

VILLAGE OF BRIDGEVIEW, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

December 31, 2016



BRIDGEVIEW, ILLINOIS

VILLAGE OF BRIDGEVIEW, ILLINOIS

ANNUAL FINANCIAL REPORT

December 31, 2016

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FINANCIAL SECTION



BRIDGEVIEW, ILLINOIS



INDEPENDENT AUDITOR'S REPORT

To the Honorable President and Board of Trustees
Village of Bridgeview, 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 Bridgeview, Illinois as of and for the year ended December 31, 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 Bridgeview, Illinois as of December 31, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in Village net pension liability and related ratios, schedules of Village contributions, and schedule of funding progress for retiree health plan on pages 3–15 and 74–83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Bridgeview, Illinois' basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

JW & Associates, P.C.

Hillside, Illinois
November 17, 2017

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

As management of the Village of Bridgeview (the "Village") we offer readers a discussion and analysis of the Village's financial performance that provides an overview of the financial activities, and identifies changes in the Village's financial position for the year ended December 31, 2016. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

Financial Highlights

- The Village's net position as of December 31, 2016 is (\$97,796,575) as compared to (\$86,166,581) in the prior year. Governmental net position was (\$112,991,021) and business-type activities were \$15,194,446.
- During the year, the Village's Governmental revenues, totaled \$35,804,065 and expenses totaled, \$47,466,410 resulting in a decrease in net position of (\$11,662,345).
- The Village's business-type activities, revenues were \$5,771,105 and expenses were \$5,738,754 resulting in an increase in net position of \$32,351.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

**Using the Financial Section
of this Annual Report**

The financial statement's focus is on the Village as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

Village-wide Financial Statements

The Village-wide financial statements are designed to be corporate like. Governmental and business type activities are consolidated into columns, which add to a total of governmental activities.

The Statement of Net Position combines and consolidates governmental fund's current financial resources with capital assets and long term obligations. It uses the accrual basis of accounting and economic resources measurement focus. The Statement of Net Position can be found on page 16 of this report.

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

The Statement of Activities is focused on both the growth and the new costs of various activities. These activities are supported by the government's general taxes and other resources. This is intended to summarize and simplify the users' analysis of the costs of various governmental services. The Statement of Activities can be found on page 17 of this report.

The governmental activities reflect the Village's basic services, which are general government, public safety, public works, and other services. Property taxes, shared state taxes and other taxes finance the majority of these services.

The business type activities reflect private sector type operations where the fee for service covers most of the costs of operation including depreciation.

Fund Financial Statements

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

Traditional users of governmental financial statements will find the fund financials statements presentation more familiar. The focus is on major funds rather than fund types.

The governmental fund presentation is presented on a current financial resources focus. This is the manner in which the financial plan is usually developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of the government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

While the total column of the enterprise funds financial statements are the same as the business type activities column on the Village-wide financial statements, the governmental funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other sources and uses as well as capital expenditures and bond principal payments as expenditures. The reconciliations eliminate these transactions and incorporate the capital assets and long term obligations into the governmental activities column in Village-wide statements. The fund financial statements can be found on pages 18-24 of this report.

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

The Village as Trustee

The Village is the trustee, or fiduciary, for its police and fire pension plans. All of the Village's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The Village excludes these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that assets reported in this fund are used for their intended purposes. The fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements are located directly after the financial statements.

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to the budgetary information and the Village's funding progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

**VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

FINANCIAL ANALYSIS OF THE VILLAGE'S GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

The following chart reflects the Condensed Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION

December 31, 2016 and 2015

(in thousands)	Governmental Activities <u>12/31/2016</u>	Governmental Activities <u>12/31/2015</u>	Increase (Decrease)
Assets:			
Current assets	\$ 24,831	\$ 32,040	\$ (7,209)
Non-current assets	168,468	171,582	(3,114)
Total assets	<u>193,299</u>	<u>203,622</u>	<u>(10,323)</u>
Deferred outflows	<u>14,515</u>	<u>10,795</u>	<u>3,720</u>
Liabilities:			
Current liabilities	10,380	10,296	84
Non-current liabilities	293,323	291,836	1,487
Total liabilities	<u>303,703</u>	<u>302,132</u>	<u>1,571</u>
Deferred inflows	<u>17,102</u>	<u>13,614</u>	<u>3,488</u>
Net position:			
Net investment in capital assets	(75,163)	(64,108)	(11,055)
Restricted	2,459	1,684	775
Unrestricted	(40,287)	(38,905)	(1,382)
Total net position	<u>\$ (112,991)</u>	<u>\$ (101,329)</u>	<u>\$ (11,662)</u>

The 2016 assets as described above are composed of cash and investments valued at \$6.23 million (3% of total assets), \$18.24 million of intergovernmental and taxes receivable (9% of total assets) and capital assets net of accumulated depreciation of \$168.33 million (87% of total assets). The liabilities as described above are composed of accounts payable of \$1.5 million (0.5% of total liabilities), accrued payroll and other liabilities of \$3.4 million (1.1% of total liabilities), \$4.4 million of long term debt due within one year (1.5% of total liabilities) and \$293.3 million of long term debt due in more than one year (96.6% of total liabilities). Non-current assets are down by \$3.1 million due primarily to depreciation expense. Current assets are down \$7.2 million as a result of cash and investment balance being down by \$8.5 million from the previous year net with an increase in property taxes of \$2.1 million. The increase in deferred outflows is the result of deferred outflows related to pensions of \$4.0 million. Non-current liabilities have increased \$1.5 million as a result of a decrease in bonds payable of \$4.3 million

**VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

offset by an increase in net pension liability of \$5.7 million. The increase in deferred inflows are the result of an increase in unavailable property taxes of \$2.2 million and an increase in deferred outflows related to pensions of \$1.3 million.

Statement of Activities

Governmental activities are broken out by functional area for program revenues and expenses: General Government, Public Safety, Public Works, Culture and Recreation, Other and Interest on Debt. General revenues are separated by property taxes, public service taxes, investment earnings, miscellaneous revenues and gain/loss on the sales of assets.

BASIC FINANCIAL STATEMENTS



BRIDGEVIEW, ILLINOIS

**VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

CONDENSED STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2016 and 2015

(in thousands)	Governmental Activities <u>12/31/2016</u>	Governmental Activities <u>12/31/2015</u>	Increase <u>(Decrease)</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 7,445	\$ 7,685	\$ (240)
Operating grants and contributions	439	586	(147)
Capital grants and contributions	102	768	(666)
General Revenues:			
Taxes	27,462	25,262	2,200
Unrestricted Investment Earnings	9	5	4
Miscellaneous revenues	348	927	(579)
Gain/(Loss) on disposal of assets	-	(800)	800
Total revenues	<u>35,805</u>	<u>34,433</u>	<u>1,372</u>
Expenses:			
General government	14,116	13,279	837
Public safety	11,262	9,070	2,192
Highway and streets	1,915	2,000	(85)
Culture and recreation	5,143	5,286	(143)
Other	2,541	1,094	1,447
Interest on long-term debt	12,490	15,318	(2,828)
Total expenses	<u>47,467</u>	<u>46,047</u>	<u>1,420</u>
Excess (deficiency) of revenues over expenses	(11,662)	(11,614)	(48)
Extraordinary items			
Loss on asset impairment	-	(2,245)	2,245
Total extraordinary items	<u>-</u>	<u>(2,245)</u>	<u>2,245</u>
Change in net position	<u>(11,662)</u>	<u>(13,859)</u>	<u>2,197</u>
Net position - beginning (as restated)	<u>(101,329)</u>	<u>(87,470)</u>	<u>(13,859)</u>
Net position - ending	<u>\$ (112,991)</u>	<u>\$ (101,329)</u>	<u>\$ (11,662)</u>

**VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

Total revenues for fiscal 2016 increased by \$1.4 million from the prior year. The most significant change was an increase in public service tax revenue due to the opening of the new Pilot Gas Station. Conversely, capital grants and contributions decreased by nearly \$0.7 million as projects such as the 71st Street Underpass and other road projects are coming to an end.

Total expenses for fiscal 2016 increased by \$1.4 million. The most significant changes within expenses were a decrease in interest on long-term debt of \$2.8 million and an increase in public safety of \$2.2 million. However, other expenses also increased by \$1.5 million as a result of redevelopment costs within the BV Court TIF.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

ENTERPRISE FUNDS

Statement of Net Position

The following chart reflects the condensed Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION

	Business-Type Activities <u>12/31/2016</u>	Business-Type Activities <u>12/31/2015</u>	<u>Increase (Decrease)</u>
(in thousands)			
Assets:			
Current assets	\$ 1,536	\$ 1,483	\$ 53
Non-current assets	<u>14,980</u>	<u>15,264</u>	<u>(284)</u>
Total assets	<u>16,516</u>	<u>16,747</u>	<u>(231)</u>
Deferred outflows	<u>543</u>	<u>320</u>	<u>223</u>
Liabilities:			
Current liabilities	540	919	(379)
Non-current liabilities	<u>1,287</u>	<u>976</u>	<u>311</u>
Total liabilities	<u>1,827</u>	<u>1,895</u>	<u>(68)</u>
Deferred inflows	<u>37</u>	<u>10</u>	<u>27</u>
Net Position:			
Net investment in capital assets	14,627	15,264	(637)
Unrestricted	<u>567</u>	<u>(102)</u>	<u>669</u>
Total net position	<u>\$ 15,194</u>	<u>\$ 15,162</u>	<u>\$ 32</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

The increase in non-current liabilities is driven by an increase in the net pension liability, which also drove the changes in deferred outflows of resources and deferred inflows of resources. Conversely, current liabilities decreased as a result of a decrease in accounts payable. The decrease in non-current assets is due to depreciation expense in excess of capital asset additions.

CONDENSED STATEMENT OF ACTIVITIES

	Business-Type Activities <u>12/31/2016</u>	Business-Type Activities <u>12/31/2015</u>	<u>Increase (Decrease)</u>
(in thousands)			
Revenues:			
Program Revenues			
Charges for services	\$ 5,665	\$ 5,550	\$ 114
General revenues:			
Miscellaneous	106	112	(5)
Interest Income (Expense)	<u>(0)</u>	<u>(1)</u>	<u>1</u>
Total revenues	<u>5,771</u>	<u>5,662</u>	<u>109</u>
Expenses:			
Water	4,760	4,863	(103)
Sewer	<u>979</u>	<u>987</u>	<u>(8)</u>
Total expenses	<u>5,739</u>	<u>5,850</u>	<u>(111)</u>
Change in net position	32	(189)	221
Net position beginning of year (as restated)	<u>15,162</u>	<u>15,351</u>	<u>(189)</u>
Net position end of year	<u><u>\$ 15,194</u></u>	<u><u>\$ 15,162</u></u>	<u><u>\$ 32</u></u>

The most significant changes in water and sewer fund operations were decreases of about \$220,000 from the prior year due to less maintenance and repairs needed after extensive repairs were carried out in prior years. The Village also saw an increase in water revenues of nearly \$102,000. There were no transfers to governmental funds during the fiscal year.

**VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The major governmental funds are: General Fund, General Obligation Fund, and the Bridgeview Stadium. All other governmental funds are shown as non-major.

Overall revenue in the governmental funds increased by \$0.5 million, or 1%. The primary cause of the increase was a \$0.9 million increase in sales tax revenues and \$0.7 million increase in stadium event revenue in the Bridgeview stadium fund. These increases were offset by a \$1.3 million decrease in stadium sponsorships and other revenue in the Bridgeview stadium fund.

Expenditures have increased by \$0.4 million or 1% primarily due to a \$2.0 million increase in capital outlay expenditures in the nonmajor governmental funds offset by a \$2.6 million decrease in expenditures in debt service payments. Other increases in expenditures include \$0.3 million related to general administration, \$0.2 million related to the Police department and \$0.6 million related to the Fire department.

Budgetary Highlights

The Village adopts a cash basis budget on an annual basis. All departments submit funding requests to the Mayor 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, and requests for the next fiscal year. The proposed budget is presented to the Village Board for review, at which time public hearings are held and the budget is then adopted. A condensed budget and actual comparison is provided for the General Fund. The detailed Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual can be found in the required supplementary information of this report.

**CONDENSED SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016**

(in thousands)	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>General Fund</u>			
Revenues	\$ 20,688	\$ 21,569	\$ 881
Expenditures	(23,278)	(22,767)	511
Net transfers/other sources/uses	<u>2,590</u>	<u>1,456</u>	<u>(1,134)</u>
Net change in fund balance	<u>-</u>	<u>258</u>	<u>258</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

The major variances between actual and budget include the following:

- Sales tax revenue exceeded budget by \$400,418. Additionally, intergovernmental revenue exceeded budget by \$718,000 and charges for services exceeded budget by \$110,000.
- Income tax revenue was below budget by \$170,000. In addition, property tax revenue was below budget by \$85,000 and fines and forfeitures were below budget by \$78,000.
- Expenditures are under budget by \$1,010,000 in public works. Conversely, expenditures are over budget by \$221,415 in administrative costs and \$228,922 in police.
- Property sales were below budget by \$1,200,000 while net transfer activity was above budget by \$67,000.

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities as of December 31, is shown below (net of accumulated depreciation). See the notes to the financial statements for more detailed information.

Change in Capital Assets, Net of Accumulated Depreciation

Governmental Activities (in thousands)	Balance <u>December 31, 2015</u>	Balance <u>December 31, 2016</u>	Increase/ (Decrease)
Land	\$ 37,206	\$ 37,206	\$ -
Construction in progress	221	1,104	883
Infrastructure	50,729	50,729	-
Land improvements	834	863	29
Buildings	128,316	128,378	62
Equipment	8,963	9,175	212
Accumulated Depreciation	<u>(54,687)</u>	<u>(59,127)</u>	<u>(4,440)</u>
 Total capital assets, net	 <u>\$ 171,582</u>	 <u>\$ 168,328</u>	 <u>\$ (3,254)</u>

Business-Type Activities	Balance <u>December 31, 2015</u>	Balance <u>December 31, 2016</u>	Increase/ (Decrease)
Construction in progress	\$ -	\$ 352	\$ 352
Infrastructure	23,808	23,808	-
Land improvements	553	553	-
Buildings	1,331	1,331	-
Equipment	3,056	3,056	-
Accumulated Depreciation	<u>(13,484)</u>	<u>(14,120)</u>	<u>(636)</u>
 Total capital assets, net	 <u>\$ 15,264</u>	 <u>\$ 14,980</u>	 <u>\$ (284)</u>

Construction in progress related to the new Sportsdome was reported in governmental activities in the amount of \$875,000. Purchases of vehicles and other equipment also occurred during the fiscal year for governmental activities in the amount of \$212,000. In business-type activities, construction in progress related to the water main for the new Sportsdome was reported in the amount of \$352,000.

**VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

DEBT ADMINISTRATION

At December 31, 2016, the Village had outstanding debt as follows:

Governmental Activities:	
2003 General Obligation Bonds	\$ 725,000
2005 General Obligations Bonds	116,945,000
2008 A&B General Obligations Bonds	25,000,000
2011A General Obligation Bonds	2,050,000
2012 General Obligation Bonds	27,215,000
2013A General Obligation Bonds	23,965,000
2014A General Obligation Bonds	27,475,000
2014C General Obligation Bonds	1,850,000
2015A General Obligation Bonds	16,000,000
2008 SSA #5 General Obligation Bonds	215,000
Notes Payable:	
Ford Ambulance Lease	143,147
Amulance Lease	26,579
Pumper Lease	241,662
Due to Bedford Park	100,000
Compensated Absences	1,015,873
Net Pension Liability	51,990,703
Net OPEB Obligation	<u>1,248,415</u>
 Total Governmental Activities	 <u><u>\$ 296,206,379</u></u>
 Business-Type Activities:	
IEPA Loan	562,124
Net Pension Liability	<u>743,777</u>
 Total Business-Type Activities	 <u><u>\$ 1,305,901</u></u>

The Village did not issue any new debt or enter into any new leases during 2016. The Village experienced increases in compensated absences of \$128,000, net pension liability of \$6,022,000, and net OPEB obligation of \$143,000. The Village made \$4,277,000 in principal payments during the year.

VILLAGE OF BRIDGEVIEW, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

Currently Known Facts, Decisions and Conditions

Subsequent to year end, a number of events occurred, some initiated by the Village and some by external parties, that will impact the Village's debt structure going forward. These events are outlined in Note 14 to the financial statements. In addition, management's plans to ensure the short term and long term sustainability of the Village are outlined in Note 15 to the financial statements.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general knowledge of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Village of Bridgeview, 7500 South Oketo Avenue, Bridgeview, Illinois 60455.

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 6,225,127	\$ 833,986	\$ 7,059,113
Receivables (net of allowances for uncollectibles)			
Property taxes	14,041,697	-	14,041,697
Other governmental	3,410,199	-	3,410,199
Accounts	789,740	518,577	1,308,317
Inventory	-	19,068	19,068
Prepaid expenses	528,501	-	528,501
Internal balances	(163,986)	163,986	-
Noncurrent			
Notes receivable	139,767	-	139,767
Capital assets not being depreciated	38,309,260	352,830	38,662,090
Capital assets net of accumulated depreciation	130,018,990	14,627,211	144,646,201
Total assets	<u>193,299,295</u>	<u>16,515,658</u>	<u>209,814,953</u>
Deferred Outflows of Resources			
Call premium on refunded debt	2,630,769	-	2,630,769
Deferred outflows related to pensions	11,883,831	542,627	12,426,458
Total deferred outflows of resources	<u>14,514,600</u>	<u>542,627</u>	<u>15,057,227</u>
Liabilities			
Current			
Accounts payable	1,506,591	466,721	1,973,312
Accrued payroll	397,462	54,329	451,791
Accrued interest payable	1,042,966	-	1,042,966
Other payables	1,980,751	-	1,980,751
Unearned revenue	432,042	-	432,042
Claims payable	596,274	-	596,274
Current portion - bonds payable	4,265,000	-	4,265,000
Current portion - notes payable	158,330	25,398	183,728
Noncurrent			
Bonds payable	238,715,243	-	238,715,243
IEPA loan payable	-	536,726	536,726
Other notes payable	353,058	-	353,058
Net pension liability	51,990,702	743,777	52,734,479
OPEB obligation	1,248,415	-	1,248,415
Compensated absences	1,015,873	-	1,015,873
Total liabilities	<u>303,702,707</u>	<u>1,826,951</u>	<u>305,529,658</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	14,020,069	-	14,020,069
Deferred inflows related to pensions	3,082,140	36,888	3,119,028
Total deferred inflows of resources	<u>17,102,209</u>	<u>36,888</u>	<u>17,139,097</u>
Net Position			
Net investment in capital assets	(75,163,381)	14,627,211	(60,536,170)
Restricted assets			
Law enforcement	936,840	-	936,840
Debt service	794,977	-	794,977
Street improvement	44,696	-	44,696
TIF redevelopment	726,785	-	726,785
Unrestricted	(40,330,938)	567,235	(39,763,703)
Total net position	<u>\$ (112,991,021)</u>	<u>\$ 15,194,446</u>	<u>\$ (97,796,575)</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General government	\$ 14,115,583	\$ 1,388,484	\$ 2,420	\$ -	\$ (12,724,679)	\$ -	\$ (12,724,679)
Public safety	11,261,633	1,445,523	3,431	-	(9,812,679)	-	(9,812,679)
Public works	1,915,116	854,580	433,014	102,255	(525,267)	-	(525,267)
Culture and recreation	5,143,039	3,755,136	-	-	(1,387,903)	-	(1,387,903)
Other	2,540,973	-	-	-	(2,540,973)	-	(2,540,973)
Interest and fees	12,490,066	-	-	-	(12,490,066)	-	(12,490,066)
Total governmental activities	<u>47,466,410</u>	<u>7,443,723</u>	<u>438,865</u>	<u>102,255</u>	<u>(39,481,567)</u>	<u>-</u>	<u>(39,481,567)</u>
Business-Type Activities							
Water	4,759,768	4,998,067	-	-	-	238,299	238,299
Sewer	978,986	666,650	-	-	-	(312,336)	(312,336)
Total business-type activities	<u>5,738,754</u>	<u>5,664,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,037)</u>	<u>(74,037)</u>
Total primary government	<u>\$ 53,205,164</u>	<u>\$ 13,108,440</u>	<u>\$ 438,865</u>	<u>\$ 102,255</u>	<u>(39,481,567)</u>	<u>(74,037)</u>	<u>(39,555,604)</u>
General revenues							
Taxes:							
Property taxes, levied for general purposes					12,733,824	-	12,733,824
Public service taxes					14,728,632	-	14,728,632
Unrestricted investment earnings					8,630	13	8,643
Miscellaneous revenues					348,136	106,375	454,511
Total general revenues					<u>27,819,222</u>	<u>106,388</u>	<u>27,925,610</u>
Change in Net Position					<u>(11,662,345)</u>	<u>32,351</u>	<u>(11,629,994)</u>
Net Position - Beginning					<u>(101,328,676)</u>	<u>15,162,095</u>	<u>(86,166,581)</u>
Net Position - Ending					<u>\$ (112,991,021)</u>	<u>\$ 15,194,446</u>	<u>\$ (97,796,575)</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	General Obligation	Bridgeview Stadium		
Assets					
Cash and cash equivalents	\$ 2,819,607	\$ 628,394	\$ 877,449	\$ 1,746,174	\$ 6,071,624
Property taxes receivable	1,488,767	12,447,859	-	105,071	14,041,697
Accounts receivable	257,654	-	532,086	-	789,740
Other governmental receivables	3,334,097	-	-	76,102	3,410,199
Notes receivable	139,767	-	-	-	139,767
Prepaid items	-	-	134,811	-	134,811
Interfund receivables	3,342,498	-	-	-	3,342,498
Total assets	<u>\$ 11,382,390</u>	<u>\$ 13,076,253</u>	<u>\$ 1,544,346</u>	<u>\$ 1,927,347</u>	<u>\$ 27,930,336</u>
Liabilities					
Accounts payable	\$ 1,338,860	\$ -	\$ 111,197	\$ 40,348	\$ 1,490,405
Accrued payroll	397,462	-	-	-	397,462
Other payables	1,691,828	19,270	172,883	96,770	1,980,751
Unearned revenue	30,000	-	222,042	180,000	432,042
Interfund payables	202,207	8,340	718,099	2,616,059	3,544,705
Total liabilities	<u>3,660,357</u>	<u>27,610</u>	<u>1,224,221</u>	<u>2,933,177</u>	<u>7,845,365</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,485,858	12,438,980	-	95,231	14,020,069
Unavailable revenue - intergovernmental	1,011,504	-	-	-	1,011,504
Total deferred inflows of resources	<u>2,497,362</u>	<u>12,438,980</u>	<u>-</u>	<u>95,231</u>	<u>15,031,573</u>
Fund Balances					
Nonspendable					
Notes receivable	139,767	-	-	-	139,767
Prepays	-	-	134,811	-	134,811
Restricted					
Law enforcement	-	-	-	936,840	936,840
Debt service	-	609,663	185,314	-	794,977
Street improvement	-	-	-	44,696	44,696
TIF redevelopment	-	-	-	726,785	726,785
Unassigned	5,084,904	-	-	(2,809,382)	2,275,522
Total fund balances	<u>5,224,671</u>	<u>609,663</u>	<u>320,125</u>	<u>(1,101,061)</u>	<u>5,053,398</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,382,390</u>	<u>\$ 13,076,253</u>	<u>\$ 1,544,346</u>	<u>\$ 1,927,347</u>	<u>\$ 27,930,336</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Total fund balances - governmental funds \$ 5,053,398

Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds

Capital assets	227,455,116	
Accumulated depreciation	(59,126,866)	
Net capital assets		168,328,250

Some assets and liabilities reported in the statement of net position are not sources or uses of current financial resources and therefore are not reported as assets or liabilities in the governmental funds. These balance sheet items consist of

General obligation payable	(242,980,243)	
Accrued interest payable	(1,042,966)	
Notes payable obligation	(511,388)	
Compensated absences	(1,015,873)	
Net pension liability	(51,990,702)	
OPEB obligation	(1,248,415)	
Total long-term liabilities		(298,789,587)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds

Deferred outflows of resources related to pensions	11,613,231	
Deferred outflows of 2016 employer contributions related to pensions	270,600	
Deferred inflows of resources related to pensions	(3,082,140)	
Total deferred outflows and inflows of resources		8,801,691

Balance sheet items from the Village's internal service fund are allocated to the governmental and business-type activities for the government-wide statements. (27,046)

The difference between the reacquisition price and the net carrying amount of refunded debt is a deferred outflow of resources in the government-wide statements but is an expenditure in the funds 2,630,769

Some of the State revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds 1,011,504

Net position of governmental activities \$ (112,991,021)

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	General Obligation Fund	Bridgeview Stadium Fund		
Revenues					
Property taxes	\$ 2,826,918	\$ 8,544,123	\$ -	\$ 1,362,783	\$ 12,733,824
State/home rule sales tax	10,392,868	-	-	-	10,392,868
State income tax	1,579,980	-	-	-	1,579,980
Replacement tax	205,355	-	-	-	205,355
Other intergovernmental	2,108,210	-	-	102,255	2,210,465
Charges for services	1,997,174	-	-	-	1,997,174
Licenses, permits, and fees	825,532	-	-	-	825,532
Fines and forfeitures	655,355	-	-	3,431	658,786
Stadium event revenue	-	-	1,919,804	-	1,919,804
Stadium sponsorships	-	-	254,463	-	254,463
Stadium rental revenue	-	-	1,250,879	-	1,250,879
Other revenue	971,850	-	294,794	252,781	1,519,425
Motor fuel tax allotments	-	-	-	433,014	433,014
Investment income	6,109	2,171	109	241	8,630
Total revenues	<u>21,569,351</u>	<u>8,546,294</u>	<u>3,720,049</u>	<u>2,154,505</u>	<u>35,990,199</u>
Expenditures					
Current					
Administration	11,442,035	150	-	305,264	11,747,449
Police department	3,782,777	-	-	89,592	3,872,369
Fire department	4,325,387	-	-	-	4,325,387
Public works	1,624,389	-	-	271,433	1,895,822
Culture and recreation	253,231	-	2,131,126	-	2,384,357
All other departments	1,039,962	-	-	-	1,039,962
Debt service					
Principal payments	113,433	3,145,000	50,000	1,117,178	4,425,611
Interest and other charges	83,305	12,049,740	-	166,288	12,299,333
Capital outlay	102,935	-	113,391	2,537,507	2,753,833
Total expenditures	<u>22,767,454</u>	<u>15,194,890</u>	<u>2,294,517</u>	<u>4,487,262</u>	<u>44,744,123</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,198,103)</u>	<u>(6,648,596)</u>	<u>1,425,532</u>	<u>(2,332,757)</u>	<u>(8,753,924)</u>
Other Financing Sources (Uses)					
Transfers in	1,578,447	-	-	473,227	2,051,674
Transfers (out)	<u>(121,962)</u>	-	<u>(1,563,447)</u>	<u>(366,265)</u>	<u>(2,051,674)</u>
Total other financing sources (uses)	<u>1,456,485</u>	-	<u>(1,563,447)</u>	<u>106,962</u>	<u>-</u>
Net Change in Fund Balances	<u>258,382</u>	<u>(6,648,596)</u>	<u>(137,915)</u>	<u>(2,225,795)</u>	<u>(8,753,924)</u>
Fund Balances - Beginning of Year	<u>4,966,289</u>	<u>7,258,259</u>	<u>458,040</u>	<u>1,124,734</u>	<u>13,807,322</u>
Fund Balances - End of Year	<u>\$ 5,224,671</u>	<u>\$ 609,663</u>	<u>\$ 320,125</u>	<u>\$ (1,101,061)</u>	<u>\$ 5,053,398</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds		\$ (8,753,924)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets		
Capital outlay	1,186,869	
Depreciation	(4,440,781)	
Capital outlay in excess of depreciation		(3,253,912)
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		
		4,287,107
The change in interest payable on long-term debt is not reported in the governmental funds, however, it results in a decrease in interest payable in the statement of net position		
		(30,748)
Increase in compensated absences not requiring the use of current financial resources and not reported as expenditures in the funds		
		(127,884)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
		(186,134)
Increase in net other post employment benefits obligation not requiring the use of current financial resources are not reported as expenditures in the funds		
		(143,151)
Changes in deferred outflows and inflows or resources related to pensions are reported only in the statement of activities		
Deferred outflow and inflows or resources related to Fire pension	(1,479,448)	
Deferred outflow and inflows or resources related to Police pension	(1,235,491)	
Deferred outflow and inflows or resources related to IMRF	(271,296)	
Total changes in deferred outflows and inflows or resources related to pensions		(2,986,235)
Governmental funds report the difference between the reacquisition price and the net carrying amount of refunded debt as an expenditure whereas this amount is deferred and amortized in the government-wide statements		
		(276,923)
Governmental funds report the effect of premiums and discounts when the debt is first issued, whereas these amounts are unavailable and amortized in the statement of activities		
		55,442
Revenues and expenditures for the internal service fund are not shown on the governmental fund statements. For the government-wide statements, these revenues and expenditures are allocated to the governmental and business-type activities		
		(245,983)
Change in net position of governmental activities		<u>\$ (11,662,345)</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF NET POSITION
PRORIETARY FUNDS
DECEMBER 31, 2016

