VILLAGE OF BOURBONNAIS
BOURBONNAIS, ILLINOIS

FINANCIAL STATEMENTS
APRIL 30, 2016

VILLAGE OF BOURBONNAIS

TABLE OF CONTENTS

Borschnack Pelletier & Co.
Certified Public Accountants & Consultants
200 East Court Street • Suite 608 • Kankakee, IL 60901
815.933.1771 • fax: 815.933.1163

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Village of Bourbonnais
Bourbonnais, 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 Bourbonnais, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village of Bourbonnais, Illinois' 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kankakee River Metropolitan Agency, which represent 38.6 percent, 43.8 percent, and 5.6 percent, respectively, of the assets, net position, and revenue of the Sewer Operating Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kankakee River Metropolitan Agency, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 auditors' 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, based on our audit and the report of the other auditors, 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 Bourbonnais, Illinois as of April 30, 2016 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Village of Bourbonnais adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.* As discussed in Note 19, implementation of these statements resulted in a restatement of net position as of April 30, 2015.

Report on Summarized Comparative Information

We have previously audited the Village's April 30, 2015 financial statements, and in our report dated December 2, 2015, we expressed unmodified opinions on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 Bourbonnais, Illinois' basic financial statements. The statistical section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 14, 2016, on our consideration of the Village of Bourbonnais, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Bourbonnais, Illinois' internal control over financial reporting and compliance.

Borschnack, Pelletier + Co.

December 14, 2016

VILLAGE OF BOURBONNAIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING APRIL 30, 2016

This section of the Village of Bourbonnais' (Village) comprehensive annual financial report presents management's discussion and analysis of the Village's financial performance during the fiscal year that ended on April 30, 2016. Please read this analysis in conjunction with the Village's basic financial statements, which follow this section.

Financial Highlights

Summary financial highlights for the fiscal year ending April 30, 2016 are as follows:

- Growth continues in Bourbonnais. During the fiscal year 2016, forty-one permits were issued for new single family homes.
- Construction began on the new I-57 interchange at Bourbonnais Parkway. This project is expected to be completed in the September of 2017.
- The Village began reviewing route options for a new sewer interceptor to bring additional sewer capacity to the Bourbonnais Parkway development area.
- The Village completed the road and curb improvements in the Stonemill Farms subdivision as part of an agreement with CEFCU, the lender that took over the development after foreclosure.

Overview of the Financial Statements

The Village's annual report consists of four parts - 1) *management's discussion and analysis* (this section), 2) *the basic financial statements,* 3) *required supplementary information,* and 4) *a statistical section* that presents optional statistical information. The basic financial statements include two types of statements that present different views of the Village's financial condition.

- ➢ The first two statements are *government wide financial statements* that provide both long-term and short-term information about the Village's overall financial status. These appear first and include the Statement of Net Position and the Statement of Activities. They report information about the Village as a whole. These statements are prepared using the accrual method of accounting which is the accounting method used by most private sector businesses. The Statement of Net Position includes all of the Village's assets, deferred outflows, liabilities, and deferred inflows except the fiduciary funds. All current year revenues and expenses are reported in the Statement of Activities. These two statements report the governmental and business-type activities of the Village that include all services performed by the Village. These activities are funded primarily by property taxes, charges for services and federal and state grants.
- ➢ The Statement of Net Position shows the Village's assets, deferred outflows, liabilities, and deferred inflows. The difference between total assets, deferred outflows, liabilities, and deferred inflows equals the net position of the Village. A deficit occurs when there are more liabilities and deferred inflows than there are assets and deferred outflows to pay those liabilities. This statement measures the financial strength of the Village; the greater the net position figure, generally the indication of a healthier financial position for the

Village. This statement helps management determine if the Village will be able to fund current obligations and whether they have resources available for future use.

- The Statement of Activities shows the current year change in net position on a revenues minus expenses basis. It generally shows the operating results for a given year of the Village. Any excess of revenues over expenses results in a surplus for the year that in turn increases the net position available to fund future needs of the Village. Excess expenses over revenues have an opposite impact on net position.

- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government wide statements. Funds that are separately stated as major funds include the General Fund, Special Tax Allocation Fund, Motor Fuel Tax Fund, Impact Fees Fund, Sewer Operating Fund, and Refuse Disposal Fund.

- The *governmental funds* statements illustrate how general government services like public safety were financed in the short-term as well as what remains for future spending. They report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

  Since the government-wide focus includes a long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances both include reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

- *Proprietary fund* statements offer short and long-term financial information about the activities the government operates like businesses, such as the Sewer Operating Fund. Information provided is consistent with the focus provided by the government-wide financial statements, but is separately stated for each major enterprise fund.

- *Fiduciary funds* - The Village is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Village's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Village's government-wide financial statements because the Village cannot use these assets to finance its operations. Separately issued financial statements for the Bourbonnais Police Pension Fund may be obtained by contacting the Village of Bourbonnais.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Financial Statements can be found on pages 22-61.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules, data concerning the Village's progress in funding its obligations to provide post-employment benefits to its employees, and information regarding the Village's net pension liabilities and pension contributions. Required supplementary information can be found on pages 62-70 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) are neither reported nor depreciated in the governmental fund financial statements. Governmental Accounting Standards Board (GASB) Statement No. 34 requires that these assets be valued and reported within the Governmental Activities column of the government-wide statements. Additionally, the government must elect to either 1) depreciate these assets over their estimated useful life or 2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The Village has chosen to depreciate assets over their useful life.

If an improvement project is considered a recurring cost that does not extend the asset's original useful life or expand its capacity, the cost of that project will be expensed. For example, an "overlay" of a road will be expensed, whereas a "rebuild" of a road will be capitalized.

Government-Wide Financial Statements – Condensed Financial Information

Reports summarizing both long-term and short-term information regarding the financial condition of the Village are contained in the Statement of Net Position and the Statement of Activities which follow:

Statements of Net Position –

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Village of Bourbonnais, net position was $38,386,562 as of April 30, 2016. The following table reflects the condensed Statements of Net Position:

	2016			2015
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
Current assets	$ 8,185,596	$ 2,561,089	$ 10,746,685	$ 12,175,893
Noncurrent assets	26,322,891	15,296,213	41,619,104	40,326,157
Total assets	34,508,487	17,857,302	52,365,789	52,502,050
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	2,096,522	189,850	2,286,372	322,770
LIABILITIES				
Current liabilities	937,525	629,184	1,566,709	1,124,593
Noncurrent liabilities	12,782,869	1,580,581	14,363,450	6,908,662
Total liabilities	13,720,394	2,209,765	15,930,159	8,033,255
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	335,440	-	335,440	-
NET POSITION				
Invested in capital assets, net of related debt	22,598,699	6,982,082	29,580,781	29,677,573
Restricted	3,047,445	1,187,855	4,235,300	5,282,726
Unrestricted	(3,096,969)	7,667,450	4,570,481	9,831,266
Total net position	$ 22,549,175	$ 15,837,387	$ 38,386,562	$ 44,791,565

Discussion & Analysis

The Village's net position was $38,386,562 on April 30, 2016. Capital assets, net of related debt, amounted to $29,580,781. This figure is arrived at by taking the original costs of the Village's capital assets, subtracting accumulated depreciation to date and the amount of remaining debt utilized to finance the acquisition of those assets.

Restricted net position totaled $4,235,300 on April 30, 2016, and are those assets restricted by ordinance or by revenue bond agreements. By comparison, unrestricted net position totaled $4,570,481 for the year ended April 30, 2016. This total is the net accumulated result of the current and previous years' operations. Village operations are based on revenues from property taxes, charges for services, state and federal aid and grants and local funds received to fund Village programs.

Statements of Activities –

Overall results of operations for the Village of Bourbonnais for the fiscal operating period ending April 30, 2016 are reported in the Statement of Activities for the Village. This statement reports the changes in the Village's net position for this fiscal period.

	2016			2015
	Governmental Activities	Business-type Activities	Total	Total
REVENUES				
Program Revenues				
Charges for service	$ 592,158	$ 5,621,211	$ 6,213,369	$ 6,546,903
Operating grants and contributions	-	-	-	79,509
General Revenues				
Property taxes	1,632,611	-	1,632,611	1,669,828
Franchise taxes	326,753	-	326,753	315,556
Income tax and other state taxes	5,863,360	-	5,863,360	5,940,602
Unrestricted investment earnings	16,484	7,471	23,955	22,361
Other financing sources – donated assets	-	-	-	2,286,741
Gain (loss) on sale of assets	69,163	-	69,163	5,142
Total revenues	8,500,529	5,628,682	14,129,211	16,866,642
EXPENSES				
General government	4,287,165	-	4,287,165	3,978,181
Public safety	4,289,656	-	4,289,656	3,758,521
Public works	1,223,292	-	1,223,292	1,188,136
Economic development	2,298	-	2,298	1,319
Culture and recreation	97,898	-	97,898	88,944
Interest on long-term debt	163,794	-	163,794	165,531
Sewer operations	-	3,738,917	3,738,917	2,854,455
Refuse disposal	-	1,170,726	1,170,726	1,128,884
Total expenses	10,064,103	4,909,643	14,973,746	13,163,971
TRANSFERS	494,219	(494,219)	-	-
Change in net position	$ (1,069,355)	$ 224,820	$ (844,535)	$ 3,702,671

Discussion & Analysis

Total Village revenues were $14,129,211 for the period. The Village's total cost (expense) to fund all governmental activities was $10,064,103 while business-type activities were $4,909,643. A majority of these costs were funded by property tax, user fees and state aid.

Capital Assets

The Village's investment in capital assets for its Governmental and Business-type Activities as of April 30, 2016 amounted to $34,658,184. The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, infrastructure, and construction in progress. This amount includes a net increase in capital assets (including additions and retirements) of $1,039,831 for the current fiscal year. Detailed information regarding the change in capital assets for Governmental and Business-type Activities is included in the Notes to the Financial Statements on page 34.

Debt Outstanding

The Village's long-term debt includes certain revenue bonds issued in previous years as well as other obligations. Information relating to long-term debt can be found in the Notes to Financial Statements on pages 35-38 and 58. Pension obligations can be found on pages 38-54.

Governmental Activities

General Government

As the name implies, the general government component of the Village has at its core those basic municipal services which are most often associated with local government: i.e. police department, public works, code enforcement, building and zoning and recreation. These services are supported primarily through those revenues received through real estate property tax, sales tax and other shared revenues received by the Village, including fees and other charges. To this extent they do not have a dedicated revenue stream or streams, but instead must rely on a limited or finite number of dollars available each year within which these programs and services must be funded.

Tax Increment Financing Districts (TIF)

The Village has established a Redevelopment Project Area (TIF District) pursuant to the Tax Increment Allocation Redevelopment Act, as amended (the TIF Act). The TIF District allows the Village to utilize the incremental property taxes by the TIF District (Incremental Taxes) to provide funds for a wide variety of capital improvements within the respective TIF District and other eligible costs allowed pursuant to the TIF Act which would otherwise potentially require utilization of other revenues of the Village or other capital financing options allowed by law. The Incremental Taxes have been used to fund street improvements, utility projects, land acquisition, grants for businesses operating or desiring to operate within the TIF District and to pay for various other eligible costs permitted by the TIF Act.

