

Village of Burr Ridge, Illinois

Annual Financial Report

April 30, 2016

VILLAGE OF BURR RIDGE, ILLINOIS

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INTRODUCTORY SECTION

VILLAGE OF BURR RIDGE, ILLINOIS
PRINCIPAL OFFICIALS AND OFFICERS

April 30, 2016

Mickey Straub	Mayor
Albert Paveza	Trustee
Guy Franzese	Trustee
Janet Ryan Grasso	Trustee
Diane Bolos	Trustee
Paula Murphy	Trustee
Antonio Schiappa	Trustee
Karen J. Thomas	Village Clerk
Steven S. Stricker	Administrator
Noel Hastalis	Treasurer
Jerry C. Sapp	Director of Finance
David Preissig	Public Works Director/Village Engineer
John W. Madden	Chief of Police
Doug Pollock	Community Development Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Village of Burr Ridge, 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 of the Village of Burr Ridge, Illinois (Village), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Burr Ridge, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in Note 1 to the financial statements, in 2016 the Village adopted new accounting guidance required by Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27*, as amended by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information as 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 Village's basic financial statements.

The combining and individual fund financial statements and schedules and the supplemental data as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

Honorable President
Members of the Board of Trustees
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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 Schedule of Principal Officials and Officers listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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
September 20, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016**

The Village of Burr Ridge's (the "Village") Management's Discussion and Analysis ("MD&A") is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements.

During 2016, the Village adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27. 2015 information has not been adjusted for the adoption of GASB 68.

Financial Highlights

The following are some of the highlights to be reviewed in greater detail in this analysis and further presented by this AFR:

- Net Position and Performance in Total – The Village's total net position at April 30, 2016 was \$310,797,211, a decrease of \$10,085,308 from the prior year balance, which includes a decrease of \$3,407,946 from current operations and a decrease of \$6,677,362 related to the implementation of GASB Statement No. 68 related to pensions.
- Governmental Activity Summary – Net position for governmental activities at April 30, 2016 was \$251,655,629, a decrease of \$8,280,232 from the prior year balance, which includes a decrease of \$1,969,783 from current operations and a decrease of \$6,310,449 related to the implementation of GASB Statement No. 68 related to pensions.
- Business-Type Activity Summary – Net position for business-type activities at April 30, 2016 was \$59,141,582, a decrease of \$1,805,076, which includes a decrease of \$1,438,163 from current operations and a decrease of \$366,913 related to the implementation of GASB Statement No. 68 related to pensions.
- General Fund Summary – The Village's General Fund's balance at April 30, 2016 was \$5,606,856, an increase of \$89,142. The General Fund revenues and other financing sources were under budget estimates by \$293,827. General Fund expenditures and other financing uses were under the budget by \$402,584.
- Capital Assets – Total net capital assets for governmental and business-type activities at April 30, 2016 were \$310,338,833, a net decrease for the year of \$2,420,116.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Burr Ridge's financial section of the AFR. This financial section of the AFR includes four components: 1) independent auditor's report, 2) the basic financial statements, including the MD&A, 3) required supplementary information, and 4) additional supplemental financial information.

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

The basic financial statements include two kinds of statements that present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements, including the statement of net position and statement of activities, provide both short and long-term information about the Village’s overall financial status.

Fund financial statements focus on individual parts of Village government and report Village operations in more detail than the government-wide financial statements. The fund financial statements describe the Village’s governmental funds, proprietary funds, and fiduciary funds. The following table summarizes the major features of the Village’s financial statements.

			Fund Statements	
Description	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Village government (except Fiduciary Funds)	Activities of the Village that are not proprietary or fiduciary such as public safety	Activities of the Village that operate similar to private business such as Water and Sewer Funds	Activities in which the Village is trustee or agent of another’s resources such as pension plans
Required financial statements	1. Statement of net position	1. Balance sheet	1. Statement of net position	1. Statement of fiduciary net position
	2. Statement of activities	2. Statement of revenues, expenditures and changes in fund balances	2. Statement of revenues, expenses, and changes in fund net position	2. Statement of changes in fiduciary net position.
			3. Statement of cash flows	
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement Focus	Economic resource	Current financial resources	Economic resource	Economic resource
Type of asset & liability information	All assets and liabilities; both financial and capital short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital short and long-term	All assets and liabilities, both short and long-term. Does not contain capital assets.
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year regardless of when cash is received or paid

VILLAGE OF BURR RIDGE, ILLINOIS MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that 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 Village and its governmental and business-type activities. This statement combines and consolidates governmental funds’ current financial resources (short-term available resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities 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 government services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village’s basic services, including police, public works, and general/debt administration. Property taxes, shared state sales, local utility, and shared state income taxes finance the majority of these activities. The Business-type Activities reflect private sector type operations (Water and Sewer funds), where the fee for service typically covers all or most of the cost of operation, excluding depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than (the previous model’s) fund types.

Governmental funds are presented on a liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees (i.e. charges to customers). Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide financials statements, provide both short and long-term financial information.

Fiduciary funds are presented for certain activities where the Village’s role is that of trustee (i.e. police pension fund) or agent. While fiduciary funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the total column on the business-type fund financial statements is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bond and others) into the governmental activities column in the government-wide statements.

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental activities financial statements. This new statement requires that these assets be valued and reported within the governmental activities 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 assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system called the modified approach, which periodically 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 Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Financial Analysis of the Village as a Whole

The Village implemented the new financial reporting model, GASB Statement No. 34, beginning with the fiscal year that ended April 30, 2005. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole. In future years, historical information will be included in these analyses to improve the usefulness of this data.

Pension Accounting

The Village implemented GASB 67 in FY15. GASB 67 made significant revisions to financial reporting for pension plans and included financial statement presentation changes along with additional note and required supplementary information disclosures. GASB 67 also included mandates related to actuary methods and assumptions. New for FY16, the Village implemented the provisions of GASB 68 related to the employer's reporting of the Village's IMRF and Police Pension plans. The provisions of the statement require that the Village report, on the face of the balance sheet, the net pension liabilities, the deferred outflows of resources (future expenses) and deferred inflows of resources (future revenues) related to the pension plans.

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

Government-Wide Statements

Statement of Net Position

The following table reflects the condensed comparative Statement of Net Position as of April 30, 2016 and 2015. The Village has offset the total net pension liabilities of \$13,829,362 with deferred outflows of \$4,934,443 and deferred inflows of \$253,798. The net result of the transactions for GASB 68 is an overall net liability of \$9,148,717 related to the Village's pension obligations for IMRF and Police Pension. The impact of the implementation of GASB 68 for FY2016 explains in large part why the overall net position decreased. For more detailed information, see the Statement of Net Position on pages 14-15.

VILLAGE OF BURR RIDGE STATEMENT OF NET POSITION AS OF APRIL 30						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current & Other Assets	\$15,655,216	\$15,962,980	\$5,019,659	\$5,258,224	\$20,674,875	\$21,221,204
Capital Assets	255,474,070	256,737,259	54,864,763	56,021,690	310,338,833	312,758,949
Total Assets	271,129,286	272,700,239	59,884,422	61,279,914	331,013,708	333,980,153
Deferred Outflow	4,714,019	39,724	246,907	-	4,960,926	39,724
Current & Other Liabilities	2,147,845	2,168,392	304,233	291,897	2,452,078	2,460,289
Long -Term Liabilities	20,202,386	8,963,811	589,071	41,359	20,791,457	9,005,170
Total Liabilities	22,350,231	11,132,203	893,304	333,256	23,243,535	11,465,459
Deferred Inflow	1,837,445	1,671,899	96,443	-	1,933,888	1,671,899
Net Position:						
Investment in Capital Assets, Net of Debt	248,884,230	249,607,233	54,864,763	56,021,690	303,748,993	305,628,923
Restricted-Special Projects	435,190	494,472	-	-	435,190	494,472
Restricted-Debt Service	3,086,774	3,129,748	-	-	3,086,774	3,129,748
Unrestricted	(750,565)	6,704,408	4,276,819	4,924,968	3,526,254	11,629,376
Total Net Position	\$251,655,629	\$259,935,861	\$59,141,582	\$60,946,658	\$310,797,211	\$320,882,519

Normal Impacts

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

Net Results Of Activities – Impacts (increases/decreases) current assets and unrestricted net position.

Borrowing For Capital – Increases current assets and long-term debt.

Spending Borrowed Proceeds On New Capital – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the net investment in capital assets.

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net position and increases net investment in capital assets.

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net position and increases net investment in capital assets.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and net investment capital assets.

Current Year Impacts

Statement of Activities

The largest revenue sources for the Village are Sales, Income, and Property Tax receipts. Sales Tax receipts were \$2,332,650 or 24.17%, Income Tax receipts were \$1,125,298 or 11.66%, and Property Tax receipts were \$1,919,415 or 19.89% of total governmental revenues. The following table reflects the condensed comparative Statement of Activities as of April 30, 2016 and 2015.

VILLAGE OF BURR RIDGE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED APRIL 30						
Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Program Revenues:						
Charges for Service	\$ 1,185,388	\$ 1,293,005	\$ 4,446,074	\$ 4,010,823	\$ 5,631,462	\$ 5,303,828
Operating Grants	282,619	350,265	-	-	282,619	350,265
Capital Grants	-	-	46,913	-	46,913	-
General Revenue:						
Property Taxes	1,919,415	1,874,869	-	-	1,919,415	1,874,869
Other Taxes	4,588,336	4,775,896	-	-	4,588,336	4,775,896
Other	1,676,611	1,587,937	158,727	339,087	1,835,338	1,927,024
Total Revenue	9,652,369	9,881,972	4,651,714	4,349,910	14,304,083	14,231,882
Expenses						
General Government	3,537,938	3,585,962	-	-	3,537,938	3,585,962
Public Safety	6,307,495	5,365,609	-	-	6,307,495	5,365,609
Public Works	1,642,199	1,607,271	-	-	1,642,199	1,607,271
Interest	134,520	150,554	-	-	134,520	150,554
Water and Sewer	-	-	6,089,877	5,940,876	6,089,877	5,940,876
Total Expense	11,622,152	10,709,396	6,089,877	5,940,876	17,712,029	16,650,272
Change in Net Position	\$ (1,969,783)	\$ (827,424)	\$ (1,438,163)	\$ (1,590,966)	\$ (3,407,946)	\$ (2,418,390)

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

Normal Impacts-Changes In Net Position

Reflected below are eight common (basic) impacts on revenues and expenses.

Revenues

Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

Increase/Decrease In Village Approved Rates – While certain tax rates are set by statute, the Village Board has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers etc.). The Village's property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index or 5.0%.

