

# Village of Bolingbrook, Illinois

## Annual Financial Report

April 30, 2016

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# VILLAGE OF BOLINGBROOK, ILLINOIS

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**INDEPENDENT AUDITOR'S REPORT**

## Independent Auditor's Report

The Honorable Mayor  
Board of Trustees  
Village of Bolingbrook, Illinois  
Bolingbrook, 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 Bolingbrook, Illinois as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Emphasis of Matters**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, pension and other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 of Bolingbrook, Illinois' basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor  
Board of Trustees  
Village of Bolingbrook, Illinois  
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The combining financial statements 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*BKD, LLP*

Oakbrook Terrace, Illinois  
December 6, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**Village of Bolingbrook, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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As management of the Village of Bolingbrook ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2016. This narrative is intended to provide the reader a better understanding of the accompanying financial statements. It also highlights several important aspects of the Village's financial condition and reviews the relationship between the types of financial statements presented.

**Financial Highlights**

- The assets and deferred outflows of the Village exceeded its liabilities and deferred inflows at April 30, 2016, resulting in a total net position of \$260,214,435.
- The Village's total net position decreased by \$84,494,683 during the fiscal year. This includes restatement of \$81,330,165 for the adoption of GASB Statement No. 68. Governmental net position decreased by \$88,540,226 and business-type net position increased by \$4,045,543.
- The Village's governmental funds reported combined ending fund balances of \$103,028,525, an increase of \$11,813,586, or 12.95%, as compared with the prior year.
- As of April 30, 2016, unassigned fund balance in the General Fund was \$26,841,436, or 42.7%, of total General Fund expenditures. General Fund cash and investments totaled \$26,169,148, or 41.7%, of total General Fund expenditures.
- As discussed in Footnote 1.R., the Village implemented GASB Statement 68 in the current fiscal year. The implementation resulted in the addition of \$117,143,976 of net pension liability on to the Statement of Net Position; \$116,223,802 in the Governmental Activities and \$920,174 in the Business-type Activities. \$62,137,066 of the net pension liability is attributable to the Village's police pension plan, \$47,412,731 is attributable to the Village's firefighters' pension plan and \$7,594,179 is attributable to the Village's participation in the Illinois Municipal Retirement Fund. See Note 10 on page 55 for more information.

**REPORT STRUCTURE**

***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a comprehensive overview of the Village's finances, in a manner similar to a private sector business.

**Village of Bolingbrook, Illinois**  
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The *Statement of Net Position* presents information on all of the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This statement combines and consolidates the Village's current financial resources (short-term, spendable resources) with capital assets and long-term obligations using the accrual basis of accounting which maintains its measurement focus on economic resources rather than spendable financial resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information showing how the Village's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The Statement of Activities also reports the extent to which various expenses for governmental or business-type functions are dependent upon user-charges, grant sources, or general tax and other revenues.

Both of the government-wide financial statements differentiate functions of the Village which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or a significant portion of their costs through user-fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, sanitation, culture and recreation and economic development. The business-type activities of the Village include water and sewer services, airport, golf course and Americana estates.

Excluded from the government-wide financial statements are fiduciary funds, such as the Village's Police and Firefighters' Pension Funds and agency fund. Fiduciary funds are used to report net assets held in a trustee or agency capacity for others and therefore cannot be used to support Village services.

The government-wide financial statements can be found on pages 17 through 20 of this report.

***Fund Financial Statements***

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

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Village-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Village-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

*Proprietary Funds* account for those activities primarily supported by user fees. The Village maintains two types of proprietary funds (*enterprise funds and internal service funds*). Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements and use the economic measurement focus and accrual basis of accounting. The Village's proprietary funds are the Waterworks and Sewage Fund, Airport, Golf Course and Americana Estates Funds. The internal services fund accounts for the Village's Medical Insurance, Workers' Compensation, and Retiree Funds activity.

*Fiduciary funds* account for financial resources held for the benefit of parties outside the Village, such as the Village's Police and Firefighters' Pension funds and Weber Road TIF agency fund. The accounting used for fiduciary funds is similar to that used by proprietary funds.

The fund financial statements begin on page 21.

***Notes to the Financial Statements.***

The notes to the financial statements provide information necessary for the full understanding of the statements and begin on page 31.

***Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also includes certain *required supplementary information* and can be found starting on page 82. Other supplemental information may also be found beginning on page 99.

**Village of Bolingbrook, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

**Government-wide Financial Analysis**

**Village of Bolingbrook's Net Position**  
**As of April 30, 2016**  
**Net Position (in Millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2016</b>	<b>2015*</b>	<b>2016</b>	<b>2015*</b>	<b>2016</b>	<b>2015*</b>
Current and Other Assets	\$ 120.4	110.1	14.0	12.6	134.4	122.7
Capital Assets	307.6	313.6	186.9	183.1	494.5	496.7
Total Assets	<u>428.0</u>	<u>423.7</u>	<u>200.9</u>	<u>195.7</u>	<u>628.9</u>	<u>619.4</u>
Deferred Outflows of Resources	25.5	5.0	0.5		26.0	5.0
Total Assets and Deferred Outflows of Resources	<u>453.5</u>	<u>428.7</u>	<u>201.4</u>	<u>195.7</u>	<u>654.9</u>	<u>624.4</u>
Current Liabilities	25.0	23.9	3.0	2.3	28.0	26.2
Noncurrent Liabilities	351.1	243.2	1.1	0.2	352.2	243.4
Total Liabilities	<u>376.1</u>	<u>267.1</u>	<u>4.1</u>	<u>2.5</u>	<u>380.2</u>	<u>269.6</u>
Deferred Inflows of Resources	14.4	10.1			14.4	10.1
Total Liabilities and Deferred Inflows of Resources	<u>390.5</u>	<u>277.2</u>	<u>4.1</u>	<u>2.5</u>	<u>394.6</u>	<u>279.7</u>
Net Position						
Net Investment in Capital Assets	108.0	111.6	186.6	182.8	294.6	294.4
Restricted	29.9	29.0			29.9	29.0
Unrestricted	(74.9)	10.9	10.7	10.4	(64.2)	21.3
Total Net Position	<u>\$ 63.0</u>	<u>151.5</u>	<u>197.3</u>	<u>193.2</u>	<u>260.3</u>	<u>344.7</u>

\* The Village implemented GASB 68 in fiscal year 2016. Fiscal year 2015 balances included in this comparison do not include a restatement for GASB 68.

**Normal Impacts**

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

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

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

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**April 30, 2016**

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

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

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

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

**Current Year Impacts**

The Village's assets and deferred outflows exceeded its liabilities and deferred inflows by \$261 million as of April 30, 2016. The Village's net investment in capital assets was \$295 million, which includes related debt and depreciation. Restricted net position total \$30 million and includes amounts that are subject to external constraints. Unrestricted net position was negative \$64 million due to the implementation of GASB 68 and the inclusion of \$117 million in net pension liability. The net pension liability includes \$62 million for the Village's police pension plan, \$47 million for the Village's firefighters' pension plan and \$7.5 million for the Village's participation in the Illinois Municipal Retirement Fund.

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**April 30, 2016**

The following table represents a condensed summary of Changes in Net Position as of April 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015*	2016	2015*	2016	2015*
<b>Program Revenues:</b>						
Charges for Services	\$ 11.1	10.3	14.7	13.2	25.8	23.5
Operating Grants and Contributions	2.2	2.7			2.2	2.7
Capital Grants and Contributions	1.6	1.4	5.7	0.5	7.3	1.9
<b>General Revenues:</b>						
Property Taxes	19.4	17.6			19.4	17.6
Other Taxes	56.7	55.4			56.7	55.4
Others	0.8	0.5	0.1		0.9	0.5
<b>Total Revenues</b>	<b>91.8</b>	<b>87.9</b>	<b>20.5</b>	<b>13.7</b>	<b>112.3</b>	<b>101.6</b>
<b>Expenses:</b>						
General Government	9.1	9.1			9.1	9.1
Public Safety	47.7	41.5			47.7	41.5
Public Works	16.9	15.7			16.9	15.7
Sanitation Capital Projects	5.5	5.4			5.5	5.4
Culture and Recreation	4.1	3.7			4.1	3.7
Economic Development	4.8	5.7			4.8	5.7
Interest on Long-Term Debt	10.6	10.4			10.6	10.4
Water and Sewer			7.1	7.0	7.1	7.0
Golf Course			9.0	8.4	9.0	8.4
Americana Estates			0.1	0.3	0.1	0.3
Airport			0.5	0.5	0.5	0.5
<b>Total Expenses</b>	<b>98.7</b>	<b>91.5</b>	<b>16.7</b>	<b>16.2</b>	<b>115.4</b>	<b>107.7</b>
Increase (Decrease) in Net Position Before Transfers	(6.9)	(3.6)	3.8	(2.5)	(3.1)	(6.1)
Transfers	(0.5)		0.5			
Increase (Decrease) in Net Position	(7.4)	(3.6)	4.3	(2.5)	(3.1)	(6.1)
<b>Net Position:</b>						
Beginning, as Originally Reported	151.5	154.1	193.2	195.7	344.7	349.8
Restatement	(81.1)	1.0	(0.2)		(81.3)	1.0
Beginning, as Restated	70.4	155.1	193.0	195.7	263.4	350.8
Net Position, Ending	\$ 63.0	151.5	197.3	193.2	260.3	344.7

\* The Village implemented GASB 68 in fiscal year 2016. Fiscal year 2015 amounts do not include a restatement for GASB 68.

**Village of Bolingbrook, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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**Normal Impacts**

There are eight basic impacts on revenues and expenses as reflected below that affect the comparability of the Statement of Changes in Net Position summary presentation:

**Revenues:**

*Economic Condition* – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue, as well as public spending habits for building permits, elective user fees, and volumes of consumption.

*Increase/Decrease in Village Board Approved Rates* – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, etc.).

*Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring)* – 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 using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

**Expenses:**

*Introduction of New Programs* – within the functional expense categories (general government, public safety, highways and streets, etc.), individual programs may be added or deleted to meet changing community needs.

*Increase in Authorized Personnel* – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent a significant portion of the Village's operating costs.

*Salary Increases (cost of living and merit)* – the ability to attract and retain intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

*Inflation* – while overall inflation continues to be modest, the Village is a major consumer of certain commodities such as fuel and supplies that may experience unusual commodity specific increases.

**Current Year Impacts**

**Governmental Activities – Revenues**

Governmental Revenues increased by \$3.9 million, or 4.4%, over prior year, with an increase of \$1.8 million coming from property taxes; as well as a \$1.3 million increase in other taxes.

**Village of Bolingbrook, Illinois**  
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The Village received \$42.6 million from the State for intergovernmental taxes (\$41.8 million in prior year); this represents 46.4% of the total governmental revenues. The largest tax is the state sales tax. In the current year, the state sales tax revenue was \$30 million (\$31.1 million in prior year). The second largest tax in revenue source was derived from the state income tax and the revenue was \$8.8 million (\$7.2 million in prior year). The third largest other tax is the simple telecommunication tax, which was \$2.1 million (\$2.0 million in prior year).

Charges for services amounted to \$11.1 million, or 12.1%, of total governmental revenues and increased \$.8 million from the prior year, when it was 11.7% of total governmental revenues. The leading revenue source, \$1.5 million, was for ambulance fees. Building permits made up \$1.5 million of this income category. A building permit is required for the repair, construction, alteration, or enlargement of all buildings or structures. This includes building permit fees, heating and electrical permit fees and occupancy permits.

Property taxes are 21.1% of the Village's governmental activities' revenue. In the current year, we received \$19.4 million in property taxes (\$17.6 million prior year). Our overall property tax extension increased 15%, from \$17.7 million to \$20.4 million. The Village's equalized assessed valuation increased 3.16%, from \$1,804,867,678 to \$1,861,978,789.

**Governmental Activities – Expenses**

Total expense increased by \$7.2 million, or 7.3%, to \$98.7 million, the majority of increases were due to the Village's Public Safety and Public Works. The Village's governmental activities had \$98.8 million in expenses. The largest part of this expense, 48.3%, or \$47.7 million, relates to public safety. This includes required contributions to the Police and Firefighters' Pensions, as well as salaries for all Fire and Police personnel and associated benefits. Public Works made up 17.1%, or \$16.9 million, of total governmental activities' expenditures. The largest components of this expense category include road maintenance – repaving of \$2.4 million.

**Business-type Activities – Revenues**

The total business-type revenues were \$20.5 million. Tap-on fees are obtained through new connections to the Village's water reclamation facilities. During the year we received \$2.5 million in tap-on fees. We also received \$3.4 million in revenue from our wastewater service charge. This is a fee charged to residents, apartment units, commercial and industrial users for each gallon of treatment and collection.

At the golf course, revenues increased by \$327,202 from \$8,038,825 in fiscal year 2015 to \$8,366,027 in fiscal year 2016.

**Business-type Activities – Expenses**

The total expenses were \$16.7 million. Of this amount, \$3.9 million relates to depreciation expense, and the remaining balance relates to the water sewer fund for salaries and utilities, Golf Course expenditures and the airport expenses.



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**Fund Financial Statement Analysis**

**Governmental Funds**

The focus of the Village's governmental funds, which includes the General Fund and 17 other funds, is to provide information on near-term inflows, outflows, and balances of spendable resources. These funds are included on the balance sheet found on page 21. Government funds are modified accrual basis of accounting designed to measure current financial resources. Consequently, the reader will notice the balance sheet does not show fixed assets or long-term liabilities. The related income statements (combined statement of revenues, expenditures and changes in fund balance) are found on page 23. At the end of the current fiscal year, the governmental funds reported combined total fund balance of \$103.0 million, which is a 12.95% increase from the beginning of the year's total of \$91.2 million.

The General Fund is used to account for most of the Village's governmental operating activity. This includes administration, finance, building, police, fire, and public works. Including the effect of operating transfers, the General Fund balance increased by \$13.9 million. Revenues were up 5.93% (\$76.8 million compared to \$72.5 million), while expenditures remained relatively the same as last fiscal year at \$62.8 million. The growth in revenues can be attributed to increases in several sources, including real estate transfer tax, state income tax, other charges for services such as building permits. General Fund expenditures finished the year \$6.8 million, or 9.82%, under budget. The General Fund budget was amended during the year from \$68.3 to \$69.6 million.

The Refuse and Recycling Fund ended fiscal year 2016 with a fund balance of \$611,534, down \$86,424 from the prior year. Revenue and expenditures were in line with expectations.

The 2007 Bond Fund saw continued capital outlay spending resulting in a decrease in fund balance of \$1.47 million in the current year, for an ending fund balance of \$14.5 million. \$542k was also transferred out to fund the airport improvements.

The Debt Service Fund paid schedule debt service obligations and received property tax revenue, which resulted in a decrease of fund balance of \$932,863 for an ending balance of \$13,464,161.

**Proprietary Funds**

The Village of Bolingbrook's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The financial statements for the proprietary funds begin on page 25.

At April 30, 2016, the business-type activities reported combined total net assets of \$197.3 million, which is a 2.1% increase from the beginning of the year's total of \$193 million. Of the total net assets balance, \$186.5 million is invested in capital assets, net of related debt.

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The Village reports the Wastewater/Sewer, Airport, Americana Estates, and Golf Course Funds as proprietary funds. Wastewater and sewer treatment service is provided at a rate of \$1.68 per thousand gallons of usage. The Wastewater/Sewer Fund recorded an Operating Income before depreciation of \$2.1 million, depreciation expense was \$3 million.

In December 2013, the Village executed a five-year management contract with Kemper Management Inc. to provide operating services at the Village owned Golf Course. For an annual fee, the firm employs and trains the proper staffing levels, maintains the course and clubhouse, operates the half way houses and develops and markets the Golf Course activities and promotions. All revenues are the Village's, and operating expenses are incurred in accordance with the contract and an annual budget approved by the Village. The Golf Course Fund ended fiscal year 2016 with a fund balance of \$33.8 million down \$.7 million from the prior year, with depreciation expense being \$.7 million. Revenue and expenditures were in line with expectations with a \$2,633 operating income before depreciation.

In April 2004, the Village purchased Clow International Airport. In November 2014, the Village executed a month-to-month basis management agreement with Clow International Airport, LLC effective through May 1, 2017. They will supervise, manage, direct and operate the Airport on behalf of the Village. This includes general daily operations, service work, repairs, and marketing. The Airport Fund ended fiscal year 2016 with a fund balance of \$17.6 million up \$5.9 million from the prior year. The Airport Fund received Capital contribution from the Federal Aviation Administration and from the Illinois Department of Transportation in the amount of \$5.7 million. There was also a transfer from the 2007 Bond fund in the amount of \$542K for the airport's runway reconstruction. The Airport was closed for eight months during the fiscal year 2016 while the runway was being re-constructed. It was closed from May 2015 through December 2015; this caused an estimated loss of revenue of about \$170,000.

American Estates Fund ended fiscal year 2016 with a fund balance of \$12.7 million down \$81.5K from the prior year. Activity is beginning to pick up since the downturn of the housing market. This is the second consecutive year Americana Estates Fund has sold lots. There were a total of five lots sold in fiscal year 2015 (\$286,540) and three lots sold in fiscal year 2016 (\$173,386).