Business-type Activities

The Village of Bourbonnais' "Business-type Activities" are comprised of the Sewer Operating Fund, which supports the operation and maintenance of the sewer utilities and the Refuse Disposal Fund, which accounts for the Village's refuse disposal services. These funds continue to be well managed enterprises which allow the Village to provide these taxpayer services in an efficient and cost effective manner.

Economic Factors and Next Year's Budget and Rates

Despite economic conditions to the contrary, growth continues in Bourbonnais. During the fiscal year 2016, forty-one permits were issued for new single family homes. This continues the positive growth pattern of the last ten years.

In fiscal 2016, the Village established a new TIF District in the downtown area in order to continue development in that area. The Village saw construction begin on the I-57 interchange at Bourbonnais Parkway. Planning has begun on a major public works project to bring a new interceptor to provide sewer services to the new development at the interchange.

Various new businesses opened in the Village including Right on Target, Goodwill Store and Donation Center, Dunlap Vision Center and Bourbonnais Event and Skate Plaza.

Property values have begun to rise again in Bourbonnais and with the Village portion of the property tax levy currently at 5.3% of total property tax bill; management will continue to control expenses in order to continue to provide quality services to our residents. The Village will need to be cautious of reductions that have been discussed in the General Assembly that will reduce the amount of income tax distributions that it receives. Planning for proposed reductions could limit some of the services that the Village provides should those cuts be enacted.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, taxpayers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, please contact the Village of Bourbonnais Municipal Office, 600 Main Street NW, Bourbonnais, Illinois 60914.

VILLAGE OF BOURBONNAIS
STATEMENT OF NET POSITION
APRIL 30, 2016
(With Comparative Totals for April 30, 2015)

	2016			2015
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 2,419,215	$ 1,049,810	$ 3,469,025	$ 4,067,721
Investments	2,653,908	1,233,435	3,887,343	4,453,689
Receivables	2,826,544	405,020	3,231,564	3,110,042
Internal balances	127,176	(127,176)	-	-
Other assets	158,753	-	158,753	544,441
Total Current Assets	8,185,596	2,561,089	10,746,685	12,175,893
Noncurrent assets				
Capital assets, non-depreciable	4,442,554	116,729	4,559,283	6,904,325
Capital assets, net of depreciation	21,880,337	8,218,564	30,098,901	26,714,028
Investment in joint venture	-	6,960,920	6,960,920	6,707,804
Total Noncurrent Assets	26,322,891	15,296,213	41,619,104	40,326,157
Total Assets	34,508,487	17,857,302	52,365,789	52,502,050
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	204,150	71,789	275,939	322,770
Deferred items - IMRF	491,740	118,061	609,801	-
Deferred items - Police Pension	1,400,632	-	1,400,632	-
Total Deferred Outflows of Resources	2,096,522	189,850	2,286,372	322,770
Total Assets and Deferred Outflows of Resources	36,605,009	18,047,152	54,652,161	52,824,820
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	333,891	340,557	674,448	386,942
Accrued interest	52,538	23,627	76,165	83,180
Bonds payable	390,000	265,000	655,000	630,000
Capital lease payable	25,227	-	25,227	24,471
Current portion of notes payable	135,869	-	135,869	-
Total Current Liabilities	937,525	629,184	1,566,709	1,124,593
Noncurrent liabilities				
Bonds payable in more than one year	4,351,678	1,160,000	5,511,678	6,175,270
Capital lease payable	26,006	-	26,006	51,233
Accrued compensated absences	703,611	22,640	726,251	682,159
Net pension liability - IMRF	1,622,030	397,941	2,019,971	-
Net pension liability - Police Pension	5,639,200	-	5,639,200	-
Notes payable	440,344	-	440,344	-
Total Noncurrent Liabilities	12,782,869	1,580,581	14,363,450	6,908,662
Total Liabilities	13,720,394	2,209,765	15,930,159	8,033,255
DEFERRED INFLOWS OF RESOURCES				
Deferred items - Police Pension	335,440	-	335,440	-
Total Deferred Inflows of Resources	335,440	-	335,440	-
Total Liabilities and Deferred Inflows of Resources	14,055,834	2,209,765	16,265,599	8,033,255
NET POSITION				
Invested in capital assets, net of related debt	22,598,699	6,982,082	29,580,781	29,677,573
Restricted, Expendable	3,047,445	1,187,855	4,235,300	5,282,726
Unrestricted	(3,096,969)	7,667,450	4,570,481	9,831,266
Total Net Position	$ 22,549,175	$ 15,837,387	$ 38,386,562	$ 44,791,565

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2016
(With Comparative Totals for the Year Ended April 30, 2015)

	2016							2015
		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Total
Governmental activities								
General government	$ 4,287,165	$ 352,944	$ -	$ -	$ (3,934,221)	$ -	$ (3,934,221)	$ (3,571,379)
Public safety	4,289,656	239,214	-	-	(4,050,442)	-	(4,050,442)	(3,448,718)
Public works	1,223,292	-	-	-	(1,223,292)	-	(1,223,292)	1,098,605
Economic development	2,298	-	-	-	(2,298)	-	(2,298)	(1,319)
Culture and recreation	97,898	-	-	-	(97,898)	-	(97,898)	(88,944)
Interest on long-term debt	163,794	-	-	-	(163,794)	-	(163,794)	(165,531)
Total Governmental Activities	10,064,103	592,158	-	-	(9,471,945)	-	(9,471,945)	(6,177,286)
Business-type activities								
Sewer operations	3,738,917	4,473,594	-	-	-	734,677	734,677	1,928,996
Refuse disposal	1,170,726	1,147,617	-	-	-	(23,109)	(23,109)	(2,528)
Total Business-Type Activities	4,909,643	5,621,211	-	-	-	711,568	711,568	1,926,468
Total Primary Government	$ 14,973,746	$ 6,213,369	$ -	$ -	(9,471,945)	711,568	(8,760,377)	(4,250,818)
General revenues:								
Property taxes, levied for general purposes					1,632,611	-	1,632,611	1,669,828
Franchise taxes					326,753	-	326,753	315,556
Income tax and other State tax revenue					5,863,360	-	5,863,360	5,940,602
Unrestricted investment earnings					16,484	7,471	23,955	22,361
Gain (loss) on sales of assets					69,163	-	69,163	5,142
Transfers					494,219	(494,219)	-	-
Total General Revenues and Transfers					8,402,590	(486,748)	7,915,842	7,953,489
CHANGE IN NET POSITION					(1,069,355)	224,820	(844,535)	3,702,671
NET POSITION, BEGINNING OF YEAR								
As previously reported					28,911,568	15,879,997	44,791,565	41,088,894
Restatement					(5,293,038)	(267,430)	(5,560,468)	-
As restated					23,618,530	15,612,567	39,231,097	41,088,894
NET POSITION, END OF YEAR					$ 22,549,175	$ 15,837,387	$ 38,386,562	$ 44,791,565

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2016
(With Comparative Totals for April 30, 2015)

	2016					2015
	General Fund	Special Tax Allocation Fund	Motor Fuel Tax Fund	Impact Fees Fund	Total Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,945,524	$ 229,161	$ 221,361	$ 23,169	$ 2,419,215	$ 3,107,319
Investments	1,776,243	-	454,045	423,620	2,653,908	3,227,624
Interest receivable	1,123	-	-	-	1,123	901
Due from other funds	359,291	143,322	7,133	87,275	597,021	111,488
Receivables from other governments	2,542,020	108,388	42,401	-	2,692,809	2,719,085
Other receivables	132,612	-	-	-	132,612	4,366
Prepaid expense	159,033	-	-	-	159,033	150,144
Total Assets	$ 6,915,846	$ 480,871	$ 724,940	$ 534,064	$ 8,655,721	$ 9,320,927
LIABILITIES						
Accounts payable and accrued expenses	$ 147,552	$ 17,465	$ 10,168	$ -	$ 175,185	$ 97,103
Salaries and benefits payable	158,706	-	-	-	158,706	147,778
Due to other funds	347,672	233	122,220	-	470,125	132,775
Total Liabilities	653,930	17,698	132,388	-	804,016	377,656
DEFERRED INFLOWS OF RESOURCES						
Unavailable tax revenue	1,636,301	108,388	-	-	1,744,689	1,917,508
Total Deferred Inflows of Resources	1,636,301	108,388	-	-	1,744,689	1,917,508
FUND BALANCES						
Nonspendable	159,033	-	-	-	159,033	150,144
Restricted for:						
Capital projects	1,440,782	-	-	-	1,440,782	2,202,443
Economic development	648,232	354,785	-	-	1,003,017	1,037,783
Public safety	11,094	-	-	-	11,094	6,315
Street maintenance programs	-	-	592,552	-	592,552	852,033
Committed	-	-	-	534,064	534,064	486,554
Unassigned	2,366,474	-	-	-	2,366,474	2,290,491
Total Fund Balances	4,625,615	354,785	592,552	534,064	6,107,016	7,025,763
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 6,915,846	$ 480,871	$ 724,940	$ 534,064	$ 8,655,721	$ 9,320,927

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
AND THE STATEMENT OF NET POSITION
APRIL 30, 2016
(With Comparative Totals for April 30, 2015)

	2016	2015
Adjustments necessary to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:		
Governmental funds combined fund balance	$ 6,107,016	$ 7,025,763
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements.	26,322,891	25,656,714
Revenues deferred in the Governmental Fund Balance Sheet due to lack of availability to pay for current-period expenditures are recognized in the Statement of Net Position.	1,744,689	1,917,508
Unamortized loss on refunding of debt is not reported in the Governmental Funds Balance Sheet, but is reported in the Statement of Net Position	204,150	236,623
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and payments made after the measurement date for the Illinois Municipal Retirement Fund and the Police Pension Fund are recognized as deferred outflows of resoureces and deferred inflows of reasources on the Statement of Net Position.	1,556,932	-
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. All liabilities are reported in the Statements of Net Position:		
Bonds payable	(4,741,678)	(5,125,270)
Capital lease payable	(51,233)	(75,704)
Interest payable	(52,538)	(55,663)
Compensated absences	(703,611)	(668,403)
Net pension liability - IMRF	(1,622,030)	-
Net pension liability - Police Pension	(5,639,200)	-
Notes payable	(576,213)	-
Net Position of Governmental Activities	$ 22,549,175	$ 28,911,568

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2016
(With Comparative Totals for the Year Ended April 30, 2015)

