	405,047	-	405,047
Debt service	532,220	-	532,220
DUI equipment	40,548	-	40,548
Unrestricted	<u>(12,365,074)</u>	<u>56,032</u>	<u>(12,309,042)</u>
Total net position	<u>\$ 16,209,226</u>	<u>\$ 4,801,150</u>	<u>\$ 21,010,376</u>

City of Oakbrook Terrace, Illinois
Statement of Activities
Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,044,231	\$ 953,508	\$ -	\$ -
Culture and recreation	169,897	-	-	-
Public safety	5,152,760	188,621	5,246	-
Public services	969,327	3,909	-	54,089
Interest expense	373,772	-	-	-
Total governmental activities	<u>8,709,987</u>	<u>1,146,038</u>	<u>5,246</u>	<u>54,089</u>
Business-Type Activities				
Water fund	<u>1,208,978</u>	<u>955,191</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,918,965</u>	<u>\$ 2,101,229</u>	<u>\$ 5,246</u>	<u>\$ 54,089</u>

General Revenues

- Taxes
 - Property
 - Hotel/motel
 - Utility
 - Off-track betting
 - Amusement
- Intergovernmental (unrestricted)
 - Sales and use
 - Income
 - Road and bridge
 - State replacement
- Miscellaneous
- Investment income

Total general revenues

Change in Net Position

Net Position, May 1

Net Position, April 30

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (1,090,723)	\$ -	\$ (1,090,723)
(169,897)	-	(169,897)
(4,958,893)	-	(4,958,893)
(911,329)	-	(911,329)
(373,772)	-	(373,772)
<u>(7,504,614)</u>	<u>-</u>	<u>(7,504,614)</u>
<u>-</u>	<u>(253,787)</u>	<u>(253,787)</u>
<u>(7,504,614)</u>	<u>(253,787)</u>	<u>(7,758,401)</u>
978,529	-	978,529
1,671,769	-	1,671,769
735,704	285,671	1,021,375
158,744	-	158,744
261,380	-	261,380
5,123,266	-	5,123,266
201,210	-	201,210
2,175	-	2,175
3,550	-	3,550
236,162	-	236,162
27,275	1,002	28,277
<u>9,399,764</u>	<u>286,673</u>	<u>9,686,437</u>
<u>1,895,150</u>	<u>32,886</u>	<u>1,928,036</u>
14,314,076	4,768,264	19,082,340
<u>\$ 16,209,226</u>	<u>\$ 4,801,150</u>	<u>\$ 21,010,376</u>

City of Oakbrook Terrace, Illinois
Balance Sheet – Governmental Funds
April 30, 2017

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Assets				
Deposits	\$ 3,616,980	\$ 440,175	\$ 778,807	\$ 4,835,962
Investments	1,928,576	350,072		2,278,648
Receivables				
Local taxes	1,309,202	-	162,079	1,471,281
Intergovernmental	1,043,707	938,272	4,672	1,986,651
Other taxes and fees	53,367	-	-	53,367
Due from other funds	41,444	-	37,971	79,415
Inventories	39,801	-	-	39,801
Advances to other funds	-	29,510	-	29,510
Prepaid Items	201,243	-	-	201,243
	<u>201,243</u>	<u>-</u>	<u>-</u>	<u>201,243</u>
Total assets	<u>\$ 8,234,320</u>	<u>\$ 1,758,029</u>	<u>\$ 983,529</u>	<u>\$ 10,975,878</u>
Liabilities Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 296,903	\$ 1,431	\$ -	\$ 298,334
Accrued payroll	120,746	-	-	120,746
Unearned revenue - other	177,956	-	-	177,956
Due to other funds	33,590	26,498	-	60,088
	<u>33,590</u>	<u>26,498</u>	<u>-</u>	<u>60,088</u>
Total liabilities	<u>629,195</u>	<u>27,929</u>	<u>-</u>	<u>657,124</u>
Deferred Inflows of Resources				
Deferred revenue - property taxes	944,084	-	46,262	990,346
	<u>944,084</u>	<u>-</u>	<u>46,262</u>	<u>990,346</u>
Fund Balances				
Nonspendable				
Prepaid Items	201,243	-	-	201,243
Inventories	39,801	-	-	39,801
Restricted for				
Maintenance of roadways	-	-	405,047	405,047
Debt service	-	-	532,220	532,220
DUI equipment	40,548	-	-	40,548
Committed to				
Capital improvements	-	1,730,100	-	1,730,100
Unassigned	6,379,449	-	-	6,379,449
	<u>6,379,449</u>	<u>-</u>	<u>-</u>	<u>6,379,449</u>
Total fund balances	<u>6,661,041</u>	<u>1,730,100</u>	<u>937,267</u>	<u>9,328,408</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,234,320</u>	<u>\$ 1,758,029</u>	<u>\$ 983,529</u>	<u>\$ 10,975,878</u>

City of Oakbrook Terrace, Illinois
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
April 30, 2017

Total Fund Balances - Governmental Funds \$ 9,328,408

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. 30,891,322

Deferred outflows of resources, pension related 930,740

Deferred inflows of resources, pension related (158,450)

Interest on general obligation bonds is reported when paid by the funds, but accrued in the statement of net position. (127,538)

Unamortized loss on refunding on long-term debt is reported as a deferred outflow of resources in the statement of net position. 318,379

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

Postemployment healthcare benefits payable (49,754)

Compensated absences payable (306,493)

Special Service Area Bonds payable (340,000)

General Obligation Bonds payable (10,922,604)

Net pension liability - IMRF (1,168,843)

Net pension liability - Police pension (12,185,941)

Net Position of Governmental Activities \$ 16,209,226

City of Oakbrook Terrace, Illinois
Statement of Revenues, Expenditures and
Changes in Fund Balances – Governmental Funds
Year Ended April 30, 2017

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Revenues				
Local taxes	\$ 3,950,175	\$ 2,213,909	\$ 205,011	\$ 6,369,095
Intergovernmental	2,589,958	-	423,473	3,013,431
Licenses and permits	646,509	-	-	646,509
Charges for services	77,158	-	-	77,158
Fines and forfeits	187,134	-	-	187,134
Investment income	20,621	3,907	2,747	27,275
Miscellaneous	284,535	-	-	284,535
Total revenues	<u>7,756,090</u>	<u>2,217,816</u>	<u>631,231</u>	<u>10,605,137</u>
Expenditures				
Current				
General government	1,978,635	-	-	1,978,635
Public safety	4,541,870	-	-	4,541,870
Public services	556,971	-	106,483	663,454
Tourism	169,897	-	-	169,897
Capital outlay	-	650,281	-	650,281
Debt service				
Principal	-	245,000	305,000	550,000
Interest	-	109,188	248,071	357,259
Fees	-	-	3,304	3,304
Total expenditures	<u>7,247,373</u>	<u>1,004,469</u>	<u>662,858</u>	<u>8,914,700</u>
Net Change in Fund Balances	508,717	1,213,347	(31,627)	1,690,437
Fund Balances				
May 1	<u>6,152,324</u>	<u>516,753</u>	<u>968,894</u>	<u>7,637,971</u>
April 30	<u>\$ 6,661,041</u>	<u>\$ 1,730,100</u>	<u>\$ 937,267</u>	<u>\$ 9,328,408</u>

City of Oakbrook Terrace, Illinois
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended April 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 1,690,437

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 life of the assets. This is the amount by which capital outlays exceeded depreciation and disposals in the current period (\$783,845 current additions less \$675,693 depreciation and \$37,492 loss on disposal). 70,660

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 550,000

Discount and other items from bond issuances are reported currently in the fund statements but amortized over the bond lives in the statement of activities. (19,643)

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

Increase in net pension liability - IMRF	(41,602)
Decrease in net pension liability - Police Pension	1,476
Decrease in deferred outflow for pensions	(218,414)
Increase in deferred inflows for pensions	(111,683)
Increase in postemployment healthcare benefits payable	(17,232)
Decrease in accrued interest	6,434
Increase in compensated absences	(15,283)
	<u>(15,283)</u>

Change in Net Position of Governmental Activities \$ 1,895,150

City of Oakbrook Terrace, Illinois
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Local taxes	\$ 4,065,224	\$ 3,950,175	\$ (115,049)
Intergovernmental	2,128,597	2,589,958	461,361
Licenses and permits	668,405	646,509	(21,896)
Charges for services	35,000	77,158	42,158
Fines and forfeits	275,300	187,134	(88,166)
Investment income	18,000	20,621	2,621
Miscellaneous	332,321	284,535	(47,786)
Total revenues	7,522,847	7,756,090	233,243
Expenditures			
General government			
Executive management	852,310	973,360	121,050
Economic development	192,500	191,288	(1,212)
Building and zoning	467,115	414,817	(52,298)
Finance department	510,464	399,170	(111,294)
Public safety			
Police department	4,724,387	4,533,222	(191,165)
Police commission	14,135	8,648	(5,487)
Public services	592,820	556,971	(35,849)
Tourism	169,116	169,897	781
Total expenditures	7,522,847	7,247,373	(275,474)
Net Change in Fund Balance	\$ -	508,717	\$ 508,717
Fund Balance			
May 1		6,152,324	
April 30		\$ 6,661,041	

City of Oakbrook Terrace, Illinois
Proprietary Fund
Statement of Net Position
April 30, 2017

Current Assets	
Deposits	\$ 201,839
Receivables	
Water billing	134,232
Taxes and fees	33,448
Prepaid items	46,397
Total current assets	<u>415,916</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>6,080,118</u>
Total assets	<u>6,496,034</u>
Deferred Outflows of Resources	
IMRF Pension	<u>72,005</u>
Current Liabilities	
Accounts payable	42,349
Accrued payroll	9,126
Compensated absences payable - current portion	7,814
Accrued interest	24,968
Deposits	33,949
Due to other funds	19,327
General obligation bonds - current portion	170,000
Total current liabilities	<u>307,533</u>
Long-Term Liabilities	
General Obligation Bonds (net of current portion)	1,165,000
Compensated absences payable	16,606
Net pension liability	239,402
Advances from other funds	29,510
Total long-term liabilities	<u>1,450,518</u>
Total liabilities	<u>1,758,051</u>
Deferred Inflows of Resources	
IMRF pension	<u>8,838</u>
Net Position	
Net investment in capital assets	4,745,118
Unrestricted	56,032
Total net position	<u><u>\$ 4,801,150</u></u>

City of Oakbrook Terrace, Illinois
Proprietary Fund
Statement of Revenues, Expenses and
Changes in Net Position
Year Ended April 30, 2017

Operating Revenues	
Charges for services	
User charges	\$ 897,016
Connection charges	40,000
Water meter sales	442
Penalties/fines	17,336
Total operating revenues	954,794
Operating Expenses Excluding Depreciation	901,563
Operating Income Before Depreciation	53,231
Depreciation Expense	241,488
Operating Loss	(188,257)
Nonoperating Revenues (Expenses)	
Electric utility tax	285,671
Investment income	1,002
Miscellaneous	397
Interest expense	(65,927)
Total nonoperating revenues (expenses)	221,143
Increase in Net Position	32,886
Net Position, May 1	4,768,264
Net Position, April 30	\$ 4,801,150

City of Oakbrook Terrace, Illinois
Proprietary Fund
Statement of Cash Flows
Year Ended April 30, 2017

Operating Activities	
Cash received from residents for services	\$ 969,385
Miscellaneous revenue	397
Payments to suppliers for goods and services	(567,374)
Payments to employees for services	(323,107)
Net cash provided by operating activities	<u>79,301</u>
Noncapital Financing Activities	
Other receipts - electric utility tax	284,567
Interfund borrowings, net	(10,079)
Repayment of advances from other funds	(14,106)
Net cash provided by noncapital financing activities	<u>260,382</u>
Capital and Related Financing Activities	
Bond principal paid	(225,000)
Interest paid	(69,345)
Net cash used by capital and related financing activities	<u>(294,345)</u>
Investing Activities	
Interest received	<u>1,002</u>
Net Increase in Cash and Cash Equivalents	46,340
Cash and Cash Equivalents	
May 1	<u>155,499</u>
April 30	<u>\$ 201,839</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (188,257)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	241,488
Miscellaneous revenue	397
Changes in current assets and liabilities	
Receivables	14,591
Prepaid items	(177)
Deferred outflows	(3,229)
Accounts payable and accrued expenses	6,783
Deposits	(76)
Deferred inflows	(741)
Net pension liability	8,522
Net cash provided by operating activities	<u>\$ 79,301</u>

City of Oakbrook Terrace, Illinois
Statement of Fiduciary Net Position
April 30, 2017

	Pension Trust Fund
Assets	
Deposits	\$ 374,815
Investments	
Certificates of Deposit	487,930
U.S. Treasury Notes	353,847
U.S. Inflation Index	217,149
U.S. Treasury Bond	111,751
U.S. Government and Agency Securities	
Government National Mortgage Association	36,978
Federal National Mortgage Association Pool	384,471
Federal Farm Credit Bank	202,028
Federal Home Loan Mortgage Corporation	464,837
Federal Home Loan Bank	44,039
Federal National Mortgage Association	64,991
Corporate Bonds	1,591,096
Mutual Funds	1,963,246
Equity Securities	5,316,196
Receivables	
Accrued interest	21,744
Other	6,918
Due from participant	9,540
Total assets	11,651,576
Liabilities	
Accounts payable	5,595
Net Position Restricted for Pensions	\$ 11,645,981

City of Oakbrook Terrace, Illinois
Pension Trust Fund
Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2017

Additions

Contributions		
Employer		\$ 995,185
Participants		<u>168,948</u>
		<u>1,164,133</u>
Investment income		
Net appreciation of fair value of investments		1,036,575
Investment expense		<u>(66,809)</u>
		<u>969,766</u>
Total additions		<u>2,133,899</u>

Deductions

Administration		43,720
Benefit payments		<u>1,129,211</u>
Total deductions		<u>1,172,931</u>

Net Increase

960,968

Net Position Restricted for Pensions

May 1		<u>10,685,013</u>
April 30		<u>\$ 11,645,981</u>

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Oakbrook Terrace, Illinois (City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. 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 City's accounting policies are described below.

Reporting Entity

The City is a home rule community governed by the seven-member City Council consisting of six Aldermen and the Mayor. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operation, and so data from these units are combined with data of the primary government. The blended component unit has an April 30 year end.

Blended Component Unit

The City's police employees participate in the Police Pension Employees Retirement System (PPERS or Police Pension Fund). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. The PPERS is included as a pension trust fund and also issues a stand-alone financial report.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements (*i.e.*, the Statement of Net Position and the Statement of Activities) report the overall financial activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the City's nonfiduciary assets and liabilities with the differences reported in three categories:

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.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in fund financial statements.

The City administers the following major governmental funds:

General Fund - This is the City's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the City and accounted for in the General Fund include general government, public safety and public services.

Capital Improvements Fund - This fund accounts for resources, including the City's Home Rule Sales taxes, which provides infrastructure construction and other capital improvements.

The City administers the following major proprietary fund:

Water Fund - This enterprise fund accounts for the provision of water to certain residents of the City. 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 collections.

Additionally, the City administers two fiduciary funds, a pension trust fund for assets held by the City in a fiduciary capacity to pay retirement benefits to sworn public safety employees, and an agency fund to account for impact donations from developers that are held for the area park districts. The agency fund was closed during the year ended April 30, 2017. Activity in these funds is excluded from the government-wide financial statements.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. The agency fund has no measurement focus but utilizes the accrual basis for reporting its assets and liabilities. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (*i.e.*, intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports other unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when fees and licenses are received prior to the fee and license period. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for governmental, proprietary and fiduciary funds. All unencumbered appropriations lapse at fiscal year end.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Cash and Investments

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of one year or less are stated at cost plus or minus amortized discount or premium. Investments with an original maturity greater than one year are stated at fair value in accordance with GASB Statement No. 31.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (*i.e.*, the current portion of interfund loans) or “advances to/from other funds” (*i.e.*, the noncurrent portion of interfund loans).

Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Inventories reported in governmental funds and activities are reported at cost, determined on a first-in, first-out basis.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (*e.g.*, roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works for arts and similar items in a service concession agreement are reported at acquisition cost. All other donated capital assets received are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Governmental Activities	
Buildings and improvements	50 years
Land improvements	20 years
Vehicles, machinery and equipment	10 years
Infrastructure	50 years
Business-type Activities	
Water distribution system and improvements	10 - 40 years
Building improvements	10 years
Equipment and vehicles	3 - 10 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Other noncurrent liabilities are reported in the Statement of Net Position. The General Fund is typically used to liquidate these liabilities.

Vested or accumulated vacation benefits of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type financial statements. Bond premiums and discounts, as well as deferred amount on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium, discount or deferred amount on refunding. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

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Deferred Outflows/Inflows of Resources

The City reports deferred outflows and inflows of resources on its Statement of Net Position, Governmental Funds Balance Sheet and Proprietary Fund Statement of Net Position. Deferred inflows of resources arise when resources are received by the City that represent an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. In subsequent periods, when the City has a legal claim to the resources, the deferred inflows are removed from the Statement of Net Position, Governmental Funds Balance Sheet and the Proprietary Fund Statement of Net Position and a revenue is recognized. The City has two items that qualify for reporting in this category in the government-wide statements; deferred inflows related to property taxes levied for future periods and deferred inflows related to pensions which represents pension items that will be recognized as reductions in pension expense in future periods. In the Governmental Funds Balance Sheet, deferred revenues are reported as deferred inflows of resources.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future reporting period which will not be recognized as an outflow of resources (expense/reduction of liability) until that time. The City has two items that qualify for reporting in this category; the deferred outflows related to pensions, which represents pension items that will be recognized either as pension expense or a reduction in net pension liability in future periods, and amounts deferred for debt refunding that will be amortized to interest expense in future periods.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City's Police Pension Fund and IMRF pension plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

The City has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement specifies five classifications of fund balance that describe the relative strength of the spending constraints:

- (1) Nonspendable - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

- (2) Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- (3) Committed - amounts constrained to specific purposes by formal action of the Council (the highest level of decision making authority). These actions are generally enacted through Council ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- (4) Assigned - amounts the City intends to use for specific purposes as determined by the Council. It is assumed that creation of a fund automatically assigns fund balance. Other assignments may be made by the Council without formal action such as an ordinance.
- (5) Unassigned - amounts that are available for any purpose. These amounts are only reported in the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Fund balance is displayed in the order of the relative strength of the spending constraints placed on the purposes for which resources can be used.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and unassigned funds.