**Fiduciary Funds**

The financial statements for the Village's fiduciary funds, the Police and Firefighter's Pension Funds, begin on page 29. The change in net position for the Police Pension fund was \$1.4 million and for the Firefighters' Pension fund was -\$0.5 million.

**Village of Bolingbrook, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2016, equal \$494.6 million (net of accumulated depreciation). The governmental activities net capital assets decreased by \$5.8 million, or 1.89%, as depreciation exceeded new capital outlay. Major governmental capital expenditures included:

- Vehicles - an ambulance, dump truck, wheel loader and squad cars (governmental activities)
- Weber road reconstruction (governmental activities)
- CIP for the Airport's reconstruction runway (business-type activities)

In accordance with the Village's projected road replacement program, street improvements include resurfacing of 144,141 feet of road (21.89 of lane miles).

**Change in Capital Assets**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Non-Depreciable Assets:</b>						
Land	\$ 186.1	186.1	48.4	48.4	234.5	234.5
CIP	4.0	3.3	24.6	17.2	28.6	20.5
<b>Other Capital Assets:</b>						
Land Improvements	14.7	14.7	2.0	2.5	16.7	17.2
Infrastructure	153.0	152.4	135.2	135.2	288.2	287.6
Buildings	45.5	45.3	43.1	42.6	88.6	87.9
Machinery and Equipment	19.4	18.9	15.4	15.4	34.8	34.3
Vehicles			1.3	1.0	1.3	1.0
Accumulated Depreciation on Capital Assets	(114.9)	(107.1)	(83.2)	(79.3)	(198.1)	(186.4)
Total	\$ 307.8	313.6	186.8	183.0	494.6	496.6

Various developers have continued to install and dedicate linear feet of storm sewer and sanitary sewer lines to the Village. In 2016, 16,165 linear feet of storm sewer and 7,015 linear feet of sanitary sewer lines were dedicated to the Village.

**Village of Bolingbrook, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

**Debt Administration**

At April 30, 2016, the Village had outstanding debt as follows:

	<b>Obligations Outstanding May 1, 2015</b>	<b>Debt Additions</b>	<b>Interest Accretion</b>	<b>Debt Retirement</b>	<b>Obligations Outstanding April 30, 2016</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>						
1999C Capital Appreciation Bonds	\$ 31,930,899		1,699,855	1,225,000	32,405,754	1,530,000
2002B Capital Appreciation Bonds	30,822,541		1,863,051	260,000	32,425,592	435,000
2007 General Obligation Bonds	41,815,000				41,815,000	
2010A General Obligation Bonds	23,200,000				23,200,000	
2010B General Obligation Bonds	3,785,000			340,000	3,445,000	440,000
2013A General Obligation Current Interest Bonds	7,255,000				7,255,000	
2013A General Obligation Capital Appreciation Bonds	25,182,655		1,326,567		26,509,222	
2014A General Obligation Current Interest Bonds	57,045,000			1,605,000	55,440,000	1,755,000
Bond Discount	(164,548)			(15,023)	(149,525)	
Bond Premium	3,614,730			178,938	3,435,792	
Compensated Absences	5,213,200	364,439		3,631,064	1,946,575	2,746,815
Net Pension Liability - Police	51,689,760	14,078,370		3,140,863	62,627,267	
Net Pension Liability - Fire	38,087,459	12,466,135		951,733	49,601,861	
Net Pension Liability - IMRF	2,408,990	5,216,748			7,625,738	
Net Other Postemployment Benefit Obligation	8,812,365	1,646,127			10,458,492	
Property Tax Refund Payable	209,247			209,247		
<b>Total Governmental Activities</b>	<b>\$ 330,907,298</b>	<b>33,771,819</b>	<b>4,889,473</b>	<b>11,526,822</b>	<b>358,041,768</b>	<b>6,906,815</b>
<b>Business-type Activities:</b>						
Capital Leases Payable	\$ 307,540	277,379		241,675	343,244	202,902
Compensated Absences	192,761			49,882	142,879	75,926
Net Pension Liability - IMRF	278,573	776,401		134,800	920,174	
<b>Total Business-type Activities</b>	<b>\$ 778,874</b>	<b>1,053,780</b>	<b>-</b>	<b>426,357</b>	<b>1,406,297</b>	<b>278,828</b>

As a Home Rule community under the Illinois Constitution, the Village has no legal debt limit. However, the Village has no intention of exceeding a fiscally responsible amount of debt; the Village's rating from Moody's Investment Service on general obligation bond issues is A2.

**ECONOMIC FACTORS**

The Village is located at the interchange of Interstate Route 55 on the south and the north/south extension of the Illinois Tollway system, I-355 on the east. Presently the Village consists of 25.6 square miles. In the past decade, the Village's assessed valuation has decreased. In fiscal year 2016 the decrease was .08%.

**Village of Bolingbrook, Illinois**  
**Management's Discussion and Analysis**  
**April 30, 2016**

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The extension of North/South Tollway (I-355) from Route 55 at the southeast edge of Bolingbrook south of I-80 has made Bolingbrook one of the most centralized suburbs in the southwest Chicago area.

The Village has experienced rapid growth in commercial and residential real estate development over the past ten years. Much of this growth can be attributed to the pro-growth sentiments of the Village; the proximity of the Village to the City of Chicago; the provision of necessary infrastructure improvements including roads, water and sewer services, and relatively low property taxes.

In fiscal year 2016, the Village issued 3,578 housing permits versus 3,389 from a year ago. There were 23 industrial new constructions in fiscal year 2016 versus 20 from a year ago. There was one subdivision that was accepted in the 2016 fiscal year, River Hills Unit 2. There were 35 new commercial construction permits in 2016, compared to a year ago of 58.

Bolingbrook's trend of a growth and diversification mix has spurred the explosion of commercial and industrial space throughout the Village. A lifestyle shopping area known as the Promenade Shopping Center on Boughton Road and Janes Avenue, approximately 1.1 million square feet of retail space, opened in the spring of 2007. This area includes stores such as IKEA, Bass Pro, Macy's, DSW Shoes, Barnes & Noble, Ulta and other retail establishments.

In addition, the Village of Bolingbrook is home to the Bolingbrook Adventist Hospital. Overall with all the Village has to offer to its residents, it is no wonder the Village of Bolingbrook was ranked as being number 38 best places to live in by Money Magazine in 2014.

**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. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Bolingbrook, 375 West Briarcliff Road, Bolingbrook, Illinois 60440.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Statement of Net Position

April 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash, Cash Equivalents and Investments	\$ 54,734,745	13,357,307	68,092,052
Property Tax Receivable	20,418,986		20,418,986
Other Taxes Receivable	11,413,219		11,413,219
Accounts Receivable	2,800,973	885,926	3,686,899
Accrued Interest Receivable	19,570	29,760	49,330
Intergovernmental Receivable	362,485		362,485
Internal Balances	9,239,720	(9,239,720)	
Prepaid Items	126,856	108,553	235,409
Inventories	33,777	323,350	357,127
Restricted Cash	21,277,053		21,277,053
Land Held for Resale		8,509,371	8,509,371
<b>Total Current Assets</b>	<b>120,427,384</b>	<b>13,974,547</b>	<b>134,401,931</b>
<b>Noncurrent Assets</b>			
Other Assets		6,900	6,900
<b>Capital Assets</b>			
Capital Assets Not Being Depreciated	190,124,739	72,997,956	263,122,695
Capital Assets Being Depreciated, Net	117,565,200	113,883,324	231,448,524
<b>Total Noncurrent Assets</b>	<b>307,689,939</b>	<b>186,888,180</b>	<b>494,578,119</b>
<b>Total Assets</b>	<b>428,117,323</b>	<b>200,862,727</b>	<b>628,980,050</b>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pensions	20,703,654	486,562	21,190,216
Unamortized Loss on Refunding	4,761,702		4,761,702
<b>Total Deferred Outflows of Resources</b>	<b>25,465,356</b>	<b>486,562</b>	<b>25,951,918</b>

	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 6,736,192	1,221,928	7,958,120
Accrued Payroll	697,309	154,273	851,582
Claims Payable	653,834		653,834
Deposits Payable	2,664,474	1,020,298	3,684,772
Interest Payable	2,007,988		2,007,988
Other Payables	301,878	50,038	351,916
Due to Pension Funds	4,845,450		4,845,450
Unearned Revenue	216,929	154,832	371,761
Other Liabilities		116,542	116,542
<b>Long-Term Obligations, Due Within One Year</b>			
Compensated Absences	2,746,815	75,926	2,822,741
Bonds Payable	4,160,000		4,160,000
Capital Lease Payable		202,902	202,902
<b>Total Current Liabilities</b>	<b>25,030,869</b>	<b>2,996,739</b>	<b>28,027,608</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences	2,830,824	66,953	2,897,777
Bonds Payable	221,621,835		221,621,835
Capital Lease Payable		140,342	140,342
OPEB Liability	10,458,492		10,458,492
Net Pension Liability	116,223,802	920,174	117,143,976
<b>Total Noncurrent Liabilities</b>	<b>351,134,953</b>	<b>1,127,469</b>	<b>352,262,422</b>
<b>Total Liabilities</b>	<b>376,165,822</b>	<b>4,124,208</b>	<b>380,290,030</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pensions	3,378,064		3,378,064
Unearned Property Taxes	11,049,439		11,049,439
<b>Total Deferred Inflows of Resources</b>	<b>14,427,503</b>	<b>-</b>	<b>14,427,503</b>
<b>Net Position</b>			
Net Investment in Capital Assets	107,964,859	186,538,036	294,502,895
Restricted for Streets	8,453,486		8,453,486
Restricted for Public Safety	796,400		796,400
Restricted for Debt Service	18,558,061		18,558,061
Restricted for Capital Projects	1,520,295		1,520,295
Restricted for Refuse	611,534		611,534
Unrestricted	(74,915,281)	10,687,045	(64,228,236)
<b>Total Net Position</b>	<b>\$ 62,989,354</b>	<b>197,225,081</b>	<b>260,214,435</b>



VILLAGE OF BOLINGBROOK, ILLINOIS

Statement of Activities

Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$ 9,150,683	4,522,310		593,821
Public Safety	47,740,379	4,353,002	169,102	
Public Works	16,869,036	2,178,852	2,078,684	1,050,691
Sanitation	5,492,059			
Culture and Recreation	4,143,104			
Economic Development	4,749,333			
Interest on Long-Term Debt	10,602,205			
Total Governmental Activities	98,746,799	11,054,164	2,247,786	1,644,512
<b>Business-type Activities</b>				
Waterworks and Sewerage	7,143,236	6,194,079		
Golf Course	9,047,731	8,366,027		
Americana Estates	82,009			
Airport	469,814	152,085		5,706,560
Total Business-type Activities	16,742,790	14,712,191	-	5,706,560
Total Primary Government	\$ 115,489,589	25,766,355	2,247,786	7,351,072

General Revenues

Taxes

Property Taxes Levied for General Purpose

Property Taxes Levied for Debt Service

Property Taxes Levied for TIF

Telecommunication

Other Taxes

Intergovernmental

Sales Tax

Income Tax

Unrestricted Investment Earnings

Miscellaneous Revenues

Gain on Sale of Capital Assets

Transfers

Total General Revenues

Change in Net Position

Net Position

May 1, as Originally Reported

Adoption of GASB 68 (see Note 15)

May 1, as Restated

April 30

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
(4,034,552)		(4,034,552)
(43,218,275)		(43,218,275)
(11,560,809)		(11,560,809)
(5,492,059)		(5,492,059)
(4,143,104)		(4,143,104)
(4,749,333)		(4,749,333)
(10,602,205)		(10,602,205)
(83,800,337)	-	(83,800,337)
	(949,157)	(949,157)
	(681,704)	(681,704)
	(82,009)	(82,009)
	5,388,831	5,388,831
-	3,675,961	3,675,961
(83,800,337)	3,675,961	(80,124,376)
12,017,886		12,017,886
7,417,081		7,417,081
43,711		43,711
2,096,825		2,096,825
15,278,956		15,278,956
30,080,021		30,080,021
9,206,720		9,206,720
304,678	58,947	363,625
392,467	503	392,970
62,063		62,063
(542,385)	542,385	
76,358,023	601,835	76,959,858
(7,442,314)	4,277,796	(3,164,518)
151,529,580	193,179,538	344,709,118
(81,097,912)	(232,253)	(81,330,165)
70,431,668	192,947,285	263,378,953
62,989,354	197,225,081	260,214,435

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Balance Sheet - Governmental Funds

April 30, 2016

	General Fund	Refuse and Recycling Fund	2007 Bond Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash, Cash Equivalents and Investments	\$ 26,169,148	11		8,394,384	16,566,943	51,130,486
Property Tax Receivable	8,010,233	5,699,517		6,703,124	6,112	20,418,986
Other Taxes Receivable	11,413,219					11,413,219
Accounts Receivable	1,730,631				1,053,483	2,784,114
Accrued Interest Receivable	12,960				6,610	19,570
Intergovernmental Receivable			29,694		332,791	362,485
Due from Other Funds	1,377,481					1,377,481
Advances to Other Funds	26,541,076		1,024,472	2,289,221	814,708	30,669,477
Prepaid Items			126,856			126,856
Inventories	33,777					33,777
Restricted Cash			13,319,704		7,957,349	21,277,053
<b>Total Assets</b>	<b>\$ 75,288,525</b>	<b>5,699,528</b>	<b>14,500,726</b>	<b>17,386,729</b>	<b>26,737,996</b>	<b>139,613,504</b>
<b>Liabilities</b>						
Accounts Payable	\$ 4,677,566	910,373	12,628		142,215	5,742,782
Accrued Payroll	686,041				11,268	697,309
Deposits Payable	2,664,474					2,664,474
Due to Other Funds	200	1,377,481				1,377,681
Due to Pension Funds	2,274,149	892,488		1,678,813		4,845,450
Unearned Revenue	216,929					216,929
Other Payables	157,103				144,775	301,878
Advances from Other Funds	2,305,627				4,496,518	6,802,145
<b>Total Liabilities</b>	<b>12,982,089</b>	<b>3,180,342</b>	<b>12,628</b>	<b>1,678,813</b>	<b>4,794,776</b>	<b>22,648,648</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Property Taxes	6,003,255	1,907,652		2,243,755	894,777	11,049,439
Unavailable Other Taxes	2,886,892					2,886,892
<b>Total Deferred Inflows of Resources</b>	<b>8,890,147</b>	<b>1,907,652</b>	<b>-</b>	<b>2,243,755</b>	<b>894,777</b>	<b>13,936,331</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Advances	26,541,076					26,541,076
Prepays			126,856			126,856
Inventories	33,777					33,777
<b>Restricted for</b>						
Streets					8,453,486	8,453,486
Public Safety					796,400	796,400
Debt Service				13,464,161	5,093,900	18,558,061
Capital Projects			14,361,242		8,436,106	22,797,348
Refuse		611,534				611,534
Unassigned	26,841,436				(1,731,449)	25,109,987
<b>Total Fund Balances</b>	<b>53,416,289</b>	<b>611,534</b>	<b>14,488,098</b>	<b>13,464,161</b>	<b>21,048,443</b>	<b>103,028,525</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 75,288,525</b>	<b>5,699,528</b>	<b>14,500,726</b>	<b>17,386,729</b>	<b>26,737,996</b>	<b>139,613,504</b>

See Notes to Financial Statements

**VILLAGE OF BOLINGBROOK, ILLINOIS**

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

April 30, 2016

Total Fund Balances - Governmental Funds		\$ 103,028,525
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets, at Cost	422,617,153	
Accumulated Depreciation	<u>(114,927,214)</u>	
Net Capital Assets		307,689,939
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as a liability in governmental funds. These liabilities consist of:		
General Obligation Bonds Payable	(222,495,568)	
Bond Premiums	(3,435,792)	
Bond Discounts	149,525	
Net OPEB Obligations	(10,458,492)	
Net Pension Liability	<u>(116,223,802)</u>	
Compensated Absences	(5,577,639)	
Interest Payable	<u>(2,007,988)</u>	
Total Long-Term Liabilities		(360,049,756)
Deferred Outflows of Resources Related to Pensions are recorded on the Statement of Net Position		20,703,654
Deferred Inflows of Resources Related to Pensions are recorded on the Statement of Net Position		(3,378,064)
Losses on refunding are not recognized in the governmental funds, but are capitalized and amortized over the life of the refunded bond in the Statement of Net Position.		4,761,702
Some of the tax revenues due from the State will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		2,886,892
Claims liability is not due and payable in the current period and, therefore, is not reported in governmental funds.		(259,658)
Internal service funds are used to manage the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		<u>(12,393,880)</u>
Net Position of Governmental Activities		<u>\$ 62,989,354</u>