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 Village's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

Expenses

Changes In Programs – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted or expanded to meet changing community needs.

Changes In Authorized Personnel – Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

Salary Increases (annual adjustments and step increases) – The Village strives to maintain a competitive salary range position in the marketplace.

Inflation – While overall inflation appears to be modest, the Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly different from CPI. Examples of such items include insurance, fuel, electricity and operating supplies.

Current Year Impacts

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2016, the governmental funds reported a combined fund balance of \$11,529,060. This is a 2.74% decrease from the beginning of the year balance of \$11,853,702.

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

Major Governmental Funds

The General Fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund at the end of the fiscal year is \$5,606,856, which exceeds the Village’s required fund balance reserve policy.

Total revenues were under budget by \$293,827, total expenditures & transfers were also under budget by \$402,584. Gas Utility tax revenues were \$109,000 lower than the prior year and budget due to a warmer-than-normal winter and historically low natural gas prices. Expenditures mainly came under budget, in the Police Department, due to lower than expected personnel costs. This surplus allowed a budget amendment to occur, to transfer \$100,000 from the General Fund to the Capital Projects Fund to help fund future projects.

VILLAGE OF BURR RIDGE GENERAL FUND BUDGETARY HIGHLIGHTS APRIL 30, 2016			
	Original Budget	Amended Budget	Actual
Revenues & Other Sources			
Taxes	\$ 5,749,200	\$ 5,749,200	\$ 5,391,377
Intergovernmental	1,083,930	1,083,930	1,168,567
Other	1,568,760	1,568,760	1,563,119
Sale of capital assets	15,000	15,000	-
Total	8,416,890	8,416,890	8,123,063
Expenditures & Other Uses			
Expenditures	8,099,775	8,099,775	7,703,231
Transfers	236,730	336,730	330,690
Total	8,336,505	8,436,505	8,033,921
Change in Fund Balance	\$ 80,385	\$ (19,615)	\$ 89,142

The Village also reports nonmajor governmental funds: Special Revenues (E-911, Motor Fuel, Hotel/Motel and Places of Eating Tax) and Capital Projects (Sidewalks/Pathways, Stormwater Management and Equipment Replacement). In July 2015, the Governor signed a bill to require the consolidation of small Emergency Telephone System Boards (ETSB) with larger ETSBs. As a result, the E911 fund was “closed” at end of 2015. The Burr Ridge ETSB will merge with the Dupage County ETSB and Police dispatching will be transferred from Southwest Central Dispatch to DUCOMM. Due to the threat of the loss of State Income Tax revenue, the restaurant week program was cancelled and less was spent on marketing within the Places of Eating Tax Fund.

Business-type Activities

Charges for services realized an increase of \$436,520, or 10.96%. The Village passed an 11.8% increase, effective March 1, 2015. This was in response to the fourth year of a four-year rate escalation program by the City of Chicago. The Village of Burr Ridge purchases water from Bedford Park, which in turn purchases water from the City of Chicago. In response to the Chicago rate adjustment of 15%, the Village of Bedford Park increased their wholesale water rate to Burr Ridge by 15%, effective January 1, 2015. Due to the increased cost of the water purchased, expenses of commodities increased by \$400,508, or 13.71%.

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

Capital Assets

As of April 30, 2016, the Village's Governmental Activities had invested \$255,474,070 in a variety of capital assets and infrastructure, as reflected in the following table.

VILLAGE OF BURR RIDGE GOVERNMENTAL ACTIVITIES CHANGE IN NET CAPITAL ASSETS APRIL 30, 2016			
	Beginning Balance	Net Additions/ Deletions	Ending Balance
Non Depreciable Assets			
Land	\$ 1,705,533	\$ -	\$ 1,705,533
Land Right of Way	214,262,950	-	214,262,950
Construction in progress	271,959	(271,959)	-
Depreciable Assets			
Streets	56,815,640	-	56,815,640
Buildings	9,971,597	-	9,971,597
Improvements other than building	2,510,113	271,958	2,782,071
Equipment	1,588,557	166,939	1,755,496
Vehicles	1,809,552	91,371	1,900,923
Accumulated Depreciation on Capital Assets	(32,198,642)	(1,521,498)	(33,720,140)
Capital Assets	\$ 256,737,259	\$ (1,263,189)	\$ 255,474,070

The County Line Road over I-55 Bridge Enhancement Project was completed this fiscal year. Vehicle additions consisted of four police vehicles, as well as, a new plow and pickup truck for the Public Works department. Equipment purchases were consisted of a license plate recognition system, mobile computers for the squad cars, and continuing upgrades for the in-car mobile vision system. The Information Technology Fund continued its wireless network expansion. The Village also has business-type activities that relate to the capital assets in the Village's water system. Additions during the fiscal year consisted of drive-by meter reading equipment. The capital assets statement for business-type activities can be found in the notes to the financial statements.

Debt Outstanding

As of April 30, 2016, the Village had \$6,440,000 in outstanding bonded debt service. The existing schedule extends through Fiscal Year 2018. The Village has a legal debt limit of \$86,590,969 which is 8.625% of assessed valuation. The Village has used \$6,440,000 of this limit leaving a legal debt margin of \$80,150,969. The Village's General obligation bonds are rated Aa2 by Moody's Investor Rating Service.

Economic Factors

The Village of Burr Ridge is conveniently located approximately 19 miles from the Chicago Loop just off of I-55 and County Line Road. Burr Ridge is an affluent community, well known for its homes and quiet residential subdivisions. The Village includes a carefully planned mix of 5 office parks and limited retail area. The Village Center has a variety of retail shops and restaurants, as well as luxury lofts and condominiums.

The Village relies heavily on Property, Sales, and Utility Taxes to provide services to its residents and businesses. The past few years there has been flat revenue growth in the General Fund which is the source for

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT DISCUSSION & ANALYSIS (Continued)**

the majority of day-to-day service delivery. Lower levels in Sales Tax and Telecommunication Taxes continue to be a concern of Village management.

The Village completed the Decennial Census in 2010 and the results indicate that the Village's population has decreased 6.2% from 11,259 to 10,559. The number of housing units in the Village has grown 9.05% from 3,933 to 4,289. The number of people per household decreased slightly from 2.96 to 2.46. This new count will result in a reduction in the state income and motor fuel tax revenues, although it is not expected to be significant.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Jerry C. Sapp, Finance Director, Village of Burr Ridge, 7660 County Line Road, Burr Ridge, Illinois 60527.

BASIC FINANCIAL STATEMENTS

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Net Position

April 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 1,513,846	1,623	1,515,469
Investments	10,593,402	4,312,861	14,906,263
Receivables			
Property Taxes	1,333,168		1,333,168
Intergovernmental	915,858		915,858
Other	244,532	606,978	851,510
Interest	96,533	64,355	160,888
Internal Balances	100,000	(100,000)	
Deposits	857,877	133,842	991,719
Total Current Assets	<u>15,655,216</u>	<u>5,019,659</u>	<u>20,674,875</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated			
Land and Right of Way	215,968,483	48,000	216,016,483
Capital Assets Depreciable, Net			
Buildings and Improvements	8,959,713	2,857,203	11,816,916
Water Distribution System and Improvements		42,657,229	42,657,229
Sewer System and Improvements		9,127,222	9,127,222
Machinery and Equipment and Vehicles	1,280,666	175,109	1,455,775
Infrastructure	29,265,208		29,265,208
Total Capital Assets	<u>255,474,070</u>	<u>54,864,763</u>	<u>310,338,833</u>
Total Assets	<u>271,129,286</u>	<u>59,884,422</u>	<u>331,013,708</u>
Deferred Outflows of Resources			
Outflows Related to Pensions	4,687,536	246,907	4,934,443
Unamortized Loss on Refunding	26,483		26,483
	<u>4,714,019</u>	<u>246,907</u>	<u>4,960,926</u>
Total Assets and Deferred Outflows of Resources	<u>275,843,305</u>	<u>60,131,329</u>	<u>335,974,634</u>

(Cont.)

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Net Position (Cont.)

April 30, 2016

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts Payable	\$ 274,938	292,642	567,580
Accrued Interest	45,856		45,856
Unearned Revenue	36,700		36,700
Deposits Payable	1,214,611	6,814	1,221,425
Compensated Absences	29,553	4,777	34,330
General Obligation Bonds and Note	546,187		546,187
Total Current Liabilities	2,147,845	304,233	2,452,078
Noncurrent Liabilities			
Compensated Absences	265,979	42,995	308,974
Net Pension Liability	13,283,286	546,076	13,829,362
Net OPEB Obligation	582,985		582,985
General Obligation Bonds and Notes	6,070,136		6,070,136
Total Noncurrent Liabilities	20,202,386	589,071	20,791,457
Total Liabilities	22,350,231	893,304	23,243,535
Deferred Inflows of Resources			
Inflows Related to Pensions	157,355	96,443	253,798
Inflows Related to Property Taxes	1,680,090		1,680,090
Total Deferred Inflows of Resources	1,837,445	96,443	1,933,888
Net Position			
Net Investment in Capital Assets	248,884,230	54,864,763	303,748,993
Restricted for Debt Service	3,086,774		3,086,774
Restricted for Emergency Services	51,534		51,534
Restricted for Streets and Highways	57,057		57,057
Restricted for Community Relations	326,599		326,599
Unrestricted	(750,565)	4,276,819	3,526,254
Total Net Position	\$ 251,655,629	59,141,582	310,797,211

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Activities

Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 3,537,938	1,000,915	12,532	
Public Safety	6,307,495	184,473		
Public Works	1,642,199		270,087	
Interest Expense	134,520			
Total Governmental Activities	11,622,152	1,185,388	282,619	-
Business-Type Activities				
Waterworks Fund	5,623,492	4,215,331		37,413
Sewer Fund	466,385	230,743		9,500
Total Business-Type Activities	6,089,877	4,446,074	-	46,913
	\$ 17,712,029	5,631,462	282,619	46,913

General Revenues

Taxes

Property

Sales and Use

Telecommunications

Utility

Hotel/Motel

State Shared Income Tax

Investment Income

Other Income

Total General Revenues

Change in Net Position

Net Position

Beginning - as Previously Reported

Restatement for adoption of GASB 68 (see Note 11)