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
Assets				
Current assets				
Cash	\$ 833,986	\$ -	\$ 833,986	\$ 153,503
Accounts receivable (net of allowance)	455,803	62,774	518,577	-
Interfund receivable	201,607	-	201,607	600
Inventory	19,068	-	19,068	-
Prepaid expenses	-	-	-	393,690
Total current assets	<u>1,510,464</u>	<u>62,774</u>	<u>1,573,238</u>	<u>547,793</u>
Noncurrent assets				
Capital assets				
Capital assets not being depreciated	352,830	-	352,830	-
Capital assets, net of depreciation	8,184,806	6,442,405	14,627,211	-
Total noncurrent assets	<u>8,537,636</u>	<u>6,442,405</u>	<u>14,980,041</u>	<u>-</u>
Total assets	<u>10,048,100</u>	<u>6,505,179</u>	<u>16,553,279</u>	<u>547,793</u>
Deferred Outflow of Resources				
Deferred outflows related to pensions	337,864	204,763	542,627	-
Total deferred outflow of resources	<u>337,864</u>	<u>204,763</u>	<u>542,627</u>	<u>-</u>
Liabilities				
Current liabilities				
Accounts payable	404,063	62,658	466,721	16,186
Accrued payroll	33,666	20,663	54,329	-
Claims payable	-	-	-	596,274
Long-term obligations, due in less than one year				
Notes payable	-	25,398	25,398	-
Total current liabilities	<u>437,729</u>	<u>108,719</u>	<u>546,448</u>	<u>612,460</u>
Noncurrent liabilities				
Long-term obligations, due in more than one year				
Loan payable	-	536,726	536,726	-
Net pension liability	461,713	282,064	743,777	-
Total noncurrent liabilities	<u>461,713</u>	<u>818,790</u>	<u>1,280,503</u>	<u>-</u>
Total liabilities	<u>899,442</u>	<u>927,509</u>	<u>1,826,951</u>	<u>612,460</u>
Deferred Inflow of Resources				
Deferred inflows related to pensions	22,968	13,920	36,888	-
Total deferred inflow of resources	<u>22,968</u>	<u>13,920</u>	<u>36,888</u>	<u>-</u>
Net Position				
Net Investment in capital assets	8,184,806	6,442,405	14,627,211	-
Unrestricted	1,278,748	(673,892)	604,856	(64,667)
Total net position	<u>\$ 9,463,554</u>	<u>\$ 5,768,513</u>	<u>15,232,067</u>	<u>\$ (64,667)</u>
			<u>(37,621)</u>	
			<u>\$ 15,194,446</u>	

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
Operating Revenues				
Water fees	\$ 4,998,067	\$ -	\$ 4,998,067	\$ -
Sewer fees	-	666,650	666,650	-
Other revenue	97,813	8,562	106,375	2,622,510
Total operating revenues	<u>5,095,880</u>	<u>675,212</u>	<u>5,771,092</u>	<u>2,622,510</u>
Operating Expenses				
Administration	4,322,984	745,655	5,068,639	2,901,398
Depreciation expense	403,879	233,331	637,210	-
Total operating expenses	<u>4,726,863</u>	<u>978,986</u>	<u>5,705,849</u>	<u>2,901,398</u>
Operating Income (Loss)	<u>369,017</u>	<u>(303,774)</u>	<u>65,243</u>	<u>(278,888)</u>
Nonoperating Revenues (Expenses)				
Transfers in	-	22,902	22,902	-
Transfers (out)	(22,902)	-	(22,902)	-
Interest income	13	-	13	-
Total nonoperating revenues (expenses)	<u>(22,889)</u>	<u>22,902</u>	<u>13</u>	<u>-</u>
Change in Net Position	<u>346,128</u>	<u>(280,872)</u>	<u>65,256</u>	<u>(278,888)</u>
Fund Net Position - Beginning of Year (as Restated)	<u>9,117,426</u>	<u>6,049,385</u>	<u>15,166,811</u>	<u>214,221</u>
Fund Net Position - End of Year	<u>\$ 9,463,554</u>	<u>\$ 5,768,513</u>	<u>15,232,067</u>	<u>\$ (64,667)</u>
			<u>(37,621)</u>	
			<u>\$ 15,194,446</u>	

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities				
Receipt from customers	\$ 5,072,379	\$ 672,133	\$ 5,744,512	\$ 2,622,510
Payments to suppliers	(3,283,772)	(405,550)	(3,689,322)	(2,594,944)
Payments to employees	(1,014,600)	(575,654)	(1,590,254)	-
Net cash provided (used) by operating activities	<u>774,007</u>	<u>(309,071)</u>	<u>464,936</u>	<u>27,566</u>
Cash Flows from Noncapital Financing Activities				
Interfund borrowing (lending)	(127,546)	-	(127,546)	(494)
Transfers in (out)	(22,902)	22,902	-	-
Net cash provided by financing activities	<u>(150,448)</u>	<u>22,902</u>	<u>(127,546)</u>	<u>(494)</u>
Cash Flows from Capital and Related Financing Activities				
Principal payments on debt	(33,789)	(17,679)	(51,468)	-
Interest payments on debt	(2,129)	-	(2,129)	-
Loan proceeds	-	303,848	303,848	-
Purchases of capital assets	(352,830)	-	(352,830)	-
Net cash used by capital and related financing activities	<u>(388,748)</u>	<u>286,169</u>	<u>(102,579)</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest received	13	-	13	-
Net cash provided by investing activities	<u>13</u>	<u>-</u>	<u>13</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>234,824</u>	<u>-</u>	<u>234,824</u>	<u>27,072</u>
Cash and Cash Equivalents - Beginning of Year	<u>599,162</u>	<u>-</u>	<u>599,162</u>	<u>126,431</u>
Cash and Cash Equivalents - End of Year	<u>\$ 833,986</u>	<u>\$ -</u>	<u>\$ 833,986</u>	<u>\$ 153,503</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 369,017	\$ (303,774)	\$ 65,243	\$ (278,888)
Adjustments to reconcile operating activities to net cash provided (used) by operating activities:				
Depreciation	403,879	233,331	637,210	-
Decrease (increase) in receivables, net	(23,501)	(3,079)	(26,580)	-
Decrease (increase) in inventory	(1,620)	-	(1,620)	-
Decrease (increase) in prepaids	-	-	-	15,805
Decrease (increase) in deferred outflows	(138,574)	(84,129)	(222,703)	-
(Decrease) increase in accounts payable	(70,097)	(294,023)	(364,120)	8,853
(Decrease) increase in claims payable	-	-	-	281,796
(Decrease) increase in deferred inflows	16,725	10,141	26,866	-
(Decrease) increase in net pension liability	204,863	124,158	329,021	-
(Decrease) increase in accrued payroll	13,315	8,304	21,619	-
Total adjustments	<u>404,990</u>	<u>(5,297)</u>	<u>399,693</u>	<u>306,454</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 774,007</u>	<u>\$ (309,071)</u>	<u>\$ 464,936</u>	<u>\$ 27,566</u>

**VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016**

	Pension Trusts
Assets	
Cash and cash equivalents	\$ 916,657
Investments	42,734,765
Accrued interest	133,919
Contributions due from members	182
Total assets	<u>43,785,523</u>
Liabilities	
Other liabilities	19,086
Total liabilities	<u>19,086</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 43,766,437</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Pension Trusts
Additions	
Contributions	
Employer	\$ 2,772,305
Plan members	529,012
Total contributions	3,301,317
Investment Income	
Interest and dividends earned	1,207,441
Net appreciation in	
Fair value of investments	958,334
Less investment expense	(113,739)
Net investment earnings	2,052,036
Total additions	5,353,353
Deductions	
Administration	76,224
Benefits	4,072,258
Total deductions	4,148,482
Change in Net Position	1,204,871
Net Position Held in Trust for Pension Benefits	
Beginning of Year	42,561,566
End of Year	\$ 43,766,437

NOTES TO FINANCIAL STATEMENTS



BRIDGEVIEW, ILLINOIS

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Bridgeview, Illinois (the “Village”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The following is a summary of the Village’s significant policies.

Reporting Entity and Its Services

The Village is a municipal corporation governed by an elected board. The Village reports component units in accordance with the provisions of the Governmental Accounting Standard Board (“GASB”) Statement No. 61, “The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34” which modifies certain requirements for inclusion of component units in the financial reporting entity. An organization is considered a component unit of the primary government if 1) the government appoints a voting majority of the organization’s board and there is a financial benefit or burden relationship or the government is able to impose its will on the organization or 2) the organization is fiscally dependent on the government and there is a financial benefit or burden relationship or 3) the government determines that it would be misleading to exclude the organization from its financial statements.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of component units have been included in the financial reporting entity either as a fiduciary component unit or as discretely presented component units.

Fiduciary Component Units

The Village’s police and fire employees participate in the Police Pension Plan (“Police Pension”) and the Fire Pension Plan (“Fire Pension”). Each plan functions for the benefit of these employees. The Village, Police Pension, and Fire Pension are obligated to fund all Police Pension and Fire Pension costs based on actuarial valuations. The nature of the Pension Funds dictates the Village’s financial accountability. The Village appoints a voting majority of the component unit’s board and the pension funds have the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels.

Basis of Presentation

The Village’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-Wide Financial Statements

The statement of net position and the statement of activities display the information about the Village as a whole. In the government-wide statement of net position, both the government and business-type activities

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements

The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as non-major funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenue in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables, payables, and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government.

For the year ended December 31, 2016, a portion of the Village's share of the State Income Tax was not received or received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the Village elected to recognize the portion received after 60 days as revenue, or \$141,415, in order to properly present twelve months of revenue on the financial statements.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Fund is the general operating fund of the Village. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Obligation Fund accounts for the accumulation of resources for, and the payments of, general long-term debt principal, interest and costs.

Bridgeview Stadium Fund accounts for the operating activities related to the operation of the Village's stadium. The main revenue sources are stadium receipts. The revenues from the Stadium are dedicated to paying the costs of the stadium including contractual agreements with promoters and the Chicago Fire.

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

The Village reports the following major proprietary funds:

Water Operations Fund accounts for the operating activities of the Village's water utilities services.

Sewer Operations Fund accounts for the operating activities of the Village's sewer utilities services.

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's fiduciary funds are Pension Trust Funds. These funds report assets held by the Village in a trustee capacity.

Pension Trust Funds account for the Village's Police and Fire Pension Plans.

In addition to the general fund type mentioned above the Village reports the following governmental fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Project Funds are used to account for the Village’s purchase or construction of major capital facilities, which are not financed by other funds.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered.

These receivables and payables are classified as “Interfund receivables/payables” on the governmental and proprietary fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the Village-wide financial statements as “internal balances.”

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of \$5,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	50 years
Improvements	20 years
Equipment	8 - 15 years
Infrastructure- Roads	20 years
Infrastructure- Other	30 - 50 years

Investments

Investments consist of municipal bonds, government and agency notes, treasury obligations, mutual funds and variable annuities held by broker-dealers for the pension trust funds with original maturities greater than three months. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair values

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

for the Illinois Funds are the same as the values of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year-end are not reported on the balance sheet.

Claims and Judgments

Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Equity and Net Position

The components of fund balance include the following line items:

- a) Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- b) Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the Village, the Board is the highest level of decision making. As of December 31, 2016, the Village has not committed fund balance for any purpose.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board. It also includes all remaining amounts that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither classified as restricted or committed.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. Negative fund balances in governmental funds other than the general fund are also unassigned.

If there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent first, then assigned fund balance and finally unassigned fund balance. If there is an expenditure incurred for purposes for which restricted or unrestricted fund balances could be used, then the Village will consider restricted fund balance to be spent first, then unrestricted fund balance.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements 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 restrictions imposed by creditors, grantors, laws, or regulations of other governments. If there is an expense incurred for purposes for which restricted or unrestricted net position could be used, the Village will consider restricted net position to be spent first, then unrestricted net position.

Property Taxes

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 and are payable in two installments on or about March 1 and August 1. The county collects the taxes and remits them periodically to the Village. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the period or soon enough (within 60 days) thereafter to be used to pay liabilities of the current period as defined by the levy. Property taxes levied in the current year which are not collected at year-end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as unavailable revenue in the fund financial statements. The Village recorded as a deferred outflow in the government-wide statements all of the 2016 property tax levy due to the levy being intended to fund the next fiscal year's operations.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences

In the event of termination, an employee is reimbursed for accumulated vacation days. The Village has \$1,015,873 in accumulated unpaid vacation at year-end recorded in the government-wide financial statements. The entire amount relates to the governmental-type activities. None of this amount was determined to be funded out of current resources and, as such, the entire amount was labeled a long-term debt and not recorded in the fund financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, an expenditure 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.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less.

Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash

The carrying value of cash, excluding the Pension Trust Funds, was \$7,059,113 at December 31, 2016, while the bank balances were \$7,848,928 and \$25,000 of cash on hand. The deposits are either insured by the Federal Deposit Insurance Company (FDIC) or are collateralized with securities of the U.S. Government. The Village was fully collateralized as of December 31, 2016.

At December 31, 2016, the Pension Trust Funds' carrying amount of cash was \$916,657 while the bank balances were \$920,458. The deposits are either insured by the FDIC for \$250,000, or collateralized with securities of the U.S. Government.

Investments (Excluding Pension Trust Fund)

Illinois statutes authorize the Village to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper issued by corporations organized in the United States with assets exceeding \$500,000,000, savings accounts and certificates of deposit issued by financial institutions insured by the FDIC, repurchase agreements, short-term discount obligations of the Federal National Mortgage Association, dividend or share accounts of a credit union which accounts are insured, money market mutual funds with portfolios limited to securities guaranteed by the United States and The Illinois Funds. As of December 31, 2016, the Village did not have any investments.

