

# Village of Burr Ridge, Illinois

## Annual Financial Report

April 30, 2017

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**Village of Burr Ridge, Illinois**  
**April 30, 2017**

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## **Introductory Section**

**Village of Burr Ridge, Illinois**  
**Principal Officials and Officers**  
**April 30, 2017**

Mickey Straub	Mayor
Albert Paveza	Trustee
Guy Franzese	Trustee
Janet Ryan Grasso	Trustee
Diane Bolos	Trustee
Joseph Snyder	Trustee
Antonio Schiappa	Trustee
Karen J. Thomas	Village Clerk
Steven S. Stricker	Administrator
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 as of and for the year ended April 30, 2017, 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, 2017, 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.

## **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 and other postemployment benefit 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, introductory section and the supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable President  
Members of the Board of Trustees  
Village of Burr Ridge, Illinois  
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The introductory section 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 18, 2017

## **Management's Discussion and Analysis**

**VILLAGE OF BURR RIDGE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
APRIL 30, 2017**

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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.

**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, 2017 was \$306,542,511, a decrease of \$4,254,700 from the prior year balance.
- Governmental Activity Summary – Net position for governmental activities at April 30, 2017 was \$249,202,503, a decrease of \$2,453,126 from the prior year balance.
- Business-Type Activity Summary – Net position for business-type activities at April 30, 2017 was \$57,340,008, a decrease of \$1,801,574 from the prior year balance.
- General Fund Summary – The Village's General Fund's balance at April 30, 2017 was \$5,538,547, a decrease of \$68,309. The General Fund revenues and other financing sources were under budget estimates by \$421,065. General Fund expenditures and other financing uses were under the budget by \$120,506.
- Capital Assets – Total net capital assets for governmental and business-type activities at April 30, 2017 were \$307,905,435, a net decrease for the year of \$2,433,398.

**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.

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.

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

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.

<b>Description</b>	<b>Government-Wide Statements</b>	<b>Governmental Funds</b>	<b>Fund Statements</b>	
			<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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)

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### 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)**

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### 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. In FY 16 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, 2017 and 2016. The Village has offset the total net pension liabilities of \$13,930,954 with deferred outflows of \$4,338,133 and deferred inflows of \$554,840. 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	
	2017	2016	2017	2016	2017	2016
Current & Other Assets	\$14,691,527	\$15,655,216	\$4,367,338	\$5,019,659	\$19,058,865	\$20,674,875
Capital Assets	254,186,901	255,474,070	53,718,534	54,864,764	307,905,435	310,338,834
Total Assets	<u>268,878,428</u>	<u>271,129,286</u>	<u>58,085,872</u>	<u>59,884,423</u>	<u>326,964,300</u>	<u>331,013,709</u>
Deferred Outflow	4,139,082	4,714,019	212,293	246,907	4,351,375	4,960,926
Current & Other Liabilities	7,777,389	2,147,845	305,615	304,233	8,083,004	2,452,078
Long-Term Liabilities	14,373,050	20,202,386	575,052	589,071	14,948,102	20,791,457
Total Liabilities	<u>22,150,439</u>	<u>22,350,231</u>	<u>880,667</u>	<u>893,304</u>	<u>23,031,106</u>	<u>23,243,535</u>
Deferred Inflows	1,664,568	1,837,445	77,490	96,443	1,742,058	1,933,888
Net Assets:						
Investment in Capital Assets, net of Debt	248,153,935	248,884,230	53,718,534	54,864,763	301,872,469	303,748,993
Restricted-Special Projects	397,347	435,190	-	-	397,347	435,190
Restricted-Debt Service	2,989,745	3,086,774	-	-	2,989,745	3,086,774
Unrestricted	(2,338,524)	(750,565)	3,621,474	4,276,819	1,282,950	3,526,254
Total Net Assets	<u>\$249,202,503</u>	<u>\$251,655,629</u>	<u>\$57,340,008</u>	<u>\$59,141,582</u>	<u>\$306,542,511</u>	<u>\$310,797,211</u>

**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 \$2,437,366 or 24.61%, Income Tax receipts were \$998,088 or 10.01%, and Property Tax receipts were \$1,952,833 or 19.72% of total governmental revenues. The following table reflects the condensed comparative Statement of Activities as of April 30, 2017 and 2016.

<b>VILLAGE OF BURR RIDGE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED APRIL 30</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
Revenue	2017	2016	2017	2016	2017	2016
Program Revenues:						
Charges for Service	\$1,359,196	\$1,185,388	\$4,579,166	\$4,446,074	\$5,938,362	\$5,631,462
Operating Grants	480,846	282,619	-	-	480,846	282,619
Capital Grants	-	-	89,989	46,913	89,989	46,913
General Revenue:						
Property Taxes	1,952,833	1,919,415	-	-	1,952,833	1,919,415
Other Taxes	4,629,079	4,588,336	-	-	4,629,079	4,588,336
Other	1,482,778	1,676,611	34,786	158,727	1,517,564	1,835,338
Total Revenue	<u>9,904,732</u>	<u>9,652,369</u>	<u>4,703,941</u>	<u>4,651,714</u>	<u>14,608,673</u>	<u>14,304,083</u>
Expenses						
General Government	3,665,069	3,537,938	-	-	3,665,069	3,537,938
Public Safety	6,804,396	6,307,495	-	-	6,804,396	6,307,495
Public Works	1,770,909	1,642,199	-	-	1,770,909	1,642,199
Interest	117,485	134,520	-	-	117,485	134,520
Water and Sewer		-	6,505,515	6,089,877	6,505,515	6,089,877
Total Expense	<u>12,357,858</u>	<u>11,622,152</u>	<u>6,505,515</u>	<u>6,089,877</u>	<u>18,863,373</u>	<u>17,712,029</u>
Change in Net Assets	<u>(\$2,453,126)</u>	<u>(\$1,969,783)</u>	<u>(\$1,801,574)</u>	<u>(\$1,438,163)</u>	<u>(\$4,254,700)</u>	<u>(\$3,407,946)</u>

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

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**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, 2017, the governmental funds reported a combined fund balance of \$10,725,291. This is a 6.97% decrease from the beginning of the year balance of \$11,529,060.

**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 \$5,538,547, which exceeds the Village’s required fund balance reserve policy.

Total revenues were under budget by \$421,605, total expenditures & transfers were also under budget by \$120,506. There was a decrease in Telecommunication (14.3%) and State Income Tax Revenues (12.7%) from last year. Expenditures mainly came under budget, in the Police Department, due to lower than expected personnel costs and favorable gas prices.

<b>VILLAGE OF BURR RIDGE GENERAL FUND BUDGETARY HIGHLIGHTS APRIL 30, 2017</b>			
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Revenues & Other Sources			
Taxes	\$ 5,807,420	\$ 5,807,420	\$ 5,504,824
Intergovernmental	1,119,120	1,119,120	1,043,516
Other	1,794,145	1,794,145	1,757,481
Sale of capital assets	15,000	15,000	8,799
Total	<u>8,735,685</u>	<u>8,735,685</u>	<u>8,314,620</u>
Expenditures & Transfers			
Expenditures	8,358,120	8,358,120	8,081,569
Transfers	145,315	145,315	301,360
Total	<u>8,503,435</u>	<u>8,503,435</u>	<u>8,382,929</u>
Change in Fund Balance	<u>\$232,250</u>	<u>\$232,250</u>	<u>(\$68,309)</u>

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 2016. The Burr Ridge ETSB has merged with the Dupage County ETSB and Police dispatching has been transferred from Southwest Central Dispatch to DUCOMM. Revenues in the Hotel/Motel Fund came in lower than projected due to the delayed opening of the Crowne Plaza. Revenues should increase in FY17-18, with the Crowne Plaza officially opening June 2017.

**Business-type Activities**

Charges for services realized an increase of \$133,092, or 3.0%. The Village passed an 11.8% increase, effective March 1, 2015. 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. The Sensus iPerl Residential Meter Installation continued throughout this fiscal year and is expected to be completed in FY17-18.

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

**Capital Assets**

As of April 30, 2017, the Village's Governmental Activities had invested \$254,186,901 in a variety of capital assets and infrastructure, as reflected in the following table.

<b>VILLAGE OF BURR RIDGE GOVERNMENTAL ACTIVITIES CHANGE IN NET CAPITAL ASSETS APRIL 30, 2017</b>			
	Beginning Balance	Net Additions/ Deletions	Ending Balance
<b>Non Depreciable Assets</b>			
Land	\$ 1,705,533		\$ 1,705,533
Land Right of Way	214,262,950		214,262,950
Construction in progress	-	-	-
<b>Depreciable Assets</b>			
Streets	56,815,640		56,815,640
Buildings	9,971,597		9,971,597
Improvements other than building	2,782,071	28,750	2,810,821
Equipment	1,755,496	(794)	1,754,702
Vehicles	1,900,922	147,629	2,048,551
Accumulated Depreciation on Capital Assets	(33,720,139)	(1,462,754)	(35,182,893)
<b>Capital Assets</b>	<b>\$255,474,070</b>	<b>(\$1,287,170)</b>	<b>\$254,186,901</b>

Vehicle additions consisted of three police vehicles, as well as, a new plow and truck with an aerial lift for the Public Works department. Improvements consisted of a garage door replacement for Public Works. The Information Technology Fund completed upgrades to the server hardware and the cable broadcast system. 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 a cellular modem upgrade. The capital assets statement for business-type activities can be found in the notes to the financial statements. Detailed information on the current fiscal year changes in the Village's capital assets is provided in the notes to the financial statements, Note 4 starting on page 40.