Beginning - as Restated

Ending

Net (Expense), Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(2,524,491)		(2,524,491)
(6,123,022)		(6,123,022)
(1,372,112)		(1,372,112)
(134,520)		(134,520)
(10,154,145)	-	(10,154,145)
	(1,370,748)	(1,370,748)
	(226,142)	(226,142)
-	(1,596,890)	(1,596,890)
(10,154,145)	(1,596,890)	(11,751,035)
1,919,415		1,919,415
2,332,650		2,332,650
670,121		670,121
1,056,075		1,056,075
529,490		529,490
1,125,298		1,125,298
238,464	158,727	397,191
312,849		312,849
8,184,362	158,727	8,343,089
(1,969,783)	(1,438,163)	(3,407,946)
259,935,861	60,946,658	320,882,519
(6,310,449)	(366,913)	(6,677,362)
253,625,412	60,579,745	314,205,157
251,655,629	59,141,582	310,797,211

VILLAGE OF BURR RIDGE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2016

	General	Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 6,026,766	995,599	3,160,857	1,624,607	11,807,829
Receivables					
Property Tax	917,164		416,004		1,333,168
Intergovernmental	891,828			24,030	915,858
Accrued Interest	48,266	3,218	30,568	11,263	93,315
Other	201,652			42,880	244,532
Deposits	857,877				857,877
Due from Other Funds				323,188	323,188
Total Assets	\$ 8,943,553	998,817	3,607,429	2,025,968	15,575,767
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 189,903			12,926	202,829
Other Unearned Revenues	625,989				625,989
Due to Other Funds	317,545			5,643	323,188
Deposits Payable	1,043,825	170,786			1,214,611
Total Liabilities	2,177,262	170,786	-	18,569	2,366,617
Deferred Inflows of Resources					
Unavailable Revenue	1,159,435		520,655		1,680,090
Fund Balances					
Restricted					
Debt Service			3,086,774		3,086,774
Emergency Services				51,534	51,534
Streets and Highways				57,057	57,057
Community Relations				326,599	326,599
Committed for Capital Projects				1,565,962	1,565,962
Assigned					
Opus Contribution	850,000				850,000
Capital Improvements Fund		828,031			828,031
Unassigned					
General Fund	4,756,856				4,756,856
Special Revenue Funds				6,247	6,247
Total Fund Balances	5,606,856	828,031	3,086,774	2,007,399	11,529,060
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,943,553	998,817	3,607,429	2,025,968	15,575,767

See Notes to Financial Statements

VILLAGE OF BURR RIDGE, ILLINOIS

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

April 30, 2016

Total Fund Balances - Governmental Funds	\$ 11,529,060
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 governmental funds Balance Sheet. Less Internal Service Fund Capital Assets	255,474,070 (260,002)
Assets and liabilities of the Internal Service Fund are reported as governmental activities.	590,530
Certain items that are deferred in the governmental funds are recognized as revenue in the governmental activities.	589,289
Unamortized premiums on long-term debt are other financing uses in governmental funds in the year of issuance but are capitalized and amortized on the Statement of Net Position.	(47,717)
The unamortized loss on refunding is reported as deferred outflow of resources on the Statement of Net Position to be amortized over the life of the bonds.	26,483
Some items 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:	
Deferred Outflows of Resources - Pension Related	4,687,536
Deferred Inflows of Resources - Pension Related	(157,355)
Accrued Interest on Long-Term Debt	(45,856)
General Obligation Bonds and Notes Payable	(6,568,606)
Compensated Absences	(295,532)
Net Pension Liability	(13,283,286)
Net OPEB Obligation	(582,985)
Net Position of Governmental Activities	<u>\$ 251,655,629</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds

Year Ended April 30, 2016

	General	Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 5,391,377		518,615	554,490	6,464,482
Licenses and Permits	379,528				379,528
Intergovernmental	1,168,567			270,087	1,438,654
Charges for Services	621,387			36,790	658,177
Fines and Forfeits	147,683				147,683
Investment Income	119,372	7,936	72,849	30,371	230,528
Developers Contributions		2,100			2,100
Miscellaneous	295,149			28,132	323,281
Total Revenues	8,123,063	10,036	591,464	919,870	9,644,433
Expenditures					
Current					
General Government	1,821,547			288,947	2,110,494
Public Safety	4,526,471			343,781	4,870,252
Public Works	1,355,213			7,195	1,362,408
Capital Outlay		369,910		575,663	945,573
Debt Service					
Principal Payments			529,568		529,568
Interest Payments			150,780		150,780
Total Expenditures	7,703,231	369,910	680,348	1,215,586	9,969,075
Excess (Deficiency) of Revenues over Expenditures	419,832	(359,874)	(88,884)	(295,716)	(324,642)
Other Financing Sources (Uses)					
Transfers In		100,000	45,910	230,690	376,600
Transfers Out	(330,690)			(45,910)	(376,600)
Total Other Financing Sources (Uses)	(330,690)	100,000	45,910	184,780	-
Net Change in Fund Balances	89,142	(259,874)	(42,974)	(110,936)	(324,642)
Fund Balances					
May 1	5,517,714	1,087,905	3,129,748	2,118,335	11,853,702
April 30	\$ 5,606,856	828,031	3,086,774	2,007,399	11,529,060

VILLAGE OF BURR RIDGE, 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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ (324,642)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense \$1,659,006 exceeded capital outlays (\$410,249) in the current period.	(1,248,757)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
General Obligation Bonds	490,000
Installment Notes	39,568
Net results of the Internal Service Fund are included in the Statement of Activities.	5,746
Certain amounts that are deferred in the governmental funds are recognized as adjustments to costs within the Statement of Activities.	30,268
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Increase in Deferred Outflows Related to Pensions	4,641,932
Increase in Deferred Inflows Related to Pensions	(157,355)
Decrease in Accrued Interest Payable	5,642
Increase in Net Pension Liability	(5,395,006)
Increase in OPEB Obligation	(60,600)
Decrease in Compensated Absences	3,421
	<hr/>
Change in Net Position of Governmental Activities	<u>\$ (1,969,783)</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Net Position - Proprietary Funds
 April 30, 2016

	Business-Type Activities			Governmental
	Water Fund	Sewer Fund	Total	Internal Service
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$	1,623	1,623	88,367
Investments	2,682,695	1,630,166	4,312,861	211,052
Accounts Receivable	572,454	34,524	606,978	
Accrued Interest	48,266	16,089	64,355	3,218
Deposits with IPBC Terminal Reserve	102,885	30,957	133,842	
Due from Other funds		87,561	87,561	100,000
Total Current Assets	3,406,300	1,800,920	5,207,220	402,637
Capital Assets Not Being Depreciated	48,000		48,000	
Capital Assets Being Depreciated, Net	45,655,665	9,161,098	54,816,763	260,002
Total Capital Assets	45,703,665	9,161,098	54,864,763	260,002
Total Assets	49,109,965	10,962,018	60,071,983	662,639
Deferred Outflows of Resources				
Outflows Related to Pensions	194,927	51,980	246,907	
Liabilities				
Current Liabilities				
Accounts Payable	291,558	1,084	292,642	72,109
Due to Other Funds	187,561		187,561	
Deposits Payable	6,814		6,814	
Compensated Absences Payable	3,809	968	4,777	
Total Current Liabilities	489,742	2,052	491,794	72,109
Long-Term Liabilities				
Net Pension Liability	431,113	114,963	546,076	
Compensated Absences Payable	34,282	8,713	42,995	
Total Long-Term Liabilities	465,395	123,676	589,071	-
Total Liabilities	955,137	125,728	1,080,865	72,109
Deferred Inflows of Resources				
Inflows Related to Pensions	76,139	20,304	96,443	
Net Position				
Net Investment in Capital Assets	45,703,665	9,161,098	54,864,763	260,002
Unrestricted	2,569,951	1,706,868	4,276,819	330,528
Total Net Position	\$ 48,273,616	10,867,966	59,141,582	590,530

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
Year Ended April 30, 2016

	Business-Type Activities			Governmental
	Water Fund	Sewer Fund	Total	Internal Service
Operating Revenues				
Charges for Services	\$ 4,187,187	230,743	4,417,930	243,630
Operating Expenses				
Personal Services	811,172	210,310	1,021,482	5,196
Contractual Services	383,595	49,636	433,231	122,794
Commodities	3,321,047	144	3,321,191	16,968
Repairs and Maintenance	140,576	570	141,146	25,151
Total Operating Expenses	4,656,390	260,660	4,917,050	170,109
Operating Income (Loss) Before Depreciation	(469,203)	(29,917)	(499,120)	73,521
Depreciation	967,102	205,725	1,172,827	75,711
Operating Loss	(1,436,305)	(235,642)	(1,671,947)	(2,190)
Nonoperating Revenues				
Tap on Connection Fees	37,413	9,500	46,913	
Rental Income	28,144		28,144	
Investment Income	119,046	39,681	158,727	7,936
Total Nonoperating Revenues	184,603	49,181	233,784	7,936
Change in Net Position	(1,251,702)	(186,461)	(1,438,163)	5,746
Net Position				
Beginning - as Previously Reported	49,814,986	11,131,672	60,946,658	584,784
Restatement for Adoption of GASB 68 (See Note 11)	(289,668)	(77,245)	(366,913)	
Beginning - as Restated	49,525,318	11,054,427	60,579,745	584,784
Ending	\$ 48,273,616	10,867,966	59,141,582	590,530

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2016

	Business-Type Activities			Governmental
	Water Fund	Sewer Fund	Total	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,241,228	241,193	4,482,421	
Receipts from Interfund Services Transactions				243,630
Payments to Suppliers	(3,796,694)	(50,774)	(3,847,468)	(115,137)
Payment to Employees	(833,708)	(215,097)	(1,048,805)	(5,293)
	<u>(389,174)</u>	<u>(24,678)</u>	<u>(413,852)</u>	<u>123,200</u>
Cash Flows from Noncapital Financing Activities				
Tap on Connection Fees	37,413	9,500	46,913	
Interfund Borrowings	38,482	(87,561)	(49,079)	(100,000)
Rental Income	28,144		28,144	
	<u>104,039</u>	<u>(78,061)</u>	<u>25,978</u>	<u>(100,000)</u>
Cash Flows from Capital and Related Financing Activities				
Purchases of Capital Assets	(15,900)		(15,900)	(61,278)
Cash Flows from Investing Activities				
Sales of Investments, Net of Purchases	180,227	(111,592)	68,635	(26,318)
Interest Received	120,808	40,268	161,076	8,052
	<u>301,035</u>	<u>(71,324)</u>	<u>229,711</u>	<u>(18,266)</u>
Net Decrease in Cash and Cash Equivalents	-	(174,063)	(174,063)	(56,344)
Cash and Cash Equivalents				
Beginning		175,686	175,686	144,711
Ending	\$ -	1,623	1,623	88,367
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Operating Loss	\$ (1,436,305)	(235,642)	(1,671,947)	(2,190)
Items Not Requiring Cash				
Depreciation Expense	967,102	205,725	1,172,827	75,711
Changes in Assets and Liabilities				
Accounts Receivable	54,041	10,450	64,491	
IPBC Terminal Reserve	(16,729)	(5,165)	(21,894)	
Deferred Outflows of Resources	(172,860)	(46,096)	(218,956)	
Accounts Payable	51,224	(424)	50,800	49,776
Accrued Payroll	(28,571)	(7,374)	(35,945)	(97)
Deposits Payable	(2,700)		(2,700)	
Compensated Absences	107	1,710	1,817	
Net Pension Liability	119,378	31,834	151,212	
Deferred Inflows of Resources	76,139	20,304	96,443	
	<u>76,139</u>	<u>20,304</u>	<u>96,443</u>	
Net Cash Provided by (Used in) Operating Activities	\$ (389,174)	(24,678)	(413,852)	123,200