Interest Rate Risk

The Village minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

to maturity and investing operating funds primarily in shorter-term securities, money market funds or similar investment pools.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investments are fully collateralized as of December 31, 2016.

Concentration of Credit Risk

The Village does not have a policy to limit concentration credit risk.

Pension Trust Fund Investments

Illinois statutes authorize the Village to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper issued by corporations organized in the United States with assets exceeding \$500,000,000, savings accounts and certificates of deposit issued by financial institutions insured by the FDIC, repurchase agreements, short-term discount obligations of the Federal National Mortgage Association, dividend or share accounts of a credit union which accounts are insured, money market mutual funds with portfolios limited to securities guaranteed by the United States and The Illinois Funds. In addition, the Fire and Police Pension Funds may invest in various accounts of life insurance companies authorized to do business in Illinois. Investments may be made in general or separate investment accounts. However, the total investment in separate accounts shall not exceed 10% of the aggregate book value of all investments owned by the Fire Pension. The Police Pension investment policy does not specify such a requirement. In addition, the Fire and Police Pension Funds may invest in certain equities, subject to limitations.

The various investments in securities, mutual funds and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the value of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the Pension Funds.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension’s investments at December 31, 2016.

<u>Investment Type</u>	Investment Maturities				
	Fair Value	Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Municipal bonds	\$ 1,728,926	\$ 50,707	\$ 606,903	\$ 1,017,227	\$ 54,089
U.S. government notes	314	-	-	314	-
U.S. agency notes	7,725,483	394,756	1,909,332	5,117,573	303,822
U.S. treasury notes	1,879,241	301,688	1,227,061	350,492	-
	<u>\$11,333,964</u>	<u>\$747,151</u>	<u>\$3,743,296</u>	<u>\$6,485,606</u>	<u>\$ 357,911</u>

The remainder of the Police Pension’s investments were invested in mutual funds (\$7,717,897), variable annuities (\$1,400,511), and real estate investment trust (\$204,586) which do not have maturity dates.

The Police Pension has the following recurring fair value measurements as of December 31, 2016:

<u>Investment by Fair Value Level</u>	December 31, 2016	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,879,241	\$ 1,879,241	\$ -	\$ -
U.S. Agencies	7,725,483	7,725,483	-	-
Municipal Bonds	1,728,926	-	1,728,926	-
Equity Securities				
Insurance Company Contracts	1,400,511	1,400,511	-	-
Equity Mutual Funds	7,717,897	7,717,897	-	-
Real Estate Investment Trust	204,586	-	-	204,586
Government Backed Securities	314	-	-	314
	<u>\$ 20,656,958</u>	<u>\$ 18,723,132</u>	<u>\$ 1,728,926</u>	<u>\$ 204,900</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Fire Pension’s investments at December 31, 2016.

<u>Investment Type</u>	Investment Maturities				
	Fair Value	Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. agency notes	\$ 9,241,779	\$ 300,162	\$ 2,588,100	\$ 6,202,177	\$ 151,340
U.S. treasury notes	1,431,156	382,094	601,898	447,164	-
Municipal bonds	1,926,156	-	937,750	827,466	160,940
U.S. government notes	49,620	-	310	3,500	45,810
	<u>\$12,648,711</u>	<u>\$ 682,256</u>	<u>\$ 4,128,058</u>	<u>\$ 7,480,307</u>	<u>\$ 358,090</u>

The remainder of the Fire Pension’s investments were invested in mutual funds (\$8,716,842), real estate investment trusts (\$227,178) and variable annuities (\$485,076) which do not have maturity dates.

The Fire Pension has the following recurring fair value measurements as of December 31, 2016:

<u>Investment by Fair Value Level</u>	December 31,	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,431,156	\$ 1,431,156	\$ -	\$ -
U.S. Agencies	9,241,779	9,241,779	-	-
Municipal Bonds	1,926,156	-	1,926,156	-
Equity Securities				
Insurance Company Contracts	485,076	485,076	-	-
Equity Mutual Funds	8,716,842	8,716,842	-	-
Real Estate Investment Trust	227,178	-	-	227,178
Government Backed Securities	49,620	-	-	49,620
	<u>\$ 22,077,807</u>	<u>\$ 19,874,853</u>	<u>\$ 1,926,156</u>	<u>\$ 276,798</u>

Interest Rate Risk

The Fire Pension has the following guidelines in its formal investment policy that limits investment allocation as a means of managing its exposure to fair value losses arising from increasing interest rates. Equity investments shall be limited to 10% to 30% of fund investments, fixed investments shall be limited to 60% to 80% of fund investments and cash and cash equivalents should not exceed 20% of fund investments.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

Credit Risk

The Police Pension's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provision of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. Government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

Credit ratings for the Police Pension investments in debt securities at December 31, 2016 (excluding investments in the U.S. government bonds and mutual funds which are not considered to have credit risk) are as follows:

<u>Investment Type</u>	Aaa	A3	Aa2	Aa3	Aa1	A1	N/R
U.S. agency notes	98%	0%	0%	0%	0%	0%	2%
Municipal bonds	17.82%	0.00%	11.84%	11.48%	11.58%	6.71%	40.56%

The Fire Pension's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. Government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

Credit ratings for the Fire Pension investments in debt securities at December 31, 2016 (excluding investments in the U.S. government bonds and mutual funds which are not considered to have credit risk) are as follows:

<u>Investment Type</u>	Aaa	Aa3	Aa2	Aa1	A1	N/R
U.S. agency notes	99%	0%	0%	0%	0%	1%
Municipal bonds	2.81%	12.92%	22.55%	16.10%	3.03%	42.59%

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police and Fire Pension Funds' investments were fully collateralized as of December 31, 2016.

Concentration of Credit Risk

The Police and Fire Pension Funds do not have a policy to limit concentration credit risk.

The various investments in securities, mutual funds and other investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could materially affect the amounts reported in the financial statements of the Police and Fire Pensions.

The following is a reconciliation between the notes and basic financial statements:

<u>Cash and Investment Note</u>		<u>Basic Financial Statements</u>	
Carrying amount of Village's cash	\$ 7,059,113	Statement of Net Position	
Carrying amount of pension's funds	916,657	Cash and cash equivalents	\$ 7,059,113
Police pension fund investments	20,656,958	Statement of Fiduciary Net Position	
Fire pension fund investments	<u>22,077,807</u>	Cash and cash equivalents	916,657
Total cash and investments per note	<u>\$ 50,710,535</u>	Investments	<u>42,734,765</u>
		Total cash and investments per statements	<u>\$ 50,710,535</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 – CAPITAL ASSETS

Governmental capital assets activity for the year ended December 31, 2016 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 220,653	\$ 882,955	\$ -	\$ 1,103,608
Land	37,205,652	-	-	37,205,652
Total Capital Assets Not Being Depreciated	37,426,305	882,955	-	38,309,260
Capital Assets Being Depreciated				
Infrastructure	50,729,370	-	-	50,729,370
Land improvements	833,681	29,763	-	863,444
Buildings	128,316,119	61,686	-	128,377,805
Equipment	8,962,772	212,465	-	9,175,237
Total Capital Assets Being Depreciated	188,841,942	303,914	-	189,145,856
Accumulated Depreciation	54,686,085	4,440,781	-	59,126,866
Total Capital Assets Being Depreciated, Net	134,155,857	(4,136,867)	-	130,018,990
Governmental Activities Capital Assets, Net	<u>\$171,582,162</u>	<u>\$ (3,253,912)</u>	<u>\$ -</u>	<u>\$ 168,328,250</u>

Depreciation expense was charged to governmental functions/programs of the Village as follows:

General Government	\$ 1,499,480
Public Safety	170,783
Public Works	38,087
Culture and Recreation	2,728,757
Other	3,674
Total	<u>\$ 4,440,781</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 – CAPITAL ASSETS (Continued)

Business-type capital assets activity for the year ended December 31, 2016 was as follows:

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Construction in Progress	\$ -	\$ 352,830	\$ -	\$ 352,830
Capital Assets Being Depreciated				
Infrastructure	23,807,638	-	-	23,807,638
Land Improvements	552,515	-	-	552,515
Buildings	1,331,498	-	-	1,331,498
Equipment	3,055,568	-	-	3,055,568
Total Capital Assets Being Depreciated	28,747,219	-	-	28,747,219
Accumulated Depreciation	13,482,798	637,210	-	14,120,008
Total Capital Assets Being Depreciated, Net	15,264,421	(637,210)	-	14,627,211
Business-Type Activities Capital Assets, Net	\$ 15,264,421	\$ (284,380)	\$ -	\$ 14,980,041

Depreciation expense was charged to business-type functions/programs of the Village as follows:

Water	\$ 403,879
Sewer	<u>233,331</u>
Total	<u><u>\$ 637,210</u></u>

Included in governmental capital assets at December 31, 2016 is \$721,985 of public safety equipment under capital leases. Amortization is included in depreciation expense and accumulated depreciation related to these assets is \$243,617. Included in business type activities is water equipment of \$156,141 under capital leases with accumulated depreciation thereon of \$107,347.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT

Long-Term Debt Summary

The changes in the Village’s governmental activities long-term debt are summarized as follows:

Governmental Activities	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
General obligation bonds					
Series 2003	\$ 1,070,000	\$ -	\$ 345,000	\$ 725,000	\$ 355,000
Series 2005	119,830,000	-	2,885,000	116,945,000	3,030,000
Series 2008 A&B	25,000,000	-	-	25,000,000	-
Series 2011A	2,210,000	-	160,000	2,050,000	175,000
Series 2012	27,215,000	-	-	27,215,000	-
Series 2013A	23,965,000	-	-	23,965,000	-
Series 2014A	27,475,000	-	-	27,475,000	-
Series 2014C	2,400,000	-	550,000	1,850,000	600,000
Series 2015A	16,000,000	-	-	16,000,000	-
Bond premium	2,428,345	-	90,171	2,338,174	-
Bond discount	(828,572)	-	(33,365)	(795,207)	-
	246,764,773	-	3,996,806	242,767,967	4,160,000
SSA tax bonds					
SSA5 tax bonds	315,000	-	100,000	215,000	105,000
Bond discount	(4,088)	-	(1,364)	(2,724)	-
	310,912	-	98,636	212,276	105,000
Notes payable					
Ambulance lease	60,982	-	34,403	26,579	26,579
Pumper lease	290,273	-	48,611	241,662	50,385
Ford ambulance	173,566	-	30,419	143,147	31,366
Due to Bedford Park	150,000	-	50,000	100,000	50,000
Due to Burbank	22,178	-	22,178	-	-
	696,999	-	185,611	511,388	158,330
Compensated absences	887,989	127,884	-	1,015,873	-
Net pension liability	46,297,888	5,692,814	-	51,990,702	-
Net OPEB obligation	1,105,264	143,151	-	1,248,415	-
	\$ 296,063,825	\$ 5,963,849	\$ 4,281,053	\$ 297,746,621	\$ 4,423,330

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT (Continued)

The changes in the Village’s business-type activities long-term debt are summarized as follows:

Business-Type Activities	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Notes payable					
Water utility truck lease	\$ 33,789	\$ -	\$ 33,789	\$ -	\$ -
IEPA Loan	579,803	-	17,679	562,124	25,398
	613,592	-	51,468	562,124	25,398
Net pension liability	414,756	329,021	-	743,777	-
	\$ 1,028,348	\$ 329,021	\$ 51,468	\$ 1,305,901	\$ 25,398

Aggregate principal and interest requirements to maturity for the General Obligation Bonds by year for the Village are as follows:

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 4,265,000	\$ 12,515,594	\$ 16,780,594
2018	4,710,000	12,306,727	17,016,727
2019	4,470,000	12,088,496	16,558,496
2020	4,025,000	11,876,455	15,901,455
2021	4,235,000	11,670,830	15,905,830
2022-2026	28,855,000	50,517,946	79,372,946
2027-2031	40,735,000	45,773,602	86,508,602
2032-2036	58,780,000	33,364,928	92,144,928
2037-3041	55,480,000	18,436,781	73,916,781
2042-2046	35,885,000	3,839,906	39,724,906
	\$ 241,440,000	\$ 212,391,265	\$ 453,831,265

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT (Continued)

Aggregate principal and interest requirements to maturity for the Notes Payable by year for the Village are as follows:

Fiscal Year	Notes Payable		
	Principal	Interest	Total
2017	\$ 133,729	\$ 23,274	\$ 157,003
2018	110,474	19,571	130,045
2019	113,897	16,139	130,036
2020	117,450	12,595	130,045
2021	68,021	9,367	77,388
2022-2026	145,977	36,453	182,430
2027-2031	161,209	21,221	182,430
2032-2036	121,627	4,946	126,573
	<u>\$ 972,384</u>	<u>\$ 143,566</u>	<u>\$ 1,115,950</u>

The Village has entered into an intergovernmental agreement with the Village of Bedford Park for land annexation payable in the amount of \$50,000 per year over 10 years. There is no interest associated with these payments.

Fiscal Year	Bedford Park Agreement	
	Principal	
2017	\$	50,000
2018		50,000
	<u>\$</u>	<u>100,000</u>

The Village has entered into an intergovernmental agreement with the Village of Burbank for repairs and paving improvements to 83rd St from Harlem Avenue to Newcastle Ave. There is no interest to be paid on this agreement. The agreement was paid off during the fiscal year.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT (Continued)

A brief summary of the debt instruments utilized by the Village is below.

General Obligation Bonds, Series 2003: On June 4, 2003, the Village issued General Obligation Bonds Series 2003 for \$4,000,000 the proceeds of which were used to pay for redevelopment project costs in the Harlem Avenue TIF 1. The interest rates range from 2.5%- 3.6% with final maturity on December 1, 2018.

General Obligation Bonds, Series 2005: On September 7, 2005, the Village issued General Obligation Bond Series 2005 for \$134,600,000 the proceeds of which were used to pay for stadium and other Village redevelopment project costs. The bonds have interest rates ranging from 4.5%- 5.1%. Final maturity is December 1, 2036.