The City will maintain a General Fund unassigned balance equal to at least 40% of estimated yearly revenues. The Council shall determine the disposition of fund balance in excess of this amount.

Accounting 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Standards

In 2017, the Village adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. See Notes 4 and 14 for the related disclosures.

Note 2: Legal Compliance and Accountability

Budgets

All departments of the City submit requests for appropriation to the City Administrator so that a budget may be prepared. 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 may be amended by the governing body. In addition, the City Administrator may make line item transfers under \$10,000 within a department and/or between departments within the same fund. Budget transfers that are greater than \$10,000 require the approval of the City Council.

Expenditures may not legally exceed budgeted appropriations at the department level for the General Fund. All other funds, with the exception of the Water Fund, may not legally exceed the budget at the fund level. The Water Fund may not legally exceed the budget by line item.

Excess of Expenditures Over Budget

The following funds had an excess of actual expenditures over amended budget for the year ended April 30, 2017:

General Fund - by department	
Executive management	\$ 121,050
Tourism	781
Motor Fuel Tax Fund	44,483
Debt Service Fund - SSA II	39
Capital Improvement Fund	246,781
Water Fund - by line item	
Utilities	1,817
Full-time	10,649
Overtime	155
Payroll taxes	568
IMRF	7,834

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Phone service	\$	4,733
Equipment purchase		2,969
Communications		193
Water meters		7,699
Uniform allowance		260
Credit card fees		1,269
Depreciation expense		9,488

Note 3: Fund Equity

There were no funds that reported a deficit in fund balance/net position as of April 30, 2017.

Note 4: Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund's portion of this pool is displayed on the Statement of Net Position as deposits. In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Related disclosures pertaining to the Pension Trust Fund can be found in Note 14.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds Money Market Fund and the Illinois Metropolitan Investment Fund. Pension funds may also invest in certain non-U.S. obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, and certain equities, subject to limitations.

Cash on hand of \$877 has been excluded from the amounts shown below.

Deposits

At April 30, 2017, the carrying value of the City's deposits totaled \$5,036,924 and the bank balances totaled \$5,208,148.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that all funds on deposit in excess of FDIC insured amounts be collateralized by not less than 110% of the net amount of funds secured. As of April 30, 2017, the City was 100% collateralized.

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Investments

As of April 30, 2017, the City's investments were as follows:

	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
Certificates of deposit	\$ 1,140,959	\$ 208,741	\$ 932,218	\$ -
U.S. Treasury Notes	124,621	124,621	-	-
U.S. Government Agency Securities				
Federal National Mortgage Association	99,924	-	99,924	-
Federal Home Loan Bank	75,492	-	75,492	-
Federal Farm Credit Bank	200,378	50,435	149,943	-
	1,641,374	\$ 383,797	\$ 1,257,577	\$ -
Investments not sensitive to interest rate risk - Money Market Mutual Funds	637,274			
	<u>\$ 2,278,648</u>			

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires the investment portfolio to be structured so the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Investments of operating funds should primarily be in shorter-term securities, money market funds or similar investment pools.

Credit Risk

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by limiting investments to the safest type of securities, pre-qualifying the financial institutions the City does business with, and by diversifying the portfolio to minimize potential losses. As of April 30, 2016, the City investments were rated as follows:

Investment Type	Standard and Poor's
Money Market	AAA
Illinois Metropolitan Investment Fund	AAA

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer. The City does not have investments in excess of 5% invested in any one issuer.

Investment Valuation

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.
- Level 2** Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs for an asset or liability.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2017:

Investment Type	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities			
Brokered CD's	\$ -	\$ 1,140,959	\$ -
U.S. Treasury Notes	-	124,621	-
Govt Agencies	-	375,794	-
Equity Securities			
Mutual Funds	637,274	-	-
	<u>\$ 637,274</u>	<u>\$ 1,641,374</u>	<u>\$ -</u>

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended April 30, 2017.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Note 5: Receivables - Taxes

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2017 and September 1, 2017. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience. As the 2016 tax levy is used to fund operations of the 2017-2018 fiscal year, the revenue has been deferred at April 30, 2017, and reported as a Deferred Inflows of Resources in both the Governmental Funds Balance Sheet and Statement of Net Position.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Note 6: Capital Assets

Governmental Activities

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

	Balances May 1	Additions/ Transfers	Deletions/ Transfers	Balances April 30
Capital assets not being depreciated				
Land	\$ 4,224,585	\$ -	\$ -	\$ 4,224,585
Construction in progress	165,694	626,262	-	791,956
Right of way land	3,895,628	-	-	3,895,628
	<u>8,285,907</u>	<u>626,262</u>	<u>-</u>	<u>8,912,169</u>
Capital assets being depreciated				
Land improvements	1,554,827	-	39,110	1,515,717
Buildings and improvements	15,826,345	-	-	15,826,345
Vehicles	757,205	61,970	104,340	714,835
Machinery and equipment	1,000,678	18,003	103,476	915,205
Infrastructure				
Storm drainage	1,975,756	-	-	1,975,756
Bridges	1,847,296	-	-	1,847,296
Streets	4,964,227	77,610	-	5,041,837
	<u>27,926,334</u>	<u>157,583</u>	<u>246,926</u>	<u>27,836,991</u>
Less accumulated depreciation for				
Land improvements	345,213	73,161	39,110	379,264
Buildings and improvements	1,207,673	316,527	-	1,524,200
Vehicles	382,689	52,742	69,732	365,699
Machinery and equipment	643,657	58,387	100,592	601,452
Infrastructure				
Storm drainage	1,066,275	39,515	-	1,105,790
Bridges	501,780	36,946	-	538,726
Streets	1,244,292	98,415	-	1,342,707
	<u>5,391,579</u>	<u>675,693</u>	<u>209,434</u>	<u>5,857,838</u>
Total capital assets being depreciated, net	<u>22,534,755</u>	<u>(518,110)</u>	<u>37,492</u>	<u>21,979,153</u>
Governmental activities capital assets, net	<u>\$ 30,820,662</u>	<u>\$ 108,152</u>	<u>\$ 37,492</u>	<u>\$ 30,891,322</u>

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Depreciation was charged to the governmental functions of the City as follows:

General government	\$ 26,848
Public safety	257,975
Public works	<u>390,870</u>
	<u>\$ 675,693</u>

Business-type Activities

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

	Balances May 1	Additions/ Transfers	Deletions/ Transfers	Balances April 30
Capital assets not being depreciated				
Land	\$ 235,000	\$ -	\$ -	\$ 235,000
Construction in progress	-	-	-	-
	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
Capital assets being depreciated				
Water distribution system and improvements	9,379,388	-	-	9,379,388
Building improvements	8,647	-	-	8,647
Machinery and equipment	110,179	-	-	110,179
Vehicles	120,124	-	44,938	75,186
	<u>9,618,338</u>	<u>-</u>	<u>44,938</u>	<u>9,573,400</u>
Less accumulated depreciation for				
Water distribution system and improvements	3,318,087	232,585	-	3,550,672
Building improvements	8,647	-	-	8,647
Machinery and equipment	107,853	931	-	108,784
Vehicles	97,145	7,972	44,938	60,179
	<u>3,531,732</u>	<u>241,488</u>	<u>44,938</u>	<u>3,728,282</u>
Total capital assets being depreciated, net	<u>6,086,606</u>	<u>(241,488)</u>	<u>-</u>	<u>5,845,118</u>
Business-type activities capital assets, net	<u>\$ 6,321,606</u>	<u>\$ (241,488)</u>	<u>\$ -</u>	<u>\$ 6,080,118</u>

Depreciation was charged to the business-type function of the City as follows:

Water	<u>\$ 241,488</u>
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City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Note 7: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and net income losses. To insure against the various risks, the City purchases commercial third party insurance. The City has not had any settlements exceed insurance coverage for the past three years.

Note 8: Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired By	Balances May 1	Increases	Decreases	Balances April 30	Due Within One Year
\$5,000,000 Series 2008 General Obligation (Building) Bonds, partial refunding of \$3,320,000 in May of 2013, remaining balance due in principal payments of \$200,000 to \$210,000 through December 15, 2016; interest at 3.625% to 3.875%.	Capital Improvements Fund	\$ 210,000	\$ -	\$ 210,000	\$ -	\$ -
\$3,930,000 Series 2010A General Obligation Bonds, first principal installment of \$110,000 due on December 15, 2013. Subsequent annual principal installments of \$110,000 to \$425,000 beginning December 15, 2014 through December 15, 2030; interest at 2.00% to 4.00%.	2010 Bond Fund	3,595,000	-	130,000	3,465,000	145,000

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Issue	Fund Debt Retired By	Balances May 1	Increases	Decreases	Balances April 30	Due Within One Year
\$325,000 Series 2010B General Obligation (Taxable Business District) Bonds, first principal installment of \$5,000 due on December 15, 2013. Subsequent annual principal installments of \$5,000 to \$45,000 beginning December 15, 2014 through December 15, 2030; interest at 4.00% to 6.00%.	2010 Bond Fund	\$ 305,000	\$ -	\$ 10,000	\$ 295,000	\$ 10,000
\$2,810,000 Series 2012A General Obligation Bonds, first principal installment of \$100,000 due on December 15, 2014. Subsequent annual principal installments of \$100,000 to \$260,000 beginning December 15, 2015 through December 15, 2030; interest at 2% to 2.4%.	2012 Bond Fund	2,610,000	-	100,000	2,510,000	100,000
\$1,100,000 Series 2012B General Obligation Bonds (Taxable Business District), first principal installment of \$10,000 due on December 15, 2015. Subsequent annual principal installments of \$35,000 to \$100,000 through December 15, 2030; interest at 2% to 3.4%.	2012 Bond Fund	1,090,000	-	35,000	1,055,000	40,000
\$3,695,000 Series 2013 General Obligation Refunding Bonds, first principal installment of \$85,000 due on December 15, 2013. Subsequent annual principal installments of \$35,000 to \$375,000 beginning December 15,						

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Issue	Fund Debt Retired By	Balances May 1	Increases	Decreases	Balances April 30	Due Within One Year
2013 through December 15, 2028; interest at 2% to 3%.	Capital Improvements Fund	\$ 3,545,000	\$ -	\$ 35,000	\$ 3,510,000	\$ 245,000
		11,355,000	-	520,000	10,835,000	540,000
Plus Bond Premium		114,753	-	9,039	105,714	-
Less Bond Discount		(19,502)	-	(1,392)	(18,110)	-
		<u>\$ 11,450,251</u>	<u>\$ -</u>	<u>\$ 527,647</u>	<u>\$ 10,922,604</u>	<u>\$ 540,000</u>

Business-type Activities

Issue	Fund Debt Retired By	Balances May 1	Increases	Decreases	Balances April 30	Due Within One Year
\$3,020,000 Series 2003 General Obligation (Taxable/Refunding) Bonds, due in annual scheduled principal installments of \$155,000 to \$335,000 beginning December 1, 2003 through December 1, 2016; interest at 1.3% to 3.3%. Partially defeased by Series 2010 bonds.	Water Fund	\$ 165,000	\$ -	\$ 165,000	\$ -	\$ -
\$650,000 Series 2004 General Obligation (Alternate Revenue Source) Bonds, due in annual scheduled principal installments of \$45,000 to \$60,000 beginning December 1, 2004 through December 1, 2016; interest at 1.85% to 4.6%.	Water Fund	60,000	-	60,000	-	-
\$1,335,000 Series 2010 General Obligation (Taxable Refunding) Bonds, due in annual scheduled principal installments of \$170,000 to \$215,000 beginning December 1, 2017 through December 1, 2023; interest at 3.8% to 5.0%.	Water Fund	1,335,000	-	-	1,335,000	170,000
		<u>\$ 1,560,000</u>	<u>\$ -</u>	<u>\$ 225,000</u>	<u>\$ 1,335,000</u>	<u>\$ 170,000</u>

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Special Service Area Bonds

Special service area bonds currently outstanding are as follows:

Governmental Activities

Issue	Fund Debt Retired By	Balances May 1	Increases	Decreases	Balances April 30	Due Within One Year
\$600,000 Series 2006 Special Service Area Number 2 Bonds, due in annual scheduled principal installments of \$25,000 to \$45,000 beginning December 15, 2006 through December 15, 2025; interest at 3.50% to 5.00%.	Debt Service - SSA II Fund	<u>\$ 370,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 340,000</u>	<u>\$ 30,000</u>

Debt Refundings

On May 2, 2013, the City issued Series 2013 General Obligation (Refunding) Bonds in the amount of \$3,695,000. Proceeds of these bonds were placed in escrow to purchase government securities which will be sufficient to partially defease \$3,320,000 of Series 2008 General Obligation (Building) Bonds. The refunding was undertaken to save on interest charges. At April 30, 2017, as a result of the restructuring, the Series 2008 Bonds are considered partially defeased and the defeased liability has been removed from the Statement of Net Position. At April 30, 2017, \$3,320,000 of the defeased 2008 Bonds remain outstanding.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Changes in Long-Term Obligations

The following is a summary of the long-term obligation activities of the City for the year ended April 30, 2017:

Governmental Activities

	Balances May 1	Increases	Decreases	Balances April 30	Due in One Year
General Obligation Bonds	\$ 11,355,000	\$ -	\$ 520,000	\$ 10,835,000	\$ 540,000
Premiums and discounts	95,251	-	7,647	87,604	-
Special Service Area Bonds	370,000	-	30,000	340,000	30,000
Postemployment healthcare benefits*	32,522	17,232	-	49,754	-
Net pension liability - IMRF	1,127,241	41,602	-	1,168,843	-
Net pension liability - Police Pension	12,187,417	-	1,476	12,185,941	-
Compensated absences*	291,210	248,544	233,261	306,493	98,078
	<u>\$ 25,458,641</u>	<u>\$ 307,378</u>	<u>\$ 792,384</u>	<u>\$ 24,973,635</u>	<u>\$ 668,078</u>

*The General Fund has typically been used to liquidate the postemployment healthcare benefits, net pension liabilities and compensated absences liabilities.

Business-type Activities

	Balances May 1	Increases	Decreases	Balances April 30	Due in One Year
General Obligation Bonds	\$ 1,560,000	\$ -	\$ 225,000	\$ 1,335,000	\$ 170,000
Compensated absences*	22,560	17,181	15,321	24,420	7,814
Net pension liability - IMRF	230,880	8,522	-	239,402	-
	<u>\$ 1,813,440</u>	<u>\$ 25,703</u>	<u>\$ 240,321</u>	<u>\$ 1,598,822</u>	<u>\$ 177,814</u>

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Governmental Activities

Governmental

Fiscal Year	General Obligation Bonds		Special Service Area Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 540,000	\$ 323,836	\$ 30,000	\$ 16,265
2019	580,000	311,386	30,000	14,945
2020	620,000	297,936	35,000	13,625
2021	635,000	280,786	35,000	11,963
2022	685,000	262,686	40,000	10,300
2023-2027	4,235,000	982,831	170,000	21,650
2028-2031	3,540,000	285,080	-	-
	<u>\$ 10,835,000</u>	<u>\$ 2,744,541</u>	<u>\$ 340,000</u>	<u>\$ 88,748</u>

Business-Type Activities

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2018	\$ 170,000	\$ 59,923
2019	175,000	53,463
2020	180,000	46,288
2021	190,000	38,548
2022	200,000	30,093
2023-2027	420,000	31,443
	<u>\$ 1,335,000</u>	<u>\$ 259,758</u>

Legal Debt Margin

Effective December 18, 2002, the City is a home rule municipality. To date, the General Assembly has set no debt limits for home rule municipalities.

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Note 9: Other Individual Fund Disclosures

Interfund receivable and payable balances as of April 30, 2017, were as follows:

The interfund balance between the General and other funds arose from normal operations and are routinely settled with cash payments.

Receivable Fund	Payable Fund	Amount
General	Capital improvements	\$ 22,117
General	Water	19,327
Debt service 2010	General	18,474
Debt service 2010	Capital improvements	2,410
Debt service 2012	General	15,116
Debt service 2012	Capital improvements	<u>1,971</u>
		<u><u>\$ 79,415</u></u>

Interfund advances as of April 30, 2017, were as follows:

Receivable Fund	Payable Fund	Amount
Capital improvements	Water	<u><u>\$ 29,510</u></u>

The Capital Improvement Fund has issued a long-term cash advance to the Water Fund to be repaid with interest over time. This advance is to assist the funding of the East-West Connection project of the Water Fund. This will be paid off in fiscal year 2019.

There were no interfund transfers for the year ended April 30, 2017.

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Note 10: Contingent Liabilities and Commitments

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Sales Tax Incentives

The City has entered into economic incentive agreements with a retailer and developers.

On July 29, 2002, the City Council approved an ordinance to enter to an agreement with a developer whereby the City agrees to reimburse the developer for redevelopment costs in the amount of \$2,500,000 plus interest at a fixed rate of 8% per annum. The agreement expires on July 29, 2022, or when total payments to the developer aggregate \$4,500,000. Payments shall be applied first to interest then to principal. The City's obligation to reimburse the developer is payable only from municipal sales tax revenues and will be paid quarterly. During the first 12 years of the agreement, the City is entitled on an annual basis to the first \$125,000 of municipal sales tax revenue collected. The developer shall be entitled to the next \$125,000. A provision in the agreement for 2004 was not met by the developer. After 10 years, as the provision was not met, the City is released from paying the developer the next \$125,000 allocation. Therefore, after the City receives \$125,000, any remaining municipal sales tax revenues shall be divided equally for the remainder of that year but due in subsequent years. All payments of municipal sales tax revenues have been recorded as expenditures in the General Fund. Through the year ended April 30, 2017, the City has expended \$1,939,731 under this agreement, including \$180,941 in the current year.