	2016					2015
	General Fund	Special Tax Allocation Fund	Motor Fuel Tax Fund	Impact Fees Fund	Total Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 1,505,794	$ 102,528	$ -	$ -	$ 1,608,322	$ 1,577,999
Franchise taxes	326,753	-	-	-	326,753	315,556
Fees, fines and permits	424,274	-	-	44,963	469,237	484,026
Licenses	35,100	-	-	-	35,100	37,100
Intergovernmental	5,520,691	-	497,610	-	6,018,301	5,435,398
Investment earnings	13,098	3	836	2,547	16,484	15,033
State, Federal and other reimbursements	82,998	-	2,359	-	85,357	584,713
Miscellaneous	44,631	-	-	-	44,631	115,970
Total Revenues	7,953,339	102,531	500,805	47,510	8,604,185	8,565,795
EXPENDITURES						
General government	2,137,023	95,559	-	-	2,232,582	2,273,989
Public safety	3,868,937	-	-	-	3,868,937	3,724,418
Public works	1,210,591	-	-	-	1,210,591	1,195,084
Culture and recreation	97,898	-	-	-	97,898	88,944
Debt service						
Principal	442,934	-	-	-	442,934	370,000
Interest and other charges	140,699	-	-	-	140,699	141,660
Capital outlay	1,976,534	-	760,286	-	2,736,820	2,295,842
Total Expenditures	9,874,616	95,559	760,286	-	10,730,461	10,089,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,921,277)	6,972	(259,481)	47,510	(2,126,276)	(1,524,142)
OTHER FINANCING SOURCES (USES)						
Loan proceeds	644,147	-	-	-	644,147	-
Proceeds from sale of assets	69,163	-	-	-	69,163	11,016
Transfers in	537,795	-	-	-	537,795	690,838
Transfers out	-	(43,576)	-	-	(43,576)	(1,492)
Total Other Financing Sources (Uses)	1,251,105	(43,576)	-	-	1,207,529	700,362
NET CHANGE IN FUND BALANCES	(670,172)	(36,604)	(259,481)	47,510	(918,747)	(823,780)
FUND BALANCES, BEGINNING OF YEAR	5,295,787	391,389	852,033	486,554	7,025,763	7,849,543
FUND BALANCES, END OF YEAR	$ 4,625,615	$ 354,785	$ 592,552	$ 534,064	$ 6,107,016	$ 7,025,763

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES
APRIL 30, 2016
(With Comparative Totals for April 30, 2015)

	2016	2015
Adjustments necessary to convert the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities are as follows:		
Combined Change in Fund Balances	$ (918,747)	$ (823,780)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities capital outlay expenditures over the capitalization threshold set by the Village are capitalized and depreciated over their useful lives.	666,177	550,530
Contributions of capital assets are reported only in the statement of activities	-	2,286,741
Revenues recognized in the Statement of Activities that do not provide current financial resources are deferred in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.	(172,819)	91,829
The following expenses reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Amortization of loss on refunding of debt	(32,473)	(32,473)
Amortization of bond premium	8,592	8,592
(Increase) decrease in accrued compensated absences	(35,208)	(20,038)
(Increase) decrease in accrued interest on bonds payable	3,125	3,083
Repayment of capital lease obligations is reported as an expenditure in governmental funds. However, repayment of capital lease obligations reduces the capital lease payable in the government-wide financial statements.	24,471	23,737
Proceeds from the issuance of debt is reported on the governmental fund financial statements as an other financing source, but is reported as a liability on the government-wide financial statements.	(644,147)	-
Repayment of long-term debt is reported as an expenditure in governmental funds. However, repayment of long-term debt reduces long-term liabilities in the government-wide financial statements.	442,934	370,000
Governmental funds report employer pension contributions as pension expenditures. Employer pension contributions made after the measurement date are deferred on the Statement of Activities.	77,633	-
Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Pension expense (net of employer pension contributions not deferred)	(488,893)	-
Change in Net Position of Governmental Activities	$ (1,069,355)	$ 2,458,221

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2016
(With Comparative Totals for April 30, 2015)

	2016			2015
	Enterprise Funds			
	Sewer Operating Fund	Refuse Disposal Fund	Total Enterprise Funds	Total Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ -	$ 1,049,810	$ 1,049,810	$ 960,402
Investments - restricted	1,233,435	-	1,233,435	1,226,065
Accounts receivable, net	374,320	29,467	403,787	384,464
Interest receivable	1,233	-	1,233	1,226
Prepaid expense	-	-	-	396,045
Due from other funds	1,134,918	34,993	1,169,911	425,628
Total Current Assets	2,743,906	1,114,270	3,858,176	3,393,830
Noncurrent assets				
Investment in joint venture	6,960,920	-	6,960,920	6,707,804
Capital assets, net	8,335,293	-	8,335,293	7,961,639
Total Noncurrent Assets	15,296,213	-	15,296,213	14,669,443
Total Assets	18,040,119	1,114,270	19,154,389	18,063,273
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	71,789	-	71,789	86,147
Deferred Items - IMRF	118,061	-	118,061	-
Total Deferred Outflows of Resources	189,850	-	189,850	86,147
Total Assets and Deferred Outflows of Resources	18,229,969	1,114,270	19,344,239	18,149,420
LIABILITIES				
Current liabilities				
Accounts payable	227,844	107,447	335,291	136,434
Accrued payroll expenses	5,266	-	5,266	5,627
Due to other funds	234,838	1,062,249	1,297,087	406,089
Accrued interest	23,627	-	23,627	27,517
Bonds, notes, and loans payable	265,000	-	265,000	255,000
Total Current Liabilities	756,575	1,169,696	1,926,271	830,667
Noncurrent liabilities				
Accrued compensated absences	22,640	-	22,640	13,756
Bonds, notes, and loans payable	1,160,000	-	1,160,000	1,425,000
Net pension liability - IMRF	397,941	-	397,941	-
Total Noncurrent Liabilities	1,580,581	-	1,580,581	1,438,756
Total Liabilities	2,337,156	1,169,696	3,506,852	2,269,423
NET POSITION				
Invested in capital assets, net of related debt	6,982,082	-	6,982,082	6,367,786
Restricted for bond retirement	568,097	-	568,097	568,097
Restricted for repairs and maintenance	619,758	-	619,758	616,055
Unrestricted	7,722,876	(55,426)	7,667,450	8,328,059
Total Net Position	$ 15,892,813	$ (55,426)	$ 15,837,387	$ 15,879,997

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2016
(With Comparative Totals for the Year Ended April 30, 2015)

	2016			2015
	Enterprise Funds			
	Sewer Operating Fund	Refuse Disposal Fund	Total Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 4,048,356	$ 1,142,738	$ 5,191,094	$ 4,973,735
Other operating revenue	172,122	4,879	177,001	157,185
Total Operating Revenues	4,220,478	1,147,617	5,368,095	5,130,920
OPERATING EXPENSES				
Personal services	657,431	-	657,431	472,612
Contractual services	2,425,944	1,170,668	3,596,612	2,919,838
Utilities	5,935	-	5,935	5,678
Repairs and maintenance	220,451	-	220,451	204,124
Other supplies and expenses	43,866	58	43,924	38,597
Depreciation	307,388	-	307,388	256,513
Total Operating Expenses	3,661,015	1,170,726	4,831,741	3,897,362
Operating Income (Loss)	559,463	(23,109)	536,354	1,233,558
NONOPERATING REVENUES (EXPENSES)				
Interest and investment income	7,471	-	7,471	7,328
Equity interest in joint venture operating income (loss)	253,116	-	253,116	778,887
Interest expense	(77,902)	-	(77,902)	(85,977)
Total Non-operating Revenues (Expenses)	182,685	-	182,685	700,238
Income (Loss) Before Transfers	742,148	(23,109)	719,039	1,933,796
TRANSFERS TO OTHER FUNDS	(494,219)	-	(494,219)	(689,346)
CHANGE IN NET POSITION	247,929	(23,109)	224,820	1,244,450
NET POSITION, BEGINNING OF YEAR				
As previously reported	15,912,314	(32,317)	15,879,997	14,635,547
Restatement	(267,430)	-	(267,430)	-
NET POSITION, BEGINNING OF YEAR, AS RESTATED	15,644,884	(32,317)	15,612,567	14,635,547
NET POSITION, END OF YEAR	$ 15,892,813	$ (55,426)	$ 15,837,387	$ 15,879,997

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2016
(With Comparative Totals for the Year Ended April 30, 2015)

	2016			2015
	Enterprise Funds			
	Sewer Operating Fund	Refuse Disposal Fund	Total	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 4,029,577	$ 1,142,194	$ 5,171,771	$ 4,942,570
Other receipts	172,122	4,879	177,001	157,185
Payments to suppliers	(2,114,672)	(1,157,348)	(3,272,020)	(3,119,610)
Payments to employees/retirees	(636,458)	-	(636,458)	(468,803)
Net Cash Provided by (Used In) Operating Activities	1,450,569	(10,275)	1,440,294	1,511,342
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments from (to) other funds, net	(1,014,792)	667,287	(347,505)	(218,973)
Net Cash Provided by (Used In) Noncapital Financing Activities	(1,014,792)	667,287	(347,505)	(218,973)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(681,042)	-	(681,042)	(219,158)
Principal paid on capital debt	(255,000)	-	(255,000)	(240,000)
Interest paid on capital debt	(67,434)	-	(67,434)	(75,329)
Net Cash Used In Capital and Related Financing Activities	(1,003,476)	-	(1,003,476)	(534,487)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	7,464	-	7,464	7,465
Purchases of investments	(7,369)	-	(7,369)	(7,329)
Net Cash Provided by (Used In) Investing Activities	95	-	95	136
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(567,604)	657,012	89,408	758,018
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	567,604	392,798	960,402	202,384
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -	$ 1,049,810	$ 1,049,810	$ 960,402
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 559,463	$ (23,109)	$ 536,354	$ 1,233,558
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation expense	307,388	-	307,388	256,513
(Increase) Decrease in				
Accounts receivable, net	(18,779)	(544)	(19,323)	(31,165)
Prepaid expense	396,045	-	396,045	44,815
Deferred items - IMRF	(100,545)	-	(100,545)	-
Increase (Decrease) in				
Accounts payable	185,479	13,378	198,857	3,812
Accrued payroll expenses	(361)	-	(361)	(1,526)
Accrued compensated absences	8,884	-	8,884	5,335
Net pension liability - IMRF	112,995	-	112,995	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 1,450,569	$ (10,275)	$ 1,440,294	$ 1,511,342
NON-CASH FINANCING AND INVESTING ACTIVITIES				
Increase in investment in joint venture	$ 253,116	$ -	$ 253,116	$ 778,887
Amortization of loss on refunding of debt	$ 14,358	$ -	$ 14,358	$ 14,358

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2016

	Pension (and other employee benefit) Trust Funds		Agency Funds	
	Police Pension Fund	Deferred Compensation Plan	Building Escrow Fund	Community Fund
ASSETS				
Cash and cash equivalents	$ 551,432	$ -	$ 8,858	$ 5,127
Interest receivable	9,717	-	-	-
Other receivables	-	-	22,930	-
Investments, at fair value				
Certificates of deposit	163,929	-	-	-
Mortgage and asset backed securities	2,551,046	-	-	-
U.S. Government Bonds and GSE Bonds	1,158,732	-	-	-
Mutual funds	7,513,343	-	-	-
Investment contract with insurance company	-	1,352,626	-	-
Due from other related entities	-	-	2,278	-
Prepaid benefits	39,841	-	-	-
Total Assets	11,988,040	1,352,626	34,066	5,127
LIABILITIES				
Accounts payable	-	-	5,499	-
Due to other related entities	-	-	-	2,000
Refunds payable and other liabilities	-	-	28,567	3,127
Total Liabilities	-	-	34,066	5,127
NET POSITION				
Net position restricted for pension benefits and other purposes	$ 11,988,040	$ 1,352,626	$ -	$ -

The accompanying notes are an integral part of the financial statements.