See Notes to Financial Statements

VILLAGE OF BURR RIDGE, ILLINOIS

Statement of Fiduciary Net Position - Fiduciary Funds
 April 30, 2016

	Pension Trust Fund		Total Fiduciary Funds
	Police Pension Fund	Agency Fund	
Assets			
Cash and Cash Equivalents	\$ 88,784	157,607	246,391
Investments			
U.S. Treasury Securities	1,045,961		1,045,961
U.S. Agency Securities	4,699,256		4,699,256
Equity Mutual Funds	8,568,867		8,568,867
State and Local Obligations	981,954		981,954
Receivables			
Accounts		1,044	1,044
Accrued Interest	56,606		56,606
Total Assets	15,441,428	158,651	15,600,079
Liabilities			
Due to Bondholders	-	158,651	158,651
Net Position			
Restricted for Pensions	\$ 15,441,428	-	15,441,428

VILLAGE OF BURR RIDGE, ILLINOIS

Police Pension Fund

Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2016

Additions	
Contributions	
Employer	\$ 593,000
Employee	235,261
Total Contributions	<u>828,261</u>
Investment Income (Loss)	
Net Depreciation in	
Fair Value of Investments	(448,629)
Interest and Dividends	535,526
	<u>86,897</u>
Less Investment Expense	(37,851)
Net Investment Income	<u>49,046</u>
Total Additions	<u>877,307</u>
Deductions	
Benefits and Refunds	919,173
Administration	10,491
	<u>929,664</u>
Change in Net Position	(52,357)
Net Position Restricted for Pensions	
Beginning - May 1	<u>15,493,785</u>
Ending - April 30	<u>\$ 15,441,428</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Burr Ridge, Illinois (Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

A. Financial Reporting Entity

The Village is a municipal corporation established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor and Board of Trustees. The Village has defined its reporting entity in accordance with GASB Statements Nos. 14, 39 and 61. Management has determined that there are no component units that are required to be included in the financial statements of the Village.

Police Pension Employees Retirement System

The Village'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 Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The Village 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 Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities, PPERS is reported as a pension trust fund.

B. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of committed and restricted monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

B. Fund Accounting (Cont.)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the government. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity. The Village utilizes an agency fund to account for assets collected and held for payment of special assessments, which are not debt of the Village.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. 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 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.

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The **General Fund** is the general operating fund of the Village and is used to account for all financial resources of the Village unless accounted for in another fund.

The **Capital Improvements Fund** is used to account for monies restricted, committed or assigned for the Village's major capital projects.

The **Debt Service Fund** is used to accumulate monies restricted for the payment of principal and interest of the General Obligations Bonds.

The Village reports the following major enterprise funds:

The **Water Fund** accounts for the provision of water services to the residents and businesses of the Village financed by user fees.

The **Sewer Fund** accounts for the provision of sewer services to the residents and businesses of the Village financed by user fees.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

C. Government-wide and Fund Financial Statements (Cont.)

Additionally, the Village reports the following internal service fund:

The **Information Technology Fund** is used to account for the acquisition of technology equipment and for technology related services to other departments of the Village. This fund is reported as part of the governmental activities on the government-wide financial statements as it provides services to the Village's governmental funds/activities.

The Village reports a pension trust fund as a fiduciary fund to account for the **Police Pension Fund**. The Village reports the **Special Assessment Fund**, an agency fund, to account for assets held for the payment of special assessment bonds.

D. Measurement Focus, Basis of Accounting and Financial Statement 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 fiduciary fund (except agency funds which do not have a measurement focus) financial statements. 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. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for income, sales and telecommunication taxes which use a 120-day 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 (owed to the state at year end), motor fuel taxes, simplified telecommunications 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. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (*i.e.*, federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

The Village reports unearned revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

E. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and investments in Illinois Funds (Illinois Public Treasurers Investment Pool) and short-term investments with original maturities of three months or less from the date of acquisition. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the Village's fair value of the pool.

Investments with a maturity of one year or greater at the time of purchase and all investments of the pension trust fund are stated at fair value. Fair value has been based on quoted market prices at April 30 for debt and equity securities and mutual funds.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (*i.e.*, the current portion of interfund loans) or "advances to/from other funds" (*i.e.*, the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

G. Property Taxes

Property taxes attach as an enforceable lien on January 1 of each year. They are levied in December of the subsequent fiscal year by passage of a Tax Levy Ordinance. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments on or about March 1 and September 1. Tax bills are prepared by DuPage County on or about May 1, and are payable in two installments on or about June 1 and September 1. The Counties collect such taxes and remit them periodically. Property tax revenues are recognized in the year they are intended to finance. The 2015 taxes are intended to finance the 2016-17 fiscal year and are not considered available for current operations and are, therefore, shown as a receivable and deferred inflows of resources in both the funds statements, because of lack of availability and the government-wide statements to match the period for which they were levied. The 2016 tax levy has not been recorded as a receivable at April 30, 2016, even though the tax attached as a lien on property as of January 1, 2016; the tax will not be levied until December 2016 and, accordingly, is not considered to be an enforceable legal claim at April 30, 2016.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (*e.g.*, roads, bridges 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 Village as assets with an initial, individual cost in excess \$10,000 and an estimated useful life in excess of one year.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

H. Capital Assets (Cont.)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays 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 included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Improvements	40 Years
Equipment	5-15 Years
Vehicles	5-10 Years
Streets	50 Years
Water System	40 Years
Sanitary Sewer Lines	40 Years

The Village will report its infrastructure on a prospective basis.

I. Compensated Absences

Vested or accumulated vacation leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities. Vested or accumulated vacation leave and compensatory time off of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

J. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds 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 expenditures.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

K. Fund Equity

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance results from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Once adopted, the limitation remains in place until a similar action is taken to remove or revise the limitation. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director through the approved fund balance policy of the Village. Any residual fund balance in the General Fund is reported as unassigned.

The Village'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 Village considers committed funds to be expended first followed by assigned and then unassigned funds.

The Village will maintain fund balance in the General Fund to fund operations for a period of at least three months. The cash flow target in the General Fund will be adjusted annually with the adoption of the annual budget and is calculated as three months (25%) of General Fund expenditures with the exception of transfers to capital projects.

In addition, a portion of fund balance will be assigned for capital improvement and replacement projects. These funds will be assigned in the General and Capital Improvements Funds.

It is also the policy of the Village to assign a portion of fund balance in the amount of debt service payments for governmental debt for the following year. These funds may be assigned in either the General Fund or the Debt Service Fund.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Village's investment in the net book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

L. Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

M. Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets, deferred outflows of resources, liabilities and deferred inflows of resources to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

N. Deferred Inflows/Outflows of Resources

The Village reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category, the outflows related to pensions, which represents pension items that will be recognized in future periods, and the unamortized loss on debt refunding that will be amortized to interest expense in future periods..

The Village also reports deferred inflows of resources on its Statement of Net Position and funds statements. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category in the government-wide statements, deferred inflows related to property taxes levied in 2015 but are levied for 2016, and deferred inflows related to pensions, which represent pension items that will be recognized in future periods. In the funds statements, deferred inflows of revenues are reported for unavailable property taxes.

O. 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 Illinois Municipal Retirement Fund agent multiple-employer defined benefit plan (IMRF) and the Police Pension Fund (the 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.

P. Implementation of New Accounting Standard

In fiscal year 2016, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*, which has as its objectives improving the usefulness of pension information included in the general purpose external financial reports of state and local governments that provide pension benefits to their employees under defined benefit pension plans for making decisions and assessing accountability. Adoption of GASB Statement No. 68 resulted in a restatement of beginning net position at May 1, 2015, and is described in Note 11. In addition, the Statement changed the requirements for information disclosed in the notes to the financial statements and information required to be presented as required supplementary information.

The Village also adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment to GASB Statement No. 68*. GASB Statement No. 71 provides guidance on the recognition of pension contributions made after the measurement date.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

2. Deposits and Investments

A. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agency, Government National Mortgage Association (GNMAs), money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations and Illinois Funds.

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

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

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Investments

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

Investment Type	Fair Value	Investment Maturities			
		Less Than One Year	1 to 5 Years	More Than 5 Years	Greater Than 10 Years
U.S. Agency Securities	\$ 10,549,643	2,145,286	5,034,609	2,715,178	654,570
State and Local Obligations	3,922,053		3,009,058	912,995	
	\$ 14,471,696	2,145,286	8,043,667	3,628,173	654,570

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

2. Deposits and Investments (Cont.)

A. Village Deposits and Investments (Cont.)

In addition to the amounts above, the Village holds two brokered CD's with a total fair value of \$434,567, that mature in fiscal year 2021.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in external investment pools. The U.S. agency obligations are all rated AA+. The state and local obligations are rated from AA- to AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all investments be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries and advisors and soundly diversified. Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. At April 30, 2016, the Village had greater than 5% of its overall portfolio invested in U.S. Treasury and U.S. agency obligations. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

B. Police Pension Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest bearing obligations of the U.S. Treasury and U.S. agencies, interest bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value).

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 100% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

2. Deposits and Investments (Cont.)

B. Police Pension Deposits and Investments (Cont.)

Investments (Cont.)

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

Investment Type	Fair Value	Investment Maturities			
		Less Than One Year	1 to 5 Years	More Than 5 Years	Greater Than 10 Years
U.S. Agency Securities	\$ 4,699,256		1,069,672	3,314,741	314,843
U.S. Treasury Securities	1,045,961		619,836	426,125	
State and Local Obligations	981,954	152,058	346,794	256,527	226,575
	6,727,171	152,058	2,036,302	3,997,393	541,418
Not Subject to Interest Rate Risk					
Equity Mutual Funds	8,568,867				
	<u>\$ 15,296,038</u>				

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations and other highly rated obligations. The U.S. Treasury securities are all rated AA, the U.S. agency securities are all rated AA+ and the state and local obligations are all rated Aa2.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be held by a third party agent.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of their investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. At April 30, 2016, the Police Pension Fund had greater than 5% of its overall portfolio invested in U.S. Treasury and U.S. agency obligations. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk.