**Debt Outstanding**

As of April 30, 2017, the Village had \$5,935,000 in outstanding bonded debt service. The existing schedule extends through Fiscal Year 2018. The Village has a legal debt limit of \$87,007,467 which is 8.625% of assessed valuation. The Village has used \$5,935,000 of this limit leaving a legal debt margin of \$81,072,467. The Village's General obligation bonds are rated Aa2 by Moody's Investor Rating Service. Note 6 of the notes to the financial statements, on page 43, provide more detailed information on the Village's long-term debt.

**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.

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

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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 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, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,266,696	\$ 607,154	\$ 2,873,850
Investments	9,332,263	3,005,435	12,337,698
Receivables			
Property taxes	840,409	-	840,409
Intergovernmental	849,927	-	849,927
Other	261,706	548,034	809,740
Interest	87,769	58,511	146,280
Deposits	1,052,757	148,204	1,200,961
Total current assets	<u>14,691,527</u>	<u>4,367,338</u>	<u>19,058,865</u>
<b>Noncurrent Assets</b>			
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	8,668,902	2,766,068	11,434,970
Water distribution system and improvements	-	41,805,891	41,805,891
Sewer system and improvements	-	8,931,944	8,931,944
Machinery and equipment and vehicles	1,410,239	166,631	1,576,870
Infrastructure	28,139,277	-	28,139,277
Total capital assets	<u>254,186,901</u>	<u>53,718,534</u>	<u>307,905,435</u>
Total assets	<u>268,878,428</u>	<u>58,085,872</u>	<u>326,964,300</u>
<b>Deferred Outflows of Resources</b>			
Outflows related to pensions	4,125,840	212,293	4,338,133
Unamortized loss on refunding	13,242	-	13,242
Total deferred outflows of resources	<u>4,139,082</u>	<u>212,293</u>	<u>4,351,375</u>
Total assets and deferred outflows of resources	<u>273,017,510</u>	<u>58,298,165</u>	<u>331,315,675</u>

(Cont.)



**Village of Burr Ridge, Illinois**  
**Statement of Net Position**  
**April 30, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 357,673	\$ 280,235	\$ 637,908
Accrued payroll	87,607	18,151	105,758
Accrued interest	40,092	-	40,092
Unearned revenue	40,200	-	40,200
Deposits payable	1,219,345	1,800	1,221,145
Compensated absences	30,760	5,429	36,189
General obligation bonds and note	6,001,712	-	6,001,712
Total current liabilities	<u>7,777,389</u>	<u>305,615</u>	<u>8,083,004</u>
<b>Noncurrent Liabilities</b>			
Compensated absences	276,843	48,861	325,704
Net pension liability	13,404,763	526,191	13,930,954
Net OPEB obligation	646,948	-	646,948
General obligation bonds and notes	44,496	-	44,496
Total noncurrent liabilities	<u>14,373,050</u>	<u>575,052</u>	<u>14,948,102</u>
Total liabilities	<u>22,150,439</u>	<u>880,667</u>	<u>23,031,106</u>
<b>Deferred Inflows of Resources</b>			
Inflows related to pensions	477,350	77,490	554,840
Inflows related to property taxes	1,187,218	-	1,187,218
Total deferred inflows of resources	<u>1,664,568</u>	<u>77,490</u>	<u>1,742,058</u>
<b>Net Position</b>			
Net investment in capital assets	248,153,935	53,718,534	301,872,469
Restricted for debt service	2,989,745	-	2,989,745
Restricted for streets and highways	50,512	-	50,512
Restricted for community relations	346,835	-	346,835
Unrestricted	(2,338,524)	3,621,474	1,282,950
Total net position	<u>\$ 249,202,503</u>	<u>\$ 57,340,008</u>	<u>\$ 306,542,511</u>

**Village of Burr Ridge, Illinois**  
**Statement of Activities**  
**Year Ended April 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities</b>				
General government	\$ 3,665,069	\$ 1,174,593	\$ 213,212	\$ -
Public safety	6,804,396	184,603	-	-
Public works	1,770,909	-	267,634	-
Interest expense	117,485	-	-	-
Total governmental activities	<u>12,357,858</u>	<u>1,359,196</u>	<u>480,846</u>	<u>-</u>
<b>Business-type Activities</b>				
Waterworks Fund	6,013,665	4,340,687	-	85,989
Sewer Fund	491,850	238,479	-	4,000
Total business-type activities	<u>6,505,515</u>	<u>4,579,166</u>	<u>-</u>	<u>89,989</u>
	<u>\$ 18,863,373</u>	<u>\$ 5,938,362</u>	<u>\$ 480,846</u>	<u>\$ 89,989</u>

**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**

**Net Position, Ending**

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,277,264)	\$ -	\$ (2,277,264)
(6,619,793)	-	(6,619,793)
(1,503,275)	-	(1,503,275)
(117,485)	-	(117,485)
<u>(10,517,816)</u>	<u>-</u>	<u>(10,517,816)</u>
-	(1,586,989)	(1,586,989)
-	(249,371)	(249,371)
<u>-</u>	<u>(1,836,360)</u>	<u>(1,836,360)</u>
<u>\$ (10,517,816)</u>	<u>\$ (1,836,360)</u>	<u>\$ (12,354,176)</u>
\$ 1,952,833	\$ -	\$ 1,952,833
2,437,366	-	2,437,366
586,042	-	586,042
1,119,667	-	1,119,667
486,004	-	486,004
998,088	-	998,088
54,444	34,786	89,230
430,246	-	430,246
<u>8,064,690</u>	<u>34,786</u>	<u>8,099,476</u>
(2,453,126)	(1,801,574)	(4,254,700)
<u>251,655,629</u>	<u>59,141,582</u>	<u>310,797,211</u>
<u>\$ 249,202,503</u>	<u>\$ 57,340,008</u>	<u>\$ 306,542,511</u>

**Village of Burr Ridge, Illinois**  
**Balance Sheet - Governmental Funds**  
**April 30, 2017**

	General	Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 5,803,515	\$ 569,180	\$ 2,961,952	\$ 1,858,590	\$ 11,193,237
Receivables					
Property tax	840,409	-	-	-	840,409
Intergovernmental	826,808	-	-	23,119	849,927
Accrued interest	43,883	2,926	27,793	10,241	84,843
Other	212,704	-	-	35,796	248,500
Deposits	1,052,757	-	-	-	1,052,757
	<u>1,052,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,052,757</u>
Total assets	<u>\$ 8,780,076</u>	<u>\$ 572,106</u>	<u>\$ 2,989,745</u>	<u>\$ 1,927,746</u>	<u>\$ 14,269,673</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 180,962	\$ 29,260	\$ -	\$ 102,807	\$ 313,029
Accrued payroll	87,607	-	-	-	87,607
Other unearned revenues	737,183	-	-	-	737,183
Deposits payable	1,048,559	170,786	-	-	1,219,345
	<u>1,048,559</u>	<u>170,786</u>	<u>-</u>	<u>-</u>	<u>1,219,345</u>
Total liabilities	<u>2,054,311</u>	<u>200,046</u>	<u>-</u>	<u>102,807</u>	<u>2,357,164</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	1,187,218	-	-	-	1,187,218
	<u>1,187,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,218</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Debt service	-	-	2,989,745	-	2,989,745
Streets and highways	-	-	-	50,512	50,512
Community relations	-	-	-	346,835	346,835
Committed for capital projects	-	-	-	1,421,345	1,421,345
<b>Assigned</b>					
Opus contribution	850,000	-	-	-	850,000
Capital Improvements Fund	-	372,060	-	-	372,060
<b>Unassigned</b>					
General Fund	4,688,547	-	-	-	4,688,547
Special revenue funds	-	-	-	6,247	6,247
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,247</u>	<u>6,247</u>
Total fund balances	<u>5,538,547</u>	<u>372,060</u>	<u>2,989,745</u>	<u>1,824,939</u>	<u>10,725,291</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,780,076</u>	<u>\$ 572,106</u>	<u>\$ 2,989,745</u>	<u>\$ 1,927,746</u>	<u>\$ 14,269,673</u>

**Village of Burr Ridge, Illinois**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
**April 30, 2017**

**Total Fund Balances - Governmental Funds** \$ 10,725,291

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. 254,186,901  
Less internal service fund capital assets (257,601)

Assets and liabilities of the Internal Service Fund are reported as governmental activities. 634,811