VILLAGE OF BOURBONNAIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

	Pension (and other employee benefit) Trust Funds	
	Police Pension Fund	**Deferred Compensation Plan**
ADDITIONS		
Contributions		
Employer	$ 448,779	$ -
Plan members	183,549	71,054
Total Contributions	632,328	71,054
Investment income		
Net increase (decrease) in fair value of investments	(443,498)	(17,071)
Interest	165,733	-
Dividends	71,794	-
Net investment income (loss)	(205,971)	(17,071)
Total Additions (Reductions)	426,357	53,983
DEDUCTIONS		
Administrative expenses	22,669	9,237
Benefits paid to participants	532,784	8,514
Refund of contributions	19,187	-
Total Deductions	574,640	17,751
NET INCREASE (DECREASE)	(148,283)	36,232
NET POSITION RESTRICTED FOR PENSION BENEFITS AND OTHER PURPOSES		
BEGINNING OF YEAR	12,136,323	1,316,394
END OF YEAR	$ 11,988,040	$ 1,352,626

The accompanying notes are an integral part of the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Village of Bourbonnais (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as established by the Governmental Accounting Standards Board ("GASB").

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial position, results of operations, and cash flows of the Village of Bourbonnais and any component units. The criteria used to determine if a legally separate organization's financial statements should be included and the manner in which they should be displayed center on the nature of financial accountability. Among factors determining this financial accountability include the degree to which the governing body is controlled by the Village as manifested by the ability to appoint a majority of its voting board, approval of its budget, the degree to which it provides a financial benefit or burden to the Village or the extent to which it is fiscally dependent. No component units were deemed to be present for the fiscal year ended April 30, 2016.

Basis of Presentation

The financial activities of the Village consist of both governmental-type activities and business-type activities. A brief description of the Village's government-wide and fund financial statements is as follows:

Government-wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government) or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fines, fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not included in program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Village's funds, including its fiduciary funds. Separate statements are presented for each fund category; governmental, proprietary and fiduciary. 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 reported as nonmajor funds. For the year ended April 30, 2016, the Village has reported all funds as major.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major Funds

The Village has presented the following governmental funds as major:

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

Special Tax Allocation Fund – The Special Tax Allocation Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for special purposes. The Special Tax Allocation Fund includes the transactions of the Village's tax increment financing districts.

Motor Fuel Tax Fund – This fund accounts for motor fuel taxes received by the Village. These taxes are restricted for uses approved by the Illinois Department of Transportation.

Impact Fees Fund – This fund accounts for impact fees collected from developers as a result of Village ordinance. These funds are committed for capital development projects.

The Village has presented the following proprietary funds as major:

Sewer Operating Fund – This fund accounts for the Village's sewer and solid waste operations.

Refuse Disposal Fund – This fund accounts for the Village's refuse disposal operations.

Other Funds

Additionally, the Village reports the following fiduciary-type funds:

Pension (and other employee benefit) Trust Funds - These funds account for the accumulation of retirement and disability benefits held in trust for the police pension plan and the Village's deferred compensation plan. See Note 7 for a description of each plan.

Building Escrow Agency Fund - This agency-type fund accounts for the accumulation of fees assessed to contractors arising from residential development held by the Village in a purely custodial capacity. These fees will either be used to pay expenses related to the development incurred on behalf of the contractor or they will be refunded to the contractor.

Community Agency Fund - This agency-type fund accounts for accumulated donations received from individuals and businesses which are then redistributed to charitable organizations. These funds are held by the Village in a purely custodial capacity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village receives value without directly giving equal value in exchange, include property tax revenue, grants and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, property taxes levied for the calendar year 2015, which will be collected in fiscal year ended April 30, 2017, are recorded as receivables and recognized in the year ended April 30, 2016. This revenue is recognized in the government-wide level financial statements, but is deferred in the governmental funds financial statements because it is not collected soon enough after the end of the year to pay current liabilities.

Revenue from grants, contributions, and other similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Village must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services which include sewer and solid waste charges and charges for refuse disposal. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Village has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible in 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 collectible within sixty days after the end of the fiscal year. Expenditures generally are recorded when the related liability is incurred. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes, sales taxes, income taxes, utility taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent that they are measurable and available. Service fees are recognized as revenues as they are earned.

Property taxes receivable which are expected to be paid to the Village within sixty days are considered available and are recognized as revenue. Sales, income and other taxes are considered to be measurable when they have been collected by the State or other collection agent and are recognized as revenue if they are expected to be received by the Village within sixty days. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned because they are both measurable and available.

The Village reports certain revenues as deferred inflows of resources on its financial statements. Deferred inflows of resources arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred inflows of resources also arise when the resources are received by the Village before it has a legal claim to them or prior to the provision of services.

Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met and the revenue becomes available.

New Accounting Pronouncements

The Village has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 68* during the fiscal year ended April 30, 2016.

The Village will be required to implement GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* GASB Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* GASB Statement 77, *Tax Abatement Disclosures*, GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* GASB Statement 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* and GASB Statement 72, *Fair Value Measurement and Application* during the fiscal year ended April 30, 2017. The Village has not yet evaluated the impact of adopting these future pronouncements on the Village's financial statements.

The Village will be required to implement GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* And GASB Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73* in years following the fiscal year ended April 30, 2017. The Village has not yet evaluated the impact of adopting these future pronouncements on the Village's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The Village adopts annual budgets for the General Fund and Special Revenue Funds. No legally adopted budgets are prepared for capital project funds. Expenditures for capital project funds are controlled on a project basis. No adjustments were necessary in order to reconcile the budgetary information to the GAAP information presented in the Village's basic financial statements.

The following funds that had an excess of expenditures/expenses over budgeted amounts for the year ended April 30, 2016.

Fund	Excess Expenditures
General Fund	$ 2,464,175
Motor Fuel Tax Fund	166,568
Special Tax Allocation Fund	25,658
Total	$ 2,656,401

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less from the date of acquisition.

Investments

Investments include certificates of deposit with maturities in excess of 90 days at the time of acquisition. Investments for the Bourbonnais Police Pension Fund are reported at fair value, determined by closing market prices at year-end as reported by the investment custodian.

Investment in Joint Venture

The investment in joint venture is reported using the equity method of accounting.

Interfund Transactions

The Village has the following types of interfund transactions:

Loans - Amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Reimbursements - Repayments from funds responsible for certain expenditures or expenses made to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Prepaid Expense

Prepaid expense consists of certain payments to vendors which reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

Restricted Assets – Enterprise Fund

Certain cash and investments in the Sewer Operating Fund are restricted in accordance with the ordinances authorizing the issuance of the revenue bonds. These assets are reflected as restricted investments and restrictions of net position in the Proprietary Fund Statement of Net Position.

Capital Assets

Capital assets includes land, buildings, improvements, equipment, and infrastructure assets, purchased or acquired which are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Thresholds used for capitalizing assets are noted below. Other costs incurred for repairs and maintenance are expensed as incurred.

In accordance with GASB Statement No. 34, infrastructure assets are reported prospectively from the date of implementation and therefore infrastructure assets acquired prior to May 1, 2004 have not been recorded in the Village’s basic financial statements.

Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

	Useful Life	Threshold
Buildings and improvements	20-50 years	$ 10,000
Land	N/A	$ 100,000
Land improvements	10-30 years	$ 10,000
Equipment	2-20 years	$ 5,000
Water and sewer lines	33-100 years	$ 10,000
Streets and improvements	25 years	$ 100,000
Intangible assets	2-20 years	$ 5,000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt, Bond Premiums, Discounts and Prepaid Debt Service Insurance

In the government-wide and proprietary fund financial statements, outstanding debts are reported as liabilities. Bond premiums and discounts, as well as prepaid debt service insurance, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid debt service insurance is reported as an asset and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, incurred during the current period. The face amount of debt issued is reported as an other financing source. Premiums on debt issuances are reported as an other financing source while discounts on debt issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accrued Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund financial statements consists of unpaid, accumulated vacation and sick leave balances for Village employees. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Village employees are entitled to certain compensated absences based on their length of employment. The liability has been calculated using the employees' current salary level and includes salary related cost (e.g. FICA and Medicare Tax).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Balances

Fund Balance is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in a governmental fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet:

Nonspendable Fund Balance – the portion of a governmental fund's net position that are not available to be spent, either short term or long term, in either form or through legal restrictions. Amounts reported as nonspendable include prepaid expenses.

Restricted Fund Balance – the portion of a governmental fund's net position that are subject to external enforceable legal restrictions. Amounts reported as restricted include fund balances that are restricted for capital projects, economic development, public safety, and street maintenance programs.

Committed Fund Balance – the portion of a governmental fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. Amounts reported as committed include impact fees collected as a result of a Village ordinance which requires these fees to be used for capital development. These fees may only be modified or rescinded by an action of the Village Board.

Assigned Fund Balance – the portion of a governmental fund's net position denoted for an intended use of the resources. The Village has no assigned fund balances.

Unassigned Fund Balance – available expendable financial resources in a governmental fund that are not designated for a specific purpose.

It is the Village's policy to first spend restricted funds if restricted funds are available. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first, followed by assigned and then unassigned.

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This consists of the portion of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted - This consists of the portion of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deficit Fund Balances/Net Position

The following funds had a deficit fund balance/net position for the year ended April 30, 2016:

Fund	Deficit
Refuse Disposal Fund	$ 55,426

Property Taxes

Property taxes are levied annually on all taxable real property located in the Village. The Village must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the Kankakee County Collector/Treasurer who remits to the Village its share of the collection. Taxes levied for calendar year 2015 were due, payable, and collected in two installments in June and September of 2016. The Village normally receives these taxes in July, August, September, October and November of the year collected.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2015 financial statement amounts in order to conform with the 2016 financial statement presentation.

NOTE 2 – DEPOSITS AND INVESTMENTS

Statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements (meeting certain statutory requirements), certain rated instruments of commercial paper and Illinois State Treasurer's investment pool (Illinois Funds). Similar investments are permitted for the Police Pension trust funds, which is governed by the Illinois Pension Code.

The Bourbonnais Police Pension Fund manages its investments in accordance with the regulations prescribed by the Illinois Pension Code.

The Village’s investment policies require all uninsured deposits with financial institutions to be fully collateralized with the collateral held by an independent third party acting as the Village's agent and held in the name of the Village and pension trust fund, respectively.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

A reconciliation of deposits and investments presented in this disclosure and the financial statement captions shown on the government-wide Statement of Net Position is as follows:

Carrying amount of Deposits	$	6,899,711
Carrying amount of Investments		456,657
Total	$	7,356,368

Cash and Cash Equivalents	$	3,469,025
Investments		3,887,343
Total	$	7,356,368

Deposits

At April 30, 2016, the carrying amount of the Village's deposits with financial institutions for governmental and business-type activities was $6,899,711 and the bank balance was $7,049,173. These amounts represent cash in banks and certificates of deposit.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned. At April 30, 2016, deposit balances were fully insured by Federal Deposit Insurance Corporation (FDIC) coverage and pledged collateral.