See Notes to Financial Statements

**VILLAGE OF BOLINGBROOK, ILLINOIS**

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

Year Ended April 30, 2016

	General Fund	Refuse and Recycling Fund	2007 Bond Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 21,697,431	5,364,240		7,417,081	61,993	34,540,745
Licenses and Permits	2,521,184					2,521,184
Charges for Services	5,960,094				219,187	6,179,281
Fines and Forfeitures	1,700,394					1,700,394
Contributions	953,029					953,029
Intergovernmental	43,460,612				2,289,078	45,749,690
Interest	101,810	848	151,991	4,271	45,758	304,678
Miscellaneous	404,174				1	404,175
<b>Total Revenues</b>	<b>76,798,728</b>	<b>5,365,088</b>	<b>151,991</b>	<b>7,421,352</b>	<b>2,616,017</b>	<b>92,353,176</b>
<b>Expenditures</b>						
<b>Current</b>						
General Government	8,721,585					8,721,585
Public Safety	37,542,294				555,212	38,097,506
Highways and Streets	7,795,688				1,786,740	9,582,428
Sanitation		5,451,512				5,451,512
Culture and Recreation	3,991,642					3,991,642
Economic Development	4,749,333					4,749,333
Capital Outlay			1,075,702		43,205	1,118,907
<b>Debt Service</b>						
Principal				3,430,000		3,430,000
Interest				4,924,215		4,924,215
Issuance Costs						
<b>Total Expenditures</b>	<b>62,800,542</b>	<b>5,451,512</b>	<b>1,075,702</b>	<b>8,354,215</b>	<b>2,385,157</b>	<b>80,067,128</b>
Excess (Deficiency) of Revenues over Expenditures	13,998,186	(86,424)	(923,711)	(932,863)	230,860	12,286,048
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Assets	69,923					69,923
Transfers In	13,870				171,795	185,665
Transfers Out	(185,665)		(542,385)			(728,050)
<b>Total Other Financing Sources (Uses)</b>	<b>(101,872)</b>	<b>-</b>	<b>(542,385)</b>	<b>-</b>	<b>171,795</b>	<b>(472,462)</b>
Net Change in Fund Balances	13,896,314	(86,424)	(1,466,096)	(932,863)	402,655	11,813,586
<b>Fund Balances</b>						
May 1	39,519,975	697,958	15,954,194	14,397,024	20,645,788	91,214,939
April 30	\$ 53,416,289	611,534	14,488,098	13,464,161	21,048,443	103,028,525

See Notes to Financial Statements

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds		\$ 11,813,586
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities capitalize them and report depreciation expense to allocate those expenditures over the life of the assets.		
Capital Outlay	2,441,741	
Depreciation	<u>(8,365,934)</u>	
Depreciation in Excess of Capital Outlay		(5,924,193)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		3,430,000
The net effect of disposals of capital assets is not recognized in the governmental fund statements.		(7,861)
The reduction of a long-term liability in the Statement of Net Position is reported as an expenditure in the governmental funds.		209,247
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(1,182,331)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recorded in the governmental funds.		
Increase in Compensated Absences	(364,439)	
Amortization of Discounts	(15,023)	
Amortization of Bond Premiums	178,938	
Amortization of Deferred Loss on Refunding	(290,752)	
Increase in Net Pension Liabilities	(7,038,523)	
Increase in Other Postemployment Benefits Obligation	(1,646,127)	
Increase in Accrued Interest on Debt	<u>(661,680)</u>	
		(9,837,606)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities.		(1,023,313)
The decrease in the claims payable liability is not shown as an expenditure in the governmental funds.		(30,370)
The accretion of interest on long-term debt is not reported in the governmental funds; however, it results in an increase in debt principal payable in the Statement of Net Position.		<u>(4,889,473)</u>
Change in Net Position of Governmental Activities		<u>\$ (7,442,314)</u>

See Notes to Financial Statements

VILLAGE OF BOLINGBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2016

	Major Enterprise Funds			Nonmajor Enterprise Fund	Total	Internal Service Fund
	Waterworks and Sewerage Fund	Golf Course Fund	Airport Fund	Americana Estates Fund		
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 9,154,987	349,791	197,269	3,655,260	13,357,307	3,604,259
Accounts Receivable	217,457	379,869	288,600		885,926	16,859
Accrued Interest Receivable	29,760				29,760	
Due from Other Funds	200				200	781,435
Prepaid Expenses		108,553			108,553	
Inventories		323,350			323,350	
Land Held for Resale				8,509,371	8,509,371	
<b>Total Current Assets</b>	<b>9,402,404</b>	<b>1,161,563</b>	<b>485,869</b>	<b>12,164,631</b>	<b>23,214,467</b>	<b>4,402,553</b>
<b>Noncurrent Assets</b>						
Other Assets		6,900			6,900	
<b>Capital Assets</b>						
Capital Assets Not Being Depreciated	37,057,213	18,826,330	16,861,194	253,219	72,997,956	
Capital Assets, Net of Accumulated Depreciation	89,059,958	20,561,388	3,977,428	284,550	113,883,324	
<b>Total Noncurrent Assets</b>	<b>126,117,171</b>	<b>39,394,618</b>	<b>20,838,622</b>	<b>537,769</b>	<b>186,888,180</b>	<b>-</b>
<b>Total Assets</b>	<b>135,519,575</b>	<b>40,556,181</b>	<b>21,324,491</b>	<b>12,702,400</b>	<b>210,102,647</b>	<b>4,402,553</b>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows of Resources Related to Pensions					486,562	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 726,723	463,908	31,297		1,221,928	993,410
Accrued Payroll	32,280	121,993			154,273	
Deposits Payable		1,009,798	10,500		1,020,298	
Unearned Revenue		154,832			154,832	
Advances from Other Funds	1,094,472	4,497,683	3,647,765		9,239,920	15,408,847
Other Payables	375	49,663			50,038	
Claims Payable						394,176
Other Liabilities		116,542			116,542	
<b>Long-Term Obligations, Due Within One Year</b>						
Compensated Absences	75,926				75,926	
Capital Leases Payable		202,902			202,902	
<b>Total Current Liabilities</b>	<b>1,929,776</b>	<b>6,617,321</b>	<b>3,689,562</b>	<b>-</b>	<b>12,236,659</b>	<b>16,796,433</b>
<b>Noncurrent Liabilities</b>						
Compensated Absences	66,953				66,953	
Net Pension Liability	920,174				920,174	
Capital Leases Payable		140,342			140,342	
<b>Total Noncurrent Liabilities</b>	<b>987,127</b>	<b>140,342</b>	<b>-</b>	<b>-</b>	<b>1,127,469</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,916,903</b>	<b>6,757,663</b>	<b>3,689,562</b>	<b>-</b>	<b>13,364,128</b>	<b>16,796,433</b>
<b>Net Position</b>						
Net Investment in Capital Assets Unrestricted	126,117,171	39,044,474	20,838,622	537,769	186,538,036	
	6,972,063	(5,245,956)	(3,203,693)	12,164,631	10,687,045	(12,393,880)
<b>Total Net Position</b>	<b>\$ 133,089,234</b>	<b>33,798,518</b>	<b>17,634,929</b>	<b>12,702,400</b>	<b>197,225,081</b>	<b>(12,393,880)</b>

See Notes to Financial Statements

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Statement of Revenues, Expenses and Changes in  
Net Position - Proprietary Funds

Year Ended April 30, 2016

	Major Enterprise Funds			Nonmajor Enterprise Fund	Total	Internal Service Fund
	Waterworks and Sewerage Fund	Golf Course Fund	Airport Fund	Americana Estates Fund		
Operating Revenues						
Charges for Services	\$ 6,194,079	8,366,027	152,085		14,712,191	9,730,806
Operating Expenses, Excluding Depreciation						
Administrative Division	1,518,538				1,518,538	
Sewer Division	943,275				943,275	
Reclamation Division	1,633,895				1,633,895	
Golf Course		8,363,394			8,363,394	
Airport			287,917		287,917	
Americana Estates				54,909	54,909	
Internal Service Expenses						10,755,758
Capital Outlay			20,720		20,720	
Total Operating Expenses, Excluding Depreciation and Amortization	4,095,708	8,363,394	308,637	54,909	12,822,648	10,755,758
Operating Income (Loss) before Depreciation	2,098,371	2,633	(156,552)	(54,909)	1,889,543	(1,024,952)
Depreciation	3,047,528	665,767	161,177	27,100	3,901,572	
Operating Loss	(949,157)	(663,134)	(317,729)	(82,009)	(2,012,029)	(1,024,952)
Nonoperating Revenues (Expenses)						
Interest Income	57,404	949	83	511	58,947	1,639
Interest Expense		(18,570)			(18,570)	
Miscellaneous			503		503	
Total Nonoperating Revenues (Expenses)	57,404	(17,621)	586	511	40,880	1,639
Loss before Contributions	(891,753)	(680,755)	(317,143)	(81,498)	(1,971,149)	(1,023,313)
Capital Contributions			5,706,560		5,706,560	
Transfers In			542,385		542,385	
Net Transfers and Contributions	-	-	6,248,945	-	6,248,945	-
Changes in Net Position	(891,753)	(680,755)	5,931,802	(81,498)	4,277,796	(1,023,313)
Net Position						
May 1, as Originally Reported	134,213,240	34,479,273	11,703,127	12,783,898	193,179,538	(11,370,567)
Adoption of GASB 68 (see Note 15)	(232,253)				(232,253)	
May 1, as Restated	133,980,987	34,479,273	11,703,127	12,783,898	192,947,285	(11,370,567)
April 30	\$ 133,089,234	33,798,518	17,634,929	12,702,400	197,225,081	(12,393,880)

See Notes to Financial Statements



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2016

	Major Enterprise Funds			Nonmajor Enterprise Fund	Total	Internal Service Fund
	Waterworks and Sewerage Fund	Golf Course Fund	Airport Fund	Americana Estates Fund		
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers and Others	\$ 6,119,114	8,116,962	(105,278)		14,130,798	9,716,686
Other Operating Receipts			503		503	
Payments to Suppliers	(2,065,456)	(3,999,855)	(277,593)	(54,909)	(6,397,813)	(10,571,902)
Payments to Employees	(1,390,350)	(4,129,609)			(5,519,959)	
	<u>2,663,308</u>	<u>(12,502)</u>	<u>(382,368)</u>	<u>(54,909)</u>	<u>2,213,529</u>	<u>(855,216)</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Interfund Borrowings, Net	(4,242,191)	216,987	285,628	(38,700)	(3,778,276)	4,457,836
Interfund Transfer			542,385		542,385	
	<u>(4,242,191)</u>	<u>216,987</u>	<u>828,013</u>	<u>(38,700)</u>	<u>(3,235,891)</u>	<u>4,457,836</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Interest Payment on Debt		(18,570)			(18,570)	
Principal Payments on Capital Lease		35,704			35,704	
Sale of Land Held for Resale				173,386	173,386	
(Purchases) Sale of Capital Assets	(1,099,427)	(282,308)	(617,674)		(1,999,409)	
	<u>(1,099,427)</u>	<u>(282,308)</u>	<u>(617,674)</u>	<u>173,386</u>	<u>(1,808,889)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>						
Interest	54,438	949	83	511	55,981	1,639
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(2,623,872)</u>	<u>(59,740)</u>	<u>(171,946)</u>	<u>80,288</u>	<u>(2,775,270)</u>	<u>3,604,259</u>
<b>Cash and Cash Equivalents</b>						
May 1	<u>11,778,859</u>	<u>409,531</u>	<u>369,215</u>	<u>3,574,972</u>	<u>16,132,577</u>	
April 30	<u>\$ 9,154,987</u>	<u>349,791</u>	<u>197,269</u>	<u>3,655,260</u>	<u>13,357,307</u>	<u>3,604,259</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Statement of Cash Flows - Proprietary Funds (Cont.)

Year Ended April 30, 2016

	Major Enterprise Funds			Nonmajor Enterprise Fund	Total	Internal Service Fund
	Waterworks and Sewerage Fund	Golf Course Fund	Airport Fund	Americana Estates Fund		
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities						
Operating Loss	\$ (949,157)	(663,134)	(317,729)	(82,009)	(2,012,029)	(1,024,952)
Adjustment to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	3,047,528	665,767	161,177	27,100	3,901,572	
Pension Related Items	201,359				201,359	
Other Operating Receipts			503		503	
Changes in Assets and Liabilities						
Increase in Receivables, Net	(74,965)	(223,186)	(257,363)		(555,514)	(14,120)
Increase in Inventory		27,879			27,879	
Decrease in Prepaid and Other Assets		(41,150)			(41,150)	
Decrease in Deferred Revenue		(43,596)			(43,596)	
Increase in Payables and Accruals	438,543	247,201	31,044		716,788	183,856
Increase in Deposits Payable		17,717			17,717	
Net Cash Provided by (Used in) Operating Activities	\$ 2,663,308	(12,502)	(382,368)	(54,909)	2,213,529	(855,216)

Noncash Capital Financing Activity

The Airport Fund received capital assets from governmental activities for \$511,628 and from an outside party for \$5,194,932.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Statement of Fiduciary Net Position - Pension Trust and Agency Funds

April 30, 2016

	Pension Trust Funds	Agency Fund Weber Rd TIF
Assets		
Cash and Cash Equivalents	\$ 4,388,686	828,049
Investments		
U.S. Treasury Securities	13,765,913	
U.S. Agency Securities	21,848,197	
Municipal Bonds	4,437,308	
Corporate Bonds	7,526,569	
Mutual Funds	26,886,238	
Common and Preferred Stock	19,564,194	
Accrued Interest Receivable	379,283	
Due from Village	4,845,450	
Prepays	45,684	
Total Assets	103,687,522	828,049
Liabilities		
Other Payables	36,717	828,049
Net Position		
Restricted for Pensions	\$ 103,650,805	-

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

Year Ended April 30, 2016

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 6,771,927
Plan Members	<u>1,802,500</u>
Total Contributions	<u>8,574,427</u>
Investment Earnings	
Investment Income	154,346
Investment Fees	<u>(450,799)</u>
Total Investment Earnings	<u>(296,453)</u>
Total Additions	<u>8,277,974</u>
Deductions	
Benefits and Refunds	7,228,557
Administration	<u>179,410</u>
Total Deductions	<u>7,407,967</u>
Net Increase in Net Position	870,007
Net Position Restricted for Pensions	
May 1	<u>102,780,798</u>
April 30	<u>\$ 103,650,805</u>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 1. Summary of Significant Accounting Policies

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

#### A. Financial Reporting Entity

The Village's basic financial statements include all organizations, activities, functions, funds and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's Board, and either: (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

Blended within the reporting entity are:

**Police and Firefighters' Pension Employees Retirement System** – The Village's police and firefighter employees participate in the Police Pension Employees Retirement System (PPERS) (Police Pension Plan) and the Firefighters' Pension Employees Retirement System (FPERS) (Firefighters' Pension Plan). PPERS functions for the benefit of employees and is governed by a five-member Pension Board. Two members are appointed by the Mayor; two are elected from the active members and one from the retired members. FPERS is governed by a nine-member Board. The following comprise the FPERS Board: the Mayor; Village Clerk; Village Attorney; Fire Chief; Village Treasurer and four elected officers (three active members and one retired member). The Village, PPERS and FPERS are obligated to fund all PPERS and FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Neither the PPERS nor the FPERS issue a separate financial report.

#### B. Government-wide and Fund Financial Statements

##### *Government-wide Financial Statements*

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. Interfund services provided and used are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the Village's non-fiduciary assets and liabilities with the differences reported in three categories:

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

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

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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1. Summary of Significant Accounting Policies (Cont.)
  - B. Government-wide and Fund Financial Statements (Cont.)

### *Government-wide Financial Statements (Cont.)*

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

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

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

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (pension) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds.

The Village administers the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

**Refuse and Recycling Fund** – This fund is a special revenue fund that accounts for the collection of property taxes and expenditures for waste collection services.

**2007 Bond Fund** – This fund is a capital projects fund that accounts for the receipt and expenditure of the portion of the Series 2007 bond proceeds designated for capital improvements.

**Debt Service Fund** – This fund is a debt service fund used to account for the accumulation of resources for, and the payment of principal, interest and related costs of general obligation bonds.

The Village administers the following major proprietary (enterprise) funds:

**Waterworks and Sewerage Fund** – This fund accounts for the provision of wastewater services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and billing and collections.

**Golf Course Fund** – This fund accounts for the operation activities of a municipal golf course. Activities include, but are not limited to, course construction, including clubhouse and maintenance facilities, operations, maintenance and financing.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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1. Summary of Significant Accounting Policies (Cont.)
  - B. Government-wide and Fund Financial Statements (Cont.)

### *Fund Financial Statements (Cont.)*

**Airport Fund** – Accounts for the operational activities of the municipal airport. Activities include, but are not limited to, administration, operations, construction and maintenance.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the Village's own programs. The Village reports the following fiduciary fund types:

**Trust Funds** – The Village has two pension trust funds. These funds account for the activities of the Police Pension Employees Retirement System and the Firefighters' Pension Employees Retirement System, both of which accumulate resources for pension benefit payments to qualified public safety employees.

**Agency Fund** – The Village's Weber Road TIF Fund is used to account for assets held to pay future debt service for the Weber Road TIF District.

In addition to the fund types mentioned above, the Village uses the following governmental fund types:

**Special Revenue Funds** – Accounts for the proceeds of specific revenue sources (other than debt service or major capital expenditures) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** – Accounts for the Village's accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

**Capital Projects Funds** – Accounts for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Village also has the following proprietary funds which are not considered major:

**Americana Estates Fund** – Accounts for the operational activities of Americana Estates. Activities include, but are not limited to, real estate development, marketing, sales and administration.

**Internal Service Fund** – Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost-reimbursement basis. This fund reports the Village's activity for employee/retiree health care and workers' compensation.