Certain items that are deferred in the governmental funds are recognized as revenue in the governmental activities. 696,983

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. (23,856)

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. 13,242

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 4,125,840  
Deferred inflows of resources - pension related (477,350)  
Accrued interest on long-term debt (40,092)  
General obligation bonds and notes payable (6,022,352)  
Compensated absences (307,603)  
Net pension liability (13,404,763)  
Net OPEB obligation (646,948)

**Net Position of Governmental Activities** \$ 249,202,503

**Village of Burr Ridge, Illinois**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Governmental Funds**  
**Year Ended April 30, 2017**

	General	Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 5,504,824	\$ -	\$ 520,656	\$ 511,004	\$ 6,536,484
Licenses and permits	536,428	-	-	-	536,428
Intergovernmental	1,043,516	-	-	267,634	1,311,150
Charges for services	638,165	-	-	57,684	695,849
Fines and forfeits	126,919	-	-	-	126,919
Investment income	27,973	1,739	16,523	6,471	52,706
Developers contributions	-	143,371	-	-	143,371
Miscellaneous	427,996	-	-	72,091	500,087
Total revenues	<u>8,305,821</u>	<u>145,110</u>	<u>537,179</u>	<u>914,884</u>	<u>9,902,994</u>
<b>Expenditures</b>					
Current					
General government	2,013,044	-	-	276,497	2,289,541
Public safety	4,717,949	-	-	287,196	5,005,145
Public works	1,350,576	-	-	10,021	1,360,597
Capital outlay	-	601,081	-	779,075	1,380,156
Debt service					
Principal payments	-	-	546,256	-	546,256
Interest payments	-	-	133,867	-	133,867
Total expenditures	<u>8,081,569</u>	<u>601,081</u>	<u>680,123</u>	<u>1,352,789</u>	<u>10,715,562</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>224,252</u>	<u>(455,971)</u>	<u>(142,944)</u>	<u>(437,905)</u>	<u>(812,568)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	8,799	-	-	-	8,799
Transfers in	-	-	45,915	301,360	347,275
Transfers out	<u>(301,360)</u>	<u>-</u>	<u>-</u>	<u>(45,915)</u>	<u>(347,275)</u>
Total other financing sources (uses)	<u>(292,561)</u>	<u>-</u>	<u>45,915</u>	<u>255,445</u>	<u>8,799</u>
<b>Net Change in Fund Balances</b>	(68,309)	(455,971)	(97,029)	(182,460)	(803,769)
<b>Fund Balances, May 1</b>	<u>5,606,856</u>	<u>828,031</u>	<u>3,086,774</u>	<u>2,007,399</u>	<u>11,529,060</u>
<b>Fund Balances, April 30</b>	<u>\$ 5,538,547</u>	<u>\$ 372,060</u>	<u>\$ 2,989,745</u>	<u>\$ 1,824,939</u>	<u>\$ 10,725,291</u>

**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, 2017**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (803,769)</b>
<p>Amounts reported for governmental activities in the statement of activities are different because</p>	
<p>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 \$1,705,479 exceeded capital outlays (\$434,834) in the current period.</p>	(1,270,645)
<p>The net effect of disposals of capital assets is not recognized in the governmental fund statements.</p>	(14,124)
<p>Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
<p>General Obligation Bonds</p>	505,000
<p>Installment notes</p>	41,256
<p>Net results of the Internal Service Fund are included in the statement of activities.</p>	44,281
<p>Certain amounts that are deferred in the governmental funds are recognized as adjustments to costs within the statement of activities.</p>	118,312
<p>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</p>	
<p>Decrease in deferred outflows related to pensions</p>	(561,696)
<p>Increase in deferred inflows related to pensions</p>	(319,995)
<p>Decrease in accrued interest payable</p>	5,765
<p>Increase in net pension liability</p>	(121,477)
<p>Increase in OPEB obligation</p>	(63,963)
<p>Increase in compensated absences</p>	(12,071)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (2,453,126)</b>

**Village of Burr Ridge, Illinois**  
**Statement of Net Position - Proprietary Funds**  
**April 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>	<b>Internal Service</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 445,784	\$ 161,370	\$ 607,154	\$ 236,041
Investments	1,475,126	1,530,309	3,005,435	169,681
Accounts receivable	513,777	34,257	548,034	13,206
Accrued interest	43,883	14,628	58,511	2,926
Deposits with IPBC Terminal Reserve	113,909	34,295	148,204	-
Total current assets	<u>2,592,479</u>	<u>1,774,859</u>	<u>4,367,338</u>	<u>421,854</u>
<b>Capital Assets</b>				
Capital assets not being depreciated	48,000	-	48,000	-
Capital assets being depreciated, net	44,715,089	8,955,445	53,670,534	257,601
Total capital assets	<u>44,763,089</u>	<u>8,955,445</u>	<u>53,718,534</u>	<u>257,601</u>
Total assets	<u>47,355,568</u>	<u>10,730,304</u>	<u>58,085,872</u>	<u>679,455</u>
<b>Deferred Outflows of Resources</b>				
Outflows related to pensions	<u>167,600</u>	<u>44,693</u>	<u>212,293</u>	<u>-</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	275,816	4,419	280,235	44,525
Accrued payroll	14,124	4,027	18,151	119
Deposits payable	1,800	-	1,800	-
Compensated absences payable	4,212	1,217	5,429	-
Total current liabilities	<u>295,952</u>	<u>9,663</u>	<u>305,615</u>	<u>44,644</u>
<b>Long-Term Liabilities</b>				
Net pension liability	415,414	110,777	526,191	-
Compensated absences payable	37,911	10,950	48,861	-
Total long-term liabilities	<u>453,325</u>	<u>121,727</u>	<u>575,052</u>	<u>-</u>
Total liabilities	<u>749,277</u>	<u>131,390</u>	<u>880,667</u>	<u>44,644</u>
<b>Deferred Inflows of Resources</b>				
Inflows related to pensions	<u>61,176</u>	<u>16,314</u>	<u>77,490</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	44,763,089	8,955,445	53,718,534	257,601
Unrestricted	<u>1,949,626</u>	<u>1,671,848</u>	<u>3,621,474</u>	<u>377,210</u>
Total net position	<u>\$ 46,712,715</u>	<u>\$ 10,627,293</u>	<u>\$ 57,340,008</u>	<u>\$ 634,811</u>



**Village of Burr Ridge, Illinois**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position - Proprietary Funds**  
**Year Ended April 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>	<b>Internal Service</b>
<b>Operating Revenues</b>				
Charges for services	\$ 4,320,606	\$ 238,479	\$ 4,559,085	\$ 287,265
<b>Operating Expenses</b>				
Personal services	827,189	224,330	1,051,519	7,441
Contractual services	425,835	58,970	484,805	123,198
Commodities	3,389,158	624	3,389,782	17,381
Repairs and maintenance	388,113	2,273	390,386	29,168
Total operating expenses	<u>5,030,295</u>	<u>286,197</u>	<u>5,316,492</u>	<u>177,188</u>
<b>Operating Income (Loss) Before Depreciation</b>	(709,689)	(47,718)	(757,407)	110,077
<b>Depreciation</b>	<u>983,370</u>	<u>205,653</u>	<u>1,189,023</u>	<u>67,534</u>
<b>Operating Income (Loss)</b>	<u>(1,693,059)</u>	<u>(253,371)</u>	<u>(1,946,430)</u>	<u>42,543</u>
<b>Nonoperating Revenues</b>				
Tap on connection fees	85,989	4,000	89,989	-
Rental income	20,081	-	20,081	-
Investment income	26,088	8,698	34,786	1,738
Total nonoperating revenues	<u>132,158</u>	<u>12,698</u>	<u>144,856</u>	<u>1,738</u>
<b>Change in Net Position</b>	<u>(1,560,901)</u>	<u>(240,673)</u>	<u>(1,801,574)</u>	<u>44,281</u>
<b>Net Position, Beginning</b>	<u>48,273,616</u>	<u>10,867,966</u>	<u>59,141,582</u>	<u>590,530</u>
<b>Net Position, Ending</b>	<u>\$ 46,712,715</u>	<u>\$ 10,627,293</u>	<u>\$ 57,340,008</u>	<u>\$ 634,811</u>