At April 30, 2016, the carrying amount of deposits of fiduciary activities was $425,625 and the bank balance was $425,847. At April 30, 2016, all fiduciary deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC) or pledged collateral.

Investments

At April 30, 2016, the carrying amount (and market value) of the Village's investments for governmental and business-type activities was $456,657. These amounts represent investments in Illinois Funds, a pooled investment fund.

Custodial Credit Risk and Credit Risk– Custodial credit risk is the risk that, in the event of a custodian failure, investment principal may not be returned. The Illinois Funds are arranged and contracted by the Treasurer of the State of Illinois and collateralized as required by that contract. Illinois Funds was rated AAAm by Standard and Poor’s as of April 30, 2016.

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investments value. The Village has not adopted a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

The Police Pension Fund (Fund) manages its investments in accordance with the regulations prescribed by the Illinois Pension Code. Investments at April 30, 2016 consisted of the following managed funds:

		Investment Maturities (in Years)			
Investment Types	Fair Value	No Maturity Date	Less Than 1	1-10	Over 10
Mortgage and Asset Backed securities	$ 2,551,046	$ -	$ -	$ -	$ 2,551,046
U.S. Government Bonds and GSE Bonds	1,158,732	-	-	1,158,732	-
Mutual Funds	7,513,343	7,513,343	-	-	-
Money Market	303,721	303,721	-	-	-
Total	$11,526,842	$7,817,064	$ -	$1,158,732	$ 2,551,046

The Fund's investments at April 30, 2016 include uninsured and unregistered investments for which the securities are held by the brokers, dealer's trust department or an agent in the Fund's name.

Credit Risk: Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of April 30, 2016, the Fund held the following investments which are subject to credit risk.

Investment Type	Standard & Poor's Rating	2016 Fair Market Value
U.S. Treasury Strips	Not Rated	$ 1,158,732
FNMA Mortgage and Asset Backed Securities	Not Rated	249,494
GNMA Mortgage and Asset Backed Securities	*	2,005,510
FHLMC Mortgage and Asset Backed Securities	AA+	296,042
Total		$ 3,709,778

* Guaranteed by the full faith and credit of the United States Government.

Concentration of Credit Risk: As of April 30, 2016 more than five percent of the Fund's investments are in the Government National Mortgage Association and U.S. Treasury Strips.

Interest Rate Risk: Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's value. The Fund has not adopted a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

The Fund invests in mortgage backed securities. These securities are reported at fair value and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Foreign currency risk: The Fund's exposure to foreign currency risk (valued in U.S. dollars) is as follows as of April 30, 2016:

Investment	Currency	Maturity	Fair Value
Europacific Growth Fund	Various	N/A	$ 936,601
Total			$ 936,601

The Fund has not adopted a formal policy that limits the Fund's exposure to foreign currency risk.

NOTE 3 – RECEIVABLES

A summary of receivables as of April 30, 2016 is as follows:

	Total Receivable	Allowance for Doubtful Accounts	Net Receivable
Governmental Activities:			
Taxes receivable	$ 2,692,809	$ -	$ 2,692,809
Other receivables	132,612	-	132,612
Interest receivable	1,123	-	1,123
Business-Type Activities:			
Sewer services	382,917	8,597	374,320
Refuse disposal services	39,101	9,634	29,467
Interest receivable	1,233	-	1,233
Total	$ 3,249,795	$ 18,231	$ 3,231,564

Taxes receivable include amounts due from the County of Kankakee and the State of Illinois for property, sales, use and income tax collected on behalf of the Village of Bourbonnais. For receivables other than sewer services receivable and refuse disposal services receivable, the Village believes these amounts are fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4 – CAPITAL ASSETS

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

	Balance May 1, 2015	Additions	Retirements	Transfers	Balance April 30, 2016
Governmental activities:					
Capital assets not being depreciated:					
Land, non-depreciable	$ 4,264,409	$ 28,375	$ -	$ 130,295	$ 4,423,079
Construction in progress	2,625,388	4,476	-	(2,610,389)	19,475
Capital assets being depreciated:					
Land improvements	10,094,083	228,513	-	2,398,204	12,720,800
Buildings and improvements	8,225,076	85,774	-	-	8,310,850
Equipment	6,606,104	377,838	(103,190)	-	6,880,752
Streets and improvements	13,348,122	1,254,552	-	81,890	14,684,564
Total	45,163,182	1,979,528	(103,190)	-	47,039,520
Less accumulated depreciation	19,506,468	1,313,351	(103,190)	-	20,716,629
Governmental activities, capital assets, net	$ 25,656,714	$ 666,177	$ -	$ -	$ 26,322,891
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	$ 14,528	$ 116,729	$ -	$ (14,528)	$ 116,729
Capital assets being depreciated:					
Land improvements	10,550,228	349,689	-	14,528	10,914,445
Buildings and improvements	258,500	-	-	-	258,500
Equipment	591,971	214,624	-	-	806,595
Total	11,415,227	681,042	-	-	12,096,269
Less accumulated depreciation	3,453,588	307,388	-	-	3,760,976
Business-type activities, capital assets, net	$ 7,961,639	$ 373,654	$ -	$ -	$ 8,335,293
Total capital assets, net of depreciation	$33,618,353	$ 1,039,831	$ -	$ -	$34,658,184

NOTE 5 – INTERFUND BALANCES AND ACTIVITY

Balances Due to/from Other Funds

Balances due to/from other funds at April 30, 2016, consist of the following:

Due from other funds, Governmental Funds	$ 127,176
Due to other funds, Proprietary Funds	$ (127,176)

These balances resulted from the time lag between the dates that 1) reimbursable expenditures occurred, 2) transactions were recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid within one year.

NOTE 5 – INTERFUND BALANCES AND ACTIVITY (continued)

Transfers to/from Other Funds

Transfers to/from other funds at April 30, 2016, consist of the following:

Transfer from the Sewer Operating Fund to the General Fund to meet the debt service requirements of the series 2012 bonds.	$	494,219
Transfer from the Special Tax Allocation Fund to the General Fund to reimburse the General Fund for payments made on-behalf of the Special Tax Allocation Fund in previous years.		43,576
Total transfers to/from other funds	$	537,795

NOTE 6 – LONG-TERM OBLIGATIONS

Bonds Payable

Bonds have been issued to provide funds for redevelopment projects, for the advance refunding of bonds previously issued for Motor Fuel Tax Fund and Sewer Operating Fund projects, and for capital projects related to the Sewer Operating Fund.

Bonds issued and outstanding as of April 30, 2016 is comprised of the following:

$2,710,000 Sewerage Refunding Revenue Bonds, Series 2006 due in annual installments of $30,000 to $305,000 through December 1, 2020 with interest at 3.45% to 4.125%, payable semiannually.

$4,255,000 General Obligation Bonds (Sales Tax Alternative Revenue source), Series 2012A due in annual installments of $70,000 to $270,000 through December 1, 2032 with interest at 2.0% to 3.45%, payable semiannually.

$1,645,000 General Obligation Bonds (Sewerage Alternative Revenue source), Series 2012B due in annual installments of $150,000 to $200,000 through December 1, 2020 with interest at 2.0% to 2.5%, payable semiannually.

Debt Service Coverage Ratio

The Village is required by bond covenants of the Sewerage Refunding Revenue Bonds, Series 2006 to charge fees sufficient in order to maintain a debt service coverage ratio of 1.25. During the year ended April 30, 2016, the debt service coverage ratio was 2.7.

The Village is required by bond covenants of the General Obligation Bonds (Sales Tax Alternative Revenue source), Series 2012A to maintain a debt service coverage ratio of 1.25. During the year ended April 30, 2016, the debt service coverage ratio was 9.24.

The Village is required by bond covenants of the General Obligation Bonds (Sewerage Alternative Revenue source), Series 2012B to maintain a debt service coverage ratio of 1.25. During the year ended April 30, 2016, the debt service coverage ratio was 4.03.

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

Conduit Debt

In July 2007, the Village issued $45,000,000 in industrial project revenue bonds for the express purpose of providing capital financing to Olivet Nazarene University. At April 30, 2016, the conduit debt obligation outstanding was $39,650,000. The Village has no obligation for this debt.

In July 2010, the Village issued $35,000,000 in industrial project revenue bonds for the express purpose of providing capital financing to Olivet Nazarene University. At April 30, 2016, the conduit debt obligation outstanding was $33,010,000. The Village has no obligation for this debt.

In June 2013, the Village issued $20,000,000 in industrial project revenue bonds for the express purpose of providing capital financing to Olivet Nazarene University. Principal payments begin November 1, 2037. At April 30, 2016, the conduit debt obligation outstanding was $20,000,000. The Village has no obligation for this debt.

Notes Payable

In August 2015, the Village secured a bank loan for $645,375 for the purpose of providing capital financing for roadway improvements. Under this agreement the Village is required to make 18 quarterly principal payments of $33,967 plus interest at 1.85 percent beginning December 31, 2015. This loan matures on May 31, 2020.

Changes in long-term obligations for the year ended April 30, 2016 are as follows:

	April 30, 2015	Increases	Decreases	April 30, 2016	Due Within One Year
Governmental activities:					
General Obligation Bonds, Series 2012A	$ 3,920,000	$ -	$ (195,000)	$ 3,725,000	$ 205,000
General Obligation Bonds, Series 2012B	1,140,000	-	(180,000)	960,000	185,000
Unamortized premium on bond issuance	65,270	-	(8,592)	56,678	-
Capital lease	75,704	-	(24,471)	51,233	25,227
Compensated absences	668,403	35,208	-	703,611	-
Net pension liabilty - IMRF	-	1,622,030	-	1,622,030	-
Net pension liabilty - Police Pension	-	5,639,200	-	5,639,200	-
Notes Payable	-	644,147	(67,934)	576,213	135,869
Total long-term debt	$ 5,869,377	$ 7,940,585	$ (475,997)	$ 13,333,965	$ 551,096
Business-type activities:					
Sewerage Refunding Revenue Bonds (2006)	$ 1,680,000	$ -	$ (255,000)	$ 1,425,000	$ 265,000
Compensated absences	13,756	8,884	-	22,640	-
Net pension liability - IMRF	-	397,941	-	397,941	-
Total long-term debt	$ 1,693,756	$ 406,825	$ (255,000)	$ 1,845,581	$ 265,000

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

Debt Service Requirements

Debt service requirements on bonds outstanding at April 30, 2016 are as follows:

	Governmental Activities		Business-type Activities	
Year ending April 30	Principal	Interest	Principal	Interest
2017	$ 390,000	$ 126,090	$ 265,000	$ 55,575
2018	390,000	118,290	275,000	45,820
2019	395,000	110,490	285,000	35,843
2020	405,000	100,615	295,000	24,300
2021-2025	1,350,000	376,223	305,000	12,581
2026-2030	1,205,000	204,980	-	-
2031-2033	550,000	39,025	-	-
	$ 4,685,000	$ 1,075,713	$ 1,425,000	$ 174,119

Debt service requirements on notes payable outstanding at April 30, 2016 are as follows:

	Governmental Activities		Business-type Activities	
Year ending April 30	Principal	Interest	Principal	Interest
2017	$ 135,869	$ 9,531	$ -	$ -
2018	135,869	7,017	-	-
2019	135,869	4,503	-	-
2020	135,869	1,990	-	-
2021	32,737	52	-	-
	$ 576,213	$ 23,093	$ -	$ -

See Note 12 for capital lease obligation maturities.