- C. Measurement Focus and 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 financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State-shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 1. Summary of Significant Accounting Policies (Cont.)

#### C. Measurement Focus and Basis of Accounting and Financial Statement Presentation (Cont.)

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first; the unrestricted resources are used as they are needed. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

#### D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider as cash equivalents all highly liquid investments with an original maturity of three months or less when purchased.

#### E. Receivables

The recognition of receivables associated with nonexchange transactions in governmental and proprietary funds is as follows:

- Derived tax receivables (such as sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all eligibility requirements have been met.

#### F. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.



# VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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## 1. Summary of Significant Accounting Policies (Cont.)

### G. Inventories and Prepaid Expenses

Inventories are accounted for at cost using the first-in, first-out method. Inventories are accounted for under the consumption method whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Inventories are accounted for at cost using the first-in, first-out method. Inventories are accounted for under the consumption method whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses under the consumption method.

### H. Capital Assets

Capital assets which include property, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an estimated useful life in excess of one year and an initial individual cost of more than:

\$75,000 Sanitary Sewer Network	\$25,000 Building Improvements
\$50,000 Roadway Network	\$20,000 Land Improvements
\$50,000 Storm Sewer Network	\$20,000 Site Improvements
\$25,000 Software	\$15,000 Buildings
\$25,000 Land	\$5,000 Equipment

All purchased capital assets are recorded at cost where historical records are available or at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the phase of capital assets of business-type activities is capitalized.

All reported capital assets except land, site improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. The following estimated useful lives are used to compute depreciation on a straight-line basis:

Land Improvements	50 years
Infrastructure	40 years
Buildings	50 years
Machinery and Equipment	5 - 20 years

Losses from sales or retirements of governmental activities capital assets are included in operating expenses on the Statement of Activities.

### I. Land Held for Resale

Land held for resale is reported as an asset at the lower of cost or estimated realizable value.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 1. Summary of Significant Accounting Policies (Cont.)

#### J. Vacation and Sick Leave

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

#### K. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, pension and other obligations, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, at the time of issuance. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses: issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

#### L. Golf Course Fund Deposits Payable/Deferred Revenue

The Golf Course Fund liabilities include deposits held for future outings or events totaling \$1,009,798 at April 30, 2016, and deferred revenue related to annual passes, gift certificates and the training facility totaling \$80,462, \$79,193 and \$30,252, respectively.

#### M. Deferred Outflows/Inflows of Resources

The Village reports deferred outflows of resources on its Statement of Net Position and governmental fund balance sheet. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village only has two items that qualify for reporting in this category, the deferred outflows related to pensions, which represents pension items that will be recognized as pension expense or reduction of the net pension liability in future periods, and unamortized loss on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price.

The Village reports deferred inflows of resources on its Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two types of items that

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 1. Summary of Significant Accounting Policies (Cont.)

#### M. Deferred Outflows/Inflows of Resources (Cont.)

qualify for reporting in this category, deferred inflows related to property taxes levied in 2015 but will be used in the subsequent year and deferred inflows related to pensions which represents pension items that will be recognized as reductions in pension expense in future periods.

The Balance Sheet - Governmental Funds reports deferred inflows of resources for unavailable revenue.

#### N. 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 Village's Police, Firefighters', IMRF, SLEP and ECO pension plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### O. Fund Equity/Net Position

There are five classifications of fund balance:

- (1) Nonspendable – amounts that are not in spendable form (such as inventory or noncurrent advances to other funds) or are required to be maintained intact.
- (2) Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- (3) Committed – amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority (the passage of an ordinance). To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action (the passage of another ordinance) to remove or change the constraint.
- (4) Assigned – amounts a government intends to use for a specific purpose. Intent can be expressed by the Finance Director.
- (5) Unassigned – amounts that are available for any purpose. These amounts are only reported in the General Fund.

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

The 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.

# VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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## 1. Summary of Significant Accounting Policies (Cont.)

### O. Fund Equity/Net Position (Cont.)

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances for any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restriction imposed by creditors, grantors, laws or regulations of other governments.

The Village did not report any committed or assigned fund balance at April 30, 2016.

The following funds had a deficit in fund balance/net position as of April 30, 2016:

Fund	Deficit Balance
Internal Service Fund	\$ 12,393,880
Road and Bridge Fund (Nonmajor Special Revenue)	323,585
2002 Bond Fund (Nonmajor Capital Projects)	1,407,864

### P. Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

### Q. Interfund Transactions

The Village has the following types of transactions between funds:

**Loans** are amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Position, except for amounts between similar activities, which have been eliminated.

**Services provided and used** are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund Balance Sheets or as internal balances in the government-wide Statement of Net Position.

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

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 1. Summary of Significant Accounting Policies (Cont.)

#### Q. Interfund Transactions (Cont.)

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

#### R. Implementation of New Accounting Standard

In 2016, the Village adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, which have as their objectives, improving the usefulness of pension information included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Adoption of GASB Statement No. 68 resulted in a restatement of beginning net position at May 1, 2015, and is described in Note 15. In addition, the Statement changed the requirements for information disclosed in the notes to the financial statements and information required to be presented as required supplementary information.

### 2. Deposits and Investments

State statutes authorize the Village to make deposits and investments in obligations of the United States Treasury and certain of its agencies, federally insured commercial banks, insured credit unions located within the State, repurchase agreements, short-term obligations (180 days) of corporations organized in the U.S. with assets exceeding \$500 million and rated within the three highest classifications by at least two standard rating services at the time of purchase, a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act, a fund managed, operated and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company, obligations of the State of Illinois and its political subdivisions and money market mutual funds registered under the *Investment Company Act of 1940*, provided the portfolio of such funds is limited to obligations described above. Pension funds may also invest in certain non-U.S. obligations and Illinois life insurance company general and separate accounts and domestic equities.

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions in the pool is the same as the value of the pool shares. The yield on the Fund was .16% at April 30, 2016. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold. IMET issues a publicly available financial report. That report may be obtained at [www.investimet.com](http://www.investimet.com) or by writing IMET, 1220 Oak Brook Road, Oak Brook, Illinois 60523.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 2. Deposits and Investments (Cont.)

#### A. Deposits

The carrying amount of cash deposits at financial institutions, excluding the Pension Trust and Agency Funds, was \$15,183,166 at April 30, 2016, while the bank balances were \$18,177,836. All of the bank balances, except for \$136,638, were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent. Cash on hand at April 30, 2016, was \$23,266.

At April 30, 2016, the Weber Road TIF Agency Fund's carrying amount of cash and cash equivalents and the related bank balances were \$828,049. \$488,941 of the bank balance was not insured by the FDIC nor collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

#### Certificates of Deposit

Certificates of deposits, excluding the Pension Trust Funds, totaled \$5,270,304 at April 30, 2016. The certificates of deposits, except for \$20,615 from the Village certificates of deposits, were fully collateralized.

#### B. Investments (Excluding Pension Trust Funds)

Statutes authorize the Village to make deposits or invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or by agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporation's tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivision, stocks, mutual funds and Illinois insurance companies' general and separate accounts.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 2. Deposits and Investments (Cont.)

#### B. Investments (Excluding Pension Trust Funds) (Cont.)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Village's investments at April 30, 2016. Disclosures pertaining to the Pension Funds' investments are found in Note 11.

Investment Type	Fair Value	Investment Maturities			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury Securities	\$ 4,700,058	2,492,039	2,208,019		
Federal Farm Credit Bank	1,757,081	529,402	1,227,679		
Federal National Mortgage Association	4,381,887	888,301	2,581,893		911,693
Federal Home Loan Bank	2,198,968	1,698,774	500,194		
Federal Home Loan Mortgage Corporation	4,502,996	846,487	2,385,417	107,268	1,163,824
Government National Mortgage Association	6,606,522				6,606,522
Other Government Backed Securities	1,154,047		510,445	643,602	
<b>Total Investments</b>	<b>25,301,559</b>	<b>6,455,003</b>	<b>9,413,647</b>	<b>750,870</b>	<b>8,682,039</b>
Investments Not Sensitive to Interest Rate Risk - Money Market Funds	43,590,810				
	<u>\$ 68,892,369</u>				

**Interest Rate Risk** – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Village's investment policy does not specifically address interest rate risk. However, the Village structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations and special projects, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities, money market mutual funds or similar investment pools.

**Credit Risk** – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

The Village's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 2. Deposits and Investments (Cont.)

#### B. Investments (Excluding Pension Trust Funds) (Cont.)

Credit ratings for the Village's investments in debt securities as rated by Standard & Poor's and Moody's at April 30, 2016, are as follows:

Investment Type	Standard and Poor's Rating	Moody's Rating
U.S. Treasury Securities	N/A	AAA/Aaa
Federal Farm Credit Bank	AA+	AAA/Aaa
Federal National Mortgage Association	AA+	AAA/Aaa
Federal Home Loan Bank	AA+	AAA/Aaa
Federal Home Loan Mortgage Corporation	AA+	AAA/Aaa
Government National Mortgage Association	AA+	AAA/Aaa
Municipal Bonds	A+ to AA	N/A

**Custodial Credit Risk** – For investments, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Village's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

Village Cash Deposits	\$ 15,183,166
Village Cash on Hand	23,266
Village Certificates of Deposits	5,270,304
Village Investments	25,301,559
Village Money Market Funds	43,590,810
Agency Fund Cash Deposits	828,049
Police Pension Cash Deposits	1,501,774
Firefighters' Pension Cash Deposits	2,886,912
Police Pension Fund Investments	53,147,062
Firefighters' Pension Fund Investments	<u>40,881,357</u>
Total per Footnote	<u>\$ 188,614,259</u>
Cash, Cash Equivalents and Investments per Statement of Net Position	\$ 68,092,052
Restricted Cash per Statement of Net Position	21,277,053
Agency Fund Cash	828,049
Pension Cash and Investments	<u>98,417,105</u>
	<u>\$ 188,614,259</u>



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

3. Property Taxes

Property taxes for 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2016, and are payable in two installments on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically. The property tax revenue in the current year financial statements represents collection of the 2014 property tax levy.

4. Capital Assets

A. Governmental Activities

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

	Balances May 1	Additions/ Tranfers	Deletions/ Transfers	Balances April 30
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 186,116,608			186,116,608
Construction in Progress	3,263,533	832,129	87,531	4,008,131
	<u>189,380,141</u>	<u>832,129</u>	<u>87,531</u>	<u>190,124,739</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	14,659,455			14,659,455
Infrastructure	152,436,169	528,026		152,964,195
Buildings	45,359,424	156,997		45,516,421
Machinery and Equipment	18,972,374	1,012,120	632,151	19,352,343
	<u>231,427,422</u>	<u>1,697,143</u>	<u>632,151</u>	<u>232,492,414</u>
Accumulated Depreciation	<u>(107,185,570)</u>	<u>(8,365,934)</u>	<u>624,290</u>	<u>(114,927,214)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>124,241,852</u>	<u>(6,668,791)</u>	<u>7,861</u>	<u>117,565,200</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 313,621,993</u>	<u>(5,836,662)</u>	<u>95,392</u>	<u>307,689,939</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

4. Capital Assets (Cont.)

B. Business-type Activities

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

	Balances May 1	Additions/ Tranfers	Deletions/ Transfers	Balances April 30
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 48,380,472			48,380,472
Construction in Progress	17,198,849	7,418,635		24,617,484
	<u>65,579,321</u>	<u>7,418,635</u>	<u>-</u>	<u>72,997,956</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	2,527,732		542,000	1,985,732
Infrastructure	135,248,442			135,248,442
Buildings	42,613,735	542,000		43,155,735
Equipment	15,424,565			15,424,565
Vehicles	979,871	312,709	52,931	1,239,649
	<u>196,794,345</u>	<u>854,709</u>	<u>594,931</u>	<u>197,054,123</u>
Accumulated Depreciation	<u>(79,296,783)</u>	<u>(3,901,572)</u>	<u>27,556</u>	<u>(83,170,799)</u>
Total Capital Assets Being Depreciated, Net	<u>117,497,562</u>	<u>(3,046,863)</u>	<u>567,375</u>	<u>113,883,324</u>
Business-type Activities Capital Assets, Net	<u>\$ 183,076,883</u>	<u>4,371,772</u>	<u>567,375</u>	<u>186,881,280</u>

C. Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-type Activities
General Government	\$ 363,372	
Public Safety	1,339,309	
Public Works	6,663,253	
Waterworks and Sewerage		3,047,528
Golf Course		665,767
Airport		161,177
Americana Estates		27,100
	<u>\$ 8,365,934</u>	<u>3,901,572</u>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 4. Capital Assets (Cont.)

#### D. Commitments

The Village has certain contracts for construction projects which were in progress as of April 30, 2016. The remaining commitments are as follows:

Route 126 Interchange	\$ 281,654
Fire Station 3 Rehab	21,825
Rodeo Dr & Plainfield Rd Improvement	31,671
Rodeo Dr Roundabout	3,347
Phase IV IBWRF STP #3	251,504
Americana Estates Infrastructure Improvements	36,426

### 5. Long-Term Obligations

The following is a summary of changes to the Village's long-term debt for the fiscal year:

#### A. General Obligation/Capital Appreciation Bonds

	Restated Obligation Outstanding May 1	Debt Additions	Interest Accretion	Reductions	Obligation Outstanding April 30	Due Within One Year
<i>Governmental Activities</i>						
1999C Capital Appreciation Bonds	\$ 31,930,899		1,699,855	1,225,000	32,405,754	1,530,000
2002B Capital Appreciation Bonds	30,822,541		1,863,051	260,000	32,425,592	435,000
2007 General Obligation Bonds	41,815,000				41,815,000	
2010A General Obligation Bonds	23,200,000				23,200,000	
2010B General Obligation Bonds	3,785,000			340,000	3,445,000	440,000
2013A General Obligation Current Interest Bonds	7,255,000				7,255,000	
2013A General Obligation Capital Appreciation Bonds	25,182,655		1,326,567		26,509,222	
2014A General Obligation Current Interest Bonds	57,045,000			1,605,000	55,440,000	1,755,000
Bond Discount	(164,548)			(15,023)	(149,525)	
Bond Premium	3,614,730			178,938	3,435,792	
Compensated Absences	5,213,200	364,439			5,577,639	2,746,815
Net Pension Liability - Police	51,689,760	14,078,370		3,631,064	62,137,066	
Net Pension Liability - Firefighters'	38,087,459	12,466,135		3,140,863	47,412,731	
Net Pension Liability - IMRF	2,408,990	5,216,748		951,733	6,674,005	
Net Other Postemployment Benefit Obligation	8,812,365	1,646,127			10,458,492	
Property Tax Refund Payable	209,247			209,247		
<b>Totals</b>	<b>\$ 330,907,298</b>	<b>33,771,819</b>	<b>4,889,473</b>	<b>11,526,822</b>	<b>358,041,768</b>	<b>6,906,815</b>
<i>Business-type Activities</i>						
Capital Leases Payable	\$ 307,540	277,379		241,675	343,244	202,902
Compensated Absences	192,761			49,882	142,879	75,926
Net Pension Liability - IMRF	278,573	776,401		134,800	920,174	
<b>Totals</b>	<b>\$ 778,874</b>	<b>1,053,780</b>	<b>-</b>	<b>426,357</b>	<b>1,406,297</b>	<b>278,828</b>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 5. Long-Term Obligations (Cont.)

#### A. General Obligation/Capital Appreciation Bonds (Cont.)

On March 3, 2010, the Village issued \$23,200,000 of General Obligation Refunding Bonds, Series 2010A. The balance outstanding at April 30, 2016, is \$23,200,000. The bonds are to be retired in annual installments ranging from \$770,000 to \$3,485,000 commencing January 1, 2022, and continuing through January 1, 2035. Interest is payable semiannually at rates ranging from 4.00% to 5.00%. The bonds are payable from the Debt Service Fund.

On March 3, 2010, the Village issued \$4,235,000 of General Obligation Bonds, Series 2010B. The balance outstanding at April 30, 2016, is \$3,445,000. The bonds are to be retired in annual installments ranging from \$260,000 to \$975,000 commencing January 1, 2015, and continuing through January 1, 2021. Interest is payable semiannually at rates ranging from 3.25% to 4.00%. The bonds are payable from the Debt Service Fund.

On December 27, 2007, the Village issued \$41,815,000 of General Obligation Bonds. The bonds are to be retired in annual installments ranging from \$3,880,000 to \$5,365,000, beginning January 1, 2029 through January 1, 2037. Interest is payable semiannually at 5.00%. The bonds are payable from the Debt Service Fund.

On April 1, 2002, the Village issued \$60,719,292 of General Obligation Corporate Purpose Capital Appreciation Bonds. On June 15, 2006, a portion of these bonds totaling \$35,385,000 was refunded with proceeds from the General Obligation Bonds, Series 2006A. On March 3, 2010, a portion of the bonds totaling \$3,405,000 was refunded with proceeds from the General Obligation Refunding Bonds Series 2010A. On June 6, 2013, a portion of the bonds totaling \$12,485,730 was refunded with proceeds from the General Obligation Refunding Bonds Series 2013A. The remaining outstanding bonds totaling \$32,425,592 at April 30, 2016, are to be retired in annual installments ranging from \$15,000 to \$15,085,000, beginning January 1, 2015, and continuing through January 1, 2034. Interest accrues and is added to the principal balance due semiannually at rates ranging from 5.42% to 6.03%. The bonds are payable from the Debt Service Fund.