**Village of Burr Ridge, Illinois**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended April 30, 2017**

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Total</b>	<b>Internal</b>
	<b>Fund</b>	<b>Fund</b>		<b>Service</b>
<b>Operating Activities</b>				
Receipts from customers and users	\$ 4,379,283	\$ 238,746	\$ 4,618,029	\$ -
Receipts from interfund services transactions	-	-	-	274,059
Payments to suppliers	(4,223,862)	(58,532)	(4,282,394)	(197,331)
Payment to employees	(823,392)	(222,044)	(1,045,436)	(7,322)
Net cash provided by (used in) operating activities	<u>(667,971)</u>	<u>(41,830)</u>	<u>(709,801)</u>	<u>69,406</u>
<b>Noncapital Financing Activities</b>				
Tap on connection fees	85,989	4,000	89,989	-
Interfund borrowings	(187,561)	87,561	(100,000)	100,000
Rental income	20,081	-	20,081	-
Net cash provided by (used in) noncapital financing activities	<u>(81,491)</u>	<u>91,561</u>	<u>10,070</u>	<u>100,000</u>
<b>Capital and Related Financing Activities</b>				
Purchases of capital assets	(42,794)	-	(42,794)	(65,133)
<b>Investing Activities</b>				
Sales of investments, net of purchases	1,207,569	99,857	1,307,426	41,371
Interest received	30,471	10,159	40,630	2,030
Net cash provided by investing activities	<u>1,238,040</u>	<u>110,016</u>	<u>1,348,056</u>	<u>43,401</u>
<b>Net Increase in Cash and Cash Equivalents</b>	445,784	159,747	605,531	147,674
<b>Cash and Cash Equivalents, Beginning</b>	-	1,623	1,623	88,367
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 445,784</u>	<u>\$ 161,370</u>	<u>\$ 607,154</u>	<u>\$ 236,041</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ (1,693,059)	\$ (253,371)	\$ (1,946,430)	\$ 42,543
Items not requiring cash				
Depreciation expense	983,370	205,653	1,189,023	67,534
Deferred outflows of resources - pensions	27,327	7,287	34,614	-
Deferred inflows of resources - pensions	(14,963)	(3,990)	(18,953)	-
Changes in assets and liabilities				
Accounts receivable	58,677	267	58,944	(13,206)
IPBC terminal reserve	(11,024)	(3,338)	(14,362)	-
Accounts payable	(15,742)	3,335	(12,407)	(27,584)
Accrued payroll	14,124	4,027	18,151	119
Deposits payable	(5,014)	-	(5,014)	-
Compensated absences	4,032	2,486	6,518	-
Net pension liability	(15,699)	(4,186)	(19,885)	-
Net cash provided by (used in) operating activities	<u>\$ (667,971)</u>	<u>\$ (41,830)</u>	<u>\$ (709,801)</u>	<u>\$ 69,406</u>

**Village of Burr Ridge, Illinois**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
**April 30, 2017**

	<u>Pension Trust Fund</u>		
	<b>Police Pension Fund</b>	<b>Agency Fund</b>	<b>Total Fiduciary Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 95,551	\$ 161,609	\$ 257,160
Investments			
U.S. Treasury securities	1,041,630	-	1,041,630
U.S. agency securities	4,620,365	-	4,620,365
Equity mutual funds	10,178,803	-	10,178,803
State and local obligations	913,209	-	913,209
Receivables			
Accounts	-	1,010	1,010
Accrued interest	51,377	-	51,377
	<u>16,900,935</u>	<u>162,619</u>	<u>17,063,554</u>
Total assets			
<b>Liabilities</b>			
Due to bondholders	<u>-</u>	<u>162,619</u>	<u>162,619</u>
<b>Net Position</b>			
Restricted for pensions	<u>\$ 16,900,935</u>	<u>\$ -</u>	<u>\$ 16,900,935</u>

**Village of Burr Ridge, Illinois**  
**Statement of Changes in Fiduciary Net Position -**  
**Police Pension Fund**  
**Year Ended April 30, 2017**

<b>Additions</b>		
Contributions		
Employer	\$ 697,784	
Employee	234,761	
Total contributions	<u>932,545</u>	
Investment income		
Net appreciation in fair value of investments	1,051,538	
Interest and dividends	473,588	
	<u>1,525,126</u>	
Less investment expense	(40,129)	
Net investment income	<u>1,484,997</u>	
Total additions	<u>2,417,542</u>	
<b>Deductions</b>		
Benefits and refunds	949,373	
Administration	8,662	
Total deductions	<u>958,035</u>	
<b>Change in Net Position</b>	1,459,507	
<b>Net Position Restricted for Pensions, May 1</b>	<u>15,441,428</u>	
<b>Net Position Restricted for Pensions, April 30</b>	<u><u>\$ 16,900,935</u></u>	

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

### Note 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 accounting principles generally accepted in the United States of America (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.

#### ***Financial Reporting Entity***

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

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

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

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

Because of the nature of the relationship of the Village to the Police Pension Fund, the Village has included the Police Pension Fund as a blended component unit within the Village's financial statements. The Police Pension Fund is reported as if it were a part of the Village because its sole purpose is to provide retirement benefits for the Village's police employees. Therefore, data from this unit is combined with data of the primary government. The Police Pension Fund is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the Police Pension Fund. The Police Pension Fund has not issued a separate Annual Financial Report for the year ended April 30, 2017.

#### ***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.

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

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).

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.

### **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.

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

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.

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.

***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.

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

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.

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.

***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.

***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."

***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



**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

Counties collect such taxes and remit them periodically. Property tax revenues are recognized in the year they are intended to finance. The 2016 taxes are intended to finance the 2017-18 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 2017 tax levy has not been recorded as a receivable at April 30, 2017, even though the tax attached as a lien on property as of January 1, 2017; the tax will not be levied until December 2017 and, accordingly, is not considered to be an enforceable legal claim at April 30, 2017.

**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.

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.

**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.

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

### ***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.

### ***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.

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

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.

### ***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.

### ***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.

### ***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 is applicable to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure reduction of liability) 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 is applicable to a future reporting 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 2016 but intended to finance fiscal year ending April 30, 2018, 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.

### ***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 and the Police Pension Fund (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

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.

### **Implementation of New Accounting Standards**

In 2017, the Village adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. See Note 2 for the related disclosures.

## **Note 2: Deposits and Investments**

### ***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 Funds' 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

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

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, 2017:

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	\$ 8,093,030	\$ 1,529,396	\$ 3,516,467	\$ 3,047,167	\$ -
State and local obligations	<u>3,815,121</u>	<u>1,200,905</u>	<u>2,142,742</u>	<u>471,474</u>	<u>-</u>
	<u>\$ 11,908,151</u>	<u>\$ 2,730,301</u>	<u>\$ 5,659,209</u>	<u>\$ 3,518,641</u>	<u>\$ -</u>

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.

In addition to the amounts above, the Village holds two brokered CDs with a total fair value of \$429,547, 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, 2017, the Village had greater than 5% of its overall portfolio invested in U.S. agency and state and local obligations. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

**Valuation of Investments**

All investments of the Village are stated at fair value and recorded as of the trade date. Fair value is based on quoted market prices at April 30, 2017, for debt securities, equity securities and mutual funds.

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

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

<b>Investment Type</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Debt securities				
U.S. agencies	\$ 8,093,030	\$ -	\$ 8,093,030	\$ -
Brokered CDs	429,547	-	429,547	-
State and local obligations	<u>3,815,121</u>	<u>-</u>	<u>3,815,121</u>	<u>-</u>
 Total	 <u>\$ 12,337,698</u>	 <u>\$ -</u>	 <u>\$ 12,337,698</u>	 <u>\$ -</u>

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** includes inputs other than quoted prices included with Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

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

### ***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

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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.

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

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities</b>			
		<b>Less Than One Year</b>	<b>1 to 5 Years</b>	<b>More Than 5 Years</b>	<b>Greater Than 10 Years</b>
U.S. agency securities	\$ 4,620,365	\$ -	\$ 1,212,528	\$ 3,205,099	\$ 202,738
U.S. Treasury securities	1,041,630	-	661,945	379,685	-
State and local obligations	913,209	203,605	336,406	266,357	106,841
	6,575,204	\$ 203,605	\$ 2,210,879	\$ 3,851,141	\$ 309,579
Not subject to interest rate risk					
Equity mutual funds	10,178,803				
	<u>\$ 16,754,007</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

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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, 2017, 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, 2017, the following mutual funds represent more than 5% of Police Pension Fund assets:

T.Rowe Price Growth Stock Fund	\$ 1,719,109
Vanguard 500 Index Fund	2,359,218
Homestead Small Company Stock Fund	888,851

**Valuation of Investments**

All investments in the Plan are stated at fair value and recorded as of the trade date. Fair value is based on quoted market prices at April 30, 2017, for debt securities, equity securities and mutual funds.

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

<b>Investment Type</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Debt securities				
U.S. Treasuries	\$ 1,041,630	\$ 1,041,630	\$ -	\$ -
U.S. agencies	4,620,365	-	4,620,365	-
State and local obligations	913,209	-	913,209	-
	<u>6,575,204</u>	<u>1,041,630</u>	<u>5,533,574</u>	<u>-</u>
Equity securities				
Mutual funds	10,178,803	10,178,803	-	-
	<u>10,178,803</u>	<u>10,178,803</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 16,754,007</u>	<u>\$ 11,220,433</u>	<u>\$ 5,533,574</u>	<u>\$ -</u>

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.