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

Legal Debt Margin

According to Illinois statutes, the legal debt limit is 8.625% of assessed valuation. The following is the legal debt margin calculation for the year ending April 30, 2016.

Assessed valuation - 2015 levy year	$313,051,419
Less Tax Increment Financing Districts	1,438,259
Assessed valuation, net of abatements	$311,613,160
Statutory debt limit - 8.625% of assessed valuation	$ 26,876,635
Total debt:	
General Obligation Bonds, Series 2012A	$ 3,725,000
General Obligation Bonds, Series 2012B	960,000
Notes Payable	576,213
Total debt	$ 5,261,213
Legal debt margin	$ 21,615,422

NOTE 7 – PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; and the Bourbonnais Police Pension Fund (Police Pension Plan), which is a single-employer, defined benefit pension plan. A copy of the Police Pension Plan audit report may be obtained by writing to the Village at 600 Main Street N.W., Bourbonnais, Illinois 60914. IMRF issues a report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions and employer contributions of both plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Description

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (REG). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). Participants in this plan are required to work at least 600 hours per year. On November 21, 2016 the Board of Trustees of the Village of Bourbonnais voted to increase the required number of hours a participant is required to work to 1,000 hours per year.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

3% of the original pension amount, or
1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2015, the following employees were covered by the benefit terms:

	Regular	ECO	SLEP
Retirees and Beneficiaries Currently Receiving Benefits	25	1	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	8	-	-
Active Plan Members	39	-	-
Total	72	1	1

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 12.54%. For the fiscal year ended April 30, 2016, the employer contributed $264,057 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The Village's net pension liability for IMRF was measured as of December 31, 2015. 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 was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment rate of return	7.46%
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

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 class are summarized in the following table as of December 31, 2015:

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

Single Discount Rate
For the Regular, ECO, and SLEP plans, Single Discount Rates of 7.46%, 7.50%, and 7.50%, respectively, were 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 long-term expected rate of return on pension plan investments (to the extent that the Plan's 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 as of the measurement date (to the extent that the Plan's fiduciary net position is not sufficient to pay benefits).

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 7.46%, 7.50%, and 7.50% for the Regular, ECO, and SLEP plans, respectively.

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.46%, 7.50%, and 7.50%, as well as what each Regular, ECO, and SLEP plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.46%)	Current Discount Rate (7.46%)	1% Increase (8.46%)
Net Pension Liability – Regular Plan	$ 3,324,916	$ 2,020,004	$ 946,760

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability – ECO	$ 13,336	$ (23)	$ (11,492)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability – SLEP	$ 6,400	$ (10)	$ (5,437)

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

Changes in the Net Pension Liability – Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2014	$ 8,838,096	$ 7,391,670	$ 1,446,426
Changes for the Year:			
Service Cost	224,220	-	224,220
Interest on the Total Pension Liability	655,965	-	655,965
Difference Between Expected and Actual Experience of the Total Pension Liability	95,183	-	95,183
Changes of Assumptions	11,988	-	11,988
Contributions - Employer	-	255,640	(255,640)
Contributions - Employees	-	93,295	(93,295)
Net Investment Income	-	36,986	(36,986)
Benefit Payments, including Refunds of Employee Contributions	(337,758)	(337,758)	-
Other (Net Transfer)	-	27,857	(27,857)
Net Changes	649,598	76,020	573,578
Balances at December 31, 2015	$ 9,487,694	$ 7,467,690	$ 2,020,004

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

Changes in the Net Pension Liability – ECO

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2014	$ 143,241	$ 136,758	$ 6,483
Changes for the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	10,743	-	10,743
Difference Between Expected and Actual Experience of the Total Pension Liability	(15,200)	-	(15,200)
Changes of Assumptions	-	-	-
Contributions - Employer	-	-	-
Contributions - Employees	-	-	-
Net Investment Income	-	684	(684)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	1,365	(1,365)
Net Changes	(4,457)	2,049	(6,506)
Balances at December 31, 2015	$ 138,784	$ 138,807	$ (23)

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

Changes in the Net Pension Liability – SLEP

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2014	$ 66,272	$ 63,390	$ 2,882
Changes for the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	4,970	-	4,970
Difference Between Expected and Actual Experience of the Total Pension Liability	(10,502)	-	(10,502)
Changes of Assumptions	-	-	-
Contributions - Employer	-	-	-
Contributions - Employees	-	-	-
Net Investment Income	-	317	(317)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)		(2,957)	2,957
Net Changes	(5,532)	(2,640)	(2,892)
Balances at December 31, 2015	$ 60,740	$ 60,750	$ (10)

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

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

For the year ended April 30, 2016, the Village recognized pension expense for the Regular Plan of $327,256. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 77,162	$ -	$ 77,162
Change in Assumptions	9,718	-	9,718
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	415,082	-	415,082
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	501,962	-	501,962
Pension Contributions Made Subsequent to the Measurement Date	96,679	-	96,679
Total Deferred Amounts Related to IMRF	$ 598,641	$ -	$ 598,641

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

Year Ending December 31,	Net Deferred Outflows of Resources
2016	$ 124,062
2017	124,062
2018	124,062
2019	124,060
2020	5,716
Thereafter	-
Total	$ 501,962

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

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

For the year ended April 30, 2016, the Village recognized pension income for the ECO Plan of $14,205. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ -	$ -	$ -
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,699	-	7,699
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	7,699	-	7,699
Pension Contributions Made Subsequent to the Measurement Date	-	-	-
Total Deferred Amounts Related to IMRF	$ 7,699	$ -	$ 7,699

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

Year Ending December 31	Net Deferred Outflows of Resources
2016	$ 1,925
2017	1,925
2018	1,925
2019	1,924
2020	-
Thereafter	-
Total	$ 7,699

NOTE 7 – PENSION PLANS (continued)

Illinois Municipal Retirement Fund (IMRF) (continued)

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

For the year ended April 30, 2016, the Village recognized pension expense for the SLEP Plan of $6,353. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ -	$ -	$ -
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,461	-	3,461
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	3,461	-	3,461
Pension Contributions Made Subsequent to the Measurement Date	-	-	-
Total Deferred Amounts Related to IMRF	$ 3,461	$ -	$ 3,461

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

Year Ending December 31	Net Deferred Outflows of Resources
2016	$ 865
2017	865
2018	865
2019	866
2020	-
Thereafter	-
Total	$ 3,461

NOTE 7 – PENSION PLANS (continued)

Police Pension Plan

The total pension liability, net pension liability, and certain sensitivity information shown in the actuaries report are based on an actuarial valuation performed as of May 1, 2015. The total pension liability was rolled-forward from the valuation date to the plan's year ending April 30, 2016 using general accepted actuarial principles.

Plan Description

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits, employee contributions and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois General Assembly. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At May 1, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	10
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	24
Total	35

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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. 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 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. A police officer's salary for

NOTE 7 – PENSION PLANS (continued)

Police Pension Plan (continued)

pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the Village's contribution was 24.23% of covered payroll.

Actuarial Assumptions

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

Actuarial Valuation Date	May 1, 2015 (Rolled Forward to April 30, 2016)
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Interest Rate	6.75%
Salary Increases	4.00% to 11.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%
Mortality Rate	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.
Disabled Mortality Rate	RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.

NOTE 7 – PENSION PLANS (continued)

Police Pension Plan (continued)

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of April 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Equities	65.10%	N/A
Fixed Income	33.70%	N/A
Cash	1.20%	N/A
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate 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 or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	$ 8,323,280	$ 5,639,200	$ 3,452,503

NOTE 7 – PENSION PLANS (continued)

Police Pension Plan (continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at April 30, 2015	$ 16,329,916	$ 12,136,323	$ 4,193,593
Changes for the Year:			
Service Cost	456,556	-	456,556
Interest on the Total Pension Liability	1,114,458	-	1,114,458
Difference Between Expected and Actual Experience of the Total Pension Liability	(383,361)	-	(383,361)
Changes of Assumptions	661,642	-	661,642
Contributions - Employer	-	448,779	(448,779)
Contributions - Employees	-	183,549	(183,549)
Net Investment Income	-	(205,971)	205,971
Benefit Payments, including Refunds of Employee Contributions	(551,971)	(551,971)	-
Other (Administrative Expense)	-	(22,669)	22,669
Net Changes	1,297,324	(148,283)	1,445,607
Balances at April 30, 2016	$ 17,627,240	$ 11,988,040	$ 5,639,200

NOTE 7 – PENSION PLANS (continued)

Police Pension Plan (continued)

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

For the year ended April 30, 2016, the Village recognized pension expense of $892,194. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ -	$ 335,440	$ (335,440)
Change in Assumptions	578,936	-	578,936
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	821,696	-	821,696
Total Deferred Amounts Related to Police Pension Plan	$ 1,400,632	$ 335,440	$ 1,065,192

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

Year Ending April 30	Net Deferred Outflows of Resources
2017	$ 240,210
2018	240,209
2019	240,209
2020	240,209
2021	34,785
Thereafter	69,570
Total	$ 1,065,192

NOTE 7 – PENSION PLANS (continued)

Defined Contribution Plan

In accordance with the Internal Revenue Code Section 457, the Village sponsors a defined contribution plan for which employees may elect to have contributions withheld from their gross wages and deposited into the plan on their behalf. The Village has contracted Nationwide Retirement Solutions to administer the plan and has no oversight or control over funds deposited into the plan by employees. Employees manage and invest funds held in their own accounts. There is no matching requirement by the Village for this plan.

Pension-related amounts at April 30, 2016 for all pension plans are shown below in the aggregate.

	IMRF Regular Plan	IMRF ECO Plan	IMRF SLEP Plan	Police Pension Plan	Total
Employer total pension liability	$ 9,487,694	$ 138,784	$ 60,740	$17,627,240	$27,314,458
Employer fiduciary net position	7,467,690	138,807	60,750	11,988,040	19,655,287
Employer net pension liability (asset)	2,020,004	(23)	(10)	5,639,200	7,659,171
Deferred outflows of resources	598,641	7,699	3,461	1,400,632	2,010,433
Deferred inflows of resources	-	-	-	335,440	335,440
Pension expense (benefit)	327,256	14,205	6,353	892,194	1,240,008

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing pension benefits as described in Note 7, the Village provides post-employment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activities of the plan are reported in the Village's General Fund.

Benefits Provided

The Village offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements, except for the Public Works union employees, who are covered under the union's insurance plan.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Benefits Provided (continued)

All health care benefits are provided through the Village's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; and prescriptions. Eligibility in the Village sponsored health care plan is not discontinued upon eligibility for federally sponsored health care benefits. The retirees may continue on the Village's health plan as a supplement to other plans for which the retirees are eligible.