As of April 30, 2016, the following mutual funds represent more than 5% of Police Pension Fund assets:

Vanguard 500 Index Fund	\$ 1,966,948
T.Rowe Price Growth Stock Fund	1,377,779

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

3. Receivables

The following receivables are included in intergovernmental receivables at April 30, 2016:

	General Fund	Nonmajor Governmental Funds	Governmental Activities
Court Fines	\$ 5,427		5,427
Sales Tax	553,940		553,940
Income Tax	168,220		168,220
Telecommunications Tax	164,241		164,241
Motor Fuel Tax		24,030	24,030
	<u>\$ 891,828</u>	<u>24,030</u>	<u>915,858</u>

The following receivables are included in other receivables at April 30, 2016:

	General Fund	Nonmajor Governmental Funds	Governmental Activities
Franchise Fees	\$ 69,154		69,154
Utility Tax	82,591		82,591
Places of Eating Tax	27,600		27,600
Accounts - General	22,132		22,132
Other	175		175
Hotel/Motel Tax		42,880	42,880
	<u>\$ 201,652</u>	<u>42,880</u>	<u>244,532</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

4. Capital Assets

Capital asset activity for the year ended April 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 1,705,533			1,705,533
Land Right of Way	214,262,950			214,262,950
Construction in Progress	271,959		271,959	
	<u>216,240,442</u>	<u>-</u>	<u>271,959</u>	<u>215,968,483</u>
Capital Assets Being Depreciated				
Streets	56,815,640			56,815,640
Buildings	9,971,597			9,971,597
Improvements Other Than Building	2,510,113	271,958		2,782,071
Equipment	1,588,557	202,295	35,356	1,755,496
Vehicles	1,809,552	269,234	177,863	1,900,923
	<u>72,695,459</u>	<u>743,487</u>	<u>213,219</u>	<u>73,225,727</u>
Less Accumulated Depreciation For				
Streets	26,424,500	1,125,932		27,550,432
Buildings	3,016,906	249,290		3,266,196
Improvements Other Than Building	458,207	69,552		527,759
Equipment	902,193	148,643	35,356	1,015,480
Vehicles	1,396,836	141,300	177,863	1,360,273
	<u>32,198,642</u>	<u>1,734,717</u>	<u>213,219</u>	<u>33,720,140</u>
Total Capital Assets Being Depreciated, Net	<u>40,496,817</u>	<u>(991,230)</u>	<u>-</u>	<u>39,505,587</u>
Governmental Activities Capital Assets, Net	<u>\$ 256,737,259</u>	<u>(991,230)</u>	<u>271,959</u>	<u>255,474,070</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

4. Capital Assets (Cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 48,000			48,000
Capital Assets Being Depreciated				
Buildings	6,336,128			6,336,128
Equipment	137,000			137,000
Vehicles	254,470	15,900		270,370
Water Systems	63,850,374			63,850,374
Sanitary Sewer Lines	14,307,569			14,307,569
	<u>84,885,541</u>	<u>15,900</u>	<u>-</u>	<u>84,901,441</u>
Less Accumulated Depreciation For				
Buildings	3,387,790	91,135		3,478,925
Equipment	89,425	13,700		103,125
Vehicles	104,508	24,628		129,136
Water Systems	20,341,807	851,338		21,193,145
Sanitary Sewer Lines	4,988,321	192,026		5,180,347
	<u>28,911,851</u>	<u>1,172,827</u>	<u>-</u>	<u>30,084,678</u>
Total Capital Assets Being Depreciated, Net	<u>55,973,690</u>	<u>(1,156,927)</u>	<u>-</u>	<u>54,816,763</u>
Business-Type Activities Capital Assets, Net	<u>\$ 56,021,690</u>	<u>(1,156,927)</u>	<u>-</u>	<u>54,864,763</u>

Depreciation expense was charged to functions/programs of the primary government for the year ended April 30, 2016, as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 1,297,080
Public Safety	295,196
Public Works	<u>142,441</u>
Total Depreciation Expense - Governmental Activities*	<u>\$ 1,734,717</u>

*Depreciation expense includes depreciation of the Internal Service Fund's capital assets of \$75,711.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

5. Interfund Accounts

A. Interfund transfers between funds for the year ended April 30, 2016, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Capital Improvements	\$	100,000
Nonmajor Sidewalk/Pathways		82,000
Nonmajor Equipment Replacement		148,690
Total General	<u>-</u>	<u>330,690</u>
Debt Service		
Nonmajor/Hotel/Motel	<u>45,910</u>	
Capital Improvements	<u>100,000</u>	
Nonmajor		
Hotel/Motel		45,910
Equipment Replacement	148,690	
Sidewalks/Pathways	82,000	
Total Nonmajor	<u>230,690</u>	<u>45,910</u>
	<u>\$ 376,600</u>	<u>376,600</u>

The purpose of significant transfers is as follows:

- The General Fund transferred \$148,690 to the Equipment Replacement Fund for future vehicle, equipment and public improvement purchases, \$82,000 to the Sidewalks/Pathways Fund to provide funding for approved pathway projects and \$100,000 to Capital Improvements Fund for future improvements.
- The Hotel/Motel Tax Fund transferred \$45,910 to the Debt Service Fund to cover the cost of principal and interest for the installment contract to pay for the County Line Road/Burr Ridge Parkway landscape improvement project.

B. Interfund receivables and payables at April 30, 2016, reflect temporary cash deficits in certain funds and are expected to be repaid as revenues and other sources become available.

	<u>Due From</u>	<u>Due To</u>
Internal service	\$ 100,000	
Sewer	87,561	
Water		187,561
General		317,545
Nonmajor		
Hotel/motel	255,643	
Sidewalks/pathways	67,545	
Motor fuel tax	-	5,643
	<u>\$ 510,749</u>	<u>510,749</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

6. Long-Term Obligations

A. General Obligation Bonds and Notes

The Village 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 Village. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired By	Balance May 1	Issuances	Reductions/ Refunding	Balance April 30	Current Portion
\$5,650,000 General Obligation Refunding Bonds Series 2003, dated May 15, 2003, due in annual installments of \$275,000 to \$505,000, plus fixed interest at 2.75% to 3.10% through December 30, 2016.	Debt Service	\$ 995,000		490,000	505,000	505,000
\$5,395,000 General Obligation Refunding Bonds Series 2012, dated May 2, 2012, due at maturity, plus fixed interest at 1.75% through December 15, 2017.	Debt Service	5,935,000			5,935,000	
Total General Obligation Bonds		\$ 6,930,000	-	490,000	6,440,000	505,000

Promissory notes are direct obligations and pledge the full faith and credit of the Village. Promissory notes currently outstanding are as follows:

	Fund Debt Retired By	Balance May 1	Issuances	Reductions	Balance April 30	Current Portion
\$375,000 Promissory Note, Series 2008, dated December 12, 2008, due in semi-annual installments of \$22,956 including interest at 3.98% through December 31, 2018.	Hotel/ Motel Tax	\$ 168,174		39,568	128,608	41,187

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

6. Long-Term Obligations (Cont.)

B. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Series 2003 Bonds Principal	Interest	Total
2017	\$ 505,000	15,655	520,655

Fiscal Year Ending April 30,	Series 2012 Bonds Principal	Interest	Total
2017	\$ -	103,863	103,863
2018	5,935,000	103,863	6,038,863
	\$ 5,935,000	207,726	6,142,726

Fiscal Year Ending April 30,	Promissory Note Principal	Interest	Total
2017	\$ 41,187	4,727	45,914
2018	42,856	3,058	45,914
2019	44,565	1,349	45,914
	\$ 128,608	9,134	137,742

C. Legal Debt Margin

Equalized Assessed Valuation (2015 Actual)	<u>\$ 1,003,953,267</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)	\$ 86,590,969
Less Amount of Debt Applicable to Debt Limit	
General Obligation Refunding Bond Series 2003	505,000
General Obligation Refunding Bond Series 2012	<u>5,935,000</u>
Total Debt Margin	<u>\$ 80,150,969</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

6. Long-Term Obligations (Cont.)

D. Changes in General Long-Term Obligations

	Beginning Balance (as Restated)	Issuances/ Increases	Retirements	Ending Balance	Current Portion
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds Series 2003	\$ 995,000		490,000	505,000	505,000
General Obligation Bonds Series 2012	5,935,000			5,935,000	
Unamortized Premium on Bonds Payable	71,576		23,859	47,717	
Promissory Note	168,174		39,568	128,606	41,187
Compensated Absences	298,953	26,475	29,896	295,532	29,553
Net Pension Liability	7,888,280	6,705,314	1,310,308	13,283,286	
Other Postemployment Benefits Payable	522,385	131,913	71,313	582,985	
	<u>\$ 15,879,368</u>	<u>6,863,702</u>	<u>1,964,944</u>	<u>20,778,126</u>	<u>575,740</u>
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 45,955	6,413	4,596	47,772	4,777
Net Pension Liability	394,864	416,601	265,389	546,076	
	<u>\$ 440,819</u>	<u>423,014</u>	<u>269,985</u>	<u>593,848</u>	<u>4,777</u>

7. Risk Management

The Village 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 natural disasters. The Village has joined risk pools to protect itself from losses as follows:

Intergovernmental Personnel Benefit Cooperative (IPBC)

The Village participated in the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs, (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governments and nonprofit public service entities.

The IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member.

One representative from each member group serves on the IPBC board and each board member has one vote on the board. None of its members have any direct equity interest in IPBC.

The Village, along with IPBC's other members, has a contractual obligation to fund any deficit of IPBC attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. There have been no required supplemental contributions during any of the past three years.

IPBC offers a PPO and HMO plan for its members. All IPBC indemnity medical and HMO claims are subject to an individual stop loss of \$50,000. The cooperative agreement provides that the plan will be self-sustaining through member premiums.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

7. Risk Management (Cont.)

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration, extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. There have been no required supplemental contributions during any of the past three years.