In July of 2008, the City approved a Business District Redevelopment Area (the Business District) pursuant to State Statutes and a companion agreement with a developer for the redevelopment of the Oakbrook Square Mall into the Oakbrook Terrace Square Shopping Center located at the southwest corner of Roosevelt and Summit. A Business District allows local governments to revitalize economically sluggish commercial areas. The Business District included the levying of a new 1% Business District Retailers' Occupation Tax (BDROT) on all tangible property sold only within the Business District and a Business District Service Occupation Tax (BDSOT) on sales of service within the business district that, incident to those sales of service, transfer personal property within the Business District. This new tax does not impact any other areas within the City.

State of Illinois law allows the Business District to exist for a period of 23 years. The City issued 2010 and 2012 General Obligations Bonds which are being paid using the proceeds from home rule sales tax, business district sales tax and local use taxes (see Note 8). If the Bonds are paid off prior to that time, then the Council may vote to terminate the Business District at any time.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Note 11: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and beneficiaries. It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Since amounts held in trust are for the exclusive benefit of all participants, the City does not maintain the assets on the Statement of Net Position.

Note 12: Postemployment Health Care Benefits

In addition to providing the pension benefits described in Note 14, the City offers postemployment health care benefits (OPEB) to certain retirees under its health care and life insurance plans. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City under its Personnel Policy and Procedure Manual. A separate report is not prepared.

Benefits Provided and Funding Policy

All healthcare benefits are provided through the City's insured health plan, a single-employer plan. The benefit levels are similar to those afforded to active employees. To be eligible, employees must be enrolled in the City's healthcare plan at the time of retirement. The City provides healthcare access and an implicit premium subsidy to certain retirees who meet eligibility conditions provided that the retiree pays 100% of the blended premium. Certain disabled employees may receive continuation of healthcare benefits at no cost to the member provided that they meet the eligibility requirements. For the fiscal year ended April 30, 2017, retirees contributed \$19,670.

Membership

At April 30, 2017, the membership consisted of:

Retirees and Beneficiaries Receiving Benefits	2
Active Vested Members	26
Active Nonvested Members	8
	<hr/>
	36
	<hr/> <hr/>

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Annual OPEB Costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of April 30, 2016 (latest available), to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC). Based on this actuarial valuation, the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal 2017, 2016 and 2015, were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2017	\$ 51,753	\$ 34,521	66.70%	\$ 49,754
4/30/2016	51,753	38,545	74.48%	32,522
4/30/2015	57,555	54,297	94.34%	19,314

The net OPEB obligation as of April 30, 2017, was calculated as follows:

Annual required contribution	\$ 51,650
Interest on net OPEB obligation	773
Adjustment to Annual Required Contribution	<u>(670)</u>
Annual OPEB cost	51,753
Contributions made	<u>34,521</u>
Increase in net OPEB obligation	17,232
Net OPEB obligation - May 1, 2016	<u>32,522</u>
Net OPEB obligation - April 30, 2017	<u><u>\$ 49,754</u></u>

Funded Status and Funding Progress

The funded status and funding progress of the plan as of April 30, 2016, the latest actuarial valuation available was as follows:

Actuarial accrued liability (AAL)	\$ 735,544
Actuarial value of plan assets	
Unfunded actuarial accrued liability (UAAL)	735,544
Funded ratio (actuarial value of plan assets/AAL)	
Covered payroll (active plan members)	3,153,389
UAAL as a percentage of covered payroll	23.30%

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and the healthcare cost trend. Amounts

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

determined regarding the funded status of the plan and the annual amount required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress on page 78, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the April 30, 2016 actuarial valuation, the entry age normal cost method was applied and assumed a level of percentage of pay and 30 year open amortization period. The actuarial assumptions included an inflation rate of 4.0%, investment return rate of 4.0%, projected salary increases of 4.0%, and healthcare inflation rate of 8.0% in fiscal year 2016, trending to 5.0% in fiscal year 2020, and then 4.5% in 2021 and onwards.

Note 13: Segment Information - Enterprise Funds

As the City maintains only one Enterprise Fund (the Water Fund), this disclosure requirement is effectively met in these basic financial statements.

Note 14: Defined Benefit Pension Plans

The City contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit pension plan, which is administered by the IMRF, an agent multiple-employer public retirement system, and the Police Pension Fund, which is a single-employer defined benefit pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Fund issues stand-alone financial report. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

The aggregate totals for all pension items for the two plans are as follows:

	Governmental Activities	Business-Type Activities*	Total City
Net pension liability			
IMRF	\$ 1,168,843	\$ 239,402	\$ 1,408,245
Police	12,185,941	-	12,185,941
	<u>\$ 13,354,784</u>	<u>\$ 239,402</u>	<u>\$ 13,594,186</u>
Deferred outflows of resources			
IMRF	\$ 351,556	\$ 72,005	\$ 423,561
Police	579,184	-	579,184
	<u>\$ 930,740</u>	<u>\$ 72,005</u>	<u>\$ 1,002,745</u>
Deferred inflows of resources			
IMRF	\$ 43,148	\$ 8,838	\$ 51,986
Police	115,302	-	115,302
	<u>\$ 158,450</u>	<u>\$ 8,838</u>	<u>\$ 167,288</u>
Pension expense			
IMRF	\$ 175,855	\$ 36,018	\$ 211,873
Police	1,342,901	-	1,342,901
	<u>\$ 1,518,756</u>	<u>\$ 36,018</u>	<u>\$ 1,554,774</u>

*Same amounts are also reported in the proprietary fund statements.

Illinois Municipal Retirement

The City's agent multiple-employer defined benefit pension plan for regular employees (other than those covered by the Police Pension Plan), provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from IMRF. The Illinois Pension Code establishes the benefit provisions of the plan which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Benefits Provided

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 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% 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% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% 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% of the original pension amount, or one-half of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2016, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

	<u>Regular</u>
Retirees and beneficiaries currently receiving benefits	31
Terminated employees entitled to but not yet receiving benefits	18
Current employees	<u>22</u>
	<u><u>71</u></u>

Contributions

As set by statute, employees participating in the IMRF Regular Plan are required to contribute 4.50% of their annual covered salary. The member rate is also established by State statute. The City is required to contribute at an actuarially determined rate. The employer annual required contribution rate for calendar year 2016 was 13.63%. For the year ended April 30, 2017, the City contributed \$185,102 to the plan. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Investments

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%	6.85%
International equity	17%	6.75%
Fixed income	27%	3.00%
Alternative investments	9%	2.65-7.35%
Real estate	8%	5.75%
Short-term	1%	2.25%
	<u>100%</u>	

Net Pension Liability

The City's net pension liability as of April 30, 2017, was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of April 30, 2017:

Actuarial valuation date	December 31, 2016
Measurement date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% - 14.50%, including inflation
Investment rate of return	7.50%
Asset valuation method	Market value of assets

Retirement age is based on Experienced-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.

For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

A single discount rate (SDR) of 7.50% (7.47% in prior year) was used to measure the total pension liability. The projection of cash flows used to determine the SDR 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.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, beginning of year	\$ 7,369,878	\$ 6,011,757	\$ 1,358,121
Changes for the year			
Service cost	142,179	-	142,179
Interest	548,055	-	548,055
Differences between expected and actual experience	96,277	-	96,277
Changes in assumptions	(31,781)	-	(31,781)
Contributions - employer	-	179,399	(179,399)
Contributions - employee	-	59,229	(59,229)
Net investment income		406,901	(406,901)
Benefit payments, including refunds of employees' contributions	(208,431)	(208,431)	-
Administrative expenses	-	-	-
Other (net transfer)	-	59,077	(59,077)
Net changes	546,299	496,175	50,124
Balance, end of year	\$ 7,916,177	\$ 6,507,932	\$ 1,408,245

Changes in assumptions related to retirement age, mortality and discount rate were made since the prior measurement date.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Discount Rate Sensitivity

The following is a sensitivity analysis of the City's net pension liability to changes in the discount rate. The table below represents the pension liability of the City calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using discount rates that are one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	<u>\$ 2,556,538</u>	<u>\$ 1,408,245</u>	<u>\$ 474,520</u>

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

For the year ended April 30, 2017, the City recognized pension expense of \$211,873 for the Regular Plan. At April 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Plan Resources	Deferred Inflows of Plan Resources
Differences between expected and actual experience	\$ 65,702	\$ 30,298
Changes of assumptions	7,235	21,688
Net differences between projected and actual earnings on plan investments	290,026	-
Pension contributions made subsequent to the measurement date	<u>60,598</u>	<u>-</u>
	<u>\$ 423,561</u>	<u>\$ 51,986</u>

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

At April 30, 2017, the City reported \$60,598 of deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date that will be recognized as a reduction of net pension liability in the year ended April 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30,	Total
2018	\$ 94,175
2019	110,766
2020	96,571
2021	9,465
	\$ 310,977

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued IMRF Schedule of Changes in Fiduciary Net Position by Employer.

Police Pension Fund

Plan Description and Provisions

Police sworn personnel are covered by the Police Pension Fund, which is a single-employer defined benefit pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The City accounts for the fund as a pension trust fund. The Fund does issue a stand-alone financial report.

Benefits Provided

The Police Pension Fund provides retirement benefits through two tiers as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The 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 services may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a pension participant 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

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

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upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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. Beginning in 2011, police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such a 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 10 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 pension participant shall be increased annually at age 60 on the January 1st after the pension participant retires or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, effective each January 1st thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Employees Covered by Benefit Terms

At April 30, 2017, the Police Pension Fund membership consisted of:

Retirees and beneficiaries currently receiving benefits	16
and terminated plan members entitled to but not yet receiving benefits	
Current employees	
Vested	13
Nonvested	5
	<hr/>
	34
	<hr/> <hr/>

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. For the year ended April 30, 2017, the City's contribution was 58.26% of covered payroll for total contributions of \$995,185. The Police Pension Fund is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040.

The Police Pension Fund is accounted for using the accrual basis of accounting. Employer and employee contributions are recognized when earned (*i.e.*, when due pursuant to formal

City of Oakbrook Terrace, Illinois

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April 30, 2017

commitments), benefits and refunds are recognized when owed to retirees (*i.e.*, due and payable).

Investment Policy

ILCS limits the Police Pension Fund's investment to those allowable by ILCS and requires the Police Pension Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Police Pension Fund's investment policy authorizes the Police Pension Fund to make deposits/invest in commercial banks, savings and loan institutions (if a member of FDIC), obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, short-term commercial paper rates within the highest classifications of at least two standard rating services, Illinois Funds, Illinois Metropolitan Investment Fund (IMET), and money market mutual funds permissible under state law. The Police Pension Fund may also invest in certain non-U.S. obligations, mortgages, veteran's loans and life insurance company contracts, equity mutual funds and equity securities.

Investment Policy

The Police Pension 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	2.0%	0.0%
Fixed income	33.0%	4.5%
Large cap domestic equities	52.0%	4.8%
Small cap domestic equities	5.0%	5.0%
International equity	5.0%	5.5%
Real estate	3.0%	3.8%

The long-term expected rate of return of the Police Pension Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2017, the inflation rate assumption of the investment advisor was 2.25%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2017, are listed in the table above.

City of Oakbrook Terrace, Illinois

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April 30, 2017

Investment Valuations

All investments in the Fund are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois funds, an investment pool created by the State Legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Concentrations

There were no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of the Police Pension Fund's investments. The Police Pension Fund's investment policy allows a maximum of 20% of the portfolio to be in cash or cash equivalents, maximum of 10% in separate accounts managed by life insurance companies, and no more than 65% of its portfolio in equity securities and in mutual funds subject to additional constraints.

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension fund investments, net of pension fund investment expense, was 10.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's deposits may not be returned to them. The Police Pension Fund's Investment Policy requires all bank balances to be covered by federal depository insurance.

At April 30, 2017, the carrying amount of the Police Pension Fund's deposits totaled \$374,815, and the bank balance totaled \$378,295.

City of Oakbrook Terrace, Illinois
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Interest Rate Risk

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2017:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Notes	\$ 353,847	\$ -	\$ 212,585	\$ 141,262	\$ -
U.S. Inflation Index	217,149	-	54,784	121,442	40,923
U.S. Treasury Bond	111,751	-	-	-	111,751
U.S. Government and Agency Securities					
Government National Mortgage Association Pool	36,978	-	-	-	36,978
Federal National Mortgage Association Pool	384,471	-	-	22,173	362,298
Federal Farm Credit Bank	202,028	-	-	202,028	-
Federal Home Loan Mortgage Corporation	464,837	-	271,794	-	193,043
Federal National Mortgage Association	64,991	35,946	-	-	29,045
Federal Home Loan Bank	44,039	-	23,975	-	20,064
Corporate Bonds	1,591,096	157,199	714,713	401,175	318,009
Certificates of Deposit	487,930	-	487,930	-	-
	<u>3,959,117</u>	<u>\$ 193,145</u>	<u>\$ 1,765,781</u>	<u>\$ 888,080</u>	<u>\$ 1,112,111</u>
Not subject to credit risk					
Equity Securities	5,316,196				
Mutual Funds	<u>1,963,246</u>				
Total Equity	<u>7,279,442</u>				
	<u>\$ 11,238,559</u>				

The Police Pension Fund's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The Police Pension Fund's investment policy limits investments in contracts and agreements of life insurance companies, and any securities issued by the State, counties, townships or municipal corporations of the State to those rated at least Aa by Moody's, AA+ by Standard and Poor's and A+ by A.M. Best Company. The Corporate Bonds are rated BBB+ to AAA by Standard and Poor's.

Fair Value of Assets

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. Fair value

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.
- Level 2** Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs for an asset or liability.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2017:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Notes	\$ 353,847	\$ -	\$ 353,847	\$ -
U.S. Inflation Index	217,149	-	217,149	-
U.S. Treasury Bond	111,751	-	111,751	-
U.S. Government and Agency Securities				
Government National Mortgage Association Pool	36,978	-	36,978	-
Federal National Mortgage Association Pool	384,471	-	384,471	-
Federal Farm Credit Bank	202,028	-	202,028	-
Federal Home Loan Mortgage Corporation	464,837	-	464,837	-
Federal National Mortgage Association	64,991	-	64,991	-
Federal Home Loan Bank	44,039	-	44,039	-
Corporate Bonds	1,591,096	1,591,096	-	-
Certificates of Deposit	487,930	-	487,930	-
Equity Securities	5,316,196	-	5,316,196	-
Equity Mutual Funds	1,963,246	1,963,246	-	-
	<u>\$ 11,238,559</u>	<u>\$ 3,554,342</u>	<u>\$ 7,684,217</u>	<u>\$ -</u>

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended April 30, 2017.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Net Pension Liability

The City's net pension liability as of April 30, 2017, was measured as of that date and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation also as of that date.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2017, using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2017
Measurement date	April 30, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5% to a service schedule
Discount rate	6.50%
Investment rate of return	6.50%
Asset valuation method	5 year smoothed market, no corridor

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Mortality rates RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB. The disabled mortality rate was based on RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, beginning of year	\$ 22,872,430	\$ 10,685,013	\$ 12,187,417
Changes for the year			
Service cost	535,882	-	535,882
Interest	1,484,841	-	1,484,841
Differences between expected and actual experience	(134,518)	-	(134,518)
Changes in assumptions	202,498	-	202,498
Contributions - employer	-	995,185	(995,185)
Contributions - employee	-	168,948	(168,948)
Net investment income	-	969,766	(969,766)
Benefit payments, including refunds of employees' contributions	(1,129,211)	(1,129,211)	-
Administrative expenses	-	(43,720)	43,720
Net changes	959,492	960,968	(1,476)
Balance, end of year	\$ 23,831,922	\$ 11,645,981	\$ 12,185,941

Changes in assumptions related to salary increases, inflation, retirement age, disability rates, termination and mortality were made since the prior measurement date.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. 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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. City contributions have been 100% the actuarially determined contribution based upon a five-year historical average. Based on those assumptions, the Police Pension Fund'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 period of projected benefit payments to determine the total pension liability.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

Discount Rate Sensitivity

The following is a sensitivity analysis of the City's net pension liability to changes in the discount rate. The table below represents the pension liability calculated using the discount rate of 6.50% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's police pension net pension liability	\$ 15,634,838	\$ 12,185,941	\$ 9,371,459

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

For the year ended April 30, 2017, the City recognized pension expense of \$1,342,901. At April 30, 2017, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Plan Resources	Deferred Inflows of Plan Resources
Differences between expected and actual experience	\$ 160,085	\$ 115,302
Change of assumptions	173,568	-
Net differences between projected and actual earnings on pension plan investments	245,531	-
	\$ 579,184	\$ 115,302

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

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

Year Ending April 30,	Amount
2018	\$ 141,940
2019	141,940
2020	141,940
2021	(13,377)
2022	41,728
Thereafter	<u>9,711</u>
	<u>\$ 463,882</u>

Pension Fund Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in the basic financial statements.

Note 15: Future Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements, which are expected to have a material impact on the City's financial statements in future periods:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements, in accordance with the following:

- Employers that are responsible only for OPEB liabilities for their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability (the difference between the total OPEB liability and the assets accumulated in trust to make the benefit payments).
- Employers that participate in a cost-sharing OPEB plan that is administered through a trust that meets specified criteria will report a liability equal to the employer's proportionate share for the collective OPEB liability for all employers participating in the plan.
- Employers that provide OPEB, but not through a trust that meets specified criteria, will report the total OPEB liability for their own employees.

City of Oakbrook Terrace, Illinois
Notes to Financial Statements
April 30, 2017

GASB Statement No. 75 requires more extensive note disclosures and required supplementary information about the OPEB liabilities. GASB Statement No. 75 is effective for fiscal years beginning after June 15, 2017. Therefore, the Statement will be effective for the City's year ending April 30, 2019.