Membership

At April 30, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Active plan members	107
Total	109

Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay as you go) which results in an implicit subsidy as defined by the GASB Statement No. 45. For the fiscal year ending April 30, 2016, the Village contributed $30,709 toward the implicit subsidy. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB Costs and Net OPEB Obligation

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

Year Ending April 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	$ 106,422	$ 30,709	28.9%	$ 712,518
2015	$ 104,020	$ 38,841	37.3%	$ 636,805
2014	$ 261,566	$ 33,311	12.7%	$ 571,627

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Annual OPEB Costs and Net OPEB Obligation (continued)

The net OPEB obligation as of April 30, 2016, was calculated as follows:

Annual required contribution	$ 108,904
Interest on net OPEB obligation	31,840
Adjustment to annual required contribution	(34,322)
Annual OPEB cost	106,422
Age adjusted contributions made	(30,709)
Change in net OPEB obligation	75,713
Net OPEB obligation, beginning of year	636,805
Net OPEB obligation, end of year	$ 712,518

Funded Status and Funding Progress

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

Actuarial accrued liability (AAL)	$ 1,977,295
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 1,977,295
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	$ 3,791,725
UAAL as a percentage of covered payroll	52.15%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions

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

In the April 30, 2016 valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 7.0% initially and 5.2% ultimately. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2016, was 25 years.

NOTE 9 – AGENCY FUNDS

In 1995, the Village established a Community Fund which received donations from taxpayers to be used for Youth Groups and Senior Citizens' programs. The balance in this fund at April 30, 2016 was $3,127. The Village also has a Building Escrow Fund which accounts for the accumulation of fees assessed to contractors arising from residential development. These fees will either be used to pay expenses related to the development incurred on behalf of the contractor or they will be refunded to the contractor. The balance in this fund at April 30, 2016 was $28,567.

NOTE 10 – REDEVELOPMENT CONTRACTS

The Village has a series of redevelopment contracts connected with its Tax Increment Financing District. These contracts are set up to refund a portion of sales tax and/or property taxes to the businesses. Monetary maximums and time limitations are set forth for each reimbursement agreement.

NOTE 11 – RISK MANAGEMENT

The Village is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The Village has contracted with various insurance carriers to cover its exposure to such liabilities and worker's compensation claims with standard retention levels. In addition, the Village works at prevention activities to keep risk exposure at a minimum level through employee training and education and monitoring of such risks. Risk management activities are accounted for in the General Fund and the Sewer Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that may produce claims, but for which have not been asserted, are considered. There have been no significant reductions in the insurance coverages of the Village during the current fiscal year.

NOTE 12 – CAPITAL LEASE OBLIGATIONS

The Village leases equipment with an original cost of $130,751 and accumulated depreciation of $65,376 under a capital lease arrangement at April 30, 2016. Future minimum lease payments at April 30, 2016 are as follows:

Fiscal Year	Amount
2017	$ 26,810
2018	26,810
Total minimum lease payments	53,620
Less: amounts representing interest	2,387
Present value of minimum lease payments	$ 51,233

NOTE 13 – COMMITMENTS

During fiscal year 2011 the Village of Bourbonnais called a letter of credit that was pledged to the Village by a developer as surety for completion of improvements to the Stone Mill Farms subdivision. These funds were deposited into a certificate of deposit and along with the investment earnings are required to be used by the Village to complete certain improvements in the Stone Mill Farms subdivision. The balance of the funds held by the Village for this purpose was $208,390.

On October 23, 2013, the Village entered into an intergovernmental agreement with the State of Illinois, Department of Transportation for the construction of an interchange at Interstate 57 and reconstruction of Bourbonnais Parkway. Under this agreement, the Village is required to reimburse the State for an estimated $730,000 of construction costs. As of April 30, 2016, the Village has expended $111,740 for this project.

NOTE 14 – INTERGOVERNMENTAL JOINT VENTURE

Effective May 1, 1996, pursuant to a Municipal Joint Sewage Treatment Agency Intergovernmental Agreement, the City of Kankakee and the villages of Aroma Park, Bourbonnais, and Bradley agreed to the establishment of an independent agency with authority to operate the Regional Wastewater Treatment Facility (RWTF), raise revenue and exercise other powers as necessary. The independent agency created is the Kankakee River Metropolitan Agency (KRMA). The agreement requires a seven member board comprised of four persons appointed by the Mayor of the City of Kankakee and one person appointed by the Mayor of each village. A majority of five affirmative votes is required to modify this agreement, modify the methodology or the amounts of user charges, and approve bond issues or any appropriation in excess of $50,000 or to change the membership of the agency. On April 22, 1999, KRMA acquired ownership of the RWTF.

As of April 30, 2016, the Village's net investment in the joint venture was $6,960,920. Charges for services to the Village during the year ended April 30, 2016 were $2,271,126.

NOTE 14 – INTERGOVERNMENTAL JOINT VENTURE (continued)

The amounts included below for the Kankakee River Metropolitan Agency were derived from financials statement that were audited by other auditors whose report has been furnished to us. We did not audit the financial statements of the Kankakee River Metropolitan Agency. Financial statements of the joint venture can be obtained by contacting the Village of Bourbonnais.

Pertinent financial information for the joint venture as of April 30, 2016 is as follows:

Statement of Revenues, Expenses and Changes in Net Position:	
Operating revenues	$ 11,362,173
Operating expenses	(8,359,350)
Non-operating income (expenses)	(1,651,155)
Participant rebate	(500,000)
Change in net position	851,668
Ownership percentage	29.72%
Village's share of net income (loss) (equity interest in joint venture's income or loss)	$ 253,116

NOTE 15 – LOSS CONTINGENCIES

The Village is involved in litigation from time to time on a variety of matters in connection with the services it provides. The Village Attorney estimates that the amount of actual or potential claims against the Village as of April 30, 2016 will not materially affect the financial condition of the Village or any of the individual funds. Settlement amounts are not expected to exceed insurance coverage. Therefore, the General Fund contains no provision for estimated claims.

NOTE 16 – INTERGOVERNMENTAL REVENUE

As of April 30, 2016, intergovernmental revenue reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance consisted of the following:

	2016				
	General Fund	Special Tax Allocation Fund	Motor Fuel Tax Fund	Total	2015
State income tax	$ 2,239,677	$ -	$ -	$ 2,239,677	$ 1,824,620
State sales tax	2,766,932	-	-	2,766,932	2,704,335
State use tax	427,520	-	-	427,520	376,918
Motor fuel tax	-	-	497,610	497,610	456,592
Other	86,562	-	-	86,562	72,933
Total	$ 5,520,691	$ -	$ 497,610	$ 6,018,301	$ 5,435,398

NOTE 17 – PLEDGED REVENUE AND DEBT SERVICE REQUIREMENTS

The Village has pledged specific revenue, net of specific operating expenses, to repay the principal and interest of revenue bonds. All segment reporting requirements are included in the fund financial statements. The following is a schedule of the pledged revenues and related debt:

Bond Issue	Purpose	Source of Revenue Pledged	Future Net Revenues Pledged (1)	Term of Commitment	Current Year Pledged Net Revenue to Debt Service (2)
Sewerage Refunding Revenue Bonds, Series 2006	To advance refund a portion of the Series 2001 revenue bonds	Net revenues of the Village's sewer system	$ 1,599,119	2021	54.2%
General Obligation Bonds, Series 2012A	Capital projects and to advance refund the series 2003 Motor Fuel Tax General Obligation Bonds	All sales, use and property taxes collected by the Village	$ 4,730,663	2033	99.4%
General Obligation Bonds, Series 2012B	To advance refund the remaining portion of the Series 2001 revenue bonds	Moneys to the credit of the Surplus account of the Sewer Fund, and advalorem taxes levied against all property in the Village	$ 1,030,050	2021	199.2%

(1) Total future principal and interest payments on debt.

(2) Current year pledged net operating revenue (excluding depreciation) vs. total future debt service.

NOTE 18 –SUBSEQUENT EVENTS

On November 10, 2016, the Village of Bourbonnais issued $8,780,000 of general obligation bonds (Sewerage System Alternate Revenue Source) for the purpose of paying the costs of improving the sewerage system of the Village and refunding the remaining principal and interest of the Sewerage Refunding Revenue Bonds, Series 2006.

On November 21, 2016, the Village of Bourbonnais entered into a five year capital lease agreement for the lease of equipment with a total cost of $337,779.

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended April 30, 2016 the Village of Bourbonnais adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, the Village has recorded the following adjustments as of May 1, 2015 in order to account for this change in accounting principle.

Description of Adjustment	Governmental Activities	Business-type Activities	Total
To record net pension liability - IMRF	$ (1,099,445)	$ (284,946)	$ (1,384,391)
To record deferred items - IMRF	-	17,516	17,516
To record net pension liability - Police Pension	(4,193,593)	-	(4,193,593)
Net Effect on Net Position as of May 1, 2015	$ (5,293,038)	$ (267,430)	$ (5,560,468)

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2016

	2016		
	Original Budget	**Final Budget**	**Actual**
REVENUES			
Tax revenue	$ 6,150,002	$ 6,150,002	$ 7,026,485
Fine revenue	165,774	165,774	239,214
Franchise taxes	307,661	307,661	326,753
Licenses revenue	32,750	32,750	35,100
Miscellaneous revenue	126,069	126,069	57,729
Permit revenue	171,715	171,715	185,060
Reimbursement revenue	310,386	310,386	82,998
Total revenues	7,264,357	7,264,357	7,953,339
EXPENDITURES			
President and Board of Trustees Department	104,845	104,845	112,653
Administrative Department	213,201	213,201	202,321
Community Development	76,130	76,130	72,789
Police Department	3,706,871	3,706,871	3,868,937
Public Works Department	1,076,075	1,076,075	1,210,591
Code Enforcement Department	346,943	346,943	338,983
Central Services Department	1,375,662	1,375,662	892,251
Finance Department	254,241	254,241	252,904
Street Department	185,484	185,484	265,122
Parks Department	70,989	70,989	97,898
Capital projects	-	-	1,976,534
Debt service:			
Principal payments on debt	-	-	442,934
Interest and fiscal charges	-	-	140,699
Total expenditures	7,410,441	7,410,441	9,874,616
Excess of revenues over (under) expenditures	(146,084)	(146,084)	(1,921,277)
OTHER FINANCING SOURCES (USES)			
Proceeds from debt issue	-	-	644,147
Proceeds from the sale of capital assets	-	-	69,163
Transfers in	146,084	146,084	537,795
Total other financing sources (uses)	146,084	146,084	1,251,105
Excess of revenues and other financing sources over (under) expenditures and other uses.	$ -	$ -	$ (670,172)

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
SPECIAL TAX ALLOCATION FUND
FOR THE YEAR ENDED APRIL 30, 2016

	2016		
	Original Budget	Final Budget	Actual
REVENUES			
Tax revenue	$ 96,966	$ 96,966	$ 102,528
Miscellaneous revenue	-	-	3
Total revenues	96,966	96,966	102,531
Legal and professional	3,090	3,090	44,676
Administrative and other	66,811	66,811	50,883
Total expenditures	69,901	69,901	95,559
Excess of revenues over (under) expenditures	27,065	27,065	6,972
OTHER FINANCING SOURCES (USES)			
Transfers out to other funds	-	-	(43,576)
Total other financing sources (uses)	-	-	(43,576)
Excess of revenues over (under) expenditures	$ 27,065	$ 27,065	$ (36,604)

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED APRIL 30, 2016

	2016		
	Original Budget	**Final Budget**	**Actual**
REVENUES			
Tax revenue	$ 443,418	$ 443,418	$ 497,610
Reimbursement revenue	150,100	150,100	2,359
Miscellaneous revenue	200	200	836
Total revenues	593,718	593,718	500,805
EXPENDITURES			
Contractual service	368,343	368,343	642,340
Commodities	225,375	225,375	46,048
Capital projects	-	-	71,898
Total expenditures	593,718	593,718	760,286
Excess of revenues over (under) expenditures	$ -	$ -	$ (259,481)

VILLAGE OF BOURBONNAIS
NOTE TO BUDGETARY COMPARISON SCHEDULES
APRIL 30, 2016

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The Village adopts annual budgets for the General Fund, Special Tax Allocation Funds, Motor Fuel Tax Fund, Sewer Fund and Refuse Fund. Expenditures for capital project funds are controlled on a project basis.