On May 1, 1999, the Village issued \$14,345,924 of Capital Appreciation Bonds Series 1999C. The bonds, totaling \$32,405,754 at April 30, 2016, are to be retired in annual installments ranging from \$935,000 to \$6,730,000, beginning January 1, 2015 through January 1, 2029. Interest accrues semiannually and is added to the principal balance due at rates ranging from 5.1% to 5.4%. The bonds are payable from the Debt Service Fund.

On June 6, 2013, the Village issued \$29,899,257 of General Obligation Refunding (Current Interest and Capital Appreciation) Bonds Series 2013A. The remaining outstanding bonds totaling \$33,764,222 at April 30, 2016, are to be retired in annual installments ranging from \$50,000 to \$22,300,000, beginning January 1, 2019 through January 1, 2037. Interest is payable semiannually and is added to the principal balance due at rates ranging from 3.00% to 5.00%. The bonds are payable from the Debt Service Fund. Additional information regarding this refunding can be found in Note 5.E.

On December 29, 2014, the Village issued \$57,045,000 of General Obligation Refunding Bonds Series 2014A. The outstanding bonds totaling \$55,440,000 at April 30, 2016, are to be retired in annual installments ranging from \$405,000 to \$19,210,000, beginning January 1, 2016 through January 1, 2038. Interest is payable semiannually at rates ranging from 2.00% to 5.00%. The bonds are payable from the Debt Service Fund. Additional information regarding this refunding transaction can be found in Note 5.E.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 5. Long-Term Obligations (Cont.)

#### B. Compensated Absences

Compensated absences will be paid as they come due. These represent amounts outstanding for sick and vacation time at April 30, 2016, and will be paid from the fund where the employee's salary is paid.

#### C. Debt Service Requirements to Maturity – General Obligation Bonds

Annual debt service requirements to maturity for all governmental bond issues, excluding capital appreciation bonds, are as follows:

Due in Fiscal Year	Principal	Interest	Total Debt Service
2017	\$ 2,195,000	6,023,964	8,218,964
2018	1,755,000	5,949,578	7,704,578
2019	1,265,000	5,886,355	7,151,355
2020	2,765,000	5,835,407	8,600,407
2021	2,975,000	5,699,846	8,674,846
2022-2026	18,690,000	26,111,406	44,801,406
2027-2031	28,820,000	21,299,938	50,119,938
2032-2036	33,055,000	12,349,950	45,404,950
2037-2038	39,635,000	2,183,250	41,818,250
	<u>\$ 131,155,000</u>	<u>91,339,694</u>	<u>222,494,694</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

5. Long-Term Obligations (Cont.)

C. Debt Service Requirements to Maturity – General Obligation Bonds (Cont.)

Future payments and annual accretions for the Capital Appreciation Bonds for each of the next five fiscal years and in five-year increments thereafter are as follows:

Fiscal Year Ending April 30,	Series 1999C		Series 2002B	
	Accretion	Principal	Accretion	Principal
2017	\$ 1,719,152	1,530,000	1,956,380	435,000
2018	1,722,140	1,860,000	2,044,985	620,000
2019	1,706,221	2,215,000	2,127,321	820,000
2020	1,669,514	2,595,000	2,203,292	1,030,000
2021	1,609,334	3,005,000	2,267,715	1,260,000
2022-2026	6,117,624	22,105,000	11,904,983	10,315,000
2027-2031	890,261	14,530,000	10,054,327	23,530,000
2032-2036 2037			2,970,405	29,945,000
	<u>\$ 15,434,246</u>	<u>47,840,000</u>	<u>35,529,408</u>	<u>67,955,000</u>
Accreted Value at April 30, 2016		<u>\$ 32,405,754</u>		<u>32,425,592</u>

Fiscal Year Ending April 30,	2013A		Total Capital Appreciation Bonds	
	Accretion	Principal	Accretion	Principal
2017	1,396,709		5,072,241	1,965,000
2018	1,470,246		5,237,371	2,480,000
2019	1,547,678		5,381,220	3,035,000
2020	1,629,703		5,502,509	3,625,000
2021	1,715,280		5,592,329	4,265,000
2022-2026	10,032,172		28,054,779	32,420,000
2027-2031	12,305,160	9,100,000	23,249,748	47,160,000
2032-2036	9,784,378	53,200,000	12,754,783	83,145,000
2037	109,452	4,200,000	109,452	4,200,000
	<u>39,990,778</u>	<u>66,500,000</u>	<u>90,954,432</u>	<u>182,295,000</u>
Accreted Value at April 30, 2016		<u>26,509,222</u>		<u>91,340,568</u>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 5. Long-Term Obligations (Cont.)

#### D. Junior Lien Tax Increment Variable Rate Demand Revenue Bonds – Non-commitment Debt

The Village issues bonds where it pledges incremental tax income derived from a separately created Weber Road Tax Increment Financing District.

On October 5, 2005, the Village issued \$8,880,000 of Tax Increment Revenue Variable Rate Demand Revenue bonds. The bonds are to be retired in annual installments ranging from \$550,000 to \$1,045,000, beginning January 1, 2016 through January 1, 2025. Interest is payable semiannually at a variable rate.

At the discretion of the Village, with the consent of the developer and the bank, the Series 2005 bonds may bear interest at a weekly or flexible mode period. The length of the flexible mode will be set by the Village and must: (a) be at least one month long and (b) end on the day preceding the first business day of a calendar month (or the final maturity of the Series 2005 bonds if the flexible period extends to the final maturity date), interest on the Series 2005 bonds in a weekly mode is payable on the first business day of each month. Interest on the Series 2005 bonds in a flexible mode period of at least six calendar months is payable on: (a) the first day of the sixth calendar month following, but including the month of, the conversion date, (b) the first day of each successive sixth calendar month and (c) the business day following the end of such flexible period (or the final maturity of the Series 2005 bonds if the flexible period extends to the final maturity of the Series 2005 bonds). If a flexible mode period is shorter than six calendar months, interest is payable on the first business day of the calendar month immediately following the flexible mode period (or the final maturity of the Series 2005 bonds if the flexible period extends to the final maturity of the Series 2005 bonds). If applicable, interest is also payable on any date on which the Series 2005 bonds may become due.

The Village has appointed a remarketing agent for the Series 2005 bonds that resets the interest rate on the Series 2005 bonds based on current market conditions and the length of the flexible mode period. The remarketing agent uses its best efforts to resell the Series 2005 bonds at favorable interest rates following either an optional or mandatory tender.

In the event the remarketing agent is unable to resell the Series 2005 bonds, the Village has obtained an irrevocable direct pay letter of credit (LOC) supporting the payment of the Series 2005 bonds which may be drawn upon to pay interest in the amount of \$46,818, and to pay principal for a stated amount of \$5,425,000. The LOC securing the Series 2005 bonds terminates, unless extended, on the earliest of September 28, 2012, or upon redemption of the Series 2005 bonds. As of April 30, 2016, there were no amounts drawn and the amount of \$4,917,072 was outstanding on the LOC for the Series 2005 bonds.

The variable interest rate is based on the Bond Market Association Municipal Swap Index. The bonds are payable from the Weber Road TIF Debt Service Fund. At April 30, 2016, there were \$6,800,000 bonds payable outstanding. These bonds are not an obligation of the Village and are secured only by the incremental revenues generated by the district. The Village does collect taxes and makes payments on behalf of the Developer at the request of the Developer.

#### E. Advance Refunding – General Obligation Bonds

In prior years, the Village defeased \$42,820,000 of the General Obligation Series 2006A Bonds and \$15,321,623 of the General Obligation Series 2006B Bonds by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings for the investment are sufficient to

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 5. Long-Term Obligations (Cont.)

#### E. Advance Refunding – General Obligation Bonds (Cont.)

fully service the defeased debt until the debt matures. For financial reporting purposes, the debt has been considered defeased; therefore, the above listed debt was removed from the Village's financial statements. The outstanding balance as of April 30, 2016, for the Series 2006A bonds was \$42,820,000 and for the 2006B Series bonds was \$8,814,797.

In prior years, the Village defeased \$4,661,141 of the General Obligation Series 1997 and \$5,500,000 of the General Obligation Series 1999A by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings for the investment are sufficient to fully service the defeased debt until the debt matures. For financial reporting purposes, the debt has been considered defeased; therefore, the above listed debt was removed from the Village's financial statements. The outstanding balance as of April 30, 2016, for the Series 1997 bonds was \$4,505,000 and for the 1999A Series bonds was \$5,500,000.

In prior years, the Village defeased \$35,385,000 of the General Obligation Series 2002A by creating an irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings for the investment are sufficient to fully service the defeased debt until the debt matures. For financial reporting purposes, the debt has been considered defeased; therefore, the above listed debt was removed from the Village's financial statements. The outstanding balance as of April 30, 2016, for the Series 2002A bonds was \$35,385,000.

In the prior years, the Village defeased \$5,937,136 of the General Obligation Series 1999B debt by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings for the investment are sufficient to fully service the defeased debt until the debt matures. For financial reporting purposes, the debt has been considered defeased; therefore, the above listed debt was removed from the Village's financial statements. The outstanding balance as of April 30, 2016, for the Series 1999B bonds was \$5,937,136.

#### F. Special Service Area Bonds

During fiscal year 2003, the Village issued \$4,530,000 Special Tax Bonds, Series 2003A and \$11,000,000 Special Tax Bonds, Series 2002. These bonds were issued to finance the Bloomfield West Project (Special Service Area No. 2001-2) and the Augusta Village Project (Special Service Area No. 2002-1). These bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of these bonds.

#### G. Capital Leases Payable

On November 19, 2012, the Village entered into a lease-purchase agreement for golf carts and other equipment. The lease will expire in fiscal year 2017. The assets under the capital lease in the amount of \$867,193 were capitalized at the inception of the lease. As of April 30, 2016, the accumulated depreciation balance relating to these assets is \$144,549. Total principal due as of April 30, 2016, is \$148,565, which is all due in fiscal year 2017.



## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 5. Long-Term Obligations (Cont.)

#### G. Capital Leases Payable (Cont.)

On April 25, 2013, the Village entered into a lease-purchase agreement for a new phone system. The lease will expire in fiscal year 2018 and requires future minimum payments of \$5,321 for each fiscal year through 2018. The asset under the capital lease in the amount of \$25,987 was capitalized in fiscal year 2013. As of April 30, 2016, the accumulated depreciation balance related to this asset is \$9,095. Total principal due as of April 30, 2016, is \$2,353, which is all due fiscal years 2017.

On October 21, 2014, the Village entered into a lease-purchase agreement for lawn mowers for the golf course. The lease will expire in fiscal year 2020. The assets under the capital lease in the amount of \$225,127 were capitalized at the inception of the lease. As of April 30, 2016, the accumulated depreciation balance relating to these assets is \$7,504. Total principal due as of April 30, 2016, is \$192,326 with payments of \$49,016 due in fiscal years 2017, 2018 and 2019, and a payment of \$45,278 due in 2020.

#### H. Refundable Property Taxes

In the prior fiscal year, the Village received a court order stating that the Village must repay property taxes received from Bolingbrook Adventist Hospital in previous years as it was determined that the Hospital was not required to pay these taxes. The Hospital allowed for the taxing bodies (including the Village of Bolingbrook) to repay the amounts over the course of three years interest-free. The Village paid the remaining \$209,247 of the obligation during the current fiscal year.

### 6. Commitments and Contingent Liabilities

On March 27, 2013, the Village entered into a lease agreement for computer and copier equipment. The lease will expire in fiscal year 2017. The Village made payments totaling \$35,280 on the lease in the current fiscal year. As of April 30, 2016, remaining payments due are \$5,880 in fiscal year 2017. Total remaining amount due as of April 30, 2016, is \$5,880.

The Village has entered into economic development agreements with various retail establishments in the Village to provide sales tax rebates. These costs are reported in the General Fund. The Village paid and/or accrued a total of \$4,989,154 related to these agreements during fiscal year 2016. The Village recorded a liability of \$3,616,433 related to sales tax rebates at April 30, 2016. These agreements are set to expire in fiscal year 2029.

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. However, the Village expects such amounts, if any, to be immaterial.

The Village enters into contractual commitments for various construction projects throughout the year as budgeted for annually.

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 BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 7. Lease Agreement

The Village is the lessor in an agreement to lease a Village-owned building to American Sports, Ltd. for the operation of the Rocket Ice Arena. Under the agreement, the Village receives 1% of gross revenues of the Arena. During the current fiscal year, the Village received \$24,150 from the agreement. The agreement extends through June 1, 2024. Subsequent to June 1, 2024, the lease payment will increase to 3% of gross revenues.

### 8. Risk Management

The Village is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or natural disasters. The Village has purchased general liability insurance and workers' compensation insurance from private insurance companies. Premiums for these coverages have been reported as expenditures or expenses in the appropriate funds. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There was no significant reduction in insurance coverage during the fiscal years ended April 30, 2016, 2015 and 2014.

The Village has established a Self-Insurance Fund (internal service fund): one sub-fund is for workers' compensation claims prior to May 1, 1998, and one sub-fund is for medical risks. The Village has also purchased excess coverage policies.

Liabilities of the funds are reported when it is probable that a loss has occurred and that the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past three fiscal years are as follows:

	2016	2015	2014
Claims Payable, Beginning of Year	\$ 323,893	335,225	401,994
Incurred Claims (Including IBNRs)	7,370,118	7,298,484	6,202,491
Claims Payable	(7,299,835)	(7,309,816)	(6,269,260)
Claims Payable, End of Year	<u>\$ 394,176</u>	<u>323,893</u>	<u>335,225</u>

The Village has also established a limited self-insurance program for general liability claims. The Village is self-insured for the first \$50,000 for liability claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current year. The Village's self-insurance activities for general liability are reported in the General Fund and governmental activities.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

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8. Risk Management (Cont.)

A reconciliation of general claims liability for the past three fiscal years follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Claims Payable, Beginning of Year	\$ 229,288	207,441	240,027
Claims Incurred	479,378	239,143	311,767
Claim Payments	<u>(449,008)</u>	<u>(217,296)</u>	<u>(344,353)</u>
Claims Payable, End of Year	<u>\$ 259,658</u>	<u>229,288</u>	<u>207,441</u>

Pursuant to State Statute, the Village is required to pay 100% of the health insurance premium for disabled pensioners for life. See additional information regarding Other Postemployment Benefits in Note 12.

9. Interfund Transactions

A. Due from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From</u>
General	Refuse and Recycling	<u>\$ 1,377,481</u>
Waterworks and Sewerage	General	<u>200</u>
Police Pension	General	1,275,087
Fire Pension	General	999,062
Fire Pension	Refuse and Recycling	892,488
Police Pension	Debt Service	1,260,834
Fire Pension	Debt Service	<u>417,979</u>
	Total Fiduciary Funds	<u>4,845,450</u>
		<u>\$ 6,223,131</u>

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) collections of revenues in a fund not yet transferred to the fund where it is recognized.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

9. Interfund Transactions (Cont.)

B. Advances from/to Other Funds

Receivable Fund	Payable Fund	Due From
General	Waterworks and Sewerage	\$ 1,094,472
General	Golf Course	4,476,932
General	Airport	1,064,307
General	Internal Service	15,408,847
General	Nonmajor Governmental	4,496,518
	Total General Fund	<u>26,541,076</u>
2007 Bond	General	<u>1,024,472</u>
Debt Service	Airport	<u>2,289,221</u>
Internal Service	General	<u>781,435</u>
Nonmajor Governmental	General	499,720
Nonmajor Governmental	Golf Course	20,751
Nonmajor Governmental	Airport	294,237
	Total Nonmajor Governmental	<u>814,708</u>
		<u>\$ 31,450,912</u>

Significant advance balances include the Health Insurance Sub-Fund of \$15,408,847. The Village is self-insured and pays all medical and dental claims after a stop loss per employee. The stop loss for the calendar year 2016 was at \$90,000. Although the employee contributes via monthly premiums, the actual claims have exceeded the employee and employer premiums and the \$15,408,847 is a cumulative balance since inception of the self-insured plan.

Other advances are due to the timing of reimbursements to or from the General Corporate Fund not made as of April 30, 2016, or advances that are longer term.

C. Transfers

Fund	Transfer In	Transfer Out
General Fund	\$ 13,870	185,665
Nonmajor Governmental Fund	171,795	
2007 Bond Fund		542,385
Airport	<u>542,385</u>	
	<u>\$ 728,050</u>	<u>728,050</u>

Significant interfund transfers include a transfer of \$542,385 from the 2007 Bond Fund to the Airport fund to help finance the runway reconstruction for the airport.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 10. Defined Benefit Pension Plans

The Village provides retirement benefits to its employees under five defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit pension plan; the IMRF-Sheriff's Law Enforcement Personnel Fund (SLEP), an agent multiple-employer defined benefit pension plan, the Elected County Officials Fund (ECO), an agent multiple-employer defined benefit pension plan, the Police Pension Plan, a single-employer defined benefit pension plan and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all five plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans do not issue separate reports on the pension plans. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

The aggregate totals for all pension items for the five plans are as follows. The SLEP and ECO plans have been combined with IMRF in the table due to the small size of the pension items. Allocations to the governmental and business-type activities are based on covered payroll.