While not effective in the short term, the Village will begin assessing the potential impact on the financial statements of this statement and begin the process of communicating the impact with those charged with governance and other stakeholders.

GASB Statement No. 84, *Fiduciary Activities* (GASB 84): establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements, and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries.

GASB 84 is effective for financial statements for fiscal years beginning after December 15, 2018. Earlier application is encouraged.

In June 2017, GASB published Statement No. 87, *Leases*. The standard was the result of a multi-year project to reexamine the accounting and financial reporting for leases. The new standard establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, GASB 87 includes the following accounting guidance for lessees and lessors:

Lessee Accounting - A lessee will recognize a liability measured at the present value of payments expected to be made for the lease term, and an intangible asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee will reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset will be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

Lessor Accounting - A lessor will recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor will reduce the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor will not derecognize the asset underlying the lease. There is an exception for regulated leases for which certain criteria are met, such as airport-aeronautical agreements.

City of Oakbrook Terrace, Illinois

Notes to Financial Statements

April 30, 2017

The lease term used to measure the asset or liability is based on the period in which the lessee has the noncancelable right to use the underlying asset. The lease term also contemplates any lease extension or termination option that is reasonably certain of being exercised.

GASB 87 does not apply to leases for intangible assets, biological assets (*i.e.*, timber and living plants and animals), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported by the lessor. Additionally, leases with a maximum possible term of 12 months or less are excluded.

The effective date is for periods beginning after December 15, 2019. It is anticipated that leases would be recognized using the facts and circumstances in effect at the beginning of the period of implementation.

While not effective in the short term, the City will begin assessing the potential impact on the financial statements of these statements and begin the process of communicating the impact with those charged with governance and other stakeholders.

Required Supplementary Information
(Unaudited)

City of Oakbrook Terrace, Illinois
Required Supplementary Information
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Illinois Municipal Retirement Fund
April 30, 2017

	<u>2017</u>	<u>2016</u>
Total pension liability		
Service costs	\$ 142,179	\$ 134,446
Interest	548,055	519,704
Changes in benefit terms		
Differences between expected and actual experience	96,277	(82,394)
Change of assumptions	(31,781)	19,677
Benefit payments including refunds of member contributions	<u>(208,431)</u>	<u>(185,947)</u>
Net change in total pension liability	546,299	405,486
Total pension liability - beginning	<u>7,369,878</u>	<u>6,964,392</u>
Total pension liability - ending	<u><u>\$ 7,916,177</u></u>	<u><u>\$ 7,369,878</u></u>
Plan fiduciary net position		
Contributions - City	\$ 179,399	\$ 166,043
Contributions - members	59,229	58,392
Net investment income	406,901	30,259
Benefit payments including refunds of member contributions	(208,431)	(185,947)
Other (net transfer)	<u>59,077</u>	<u>(89,633)</u>
Net change in plan fiduciary net position	496,175	(20,886)
Plan net position - beginning	<u>6,011,757</u>	<u>6,032,643</u>
Plan net position - ending	<u><u>\$ 6,507,932</u></u>	<u><u>\$ 6,011,757</u></u>
City's net pension liability (asset)	<u><u>\$ 1,408,245</u></u>	<u><u>\$ 1,358,121</u></u>
Plan fiduciary net position as a percentage of the total pension liability	82.21%	81.57%
Covered employee payroll	\$ 1,316,206	\$ 1,297,610
City's net pension liability as a percentage of covered employee payroll	106.99%	104.66%

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2016. Information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability.

Changes of assumptions related to retirement age and mortality were made since the prior measurement date, as well as changing the discount rate from 7.47% to 7.50%.

City of Oakbrook Terrace, Illinois
Required Supplementary Information
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Police Pension Fund
April 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 535,882	\$ 512,999	\$ 498,995
Interest on the total pension liability	1,484,841	1,409,789	1,334,696
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(134,518)	224,119	-
Changes of assumptions	202,498	56,687	266,104
Benefit payments	<u>(1,129,211)</u>	<u>(1,014,414)</u>	<u>(902,657)</u>
Net change in total pension liability	959,492	1,189,180	1,197,138
Total pension liability - beginning of period	<u>22,872,430</u>	<u>21,683,250</u>	<u>20,486,112</u>
Total pension liability - end of period	<u>\$ 23,831,922</u>	<u>\$ 22,872,430</u>	<u>\$ 21,683,250</u>
Plan fiduciary net position			
Contributions - employer	\$ 995,185	\$ 912,363	\$ 755,538
Contributions - members	168,948	171,032	169,288
Contributions - other	-	56,687	266,104
Net investment income (loss)	969,766	(79,870)	747,126
Benefit payments	(1,129,211)	(1,014,414)	(902,658)
Administrative expense	<u>(43,720)</u>	<u>(33,226)</u>	<u>(34,198)</u>
Net change in plan fiduciary net position	960,968	12,572	1,001,200
Plan net position - beginning of period	<u>10,685,013</u>	<u>10,672,441</u>	<u>9,671,241</u>
Plan net position - end of period	<u>\$ 11,645,981</u>	<u>\$ 10,685,013</u>	<u>\$ 10,672,441</u>
City's net pension liability (asset)	<u>\$ 12,185,941</u>	<u>\$ 12,187,417</u>	<u>\$ 11,010,809</u>
Plan fiduciary net position as a percentage			
Percentage of the total pension liability	48.87%	46.72%	49.22%
Covered employee payroll	\$ 1,707,810	\$ 1,725,853	\$ 1,709,980
City's net pension liability as a percentage of covered employee payroll	713.54%	706.17%	643.91%

GASB Statement Nos. 67 and 68 require the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of GASB Statement No. 67 are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2015. Information in this schedule has been determined as of the measurement date (April 30) of the City's net pension liability.

Following are the assumption changes since the prior year valuation:

- a. The mortality assumptions were updated to include a projection to the valuation date using Scale BB.
- b. The healthy lives mortality was updated to include a blue collar load.
- c. Salary scale was updated from a flat 5.00% to a service-based schedule.

City of Oakbrook Terrace, Illinois
Required Supplementary Information
Schedule of City Contributions
Police Pension Fund
April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2017	\$ 1,039,771	\$ 995,185	\$ (44,586)	\$ 1,707,810	58.27%
4/30/2016	992,007	912,363	(79,644)	1,707,810	53.42%
4/30/2015	911,755	755,538	(156,217)	1,725,853	43.78%

Notes to the Required Supplementary Information

Valuation date Actuarially determined contribution rates are calculated as of May 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included installments. One in the current year and one in the subsequent fiscal year.

Methods and Assumptions Used to Determine 2017 Contribution Rates

Actuarial cost method	Entry age normal
Amortization method	Level % pay (closed)
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market, no corridor
Interest rate	6.50% compounded annually
Salary increases	5.00% per year until assumed retirement age
Payroll growth	5.00% per year
Cost of living adjustments	Tier 1: 3.00% per year after age 55 Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement
Retirement age	See the notes to the financial statements.
Mortality rate	RP-2000 Combined Healthy Mortality with no projection
Disabled mortality rate	RP-2000 Disabled Retiree Mortality with no projection

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted by the Pension Plan in 2015.

Information in this schedule has been determined as of the City's most recent fiscal year-end.

City of Oakbrook Terrace, Illinois
Required Supplementary Information
Schedule of Investment Returns
Police Pension Fund
April 30, 2017

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2017	10.11%
2016	(1.14)%
2015	8.50%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2015.

Information in this schedule has been determined as of the City's most recent fiscal year-end.

City of Oakbrook Terrace, Illinois
Required Supplementary Information
Postemployment Healthcare Benefits
April 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age Normal Cost	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
4/30/2017	NA *	NA *	NA *	NA *	NA *	NA *
4/30/2016	\$ -	\$ 735,544	\$ 735,544	0.00 %	NA *	NA *
4/30/2015	-	735,544	735,544	0.00 %	NA *	NA *
4/30/2014	NA *	NA *	NA *	NA *	NA *	NA *
4/30/2013	NA *	NA *	NA *	NA *	NA *	NA *
4/30/2012	-	882,382	882,382	0.00	2,746,379	32.13%
4/30/2011	-	680,130	680,130	0.00	NA *	NA *

*April 30, 2016, is the latest actuarial information available. No actuarial information available for April 30, 2017, 2014, and 2013.

Schedule of Employer Contributions

Fiscal Year Ended April 30	Annual Required Contribution	Percentage Contributed
2017	\$ 51,753	66.7%
2016	51,753	78.5%
2015	57,138	95.0%
2014	57,138	110.0%
2013	57,138	112.0%
2012	40,205	78.1%

**Combining and Individual Fund
Financial Statements and Schedules**

General Fund - to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Revenues – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Local Taxes		
Property tax - police pension	\$ 934,836	\$ 930,468
Hotel/motel taxes	1,695,000	1,671,769
Off track betting tax	245,388	158,744
Utility tax	668,000	585,704
Electric utility tax	150,000	150,000
Amusement tax	242,000	261,380
Video gaming	130,000	192,110
Total local taxes	<u>4,065,224</u>	<u>3,950,175</u>
Intergovernmental		
Sales and use tax	1,905,149	2,383,023
Replacement tax	3,480	3,550
Income tax	217,668	201,210
Road and bridge tax	2,300	2,175
Total intergovernmental	<u>2,128,597</u>	<u>2,589,958</u>
Licenses and Permits		
Liquor licenses	87,520	97,453
Business licenses	130,000	132,973
Business license/reg penalty	1,600	890
Other licenses	18,625	19,075
Building permits	305,000	265,263
Other permits	100	-
Franchise fees	76,560	76,747
Video gaming fees	49,000	54,108
Total licenses and permits	<u>668,405</u>	<u>646,509</u>
Charges for Services		
Library fees	4,500	3,439
Zoning hearings, maps, books	25,500	70,951
Other charges for services	5,000	2,768
Total charges for services	<u>35,000</u>	<u>77,158</u>
Fines and Forfeits		
Court fines/tickets	174,000	109,403
Towing fees	62,500	46,000
DUI tech fees	38,800	31,731
Total fines and forfeits	<u>275,300</u>	<u>187,134</u>

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Revenues – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Investment Income	\$ 18,000	\$ 20,621
Miscellaneous		
Antenna income	113,700	113,655
Auction proceeds	2,000	-
July 4th sponsor	20,000	16,750
Other	196,621	154,130
Total miscellaneous	332,321	284,535
Total revenues	\$ 7,522,847	\$ 7,756,090

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Expenditures – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
General Government		
Executive management		
Full-time	\$ 270,634	\$ 285,832
Part-time - other	92,897	106,879
Office supplies	2,000	1,985
Health/life insurance/dental insurance	61,182	50,421
Unemployment insurance	1,477	1,663
Dues and meetings	7,000	7,862
Physical exams	-	65
Payroll taxes	27,963	26,588
Postage	850	801
Supplies	4,200	4,471
Newsletter	20,700	23,090
IMRF	40,350	38,986
Publications and books	800	235
Library services	22,000	16,591
Public information	900	1,167
Phone service	4,000	4,047
Communications	2,100	3,998
Training and conferences	500	-
Codification	6,700	2,982
Minute transcription services	2,800	2,373
Professional/tech services	500	1,198
Equipment rental	400	321
Hardware	1,200	2,675
Equipment and vehicle repair	4,050	2,294
Legal services	185,000	306,302
Contingency	10,000	1,646
Employee assistance program	3,757	345
Recognition	1,500	1,704
Special events programming	76,850	76,839
Total executive management	<u>852,310</u>	<u>973,360</u>
Economic development		
Red Box - tax incentive	9,000	10,347
Home Depot - tax incentive	174,500	180,941
SIRVA - tax incentive	9,000	-
Total economic development	<u>192,500</u>	<u>191,288</u>

(Cont.)

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Expenditures – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Building and zoning		
Full-time	\$ 206,115	\$ 210,425
Overtime	1,000	525
Part-time - other	6,300	6,450
Office supplies	1,200	1,204
Supplies	1,500	1,062
Postage	400	991
Health/life insurance/dental insurance	56,887	30,148
Unemployment insurance	1,107	602
Dues and meetings	650	436
Payroll taxes	16,341	16,494
Communications	576	648
Equipment repairs	500	1,160
IMRF	28,489	28,114
Publications and books	100	-
Professional and technical	128,000	100,783
Public information	2,500	1,467
Public hearing expenses	12,000	11,547
Hardware	600	600
Equipment rental	350	321
Training and conferences	500	-
Phone service	2,000	1,840
Total building and zoning	<u>467,115</u>	<u>414,817</u>
Finance department		
Full-time	144,023	58,309
Office supplies	1,000	1,193
Health/life insurance/dental/vision insurance	17,264	14,170
Unemployment insurance	739	605
Risk management contribution	152,392	135,298
Supplies	3,500	1,497
Dues and meetings	1,350	523
Phone service and communications	5,000	5,388
Equipment rental	360	321
Payroll taxes	11,018	4,438
IMRF	19,808	8,003
Medical exams	-	58

(Cont.)

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Expenditures – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
	<hr/>	<hr/>
Software purchase	\$ 13,000	\$ 12,877
Hardware	1,800	2,459
Training and conferences	1,000	-
Professional and technical	113,810	127,730
Business license inspection	15,000	19,100
Equipment repair	1,400	1,223
Public information	3,600	1,973
Postage	2,000	2,088
Credit card transactions	2,400	1,917
Total finance department	<hr/> 510,464	<hr/> 399,170
Total General Government	<hr/> 2,022,389	<hr/> 1,978,635
Public Safety		
Police department		
Full-time	2,075,348	2,005,915
Overtime	109,859	114,513
Part-time - regular	88,178	100,103
Holiday pay	57,759	56,258
Vacation buy back pay	7,441	13,114
Court time	84,954	48,867
Office supplies	11,000	6,236
Office furniture	-	1,365
Health/life insurance/dental insurance	529,666	505,366
Unemployment insurance	10,711	3,491
Deductible payments	4,000	-
Medical exams	400	114
Dues and meetings	2,000	410
Public information	5,000	-
Payroll taxes	185,401	172,331
IMRF	35,430	43,418
Police pension funding	992,007	994,889
Phone service	6,400	4,292
Ducomm	208,144	208,225
Communications	12,000	11,416
Gas and oil	52,500	36,273
Utilities	20,000	759
Supplies	14,000	15,937

(Cont.)

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Expenditures – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Vehicle maintenance	\$ 23,000	\$ 39,267
Postage	2,600	843
Printing	2,100	3,441
Equipment rental	500	630
Software purchase	1,000	2,053
Hardware	2,400	1,975
Uniform allowance	20,000	16,595
Publications and books	1,200	624
Training and conferences	11,600	5,205
Support services	17,060	15,281
Continuing education	3,500	-
Professional/technical services	8,100	855
Equipment repair	11,658	12,373
Travel expenses	-	65
Building maintenance	30,500	31,903
Animal control	300	150
Filing fees	3,000	443
Vehicle and equipment - capital outlay	72,171	-
DUI equipment	1,500	58,227
Total police department	4,724,387	4,533,222
Police commission		
Part-time - regular	4,500	3,975
Office supplies	200	51
Dues and meetings	375	375
Payroll taxes	350	316
Postage	200	50
Supplies	150	-
Advertising and publications	1,060	78
Professional and technical services	1,000	-
Training and conferences	1,200	-
Travel expenses	100	-
Testing and exams	5,000	3,803
Total police commission	14,135	8,648
Total Public Safety	4,738,522	4,541,870

(Cont.)

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Expenditures – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Public Services		
Full-time	\$ 256,614	\$ 246,972
Overtime	308	545
Part-time - other	12,000	9,460
Office supplies	500	475
Supplies	13,000	11,538
Postage	200	30
Building maintenance	35,000	23,013
Health/life insurance/dental insurance	55,394	56,165
Unemployment insurance	1,478	468
Professional and technical	2,500	2,545
Dues and meetings	1,350	1,271
Deductible payments	4,000	-
Physical exams	500	461
Phone service	3,400	5,470
Communications and public information	3,900	3,541
Equipment rental	500	3,628
Gas and oil	15,350	12,317
Payroll taxes	20,596	20,370
IMRF	35,380	34,244
Street repair materials and street sweeping	17,600	13,831
Vehicle maintenance and repair	16,000	19,980
Uniform allowance	2,000	1,765
Publications and books	350	30
Training and conferences	600	1,740
Lawn supplies	4,000	1,597
Lawn maintenance contract	6,500	5,940
Tree trimming	16,000	12,290
Equipment purchase	12,000	8,588
Hardware	-	1,500
Street lights	15,000	16,015
Equipment repair	13,000	10,109
Travel expenses	100	-
Mosquito abatement	16,000	15,746
Traffic signals	2,400	2,572
Testing and exams	-	110

(Cont.)