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**Level 2** includes inputs other than quoted prices included with Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

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

### Note 3: Receivables

The following receivables are included in intergovernmental receivables at April 30, 2017:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Governmental Activities</b>
Court fines	\$ 2,653	\$ -	\$ 2,653
Sales tax	523,382	-	523,382
Income tax	160,956	-	160,956
Telecommunications tax	139,817	-	139,817
Motor fuel tax	-	23,119	23,119
	<u>\$ 826,808</u>	<u>\$ 23,119</u>	<u>\$ 849,927</u>

The following receivables are included in other receivables at April 30, 2017:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Governmental Activities</b>
Franchise fees	\$ 70,794	\$ -	\$ 70,794
Utility tax	84,913	-	84,913
Places of eating tax	34,475	-	34,475
Accounts - general	22,522	-	22,522
Hotel/motel tax	-	35,796	35,796
	<u>\$ 212,704</u>	<u>\$ 35,796</u>	<u>\$ 248,500</u>

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**Note 4: Capital Assets**

Capital asset activity for the year ended April 30, 2017, was as follows:

**Governmental Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets not being depreciated				
Land	\$ 1,705,533	\$ -	\$ -	\$ 1,705,533
Land right of way	214,262,950	-	-	214,262,950
	<u>215,968,483</u>	<u>-</u>	<u>-</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	2,782,071	28,750	-	2,810,821
Equipment	1,755,496	65,134	65,928	1,754,702
Vehicles	1,900,923	406,084	258,456	2,048,551
	<u>73,225,727</u>	<u>499,968</u>	<u>324,384</u>	<u>73,401,311</u>
Less accumulated depreciation for				
Streets	27,550,432	1,125,931	-	28,676,363
Buildings	3,266,196	249,290	-	3,515,486
Improvements other than building	527,759	70,271	-	598,030
Equipment	1,015,480	142,355	65,928	1,091,907
Vehicles	1,360,273	185,166	244,332	1,301,107
	<u>33,720,140</u>	<u>1,773,013</u>	<u>310,260</u>	<u>35,182,893</u>
Total capital assets being depreciated, net	<u>39,505,587</u>	<u>(1,273,045)</u>	<u>14,124</u>	<u>38,218,418</u>
Governmental activities capital assets, net	<u>\$ 255,474,070</u>	<u>\$ (1,273,045)</u>	<u>\$ 14,124</u>	<u>\$ 254,186,901</u>

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***Business-type Activities***

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
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	270,370	42,794	10,548	302,616
Water systems	63,850,374	-	-	63,850,374
Sanitary sewer lines	14,307,569	-	-	14,307,569
	<u>84,901,441</u>	<u>42,794</u>	<u>10,548</u>	<u>84,933,687</u>
Less accumulated depreciation for				
Buildings	3,478,925	91,135	-	3,570,060
Equipment	103,125	10,375	-	113,500
Vehicles	129,136	40,897	10,548	159,485
Water systems	21,193,145	851,338	-	22,044,483
Sanitary sewer lines	5,180,347	195,278	-	5,375,625
	<u>30,084,678</u>	<u>1,189,023</u>	<u>10,548</u>	<u>31,263,153</u>
Total capital assets being depreciated, net	<u>54,816,763</u>	<u>(1,146,229)</u>	<u>-</u>	<u>53,670,534</u>
Business-type activities capital assets, net	<u>\$ 54,864,763</u>	<u>\$ (1,146,229)</u>	<u>\$ -</u>	<u>\$ 53,718,534</u>

Depreciation expense was charged to functions/programs of the primary government for the year ended April 30, 2017, as follows:

***Governmental Activities***

General government	\$ 1,294,270
Public safety	310,124
Public works	<u>168,619</u>
Total depreciation expense - governmental activities*	<u>\$ 1,773,013</u>

\*Depreciation expense includes depreciation of the Internal Service Fund's capital assets of \$67,534.

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***Business-type Activities***

Waterworks	\$	983,370
Sewer		<u>205,653</u>
Total depreciation expense - business-type activities		<u><u>\$ 1,189,023</u></u>

**Note 5: Interfund Accounts**

Interfund transfers between funds for the year ended April 30, 2017, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Nonmajor equipment replacement	<u>\$ -</u>	<u>\$ 301,360</u>
Debt service		
Nonmajor/hotel/motel	<u>45,915</u>	<u>-</u>
Nonmajor		
Hotel/motel	-	45,915
Equipment replacement	301,360	-
Sidewalks/pathways	<u>-</u>	<u>-</u>
Total nonmajor	<u>301,360</u>	<u>45,915</u>
	<u><u>\$ 347,275</u></u>	<u><u>\$ 347,275</u></u>

The purpose of significant transfers is as follows:

- The General Fund transferred \$301,360 to the Equipment Replacement Fund for future vehicle, equipment and public improvement purchases.
- The Hotel/Motel Tax Fund transferred \$45,915 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.

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**Note 6: Long-Term Obligations**

**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:

	<b>Fund Debt Retired By</b>	<b>Balance May 1</b>	<b>Issuances</b>	<b>Reductions/ Refunding</b>	<b>Balance April 30</b>	<b>Current Portion</b>
\$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	\$ 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	<u>5,935,000</u>	<u>-</u>	<u>-</u>	<u>5,935,000</u>	<u>5,935,000</u>
Total general obligation bonds		<u>\$ 6,440,000</u>	<u>\$ -</u>	<u>\$ 505,000</u>	<u>\$ 5,935,000</u>	<u>\$ 5,935,000</u>

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

	<b>Fund Debt Retired By</b>	<b>Balance May 1</b>	<b>Issuances</b>	<b>Reductions</b>	<b>Balance April 30</b>	<b>Current Portion</b>
\$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	<u>\$ 128,608</u>	<u>\$ -</u>	<u>\$ 41,256</u>	<u>\$ 87,352</u>	<u>\$ 42,856</u>

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**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity are as follows:

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

  

Fiscal Year Ending April 30,	Promissory Note Principal	Interest	Total
2018	\$ 42,856	\$ 3,058	\$ 45,914
2019	44,496	1,349	45,845
	<u>\$ 87,352</u>	<u>\$ 4,407</u>	<u>\$ 91,759</u>

**Legal Debt Margin**

Equalized assessed valuation (2016 actual)	<u>\$ 1,008,782,227</u>
Statutory debt limitation (8.625% of assessed valuation)	\$ 87,007,467
Less amount of debt applicable to debt limit General Obligation Refunding Bond Series 2012	<u>5,935,000</u>
Total debt margin	<u>\$ 81,072,467</u>

**Changes in General Long-Term Obligations**

**Governmental Activities**

	Beginning Balance	Issuances/ Increases	Retirements	Ending Balance	Current Portion
General Obligation Bonds Series 2003	\$ 505,000	\$ -	\$ 505,000	\$ -	\$ -
General Obligation Bonds Series 2012	5,935,000	-	-	5,935,000	5,935,000
Unamortized premium on bonds payable	47,715	-	23,859	23,856	23,856
Promissory note	128,608	-	41,256	87,352	42,856
Compensated absences	295,532	41,625	29,554	307,603	30,760
Net pension liability	13,283,286	3,197,810	3,076,333	13,404,763	-
Other postemployment benefits payable	582,985	137,454	73,491	646,948	-
	<u>\$ 20,778,126</u>	<u>\$ 3,376,889</u>	<u>\$ 3,749,493</u>	<u>\$ 20,405,522</u>	<u>\$ 6,032,472</u>

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***Business-type Activities***

Compensated absences	\$ 47,772	\$ 11,290	\$ 4,772	\$ 54,290	\$ 5,429
Net pension liability	<u>546,076</u>	<u>383,892</u>	<u>403,777</u>	<u>526,191</u>	<u>-</u>
	<u>\$ 593,848</u>	<u>\$ 395,182</u>	<u>\$ 408,549</u>	<u>\$ 580,481</u>	<u>\$ 5,429</u>

**Note 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.

***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.

# Village of Burr Ridge, Illinois

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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	\$2,500,000 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

### Note 8: Contingent Liabilities

#### *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 Financial Statements

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### 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.

### Note 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](http://www.imrf.org).

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

	<b>Governmental Activities</b>	<b>Business-type Activities*</b>	<b>Total</b>
Net pension liability			
IMRF	\$ 858,524	\$ 526,191	\$ 1,384,715
Police	12,546,239	-	12,546,239
	<u>\$ 13,404,763</u>	<u>\$ 526,191</u>	<u>\$ 13,930,954</u>
Deferred outflows of resources			
IMRF	\$ 346,373	\$ 212,293	\$ 558,666
Police	3,779,467	-	3,779,467
	<u>\$ 4,125,840</u>	<u>\$ 212,293</u>	<u>\$ 4,338,133</u>
Deferred inflows of resources			
IMRF	\$ 126,431	\$ 77,490	\$ 203,921
Police	350,919	-	350,919
	<u>\$ 477,350</u>	<u>\$ 77,490</u>	<u>\$ 554,840</u>

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	Governmental Activities	Business-type Activities*	Total
Pension expense			
IMRF	\$ 138,496	\$ 84,884	\$ 223,380
Police	1,707,842	-	1,707,842
	\$ 1,846,338	\$ 84,884	\$ 1,931,222

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

### ***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](http://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.