	Governmental Activities	Business-type Activities*	Total Village
Net Pension Liability			
IMRF	\$ 6,674,005	920,174	7,594,179
Police	62,137,066		62,137,066
Firefighters	47,412,731		47,412,731
	<u>\$ 116,223,802</u>	<u>920,174</u>	<u>117,143,976</u>
Deferred Outflows of Resources			
IMRF	\$ 3,320,791	486,562	3,807,353
Police	8,655,273		8,655,273
Firefighters	8,727,590		8,727,590
	<u>\$ 20,703,654</u>	<u>486,562</u>	<u>21,190,216</u>
Deferred Inflows of Resources			
Police	\$ 1,564,229		1,564,229
Firefighters	1,813,835		1,813,835
	<u>\$ 3,378,064</u>	<u>-</u>	<u>3,378,064</u>
Pension Expense			
IMRF	\$ 2,178,070	329,442	2,507,512
Police	6,987,326		6,987,326
Firefighters	5,552,382		5,552,382
	<u>\$ 14,717,778</u>	<u>329,442</u>	<u>15,047,220</u>

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

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### A. Illinois Municipal Retirement Fund

##### *Plan Description*

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

##### *Benefits Provided*

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after 8 years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Members receive an annual 3% increase based upon the original amount of the annuity.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. Members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the consumer price index, whichever is less. These benefit provisions and all other requirements are established by state statute.

The Sheriff's Law Enforcement Personnel Fund (SLEP) members, having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after July 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. Members receive an annual increase based upon the original amount of the annuity of 3% or one-half of the increase in the consumer price index, whichever is less. These benefit provisions and all other requirements are established by State statutes. For the SLEP Plan, members are required to contribute 7.50% of their annual covered salary.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

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10. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Benefits Provided (Cont.)*

In previous fiscal years, the Village has made contributions to the Elected County officials Fund (ECO) which is also administered by IMRF, an agent multiple-employer public employee retirement system. The Village no longer has active employees participating in the plan and therefore made no contributions to the plan in the current fiscal year. Remaining activity in the plan is associated with retirees and beneficiaries.

*Employees Covered by Benefit Terms*

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

	Regular	SLEP	ECO
Retirees and Beneficiaries Currently Receiving Benefits	131	1	1
Terminated Employees Entitled to But Not Yet Receiving Benefits	93	1	
Current Employees	112		
	<u>336</u>	<u>2</u>	<u>1</u>

*Contributions*

As set by statute, employees participating in the IMRF plan are required to contribute 4.50% of their annual covered salary. The member rate is also established by State statute. The Village is required to contribute at an actuarially determined rate. The employer annual required contribution rate for calendar year 2015 was 11.84%. For the year ended April 30, 2016, the Village contributed \$982,142 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. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. For the SLEP Plan, members are required to contribute 7.50% of their annual covered salary. The employer rate for calendar year 2015 was 13.69%. For the year ended April 30, 2016, the Village contributed \$49,437 to the SLEP Plan.

*Actuarial Assumptions*

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

Actuarial Valuation Date	December 31, 2015
Measurement Date	December 31, 2015
Actuarial Cost Method	Entry-age Normal

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

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10. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Actuarial Assumptions (Cont.)*

Assumptions	
Price Inflation	2.75%
Salary Increases	3.75% - 14.50%, Including Inflation
Investment Rate of Return	7.48% (Regular), 6.61% (SLEP), 7.50% (ECO)
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.

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

*Investments*

The long-term expected rate of return on pension plan investments of 7.50% 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 long-term expected rate of return on pension plan investments of 7.50% was determined using a target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Alternative Investments	9%	2.75% - 8.15%
Real Estate	8%	6.00%
Short-term	1%	2.25%
	100%	



## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 10. Defined Benefit Pension Plans (Cont.)

#### A. Illinois Municipal Retirement Fund (Cont.)

##### *Discount Rate*

A single discount rate (SDR) of 7.48% (7.50% in prior year) for the Regular Plan, 6.61% (6.55% in prior year) for the SLEP Fund, and 7.50% for the ECO Fund was used to measure the total pension liability. The projection of cash flow used to determine the SDR assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Regular Plan's fiduciary net position was projected to be depleted in 2083, the SLEP plan's fiduciary net position was projected to be in 2042, and the ECO plan's fiduciary net position was projected to be in 2115. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting SDR is 7.48% for the Regular Plan, 6.61% for the SLEP Fund and 7.50% for the ECO Fund.

##### *Changes in Net Pension Liability – Regular Plan*

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 56,344,094	54,201,221	2,142,873
Changes for the Year			
Service Cost	926,187		926,187
Interest	4,186,240		4,186,240
Differences Between Expected and Actual Experience	465,086		465,086
Changes in Assumptions	158,428		158,428
Contributions - Employer		1,036,926	(1,036,926)
Contributions - Employee		415,725	(415,725)
Net Investment Income		269,684	(269,684)
Benefit Payments, Including Refunds of Employees' Contributions	(1,981,297)	(1,981,297)	
Administrative Expenses			
Other (Net Transfer)		(921,785)	921,785
Net Changes	3,754,644	(1,180,747)	4,935,391
Balance, End of Year	\$ 60,098,738	53,020,474	7,078,264

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

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Changes in Net Pension Liability – SLEP*

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 1,287,269	748,783	538,486
Changes for the Year			
Service Cost			
Interest	81,322		81,322
Differences Between Expected and Actual Experience	25,103		25,103
Changes in Assumptions	(7,721)		(7,721)
Contributions - Employer		49,607	(49,607)
Contributions - Employee			
Net Investment Income		3,639	(3,639)
Benefit Payments, Including Refunds of Employees' Contributions	(91,410)	(91,410)	
Administrative Expenses			
Other (Net Transfer)		68,013	(68,013)
Net Changes	7,294	29,849	(22,555)
Balance, End of Year	\$ 1,294,563	778,632	515,931

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Changes in Net Pension Liability – ECO*

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, Beginning of Year	\$ 104,911	98,707	6,204
Changes for the Year			
Service Cost			
Interest	7,868		7,868
Differences Between Expected and Actual Experience	(17,657)		(17,657)
Changes in Assumptions			
Contributions - Employer			
Contributions - Employee			
Net Investment Income		494	(494)
Benefit Payments, Including Refunds of Employees' Contributions			
Administrative Expenses			
Other (Net Transfer)		(4,063)	4,063
Net Changes	(9,789)	(3,569)	(6,220)
Balance, End of Year	\$ 95,122	95,138	(16)

*Discount Rate Sensitivity*

The following is an analysis of the sensitivity of the Village's net pension liability (asset) to changes in the discount rate. The table below represents the net pension liability (asset) of the Village's Regular Plan, SLEP Fund, and ECO Fund calculated using the discount rate of 7.48%, 6.61% and 7.50%, respectively, as well as what the Village's net pension liability (asset) would be if it were calculated using discount rates that are one percentage point lower (6.48%, 5.61% and 6.50%) or one percentage point higher (8.48%, 7.61% and 8.50%) than the current rate:

Regular Plan

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Village's Net Pension Liability	\$ 15,735,274	7,078,264	53,040

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Discount Rate Sensitivity (Cont.)*

SLEP

	1% Decrease (5.61%)	Current Discount Rate (6.61%)	1% Increase (7.61%)
Village's Net Pension Liability	\$ 656,887	515,931	397,179

ECO

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's Net Pension Liability (Asset)	\$ 7,411	(16)	(6,555)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

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

For the year ended April 30, 2016, the Village recognized pension expense of \$2,534,888, (\$15,750), and (\$11,626) for the Regular Plan, SLEP and ECO, respectively. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows Related to Pensions	Regular Plan	SLEP	ECO	Total
Differences Between Expected and Actual Experience	\$ 331,644			331,644
Changes in Assumptions	112,972			112,972
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,992,813	42,802	5,406	3,041,021
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	3,437,429	42,802	5,406	3,485,637
Pension Contributions Made Subsequent to the Measurement Date	305,350	16,366		321,716
	<u>\$ 3,742,779</u>	<u>59,168</u>	<u>5,406</u>	<u>3,807,353</u>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### A. Illinois Municipal Retirement Fund (Cont.)

##### *Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont.)*

At April 30, 2016, the Village reported \$305,530 for the Regular Plan, \$16,366 for SLEP and \$0 for ECO of deferred outflows of resources related to pensions resulting from Village contributions made subsequent to the measurement date that will be recognized as a reduction of net pension liability in the year ended April 30, 2017. Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30,	Amount
2017	\$ 939,153
2018	939,153
2019	847,075
2020	760,256
2021	
	<hr/>
	<u>\$ 3,485,637</u>

#### B. Police Pension

##### *Plan Description and Provisions*

Police sworn personnel are covered by the Police Pension Plan, which is a single-employer defined benefit pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a standalone financial statement.

##### *Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

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

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### B. Police Pension (Cont.)

##### *Benefits Provided (Cont.)*

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.

##### *Employees Covered by Benefit Terms*

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

Inactive Plan Members Currently Receiving Benefits	58
Inactive Plan Members Entitled But Not Yet Receiving Benefits	2
Active Plan Members	<u>112</u>
	<u><u>172</u></u>

##### *Contributions*

Covered employees are required 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 the past service cost for the Police Pension Plan is 90% funded. Administrative expenses are generally paid from plan assets. For the year ended April 30, 2016, the Village contributed \$3,631,064 to the Police Pension Plan.

##### *Investment Policy*

The deposits and investments of the pension funds are held separately from those of other Village funds. In addition to the aforementioned investments in Note 2, pension funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds and real estate, limited to 10% of the fund's investments.
- Bonds issued by any county, city, township, incorporated town, municipal corporation or school district in Illinois.
- Tax anticipation warrants issued by any city, township, incorporated town or fire protection district in Illinois.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### B. Police Pension (Cont.)

##### *Investment Policy (Cont.)*

- Equity accounts up to a limit of 45% of the aggregate fair value of the fund's assets.
- Direct obligations of the State of Israel.

In addition, pension funds with net position of \$2.5 million or more may invest up to 35% of plan net position in a separate account of life insurance companies and mutual funds. If pension funds have net position of at least \$5 million and have an appointed investment advisor, the pension funds may, through that investment advisor, invest up to 35% of the plan's net position in common and preferred stocks which meet specific restrictions.

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

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	60.00%	2.10%
U.S. Large Cap Equities	28.00%	6.90%
U.S. Small Cap Equities	8.00%	9.00%
International Equity	<u>4.00%</u>	7.10%
	<u>100.00%</u>	

The long-term expected rate of return of the Police Pension Fund's investments of 7.50% was determined using an asset allocation study conducted by the Police Pension Fund's investment manager consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2016, are listed in the table above.

##### *Investment Rate of Return*

For the year ended April 30, 2016, the annual money-weighted rate of return on the Police Pension Plan investments, net of pension plan investment expense, was 1.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### *Deposits with Financial Institutions*

None of the Police Pension Fund's deposits of \$1,501,774 with financial institutions were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the Village's name.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 10. Defined Benefit Pension Plans (Cont.)

#### B. Police Pension (Cont.)

##### *Interest Rate Risk*

As of April 30, 2016, the Police Pension Fund has the following investments and maturities:

	Fair Value	Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
US Treasury Securities	\$ 7,878,049	671,713	5,340,031	1,866,305	
Government National Mortgage Association	8,878		8,878		
Federal National Mortgage Association	4,163,637	200,132	3,963,505		
Federal Farm Credit Bank	7,256,774	1,067,922	412,308	5,365,086	411,458
Federal Home Loan Mortgage Corporation	1,423,212		304,602	1,118,610	
Federal Home Loan Bank	6,756,304	217,262	459,431	5,708,020	371,591
Tennessee Valley Authority	281,733		203,754	77,979	
Municipal Bonds	3,543,701	66,113	1,042,194	1,355,843	1,079,551
<b>Total</b>	<b>31,312,288</b>	<b>2,223,142</b>	<b>11,734,703</b>	<b>15,491,843</b>	<b>1,862,600</b>
Investments Not Sensitive to Interest Rate Risk					
Mutual Funds	17,811,972				
Common and Preferred Stock	4,022,802				
<b>Total Investments</b>	<b>\$ 53,147,062</b>				

The Police Pension Fund's investment policy does not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The objective is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

##### *Credit Risk*

The Police Pension Fund limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The investments in securities of the U.S. government and agency obligations were rated AAA by Moody's Investors Service. The investments in municipal bonds were rated Aa3 by Moody's Investors Service.

##### *Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the 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 requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund's agency separate from where the investment was purchased. The mutual funds and common stocks are not subject to custodial credit risk.



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

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10. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2016, using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2016
Measurement Date	April 30, 2016
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.50%
Salary Increases	5.00%, Including Inflation
Investment Rate of Return	7.50%
Asset Valuation Method	Market Value of Assets

Mortality rates are based on RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

*Changes in Net Pension Liability*

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 107,751,266	56,061,507	51,689,759
Changes for the Year			
Service Cost	2,472,355		2,472,355
Interest	7,938,566		7,938,566
Differences Between Expected and Actual Experience	(1,945,748)		(1,945,748)
Changes in Assumptions	7,172,613		7,172,613
Contributions - Employer		3,631,064	(3,631,064)
Contributions - Employee		1,055,143	(1,055,143)
Net Investment Income		622,537	(622,537)
Benefit Payments, Including Refunds of Employees' Contributions	(3,807,438)	(3,807,438)	
Administrative Expenses		(118,265)	118,265
Net Changes	11,830,348	1,383,041	10,447,307
Balance, End of Year	\$ 119,581,614	57,444,548	62,137,066

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

*Discount Rate Sensitivity*

The following is an analysis of the sensitivity 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's Net Pension Liability	\$ 79,692,908	62,137,066	47,792,915

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

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

For the year ended April 30, 2016, the Village recognized pension expense of \$6,987,326. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	1,564,229
Changes in Assumptions	5,766,218	
Net Differences Between Projected and Actual Earnings on Plan Investments	2,889,055	
	\$ 8,655,273	1,564,229

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

Year Ending April 30,	Amount
2017	\$ 1,747,140
2018	1,747,140
2019	1,747,140
2020	1,747,139
2021	102,485
	\$ 7,091,044

C. Firefighters' Pension

*Plan Description and Provisions*

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial statement.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### C. Firefighters' Pension (Cont.)

##### *Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement, and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

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 firefighter 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. Firefighters' 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 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

##### *Employees Covered by Benefit Terms*

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

Inactive Plan Members Currently Receiving Benefits	62
Inactive Plan Members Entitled But Not Yet Receiving Benefits	1
Active Plan Members	<u>86</u>
	<u><u>149</u></u>

##### *Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 the past service cost for the Firefighters' Pension Plan is 90% funded. Administrative expenses are generally paid from plan assets. For the year ended April 30, 2016, the Village contributed \$3,140,863 to the Firefighters' Pension Plan.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 10. Defined Benefit Pension Plans (Cont.)

#### C. Firefighters' Pension (Cont.)

##### *Investment Policy*

The deposits and investments of the pension funds are held separately from those of other Village funds. In addition to the aforementioned investments in Note 2, pension funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds and real estate, limited to 10% of the fund's investments.
- Bonds issued by any county, city, township, incorporated town, municipal corporation or school district in Illinois.
- Tax anticipation warrants issued by any city, township, incorporated town or fire protection district in Illinois.
- Equity accounts up to a limit of 45% of the aggregate fair value of the fund's assets.
- Direct obligations of the State of Israel.

In addition, pension funds with net position of \$2.5 million or more may invest up to 35% of plan net position in a separate account of life insurance companies and mutual funds. If pension funds have net position of at least \$5 million and have an appointed investment advisor, the pension funds may, through that investment advisor, invest up to 35% of the plan's net position in common and preferred stocks which meet specific restrictions.

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Money Market	2.00%	2.98%
Fixed Income	33.00%	4.67%
Domestic Equity		
Large Cap	24.00%	6.77%
Medium Cap	8.00%	6.94%
Small Cap	8.00%	6.94%
International Equity		
Large Cap	9.00%	7.85%
Small/Mid Cap	5.00%	7.85%
Commodities Broad Basket	5.00%	5.71%
Real Estate	6.00%	6.56%
	<u>100.00%</u>	

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 10. Defined Benefit Pension Plans (Cont.)

#### C. Firefighters' Pension (Cont.)

##### *Investment Policy (Cont.)*

The long-term expected rate of return of the Firefighters' Pension Fund's investments of 7.50% was determined using an asset allocation study conducted by the Firefighters' Pension Fund's investment manager consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2016, are listed in the table above.

##### *Investment Rate of Return*

For the year ended April 30, 2016, the annual money-weighted rate of return on the Firefighters' Pension Plan investments, net of pension plan investment expense, was (5.23%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### *Deposits with Financial Institutions*

None of the Firefighters' Pension Fund's deposits of \$2,886,912 with financial institutions were exposed to custodial credit risk, as those deposits were insured, or fully collateralized by investments held by an independent third party in the Village's name.