City of Oakbrook Terrace, Illinois
General Fund
Schedule of Expenditures – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Utilities	\$ 6,400	\$ 9,304
NPDES permit	1,800	2,287
Easement maintenance	1,100	1,054
Total Public Services	592,820	556,971
Tourism		
Dues and meetings	500	-
Membership and association Fees	68,616	69,477
Special Events	-	500
Marketing and advertising	100,000	99,920
Total Tourism	169,116	169,897
Total expenditures	\$ 7,522,847	\$ 7,247,373

Nonmajor Governmental Funds

City of Oakbrook Terrace, Illinois
Nonmajor Funds
Combining Balance Sheet
April 30, 2017

	Special Revenue Motor Fuel Tax Fund	Debt Service Funds	Total Nonmajor Governmental Funds
Assets			
Deposits	\$ 400,375	\$ 378,432	\$ 778,807
Receivables			
Local taxes	-	162,079	162,079
Intergovernmental	4,672	-	4,672
Due from other funds	-	37,971	37,971
	<u>\$ 405,047</u>	<u>\$ 578,482</u>	<u>\$ 983,529</u>
Deferred Inflows of Resources and Fund Balances			
Deferred Inflows of Resources			
Unavailable property taxes	\$ -	\$ 46,262	\$ 46,262
Fund Balances			
Restricted for			
Maintenance of roadways	405,047	-	405,047
Debt service	-	532,220	532,220
	<u>405,047</u>	<u>532,220</u>	<u>937,267</u>
Total fund balances	<u>405,047</u>	<u>532,220</u>	<u>937,267</u>
Total deferred inflows of resources and fund balances	<u>\$ 405,047</u>	<u>\$ 578,482</u>	<u>\$ 983,529</u>

City of Oakbrook Terrace, Illinois
Nonmajor Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2017

	<u>Special Revenue Motor Fuel Tax Fund</u>	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Local taxes	\$ -	\$ 205,011	\$ 205,011
Intergovernmental	54,089	369,384	423,473
Investment income	1,873	874	2,747
Total revenues	<u>55,962</u>	<u>575,269</u>	<u>631,231</u>
Expenditures			
Public services	<u>106,483</u>		<u>106,483</u>
Debt service			
Principal	-	305,000	305,000
Interest	-	248,071	248,071
Fees	-	3,304	3,304
Total expenditures	<u>106,483</u>	<u>556,375</u>	<u>662,858</u>
Net Change in Fund Balances	(50,521)	18,894	(31,627)
Fund Balances			
May 1	<u>455,568</u>	<u>513,326</u>	<u>968,894</u>
April 30	<u>\$ 405,047</u>	<u>\$ 532,220</u>	<u>\$ 937,267</u>

**Motor Fuel Tax Fund - to account for the projects within the street maintenance department
Financing is provided by the City's share of state gasoline taxes.**

City of Oakbrook Terrace, Illinois
Motor Fuel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor fuel tax allotments	\$ 55,271	\$ 54,089
Investment income	500	1,873
Total revenues	55,771	55,962
Expenditures		
Public services	62,000	106,483
Net Change in Fund Balance	\$ (6,229)	(50,521)
Fund Balance		
May 1		455,568
April 30		\$ 405,047

Debt Service Fund - SSA II - to account for the servicing of the general long-term debt of the City, not accounted for in other funds.

2010 and 2012 Bond Funds - to account for the servicing of debt related to the Business District redevelopment project.

City of Oakbrook Terrace, Illinois
Debt Service Funds
Combining Balance Sheet
April 30, 2017

	Debt Service Fund - SSA II	2010 Bond Fund	2012 Bond Fund	Total Debt Service Funds
Assets				
Deposits	\$ 570	\$ 237,425	\$ 140,437	\$ 378,432
Receivables				
Local taxes	46,262	63,699	52,118	162,079
Due from other funds	-	20,884	17,087	37,971
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 46,832</u>	<u>\$ 322,008</u>	<u>\$ 209,642</u>	<u>\$ 578,482</u>
Deferred Inflows of Resources and Fund Balances				
Deferred Inflows of Resources				
Unavailable property taxes	<u>\$ 46,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,262</u>
Fund Balances				
Restricted for				
SSA II Debt Service	570	-	-	570
Business District - 2010 Bonds debt service	-	322,008	-	322,008
Business District - 2012 Bonds debt service	-	-	209,642	209,642
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>570</u>	<u>322,008</u>	<u>209,642</u>	<u>532,220</u>
Total deferred inflows of resources and fund balances	<u>\$ 46,832</u>	<u>\$ 322,008</u>	<u>\$ 209,642</u>	<u>\$ 578,482</u>

City of Oakbrook Terrace, Illinois
Debt Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2017

	Debt Service Fund - SSA II	2010 Bond Fund	2012 Bond Fund	Total Debt Service Funds
Revenues				
Local taxes	\$ 48,061	\$ 86,322	\$ 70,628	\$ 205,011
Intergovernmental	-	203,161	166,223	369,384
Investment Income	-	555	319	874
Total revenues	<u>48,061</u>	<u>290,038</u>	<u>237,170</u>	<u>575,269</u>
Expenditures				
Debt service				
Principal	30,000	140,000	135,000	305,000
Interest	17,585	143,676	86,810	248,071
Fees	842	1,605	857	3,304
Total expenditures	<u>48,427</u>	<u>285,281</u>	<u>222,667</u>	<u>556,375</u>
Net Change in Fund Balances	(366)	4,757	14,503	18,894
Fund Balances				
May 1	<u>936</u>	<u>317,251</u>	<u>195,139</u>	<u>513,326</u>
April 30	<u>\$ 570</u>	<u>\$ 322,008</u>	<u>\$ 209,642</u>	<u>\$ 532,220</u>

City of Oakbrook Terrace, Illinois
Debt Service Fund – SSA II
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Local taxes		
Property taxes	\$ -	\$ 48,061
Expenditures		
Debt service		
Principal	30,000	30,000
Interest	17,585	17,585
Fees	803	842
Total expenditures	48,388	48,427
Net Change in Fund Balance	\$ (48,388)	(366)
Fund Balance		
May 1		936
April 30		\$ 570

City of Oakbrook Terrace, Illinois
2010 Bond Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Local taxes		
Home rule sales tax	\$ 29,200	\$ 43,969
Business district sales tax	30,900	42,353
Intergovernmental		
Sales and use tax	194,000	203,161
Investment income	200	555
Total revenues	254,300	290,038
Expenditures		
Debt service		
Principal	140,000	140,000
Interest	143,676	143,676
Fees	1,605	1,605
Total expenditures	285,281	285,281
Net Change in Fund Balance	\$ (30,981)	4,757
Fund Balance		
May 1		317,251
April 30		\$ 322,008

City of Oakbrook Terrace, Illinois
2012 Bond Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Local taxes		
Home rule sales tax	\$ 23,820	\$ 35,975
Business district sales tax	25,300	34,653
Intergovernmental		
Sales and use tax	158,700	166,223
Investment income	200	319
Total revenues	208,020	237,170
Expenditures		
Debt service		
Principal	135,000	135,000
Interest	86,810	86,810
Fees	900	857
Total expenditures	222,710	222,667
Net Change in Fund Balance	\$ (14,690)	14,503
Fund Balance		
May 1		195,139
April 30		\$ 209,642

Capital Improvements Fund (Major Fund) - to account for financial resources to be used for the acquisition or construction of major capital expenditures.

City of Oakbrook Terrace, Illinois
Capital Improvement Fund (Major Fund)
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Local taxes		
Home rule sales tax	\$ 1,681,000	\$ 2,213,909
Investment income	6,200	3,907
Grants		
Total revenues	1,687,200	2,217,816
Expenditures		
Capital outlay		
Equipment purchase	17,000	18,003
Facility improvements	300,000	631,408
Professional/technical services	6,500	870
Infrastructure repairs	80,000	-
Debt service		
Principal	245,000	245,000
Interest	109,188	109,188
Total expenditures	757,688	1,004,469
Net Change in Fund Balance	\$ 929,512	1,213,347
Fund Balance		
May 1		516,753
April 30		\$ 1,730,100

Proprietary Fund Type

Enterprise Funds are established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Water Fund - to account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, financing and related debt service.

City of Oakbrook Terrace, Illinois
Water Fund
Schedule of Revenues, Expenses and
Changes in Net Position – Budget and Actual
Year Ended April 30, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for services		
User charges	\$ 947,150	\$ 897,016
Connection charges	25,000	40,000
Water meters	3,500	442
Penalties/fines	15,000	17,336
Total operating revenues	<u>990,650</u>	<u>954,794</u>
Expenses		
Public services		
Risk management contribution	64,587	60,611
Utilities	8,500	10,317
Public information	1,200	1,400
Legal expense	3,500	-
Full-time	214,843	225,492
Overtime	8,908	9,063
Health and life insurance/dental insurance	44,637	43,694
Unemployment insurance	739	257
Payroll taxes	17,117	17,685
IMRF	29,055	36,889
Phone service	4,000	8,733
Dues and meetings	900	612
Postage	3,000	1,972
Supplies	3,500	2,465
Professional and technical services	35,500	3,937
Equipment purchase	6,000	8,969
Equipment repair and maintenance	10,000	9,923
Fuel	4,050	1,938
Fuel replacement	2,000	2,000
Vehicle maintenance - truck	4,000	2,242
Publication and books	200	-
Training and conferences	5,500	488
Equipment rental	700	431
Travel	100	23
Emergency services	6,000	-
Communications	2,800	2,993

(Cont.)

City of Oakbrook Terrace, Illinois
Water Fund
Schedule of Revenues, Expenses and
Changes in Net Position – Budget and Actual
Year Ended April 30, 2017

	Final Budget	Actual
Water meters	\$ 6,000	\$ 13,699
Water purchase	452,700	433,301
Uniform allowance	900	1,160
Credit Card Fees	-	1,269
Deductible Payments	4,000	-
	944,936	901,563
Operating Gain Before Depreciation	45,714	53,231
Depreciation Expense	232,000	241,488
Operating Loss	(186,286)	(188,257)
Nonoperating Revenues (Expenses)		
Electric utility tax	280,000	285,671
Investment income	300	1,002
Miscellaneous	2,010	397
Interest expense	(69,339)	(65,927)
Total nonoperating revenues (expenses)	212,971	221,143
Change in Net Position	\$ 26,685	32,886
Net Position, May 1		4,768,264
Net Position, April 30		\$ 4,801,150

Fiduciary Fund Type

Donation/Impact Fund - to account for the collection of donations received from developers and the expenditure of those monies to the park district for activities which involve parks within the community.

City of Oakbrook Terrace, Illinois
Donation Impact Fund
Balance Sheet
April 30, 2017

Assets	
Deposits	\$ -
Investments	-
	<hr/>
Total assets	\$ -
	<hr/> <hr/>
Liabilities	
Due to primary government	\$ -
	<hr/> <hr/>

City of Oakbrook Terrace, Illinois
Donation Impact Fund
Statement of Changes in Assets and Liabilities
Year Ended April 30, 2017

	Balance May 1	Increases	Decreases	Balance April 30
Assets				
Deposits	\$ 399,518	\$ -	\$ 399,518	\$ -
Investments	40	-	40	-
	<u>\$ 399,558</u>	<u>\$ -</u>	<u>\$ 399,558</u>	<u>\$ -</u>
Liabilities				
Due to primary government	<u>\$ 399,891</u>	<u>\$ -</u>	<u>\$ 399,891</u>	<u>\$ -</u>

Other Supplementary Information

City of Oakbrook Terrace, Illinois
Capital Assets Used in the Operation of Governmental Activities
Schedule of Capital Assets by Source
April 30, 2017

Governmental Funds Capital Assets	
Land and right of way	\$ 8,120,213
Land improvements	1,515,717
Construction in progress	791,956
Buildings and improvements	15,826,345
Vehicles	714,835
Machinery and equipment	915,205
Storm drainage	1,975,756
Streets and bridges	<u>6,889,133</u>
Total governmental capital assets	<u><u>\$ 36,749,160</u></u>
Investment in Governmental Capital Assets by Source	
From General Revenues and Debt Issuances	<u><u>\$ 36,749,160</u></u>

City of Oakbrook Terrace, Illinois
Capital Assets Used in the Operation of Governmental Activities
Schedule of Function and Activity
April 30, 2017

	Land and Right of Way	Land Improvements	Construction in Progress	Buildings and Improvements
General government	\$ 1,646,436	\$ -	\$ 791,956	\$ 359,256
Public safety	112,590	-	-	10,031,337
Public works	<u>6,361,187</u>	<u>1,515,717</u>	<u>-</u>	<u>5,435,752</u>
	<u><u>\$ 8,120,213</u></u>	<u><u>\$ 1,515,717</u></u>	<u><u>\$ 791,956</u></u>	<u><u>\$ 15,826,345</u></u>

Vehicles	Machinery and Equipment	Storm Drainage	Streets and Bridges	Total
\$ 38,258	\$ 248,477	\$ -	\$ -	\$ 3,084,383
346,606	286,373	-	-	10,776,906
<u>329,971</u>	<u>380,355</u>	<u>1,975,756</u>	<u>6,889,133</u>	<u>22,887,871</u>
<u>\$ 714,835</u>	<u>\$ 915,205</u>	<u>\$ 1,975,756</u>	<u>\$ 6,889,133</u>	<u>\$ 36,749,160</u>

City of Oakbrook Terrace, Illinois
Capital Assets Used in the Operation of Governmental Activities
Schedule of Changes by Function and Activity
Year Ended April 30, 2017

	Balance May 1, 2016	Additions	Deletions	Balance, April 30, 2017
General government	\$ 2,491,822	\$ 626,262	\$ 33,701	\$ 3,084,383
Public safety	10,844,113	61,970	129,177	10,776,906
Public works	<u>22,876,306</u>	<u>95,613</u>	<u>84,048</u>	<u>22,887,871</u>
	<u>\$ 36,212,241</u>	<u>\$ 783,845</u>	<u>\$ 246,926</u>	<u>\$ 36,749,160</u>

Long-Term Debt Requirements

City of Oakbrook Terrace, Illinois
Long-Term Debt Requirements
Special Service Area No. 2 Bonds
April 30, 2017

Date of issue February 15, 2006
Date of maturity December 15, 2025
Authorized issue \$ 600,000
Interest rates 3.50% - 5.00%
Interest dates June 15 and December 15
Principal maturity date December 15, 2025
Payable at Harris Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2018	\$ 30,000	\$ 16,264	\$ 46,264	2017	\$ 8,132	2017	\$ 8,132
2019	30,000	14,946	44,946	2018	7,473	2018	7,473
2020	35,000	13,624	48,624	2019	6,812	2019	6,812
2021	35,000	11,962	46,962	2020	5,981	2020	5,981
2022	40,000	10,300	50,300	2021	5,150	2021	5,150
2023	40,000	8,400	48,400	2022	4,200	2022	4,200
2024	40,000	6,500	46,500	2023	3,250	2023	3,250
2025	45,000	4,500	49,500	2024	2,250	2024	2,250
2026	45,000	2,250	47,250	2025	1,125	2025	1,125
	<u>\$ 340,000</u>	<u>\$ 88,746</u>	<u>\$ 428,746</u>		<u>\$ 44,373</u>		<u>\$ 44,373</u>

City of Oakbrook Terrace, Illinois
Long-Term Debt Requirements
General Obligation Alternate Revenue (Taxable Refunding)
Bond Series of 2010
April 30, 2017

Date of issue February 15, 2010
Date of maturity December 1, 2023
Authorized issue \$ 1,335,000
Interest rates 3.80% - 5.00%
Interest dates June 1 and December 1
Principal maturity date December 1, 2023
Payable at Bank of New York Mellon

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2018	\$ 170,000	\$ 59,922	\$ 229,922	2017	\$ 29,961	2017	\$ 29,961
2019	175,000	53,462	228,462	2018	26,731	2018	26,731
2020	180,000	46,288	226,288	2019	23,144	2019	23,144
2021	190,000	38,548	228,548	2020	19,274	2020	19,274
2022	200,000	30,092	230,092	2021	15,046	2021	15,046
2023	205,000	20,692	225,692	2022	10,346	2022	10,346
2024	215,000	10,754	225,754	2023	5,375	2023	5,379
	<u>\$ 1,335,000</u>	<u>\$ 259,758</u>	<u>\$ 1,594,758</u>		<u>\$ 129,877</u>		<u>\$ 129,881</u>

City of Oakbrook Terrace, Illinois
Long-Term Debt Requirements
General Obligation Bond Series 2010B
April 30, 2017

Date of issue October 14, 2010
Date of maturity December 15, 2030
Authorized issue \$ 325,000
Interest rates 4.00% - 6.00%
Interest dates June 15 and December 15
Principal maturity date December 15, 2030
Payable at Bank of New York Mellon

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	December 15	Amount	
2018	\$ 10,000	\$ 16,550	\$ 26,550	2017	\$ 8,275	2017	\$ 8,275
2019	10,000	16,150	26,150	2018	8,075	2018	8,075
2020	15,000	15,650	30,650	2019	7,825	2019	7,825
2021	15,000	14,900	29,900	2020	7,450	2020	7,450
2022	15,000	14,150	29,150	2021	7,075	2021	7,075
2023	15,000	13,400	28,400	2022	6,700	2022	6,700
2024	20,000	12,560	32,560	2023	6,280	2023	6,280
2025	20,000	11,440	31,440	2024	5,720	2024	5,720
2026	20,000	10,320	30,320	2025	5,160	2025	5,160
2027	25,000	9,200	34,200	2026	4,600	2026	4,600
2028	25,000	7,800	32,800	2027	3,900	2027	3,900
2029	30,000	6,300	36,300	2028	3,150	2028	3,150
2030	30,000	4,500	34,500	2029	2,250	2029	2,250
2031	45,000	2,700	47,700	2030	1,350	2030	1,350
	<u>\$ 295,000</u>	<u>\$ 155,620</u>	<u>\$ 450,620</u>		<u>\$ 77,810</u>		<u>\$ 77,810</u>

City of Oakbrook Terrace, Illinois
Long-Term Debt Requirements
General Obligation Bond Series 2012B
April 30, 2017

Date of issue December 11, 2012
Date of maturity December 15, 2030
Authorized issue \$ 1,100,000
Interest rates 2.00% - 3.40%
Interest dates June 15 and December 15
Principal maturity date December 15, 2030
Payable at Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2018	\$ 40,000	\$ 31,750	\$ 71,750	2017	\$ 15,875	2017	\$ 15,875
2019	40,000	30,950	70,950	2018	15,475	2018	15,475
2020	50,000	30,150	80,150	2019	15,075	2019	15,075
2021	50,000	29,150	79,150	2020	14,575	2020	14,575
2022	50,000	27,650	77,650	2021	13,825	2021	13,825
2023	75,000	26,150	101,150	2022	13,075	2022	13,075
2024	75,000	23,900	98,900	2023	11,950	2023	11,950
2025	75,000	21,650	96,650	2024	10,825	2024	10,825
2026	100,000	19,400	119,400	2025	9,700	2025	9,700
2027	100,000	16,400	116,400	2026	8,200	2026	8,200
2028	100,000	13,300	113,300	2027	6,650	2027	6,650
2029	100,000	10,200	110,200	2028	5,100	2028	5,100
2030	100,000	6,800	106,800	2029	3,400	2029	3,400
2031	100,000	3,400	103,400	2030	1,700	2030	1,700
	<u>\$ 1,055,000</u>	<u>\$ 290,850</u>	<u>\$ 1,345,850</u>		<u>\$ 145,425</u>		<u>\$ 145,425</u>

Statistical Section

City of Oakbrook Terrace, Illinois

Statistical Section

April 30, 2017

This portion of the City of Oakbrook Terrace, Illinois' 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 City's overall economic condition.