Automobile Liability	\$10,000,000 per occurrence
General Liability	\$10,000,000 per occurrence
Public Officials Liability	\$10,000,000 per occurrence
Police Professional Liability	\$10,000,000 per occurrence
Employee Benefits Liability	\$10,000,000 per occurrence
Workers' Compensation	\$151,500,000 per occurrence
First Party Property	\$250,000,000 per occurrence
Employer's Liability	\$1,000,000 per occurrence
Boiler Machinery	\$50,000,000 per occurrence
Fidelity and Crime	
a. Employee Theft	\$5,000,000 blanket limit
b. Forgery or Alteration	\$5,000,000 blanket limit
c. Computer Fraud	\$5,000,000 blanket limit
d. Credit Card Forgery	\$5,000,000 blanket limit
e. Nonfaithful Performance	\$2,500,000 blanket limit
Public Officials Bond	Blanket statutory requirements

8. Contingent Liabilities

A. Litigation

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

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

8. Contingent Liabilities (Cont.)

B. Grants

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

9. Defined Benefit Pension Plans

The Village contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, and the Police Pension Fund which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The pension plans do not issue separate reports. However, IMRF does issue a publicly available report that includes financial statements and supplementary information. That report may be obtained on-line at www.imrf.org.

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

	Governmental Activities	Business-Type Activities*	Total
Net Pension Liability			
IMRF	\$ 890,966	546,076	1,437,042
Police	12,392,320	-	12,392,320
	<u>\$ 13,283,286</u>	<u>546,076</u>	<u>13,829,362</u>
Deferred Outflows of Resources			
IMRF	\$ 402,849	246,907	649,756
Police	4,284,687	-	4,284,687
	<u>\$ 4,687,536</u>	<u>246,907</u>	<u>4,934,443</u>
Deferred Inflows of Resources			
IMRF	\$ 157,355	96,443	253,798
Police	-	-	-
	<u>\$ 157,355</u>	<u>96,443</u>	<u>253,798</u>
Pension Expense			
IMRF	\$ 194,170	119,007	313,177
Police	1,456,603	-	1,456,603
	<u>\$ 1,650,773</u>	<u>119,007</u>	<u>1,769,780</u>

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

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund

Plan Description

The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, postemployment increases and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

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 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2015, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	21
Active Plan Members	<u>26</u>
	<u><u>69</u></u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Contributions

As set by statute, the Village plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar 2015 was 12.29%. For the year ended April 30, 2016, the Village contributed \$237,652 to the plan. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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:

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

Net Pension Liability

The Village's net pension liability at April 30, 2016, was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability as of April 30, 2016, is \$1,437,042.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of April 30, 2016:

Actuarial Valuation Date	December 31, 2015
Measurement Date	December 31, 2015
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 14.50%, Including Inflation.
Investment Rate of Return	7.48%
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 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

A single discount rate (SDR) of 7.48% was used to measure the total pension liability. The projection of cash flow 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. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the 2015 valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting SDR is 7.48%.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 11,106,738	10,067,624	1,039,114
Changes for the Year			
Service Cost	209,600		209,600
Interest	826,122		826,122
Differences Between Expected and Actual Experience	(344,674)		(344,674)
Changes in Assumptions	13,005		13,005
Contributions - Employer		231,673	(231,673)
Contributions - Employee		84,828	(84,828)
Net Investment Income		50,220	(50,220)
Benefit Payments, Including Refunds of Employees' Contributions	(363,732)	(363,732)	
Other (Net Transfer)		(60,596)	60,596
Net Changes	340,321	(57,607)	397,928
Balance, End of Year	\$ 11,447,059	10,010,017	1,437,042

Discount Rate Sensitivity

The following is a sensitivity analysis of the Village's net pension liability to changes in the discount rate. The table below represents the net pension liability of the Village calculated using the discount rate of 7.48% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.48%) or one percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Village's Net Pension Liability	\$ 2,869,524	1,437,042	275,580

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

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

For the year ended April 30, 2016, the Village recognized IMRF pension expense of \$313,177 (\$194,170 for governmental activities and \$119,007 for business-type activities). At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	
	(a)	(b)
<u>Deferred Outflows Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	253,798
Changes in Assumptions	9,576	
Net Differences Between Projected and Actual Earnings on Plan Investments	560,646	
Pension Contributions Made Subsequent to the Measurement Date	79,534	
Total	<u>\$ 649,756</u>	<u>253,798</u>

Contributions subsequent to the December 31, 2015 measurement date through April 30, 2016, of \$79,534, included in deferred outflows of resources, will be reported as a reduction of the net pension liability at April 30, 2017.

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

Year Ending April 30,	Amount
2017	\$ 52,715
2018	52,715
2019	70,834
2020	<u>140,160</u>
	<u>\$ 316,424</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

Pension Plan Fiduciary Net Position

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

B. Police Pension

Plan Description

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer defined benefit pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. The Plan does not issue a stand-alone financial report.

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of credited service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2½% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after July 1, 1993, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the pension payable including increases previously granted.

Tier 2 employees (those hired on or after January 1, 2011) 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. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (*i.e.*, 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Employees Covered by Benefit Terms

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

Retirees and Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>26</u>
	<u>43</u>

Basis of Accounting

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where 90% of past service costs are funded. For the year ended April 30, 2016, the Village's contributions were \$593,000 or 23.0% of covered payroll.

Investment Policy

State statutes as well as the investment policy of the Police Pension Fund provide that the Fund may invest up to 57.5% of the investment portfolio in equity mutual funds and the remaining portfolio in fixed income securities.

The Burr Ridge Police Pension Fund is invested to provide liquidity to fund current benefit payments as well as to provide return for future obligations. The Fund is invested according to the guidelines set forth by Illinois State statutes.

The Police Pension Fund strives to limit its exposure to credit risk, which is the risk that the issuer of a debt security will not pay the par value upon maturity. This is controlled by primarily investing in securities issued by the United States Government, securities issued by agencies of the United States Government that carry an implicit guarantee, or high quality state or local obligations. United States Government and agency securities are considered to be "AAA" rated and are generally considered free of credit risk due to the stability of the United States Government.

ILCS limit the Police Pension Fund's investments in certain types of securities and other permitted investments. Securities in any one company should not exceed 5% of the total cash and invested assets of the fund. 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 fiduciary net position.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Investment Policy (Cont.)

Target allocations are as follows:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Fixed Income	45.0%	2.15%
Large Cap Domestic Equities	38.5%	6.95%
Mid/Small Cap Domestic Equities	11.0%	9.05%
International Equities	5.5%	7.15%
	100.0%	

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return have been provided by the investment professionals that work with the pension fund. Future real rates of return are weighted based on the target asset allocation within the Police Pension Plan's Investment Policy Statement. Expected inflation is added back in.

Investment Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

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

Actuarial Valuation Date	April 30, 2016
Measurement Date	April 30, 2016
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.25% to 8.12%, Including Inflation.
Investment Rate of Return	7.00%
Asset Valuation Method	Market Value of Assets

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Actuarial Assumptions (Cont.)

Mortality rates are based on the 2016 rates developed by Lauterbach & Amen, LLP for the Illinois State Police Officers.

Assumption Changes

The assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax-Exempt GO Bonds was changed to 3.32% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and Statement 68.

The discount rate used in the determination of the total pension liability was changed from 7.99% to 6.32%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

In addition, changes made that impact the projection of the net position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. Actual changes in the net position from one year to the next can impact the projections as well.

The demographic assumptions were changed to the tables shown on the prior page. The changes were made based on a study of police officers and police pension funds in Illinois. The changes are described in the assumption document for the pension fund. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include:

- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Disability Rates
- Termination Rates

Discount Rate

The discount rate used to measure the total pension liability was 6.32% for the fiscal year ended April 30, 2016. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments of 7% and a high quality 20-year tax-exempt G.O. Bond rate of 3.32%. Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 22,737,815	15,493,785	7,244,030
Changes for the Year			
Service Cost	679,295		679,295
Interest	1,407,984		1,407,984
Differences Between Expected and Actual Experience	1,359,876		1,359,876
Changes in Assumptions	2,567,951		2,567,951
Contributions - Employer		593,000	(593,000)
Contributions - Employee		235,261	(235,261)
Net Investment Income		49,046	(49,046)
Benefit Payments, Including Refunds of Employees Contributions	(919,173)	(919,173)	
Administrative Expenses			
Other (Net Transfer)		(10,491)	10,491
Net Changes	5,095,933	(52,357)	5,148,290
Balance, End of Year	\$ 27,833,748	15,441,428	12,392,320

Discount Rate Sensitivity

The following presents the Village's net pension liability calculated using the discount rate of 6.32%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.32%) or 1 percentage point higher (7.32%) than the current rate.

	1% Decrease (5.32%)	Current Discount Rate (6.32%)	1% Increase (7.32%)
Village's Net Pension Liability	\$ 17,023,941	12,392,320	8,683,032

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

9. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Pension Expense and Deferred Outflows of Resources Related to Police Pension

For the year ended April 30, 2016, the Village recognized pension expense of \$1,456,603. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	2016 (a) Deferred Outflows of Resources
<u>Deferred Outflows Related to Pensions</u>	
Differences Between Expected and Actual Experience	\$ 1,197,599
Changes in Assumptions	2,261,512
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	<u>825,576</u>
Total	<u>\$ 4,284,687</u>

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
2017	\$ 675,110
2018	675,110
2019	675,110
2020	675,110
2021	468,716
Thereafter	<u>1,115,531</u>
	<u>\$ 4,284,687</u>

Pension Plan Fiduciary Net Position

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

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

10. Other Postemployment Benefits

A. Plan Descriptions

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

B. Benefits Provided

The Village provides pre- and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

C. Membership

At April 30, 2016, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	34
Active Plan Members	<u>11</u>
	<u><u>49</u></u>

D. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, employer contribution, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2015 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
4/30/2014	\$ 127,652	20,708	16.22%	411,623
4/30/2015	132,201	21,439	16.22%	522,385
4/30/2016	131,914	71,313	54.06%	582,985

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

10. Other Postemployment Benefits (Cont.)

E. Funding Policy (Cont.)

the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to 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.

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

In the April 30, 2016 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.0%, projected salary increases of 4.0% and an initial healthcare cost trend rate of 6.8% with an ultimate healthcare inflation rate of 5.0%. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was 30 years.