##### *Interest Rate Risk*

As of April 30, 2016, the Firefighters' Pension Fund has the following investments and maturities:

	Fair Value	Investment Maturities in Years			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury Securities	\$ 5,887,864	270,967	3,424,827	2,192,070	
Government National Mortgage Association	55,073	162		2,119	52,792
Federal Home Loan Mortgage Corporation	816,008		265,097	354,927	195,984
Federal National Mortgage Association	1,368,311		321,896	565,379	481,036
Municipal Bonds	611,874	85,082	443,454	83,338	
Corporate Bonds	7,526,569	293,619	4,449,155	2,631,515	152,280
Total	16,265,699	649,830	8,904,429	5,829,348	882,092
Investments Not Sensitive to Interest Rate Risk					
Mutual Funds	9,074,266				
Common and Preferred Stock	15,541,392				
Total Investments	\$ 40,881,357				

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### C. Firefighters' Pension (Cont.)

##### *Interest Rate Risk (Cont.)*

The Firefighters' Pension Fund's investment policy does not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The objective is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

##### *Credit Risk*

The Firefighters' Pension Fund limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The investments in securities of the U.S. government were rated AAA by Moody's Investors Service. The investments in municipal bonds were rated A2 by Moody's Investors Service. The investments in corporate bonds were rated Baa3 by Moody's Investors Service.

##### *Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' 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 Firefighters' Pension Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Firefighters' Pension Fund's agency separate from where the investment was purchased. The mutual funds and common stocks are not subject to custodial credit risk.

##### *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2016, using the following actuarial methods and assumptions.

Actuarial Valuation Date	May 1, 2016
Measurement Date	April 30, 2016
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	2.50%
Salary Increases	5.00%, Including Inflation
Investment Rate of Return	7.50%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value of Assets

Mortality rates are based on RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes to Net Pension Liability*

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 84,806,750	46,719,291	38,087,459
Changes for the Year			
Service Cost	1,922,614		1,922,614
Interest	6,232,214		6,232,214
Differences Between Expected and Actual Experience	(2,199,757)		(2,199,757)
Changes in Assumptions	6,278,286		6,278,286
Contributions - Employer		3,140,863	(3,140,863)
Contributions - Employee		747,357	(747,357)
Net Investment Income		(918,990)	918,990
Benefit Payments, Including Refunds of Employees' Contributions	(3,421,119)	(3,421,119)	
Administrative Expenses		(61,145)	61,145
Net Changes	8,812,238	(513,034)	9,325,272
Balance, End of Year	\$ 93,618,988	46,206,257	47,412,731

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



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

10. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension (Cont.)

*Discount Rate Sensitivity*

The following is an analysis of the sensitivity 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's Net Pension Liability	\$ 60,550,123	47,412,731	36,600,575

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

For the year ended April 30, 2016, the Village recognized pension expense of \$5,552,382. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience		\$ 1,813,835
Changes in Assumptions	5,176,832	
Net Differences Between Projected and Actual Earnings on Plan Investments	3,550,758	
	<u>\$ 8,727,590</u>	<u>1,813,835</u>

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

Year Ending April 30,	Amount
2017	\$ 1,603,221
2018	1,603,221
2019	1,603,221
2020	1,603,223
2021	500,869
	<u>\$ 6,913,755</u>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 10. Defined Benefit Pension Plans (Cont.)

#### D. Significant Investments

It is the policy of the Police Pension and Firefighters' Pension Funds to diversify their investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer or class of securities. According to the Pension Funds' investment policy, the Pension Funds will diversify their investments by security type and institution.

At April 30, 2016, the Police Pension and Firefighters' Pension Funds' investments (other than U.S. government and U.S. government-guaranteed obligations) include Vanguard 500 Index Mutual Fund, T Rowe Price Mutual Fund, and Cohen & Steers Institutional Realty which represent 5% or more of each plan's net position.

#### *Police Pension and Firefighters' Pension*

##### Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Under this method, additions to net position are recorded when earned and deductions from net position are recorded when the time related liabilities\deferred inflows are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

##### Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets, including any loans.

# VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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## 11. Pension Trust Funds – Financial Data

### A. Schedule of Fiduciary Net Plan Position as of April 30, 2016:

	Police Pension Fund	Firefighters' Pension Fund	Total
Assets			
Cash and Cash Equivalents	\$ 1,501,774	2,886,912	4,388,686
Investments			
U.S. Treasury Securities	7,878,049	5,887,864	13,765,913
U.S. Agency Securities	19,608,805	2,239,392	21,848,197
Municipal Bonds	3,825,434	611,874	4,437,308
Corporate Bonds		7,526,569	7,526,569
Mutual Funds	17,811,972	9,074,266	26,886,238
Common and Preferred Stock	4,022,802	15,541,392	19,564,194
Accrued Interest Receivable	251,077	128,206	379,283
Due from Village	2,535,921	2,309,529	4,845,450
Prepays	27,746	17,938	45,684
Total Assets	57,463,580	46,223,942	103,687,522
Liabilities			
Other Payables	19,032	17,685	36,717
Net Position			
Restricted for Pensions	\$ 57,444,548	46,206,257	103,650,805

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Notes to Financial Statements  
April 30, 2016

11. Pension Trust Funds – Financial Data (Cont.)

B. Schedule of Changes in Fiduciary Net Plan Position for the year ended April 30, 2016:

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer	\$ 3,631,064	3,140,863	6,771,927
Plan Members	1,055,143	747,357	1,802,500
Total Contributions	<u>4,686,207</u>	<u>3,888,220</u>	<u>8,574,427</u>
Investment Earnings			
Investment Income	861,915	(707,569)	154,346
Investment Fees	(239,378)	(211,421)	(450,799)
Total Investment Earnings	<u>622,537</u>	<u>(918,990)</u>	<u>(296,453)</u>
Total Additions	<u>5,308,744</u>	<u>2,969,230</u>	<u>8,277,974</u>
Deductions			
Benefits and Refunds	3,807,438	3,421,119	7,228,557
Administration	118,265	61,145	179,410
Total Deductions	<u>3,925,703</u>	<u>3,482,264</u>	<u>7,407,967</u>
Change in Net Position	1,383,041	(513,034)	870,007
Net Position, Restricted for Pensions			
May 1	<u>56,061,507</u>	<u>46,719,291</u>	<u>102,780,798</u>
April 30	<u>\$ 57,444,548</u>	<u>46,206,257</u>	<u>103,650,805</u>

12. Other Postemployment Benefits

Health Insurance Plan for Retired Employees

The Village provides limited healthcare insurance coverage for its eligible retired employees. The Village accounts for the plan in the government-wide financial statements. The plan does not issue a stand-alone financial report. The Fund pays 100% of the health insurance premium to age 65 for qualified members.

As of April 30, 2016, (consistent with the actuarial valuation date), the Health Insurance Plan for Retired Employees membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits But Not Yet Receiving Them	72
Terminated Plan Members Entitled to But Not Yet Receiving Them	0
Active Plan Members	<u>227</u>
	<u><u>299</u></u>

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

### 12. Other Postemployment Benefits

#### *Summary of Significant Accounting Policies*

**Contributions** - The Village contributes at an annual rate of 3.30% as determined by an enrolled actuary. The plan members are required to contribute an amount established by collective bargaining agreements with the employer's union employees. Current employee contribution rates are 1.25% for Police and Fire personnel and 1.00% for all non-emergency personnel. By the year 2039, the Village contributions must accumulate to the point where the past service cost is fully funded.

#### *Annual OPEB Costs and Net OPEB Obligation*

The Village had an actuarial valuation performed for the plan as of April 30, 2016, to determine the funded status of the plan as of that date, as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2016. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015 was as follows:

Fiscal Year End	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributions	Net OPEB Obligation
April 30, 2016	\$ 3,265,067	1,618,940	49.6%	10,458,492
April 30, 2015	3,289,875	1,485,266	45.1%	8,812,365
April 30, 2014	2,905,366	1,386,779	43.5%	7,007,756

The net OPEB Obligation (NOPEBO) at April 30 2016, was calculated as follows:

Annual Required Contribution	\$ 3,386,218
Interest on Net OPEB Obligation	396,557
Adjustment to Annual Required Contribution	<u>(517,708)</u>
Annual OPEB Cost	3,265,067
Contributions Made	<u>1,618,940</u>
Increase in Net OPEB Obligation	1,646,127
Net OPEB Obligation, May 1	<u>8,812,365</u>
Net OPEB Obligation, April 30	<u><u>\$ 10,458,492</u></u>

#### *Funded Status and Funding Progress*

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

Actuarial Accrued Liability (AAL)	\$ 35,582,927
Actuarial Value of Plan Assets	
Unfunded Actuarial Accrued Liability (UAAL)	35,582,927
Funded Ratio (Actuarial Value of Plan Assets/AAL)	
Covered Payroll (Active Plan Members)	21,396,398
UAAL as a Percentage of Covered Payroll	166.3%

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 12. Other Postemployment Benefits (Cont.)

#### Health Insurance Plan for Retired Employees (Cont.)

##### *Funded Status and Funding Progress (Cont.)*

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

##### *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, 2015 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4.5% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 9% reduced to an ultimate rate of 5% after five years. Both rates include a 2.5% inflation assumption. 100% of employees are projected to elect the benefit, and a 3% annual salary increase is used. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis. The remaining amortization period at April 30, 2016, was 29 years.

### 13. Asset Swap with Illinois-American Water Company

During fiscal year 2003, the Village completed an asset swap agreement with Illinois-American Water Company. Under the terms of the agreement, the Village relinquished its rights to its water capital assets in exchange for the rights to Illinois-American Water Company's sewer capital assets. This activity was represented as both additions and deletions to the capital assets. In addition to the sewer assets, the Village received scheduled cash payments from Illinois-American Water Company through fiscal year 2014. These payments have been made in full in prior fiscal years.

In further consideration for the conveyance of the water system, Illinois-American Water Company will pay the Village \$550 for each new water customer who connects to the system and resides in the Village. The total number of payments will not exceed 8,000 connections. Illinois-American Water Company made a minimum payment to the Village equal to 500 new customers each year until fiscal year 2008. If the actual number of connections is less than 500, the excess can be used to reduce payments after fiscal year 2008.

## VILLAGE OF BOLINGBROOK, ILLINOIS

Notes to Financial Statements  
April 30, 2016

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### 14. Future Pronouncements

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

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

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement revises existing standards of financial reporting for postemployment benefits other than pensions. This Statement replaces the requirements of Statement Nos. 45 and 57. The Village will be required to implement this Statement for the fiscal year ending April 30, 2019.

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

### 15. Adoption of GASB Statement Nos. 68 and 71

The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (as discussed in Note 1) resulted in the restatement of the governmental activities, business-type activities and proprietary funds' net position beginning balances, removal of the net pension obligations under GASB Statement No. 27 and recording the beginning deferred outflows of resources as follows:

#### *Governmental Activities*

Net position adjustment related to GASB 68 implementation

Removal of GASB 27 Net Pension Obligation at May 1, 2015	\$ 10,761,777
Record GASB 68 Net Pension Liability at May 1, 2015	(92,186,209)
Record Deferred Outflows at May 1, 2015	<u>326,520</u>
Net Restatement	<u><u>\$ (81,097,912)</u></u>

#### *Business-type Activities/Waterworks and Sewerage Fund*

Net position adjustment related to GASB 68 implementation

Record GASB 68 Net Pension Liability at May 1, 2015	\$ (278,572)
Record Deferred Outflows at May 1, 2015	<u>46,319</u>
Net Restatement	<u><u>\$ (232,253)</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplemental Information

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

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Taxes	\$ 17,765,618	18,385,618	21,697,431	3,311,813
Licenses and Permits	1,961,900	1,961,900	2,521,184	559,284
Charges for Services	4,058,188	4,058,188	5,960,094	1,901,906
Fines and Forfeitures	1,041,227	1,041,227	1,700,394	659,167
Contributions	913,910	913,910	953,029	39,119
Intergovernmental	42,525,890	42,583,466	43,460,612	877,146
Interest	58,000	58,000	101,810	43,810
Miscellaneous	83,993	83,993	404,174	320,181
<b>Total Revenues</b>	<b>68,408,726</b>	<b>69,086,302</b>	<b>76,798,728</b>	<b>7,712,426</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	11,762,367	11,802,965	8,721,585	(3,081,380)
Public Safety	38,348,853	38,499,571	37,542,294	(957,277)
Highways and Streets	8,838,317	9,363,669	7,795,688	(1,567,981)
Culture and Recreation	4,077,214	4,701,984	3,991,642	(710,342)
Economic Development	5,269,975	5,269,975	4,749,333	(520,642)
<b>Total Expenditures</b>	<b>68,296,726</b>	<b>69,638,164</b>	<b>62,800,542</b>	<b>(6,837,622)</b>
Excess (Deficiency) of Revenues over Expenditures	112,000	(551,862)	13,998,186	14,550,048
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	30,000	30,000	69,923	39,923
Transfers In			13,870	13,870
Transfers Out	(142,000)	(142,000)	(185,665)	(43,665)
<b>Total Other Financing Sources (Uses)</b>	<b>(112,000)</b>	<b>(112,000)</b>	<b>(101,872)</b>	<b>10,128</b>
Net Change in Fund Balance	\$ -	(663,862)	13,896,314	14,560,176
<b>Fund Balance</b>				
May 1			39,519,975	
April 30			53,416,289	

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplemental Information

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

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Taxes	\$ 4,065,075	5,364,240	1,299,165
Interest		848	848
Total Revenues	<u>4,065,075</u>	<u>5,365,088</u>	<u>1,300,013</u>
Expenditures			
Current			
Sanitation	<u>5,370,978</u>	<u>5,451,512</u>	<u>80,534</u>
Net Change in Fund Balance	<u>\$ (1,305,903)</u>	<u>(86,424)</u>	<u>1,219,479</u>
Fund Balance			
May 1		<u>697,958</u>	
April 30		<u><u>611,534</u></u>	

## VILLAGE OF BOLINGBROOK, ILLINOIS

Note to Required Supplementary Information  
April 30, 2016

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### Legal Compliance and Accountability

#### Budgets

All departments of the Village submit requests for appropriation to the Village's Budget Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service (except the Westside Storm Sewer Management Fund), Waterworks and Sewerage, Golf Course and Pension Trust Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The Budget Officer is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund.

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

The budget may be amended by the Village Board of Trustees.

Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, (except the Westside Storm Sewer Management Fund), Waterworks and Sewerage, Golf Course, Internal Service and Pension Trust Funds. All annual appropriations lapse at fiscal year-end.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, supplementary appropriations were approved in various funds. In addition, expenditures exceeded appropriations the Refuse and Recycling Fund in the amount of \$80,534.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund - Regular Plan

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

April 30, 2016

<u>Fiscal Year Ending April 30,</u>	<u>2016</u>
Total Pension Liability	
Service Cost	\$ 926,187
Interest	4,186,240
Changes in Benefit Terms	
Differences Between Expected and Actual Experience	465,086
Change of Assumptions	158,428
Benefit Payments, Including Refunds of Member Contributions	<u>(1,981,297)</u>
Net Change in Total Pension Liability	3,754,644
Total Pension Liability - Beginning	<u>56,344,094</u>
Total Pension Liability - Ending	<u>\$ 60,098,738</u>
Plan Fiduciary Net Position	
Contributions - Village	\$ 1,036,926
Contributions - Members	415,725
Net Investment Income	269,684
Benefit Payments, Including Refunds of Member Contributions	(1,981,297)
Administrative Expense	<u>(921,785)</u>
Net Change in Plan Fiduciary Net Position	(1,180,747)
Plan Net Position - Beginning	<u>54,201,221</u>
Plan Net Position - Ending	<u>\$ 53,020,474</u>
Village's Net Pension Liability	<u>\$ 7,078,264</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.22%
Covered Employee Payroll	\$ 8,725,464
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	81.12%

*Notes to the Required Supplementary Information*

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

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Fund

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

April 30, 2016

Fiscal Year Ending April 30,	2016
Total Pension Liability	
Service Cost	\$
Interest	81,322
Changes in Benefit Terms	
Differences Between Expected and Actual Experience	25,103
Change of Assumptions	(7,721)
Benefit Payments, Including Refunds of Member Contributions	<u>(91,410)</u>
Net Change in Total Pension Liability	7,294
Total Pension Liability - Beginning	<u>1,287,269</u>
Total Pension Liability - Ending	<u><u>\$ 1,294,563</u></u>
Plan Fiduciary Net Position	
Contributions - Village	\$ 49,607
Contributions - Members	
Net Investment Income	3,639
Benefit Payments, Including Refunds of Member Contributions	(91,410)
Administrative Expense	<u>68,013</u>
Net Change in Plan Fiduciary Net Position	29,849
Plan Net Position - Beginning	<u>748,783</u>
Plan Net Position - Ending	<u><u>\$ 778,632</u></u>
Village's Net Pension Liability	<u><u>\$ 515,931</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.15%
Covered Employee Payroll	\$
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	0.00%

*Notes to the Required Supplementary Information*

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund - Elected County Official's Fund