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Financial Trends

These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time. 111-120

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and the property tax. 121-131

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt. 132-137

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 138-139

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 140-147

Sources

Unless otherwise noted, the information in these schedules is derived from the City's Comprehensive Annual Financial Reports for the relevant year.

Financial Trends

City of Oakbrook Terrace, Illinois
Financial Trends
Net Position by Component
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014
Governmental Activities				
Net investment in capital assets	\$ 27,596,485	\$ 17,299,268	\$ 22,665,815	\$ 18,541,115
Restricted	977,815	1,068,588	1,034,141	1,029,728
Unrestricted	<u>(12,365,074)</u>	<u>(14,053,780)</u>	<u>580,837</u>	<u>3,143,267</u>
Total governmental activities net position	<u>\$ 16,209,226</u>	<u>\$ 4,314,076</u>	<u>\$ 24,280,793</u>	<u>\$ 22,714,110</u>
Business-Type Activities				
Net investment in capital assets	\$ 4,745,118	\$ 4,761,606	\$ 4,617,983	\$ 4,685,775
Unrestricted	<u>56,032</u>	<u>6,658</u>	<u>212,145</u>	<u>(145,006)</u>
Total business-type activities net position	<u>\$ 4,801,150</u>	<u>\$ 4,768,264</u>	<u>\$ 4,830,128</u>	<u>\$ 4,540,769</u>
Primary Government*				
Net investment in capital assets	\$ 32,341,603	\$ 22,060,874	\$ 27,283,798	\$ 23,226,890
Restricted	977,815	1,068,588	1,034,141	1,029,728
Unrestricted	<u>(12,309,042)</u>	<u>(14,047,122)</u>	<u>792,982</u>	<u>2,998,261</u>
Total primary government net position	<u>\$ 21,010,376</u>	<u>\$ 9,082,340</u>	<u>\$ 29,110,921</u>	<u>\$ 27,254,879</u>

*The term "Primary Government" refers to the organizations that make up the City's legal entity. It does not include its discretely presented component unit, the Pension Trust Fund, which is governed by a separate five-member pension board.

Data Source

Audited Financial Statements

2013	2012	2011	2010	2009	2008
\$ 16,782,046	\$ 16,504,383	\$ 16,074,939	\$ 15,587,743	\$ 12,725,430	\$ 12,810,819
1,052,788	634,315	215,170	-	-	-
<u>3,474,210</u>	<u>5,919,178</u>	<u>5,028,563</u>	<u>8,747,366</u>	<u>10,804,065</u>	<u>8,286,605</u>
<u>\$ 21,309,044</u>	<u>\$ 23,057,876</u>	<u>\$ 21,318,672</u>	<u>\$ 24,335,109</u>	<u>\$ 23,529,495</u>	<u>\$ 21,097,424</u>
\$ 4,399,676	\$ 4,522,324	\$ 4,682,566	\$ 4,849,901	\$ 4,869,518	\$ 4,829,469
50,633	(148,563)	(76,080)	(34,068)	191,029	361,839
<u>\$ 4,450,309</u>	<u>\$ 4,373,761</u>	<u>\$ 4,606,486</u>	<u>\$ 4,815,833</u>	<u>\$ 5,060,547</u>	<u>\$ 5,191,308</u>
\$ 21,181,722	\$ 21,026,707	\$ 20,757,505	\$ 20,437,644	\$ 17,594,948	\$ 17,640,288
1,052,788	634,315	215,170	-	-	-
<u>3,524,843</u>	<u>5,770,615</u>	<u>4,952,483</u>	<u>8,713,298</u>	<u>10,995,094</u>	<u>8,648,444</u>
<u>\$ 25,759,353</u>	<u>\$ 27,431,637</u>	<u>\$ 25,925,158</u>	<u>\$ 29,150,942</u>	<u>\$ 28,590,042</u>	<u>\$ 26,288,732</u>

City of Oakbrook Terrace, Illinois
Financial Trends
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014
Expenses				
Governmental activities				
General government	\$ 2,044,231	\$ 1,961,867	\$ 2,100,215	\$ 1,978,451
Public safety	5,152,760	4,996,796	4,398,444	4,074,615
Public services	969,327	1,026,711	750,516	807,702
Culture and recreation	169,897	168,873	201,514	259,324
Interest expense	373,772	390,574	403,871	406,240
Total governmental activities expenses	<u>8,709,987</u>	<u>8,544,821</u>	<u>7,854,560</u>	<u>7,526,332</u>
Business-type activities				
Water Fund	<u>1,208,978</u>	<u>1,376,514</u>	<u>1,155,548</u>	<u>1,123,499</u>
Total primary government expenses	<u>\$ 9,918,965</u>	<u>\$ 9,921,335</u>	<u>\$ 9,010,108</u>	<u>\$ 8,649,831</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 953,508	\$ 1,016,859	\$ 911,201	\$ 734,733
Public safety	188,621	236,544	305,003	375,707
Other activities	3,909	3,921	4,801	4,584
Capital grants and contributions	54,089	54,585	142,274	66,924
Operating grants and contributions	5,246	3,092	2,426	-
Total governmental activities program revenues	<u>1,205,373</u>	<u>1,315,001</u>	<u>1,365,705</u>	<u>1,181,948</u>
Business-type activities				
Charges for services				
Water Fund	<u>955,191</u>	<u>1,189,857</u>	<u>991,593</u>	<u>739,266</u>
Total primary government program revenues	<u>\$ 2,160,564</u>	<u>\$ 2,504,858</u>	<u>\$ 2,357,298</u>	<u>\$ 1,921,214</u>
Net (Expense) Revenues				
Governmental activities	\$ (7,504,614)	\$ (7,229,820)	\$ (6,488,855)	\$ (6,344,384)
Business-type activities	<u>(253,787)</u>	<u>(186,657)</u>	<u>(163,955)</u>	<u>(384,233)</u>
Total primary government net (expense) revenues	<u>\$ (7,758,401)</u>	<u>\$ (7,416,477)</u>	<u>\$ (6,652,810)</u>	<u>\$ (6,728,617)</u>

Data Source

Audited Financial Statements

2013	2012	2011	2010	2009	2008
\$ 5,560,743	\$ 1,865,261	\$ 6,186,604	\$ 1,898,326	\$ 2,229,476	\$ 2,199,340
3,473,773	3,522,424	3,433,728	3,249,946	3,145,844	3,065,582
1,092,806	965,968	966,728	1,247,884	1,038,590	983,078
232,400	228,438	209,778	240,097	248,734	260,259
392,563	408,851	277,791	272,406	151,343	85,683
<u>10,752,285</u>	<u>6,990,942</u>	<u>11,074,629</u>	<u>6,908,659</u>	<u>6,813,987</u>	<u>6,593,942</u>
<u>998,555</u>	<u>947,113</u>	<u>958,336</u>	<u>959,845</u>	<u>973,434</u>	<u>1,064,488</u>
<u>\$ 11,750,840</u>	<u>\$ 7,938,055</u>	<u>\$ 12,032,965</u>	<u>\$ 7,868,504</u>	<u>\$ 7,787,421</u>	<u>\$ 7,658,430</u>
\$ 787,686	\$ 729,448	\$ 651,136	\$ 542,758	\$ 626,108	\$ 675,441
354,826	358,965	422,316	290,467	287,798	184,763
6,247	5,947	6,120	4,085	1,055	805
100,804	83,332	58,186	174,361	1,007,502	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,712</u>
1,249,563	1,177,692	1,137,758	1,011,671	1,922,463	1,021,721
<u>582,549</u>	<u>454,483</u>	<u>436,402</u>	<u>399,460</u>	<u>513,127</u>	<u>385,964</u>
<u>\$ 1,832,112</u>	<u>\$ 1,632,175</u>	<u>\$ 1,574,160</u>	<u>\$ 1,411,131</u>	<u>\$ 2,435,590</u>	<u>\$ 1,407,685</u>
\$ (9,502,722)	\$ (5,813,250)	\$ (9,936,871)	\$ (5,896,988)	\$ (4,891,524)	\$ (5,572,221)
<u>(416,006)</u>	<u>(492,630)</u>	<u>(521,934)</u>	<u>(560,385)</u>	<u>(460,307)</u>	<u>(678,524)</u>
<u>\$ (9,918,728)</u>	<u>\$ (6,305,880)</u>	<u>\$ (10,458,805)</u>	<u>\$ (6,457,373)</u>	<u>\$ (5,351,831)</u>	<u>\$ (6,250,745)</u>

(Cont.)

City of Oakbrook Terrace, Illinois
Financial Trends
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property	\$ 978,529	\$ 975,181	\$ 952,432	\$ 931,324
Hotel/motel	1,671,769	1,830,536	1,631,069	1,475,414
Sales and Use	5,123,266	3,942,630	3,947,756	3,694,912
Income	201,210	218,280	214,991	203,794
Utility	735,704	855,468	800,514	924,907
Off-track betting and amusement	420,124	421,059	407,817	414,395
Other	5,725	5,297	3,794	5,413
Unrestricted investment earnings	27,275	35,384	(51,087)	35,816
Miscellaneous	236,162	204,119	148,252	63,475
Capital contribution	-	292,915	-	-
Transfers	-	-	-	-
Total governmental activities	<u>9,399,764</u>	<u>8,780,869</u>	<u>8,055,538</u>	<u>7,749,450</u>
Business-type activities				
Taxes				
Utility	285,671	274,371	453,109	474,542
Off-track betting	-	-	-	-
Unrestricted Investment earnings	1,002	352	205	151
Transfers	-	-	-	-
Total business-type activities	<u>286,673</u>	<u>274,723</u>	<u>453,314</u>	<u>474,693</u>
Total primary government	<u>\$ 9,686,437</u>	<u>\$ 9,055,592</u>	<u>\$ 8,508,852</u>	<u>\$ 8,224,143</u>
Change in Net Position				
Governmental activities	\$ 1,895,150	\$ 1,551,049	\$ 1,566,683	\$ 1,405,066
Business-type activities	<u>32,886</u>	<u>88,066</u>	<u>289,359</u>	<u>90,460</u>
Total primary government \change in net position	<u>\$ 1,928,036</u>	<u>\$ 1,639,115</u>	<u>\$ 1,856,042</u>	<u>\$ 1,495,526</u>

Data Source

Audited Financial Statements

2013	2012	2011	2010	2009	2008
\$ 904,905	\$ 892,921	\$ 864,369	\$ 851,496	\$ 798,947	\$ 774,650
1,444,706	1,337,227	1,265,426	1,056,831	1,313,207	1,638,875
3,639,381	3,212,396	3,168,498	3,020,021	3,350,023	4,044,886
201,914	180,803	165,873	189,512	202,550	216,697
932,446	1,553,565	1,092,287	1,055,029	1,119,084	1,196,044
464,363	219,367	245,964	321,156	286,261	259,766
5,488	9,866	10,018	105,567	56,648	52,122
48,278	63,953	55,909	102,990	202,274	351,156
140,003	82,356	52,090	-	-	68,727
-	-	-	-	-	-
(27,594)	-	-	-	(5,399)	(493,621)
<u>7,753,890</u>	<u>7,552,454</u>	<u>6,920,434</u>	<u>6,702,602</u>	<u>7,323,595</u>	<u>8,109,302</u>
464,781	-	-	-	-	-
-	259,816	312,422	312,627	304,030	389,649
179	89	165	3,044	20,117	53,564
27,594	-	-	-	5,399	493,621
<u>492,554</u>	<u>259,905</u>	<u>312,587</u>	<u>315,671</u>	<u>329,546</u>	<u>936,834</u>
<u>\$ 8,246,444</u>	<u>\$ 7,812,359</u>	<u>\$ 7,233,021</u>	<u>\$ 7,018,273</u>	<u>\$ 7,653,141</u>	<u>\$ 9,046,136</u>
\$ (1,748,832)	\$ 1,739,204	\$ (3,016,437)	\$ 805,614	\$ 2,432,071	\$ 2,537,081
<u>76,548</u>	<u>(232,725)</u>	<u>(209,347)</u>	<u>(244,714)</u>	<u>(130,761)</u>	<u>258,310</u>
<u>\$ (1,672,284)</u>	<u>\$ 1,506,479</u>	<u>\$ (3,225,784)</u>	<u>\$ 560,900</u>	<u>\$ 2,301,310</u>	<u>\$ 2,795,391</u>

City of Oakbrook Terrace, Illinois
Financial Trends
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014	2013
Pre-GASB 54*					
General Fund					
Reserved					
Reserved for prepaid items					
Reserved for inventories					
Unreserved					
Undesignated					
Total General Fund					
All Other Governmental Funds					
Reserved					
Reserved for prepaid items, reported in					
Capital improvement funds					
Reserved for advances, reported in					
Capital projects funds					
Reserved for business district, reported in					
Business District Fund					
Unreserved					
Undesignated, reported in					
Special revenue funds					
Debt service funds					
Capital projects fund					
Total all other governmental funds					
Total all governmental funds					
Post-GASB 54*					
General Fund					
Nonspendable					
Prepaid items	\$ 201,243	\$ 196,598	\$ 161,489	\$ 121,216	\$ 218,118
Inventories	39,801	33,719	35,295	38,701	39,465
Restricted for					
DUI equipment	40,548	99,694	62,595	55,092	133,647
Committed to					
Storm water best management practice fee	-	2,363	2,363	316	-
Unassigned	6,379,449	5,819,950	5,362,966	4,980,150	4,195,393
Total General Fund	<u>6,661,041</u>	<u>6,152,324</u>	<u>5,624,708</u>	<u>5,195,475</u>	<u>4,586,623</u>
All Other Governmental Funds					
Nonspendable					
Prepaid items	-	-	-		
Advances	-	-	-	70,593	99,747
Restricted for					
Business district	-	-	-	1,351	342,507
Maintenance of roadways	405,047	455,568	444,443	423,333	422,066
Debt service	532,220	513,326	527,103	549,952	154,568
Committed to					
Capital improvements	1,730,100	516,753	4,031,836	7,018,444	7,754,812
Assigned to					
Capital projects	-	-	-	-	-
Total all other governmental funds	<u>2,667,367</u>	<u>1,485,647</u>	<u>5,003,382</u>	<u>8,063,673</u>	<u>8,773,700</u>
Total all governmental funds	<u>\$ 9,328,408</u>	<u>\$ 7,637,971</u>	<u>\$ 10,628,090</u>	<u>\$ 13,259,148</u>	<u>\$ 13,360,323</u>

*The City implemented GASB 54, Fund Balance and Governmental Fund Type Definitions, in FY 2012. FY 2011 has been recalculated for comparison purposes.

Data Source

Audited Financial Statements

	2012	2011	2010	2009	2008
		\$ 73,188	\$ 146,697	\$ 158,156	\$ 139,097
		47,258	-	-	-
		<u>2,813,423</u>	<u>2,403,203</u>	<u>2,471,416</u>	<u>3,021,372</u>
		<u>2,933,869</u>	<u>2,549,900</u>	<u>2,629,572</u>	<u>3,160,469</u>
		1,650	-	-	-
		114,747	233,389	233,389	334,000
		215,170	-	-	-
		453,357	439,166	446,509	423,561
		932	866	795	685
		<u>6,246,414</u>	<u>5,408,160</u>	<u>7,428,542</u>	<u>4,396,154</u>
		<u>7,032,270</u>	<u>6,081,581</u>	<u>8,109,235</u>	<u>5,154,400</u>
		<u>\$ 9,966,139</u>	<u>\$ 8,631,481</u>	<u>\$ 10,738,807</u>	<u>\$ 8,314,869</u>
\$	170,937	\$ 73,188			
	48,856	47,258			
	77,322	74,710			
	-	-			
	<u>3,437,540</u>	<u>2,738,713</u>			
	<u>3,734,655</u>	<u>2,933,869</u>			
		1,650			
	109,747	114,747			
	87,079	215,170			
	468,497	453,357			
	1,417	932			
	6,959,377	6,218,854			
	<u>27,587</u>	<u>27,560</u>			
	<u>7,653,704</u>	<u>7,032,270</u>			
\$	<u>11,388,359</u>	<u>\$ 9,966,139</u>			

City of Oakbrook Terrace, Illinois
Financial Trends
Changes in Fund Balance and Percentage of Debt Service to
Noncapital Expenditures of Governmental Funds
Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014	2013
Revenues					
Taxes	\$ 6,369,095	\$ 6,004,754	\$ 5,662,550	\$ 5,440,689	\$ 5,402,307
Intergovernmental	3,013,431	2,440,688	2,545,397	2,297,431	2,291,700
Charges for services	77,158	30,107	70,453	45,743	64,715
Fines and forfeitures	187,134	233,507	300,198	371,837	354,200
Fees, licenses & permits	646,509	752,595	628,094	589,650	629,869
Investment income	27,275	35,384	(51,087)	35,816	48,278
Miscellaneous	284,535	304,420	265,638	150,232	239,978
Total revenues	<u>10,605,137</u>	<u>9,801,455</u>	<u>9,421,243</u>	<u>8,931,398</u>	<u>9,031,047</u>
Expenditures					
General government	1,978,635	1,856,583	1,795,041	1,607,455	5,567,822
Public safety	4,541,870	4,459,476	4,192,260	3,774,995	3,404,047
Public services	663,454	587,276	634,206	618,875	541,423
Tourism	169,897	168,873	201,514	259,324	232,400
Capital outlay	650,281	4,837,671	4,375,050	2,059,131	578,538
Debt service					
Principal	550,000	505,000	465,000	405,000	200,000
Interest and issuance costs	360,563	376,695	389,230	393,859	420,717
Total Expenditures	<u>8,914,700</u>	<u>12,791,574</u>	<u>12,052,301</u>	<u>9,118,639</u>	<u>10,944,947</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>1,690,437</u>	<u>(2,990,119)</u>	<u>(2,631,058)</u>	<u>(187,241)</u>	<u>(1,913,900)</u>
Other Financing Sources (Uses)					
Bond proceeds	-	-	-	3,695,000	3,910,000
Premium (discount) on bonds	-	-	-	138,604	3,458
Payment to refunded bond escrow agent	-	-	-	(3,747,538)	-
Transfers in	-	-	1,291	341,161	-
Transfers out	-	-	(1,291)	(341,161)	(27,594)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,066</u>	<u>3,885,864</u>
Net Change in Fund Balance	<u>\$ 1,690,437</u>	<u>\$ (2,990,119)</u>	<u>\$ (2,631,058)</u>	<u>\$ (101,175)</u>	<u>\$ 1,971,964</u>
Debt Service as a Percentage of Noncapital Expenditures					
Total expenditures	\$ 8,914,700	\$ 12,791,574	\$ 12,052,301	\$ 9,118,639	\$ 10,944,947
Less capital outlay*	(783,845)	(4,403,834)	(2,113,972)	(560,426)	(367,031)
Net noncapital expenditures	<u>\$ 8,130,855</u>	<u>\$ 8,384,476</u>	<u>\$ 9,938,329</u>	<u>\$ 8,558,213</u>	<u>\$ 10,577,916</u>
Total debt service	<u>\$ 910,563</u>	<u>\$ 881,695</u>	<u>\$ 819,832</u>	<u>\$ 2,015</u>	<u>\$ 620,717</u>
Percentage of Debt Service to Noncapital Expenditures	11.20%	10.52%	8.25%	0.02%	5.87%

*The 2016 Capital Outlay does not include the Right of Way Capital Contribution in the amount of \$292,915.