General Obligation Bonds, Series 2008A&B: On October 31, 2008, the Village issued General Obligation Series 2008 A&B (the "Series 2008 Bonds") for \$50,000,000 the proceeds of which were used to pay off debt related to a line of credit and economic development note obligations. Additionally, proceeds were used to pay for project costs relating to the water fund. In 2014, the Village refunded \$17,500,000 of the outstanding General Obligation Variable Rate Demand Project and Refunding Bonds, Subseries 2008 A-1 and \$7,500,000 of the outstanding General Obligation Variable Rate Demand Project and Refunding Bonds, Subseries 2008 A-2 Bonds through the issuance of General Obligation Bonds, Series 2014A. The outstanding bonds are secured by letters of credit from BMO Harris Bank ("BMO"). Interest rates for the bonds secured by the BMO letter of credit are measured at a variable rate with interest in the Weekly Mode with the rate as of December 31, 2016 at 0.80% for the Series 2008A-2 bonds and 0.85% for the Series 2008B-1 and Series 2008B-2 bonds. In addition, there is a line of credit fee of 2.50% and remarketing fees of 0.125%. While interest initially accrues from the date of delivery at a Weekly Rate, it may be subsequently converted to bear interest at a CP Rate or an Adjustable Rate. While bearing interest at a Weekly Rate, interest is payable on the first business day of each calendar month, and is calculated on the basis of actual days elapsed. If the remarketing agent was not able to sell the bonds or the letters of credit are scheduled to expire, BMO has agreed to purchase the outstanding bonds and repay accrued interest. Pursuant to a reimbursement agreement between the Village and BMO ("BMO Reimbursement Agreement"), the Village is committed to repay BMO over a three-year period beginning July 1, 2017. The BMO letter of credit expired on February 28, 2017 since the Village intended to refinance these bonds with fixed rate bonds in the same manner as the Series 2014 Bonds. BMO purchased the bonds and the Village was obligated to repay BMO pursuant to the BMP Reimbursement Agreement. Final maturity of the Series 2008 bonds is December 31, 2038 if the Village could provide a suitable letter of credit to remarket the bonds or the bonds were remarketed in another authorized mode.

Special Service Area No.5, Series 2008A: On May 29, 2008, the Village issued General Obligation Covenant Bonds, Series 2008 for \$840,000 the proceeds of which were used for Special Service Area No.5. The interest rate is 4.8% with final maturity is December 1, 2018.

General Obligation Bonds, Series 2011A: On June 7, 2011, the Village issued General Obligation Bonds Series 2011A for \$2,500,000. The proceeds were used to refund the Series 2005 debt service payment. The interest rate on the bonds is 6.75% with final maturity on December 1, 2025.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT (Continued)

General Obligation Bonds, Series 2012: On December 3, 2012, the Village issued General Obligation Bonds Series 2012 for \$27,215,000. The proceeds of the bonds were used to currently refund \$605,000 of the 1999A Bonds, \$11,035,000 of the 2002 Bonds, \$915,000 of the 2003A Bonds, \$4,905,000 of the 2005 Bonds and a portion of the 2011 interest payment. The interest rate on the bonds ranges from 4.125% to 5.00% with final maturity on December 1, 2042.

General Obligation Bonds, Series 2013A: On April 9, 2013, the Village issued General Obligation Bonds Series 2013A for \$23,965,000. The proceeds of the bonds were used to currently refund \$20,000,000 of the 2011 Bonds, \$3,600,000 of a call premium, and \$375,000 of accrued interest for the 2013 interest payment. The interest rate on the bonds ranges from 4.5% to 5.5% with final maturity on December 1, 2043.

General Obligation Bonds, Series 2014A: On June 9, 2014, the Village issued General Obligation Bonds Series 2014A for \$27,475,000. The proceeds of the bonds were used to currently refund and restructure outstanding Village obligations related to \$17,500,000 of the outstanding General Obligation Variable Rate Demand Project and Refunding Bonds, Subseries 2008 A-1 and \$7,500,000 of the outstanding General Obligation Variable Rate Demand Project and Refunding Bonds, Subseries 2008 A-2 Bonds maturing December 1, 2038. The interest rate on the bonds is 5.125% to 5.50% with a final maturity on December 1, 2044.

Series 2014B Senior Lien Refunding Bonds: During fiscal year 2014, the Village issued Series 2014B Senior Lien Refunding Bonds to refund a portion of Series 2004 Senior Lien Revenue Bonds held by FDIC in the amount of \$1,190,575. The bonds refunded were not general obligation bonds and were not recorded on the Statement of Net Position. Likewise, the current issuance used to refund the previous issuance is also not general obligation bonds and will not be recorded on the Statement of Net Position. The current issuance was sold entirely to Devon Bank. The bonds mature on December 31, 2019 with an interest rate of 5.0% in effect until maturity. Property tax increment received in the 103rd St. and 76th Ave. TIF Fund will be used to repay bond principal and associated interest.

General Obligation Bonds, Series 2014C: On December 12, 2014, the Village issued General Obligation Senior Lien Revenue Refunding Bonds, Series 2014C for \$2,860,000. The proceeds of the bonds were used to currently refund the Village's outstanding Senior Lien Revenue Bonds, Series 2004 for economic savings. The interest rate on the bonds ranges from 2.4% to 5.0% with final maturity on December 1, 2019.

General Obligation Bonds, Series 2015A: On June 30, 2015, the Village issued General Obligation Bonds, Series 2015A for \$16,000,000. The proceeds of the bonds were used to refund a portion of the Village's outstanding bonds related to Series 2005, Series 2011A, Series 2012 and Series 2013 in order to restructure future debt service and pay certain costs associated with the issuance of the bonds. The bonds mature on December 1, 2041, but are subject to redemption on December 1, 2025 at par. The interest rates on the bonds ranges from 5.0% to 5.75%.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT (Continued)

Ambulance Lease: On April 21, 2012, the Village entered into a \$168,652 lease agreement with Tax Exempt Leasing Corp. to finance the purchase of an ambulance. The lease payments include the cost of the vehicle and a calculated interest rate of 3.4% through September 2017. The outstanding principal balance as of December 31, 2016 was \$26,579.

Pumper Lease: On July 16, 2014, the Village entered into a \$360,000 lease agreement with Tax Exempt Leasing Corp. to finance the purchase of a 2014 E-One Stainless Steel Rescue Pumper on a Typhoon Chassis. The lease payments include the cost of the vehicle and a calculated interest rate of 3.59% through July 2021. The outstanding balance as of December 31, 2016 was \$241,662.

2015 Ambulance Lease: On April 15, 2015, the Village entered into a \$211,932 lease agreement with Tax Exempt Leasing Corp. to finance the purchase of an ambulance. The lease payments include the costs of the vehicle and calculated interest rate of 3.07% through April 2021. The outstanding principal balance as of December 31, 2016 was \$143,147.

Water Utility Truck Lease: During fiscal year 2011, the Village entered into a five-year lease agreement for a water utility truck at a 5.05% interest rate. The Village pays \$35,404 annually until maturity in 2016. The lease was paid off during the fiscal year.

Illinois Environmental Protection Agency (IEPA) Loan: During fiscal year 2014, the Village entered into a loan agreement with the IEPA at a 1.995% interest rate. The Village pays \$36,486 annually until maturity in 2035. The outstanding principal balance as of December 31, 2016 was \$562,124.

Second Star Agreement: In August 2012, the Village entered into an agreement with the Chicago Fire Soccer, LLC (Chicago Fire) to convert eight stadium suites and additional space in the Stadium to build a new exclusive Second Star Club. The Chicago Fire paid for the project and the Village will provide repayment from the funds received from the sale of memberships and sponsorships. Interest will accrue at a rate of 5%. If as of December 31, 2021 the aggregate revenues do not match the outstanding obligation, the Village will not be obligated to pay the Chicago Fire for any additional remaining amounts. The total amount outstanding related to the agreement at December 31, 2016, was \$2,539,409 for the principal and \$126,970 in interest. These amounts have not been recorded as a liability, as it is contingent on the revenues being received.

Sodexo Agreement: On March 5, 2012, the Village entered into an agreement with Sodexo America to manage and operate the food and beverage services at the Stadium. The agreement has a term of five years and if terminated before this time period, the Village is required to reimburse Sodexo for the unamortized portion of the Contract Buy-In. The Contract Buy-In states that Sodexo will provide \$500,000 for use in the food service operation. This was provided during the fiscal year. The Contract Buy-In will be amortized on a straight-line basis over the five years and during that time it will be an operating expense. The Village has no intent to terminate the contract early, resulting in no liability being recorded.

Supplemental Agreement: On September 1, 2005, the Village entered into a supplemental agreement to the Team Permit agreement whereby certain revenues owed by the Village to the Chicago Fire will be deferred

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 4 – LONG TERM DEBT (Continued)

until and if cumulative net profits of the stadium exceed \$1 million (Deferred COI). Deferred COI will bear interest at the rate of 8% per annum (not compounded). The obligation to repay Deferred COI shall not constitute an indebtedness of the Village. As a result, no liability has been recorded for these amounts.

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

All interfund balances are expected to be repaid in the next fiscal year. The interfunds are a result of the final allocations of property tax revenues between the funds and expenditures paid for by the general fund which are to be reimbursed by other funds.

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General:		
General obligation	\$ 8,340	\$ -
Non-major governmental	2,616,059	-
Water	-	201,607
Stadium	718,099	-
Insurance	-	600
Subtotal	<u>3,342,498</u>	<u>202,207</u>
General obligation:		
General	<u>-</u>	<u>8,340</u>
Bridgeview Stadium:		
General	<u>-</u>	<u>718,099</u>
Non-major governmental:		
General	<u>-</u>	<u>2,616,059</u>
Water:		
General	<u>201,607</u>	<u>-</u>
Insurance:		
General	<u>600</u>	<u>-</u>
Total	<u>\$ 3,544,705</u>	<u>\$ 3,544,705</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 6 – INTERFUND TRANSFERS

Multiple transfers between funds were made during the fiscal year between the Village's funds. Transfers include transfers of residual equity to close funds, expense reimbursement, and fund profits.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General:		
Non-major governmental	\$ 15,000	\$ 121,962
Stadium	1,563,447	-
Subtotal	<u>1,578,447</u>	<u>121,962</u>
Non-major governmental:		
General	<u>121,962</u>	<u>15,000</u>
Water:		
Sewer	<u>-</u>	<u>22,902</u>
Sewer:		
Water	<u>22,902</u>	<u>-</u>
Stadium:		
General	<u>-</u>	<u>1,563,447</u>
Total	<u>\$ 1,723,311</u>	<u>\$ 1,723,311</u>

NOTE 7 – DEFINED BENEFIT PLAN

A. Defined Benefit Pension Plans

Plan Descriptions: The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer 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 the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at Village Hall. IMRF benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report can be obtained online at www.imrf.org.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Below is aggregate information related to all of the pension plans in total reported by the Village as of and for the year ended December 31, 2016:

Total Pension Liability	\$ 111,554,696
Plan Fiduciary Net Position	<u>58,820,217</u>
Village's net pension liability	<u>\$ 52,734,479</u>
Deferred Inflows of Resources	\$ (3,119,026)
Deferred Outflows of Resources	12,426,458
Pension Expense	\$ 3,124,119

Illinois Municipal Retirement Fund (IMRF)

General Information about the Pension Plan

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 eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight 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. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2015 was 11.98% of covered payroll. The employer annual required contribution rate for calendar year 2015 was 11.98%.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

At December 31, 2015, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries	81
Inactive, Non-retired Members	32
Active Members	<u>68</u>
Total	181

Net Pension Liability

The Village's net pension liability for the IMRF plan was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50% including inflation
Investment Rate of Return:	7.49%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
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 adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	38%	7.77%
International Equity	17%	3.54%
Fixed Income	27%	4.85%
Real Estate	8%	8.97%
Alternative Investments	9%	2.65-12.45%
Cash Equivalent	1%	2.25%
	<u>100%</u>	

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 most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 18,203,133	\$ 16,836,914	\$ 1,366,219
Changes for the year:			
Service Cost	391,685	-	391,685
Interest on the Total Pension Liability	1,349,296	-	1,349,296
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(137,650)	-	(137,650)
Changes of Assumptions	23,715	-	23,715
Contributions - Employer	-	419,547	(419,547)
Contributions - Employees	-	157,646	(157,646)
Net Investment Income	-	83,586	(83,586)
Benefit Payments, including Refunds of Employee Contributions	(816,730)	(816,730)	-
Other (Net Transfer)	-	(151,116)	151,116
Net Changes	810,316	(307,067)	1,117,383
Balances at December 31, 2015	19,013,449	16,529,847	2,483,602
Less: Bridgeview Public Library Portion	(1,691,431)	(1,476,068)	(215,363)
Village Balances at December 31, 2015	\$ 17,322,018	\$ 15,053,779	\$ 2,268,239

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>1% Decrease (6.49%)</u>	<u>Current Discount Rate (7.49%)</u>	<u>1% Increase (8.49%)</u>
IMRF Net Pension Liability/(Asset)	\$ 5,057,547	\$ 2,483,602	\$ 377,547

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

For the year ended December 31, 2016, the Village recognized pension expense of \$409,180 related to IMRF. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (113,960)
Changes of assumptions	306,598	-
Net difference between projected and actual earnings on pension plan investments	<u>969,671</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	1,276,269	(113,960)
Pension Contributions made subsequent to the Measurement Date	<u>400,112</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 1,676,381</u>	<u>\$ (113,960)</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

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

Year Ended <u>December 31</u>	
2017	\$ 360,194
2018	360,194
2019	230,050
2020	211,871
2021	-
Thereafter	-

Police Pension Plan

General Information about the Pension Plan

Police sworn personnel are covered by the Police 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 contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village of Bridgeview accounts for the plan as a pension trust fund.