11. Restatement

The governmental activities, business-type activities and proprietary funds beginning net position were restated due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as follows:

Governmental Activities

Net Position, May 1, 2015, as Previously Reported	\$ 259,935,861
Removal of GASB 27 Net Pension Obligation at May 1, 2015	
Police Pension	1,532,227
Adjustment at May 1, 2015, for Pension Contributions Subsequent to December 31, 2014 Through April 30, 2015	45,604
Adjustment Related to the Net Pension Liability at May 1, 2015	
IMRF	(644,250)
Police Pension	(7,244,030)
Net Position, May 1, 2015, as Restated	<u>\$ 253,625,412</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
 April 30, 2016

11. Restatement (Cont.)

Business-type Activities

Net Position, May 1, 2015, as Previously Reported	\$ 60,946,658
Adjustment at May 1, 2015 for Pension Contributions Subsequent to December 31, 2014 Through April 30, 2015	
Water Fund	22,067
Sewer Fund	5,884
Adjustment Related to the Net Pension Liability at May 1, 2015	
IMRF	
Water Fund	(311,735)
Sewer Fund	(83,129)
Net Position, May 1, 2015, as Restated	<u>\$ 60,579,745</u>

Proprietary Funds

	Water Fund	Sewer Fund	Total
Net Position, May 1, 2015, as Previously Reported	\$ 49,814,986	11,131,672	60,946,658
Adjustment at May 1, 2015 for Pension Contributions Subsequent to December 31, 2014 Through April 30, 2015			
Water Fund	22,067		22,067
Sewer Fund		5,884	5,884
Adjustment Related to the Net Pension Liability at May 1, 2015			
IMRF			
Water Fund	(311,735)		(311,735)
Sewer Fund		(83,129)	(83,129)
Net Position, May 1, 2015, as Restated	<u>\$ 49,525,318</u>	<u>11,054,427</u>	<u>60,579,745</u>

12. Segment Information

The Village maintains two major enterprise funds, which account for the activities of providing water and sewer services to residents of the Village. Segment information requirements are effectively met within the basic financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Financial Statements
April 30, 2016

13. Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 72, *Fair Value Measurement and Application*. This Statement was issued to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The Village is required to implement this Statement for the fiscal year ending April 30, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, 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 do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability for their own employees.

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 Village's year ending April 30, 2019.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, is effective for periods beginning after June 15, 2016, except for certain of its provisions which are effective on or after June 15, 2017. GASB 82 addresses three issues: presentation of payroll-related measures in RSI, selection of assumptions and classification of employer-paid member contributions.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

VILLAGE OF BURR RIDGE, ILLINOIS

Illinois Municipal Retirement Fund - Regular Plan

Required Supplementary Information

Schedule of Changes in the Village's Net Pension Liability and Related Ratios

April 30, 2016

	<u>2016</u>
Total Pension Liability	\$ 209,600
Interest	826,122
Differences Between Expected and Actual Experience	(344,674)
Change of Assumptions	13,005
Benefit Payments Including Refunds of Member Contributions	<u>(363,732)</u>
Net Change in Total Pension Liability	340,321
Pension Liability - Beginning of Year	<u>11,106,738</u>
Pension Liability - End of Year	<u>\$ 11,447,059</u>
Plan Fiduciary Net Position	
Contributions - Village	\$ 231,673
Contributions - Members	84,828
Net Investment Income	50,220
Benefit Payments Including Refunds of Member Contributions	(363,732)
Other Net Transfer	<u>(60,596)</u>
Net Change in Plan Fiduciary Net Position	(57,607)
Plan Net Position - Beginning	<u>10,067,624</u>
Plan Net Position - Ending	<u>\$ 10,010,017</u>
Village's Net Pension Liability	<u>\$ 1,437,042</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.45%
Covered Employee Payroll	\$ 1,885,056
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	76.23%

GASB Statement No. 68 requires the presentation of ten 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 Village's measurement date (December 31) of the net pension liability.

VILLAGE OF BURR RIDGE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Village's Net Pension Liability and Related Ratios

April 30, 2016

	2016	2015
Pension Liability		
Service Cost	\$ 679,295	595,163
Interest	1,407,984	1,450,923
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	1,359,876	(56,318)
Changes of Assumptions and Cost Method	2,567,951	1,445,765
Benefit Payments, Including Refunds	<u>(919,173)</u>	<u>(821,769)</u>
Net Change in Total Pension Liability	5,095,933	2,613,764
Pension Liability, Beginning of Year	<u>22,737,815</u>	<u>20,124,051</u>
Pension Liability, End of Year	<u>\$ 27,833,748</u>	<u>22,737,815</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 593,000	543,678
Contributions - Employee	235,261	219,573
Net Investment Income	49,046	1,058,987
Benefit Payments, Including Refunds	(919,173)	(821,769)
Administrative Expense	<u>(10,491)</u>	<u>(12,266)</u>
Net Change in Plan Fiduciary Net Position	(52,357)	988,203
Plan Fiduciary Net Position, Beginning of Year	<u>15,493,785</u>	<u>14,505,582</u>
Plan Fiduciary Net Position, End of Year	<u>\$ 15,441,428</u>	<u>15,493,785</u>
Village's Net Pension Liability, End of Year	<u>\$ 12,392,320</u>	<u>7,244,030</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	55.48%	68.14%
Covered Employee Payroll	\$ 2,577,543	2,250,817
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	480.78%	321.84%

GASB Statement No. 68 requires the presentation of ten 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 Village's measurement date (April 30) of the net pension liability.

VILLAGE OF BURR RIDGE, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Village Contributions

April 30, 2016

Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Employee Payroll
4/30/2016	\$ 951,288	593,000	(358,288)	2,348,827	25.25%
4/30/2015	730,706	543,678	(203,894)	2,250,817	24.15%
4/30/2014	689,133	555,623	(150,052)	2,121,877	26.19%
4/30/2013	713,135	484,639	(228,496)	2,066,534	23.45%
4/30/2012	660,788	553,333	(107,455)	2,024,827	27.33%
4/30/2011	704,238	570,105	(134,133)	2,128,445	26.79%
4/30/2010	597,123	463,791	(133,332)	2,086,282	22.23%
4/30/2009	515,891	468,730	(47,161)	1,972,195	23.77%
4/30/2008	505,521	366,376	(139,145)	1,864,068	19.65%
4/30/2007	459,630	458,763	(867)	1,823,982	25.15%

Methods and Assumptions Used to Determine 2016 Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20-Years Closed Period
Asset Valuation Method	Market Value
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	4.25% to 8.12%, Including Inflation
Investment Rate of Return	7.00%
Retirement Rates	L & A 2016 Illinois Police Retirement Rates Capped at Age 65
Mortality	L & A 2016 Illinois Police Mortality Rates

GASB Statement No. 68 requires the presentation of ten 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 Village's most recent fiscal year-end.

VILLAGE OF BURR RIDGE, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns

April 30, 2016

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2016	0.32%
2015	7.15%

GASB Statement No. 67 requires the presentation of ten 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.

VILLAGE OF BURR RIDGE, ILLINOIS

Required Supplemental Information
 Analysis of Funding Progress and Employer Contributions

Other Postemployment Benefit Plan
 Year Ended April 30, 2016

Analysis of Funding Progress

Actuarial Valuation Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2016		\$ 1,829,443	1,829,443	0.00%	4,135,643	44.24%
4/30/2015	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2014	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2013	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2012		1,799,537	1,799,537	0.00%	4,401,016	40.89%

Employer Contributions

Fiscal Year Ended	Actual Employer Contribution	Annual OPEB Cost	Percent Contributed
4/30/2016	\$ 71,313	131,914	54.06%
4/30/2015	21,439	132,201	16.22%
4/30/2014	20,708	127,652	16.22%
4/30/2013	20,138	127,652	15.78%
4/30/2012	19,411	83,932	23.13%

VILLAGE OF BURR RIDGE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 5,749,200	5,749,200	5,391,377
Licenses and Permits	331,480	331,480	379,528
Intergovernmental	1,083,930	1,083,930	1,168,567
Charges for Services	602,280	602,280	621,387
Fines and Forfeitures	150,000	150,000	147,683
Investment Income	200,000	200,000	119,372
Miscellaneous	285,000	285,000	295,149
Total Revenues	8,401,890	8,401,890	8,123,063
Expenditures			
General Government	1,875,620	1,875,620	1,821,547
Public Safety	4,782,505	4,782,505	4,526,471
Public Works	1,441,650	1,441,650	1,355,213
Total Expenditures	8,099,775	8,099,775	7,703,231
Excess of Revenues over Expenditures	302,115	302,115	419,832
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	15,000	15,000	
Transfers Out			
Capital Improvement Fund		(100,000)	(100,000)
Equipment Replacement Fund	(154,730)	(154,730)	(148,690)
Sidewalks/Pathway Fund	(82,000)	(82,000)	(82,000)
Total Other Financing Sources (Uses)	(221,730)	(321,730)	(330,690)
Net Change in Fund Balance	\$ 80,385	(19,615)	89,142
Fund Balance			
Beginning			<u>5,517,714</u>
Ending			<u><u>5,606,856</u></u>

VILLAGE OF BURR RIDGE, ILLINOIS

Notes to the Required Supplementary Information
April 30, 2016

1. Stewardship, Compliance and Accountability

A. Budgetary Information

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

1. The Village Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Hearings are conducted.
3. The Budget Ordinance is legally enacted.
4. The Budget Ordinance may be amended by the Board of Trustees.
5. The budget is adopted on an accrual/modified accrual basis which is consistent with GAAP.

The Village operates under the Budget Act in lieu of appropriations. Annual budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service and pension trust funds.

The level of control (level at which expenditures may not exceed budget) is the Fund. The Village Administrator, as Budget Director, has the authority to amend the budget within the individual fund. Budgets lapse at year end.