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*Employees Covered by Benefit Terms*

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

Retirees and beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	20
Active plan members	28
	71

*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 2016 was 12.42%. For the year ended April 30, 2017, the Village contributed \$234,494 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:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equities	38%	6.85%
International equities	17%	6.75%
Fixed income	27%	3.00%
Real estate	8%	5.75%
Alternative investments	9%	2.65 - 7.35%
Cash equivalents	1%	2.25%
	100%	

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*Net Pension Liability*

The Village's net pension liability at April 30, 2017, was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability as of April 30, 2017, is \$1,384,715.

*Actuarial Assumptions*

The following are the methods and assumptions used to determine the total pension liability as of December 31, 2016:

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

Retirement age is based on Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50% (7.48% in the prior year). The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Changes in Net Pension Liability*

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance, beginning of year	\$ 11,447,059	\$ 10,010,017	\$ 1,437,042
Changes for the year			
Service cost	193,444	-	193,444
Interest	850,605	-	850,605
Differences between expected and actual experience	(28,834)	-	(28,834)
Changes of assumptions	(28,913)	-	(28,913)
Contributions - employer	-	233,865	(233,865)
Contributions - employee	-	84,734	(84,734)
Net investment income	-	686,222	(686,222)
Benefit payments, including refunds of employees' contributions	(344,123)	(344,123)	-
Other (net transfer)	-	33,808	(33,808)
Net changes	642,179	694,506	(52,327)
Balance, end of year	\$ 12,089,238	\$ 10,704,523	\$ 1,384,715

### *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 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<b>1% Decrease 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Village's net pension liability	\$ 2,952,962	\$ 1,384,715	\$ 102,911

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

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

For the year ended April 30, 2017, the Village recognized IMRF pension expense of \$223,380 (\$138,496 for governmental activities and \$84,884 for business-type activities). At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2017</b>	
	<b>(a)</b> <b>Deferred</b> <b>Outflows of</b> <b>Resources</b>	<b>(b)</b> <b>Deferred</b> <b>Inflows of</b> <b>Resources</b>
<b>Deferred Outflows Related to Pensions</b>		
Differences between expected and actual experience	\$ -	\$ 183,393
Changes of assumptions	6,147	20,528
Net difference between projected and actual earnings on pension plan investments	472,356	-
Pension contributions made subsequent to the measurement date	80,163	-
Total	<u>\$ 558,666</u>	<u>\$ 203,921</u>

Contributions subsequent to the December 31, 2016 measurement date through April 30, 2017, of \$80,163, included in deferred outflows of resources, will be reported as a reduction of the net pension liability at April 30, 2018.

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:

<b>Year Ending</b> <b>April 30,</b>	<b>Amount</b>
2018	\$ 48,934
2019	67,053
2020	145,628
2021	12,967
	<u>\$ 274,582</u>

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

*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.

**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*

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.

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 preceding calendar year.

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

At April 30, 2017, the Police Pension Plan’s membership consisted of:

Retirees and beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	27
	45

*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, 2017, the Village’s contributions were \$697,784 or 27.0% 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.



**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

Government guaranteed obligations) in any one organization that represent 5% or more of the target allocations are as follows:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	40%	1%
Large cap domestic equities	42%	6%
Mid/small cap domestic equities	12%	8%
International equities	6%	6.75%
	<u>100.0%</u>	

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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net Pension Liability*

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

*Actuarial Assumptions*

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

Actuarial valuation date	April 30, 2017
Measurement date	April 30, 2017
Actuarial cost method	Entry-age normal

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

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

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

*Assumption Changes*

Assumptions were changed from the prior year as follows:

The assumed rate on High Quality 20 Year Tax-Exempt GO Bonds was changed from 3.32% to 3.82% in 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 discount rate used in the determination of the total pension liability was changed from 6.32% to 6.25%. 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.

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 6.25% (6.32% in the prior year) for the fiscal year ended April 30, 2017. 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 3.82%. Cash flow

# Village of Burr Ridge, Illinois

## Notes to Financial Statements

April 30, 2017

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.

### *Changes in Net Pension Liability*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance, beginning of year	\$ 27,833,748	\$ 15,441,428	\$ 12,392,320
Changes for the year			
Service cost	690,936	-	690,936
Interest	1,709,941	-	1,709,941
Differences between expected and actual experience	(397,460)	-	(397,460)
Changes of assumptions	559,382	-	559,382
Contributions - employer	-	697,784	(697,784)
Contributions - employee	-	234,761	(234,761)
Net investment income	-	1,484,997	(1,484,997)
Benefit payments, including refunds of employees contributions	(949,373)	(949,373)	-
Administrative expenses	-	-	-
Other (net transfer)	-	(8,662)	8,662
Net changes	1,613,426	1,459,507	153,919
Balance, end of year	\$ 29,447,174	\$ 16,900,935	\$ 12,546,239

### *Discount Rate Sensitivity*

The following presents the Village's net pension liability calculated using the discount rate of 6.25%, 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 (5.25%) or 1 percentage point higher (7.25%) than the current rate.

	<b>1% Decrease 5.25%</b>	<b>Current Discount Rate 6.25%</b>	<b>1% Increase 7.25%</b>
Village's net pension liability	\$ 17,545,464	\$ 12,546,239	\$ 8,570,050

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

*Pension Expense and Deferred Outflows of Resources Related to Police Pension*

For the year ended April 30, 2017, the Village recognized pension expense of \$1,707,842. At April 30, 2017, the Village reported deferred outflows of resources related to pensions from the following sources:

<b>Deferred Outflows Related to Pensions</b>	<b>2017</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,035,322	\$ 350,919
Changes of assumptions	2,448,953	-
Net difference between projected and actual earnings on pension plan investments	<u>295,192</u>	<u>-</u>
Total	<u>\$ 3,779,467</u>	<u>\$ 350,919</u>

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

<b>Year Ending April 30,</b>	<b>Amount</b>
2018	\$ 613,073
2019	613,073
2020	613,073
2021	406,681
2022	487,677
Thereafter	<u>694,971</u>
	<u>\$ 3,428,548</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 Financial Statements

April 30, 2017

### Note 10: Other Postemployment Benefits

#### *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.

#### *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.

#### *Membership*

At April 30, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	11
	49
	49

#### *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 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
4/30/2015	\$ 132,201	\$ 21,439	16%	\$ 522,385
4/30/2016	131,914	71,313	54%	582,985
4/30/2017	137,454	73,491	53%	646,948

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

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

Annual required contribution	\$ 133,568
Interest on net OPEB obligations	23,319
Adjustment to annual required contribution	(19,433)
Annual OPEB cost	137,454
Contributions made	73,491
Increase in net pension obligation	63,963
Net OPEB obligation, beginning of year	582,985
Net OPEB obligation, end of year	\$ 646,948

***Funding Policy***

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

***Funded Status and Funding Progress***

The funded status of the Plan as of April 30, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 1,829,443
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 1,829,443
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	\$ 4,135,643
UAAL as a percentage of covered payroll	44%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the Plan.

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

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

new estimates are made about information following the notes to financial statements, presents multiyear 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, 2017 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, 2017, was 30 years.

**Note 11: 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.

**Note 12: Deferred Compensation Plan**

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency occurs.

The assets of the plan are held in trust, with the Village as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted for any other purpose. The Village's beneficial ownership of plan assets held in the trust is held for the future exclusive benefit of the participants and their beneficiaries.

**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

**Note 13: Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) recently issued the following standards:

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was partially effective for the Village for the year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pension that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ending April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the Village beginning with its year ending April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, will be effective for the Village beginning with its year ending April 30, 2018. This Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the Village beginning with its year ending April 30, 2018. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective for the Village beginning with its year ending April 30, 2018, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 84, *Fiduciary Activities* (GASB 84) establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee



**Village of Burr Ridge, Illinois**  
**Notes to Financial Statements**  
**April 30, 2017**

benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries.

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

GASB Statement No. 87, *Leases* (GASB 87) establishes a single approach to accounting for and reporting leases by state and local governments. The standard addresses the reporting for governments that are lessors or lessees. GASB 87 is effective for reporting periods beginning after December 15, 2019, with earlier application encouraged.

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

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

**Note 14: Subsequent Events**

On May 22, 2017, the Village issued \$5,970,000 Series 2017 General Obligation Refunding Debt Certificates, to refinance and extend the maturity by five years, \$5,935,000 of General Refunding Bonds. Interest payments will be made each June and December at a rate of 2.00%. The Village plans to pay off the debt certificates through a combination of land sales and funds on hand in the Debt Service Fund when the principal is due December 15, 2022.