As provided for in the Illinois State Statutes, the Police Pension 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 older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of 1/2 of the annual change in the Consumer Price Index or 3.0%

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten 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 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

At December 31, 2016, the Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	0
Current employees (vested and nonvested)	<u>30</u>
Total	63

Net Pension Liability

The Village's net pension liability for the Police Pension Plan was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2016 actuarial valuation and the prior valuation:

	<u>Current</u> <u>Valuation</u>	<u>Prior</u> <u>Valuation</u>
Interest Rate	6.70%	7.40%
Discount Rate	6.70%	7.40%
Salary Increases	3.50%	3.50%
Projected Increase in Payroll	(5.90%)	7.00%
Inflation	2.50%	2.50%

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Large Cap Domestic Equity	28%	6.40%
Small Cap Domestic Equity	8%	8.40%
Fixed Income	60%	1.20%
International Equity	4%	6.70%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 6.70% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The longer 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 (for the future benefit payments that are not covered by the plan's projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments of 6.70% was used as the discount rate as it was determined that the long-term expected rate of return on pension plan investments should be sufficient to finance the payment of benefits for current plan participants. Such a methodology does not deem the use of the High Quality 20 Year Tax Exempt G.O. Bond rate to form the discount rate as necessary.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2015	\$ 42,375,269	\$ 20,487,992	\$ 21,887,277
Changes for the year:			
Service Cost	483,669	-	483,669
Interest on the Total Pension Liability	3,065,225	-	3,065,225
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(894,844)	-	(894,844)
Changes of Assumptions	2,405,149	-	2,405,149
Contributions - Employer	-	1,365,392	(1,365,392)
Contributions - Employees	-	267,127	(267,127)
Net Investment Income	-	998,258	(998,258)
Benefit Payments, including Refunds of Employee Contributions	(1,906,620)	(1,906,620)	-
Other (Net Transfer)	-	(46,485)	46,485
Net Changes	3,152,579	677,672	2,474,907
Balances at December 31, 2016	<u>\$ 45,527,848</u>	<u>\$ 21,165,664</u>	<u>\$ 24,362,184</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the police pension plan of the Village calculated using the discount rate of 6.70% 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Net Pension Liability	\$ 30,571,936	\$ 24,362,184	\$ 19,277,217

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Police Pension Fund report.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,235,491 related to the police pension plan. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 128,370	\$ (798,624)
Changes of assumptions	3,236,022	-
Net difference between projected and actual earnings on pension plan investments	<u>988,812</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 4,353,204</u>	<u>\$ (798,624)</u>

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

<u>Year Ended December 31</u>	
2017	\$ 634,586
2018	634,586
2019	634,586
2020	401,968
2021	329,229
Thereafter	919,624

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Firefighters' Pension Plan

General Information about the Pension Plan

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 contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended by the Illinois legislature. The Village of Bridgeview accounts for the plan as a pension trust fund.

As provided for in the Illinois State Statutes, the 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 older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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 ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten 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 1st 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 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

At December 31, 2016, the Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	7
Current employees (vested and nonvested)	<u>25</u>
Total	68

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Net Pension Liability

The Village's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2016 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	6.70%	7.40%
Discount Rate	6.70%	7.40%
Salary Increases	(2.50%)	3.50%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Large Cap Domestic Equity	28%	6.40%
Small Cap Domestic Equity	8%	8.40%
Fixed Income	60%	1.20%
International Equity	4%	6.70%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 6.70% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made at

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The longer 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 (for the future benefit payments that are not covered by the plan’s projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments of 6.70% was used as the discount rate as it was determined that the long-term expected rate of return on pension plan investments should be sufficient to finance the payment of benefits for current plan participants. Such a methodology does not deem the use of the High Quality 20 Year Tax Exempt G.O. Bond rate to form the discount rate as necessary.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2015	\$ 45,647,172	\$ 22,073,573	\$ 23,573,599
Changes for the year:			
Service Cost	495,387	-	495,387
Interest on the Total Pension Liability	3,297,762	-	3,297,762
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(722,597)	-	(722,597)
Changes of Assumptions	2,152,746	-	2,152,746
Contributions - Employer	-	1,406,913	(1,406,913)
Contributions - Employees	-	261,885	(261,885)
Net Investment Income	-	1,113,630	(1,113,630)
Benefit Payments, including Refunds of Employee Contributions	(2,165,640)	(2,165,640)	-
Other (Net Transfer)	-	(89,587)	89,587
Net Changes	<u>3,057,658</u>	<u>527,201</u>	<u>2,530,457</u>
Balances at December 31, 2016	<u>\$ 48,704,830</u>	<u>\$ 22,600,774</u>	<u>\$ 26,104,056</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the firefighters' pension plan of the Village calculated using the discount rate of 6.70% 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Net Pension Liability	\$ 32,172,676	\$ 26,104,056	\$ 21,053,009

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Pension Fund report.

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,235,491 related to the firefighters' pension plan. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (2,206,443)
Changes of assumptions	5,377,014	-
Net difference between projected and actual earnings on pension plan investments	<u>1,019,859</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 6,396,873</u>	<u>\$ (2,206,443)</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 7 – DEFINED BENEFIT PLAN (Continued)

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

Year Ended December 31	
2017	\$ 724,805
2018	724,805
2019	724,805
2020	477,026
2021	407,896
Thereafter	1,131,094

NOTE 8 – POST EMPLOYMENT BENEFITS

Plan Description

The Village provides certain healthcare insurance benefits for retired employees. In accordance with the personnel policy, substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The plan does not issue a stand-alone financial report. The plan is funded on a pay as you go basis.

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other post-employment benefit (OPEB) cost is calculated on the annual required contribution (ARC). Actuarial calculations reflect a long-term perspective. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Annual required contribution	\$ 665,453
Interest on net OPEB obligation	44,211
Adjustment to the ARC	<u>(41,800)</u>
Annual OPEB cost	667,864
Contributions made	<u>524,713</u>
Increase in net OPEB obligation	143,151
Net OPEB- beginning of year	<u>1,105,264</u>
Net OPEB- end of year	<u><u>\$ 1,248,415</u></u>

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 8 – POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

As of December 31, 2016 the actuarial accrued liability for benefits was \$9,475,689.

	(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial	Actuarial	Funded	Unfunded	Covered	UAAL (Excess
	Value of	Liability (AAL)	Ratio	Assets over	Payroll	of Assets over
	Assets	-Entry Age	(1)/(2)	AAL	Payroll	AAL) as a % of
				(2)-(1)		Covered
						Payroll
						(4)/(5)
12/31/14	\$ -	\$ 6,061,313	0.00%	\$ 6,061,313	\$ -	0.00%
12/31/15	-	9,475,689	0.00%	9,475,689	7,328,776	129.29%
12/31/16	-	9,475,689	0.00%	9,475,689	7,328,776	129.29%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Assumptions

In the actuarial valuation for the fiscal year ended December 31, 2016, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 4.5 percent. The Unfunded Accrued Actuarial Liability is being amortized as level percentage of pay over 30 years. A discount (interest) rate of 4% was used and salary increases of 3% per year. Probabilities of death for IMRF participants were according to the RP-2000 Combined Healthy Mortality Table, projected to the valuation date with Scale AA. For police and fire pension participants, the RP-2000 Mortality Table with Blue collar adjustment projected to the valuation date was used. Lastly, disabled employees had mortality rates as prescribed by the RP-2000 Disabled Mortality Table, projected to the valuation date. 75% of employees were assumed to elect the benefit. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. 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.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 9 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, natural disasters; and injuries to the Village's employees. The Village maintains commercial insurance for its general liability, property and casualty, and all-risk coverages. The policies are subject to various deductibles. For all programs, there has been no significant reduction in insurance coverage from coverage in the prior year. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years. The Village is self-insured for its dental insurance, the amount of claims incurred related to the plan is not material. Effective December 1, 2012, the Village is semi-self-insured for its workers' compensation where the Village is responsible to pay the amount of claims up to \$250,000 per incident with excess coverage taking effect after that. Claims incurred at year-end, but not reported are estimated by third party administrators for the plan. At year-end, the claims liability for the self-insurance workers' compensation plan is \$581,372.

	<u>2016</u>	<u>2015</u>
Claims incurred but not paid		
Balance beginning of year	\$ 305,934	\$ 206,194
Claims incurred	1,736,457	1,253,850
Claims paid	<u>(1,461,019)</u>	<u>(1,154,110)</u>
Balance end of year	<u>\$ 581,372</u>	<u>\$ 305,934</u>

NOTE 10 – NOTES RECEIVABLE

On March 1, 2002, the Village sold a parcel of property in the amount of \$225,000 in which the purchaser of the property entered into a financing agreement with the Village to pay the purchase price for the land. The agreement was refinanced on March 4, 2009 for a 4.5% interest rate, and requires the purchaser to make equal monthly payments of \$1,158 from March 1, 2009 through February 1, 2024. Effective October 1, 2010, the land parcel agreement was amended to lower the interest rate to 3% and suspend principal payments until December 31, 2012. An agreement with new terms has not been signed. Without current information a payment schedule cannot be presented, thus the remaining balance as of September 1, 2010 will be presented.

NOTE 11 – NEW PRONOUNCEMENTS

GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* is effective for the Village beginning with its fiscal year ending December 31, 2017. This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement 67 and 68 for pensions plans and pensions that are within their respective scopes.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 11 - NEW PRONOUNCEMENTS (Continued)

GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* is effective for the Village beginning with its fiscal year ending December 31, 2017. This statement replaces Statements No. 43 and No. 57. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The scope of this Statement includes OPEB plans administered through trusts that meet certain criteria.

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is effective for the Village beginning with its fiscal year ending December 31, 2018. This statement replaces the requirements of Statements No. 45 and No. 57 for OPEB. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers.

GASB Statement No. 80 – *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14* is effective for the Village beginning with its fiscal year ending December 31, 2017. The Statement provides for additional criterion to blend a component unit that is incorporated as a not-for-profit corporation where the primary government is the sole corporate member. This does not include any component units included in the financial reporting entity pursuant to Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements* is effective for the Village beginning with its fiscal year ending December 31, 2017. This Statement requires a government that receives resources to an irrevocable split-interest agreement to record assets, liabilities and deferred inflows of resources at the inception of the agreement. In instances where assets representing a beneficial interest to the government are administered by a third party, these assets must be recognized if the government controls the present service capacity of the beneficial interest.

GASB Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73* is effective for the Village with its fiscal year ending December 31, 2017. The Statement addresses issues related to the presentation of payroll-related measures in required supplementary information, selection of assumptions, and the classification of employer-paid member contributions. In regards to covered payroll, this Statement requires the presentation of covered payroll as defined as payroll on which contributions to pension plans are based and ratios using that amount. Regarding the selection of assumptions, any deviation from guidance provided by an Actuarial Standard of Practice is not considered to be in conformity with the requirements of GASB Statements 67, 68 or 73 when determining the total pension liability and related measurements. Lastly, any payments made by an employer related to employee contribution requirements of a pension plan should be classified as plan member contributions related to Statement No. 67 and as employee contributions related to Statement No. 68. Expenditures should be recognized by the employer in the period for which the contribution is assessed and should be classified similarly to salary or fringe benefit expenditures.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 11 – NEW PRONOUNCEMENTS (Continued)

GASB Statement No. 83 – *Certain Asset Retirement Obligations* will be effective for the Village with its fiscal year ending December 31, 2019. The objective of this Statement is to address accounting and financial reporting (including liability recognition) when a government has a legal obligation to perform future asset retirement activities related to its tangible capital assets (ARO).

GASB Statement No. 84 – *Fiduciary Activities* will be effective for the Village beginning with its year ending December 31, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 85 – *Omnibus 2017* will be effective for the Village beginning with its year ending December 31, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. It addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB).

GASB Statement No. 86 – *Certain Debt Extinguishment Issues* will be effective for the Village beginning with its year ending December 31, 2018. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt.

GASB Statement No. 87 – *Leases* will be effective for the Village beginning with its year ending December 31, 2020. This Statement requires recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract

Management has not determined what impact, if any, these GASB statements may have on its financial statements.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 12 – FUND DISCLOSURES

The following funds had deficit fund balances/net position at December 31, 2016:

Funds	Deficit
Internal Service	\$ 64,667
Harlem Ave TIF #2	1,020,791
BV Court TIF	1,744,178
BV Dome TIF	30,413
78th Avenue TIF	14,000

The primary cause of the deficits in these funds is expenditures for construction projects that are intended to be reimbursed through the future issuance of debt. The Internal Service Fund deficit will be funded with future transfers for insurance claims from other Village funds. Harlem Ave TIF #2 and BV Court TIF deficits are intended to be funded from the proceeds of bonds that the Village is in process of issuing. See Note 14 – Subsequent Events. The BV Dome TIF and the 78th Ave TIF will be funded from future Tax Increment Financing receipts including bonds related to the project in each area.

NOTE 13 – TAX ABATEMENTS

The Village has entered into sales tax rebate agreements in order to attract new retailers and restaurants. The agreements are pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20) and have been approved by the Village Board

To be eligible for the rebate, the businesses must open locations within the Village's boundaries and submit sales tax information to the Village. The specific terms of the agreements vary; however, in general they provide for the Village to rebate 25-75% of the sales tax generated by the locations within Bridgeview back to the businesses. As of December 31, 2016, total tax abatements were \$1,642,666.

The largest abatement agreement states the rebates received from the Village are to be used solely for capital asset expenditures in order to create and retain job opportunities within the Village. The rebate is calculated on both the Village's local share of the state Sales Tax and the Village Home Rule Municipal Retailers' Occupation Tax less the base period amount (actual sales tax reported during 2006 increased annually by the greater of 3% or the annual percentage change in CPI). The agreement provides for the Village to rebate the sales tax generated by the project at 70% for the first 10 years and at 50% for the following 10 years. As of December 31, 2016, sales tax rebates under this agreement totaled \$1,325,765.

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 14 – SUBSEQUENT EVENTS

Rating Agency Actions

On March 31, 2017, S&P Global Ratings (“S&P”) downgraded the Village’s credit rating to “BB-“ (Credit Watch) from its previous rating of “BBB” (Negative Outlook) citing several factors including their determination that there was a non-remote possibility that the Village would not have funds to fund the payment requirements pursuant to the BMO Reimbursement Agreement described in Note 4 and the Village may not have future market access to refinance either the BMO Reimbursement Agreement or other obligations. On August 14, 2017, S&P removed the Village from Credit Watch and assigned a rating of “BB-“ (Negative Outlook).

Modification of BMO Reimbursement Agreement

The Village was in the process of selling fixed rate bonds to refinance the Series 2008 Bonds described in Note 4. Based on the expectation that the bonds would be sold by May 1, 2017, the Village and BMO agreed to let the letters of credit supporting the Series 2008 Bonds expire resulting in the mandatory tender of the Series 2008 Bonds on February 23, 2017. Further, as in 2014, S&P was informed of this decision to let the letter of credits expire. The principal amount and accrued interest on the Bonds were funded by a drawing or liquidity advance on the BMO letters of credit. The drawing created an obligation of the Village to BMO pursuant to the terms of the BMO Reimbursement Agreement.

The Village did not expect to be obligated under the BMO Reimbursement Agreement for any significant period of time based on the expected issuance of the refunding bond in the same manner as 2014. In fact, market conditions were more favorable than 2014. The unexpected downgrade by S&P referenced above at least two months after S&P was provided notice of the transaction and in contrast to their inaction in 2014 for a similar transaction created an unfavorable market for the Village to issue the general obligation refunding bonds.