Data Source

Audited Financial Statements

	2012	2011	2010	2009	2008
\$	5,532,706	\$ 4,973,237	\$ 4,685,057	\$ 5,101,806	\$ 5,852,828
	1,974,959	1,907,372	1,892,932	2,945,767	2,490,924
	68,487	106,232	28,140	137,560	171,929
	355,087	420,588	290,467	304,648	198,513
	574,476	462,675	419,880	411,601	430,229
	63,953	55,909	102,989	202,274	382,993
	160,478	132,180	270,808	150,855	149,111
	<u>8,730,146</u>	<u>8,058,193</u>	<u>7,690,273</u>	<u>9,254,511</u>	<u>9,676,527</u>
	1,773,455	5,920,592	1,916,286	2,239,643	2,176,125
	3,399,733	3,262,270	3,353,372	3,245,716	3,131,380
	566,274	538,731	630,563	671,848	665,446
	228,438	209,778	240,097	248,734	260,259
	439,030	231,173	2,502,208	4,922,916	1,702,874
	520,000	465,000	872,683	366,790	350,650
	380,996	323,137	282,390	129,527	89,511
	<u>7,307,926</u>	<u>10,950,681</u>	<u>9,797,599</u>	<u>11,825,174</u>	<u>8,376,245</u>
	<u>1,422,220</u>	<u>(2,892,488)</u>	<u>(2,107,326)</u>	<u>(2,570,663)</u>	<u>1,300,282</u>
	-	4,255,000	-	5,000,000	-
	-	(27,854)	-	-	-
	-	-	-	-	-
	284,098	-	-	-	600,000
	(284,098)	-	-	(5,399)	(600,000)
	<u>-</u>	<u>4,227,146</u>	<u>-</u>	<u>4,994,601</u>	<u>-</u>
\$	<u>1,422,220</u>	<u>\$ 1,334,658</u>	<u>\$ (2,107,326)</u>	<u>\$ 2,423,938</u>	<u>\$ 1,300,282</u>
\$	7,307,926	\$ 10,950,681	\$ 9,797,599	\$ 11,825,174	\$ 8,376,245
	(150,387)	(2,353,199)	(4,831,961)	(1,551,794)	(1,239,005)
\$	<u>7,157,539</u>	<u>\$ 8,597,482</u>	<u>\$ 4,965,638</u>	<u>\$ 10,273,380</u>	<u>\$ 7,137,240</u>
\$	<u>900,996</u>	<u>\$ 788,137</u>	<u>\$ 1,155,073</u>	<u>\$ 496,317</u>	<u>\$ 440,161</u>
	12.59%	9.17%	23.26%	4.83%	6.17%

Revenue Capacity

City of Oakbrook Terrace, Illinois
Revenue Capacity
Taxable Sales by Category (in thousands)
Last Ten Calendar Years

Calendar Year	2016*	2015	2014	2013	2012
General merchandise, manufacturers, lumber, building and hardware, furniture, household and radio**	\$ 160,755	\$ 467,154	\$ 450,552	\$ 461,897	\$ 492,279
Food	386,547	376,340	382,059	339,224	260,522
Drinking and eating places	600,115	534,615	494,477	479,582	458,629
Apparel	101,346	111,261	105,340	106,991	99,792
Automobile and filling stations	125,984	184,137	147,759	181,782	128,772
Drugs and miscellaneous retail	592,037	264,656	268,287	252,907	234,867
Agriculture and all others	<u>160,299</u>	<u>222,787</u>	<u>208,223</u>	<u>164,659</u>	<u>152,800</u>
	<u>\$ 2,127,085</u>	<u>\$ 2,160,950</u>	<u>\$ 2,056,696</u>	<u>\$ 1,987,042</u>	<u>\$ 1,827,661</u>
City statutorily allocated sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%
% Change from prior year	(1.6)%	5.1%	3.5%	8.7%	7.6%

*Taxable sales information for calendar year 2016 is the most current available.

**For confidentiality purposes, the Illinois Department of Revenue will not segregate sales tax categories with less than four (4) taxpayers. Accordingly, the sales tax categories of general merchandise, manufacturers, lumber, building and hardware, furniture and household, and radio are combined on this report to protect the confidentiality of the individual taxpayers.

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 and other "paper" assets representing an interest. The above-referenced sales tax categories are determined by the State of Illinois.

Data Source

Illinois Department of Revenue

2011	2010	2009	2008	2007
\$ 542,950	\$ 456,359	\$ 394,755	\$ 484,129	\$ 537,832
65,996	67,456	121,756	156,031	171,359
425,351	433,173	447,020	531,163	559,055
88,608	70,272	73,547	107,551	158,546
209,707	163,127	239,543	156,576	170,496
240,947	222,704	205,218	242,780	261,824
<u>125,063</u>	<u>123,962</u>	<u>134,944</u>	<u>186,215</u>	<u>201,260</u>
<u>\$ 1,698,621</u>	<u>\$ 1,537,054</u>	<u>\$ 1,616,782</u>	<u>\$ 1,864,444</u>	<u>\$ 2,060,372</u>
1.00%	1.00%	1.00%	1.00%	1.00%
10.5%	(4.9)%	(13.3)%	(9.5)%	2.7%

City of Oakbrook Terrace, Illinois
Revenue Capacity
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Issuing Body	2017	2016	2015	2014
<i>DIRECT (Locally Imposed):</i>				
City of Oakbrook Terrace	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<i>OVERLAPPING (State Imposed):</i>				
State of Illinois	5.00%	5.00%	5.00%	5.00%
DuPage County	0.25%	0.25%	0.25%	0.25%
DuPage Water Commission (1)	0.00%	0.25%	0.25%	0.25%
Regional Transportation Authority	0.75%	0.75%	0.75%	0.75%
City of Oakbrook Terrace	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Total Overlapping	<u>7.00%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.25%</u>
Total Sales Tax Rate	<u><u>8.00%</u></u>	<u><u>8.25%</u></u>	<u><u>8.25%</u></u>	<u><u>8.25%</u></u>

(1) The DuPage Water Commission .25 sales tax expires May 31, 2016.

Data Source

Illinois Department of Revenue

2013	2012	2011	2010	2009	2008
<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>7.25%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.25%</u>
<u><u>8.25%</u></u>	<u><u>8.25%</u></u>	<u><u>8.25%</u></u>	<u><u>8.25%</u></u>	<u><u>8.25%</u></u>	<u><u>8.25%</u></u>

City of Oakbrook Terrace, Illinois
Revenue Capacity
Assessed Value and Estimated Actual Value of
Taxable Property
Last Ten Levy Years

Levy Year	Residential		Commercial		Total Assessed Value	Ratio of Assessed Value to Estimated Actual Value	Estimated Actual Value	City Property Tax Rate*
	Amount	% of Total Assessed Value	Amount	% of Total Assessed Value				
2016	\$ 46,576,075	18.2%	\$ 209,574,610	81.8%	\$ 256,150,685	0.333	\$ 768,452,055	0.3715
2015	42,535,916	17.5%	200,963,990	82.5%	243,499,906	0.333	730,499,718	0.3851
2014	44,963,360	19.8%	182,572,150	80.2%	227,535,510	0.333	682,606,530	0.4070
2013	45,777,905	20.3%	179,296,420	79.7%	225,074,325	0.333	675,222,975	0.4035
2012	49,161,778	20.0%	197,050,540	80.0%	246,212,318	0.333	738,636,954	0.3605
2011	53,400,690	19.6%	219,134,990	80.4%	272,535,680	0.333	817,607,040	0.3149
2010	58,533,231	20.4%	228,323,960	79.6%	286,857,191	0.333	860,571,573	0.2946
2009	62,848,899	19.9%	252,284,690	80.1%	315,133,589	0.333	945,400,767	0.2606
2008	63,014,624	18.8%	272,148,310	81.2%	335,162,934	0.333	1,005,488,802	0.2409
2007	57,838,710	17.6%	270,538,000	82.4%	328,376,710	0.333	985,130,130	0.2300

*Property tax rates are per \$100 of assessed valuation.
Property in the City is reassessed each year.

Data Source

Office of DuPage County Clerk

City of Oakbrook Terrace, Illinois
Revenue Capacity
Property Tax Rates – Direct and Overlapping Governments
Last Ten Levy Years

Tax Levy Year Fiscal Year	2016 2018	2015 2017	2014 2016	2013 2015	2012 2014
DIRECT - City of Oakbrook Terrace					
General	0.0000	-	0.0059	0.0674	0.1202
Police Pension	0.3715	0.3851	0.4011	0.3361	0.2403
Total direct rate	<u>0.3715</u>	<u>0.3851</u>	<u>0.4070</u>	<u>0.4035</u>	<u>0.3605</u>
OVERLAPPING					
DuPage County	0.1848	0.1971	0.2057	0.2040	0.1929
DuPage County Forest Preserve District	0.1514	0.1622	0.1691	0.1657	0.1542
DuPage Airport Authority	0.0176	0.0188	0.0196	0.0178	0.0168
DuPage County Spc Svc 25	1.1394	1.2562	1.2665	1.2901	1.3237
Oakbrook Terrace Spc Svc 2	1.1570	1.3205	1.5080	1.4099	1.1872
Oakbrook Terrace Park District	0.5172	0.5365	0.5639	0.5530	0.4999
Oakbrook Terrace Fire District	0.8789	0.9194	0.9596	0.7723	0.6972
York Center Fire	0.8891	0.9264	0.9674	0.9215	0.8092
York Center Park District	0.4999	0.5274	0.5474	0.5394	0.5002
York Township	0.0952	0.1002	0.1049	0.1017	0.0928
Grade School District 45	3.7870	4.0035	3.9651	3.8736	3.5426
Grade School District 48	1.4198	1.4773	1.5491	1.5030	1.3681
High School District 88	2.3995	2.5477	2.5581	2.4373	2.1984
College DuPage 502	0.2626	0.2786	0.2975	0.2956	0.2681

Rates are per \$100 of assessed valuation.

Special service area is not based on assessed value.

The purpose of this overlapping property tax rates schedule is to present comparative rate data for other governmental bodies that extend rates against the City's revenue base, so that a sense of "overall" property tax burden on the City's taxpayers may be determined. However, different overlapping governmental rates may apply for individual parcels, dependent upon each individual parcel's geographic location within the City.

Data Source

Office of DuPage County Clerk

2011 2012	2010 2011	2009 2011	2008 2010	2007 2009
0.1265	0.1152	0.1040	0.0937	0.0863
<u>0.1884</u>	<u>0.1794</u>	<u>0.1566</u>	<u>0.1472</u>	<u>0.1437</u>
<u>0.3149</u>	<u>0.2946</u>	<u>0.2606</u>	<u>0.2409</u>	<u>0.2300</u>
0.1773	0.1659	0.1554	0.1557	0.1651
0.1414	0.1321	0.1217	0.1206	0.1187
0.0169	0.0158	0.0148	0.0160	0.0170
1.2251	1.1519	1.0693	1.0637	1.1589
1.0779	0.8668	0.7636	0.7363	0.7035
0.4361	0.3896	0.3625	0.3435	0.3410
0.6303	0.5949	0.5274	0.4983	0.4896
0.7792	0.7935	0.7083	0.6918	0.6927
0.4285	0.3924	0.3574	0.3448	0.3458
0.0410	0.0737	0.0660	0.0644	0.0654
3.0664	2.7675	2.5046	2.4611	2.5297
1.2157	1.1208	1.0017	0.9561	0.9487
1.8332	1.6616	1.4795	1.4323	1.4395
0.2495	0.2349	0.2127	0.1858	0.1888

City of Oakbrook Terrace, Illinois
Revenue Capacity
Principal Property Taxpayers
Prior Fiscal Year and Nine Years Ago

Assessed Valuation Year Taxpayer	2016			2007		
	Equalized Assessed Valuation	Rank	Percentage of Total City Equalized Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total City Equalized Assessed Valuation
Oakbrook Terrace Tower	\$ 28,171,150	1	11.00%	\$ 31,470,160	1	9.58%
Versailles North Association	25,912,080	2	10.12%			
Mid America Plaza	14,319,430	3	5.59%	19,229,310	2	5.86%
Commonwealth Edison	13,001,640	4	5.08%	6,359,910	10	1.94%
Park View Plaza	8,883,780	5	3.47%			
Oakbrook Terrace Corporate Center	8,726,340	6	3.41%	10,208,560	5	3.11%
One Lincoln Center	8,291,020	7	3.24%	11,272,080	6	3.43%
Oakbrook Terrace Corporate Center III	6,544,690	8	2.56%			
Regency Place	6,118,200	9	2.39%			
Home Depot, Big Lots, Party City Shopping Center	5,207,670	10	2.03%			
Long Ridge Office				13,540,520	3	4.12%
National Tax Search				12,593,590	4	3.84%
Glaser Financial Corp.				7,812,730	7	2.38%
Glaser Financial Corp.				7,521,090	8	2.29%
CRP Holdings				7,257,500	9	2.21%
Totals	<u>125,176,000</u>		<u>48.87%</u>	<u>127,265,450</u>		<u>38.76%</u>
City Equalized Assessed Value	<u>\$ 256,150,685</u>		<u>100.00%</u>	<u>\$ 328,376,710</u>		<u>100.00%</u>

Data Source

DuPage County Clerk's Office

City of Oakbrook Terrace, Illinois
Revenue Capacity
Retailers' Occupation, Service Occupation and Use Tax
Last Ten Fiscal Years

Fiscal Year	State Sales Tax Distributions	Annual Change	
		Amount	Percentage
2017	\$ 5,046,261	\$ 1,166,350	30.06%
2016	3,879,911	(17,044)	(0.44)%
2015	3,896,955	249,749	6.85%
2014	3,647,206	49,869	1.39%
2013	3,597,337	382,596	11.90%
2012	3,214,741	46,242	1.46%
2011	3,168,499	148,478	4.92%
2010	3,020,021	(335,068)	(9.99)%
2009	3,355,089	(657,548)	(16.39)%
2008	4,012,637	253,187	6.73%

Data Source

Illinois Department of Revenue

City of Oakbrook Terrace, Illinois
Revenue Capacity
Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Levy Year Fiscal Year Collected	2016 2018	2015 2017	2014 2016	2013 2015
Equalized assessed valuation	\$ 256,150,685	\$ 243,499,906	\$ 227,535,510	\$ 225,074,325
General tax levy extension	\$ -	\$ -	\$ 13,425	\$ 151,700
Police Pension tax levy extension	951,600	937,718	912,645	756,475
Special service area tax levy extension	46,730	48,061	49,394	45,381
Total tax levy extension	\$ 998,330	\$ 985,779	\$ 975,464	\$ 953,556
Total tax collections	(1)	\$ 978,529	\$ 975,181	\$ 952,432
Percent of total tax collections to total tax levy extension		99.26%	99.97%	99.88%

(1) 2016 Tax Levy to be collected in Fiscal Year 2018.

Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

City Records

2012 2014	2011 2013	2010 2012	2009 2011	2008 2010	2007 2009
<u>\$ 246,212,318</u>	<u>\$ 272,535,680</u>	<u>\$ 286,857,191</u>	<u>\$ 315,133,589</u>	<u>\$ 335,162,934</u>	<u>\$ 328,376,710</u>
\$ 295,947	\$ 344,758	\$ 330,459	\$ 327,739	\$ 314,048	\$ 283,389
591,648	513,457	514,622	493,499	493,360	471,877
<u>46,392</u>	<u>47,376</u>	<u>48,352</u>	<u>44,066</u>	<u>44,821</u>	<u>45,573</u>
<u>\$ 933,987</u>	<u>\$ 905,590</u>	<u>\$ 893,433</u>	<u>\$ 865,304</u>	<u>\$ 852,229</u>	<u>\$ 800,839</u>
<u>\$ 931,324</u>	<u>\$ 904,905</u>	<u>\$ 892,992</u>	<u>\$ 864,349</u>	<u>\$ 851,485</u>	<u>\$ 798,946</u>
<u>99.71%</u>	<u>99.92%</u>	<u>99.95%</u>	<u>99.89%</u>	<u>99.91%</u>	<u>99.76%</u>

Debt Capacity

City of Oakbrook Terrace, Illinois
Debt Capacity
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Special Service Area Bonds	Installment Contract Payable	General Obligation Bonds	Special Service Area Bonds	Installment Contract Payable
2017	\$ 10,922,604	\$ 340,000	\$ -	\$ 1,335,000	\$ -	\$ -
2016	11,450,251	370,000	-	1,560,000	-	-
2015	11,932,898	400,000	-	1,765,000	-	-
2014	12,270,000	425,000	-	1,930,000	-	-
2013	12,275,000	450,000	-	2,075,000	-	-
2012	8,540,000	475,000	-	2,185,000	-	-
2011	9,035,000	500,000	-	2,280,000	-	-
2010	5,225,000	520,000	-	2,370,000	-	-
2009	6,050,000	540,000	27,863	2,435,969	-	19,365
2008	1,370,000	560,000	54,473	2,735,000	-	39,575

A brief description of the City's outstanding debt may be found in the paragraphs below.

In **2008**, the City issued \$5.0 million of general obligation debt to finance the new Public Services Facility.

In **2010**, the City issued \$1.3 million in general obligation debt to refinance a portion of the 2003 refunding of the Water Fund's 1997 bond series. The refinance was completed to improve cash flow in the Water Fund.

In **2010**, the City issued \$3.9 million in general obligation debt and \$325,000 in taxable business district bonds to provide an economic stimulus for the redevelopment of the Oakbrook Terrace Square Shopping Center.

In **2012**, the City issued \$2.8 million in general obligation debt and \$1.1 million in taxable business district bonds to provide the final economic stimulus payment for the redevelopment of the Oakbrook Terrace Square Shopping Center.

In **2014**, the City issued Series 2013 General Obligation (Refunding) Bonds to partial refund Series 2008 General Obligation (Building) Bonds and resulted in lower interest rate and achieved cost savings of \$210,708.

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

Data Source

City Records

Total Outstanding Debt of Primary Government	Total Outstanding Debt as a Percentage of Personal Income*	Total Outstanding Debt Per Capita*
\$ 12,597,604	8.66%	5,903
13,380,251	9.04%	6,270
14,097,898	10.19%	6,606
14,625,000	16.99%	6,853
14,800,000	17.88%	6,935
11,200,000	13.53%	5,248
11,815,000	14.27%	5,137
8,115,000	8.58%	3,528
9,073,197	8.90%	3,945
4,759,048	4.67%	2,069

City of Oakbrook Terrace, Illinois
Debt Capacity
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	2017	2016	2015	2014
Population (1)	2,134	2,134	2,134	2,134
Assessed value (2)	\$ 256,150,685	\$ 243,499,906	\$ 227,535,510	\$ 225,074,325
Gross general obligation bonded debt (Tax supported debt only) (3)	12,257,604	13,010,251	13,697,898	14,625,000
Less debt service funds* (3)	532,220	513,324	527,103	549,952
Net general obligation bonded debt	11,725,384	12,496,927	13,170,795	14,075,048
Ratio of net general obligation bonded debt to assessed value	4.58%	5.13%	5.79%	6.25%
Net general obligation bonded debt per capita	5,494.56	5,856.10	6,171.88	6,595.62

Data Source

- (1) U.S. Department of Commerce, Bureau of Census
- (2) Office of the County Clerk
- (3) City Records

2013	2012	2011	2010	2009	2008
2,134	2,134	2,134	2,300	2,300	2,300
\$ 246,212,318	\$ 272,535,680	\$ 286,857,191	\$ 315,133,589	\$ 335,162,934	\$ 328,376,710
12,275,000	8,540,000	9,035,000	5,225,000	6,050,000	1,370,000
154,568	1,416	932	867	795	685
12,120,432	8,538,584	9,034,068	5,224,133	6,049,205	1,369,315
4.92%	3.13%	3.15%	1.66%	1.80%	0.42%
5,679.68	4,001.21	4,233.40	2,271.36	2,630.09	595.35

City of Oakbrook Terrace, Illinois
Debt Capacity
Schedule of Direct and Overlapping Debt – General Obligation Debt
April 30, 2017

	(1) Gross Debt	(2) Percentage of Debt Applicable to City of Oakbrook Terrace	(3) City of Oakbrook Terrace Share of Debt
City of Oakbrook Terrace	\$ 11,262,604	100.00%	\$ 11,262,604
Other governments			
Grade School District 45	37,229,696	8.21%	3,056,558
High School District #88	105,723,048	9.29%	9,821,671
College of DuPage 502	193,170,000	0.75%	1,448,775
DuPage County	221,573,337	0.72%	1,595,328
Forest Preserve	181,884,431	0.72%	1,309,568
Oakbrook Terrace Park District	1,555,020	70.06%	1,089,447
York Center Park District	395,000	25.61%	101,160
	<u>741,530,532</u>		<u>18,422,507</u>
Total other governments	<u>\$ 752,793,136</u>		<u>\$ 29,685,111</u>

(1) Amount includes general obligation/alternate revenue bonds series.

(2) Determined by ratio of assessed value of property in City of Oakbrook Terrace subject to taxation to property subject to taxation in the government unit noted above.

(3) Amount in column (1) multiplied by amount in column (2).

Data Source

(1) Financial reports of Governmental Entities.

(2) Overlapping debt percentages based upon 2011 EVA.

City of Oakbrook Terrace, Illinois
Debt Capacity
Schedule of Legal Debt Margin
April 30, 2017

The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of 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 percentage of the assessed value of its taxable property [...] (3) if its population is 25,000 or less, an aggregate of one-half percent. Indebtedness which is outstanding on the effective date of this constitution (July 1, 1971) or which is thereafter approved by referendum or assumed from another unit of local government shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no debt limits for home rule municipalities.

Demographic and Economic Information

City of Oakbrook Terrace, Illinois
Demographic and Economic Information
Demographic and Economic Statistics
Last Ten Fiscal Years

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

Fiscal Year	Population (1)	Estimated Total Personal Income of Population (2)	Per Capita Personal Income (2)	Unemployment Rates (3)		
				City of Oakbrook Terrace	DuPage County	State of Illinois
2017	2,134	\$ 145,468,378	\$ 68,167	N/A	3.9%	5.0%
2016	2,134	147,956,622	69,333	5.5%	4.8%	5.9%
2015	2,134	138,310,942	64,813	4.3%	4.7%	5.9%
2014	2,134	86,074,890	40,335	5.0%	5.8%	7.1%
2013	2,134	86,074,890	40,335	8.9%	7.4%	9.1%
2012	2,134	86,074,890	40,335	8.8%	7.5%	9.0%
2011	2,134	80,071,948	37,522	9.9%	8.2%	9.7%
2010	2,134	79,818,002	37,403	10.8%	8.9%	10.4%
2009	2,300	101,993,500	44,345	1.9%	8.4%	10.1%
2008	2,300	101,993,500	44,345	1.1%	5.0%	6.3%

The U.S. Department of Commerce, Bureau of Census defines personal income as a measure of income received from all sources by residents of the City during a calendar year.

Data Source

- (1) U.S. Census Bureau data based upon 2010 and 2000 Census.
- (2) 2013 American Community Survey Median Income of \$68,167.
- (3) Illinois Department of Employment Security and Bureau of Labor Statistics. The 2017 rates are based upon the average rate from January through June 2017.

City of Oakbrook Terrace, Illinois
Demographic and Economic Statistics
Principal City Employers
Current Fiscal Year and Nine Years Ago

Following are the largest employers located within the City for the fiscal year, with comparative data for 2008

Employer	Product/Service	2017			2008		
		Rank	Approximate Employment (1)	Percent of Total City Population	Rank	Approximate Employment (2)	Percent of Total City Population
Commonwealth Edison	Utility	1	1,511	70.8%	4	600	26.1%
Salem Group	Full Service Staffing Services	2	825	38.7%	6	200	8.7%
Joint Commission on Accreditation	Health Care Facility Accreditation	3	555	26.0%	2	650	28.3%
Ferrara Candy Company	Candy Company	4	476	22.3%			
Crowe Horwath, LLP	Accounting	5	374	17.5%			
SIRVA, Inc.	Moving & Relocation Service Provider	6	300	14.1%			
Redbox Automated Retail, LLC	Rental and Leasing Services	7	271	12.7%			
Graycor	Industrial Buildings and Warehouses	8	225	10.5%			
Drury Lane Oakbrook Terrace	Theater and Restaurant	9	160	7.5%			
NAI Hiffman	Commercial Real Estate Brokerage	10	150	7.0%			
Computer Associates	Software Company				1	800	34.8%
VanKampen American Capital	Investment Services				3	600	26.1%
DeVry, Inc.	Vocational School				5	450	19.6%
Safeway Steel Products, Inc.	Scaffolding Rental & Sales				7	180	7.8%
Peterson Consulting, LLC.	Financial Consultants				8	150	6.5%
Westamerica Mortgage Co.	Mortgage				9	150	6.5%
Robinette Demolition, Inc.	Demolition & Environmental Remediation				10	130	5.7%
Total			4,847			3,910	

Data Source

2016 – Illinois Manufacturers Directory, 2017 Illinois Services Directory and a selective telephone survey.
2007 – Illinois Manufacturers Directory, 2006 Illinois Services Directory and a selective telephone survey.

Operating Information

City of Oakbrook Terrace, Illinois
Operating Information
Operating Indicators
Last Ten Fiscal Years

Function/Program	2017	2016	2015
General Government			
Building and zoning			
Permits issued	348	355	291
Inspections conducted	699	837	621
Business licenses issued	364	388	422
Complaints/service requests responded to	106	226	131
Vehicle maintenance			
General government equipment repairs	552	561	548
Utilities equipment repairs	165	166	160
Public Safety - Police			
Traffic collision investigations	466	494	428
Administrative tows (first collected in January 2010)	151	131	190
Incident investigations	656	1,037	712
Traffic citations	1,432	1,982	3,177
Parking citations	333	498	466
Arrests	311	359	426
Highways and Streets			
Street repairs - tons of asphalt spread	45	40	45
Sidewalk repairs - cubic yards of concrete poured	30	20	60
Snow and ice control/plowed miles	8,571	8,416	8,212
Snow and ice control/salted miles	1,310	3,366	3,284
Number of street signs replaced	43	42	85
Public Services			
Waterworks and sewerage systems			
Number of metered customers	551	546	542
Number of nonmetered customers	0	0	0
Number of customers using both water and sewer at end of year	551	546	542
Number of customers using water only at end of year	551	546	542
Number of customers using sewer only at end of year	N/A	N/A	N/A
Number of customers served by water system at end of year	551	546	542
Number of customers served by sewer system at end of year	N/A	N/A	N/A
Maximum daily pumping capacity (MGD)*	0.500	0.500	0.500
Average daily pumpage (MGD)	0.254	0.241	0.230
Gallons of water purchased (MGD)	92,475,350	87,965,000	83,950,000
Gallons of water pumped (MG)**	92,475,350	87,965,000	83,950,000
Gallons of water sold (billed) (MG)	88,776,336	82,490,000	76,950,000
Total gallons received at water reclamation facility (MGD)	N/A	N/A	N/A
Users discharging nondomestic and industrial wastes and volumes of wastes discharged	N/A	N/A	N/A

* MGD = million gallons per day

** MG = million gallons

^ Per calendar year

N/A = Not applicable

Data Source

City Records

2014	2013	2012	2011	2010	2009	2008
280	260	274	210	193	231	228
875	500	409	402	334	531	568
397	352	313	301	343	320	350
171	137	30	39	42	45	42
550	542	515	416	990	812	600
158	151	147	111	202	193	73
410	397	421	400	419	511	584
342	253	217	324	115		
834	788	787	857	726	763	661
4,205	3,672	3,531	4,484	3,974	5,679	4,291
537	290	309	364	389	498	603
605	523	561	608	619	811	443
40	35	25	22	20	15	26
50	70	60	30	10	8	50
9,944	6,315	5,500	4,856	3,147	4,327	3,400
3,860	3,000	2,500	2,428	1,600	1,950	565
65	30	34	35	26	13	15
538	523	517	510	509	509	511
0	0	0	0	0	0	0
538	523	517	510	509	509	511
538	523	517	510	509	509	511
N/A						
538	523	517	510	509	509	511
N/A						
0.500	0.500	0.500	0.500	0.500	0.500	0.500
0.185	0.178	0.161	0.175	0.180	0.178	0.167
67,525,000	65,148,000	58,765,000	63,799,000	65,827,000	65,021,000	61,000,000
67,525,000	65,148,000	58,765,000	63,799,000	65,827,000	65,021,000	61,000,000
60,955,000	58,400,000	53,655,000	52,450,000	51,913,000	49,252,000	54,000,000
N/A						
N/A						

City of Oakbrook Terrace, Illinois
Operating Information
Ten Largest Consumers –
Waterworks and Sewerage Systems
Current Fiscal Year and Ten Years Ago

Property	2017		2007	
	Rank	Total Consumption In Millions Gallons	Rank	Total Consumption Gallons
Regency Place	1	13,050,000		
Two Lincoln Center	2	5,020,000	2	3,200,000
Courtyard by Marriot	3	4,754,000		
Pete’s Fresh Market	4	4,493,000		
Comfort Suites	5	3,532,000	1	4,600,000
Staybridge Suites	6	3,250,000	3	2,834,000
Redstone American Grill	7	2,808,000	4	2,389,000
One Lincoln Center	8	2,365,000		
Oakbrook Terrace Square LLC	9	2,289,000		
Three Lincoln Center	10	2,030,000	5	1,810,000
Giordano’s			6	1,117,000
Gullivers Pizza and Pub			7	1,089,000
JRC Invesment JRC Plaza			8	1,023,000
Dunkin Donuts			9	517,000
Chapel Hills Garden			10	405,000
		43,591,000		18,984,000

Data Source

City Records

City of Oakbrook Terrace, Illinois
Operating Information
Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	2017	2016	2015	2014	2013
General Government					
Executive management	3.00	2.00	3.00	2.00	2.00
Finance	2.00	1.00	1.00	1.90	2.00
Legislative	1.00	0.50	0.50	0.50	0.50
Special events	-	1.00	-	0.70	0.70
Total general government	<u>6.00</u>	<u>4.50</u>	<u>4.50</u>	<u>5.10</u>	<u>5.20</u>
Public Safety					
Police					
Sworn	20.00	20.00	20.00	20.00	19.00
Nonsworn	<u>6.10</u>	<u>6.10</u>	<u>6.10</u>	<u>5.10</u>	<u>5.10</u>
Total public safety	<u>26.10</u>	<u>26.10</u>	<u>26.10</u>	<u>25.10</u>	<u>24.10</u>
City Services					
Building & zoning	3.00	2.50	2.50	1.50	2.50
Public works	3.78	3.78	4.06	4.06	4.06
Utilities	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.90</u>	<u>2.90</u>
Total City services	<u>9.28</u>	<u>8.78</u>	<u>9.06</u>	<u>8.46</u>	<u>9.46</u>
Total City	<u><u>41.38</u></u>	<u><u>39.38</u></u>	<u><u>39.66</u></u>	<u><u>38.66</u></u>	<u><u>38.76</u></u>

Data Source

City Records

2012	2011	2010	2009	2008
3.00	3.00	3.00	3.50	3.50
2.00	2.00	2.00	2.50	2.50
0.50	0.50	0.50	0.50	1.00
0.50	0.50	0.50	0.50	0.50
<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>7.00</u>	<u>7.50</u>
20.00	20.00	20.00	22.00	22.00
4.60	4.60	4.60	4.60	4.44
<u>24.60</u>	<u>24.60</u>	<u>24.60</u>	<u>26.60</u>	<u>26.44</u>
2.50	2.88	2.88	3.16	3.16
4.06	4.06	4.06	4.31	4.56
3.00	3.00	3.00	2.75	3.00
<u>9.56</u>	<u>9.94</u>	<u>9.94</u>	<u>10.22</u>	<u>10.72</u>
<u>40.16</u>	<u>40.54</u>	<u>40.54</u>	<u>43.82</u>	<u>44.66</u>

City of Oakbrook Terrace, Illinois
Operating Information
Capital Asset Statistics
Last Ten Fiscal Years

Function/Program	2017	2016	2015	2014	2013
General Government					
Equipment maintenance vehicles	6	6	5	5	5
Public Safety - Police					
Vehicles					
Squad cars (marked)	7	7	6	7	8
Squad cars (unmarked)	7	7	8	8	8
Highways and Streets					
Streets (lane miles)	75	75	75	75	75
Right-of-ways (miles)	153	153	153	153	153
Traffic signals	1	1	1	1	1
Public Services					
Stormwater systems					
Stormwater mains (miles)	138	138	138	138	138
Waterworks and sewerage systems					
Vehicles	5	5	5	5	3
Water mains (miles)	14	14	14	14	13
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	N/A
Sanitary sewer lift stations	N/A	N/A	N/A	N/A	N/A

N/A - Not available

Data Source

City Records

2012	2011	2010	2009	2008
5	4	4	4	4
8	7	7	6	6
8	7	7	7	7
77	77	77	77	77
155	155	155	155	155
1	1	1	1	1
138	138	138	138	138
3	3	3	3	3
13	12	12	12	12
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

City of Oakbrook Terrace, Illinois
Operating Information
Surety Bonds of Principal Officials
April 30, 2017

Principal Official	Amount of Surety Bond
Mayor	\$ 3,000
City Administrator	10,000
Assistant to the Mayor and City Administrator	10,000
Chief of Police	10,000
City Clerk	10,000
Deputy Clerk (2)	10,000
Treasurer	10,000
Finance Director	10,000