**Required Supplementary Information  
(Unaudited)**

**Village of Burr Ridge, Illinois**  
**Required Supplementary Information**  
**Schedule of Changes in the Village's Net Pension Liability**  
**and Related Ratios**  
**Illinois Municipal Retirement Plan - Regular Plan**  
**April 30, 2017**

	<u>2017</u>	<u>2016</u>
Pension liability		
Service cost	\$ 193,444	\$ 209,600
Interest	850,605	826,122
Differences between expected and actual experience	(28,834)	(344,674)
Change of assumptions	(28,913)	13,005
Benefit payments including refunds of member contributions	<u>(344,123)</u>	<u>(363,732)</u>
Net change in total pension liability	642,179	340,321
Pension liability - beginning of year	<u>11,447,059</u>	<u>11,106,738</u>
Pension liability - end of year	<u>\$ 12,089,238</u>	<u>\$ 11,447,059</u>
Plan fiduciary net position		
Contributions - Village	\$ 233,865	\$ 231,673
Contributions - members	84,734	84,828
Net investment income	686,222	50,220
Benefit payments including refunds of member contributions	(344,123)	(363,732)
Other net transfer	<u>33,808</u>	<u>(60,596)</u>
Net change in plan fiduciary net position	694,506	(57,607)
Plan net position - beginning	<u>10,010,017</u>	<u>10,067,624</u>
Plan net position - ending	<u>\$ 10,704,523</u>	<u>\$ 10,010,017</u>
Village's net pension liability	<u>\$ 1,384,715</u>	<u>\$ 1,437,042</u>
Plan fiduciary net position as a percentage of the total pension liability	88.55%	87.45%
Covered employee payroll	\$ 1,882,973	\$ 1,885,056
Village's net pension liability as a percentage of covered employee payroll	73.54%	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**  
**Required Supplementary Information**  
**Schedule of Changes in the Village's Net Pension Liability**  
**and Related Ratios**  
**Police Pension Fund**  
**April 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Pension liability			
Service cost	\$ 690,936	\$ 679,295	\$ 595,163
Interest	1,709,941	1,407,984	1,450,923
Changes of benefit terms			
Differences between expected and actual experience	(397,460)	1,359,876	(56,318)
Changes of assumptions and cost method	559,382	2,567,951	1,445,765
Benefit payments, including refunds	<u>(949,373)</u>	<u>(919,173)</u>	<u>(821,769)</u>
Net change in total pension liability	1,613,426	5,095,933	2,613,764
Pension liability, beginning of year	<u>27,833,748</u>	<u>22,737,815</u>	<u>20,124,051</u>
Pension liability, end of year	<u>\$ 29,447,174</u>	<u>\$ 27,833,748</u>	<u>\$ 22,737,815</u>
Plan fiduciary net position			
Contributions - employer	\$ 697,784	\$ 593,000	\$ 543,678
Contributions - employee	234,761	235,261	219,573
Net investment income	1,484,997	49,046	1,058,987
Benefit payments, including refunds	(949,373)	(919,173)	(821,769)
Administrative expense	<u>(8,662)</u>	<u>(10,491)</u>	<u>(12,266)</u>
Net change in plan fiduciary net position	1,459,507	(52,357)	988,203
Plan fiduciary net position, beginning of year	<u>15,441,428</u>	<u>15,493,785</u>	<u>14,505,582</u>
Plan fiduciary net position, end of year	<u>16,900,935</u>	<u>15,441,428</u>	<u>15,493,785</u>
Village's net pension liability, end of year	<u>\$ 12,546,239</u>	<u>\$ 12,392,320</u>	<u>\$ 7,244,030</u>
Plan's fiduciary net position as a percentage of the total pension liability	57.39%	55.48%	68.14%
Covered employee payroll	\$ 2,582,282	\$ 2,577,543	\$ 2,250,817
Village's net pension liability as a percentage of covered employee payroll	485.86%	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**  
**Required Supplementary Information**  
**Schedule of Village Contributions**  
**April 30, 2017**

<b>Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess/ (Deficiency)</b>	<b>Covered Employee Payroll</b>	<b>Actual Contribution as a Percentage of Covered Employee Payroll</b>
4/30/2017	\$ 780,713	\$ 697,784	\$ (82,929)	\$ 2,582,282	27%
4/30/2016	798,544	593,000	(205,544)	2,577,543	23%
4/30/2015	730,706	543,678	(187,028)	2,250,817	24%

*Methods and Assumptions Used to Determine 2017 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**  
**Required Supplementary Information**  
**Schedule of Investment Returns**  
**Police Pension Fund**  
**April 30, 2017**

<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expense</b>
2017	9.67%
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 Supplementary Information**  
**Analysis of Funding Progress and Employer Contributions**  
**Other Postemployment Benefit Plan**  
**Year Ended April 30, 2017**

*Analysis of Funding Progress*

<b>Actuarial Valuation Year</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>(Overfunded) Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (b-a)/c</b>
4/30/2017	0	N/A	N/A	0%	N/A	N/A
4/30/2016	0	\$ 1,829,443	\$ 1,829,443	0%	\$4,135,643	44.2%
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	0	1,799,537	1,799,537	0%	4,401,016	40.9%

*Employer Contributions*

<b>Fiscal Year Ended</b>	<b>Actual Employer Contribution</b>	<b>Annual OPEB Cost</b>	<b>Percent Contributed</b>
4/30/2017	\$ 73,491	\$ 137,454	53%
4/30/2016	71,313	131,914	54%
4/30/2015	21,439	132,201	16%
4/30/2014	20,708	127,652	16%
4/30/2013	20,138	127,652	16%
4/30/2012	19,411	83,932	23%



**Village of Burr Ridge, Illinois**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**General Fund**  
**Year Ended April 30, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Revenues</b>			
Taxes	\$ 5,807,420	\$ 5,807,420	\$ 5,504,824
Licenses and permits	424,480	424,480	536,428
Intergovernmental	1,119,120	1,119,120	1,043,516
Charges for services	631,170	631,170	638,165
Fines and forfeitures	150,000	150,000	126,919
Investment income	180,000	180,000	27,973
Miscellaneous	408,495	408,495	427,996
Total revenues	<u>8,720,685</u>	<u>8,720,685</u>	<u>8,305,821</u>
<b>Expenditures</b>			
General government	2,001,680	2,001,680	2,013,044
Public safety	4,865,965	4,865,965	4,717,949
Public works	1,490,475	1,490,475	1,350,576
Total expenditures	<u>8,358,120</u>	<u>8,358,120</u>	<u>8,081,569</u>
<b>Excess of Revenues Over Expenditures</b>	<u>362,565</u>	<u>362,565</u>	<u>224,252</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	15,000	15,000	8,799
Transfers out			
Equipment Replacement Fund	(145,315)	(145,315)	(301,360)
Total other financing source (uses)	<u>(130,315)</u>	<u>(130,315)</u>	<u>(292,561)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 232,250</u>	<u>\$ 232,250</u>	(68,309)
<b>Fund Balance, Beginning</b>			<u>5,606,856</u>
<b>Fund Balance, Ending</b>			<u>\$ 5,538,547</u>

**Village of Burr Ridge, Illinois**  
**Notes to the Required Supplementary Information**  
**April 30, 2017**

**Stewardship, Compliance and Accountability**

***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.
6. 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.

**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, 2017. A budget was not adopted for the Emergency 911 Fund in 2017.

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

**Village of Burr Ridge, Illinois**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**April 30, 2017**

	Emergency 911	Special Revenue Funds		
		Motor Fuel Tax	Hotel/ Motel Tax	Places of Eating
<b>Assets</b>				
Cash and cash equivalents - unrestricted	\$ -	\$ 25,930	\$ 333,176	\$ 6,247
Receivables				
Intergovernmental	-	23,119	-	-
Accrued interest	-	1,463	1,463	-
Other	-	-	35,796	-
	<u>-</u>	<u>-</u>	<u>35,796</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 50,512</u>	<u>\$ 370,435</u>	<u>\$ 6,247</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,600</u>	<u>\$ -</u>
<b>Fund Balances</b>				
Restricted				
Streets and highways	-	50,512	-	-
Community relations	-	-	346,835	-
Unrestricted				
Committed for capital projects	-	-	-	-
Unassigned				
Special revenue	-	-	-	6,247
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,247</u>
Total fund balances	<u>-</u>	<u>50,512</u>	<u>346,835</u>	<u>6,247</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 50,512</u>	<u>\$ 370,435</u>	<u>\$ 6,247</u>

Capital Projects Funds			Total Nonmajor Governmental Funds
Sidewalks/ Pathways	Storm Water Management	Equipment Replacement	
\$ 409,628	\$ 114,126	\$ 969,483	\$ 1,858,590
-	-	-	23,119
2,926	1,463	2,926	10,241
-	-	-	35,796
<u>\$ 412,554</u>	<u>\$ 115,589</u>	<u>\$ 972,409</u>	<u>\$ 1,927,746</u>
<u>\$ 75,437</u>	<u>\$ 3,770</u>	<u>\$ -</u>	<u>\$ 102,807</u>
-	-	-	50,512
-	-	-	346,835
337,117	111,819	972,409	1,421,345
-	-	-	6,247
<u>337,117</u>	<u>111,819</u>	<u>972,409</u>	<u>1,824,939</u>
<u>\$ 412,554</u>	<u>\$ 115,589</u>	<u>\$ 972,409</u>	<u>\$ 1,927,746</u>