B Budget and Actual Expenditures/Expenses

No actual fund expenditures/expenses for the fiscal year exceeded the final budgeted amounts at the legal level of budgetary control for the fiscal year ended April 30, 2016.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUND TYPES

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

VILLAGE OF BURR RIDGE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2016

	Special Revenue Funds			
	Emergency 911	Motor Fuel Tax	Hotel/ Motel Tax	Places of Eating
ASSETS				
Cash and Cash Equivalents - Unrestricted	\$ 51,534	37,061	36,743	6,247
Receivables				
Intergovernmental		24,030		
Accrued Interest		1,609	1,609	
Other			42,880	
Due from Other Funds			255,643	
Total Assets	\$ 51,534	62,700	336,875	6,247
Liabilities				
Accounts Payable	\$		10,276	
Due to Other Funds		5,643		
Total Liabilities	-	5,643	10,276	-
Fund Balances				
Restricted				
Emergency Services	51,534			
Streets and Highways		57,057		
Community Relations			326,599	
Unrestricted				
Committed for Capital Projects				
Unassigned				
Special Revenue				6,247
Total Fund Balances	51,534	57,057	326,599	6,247
Total Liabilities and Fund Balances	\$ 51,534	62,700	336,875	6,247

Capital Projects Funds			Total Nonmajor Governmental Funds
Sidewalks/ Pathways	Storm Water Management	Equipment Replacement	
467,141	104,331	921,550	1,624,607
			24,030
3,218	1,609	3,218	11,263
			42,880
67,545			323,188
537,904	105,940	924,768	2,025,968
	2,650		12,926
			5,643
-	2,650	-	18,569
			51,534
			57,057
			326,599
537,904	103,290	924,768	1,565,962
			6,247
537,904	103,290	924,768	2,007,399
537,904	105,940	924,768	2,025,968

VILLAGE OF BURR RIDGE, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2016

	Special Revenue Funds			
	Emergency 911	Motor Fuel Tax	Hotel/ Motel Tax	Places of Eating
Revenues				
Taxes	\$		529,490	25,000
Intergovernmental Revenue		270,087		
Charges for Services	36,790			
Investment Income	2,546	4,017	3,968	
Miscellaneous			12,532	
Total Revenues	39,336	274,104	545,990	25,000
Expenditures				
Current				
General Government			272,006	16,941
Public Safety	158,005		185,776	
Public Works		435		
Capital Outlay		256,580		
Total Expenditures	158,005	257,015	457,782	16,941
Excess (Deficiency) of Revenues over Expenditures	(118,669)	17,089	88,208	8,059
Other Financing Sources (Uses)				
Transfers In				
Transfers Out			(45,910)	
Total Other Finances Sources (Uses)	-	-	(45,910)	-
Net Change in Fund Balances	(118,669)	17,089	42,298	8,059
Fund Balances				
Beginning	170,203	39,968	284,301	(1,812)
Ending	\$ 51,534	57,057	326,599	6,247

Capital Projects Funds			Total Nonmajor Governmental Funds
Sidewalks/ Pathways	Storm Water Management	Equipment Replacement	
			554,490
			270,087
			36,790
7,936	3,968	7,936	30,371
	15,600		28,132
7,936	19,568	7,936	919,870
			288,947
			343,781
	6,760		7,195
103,347		215,736	575,663
103,347	6,760	215,736	1,215,586
(95,411)	12,808	(207,800)	(295,716)
82,000		148,690	230,690
			(45,910)
82,000	-	148,690	184,780
(13,411)	12,808	(59,110)	(110,936)
551,315	90,482	983,878	2,118,335
537,904	103,290	924,768	2,007,399

SPECIAL REVENUE FUNDS

VILLAGE OF BURR RIDGE, ILLINOIS

Emergency 911 Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Charges for Services	\$ 67,050	36,790
Investment Income	6,020	2,546
Total Revenues	<u>73,070</u>	<u>39,336</u>
Expenditures		
Current		
Public Safety	<u>47,425</u>	<u>158,005</u>
Net Change in Fund Balance	<u>\$ 25,645</u>	(118,669)
Fund Balance		
Beginning		<u>170,203</u>
Ending		<u>51,534</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Intergovernmental Revenue	\$ 256,580	270,087
Investment Income	6,020	4,017
Total Revenues	<u>262,600</u>	<u>274,104</u>
Expenditures		
Current		
Public Works	600	435
Capital Outlay		
Reimbursement to Capital Improvement Fund	256,580	256,580
Total Expenditures	<u>257,180</u>	<u>257,015</u>
Net Change in Fund Balance	<u>\$ 5,420</u>	17,089
Fund Balance		
Beginning		<u>39,968</u>
Ending		<u>57,057</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Hotel/Motel Tax Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Hotel/Motel Taxes	\$ 482,135	529,490
Investment Income	6,020	3,968
Miscellaneous	19,500	12,532
Total Revenues	<u>507,655</u>	<u>545,990</u>
Expenditures		
Current		
General Government	275,850	272,006
Public Safety	170,340	185,776
Total Expenditures	<u>446,190</u>	<u>457,782</u>
Excess of Revenues over Expenditures	61,465	88,208
Other Financing Uses		
Transfers Out		
Debt Service Fund	<u>(45,910)</u>	<u>(45,910)</u>
Net Change in Fund Balance	<u>\$ 15,555</u>	42,298
Fund Balance		
Beginning		<u>284,301</u>
Ending		<u><u>326,599</u></u>

VILLAGE OF BURR RIDGE, ILLINOIS

Places of Eating Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	<u>Original/Final Budget</u>	<u>Actual</u>
Revenues		
Taxes	\$ 55,000	25,000
Expenditures		
General Government		
Marketing	<u>52,360</u>	<u>16,941</u>
Net Change in Fund Balance	<u>\$ 2,640</u>	8,059
Fund Balance		
Beginning		<u>(1,812)</u>
Ending		<u><u>6,247</u></u>

DEBT SERVICE FUND

VILLAGE OF BURR RIDGE, ILLINOIS

Debt Service Fund (Major Fund)

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 520,845	518,615
Investment Income	110,000	72,849
Total Revenues	<u>630,845</u>	<u>591,464</u>
Expenditures		
Debt Service		
Principal	529,605	529,568
Interest and Fiscal Charges	152,765	150,780
Total Expenditures	<u>682,370</u>	<u>680,348</u>
Excess (Deficiency) of Revenues over Expenditures	(51,525)	(88,884)
Other Financing Sources		
Transfer In - Hotel/Motel Tax Fund	<u>45,910</u>	<u>45,910</u>
Net Change in Fund Balance	<u>\$ (5,615)</u>	(42,974)
Fund Balance		
Beginning		<u>3,129,748</u>
Ending		<u>3,086,774</u>

CAPITAL PROJECTS FUNDS

VILLAGE OF BURR RIDGE, ILLINOIS

Capital Improvements Fund (Major Fund)

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental Revenue	\$ 48,895	48,895	
Investment Income	13,150	13,150	7,936
Developer Contributions			2,100
Total Revenues	<u>62,045</u>	<u>62,045</u>	<u>10,036</u>
Expenditures			
Capital Outlay	900,365	900,365	626,490
Less Reimbursement			
Motor Fuel Tax	(256,580)	(256,580)	(256,580)
Total Expenditures	<u>643,785</u>	<u>643,785</u>	<u>369,910</u>
Excess (Deficiency) of Revenues over Expenditures	(581,740)	(581,740)	(359,874)
Other Financing Sources			
Transfers In			
General Fund		100,000	100,000
Net Change in Fund Balance	<u>\$ (581,740)</u>	<u>(481,740)</u>	(259,874)
Fund Balance			
Beginning			<u>1,087,905</u>
Ending			<u>\$ 828,031</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Sidewalks/Pathway Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Investment Income	\$ 13,150	7,936
Expenditures		
Capital Outlay	470,800	103,347
Excess (Deficiency) of Revenues over Expenditures	(457,650)	(95,411)
Other Financing Sources		
Transfer from General Fund	82,000	82,000
Net Change in Fund Balance	<u>\$ (375,650)</u>	(13,411)
Fund Balance		
Beginning		<u>551,315</u>
Ending		<u>537,904</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Storm Water Management Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Investment Income	\$ 6,020	3,968
Miscellaneous	8,000	15,600
	<hr/>	<hr/>
Total Revenues	14,020	19,568
Expenditures		
Current		
Public Works	16,250	6,760
	<hr/>	<hr/>
Net Change in Fund Balance	<u>\$ (2,230)</u>	12,808
Fund Balance		
Beginning		<hr/> 90,482
Ending		<hr/> <hr/> 103,290

VILLAGE OF BURR RIDGE, ILLINOIS

Equipment Replacement Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2016

	Original/Final Budget	Actual
Revenues		
Investment Income	\$ 12,000	7,936
Expenditures		
Capital Outlay	341,200	215,736
Excess (Deficiency) of Revenues over Expenditures	(329,200)	(207,800)
Other Financing Sources		
Transfers In		
General Fund	154,730	148,690
Net Change in Fund Balance	<u>\$ (174,470)</u>	(59,110)
Fund Balance		
Beginning		<u>983,878</u>
Ending		<u>924,768</u>

FIDUCIARY FUND TYPE

AGENCY FUND

VILLAGE OF BURR RIDGE, ILLINOIS

Agency Fund - Special Service Area

Schedule of Changes in Assets and Liabilities
Year Ended April 30, 2016

	Balances May 1	Additions	Deletions	Balances April 30
ASSETS				
Cash and Cash Equivalents	\$ 148,031	9,576		157,607
Accounts Receivable	1,051		7	1,044
Total Assets	<u>\$ 149,082</u>	<u>9,576</u>	<u>7</u>	<u>158,651</u>
LIABILITIES				
Due to Bondholders	<u>\$ 149,082</u>	<u>9,569</u>		<u>158,651</u>

SUPPLEMENTAL DATA

VILLAGE OF BURR RIDGE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2003

April 30, 2016

Date of Issue	May 15, 2003
Date of Maturity	December 30, 2016
Authorized Issue	\$ 5,650,000
Denomination of Bonds	Increments of \$5,000
Interest Rates	2.75% to 3.10%
Principal Maturity Date	December 30
Interest Dates	June 30 and December 30
Payable at	Bank of America

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Fiscal Year	Tax Levy			Interest Due on			
		Principal	Interest	Totals	June 30	Amount	December 30	Amount
2015	2017	<u>\$ 505,000</u>	<u>15,655</u>	<u>520,655</u>	2016	<u>7,826</u>	2017	<u>7,829</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Long-Term Debt Requirements

Promissory Note of 2008
 April 30, 2016

Date of Issue	December 12, 2008
Date of Maturity	December 30, 2018
Authorized Issue	\$ 375,000
Interest Rate	3.98%
Principal Maturity Date	December 30
Interest Dates	June 30 and December 30
Payable at	Burr Ridge Bank and Trust

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Schedule			Interest Due on			
	Principal	Interest	Totals	June 30	Amount	December 30	Amount
2017	\$ 41,187	4,727	45,914	2016	2,547	2017	2,180
2018	42,856	3,058	45,914	2017	1,736	2018	1,322
2019	44,565	1,349	45,914	2018	886	2019	463
	<u>\$ 128,608</u>	<u>9,134</u>	<u>137,742</u>		<u>5,169</u>		<u>3,965</u>

VILLAGE OF BURR RIDGE, ILLINOIS

Long-Term Debt Requirements

General Refunding Obligation Bonds of 2012
April 30, 2016

Date of Issue	May 2, 2012
Date of Maturity	December 15, 2017
Authorized Issue	\$ 5,935,000
Denomination of Bonds	Increments of \$5,000
Interest Rates	1.75%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	US Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 30	Amount	December 30	Amount
2017	\$	103,863	103,863	2016	51,931	2017	51,932
2018	5,935,000	103,863	6,038,863	2017	51,931	2018	51,932
	<u>\$ 5,935,000</u>	<u>207,726</u>	<u>6,142,726</u>		<u>103,862</u>		<u>103,864</u>