In the event that the obligation under the BMO Reimbursement Agreement would not be terminated either through a replacement letter of credit or issuance of refunding bonds, the Village’s reimbursement obligation was intended to be funded through a separate property tax levy. Because the statutory deadline for filing a 2016 tax levy had passed, the Bank and Village amended the BMO Reimbursement Agreement on June 21, 2017 to defer the principal payment of the obligation as follows:

January 1, 2018	\$1,000,000
April 1, 2018	\$1,000,000
July 1, 2018	\$4,168,977
January 1, 2019	\$4,168,977
July 1, 2019	\$4,168,977
January 1, 2020	\$4,168,977
July 1, 2020	\$4,168,977
January 1, 2021	\$2,168,976

Interest on the outstanding obligation pursuant to the BMO Reimbursement Agreement is payable monthly. Property taxes have been levied sufficient to make the principal and interest payments. However, the Village

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 14 – SUBSEQUENT EVENTS (Continued)

plans to issue bonds to refund the obligation under the BMO Reimbursement Agreement rather than use property taxes or other current funds to make the payment.

Line of Credit

The Village had also undertaken several “Economic Development Projects” including retail and hotel projects adjacent to Toyota Park and a soccer dome in the expanded soccer complex. In advance of the issuance of the bonds to fund these costs in addition to the refunding, the Village entered into an agreement on August 16, 2017 with Bridgeview Bank for a \$3 million line of credit. The bank would allow the Village to immediately draw up to \$1.5 million for liquidity needs resulting from capital project spending in addition to a liquidity reserve based on outstanding debt. This draw has an initial maturity date of November 1, 2018 unless extended. Further, the Village has committed to freeze any additional drawings and to levy a general obligation 2017 property tax by February 15, 2018 for any balances draw and unpaid.

Tax Anticipation Warrants

The Village authorized \$3 million of tax anticipation warrants (the “TAW’s”) on November 15, 2017. The TAW’s have an initial maturity date of December 31, 2017. The Village intends to use the proceeds of the TAW’s to provide for cash flow prior to the issuance of the refunding bonds discussed below.

Bridgeview Finance Corporation

On October 20, 2017, the Village authorized the establishment of a bankruptcy remote special purpose entity to be named Bridgeview Finance Corporation (“BFC”) for the limited purpose of issuing for the benefit of the Village corporate obligations to refund outstanding bonds including the Series 2008 Bonds and fund capital projects including the Economic Development Projects outlined above. The Village will sell and assign to BFC its interest in Sales Tax Revenues administered and collected by the State of Illinois. Pursuant to State of Illinois Public Act 100-0023, the sale will result in a “statutory lien” that would insulate the sales and assignment from unfavorable actions in the event of a bankruptcy or other reorganization of the Village.

Through the assignment of sales tax revenues to BFC and the issuance of bonds by BFC, the Village intends to refund the Series 2008 Bonds, restructure the Series 2005 bonds, repay short term credit including the line of credit and the TAW’s, and fund Economic Development Projects. The Village anticipates that the bonds issued by BFC will be rated “investment grade.”

NOTE 15 – MANAGEMENT COMMENTS ON FUTURE SUSTAINABILITY

OVERVIEW

The Village completed its 10th year of operating Bridgeview Stadium (Toyota Park). While the financial operations of the facility have underperformed its original projections, the Stadium has brought numerous other economic and intangible benefits to the Village that more than offset the operating shortfalls. The realistic, conservative projections envisioned that the Stadium would be supplemented by other development to repay the total debt to bring the Chicago Fire to the Village. Unfortunately, the most significant economic downturn since the Great Depression of the 1930’s besieged not only the Village, but

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 15 – MANAGEMENT COMMENTS ON FUTURE SUSTAINABILITY (Continued)

the metropolitan Chicago area and the country as well. The supplemental development that would have cushioned any financial challenges to a unique soccer project did not materialize.

At the same time, the Village had to also balance its “normal” budgets in providing public safety and other governmental services to the residents of the Village. This was also a challenge in that existing baseline municipal revenues were also severely impacted by the economic downturn. To a lesser degree, the Village adopted a policy in 1997 to fully fund pension liabilities. This commitment was reinforced when the Village held a successful referendum to grant home rule powers. The only shortcoming of this commitment was that actuarial calculations for “full funding” substantially deferred pension funding particularly the past unfunded amounts.

From 2010 to 2015, the Village maintained a balanced operating budget for typical governmental services. To address the Stadium operating shortfalls, the Village both raised and implemented new taxes as well as issued bonds deferring a portion of the shortfall to the future. The supplemental revenues were not being generated from economic development.

Depending on economic development and stadium operations, the Village maintained a conservative program that deferred debt to the future as well as implementing modest, but measured tax increases. A positive effect of the S&P rating actions was to force the Village to accelerate tax increases and phase out future debt restructurings. The debt plan was viable with traditional general obligation bonds. The Village’s current financial plan should result in the Village’s general obligation rating being restored to at least the same level prior to the S&P rating downgrade since the Village is addressing all of the issues cited as causing the downgrade. However, the Village would not realize the economic benefits of these improvements in connection with the proposed bond issue and pay a substantial penalty to market the bonds currently.

The sales tax bonds that incorporate the recent state legislation creating a statutory lien should allow the Village to borrow at a lower interest cost than a general obligation based on the current state of affairs of the Village. In total, the Sales Tax borrowing plan would achieve the same benefits as a general obligation bond since the increased property taxes for a general obligation bond will instead be levied to fund operating expenditures that would have been funded from the Sales Taxes.

HISTORICAL FINANCIAL PERFORMANCE

Despite the financial challenges of a high debt load and the underperforming Stadium, the Village has met all of its obligations as they became due. Further, the Village has been able to address its liquidity needs in an alternative method proving that the Credit Watch classification was unnecessary. Contrary to S&P’s speculation about market access, the Village has always been able to issue bonds since the issuance of the Stadium Bonds (Series 2005) and before. The only challenge for the Village is to issue debt at the most favorable terms to moderate costs to its taxpayers.

SHORT TERM RECOVERY

The S&P rating action did preclude meaningful access to the credit markets. The Village addressed this unexpected reversal by utilizing remaining cash reserves, restructuring the BMO Reimbursement Agreement,

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 15 – MANAGEMENT COMMENTS ON FUTURE SUSTAINABILITY (Continued)

obtaining a Line of Credit and Board authorization to issue TAW's. These cash infusions ensure that the Village will meet all of its commitments including December 1, 2017 debt service payments even if the refunding bonds are not issued. While the S&P rating action was unexpected and severely damaging, the Village was able to weather all of its impacts reflecting the resiliency and the sound underlying financial strengths of the Village.

LONG TERM PLAN

As outlined, the Village intends to issue approximately \$45 million in bonds to refund and restructure outstanding debt and to fund the Economic Development Projects. This plan has the following significant benefits for the Village.

- Final restructuring plan of the Village debt.

 - No further bond issues to restructure debt

 - No extension of outstanding debt

 - No risk for market access to maintain Village finances

 - Lower debt service costs compared to current Village general obligation bonds

 - Demonstrates commitment to debt repayment rather than deferral

- Replenishes General Fund Cash Balances to \$5 million

- Repays all outstanding short term debt; line of credit to be maintained to provide additional liquidity

- Funds \$8 million of key Economic Development Projects

- Restores financial stability to balance of Village operations

- Net impact on typical taxpayer remains modest

- Allows for other initiatives to further mitigate impact on taxpayers

- Eliminates major 'emergency' property tax levies to be collected in 2018 for Series 2008 Bonds and Line of Credit

- Reinstates 100% funding for pension plans

Clearly, there are significant benefits to the Village for the implementation of this plan. It has taken more time to complete because it is one of the first to be done in the state of Illinois. We are also challenged as a smaller municipality and the lack of precedence and the potential risks as a smaller community.

COMPLIMENTARY ACTIONS

The Village looks to this restructuring as an opportunity to set the course of the community in the correct direction for years to come. A strategic review of all operations and Village opportunities will commence to leverage the benefits of creating a final solution to financial matters. This includes:

- Review Village policies

- Maintain and enhance the Harlem Avenue commercial corridor

- Cultivate our industrial corridors so they continue to prosper

- Strengthen neighborhoods

REQUIRED SUPPLEMENTARY INFORMATION



BRIDGEVIEW, ILLINOIS

VILLAGE OF BRIDGEVIEW, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 2,911,805	\$ 2,826,918	\$ (84,887)
Replacement taxes	225,000	205,355	(19,645)
Sales tax	9,992,450	10,392,868	400,418
Income tax	1,750,000	1,579,980	(170,020)
Other intergovernmental	1,390,050	2,108,210	718,160
Licenses, fees and permits	868,600	825,532	(43,068)
Fines and forfeitures	733,000	655,355	(77,645)
Charges for services	1,887,650	1,997,174	109,524
Interest	4,500	6,109	1,609
Miscellaneous	925,100	971,850	46,750
Total revenues	<u>20,688,155</u>	<u>21,569,351</u>	<u>881,196</u>
Expenditures			
Current			
Administrative	11,220,620	11,442,035	221,415
Police department	3,553,855	3,782,777	228,922
Fire department	4,247,132	4,325,387	78,255
Public works	2,631,855	1,624,389	(1,007,466)
Culture and recreation	259,410	253,231	(6,179)
All other departments	1,084,875	1,039,962	(44,913)
Capital outlays	58,250	102,935	44,685
Debt service - principal	-	113,433	113,433
Debt service - interest and fees	221,561	83,305	(138,256)
Total expenditures	<u>23,277,558</u>	<u>22,767,454</u>	<u>(510,104)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,589,403)</u>	<u>(1,198,103)</u>	<u>1,391,300</u>
Other Financing Sources (Uses)			
Sale of property	1,200,000	-	(1,200,000)
Transfers in	1,688,878	1,578,447	(110,431)
Transfers (out)	(299,475)	(121,962)	177,513
Total other financing sources (uses)	<u>2,589,403</u>	<u>1,456,485</u>	<u>(1,132,918)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>258,382</u>	<u>\$ 258,382</u>
Fund Balance - Beginning of Year		<u>4,966,289</u>	
Fund Balance - End of Year		<u>\$ 5,224,671</u>	

VILLAGE OF BRIDGEVIEW, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
BRIDGEVIEW STADIUM
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original and Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Stadium event revenue	\$ 1,241,850	\$ 1,919,804	\$ 677,954
Stadium sponsorship	889,000	254,463	(634,537)
Stadium rental revenue	1,080,188	1,250,879	170,691
Other revenue	383,500	294,794	(88,706)
Investment income	50	109	59
Total revenues	<u>3,594,588</u>	<u>3,720,049</u>	<u>125,461</u>
Expenditures			
Current			
Culture and recreation	1,855,710	2,131,126	275,416
Debt service - principal	50,000	50,000	-
Capital outlay	-	113,391	113,391
Total expenditures	<u>1,905,710</u>	<u>2,294,517</u>	<u>388,807</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,688,878</u>	<u>1,425,532</u>	<u>(263,346)</u>
Other Financing Sources (Uses)			
Transfers (out)	<u>(1,688,878)</u>	<u>(1,563,447)</u>	<u>(125,431)</u>
Total other financing sources (uses)	<u>(1,688,878)</u>	<u>(1,563,447)</u>	<u>(125,431)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(137,915)</u>	<u>\$ (137,915)</u>
Fund Balance - Beginning of Year		<u>458,040</u>	
Fund Balance - End of Year		<u>\$ 320,125</u>	

VILLAGE OF BRIDGEVIEW, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ 391,685	\$ 416,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,349,296	1,240,216	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(137,650)	(44,919)	-	-	-	-	-	-	-	-
Changes of Assumptions	23,715	636,078	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(816,730)	(745,328)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	810,316	1,502,472	-	-	-	-	-	-	-	-
Total Pension Liability - Beginning	18,203,133	16,700,661	-	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 19,013,449	\$ 18,203,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	\$ 419,547	\$ 444,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	157,646	172,325	-	-	-	-	-	-	-	-
Net Investment Income	83,586	969,722	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(816,730)	(745,328)	-	-	-	-	-	-	-	-
Other	(151,116)	34,448	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ (307,067)	\$ 875,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	16,836,914	15,961,430	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 16,529,847	\$ 16,836,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 2,483,602	\$ 1,366,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.94%	92.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	3,501,722	\$ 3,600,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	70.93%	37.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF BRIDGEVIEW, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2016**

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially Determined Contribution	\$ 419,512	\$ 444,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>419,547</u>	<u>444,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	\$ (35)	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 3,501,772	\$ 3,600,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	11.98%	12.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	28 year closed period until remaining period reaches 15 years (then 15 year rolling period)
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	3.00%
Salary increases	4.40%-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 2008-2010
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.