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

April 30, 2016

Fiscal Year Ending April 30,	2016
Total Pension Liability	
Interest	\$ 7,868
Differences Between Expected and Actual Experience	<u>(17,657)</u>
Net Change in Total Pension Liability	(9,789)
Total Pension Liability - Beginning	<u>104,911</u>
Total Pension Liability - Ending	<u><u>\$ 95,122</u></u>
Plan Fiduciary Net Position	
Net Investment Income	\$ 494
Administrative Expense	<u>(4,063)</u>
Net Change in Plan Fiduciary Net Position	(3,569)
Plan Net Position - Beginning	<u>98,707</u>
Plan Net Position - Ending	<u><u>\$ 95,138</u></u>
Village's Net Pension Liability	<u><u>\$ (16)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.02%
Covered Employee Payroll	\$
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	0.00%

*Notes to the Required Supplementary Information*

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

This information is presented as of the measurement date, which is December 31 of the fiscal year.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

## Required Supplementary Information

## Police Pension Fund

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

April 30, 2016

<u>Fiscal Year Ending April 30,</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ 2,472,355	2,066,132
Interest	7,938,566	7,019,569
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	(1,945,748)	1,416,533
Change of Assumptions	7,172,613	5,423,146
Benefit Payments, Including Refunds of Member Contributions	<u>(3,807,438)</u>	<u>(3,536,744)</u>
Net Change in Total Pension Liability	11,830,348	12,388,636
Total Pension Liability - Beginning	<u>107,751,266</u>	<u>95,362,630</u>
Total Pension Liability - Ending	<u>\$ 119,581,614</u>	<u>107,751,266</u>
Plan Fiduciary Net Position		
Contributions - Village	\$ 3,631,064	2,976,417
Contributions - Members	1,055,143	1,158,171
Net Investment Income	622,537	3,566,179
Benefit Payments, Including Refunds of Member Contributions	(3,807,438)	(3,536,744)
Administrative Expense	<u>(118,265)</u>	<u>(84,670)</u>
Net Change in Plan Fiduciary Net Position	1,383,041	4,079,353
Plan Net Position - Beginning	<u>56,061,507</u>	<u>51,982,154</u>
Plan Net Position - Ending	<u>\$ 57,444,548</u>	<u>56,061,507</u>
Village's Net Pension Liability	<u>\$ 62,137,066</u>	<u>51,689,759</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.04%	52.03%
Covered Employee Payroll	\$ 10,809,204	10,650,577
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	574.85%	485.32%

*Notes to the Required Supplementary Information*

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

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

**VILLAGE OF BOLINGBROOK, ILLINOIS**

## Required Supplementary Information

## Firefighters' Pension Fund

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

April 30, 2016

Fiscal Year Ending April 30,	2016	2015
Total Pension Liability		
Service Cost	\$ 1,922,614	1,879,783
Interest	6,232,214	5,647,964
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	(2,199,757)	534,324.00
Change of Assumptions	6,278,286	3,122,475.00
Benefit Payments, Including Refunds of Member Contributions	(3,421,119)	(3,367,964)
Net Change in Total Pension Liability	8,812,238	7,816,582
Total Pension Liability - Beginning	84,806,750	76,990,168
Total Pension Liability - Ending	\$ 93,618,988	84,806,750
Plan Fiduciary Net Position		
Contributions - Village	\$ 3,140,863	2,548,066
Contributions - Members	747,357	757,675
Net Investment Income	(918,990)	1,967,762
Benefit Payments, Including Refunds of Member Contributions	(3,421,119)	(3,367,963)
Administrative Expense	(61,145)	(53,816)
Net Change in Plan Fiduciary Net Position	(513,034)	1,851,724
Plan Net Position - Beginning	46,719,291	44,867,567
Plan Net Position - Ending	\$ 46,206,257	46,719,291
Village's Net Pension Liability	\$ 47,412,731	38,087,459
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.36%	55.09%
Covered Employee Payroll	\$ 7,797,589	7,685,026
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	608.04%	495.61%

*Notes to the Required Supplementary Information*

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

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



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Funding Progress

April 30, 2016

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2016	\$	35,582,927	35,582,927	0.0%	21,396,398	166.30%
4/30/2015		34,224,258	34,224,258	0.0%	20,773,202	164.75%
4/30/2014		31,315,316	31,315,316	0.0%	20,800,176	150.55%
4/30/2013		30,080,189	30,080,189	0.0%	20,194,345	148.95%
4/30/2012		27,845,244	27,845,244	0.0%	20,932,493	133.02%
4/30/2011		19,201,364	19,201,364	0.0%	20,557,521	93.40%

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund - Regular Plan

Schedule of Village Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 982,142	982,142		8,323,747	11.80%

*Notes to the Required Supplementary Information*

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

*Methods and Assumptions Used to Determine 2015 Contribution Rates*

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	4.00%
Price Inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, Including Inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel Fund

Schedule of Village Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 49,437	49,437			15.48%

*Notes to the Required Supplementary Information*

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

*Methods and Assumptions Used to Determine 2015 Contribution Rates*

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	4%
Price Inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, Including Inflation
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund - Elected County Official's Fund

Schedule of Village Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$				0.00%

*Notes to the Required Supplementary Information*

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarially determined contribution is included in the property tax levy for the current year. The levy is collected in two installments. One in the current year and one in the subsequent fiscal year.

*Methods and Assumptions Used to Determine 2015 Contribution Rates*

Actuarial Cost Method	Aggregate Entry-age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28-years Closed Period
Asset Valuation Method	5-year Smoothed Market; 20% Corridor
Wage Growth	4%
Price Inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, Including Inflation
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Police Pension Fund

Schedule of Village Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 3,215,658	3,631,064	415,406	10,809,204	33.59%
4/30/2015	3,090,537	2,976,417	(114,120)	10,650,577	27.95%

*Notes to the Required Supplementary Information*

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

*Methods and Assumptions Used to Determine 2016 Contribution Rates*

Valuation Date Actuarially determined contribution rates are calculated as of January 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method	Entry-age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	25 years
Asset Valuation Method	Market Value
Price Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	7.50%
Retirement Age	50-70
Mortality	RP 2014 projected to 2016

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

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Firefighters' Pension Fund

Schedule of Village Contributions

April 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	\$ 2,622,349	3,140,863	518,514	7,797,589	40.28%
4/30/2015	2,622,349	2,548,067	(74,282)	7,685,026	33.16%

*Notes to the Required Supplementary Information*

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

*Methods and Assumptions Used to Determine 2016 Contribution Rates*

Valuation Date Actuarially determined contribution rates are calculated as of January 1 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method	Entry-age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	25 years
Asset Valuation Method	Market Value
Price Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	7.50%
Retirement Age	50-70
Mortality	RP 2014 projected to 2016

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

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Other Postemployment Benefit Plan

Schedule of Village Contributions

April 30, 2016

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<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
4/30/2016	\$ 3,265,067	49.50%
4/30/2015	3,289,875	45.20%
4/30/2014	2,905,366	47.70%
4/30/2013	2,928,130	43.50%
4/30/2012	1,536,176	48.00%
4/30/2011	1,754,022	42.10%

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Police Pension Fund

Schedule of Investment Returns

April 30, 2016

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Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2016	1.11%
4/30/2015	6.51%

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



**VILLAGE OF BOLINGBROOK, ILLINOIS**

Required Supplementary Information

Firefighters' Pension Fund

Schedule of Investment Returns

April 30, 2016

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Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
4/30/2016	-5.23%
4/30/2015	4.59%

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

## **COMBINING FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUND TYPES**

**NONMAJOR GOVERNMENTAL FUNDS –  
COMBINING STATEMENTS**

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2016

	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	911 Emergency Fund	Road and Bridge Fund
<b>Assets</b>				
Cash, Cash Equivalents and Investments	\$ 8,329,942	271,442	364,271	
Property Taxes Receivable				6,112
Accounts Receivables, Net of Allowances	137,873			
Accrued Interest Receivable	6,609			
Intergovernmental Receivable	332,791			
Advances to Other Funds	20,751		435,382	
Restricted Cash				
<b>Total Assets</b>	<b>\$ 8,827,966</b>	<b>271,442</b>	<b>799,653</b>	<b>6,112</b>
<b>Liabilities</b>				
Accounts Payable	\$ 138,962		3,253	
Accrued Payroll	11,268			
Advances from Other Funds	224,250	271,442		329,697
Other Payables				
Other Liabilities				
<b>Total Liabilities</b>	<b>374,480</b>	<b>271,442</b>	<b>3,253</b>	<b>329,697</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Property Taxes				
<b>Fund Balance</b>				
Restricted for				
Streets	8,453,486			
Public Safety			796,400	
Debt Service				
Capital Projects				
Unassigned				(323,585)
<b>Total Fund Balances</b>	<b>8,453,486</b>	<b>-</b>	<b>796,400</b>	<b>(323,585)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,827,966</b>	<b>271,442</b>	<b>799,653</b>	<b>6,112</b>

Debt Service Fund	Capital Projects Funds					
	1988 Bond Fund	2002 Bond Fund	East Side Special Service Area Fund	Mortgage Revenue Capital Improvement Fund	Westside Storm Sewer Management Fund	1997 Bond Fund
1995 Beaconridge TIF Bond Fund						
5,008,729	625,026		782,663	1,014,174	170,676	
915,610		1				
64,338						
		397,672				29,016
<u>5,988,677</u>	<u>625,026</u>	<u>397,673</u>	<u>782,663</u>	<u>1,014,174</u>	<u>170,676</u>	<u>29,016</u>
	367,286 144,775	1,805,537				
<u>-</u>	<u>512,061</u>	<u>1,805,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>894,777</u>						
5,093,900	112,965	(1,407,864)	782,663	1,014,174	170,676	29,016
<u>5,093,900</u>	<u>112,965</u>	<u>(1,407,864)</u>	<u>782,663</u>	<u>1,014,174</u>	<u>170,676</u>	<u>29,016</u>
<u>5,988,677</u>	<u>625,026</u>	<u>397,673</u>	<u>782,663</u>	<u>1,014,174</u>	<u>170,676</u>	<u>29,016</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet (Cont.)

April 30, 2016

	Capital Projects Funds			Total Nonmajor Government Funds
	2004 Bond Fund	2006 A & B Bond Fund	Capital Improvement Fund	
<b>Assets</b>				
Cash, Cash Equivalents and Investments	\$		20	16,566,943
Property Taxes Receivable				6,112
Accounts Receivables, Net of Allowances				1,053,483
Accrued Interest Receivable				6,610
Intergovernmental Receivable				332,791
Advances to Other Funds	294,237			814,708
Restricted Cash	1,648,807	5,881,854		7,957,349
<b>Total Assets</b>	<b>1,943,044</b>	<b>5,881,854</b>	<b>20</b>	<b>26,737,996</b>
<b>Liabilities</b>				
Accounts Payable	\$			142,215
Accrued Payroll				11,268
Advances from Other Funds		1,498,306		4,496,518
Other Payables				144,775
Other Liabilities				
<b>Total Liabilities</b>	<b>-</b>	<b>1,498,306</b>	<b>-</b>	<b>4,794,776</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Property Taxes				894,777
<b>Fund Balance</b>				
Restricted for				
Streets				8,453,486
Public Safety				796,400
Debt Service				5,093,900
Capital Projects	1,943,044	4,383,548	20	8,436,106
Unassigned				(1,731,449)
<b>Total Fund Balances</b>	<b>1,943,044</b>	<b>4,383,548</b>	<b>20</b>	<b>21,048,443</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,943,044</b>	<b>5,881,854</b>	<b>20</b>	<b>26,737,996</b>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Nonmajor Governmental Funds

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

	Special Revenue Funds			
	Motor Fuel Tax Fund	Community Development Block Grant Fund	911 Emergency Fund	Road and Bridge Fund
Revenues				
Taxes				18,282
Charges for Services	\$ 102,087		117,100	
Intergovernmental	1,976,597	312,481		
Interest	40,641	64	496	
Miscellaneous			1	
Total Revenues	<u>2,119,325</u>	<u>312,545</u>	<u>117,597</u>	<u>18,282</u>
Expenditures				
Current				
Public Safety		312,481	242,731	
Highways and Streets	1,786,740			
Capital Outlay				
Total Expenditures	<u>1,786,740</u>	<u>312,481</u>	<u>242,731</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	332,585	64	(125,134)	18,282
Other Financing Sources				
Transfers In		29,795	142,000	
Net Change in Fund Balances	332,585	29,859	16,866	18,282
Fund Balance				
May 1	<u>8,120,901</u>	<u>(29,859)</u>	<u>779,534</u>	<u>(341,867)</u>
April 30	<u>\$ 8,453,486</u>	<u>-</u>	<u>796,400</u>	<u>(323,585)</u>



Debt Service Fund	Capital Projects Funds					
	1988 Bond Fund	2002 Bond Fund	East Side Special Service Area Fund	Mortgage Revenue Capital Improvement Fund	Westside Storm Sewer Management Fund	1997 Bond Fund
43,711						
400	250	(3,909)	110	336	24	4
44,111	250	(3,909)	110	336	24	4
	-	-	-	-	-	-
44,111	250	(3,909)	110	336	24	4
				-		
44,111	250	(3,909)	110	336	24	4
5,049,789	112,715	(1,403,955)	782,553	1,013,838	170,652	29,012
5,093,900	112,965	(1,407,864)	782,663	1,014,174	170,676	29,016

Debt Service Fund	Capital Projects Funds					
	1988 Bond Fund	2002 Bond Fund	East Side Special Service Area Fund	Mortgage Revenue Capital Improvement Fund	Westside Storm Sewer Management Fund	1997 Bond Fund
43,711						
400	250	(3,909)	110	336	24	4
44,111	250	(3,909)	110	336	24	4
	-	-	-	-	-	-
44,111	250	(3,909)	110	336	24	4
				-		
44,111	250	(3,909)	110	336	24	4
5,049,789	112,715	(1,403,955)	782,553	1,013,838	170,652	29,012
5,093,900	112,965	(1,407,864)	782,663	1,014,174	170,676	29,016

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Cont.)

Year Ended April 30, 2016

	Capital Projects Funds			Total Nonmajor Government Funds
	2004 Bond Fund	2006 A & B Bond Fund	Capital Improvement Fund	
Revenues				
Taxes	\$			61,993
Charges for Services				219,187
Intergovernmental				2,289,078
Interest	1,411	5,931		45,758
Miscellaneous				1
Total Revenues	1,411	5,931	-	2,616,017
Expenditures				
Current				
Public Safety				555,212
Highways and Streets				1,786,740
Capital Outlay		43,205		43,205
Total Expenditures	-	43,205	-	2,385,157
Excess (Deficiency) of Revenues over Expenditures	1,411	(37,274)	-	230,860
Other Financing Sources				
Transfers In				171,795
Net Change in Fund Balances	1,411	(37,274)		402,655
Fund Balance				
May 1	1,941,633	4,420,822	20	20,645,788
April 30	\$ 1,943,044	4,383,548	20	21,048,443

## **FIDUCIARY FUNDS**

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Pension Trust Funds  
 April 30, 2016

	Police Pension Fund	Firefighters' Pension Fund	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,501,774	2,886,912	4,388,686
Investments			
U.S. Treasury Securities	7,878,049	5,887,864	13,765,913
U.S. Agency Securities	19,608,805	2,239,392	21,848,197
Municipal Bonds	3,825,434	611,874	4,437,308
Corporate Bonds		7,526,569	7,526,569
Mutual Funds	17,811,972	9,074,266	26,886,238
Common and Preferred Stock	4,022,802	15,541,392	19,564,194
Accrued Interest Receivable	251,077	128,206	379,283
Due from Village	2,535,921	2,309,529	4,845,450
Prepays	27,746	17,938	45,684
<b>Total Assets</b>	<b>57,463,580</b>	<b>46,223,942</b>	<b>103,687,522</b>
<b>Liabilities</b>			
Other Payables	19,032	17,685	36,717
<b>Net Position</b>			
Restricted for Pensions	<u>\$ 57,444,548</u>	<u>46,206,257</u>	<u>103,650,805</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds  
Year Ended April 30, 2016

	Police Pension Fund	Firefighters' Pension Fund	Total
<b>Additions</b>			
Contributions			
Employer	\$ 3,631,064	3,140,863	6,771,927
Plan Members	1,055,143	747,357	1,802,500
Total Contributions	<u>4,686,207</u>	<u>3,888,220</u>	<u>8,574,427</u>
Investment Earnings			
Investment Income	861,915	(707,569)	154,346
Investment Fees	(239,378)	(211,421)	(450,799)
Total Investment Earnings	<u>622,537</u>	<u>(918,990)</u>	<u>(296,453)</u>
Total Additions	<u>5,308,744</u>	<u>2,969,230</u>	<u>8,277,974</u>
<b>Deductions</b>			
Benefits and Refunds	3,807,438	3,421,119	7,228,557
Administration	118,265	61,145	179,410
Total Deductions	<u>3,925,703</u>	<u>3,482,264</u>	<u>7,407,967</u>
Change in Net Position	1,383,041	(513,034)	870,007
<b>Net Position, Restricted for Pensions</b>			
May 1	<u>56,061,507</u>	<u>46,719,291</u>	<u>102,780,798</u>
April 30	<u>\$ 57,444,548</u>	<u>46,206,257</u>	<u>103,650,805</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS**

Weber Road TIF Agency Fund

Statement of Changes in Assets and Liabilities

April 30, 2016

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	Balance at May 1, 2015	Additions	Deletions	Balance at April 30, 2016
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 864,376	1,237,447	1,273,774	828,049
Liabilities				
Current Liabilities				
Due to Developer	\$ 864,376	1,237,447	1,273,774	828,049

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