**Village of Burr Ridge, Illinois**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Year Ended April 30, 2017**

	<b>Special Revenue Funds</b>			
	<b>Emergency 911</b>	<b>Motor Fuel Tax</b>	<b>Hotel/ Motel Tax</b>	<b>Places of Eating</b>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 486,004	\$ 25,000
Intergovernmental revenue	-	267,634	-	-
Charges for services	57,684	-	-	-
Investment income	-	1,251	872	-
Miscellaneous	-	-	8,750	-
Total revenues	<u>57,684</u>	<u>268,885</u>	<u>495,626</u>	<u>25,000</u>
<b>Expenditures</b>				
Current				
General government	-	-	251,497	25,000
Public safety	109,218	-	177,978	-
Public works	-	430	-	-
Capital outlay	-	275,000	-	-
Total expenditures	<u>109,218</u>	<u>275,430</u>	<u>429,475</u>	<u>25,000</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(51,534)</u>	<u>(6,545)</u>	<u>66,151</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(45,915)	-
Total other finances sources (uses)	<u>-</u>	<u>-</u>	<u>(45,915)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(51,534)	(6,545)	20,236	-
<b>Fund Balances, Beginning</b>	<u>51,534</u>	<u>57,057</u>	<u>326,599</u>	<u>6,247</u>
<b>Fund Balances, Ending</b>	<u>\$ -</u>	<u>\$ 50,512</u>	<u>\$ 346,835</u>	<u>\$ 6,247</u>

Capital Projects Funds			Total
Sidewalks/ Pathways	Storm Water Management	Equipment Replacement	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 511,004
-	-	-	267,634
-	-	-	57,684
1,739	870	1,739	6,471
46,091	17,250	-	72,091
<u>47,830</u>	<u>18,120</u>	<u>1,739</u>	<u>914,884</u>
-	-	-	276,497
-	-	-	287,196
-	9,591	-	10,021
248,617	-	255,458	779,075
<u>248,617</u>	<u>9,591</u>	<u>255,458</u>	<u>1,352,789</u>
<u>(200,787)</u>	<u>8,529</u>	<u>(253,719)</u>	<u>(437,905)</u>
-	-	301,360	301,360
-	-	-	(45,915)
-	-	301,360	255,445
(200,787)	8,529	47,641	(182,460)
<u>537,904</u>	<u>103,290</u>	<u>924,768</u>	<u>2,007,399</u>
<u>\$ 337,117</u>	<u>\$ 111,819</u>	<u>\$ 972,409</u>	<u>\$ 1,824,939</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, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Intergovernmental revenue	\$ 272,420	\$ 267,634
Investment income	6,350	1,251
Total revenues	278,770	268,885
<b>Expenditures</b>		
Current		
Public works	485	430
Capital outlay		
Reimbursement to Capital Improvement Fund	275,000	275,000
Total expenditures	275,485	275,430
<b>Net Change in Fund Balance</b>	\$ 3,285	(6,545)
<b>Fund Balance, Beginning</b>		57,057
<b>Fund Balance, Ending</b>		\$ 50,512



**Village of Burr Ridge, Illinois**  
**Hotel/Motor Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**Year Ended April 30, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Hotel/motel taxes	\$ 603,850	\$ 486,004
Investment income	6,020	872
Miscellaneous	10,000	8,750
Total revenues	619,870	495,626
<b>Expenditures</b>		
Current		
General government	325,900	251,497
Public safety	206,805	177,978
Total expenditures	532,705	429,475
<b>Excess of Revenues Over Expenditures</b>	87,165	66,151
<b>Other Financing Uses</b>		
Transfer out		
Capital Improvement Fund	(20,000)	-
Debt Service Fund	(45,910)	(45,915)
Total other financing uses	(65,910)	(45,915)
<b>Net Change in Fund Balance</b>	\$ 21,255	20,236
<b>Fund Balance, Beginning</b>		326,599
<b>Fund Balance, Ending</b>		\$ 346,835

**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, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Taxes	\$ 25,000	\$ 25,000
<b>Expenditures</b>		
General government		
Marketing	25,000	25,000
<b>Net Change in Fund Balance</b>	\$ -	-
<b>Fund Balance, Beginning</b>		6,247
<b>Fund Balance, Ending</b>		\$ 6,247

**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, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Taxes	\$ 520,655	\$ 520,656
Investment income	110,000	16,523
Total revenues	630,655	537,179
 <b>Expenditures</b>		
Debt service		
Principal	546,200	546,256
Interest and fiscal charges	134,185	133,867
Total expenditures	680,385	680,123
 <b>Excess (Deficiency) of Revenues Over Expenditures</b>	(49,730)	(142,944)
 <b>Other Financing Sources</b>		
Transfer in - Hotel/Motel Tax Fund	45,910	45,915
 <b>Net Change in Fund Balance</b>	\$ (3,820)	(97,029)
 <b>Fund Balance, Beginning</b>		3,086,774
 <b>Fund Balance, Ending</b>		\$ 2,989,745

**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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues</b>			
Investment income	\$ 12,890	\$ 12,890	\$ 1,739
Developer contributions	137,370	137,370	143,371
Total revenues	<u>150,260</u>	<u>150,260</u>	<u>145,110</u>
<b>Expenditures</b>			
Capital outlay	1,003,765	1,003,765	876,081
Less reimbursement			
Motor fuel tax	<u>(295,000)</u>	<u>(295,000)</u>	<u>(275,000)</u>
Total expenditures	<u>708,765</u>	<u>708,765</u>	<u>601,081</u>
<b>Net Change in Fund Balance</b>	<u>\$ (558,505)</u>	<u>\$ (558,505)</u>	(455,971)
<b>Fund Balance, Beginning</b>			<u>828,031</u>
<b>Fund Balance, Ending</b>			<u>\$ 372,060</u>

**Village of Burr Ridge, Illinois**  
**Sidewalk/Pathway Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**Year Ended April 30, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Investment income	\$ 8,500	\$ 1,739
Donations	35,930	46,091
Total revenues	44,430	47,830
<b>Expenditures</b>		
Capital outlay	295,100	248,617
<b>Net Change in Fund Balance</b>	\$ (250,670)	(200,787)
<b>Fund Balance, Beginning</b>		537,904
<b>Fund Balance, Ending</b>		\$ 337,117

**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, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Investment income	\$ 5,950	\$ 870
Miscellaneous	8,000	17,250
Total revenues	13,950	18,120
<b>Expenditures</b>		
Current		
Public works	13,935	9,591
<b>Net Change in Fund Balance</b>	\$ 15	8,529
<b>Fund Balance, Beginning</b>		103,290
<b>Fund Balance, Ending</b>		\$ 111,819

**Village of Burr Ridge, Illinois**  
**Equipment Replacement Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**Year Ended April 30, 2017**

	<b>Original/Final Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Investment income	\$ 12,000	\$ 1,739
<b>Expenditures</b>		
Capital outlay	291,000	255,458
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(279,000)	(253,719)
<b>Other Financing Sources</b>		
Transfers in General Fund	145,315	301,360
<b>Net Change in Fund Balance</b>	\$ (133,685)	47,641
<b>Fund Balance, Beginning</b>		924,768
<b>Fund Balance, Ending</b>		\$ 972,409

**Village of Burr Ridge, Illinois**  
**Agency Fund - Special Service Area**  
**Schedule of Changes in Assets and Liabilities**  
**Year Ended April 30, 2017**

	<u>Balances May 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances April 30</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 157,607	\$ 4,002	\$ -	\$ 161,609
Accounts receivable	<u>1,044</u>	<u>-</u>	<u>34</u>	<u>1,010</u>
Total assets	<u>\$ 158,651</u>	<u>\$ 4,002</u>	<u>\$ 34</u>	<u>\$ 162,619</u>
<b>Liabilities</b>				
Due to bondholders	<u>\$ 158,651</u>	<u>\$ 3,968</u>	<u>\$ -</u>	<u>\$ 162,619</u>



## **Supplemental Data**

**Village of Burr Ridge, Illinois**  
**Long-term Debt Requirements**  
**Promissory Note of 2008**  
**April 30, 2017**

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
2018	\$ 42,856	\$ 3,058	\$ 45,914	2017	\$ 1,736	2018	\$ 1,322
2019	44,496	1,349	45,845	2018	886	2019	463
	<u>\$ 87,352</u>	<u>\$ 4,407</u>	<u>\$ 91,759</u>		<u>\$ 2,622</u>		<u>\$ 1,785</u>

**Village of Burr Ridge, Illinois**  
**Long-Term Debt Requirements**  
**General Refunding Obligation Bonds of 2012**  
**April 30, 2017**

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
2018	<u>\$ 5,935,000</u>	<u>\$ 103,863</u>	<u>\$ 6,038,863</u>	2017	<u>\$ 51,931</u>	2018	<u>\$ 51,932</u>