VILLAGE OF BRIDGEVIEW, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

	Last 10 Fiscal Years									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	\$ 483,669	\$ 625,024	\$ 664,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,065,225	2,830,424	2,705,774	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(894,844)	163,540	(644,582)	-	-	-	-	-	-	-
Changes of Assumptions	2,405,149	1,387,983	637,738	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,906,620)	(1,761,348)	(1,596,766)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	3,152,579	3,245,623	1,766,753	-	-	-	-	-	-	-
Total Pension Liability - Beginning	42,375,269	39,129,646	37,362,893	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 45,527,848	\$ 42,375,269	\$ 39,129,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,365,392	\$ 1,335,459	\$ 1,168,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	267,127	277,372	269,336	-	-	-	-	-	-	-
Net Investment Income	998,258	283,590	1,296,886	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,906,620)	(1,761,346)	(1,596,766)	-	-	-	-	-	-	-
Administrative Expense	(46,486)	(19,958)	(74,850)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 677,671	\$ 115,117	\$ 1,063,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	20,487,992	20,372,875	19,309,448	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 21,165,664	\$ 20,487,992	\$ 20,372,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 24,362,184	\$ 21,887,277	\$ 18,756,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.49%	48.35%	52.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 2,528,201	\$ 2,687,703	\$ 2,694,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered- Employee Payroll	963.62%	814.35%	696.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF BRIDGEVIEW, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2016**

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially Determined Contribution	\$ 1,396,718	\$ 1,209,596	\$ 1,140,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>1,365,392</u>	<u>1,335,459</u>	<u>1,168,821</u>	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 31,326	\$ (125,863)	\$ (28,743)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 2,528,201	\$ 2,687,703	\$ 2,694,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered- Employee Payroll	54.01%	49.69%	43.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	24 years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary increases	3.50%
Investment Rate of Return	6.70%
Retirement Age	50-70
Mortality	RP 2014 projected to 2017

VILLAGE OF BRIDGEVIEW, ILLINOIS
FIREFIIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Pension Liability										
Service Cost	\$ 495,387	\$ 633,630	\$ 730,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,297,762	2,928,563	2,798,332	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(722,597)	(1,982,545)	(684,812)	-	-	-	-	-	-	-
Changes of Assumptions	2,152,746	4,386,604	892,748	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,165,640)	(1,987,125)	(1,868,066)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	\$ 3,057,658	3,979,127	1,868,289	-	-	-	-	-	-	-
Total Pension Liability - Beginning	45,647,172	41,668,045	39,799,756	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 48,704,830	\$ 45,647,172	\$ 41,668,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - Employer	1,406,913	\$ 1,447,474	\$ 1,310,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	261,885	307,462	223,164	-	-	-	-	-	-	-
Net Investment Income	1,113,630	319,215	1,437,783	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,165,640)	(1,987,124)	(1,868,067)	-	-	-	-	-	-	-
Administrative Expense	(89,587)	(21,534)	(86,628)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 527,201	\$ 65,493	\$ 1,016,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	22,073,574	22,008,081	20,991,531	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 22,600,775	\$ 22,073,574	\$ 22,008,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 26,104,056	\$ 23,573,598	\$ 19,659,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.40%	48.36%	52.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 2,380,312	\$ 2,441,884	\$ 2,260,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered- Employee Payroll	1096.67%	965.39%	869.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF BRIDGEVIEW, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE CONTRIBUTIONS
DECEMBER 31, 2016**

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially Determined Contribution	\$ 1,442,587	\$ 1,377,949	\$ 1,351,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>1,406,913</u>	<u>1,447,474</u>	<u>1,310,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	35,674	(69,525)	41,398	-	-	-	-	-	-	-
Covered-Employee Payroll	2,380,312	2,441,844	2,260,558	-	-	-	-	-	-	-
Contributions as a Percentage of Covered-Employee Payroll	59.11%	59.28%	57.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	24 years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary increases	3.50%
Investment Rate of Return	6.70%
Retirement Age	50-70
Mortality	RP 2014 projected to 2017

VILLAGE OF BRIDGEVIEW, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN
OTHER POST EMPLOYMENT BENEFITS PLAN
AS OF DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2016	\$ -	9,475,689	\$ 9,475,689	0.00%	\$ 8,410,285	112.67%
12/31/2015	-	9,475,689	9,475,689	0.00%	7,328,776	129.29%
12/31/2014	-	6,061,313	6,061,313	0.00%	-	0.00%
12/31/2013	-	6,061,313	6,061,313	0.00%	-	0.00%
12/31/2012	-	6,061,313	6,061,313	0.00%	-	0.00%
12/31/2011	-	6,061,313	6,061,313	0.00%	-	0.00%
12/31/2010	-	3,826,497	3,826,497	0.00%	-	0.00%

VILLAGE OF BRIDGEVIEW, ILLINOIS

Notes to the required supplementary information
December 31, 2016

NOTE – BUDGET AND BUDGETARY ACCOUNTING

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

- The finance department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are held.
- The budget is legally enacted through passage of an ordinance.
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for enterprise funds which do not budget for depreciation.

The level of control (level at which expenditures may not exceed budget/appropriations) is the Fund. Budget/appropriations lapse at year-end.

The Village legally adopts budgets for all funds except the Capital Projects Sidewalks, Capital Projects 71st Street Underpass, Community Development Block Grant, 78th Avenue TIF, BV Court TIF, Harlem Ave TIF #2 and BV Dome TIF. The following funds had an excess of actual expenditures over related budgeted expenditures, not including depreciation for the year ended December 31, 2016.

Stadium	\$ 388,807
Sewer	156,253
Insurance	88,258

COMBINING SCHEDULES



BRIDGEVIEW, ILLINOIS

**VILLAGE OF BRIDGEVIEW, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Community Development Block Grant	BV Dome TIF	Motor Fuel Tax	Drug Enforcement
Assets				
Cash and investments	\$ 959	\$ 5,487	\$ 29,364	\$ 948,645
Property tax receivable	-	-	-	-
Due from other governments	-	-	76,102	-
Total assets	<u>\$ 959</u>	<u>\$ 5,487</u>	<u>\$ 105,466</u>	<u>\$ 948,645</u>
Liabilities				
Accounts payable	\$ -	\$ 2,600	\$ 11,729	\$ -
Interfund payables	-	33,300	50,000	11,805
Unearned revenue	-	-	-	-
Other payables	-	-	-	-
Total liabilities	<u>-</u>	<u>35,900</u>	<u>61,729</u>	<u>11,805</u>
Deferred Inflows				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted				
Law enforcement	-	-	-	936,840
Street improvements	959	-	43,737	-
TIF redevelopment	-	-	-	-
Unassigned	-	(30,413)	-	-
Total fund balances	<u>959</u>	<u>(30,413)</u>	<u>43,737</u>	<u>936,840</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 959</u>	<u>\$ 5,487</u>	<u>\$ 105,466</u>	<u>\$ 948,645</u>

**VILLAGE OF BRIDGEVIEW, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Harlem Ave TIF #1	103rd St & 76th Ave TIF	BV Court TIF
Assets			
Cash and investments	\$ 20,264	\$ 721,783	\$ 1,603
Property tax receivable	26,682	30,446	47,943
Due from other governments	-	-	-
Total assets	<u>\$ 46,946</u>	<u>\$ 752,229</u>	<u>\$ 49,546</u>
Liabilities			
Accounts payable	\$ -	\$ 1,350	\$ -
Interfund payables	23,752	-	1,649,011
Unearned revenue	-	-	-
Other payables	-	-	96,770
Total liabilities	<u>23,752</u>	<u>1,350</u>	<u>1,745,781</u>
Deferred Inflows			
Unavailable revenue - property taxes	23,194	24,094	47,943
Total deferred inflows	<u>23,194</u>	<u>24,094</u>	<u>47,943</u>
Fund Balances			
Restricted			
Law enforcement	-	-	-
Street improvements	-	-	-
TIF redevelopment	-	726,785	-
Unassigned	-	-	(1,744,178)
Total fund balances	<u>-</u>	<u>726,785</u>	<u>(1,744,178)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 46,946</u>	<u>\$ 752,229</u>	<u>\$ 49,546</u>

**VILLAGE OF BRIDGEVIEW, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	78th Avenue TIF	Harlem Ave TIF #2	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 16,000	\$ 2,069	\$ 1,746,174
Property tax receivable	-	-	105,071
Due from other governments	-	-	76,102
Total assets	<u>\$ 16,000</u>	<u>\$ 2,069</u>	<u>\$ 1,927,347</u>
Liabilities			
Accounts payable	\$ -	\$ 24,669	\$ 40,348
Interfund payables	30,000	818,191	2,616,059
Unearned revenue	-	180,000	180,000
Other payables	-	-	96,770
Total liabilities	<u>30,000</u>	<u>1,022,860</u>	<u>2,933,177</u>
Deferred Inflows			
Unavailable revenue - property taxes	-	-	95,231
Total deferred inflows	<u>-</u>	<u>-</u>	<u>95,231</u>
Fund Balances			
Restricted			
Law enforcement	-	-	936,840
Street improvements	-	-	44,696
TIF redevelopment	-	-	726,785
Unassigned	<u>(14,000)</u>	<u>(1,020,791)</u>	<u>(2,809,382)</u>
Total fund balances	<u>(14,000)</u>	<u>(1,020,791)</u>	<u>(1,101,061)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 16,000</u>	<u>\$ 2,069</u>	<u>\$ 1,927,347</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Community Development Block Grant	BV Dome TIF	Motor Fuel Tax	Drug Enforcement	Harlem Ave TIF #1
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 173,706
Motor fuel tax allotments	-	-	433,014	-	-
Other intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	-	3,431	-
Investment income	-	-	-	87	47
Other revenue	-	-	-	-	2,781
Total revenues	<u>-</u>	<u>-</u>	<u>433,014</u>	<u>3,518</u>	<u>176,534</u>
Expenditures					
Current					
Administration	-	30,413	-	-	3,462
Police department	-	-	-	89,592	-
Public works	-	-	271,433	-	-
Capital outlay	-	-	-	104,753	-
Debt service					
Principal	-	-	22,178	-	345,000
Interest and fees	-	-	-	-	37,475
Total expenditures	<u>-</u>	<u>30,413</u>	<u>293,611</u>	<u>194,345</u>	<u>385,937</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(30,413)</u>	<u>139,403</u>	<u>(190,827)</u>	<u>(209,403)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	226,248
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,248</u>
Net Change in Fund Balances	<u>-</u>	<u>(30,413)</u>	<u>139,403</u>	<u>(190,827)</u>	<u>16,845</u>
Fund Balances - Beginning of Year	<u>959</u>	<u>-</u>	<u>(95,666)</u>	<u>1,127,667</u>	<u>(16,845)</u>
Fund Balances - End of Year	<u>\$ 959</u>	<u>\$ (30,413)</u>	<u>\$ 43,737</u>	<u>\$ 936,840</u>	<u>\$ -</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Capital Projects Sidewalks	Capital Projects 71st St. Underpass	103rd St & 76th Ave TIF	BV Court TIF	71st Street & Harlem Ave TIF
Revenues					
Property taxes	\$ -	\$ -	\$ 1,153,898	\$ 35,179	\$ -
Motor fuel tax allotments	-	-	-	-	-
Other intergovernmental	-	102,255	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	-	107	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>102,255</u>	<u>1,154,005</u>	<u>35,179</u>	<u>-</u>
Expenditures					
Current					
Administration	-	-	6,234	53,537	-
Police department	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	26	-	1,497,337	-
Debt service					
Principal	-	-	750,000	-	-
Interest and fees	-	-	128,813	-	-
Total expenditures	<u>-</u>	<u>26</u>	<u>885,047</u>	<u>1,550,874</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>102,229</u>	<u>268,958</u>	<u>(1,515,695)</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in	85,179	21,783	-	-	137,782
Transfers (out)	-	-	-	(228,483)	-
Total other financing sources (uses)	<u>85,179</u>	<u>21,783</u>	<u>-</u>	<u>(228,483)</u>	<u>137,782</u>
Net Change in Fund Balances	<u>85,179</u>	<u>124,012</u>	<u>268,958</u>	<u>(1,744,178)</u>	<u>137,782</u>
Fund Balances - Beginning of Year	<u>(85,179)</u>	<u>(124,012)</u>	<u>457,827</u>	<u>-</u>	<u>(137,782)</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726,785</u>	<u>\$ (1,744,178)</u>	<u>\$ -</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	79th & Harlem TIF	78th Avenue TIF	Harlem Ave TIF #2	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 1,362,783
Motor fuel tax allotments	-	-	-	433,014
Other intergovernmental	-	-	-	102,255
Fines and forfeitures	-	-	-	3,431
Investment income	-	-	-	241
Other revenue	-	-	250,000	252,781
Total revenues	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>2,154,505</u>
Expenditures				
Current				
Administration	-	14,000	197,618	305,264
Police department	-	-	-	89,592
Public works	-	-	-	271,433
Capital outlay	-	-	935,391	2,537,507
Debt service				
Principal	-	-	-	1,117,178
Interest and fees	-	-	-	166,288
Total expenditures	<u>-</u>	<u>14,000</u>	<u>1,133,009</u>	<u>4,487,262</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(14,000)</u>	<u>(883,009)</u>	<u>(2,332,757)</u>
Other Financing Sources (Uses)				
Transfers in	2,235	-	-	473,227
Transfers (out)	-	-	(137,782)	(366,265)
Total other financing sources (uses)	<u>2,235</u>	<u>-</u>	<u>(137,782)</u>	<u>106,962</u>
Net Change in Fund Balances	<u>2,235</u>	<u>(14,000)</u>	<u>(1,020,791)</u>	<u>(2,225,795)</u>
Fund Balances - Beginning of Year	<u>(2,235)</u>	<u>-</u>	<u>-</u>	<u>1,124,734</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ (14,000)</u>	<u>\$ (1,020,791)</u>	<u>\$ (1,101,061)</u>

**VILLAGE OF BRIDGEVIEW, ILLINOIS
 COMBINING STATEMENT OF PLAN NET POSITION
 PENSION TRUST FUNDS
 DECEMBER 31, 2016**

	Police Pension	Fire Pension	Total
Assets			
Cash and cash equivalents	\$ 464,054	\$ 452,603	\$ 916,657
Investments	20,656,958	22,077,807	42,734,765
Accrued interest	62,155	71,764	133,919
Contributions due from members	182	-	182
Total assets	<u>21,183,349</u>	<u>22,602,174</u>	<u>43,785,523</u>
Liabilities			
Other liabilities	<u>17,686</u>	<u>1,400</u>	<u>19,086</u>
Total liabilities	<u>17,686</u>	<u>1,400</u>	<u>19,086</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 21,165,663</u>	<u>\$ 22,600,774</u>	<u>\$ 43,766,437</u>

VILLAGE OF BRIDGEVIEW, ILLINOIS
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Police Pension Fund	Fire Pension Fund	Total
Additions			
Contributions			
Employer	\$ 1,365,392	\$ 1,406,913	\$ 2,772,305
Plan members	267,127	261,885	529,012
Total contributions	<u>1,632,519</u>	<u>1,668,798</u>	<u>3,301,317</u>
Investment earnings			
Interest and dividends earned	572,909	634,532	1,207,441
Net increase (decrease) in fair value	479,237	479,097	958,334
Total investment income	<u>1,052,146</u>	<u>1,113,629</u>	<u>2,165,775</u>
Less investment expense	<u>(53,621)</u>	<u>(60,118)</u>	<u>(113,739)</u>
Net investment earnings	<u>998,525</u>	<u>1,053,511</u>	<u>2,052,036</u>
Total additions	<u>2,631,044</u>	<u>2,722,309</u>	<u>5,353,353</u>
Deductions			
Benefits	1,906,618	2,165,640	4,072,258
Administrative expenses	<u>46,755</u>	<u>29,469</u>	<u>76,224</u>
Total deductions	<u>1,953,373</u>	<u>2,195,109</u>	<u>4,148,482</u>
Change in Net Position	<u>677,671</u>	<u>527,200</u>	<u>1,204,871</u>
Net Position Held in Trust for Pension Benefits			
Beginning of Year	<u>20,487,992</u>	<u>22,073,574</u>	<u>42,561,566</u>
End of Year	<u>\$ 21,165,663</u>	<u>\$ 22,600,774</u>	<u>\$ 43,766,437</u>