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

1. Prior to July 1, the Village Treasurer submits to the Village Board of Trustees a proposed operating budget for the fiscal year which had commenced May 1.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to August 1, the budget is legally enacted through passage of the annual appropriation ordinance. This ordinance places legal restrictions on expenditures for the General Fund and at the fund level for the Special Revenue Funds. Once approved, the Village Board of Trustees may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

4. Control of and amendments to the budget rest with the Village Board of Trustees. No supplemental appropriations were necessary during the year. Original and final approved budget amounts have been presented in the budgetary comparison schedules.

5. Appropriations for all funds are adopted on a basis consistent with the accrual basis of accounting.

VILLAGE OF BOURBONNAIS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED APRIL 30, 2016

Other Post-Employment Benefits

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)
4/30/2016	$ -	$ 1,977,295	$1,977,295	0.00	$ 3,791,725	52.15%
4/30/2015	$ -	$ 1,332,647	$1,332,647	0.00	$ 3,188,482	41.80%
4/30/2014	$ -	$ 2,857,074	$2,857,074	0.00	$ 3,188,482	89.61%

The ALL decreased significantly in FY15 as a result of a change in benefits of the plan which caused a 50% decrease in member participation.

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2016

Calendar Year Ended December 31,	**2015**			
	REG	**ECO**	**SLEP**	**TOTAL**
Total pension liability				
Service Cost	$ 224,220	$ -	$ -	$ 224,220
Interest on the Total Pension Liability	655,965	10,743	4,970	671,678
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	95,183	(15,200)	(10,502)	69,481
Changes of Assumptions	11,988	-	-	11,988
Benefit Payments, including Refunds of Employee Contributions	(337,758)	-	-	(337,758)
Net Change in Total Pension Liability	649,598	(4,457)	(5,532)	639,609
Total Pension Liability – Beginning	8,838,096	143,241	66,272	9,047,609
Total Pension Liability – Ending	$ 9,487,694	$ 138,784	$ 60,740	$ 9,687,218
Plan fiduciary net position				
Contributions – Employer	$ 255,640	$ -	$ -	$ 255,640
Contributions – Employees	93,295	-	-	93,295
Net Investment Income	36,986	684	317	37,987
Benefit Payments, including Refunds of Employee Contributions	(337,758)	-	-	(337,758)
Other (Net Transfer)	27,857	1,365	(2,957)	26,265
Net Change in Plan Fiduciary Net Position	76,020	2,049	(2,640)	75,429
Plan Fiduciary Net Position – Beginning	7,391,670	136,758	63,390	7,591,818
Plan Fiduciary Net Position – Ending	$ 7,467,690	$ 138,807	$ 60,750	$ 7,667,247
Net Pension Liability/(Asset)	$ 2,020,004	$ (23)	$ (10)	$ 2,019,971
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.71%	100.02%	100.02%	79.15%
Covered Valuation Payroll	$ 2,038,609	$ -	$ -	$ 2,038,609
Net Pension Liability as a Percentage of Covered Valuation Payroll	99.09%	0.00%	0.00%	99.09%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
APRIL 30, 2016

Year Ended April 30,	2016	2015
Total Pension Liability		
Service Cost	$ 456,556	$ 425,302
Interest on the Total Pension Liability	1,114,458	1,049,435
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(383,361)	-
Changes of Assumptions	661,642	-
Benefit Payments, including Refunds of Employee Contributions	(551,971)	(533,398)
Net Change in Total Pension Liability	1,297,324	941,339
Total Pension Liability - Beginning	16,329,916	15,388,577
Total Pension Liability - Ending (A)	$ 17,627,240	$ 16,329,916
Plan Fiduciary Net Position		
Contributions - Employer	$ 448,779	$ 440,593
Contributions - Employees	183,549	171,365
Net Investment Income	(205,971)	931,431
Benefit Payments, including Refunds of Employee Contributions	(551,971)	(533,398)
Administrative expense	(22,669)	(18,547)
Net Change in Plan Fiduciary Net Position	(148,283)	991,444
Plan Fiduciary Net Position - Beginning	12,136,323	11,144,879
Plan Fiduciary Net Position - Ending (B)	$ 11,988,040	$ 12,136,323
Net Pension Liability - Ending (A) - (B)	$ 5,639,200	$ 4,193,593
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.01%	74.32%
Covered Valuation Payroll	$ 1,852,159	$ 1,664,364
Net Pension Liability as a Percentage of Covered Valuation Payroll	304.47%	251.96%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The covered employee payroll amount for fiscal year 2015 was not available. Pensionable salary has been reported instead.

For Fiscal Year 2016, amounts reported as changes of assumptions were to better reflect future mortality expectations. The mortality table assumption was changed from the RP-2000 Combined Healthy table with a blue collar adjustment and no projection to the RP-2000 Combined Healthy table with a blue collar adjustment, projected to the validation date with scale BB. The disabled mortality table was changed from RP-2000 Disabled Mortality, no projection to RP-2000 projected to the valuation date with Scale BB.

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2016

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a percent of Valuation Payroll
Regular Plan					
2015	$ 255,642	$ 255,640	$ 2	$ 2,038,609	12.54%
ECO Plan					
2015	-	-	-	-	0.00%
SLEP Plan					
2015	-	-	-	-	0.00%
Total	$ 255,642	$ 255,640	$ 2	$ 2,038,609	12.54%

Notes to Schedule**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Summary of Actuarial Methods and Assumptions Used in Calculation of the 2015 Contribution Rate*

Actuarially determined contribution rates are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method	Aggregate entry age normal.
Amortization Method	Level percentage of payroll, closed.
Remaining Amortization Period	Non-taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28 year closed period until remaining period reaches 15 years (then 15 year rolling period). Early retirement incentive plan liabilities" period of up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Actuarial Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; no explicit price inflation assumption is used.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience 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 periods 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjustment for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other Information	There were no benefit changes during the year.

**Notes to schedule of Contributions is same for all plans.
*Based on valuation assumptions used in the December 31, 2013 actuarial valuation.

VILLAGE OF BOURBONNAIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
POLICE PENSION FUND
APRIL 30, 2016

Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	$ 448,779	$ 448,779	$ -	$ 1,852,159	24.23%
2015	440,593	440,593	-	1,664,364	26.47%
2014	425,667	425,667	-	1,664,364	25.58%
2013	400,372	400,372	-	1,534,174	26.10%
2012	*	355,000	*	1,611,804	22.03%
2011	389,722	389,722	-	*	*
2010	366,956	366,956	-	1,580,364	23.22%
2009	255,144	255,144	-	1,375,632	18.55%
2008	225,387	225,387	-	1,375,631	16.38%
2007	254,289	254,289	-	1,256,981	20.23%

* Information is unavailable. The Fund did not receive an actuarial report for April 30, 2011.

Notes to Schedule

The covered employee payroll amount for fiscal year 2015 was not available. Pensionable salary has been reported instead.

Valuation Date: May 1, 2015 (Rolled Forward to April 30, 2016)

Summary of Actuarial Methods and Assumptions Used in Calculation of the 2016 Contribution Rate

Actuarially determined contribution rates are calculated as of May 1, one year prior to the end of the fiscal year in which contributions are reported.

Funding Method	Projected unit credit.
Amortization Method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the Fund's funded ratio to 90% by the end of fiscal year 2040.
Actuarial Asset Method	Investment gains and losses are recognized over a 5 year period.
Interest Rate	6.75%
Interest Rate, prior fiscal year	6.75%
Healthy Mortality Rates - Male	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment.
Healthy Mortality Rates - Female	RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment.
Disability Mortality Rates - Male	RP-2000 Disabled Retiree Mortality.
Disability Mortality Rates - Female	RP-2000 Disabled Retiree Mortality.
Decrements other than mortality	Experience tables.
Rate of service related deaths	5.00%
Rate of service related disabilities	70.00%
Salary Increases	Service related table with rates grading from 11% to 4% at 30 years of service.
Payroll Growth	4.50%
Tier 2 Cost of living adjustment	1.25%
Marital Status	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.
Other Information	The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Illinois Department of Insurance has approved the above actuarial assumptions. Contact the Illinois Department of Insurance for complete experience tables.

STATISTICAL SECTION

VILLAGE OF BOURBONNAIS
ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS (UNAUDITED)
FOR THE TAX LEVY YEARS 2006 - 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ASSESSED VALUATION	$ 313,051,419	$ 313,410,113	$ 314,023,975	$ 327,244,544	$ 335,201,415	$ 349,420,344	$ 329,085,517	$ 323,032,716	$ 293,060,541	$ 259,001,987
TAX RATES										
Corporate	0.1085	0.1073	0.1055	0.100	0.096	0.095	0.110	0.105	0.116	0.115
Emergency Services	0.0081	0.0078	0.0075	0.007	0.006	0.005	0.004	0.003	0.002	0.002
Street lighting	0.0386	0.0379	0.0371	0.035	0.033	0.031	0.031	0.029	0.029	0.032
Parks	0.0211	0.0207	0.0202	0.019	0.017	0.016	0.016	0.015	0.014	0.016
Police protection	0.0716	0.0704	0.0689	0.065	0.062	0.059	0.062	0.059	0.060	0.064
Police pension	0.0672	0.0661	0.0647	0.061	0.059	0.055	0.057	0.054	0.055	0.059
Audit	0.0123	0.0120	0.0117	0.011	0.011	0.010	0.009	0.008	0.007	0.008
Social security	0.0486	0.0477	0.0467	0.044	0.042	0.039	0.040	0.038	0.039	0.042
School crossing guard	0.0113	0.0110	0.0107	0.010	0.009	0.008	0.007	0.006	0.005	0.005
IMRF	0.0386	0.0379	0.0371	0.035	0.033	0.031	0.031	0.029	0.029	0.032
Liability insurance	0.0432	0.0424	0.0414	0.039	0.037	0.035	0.035	0.033	0.034	0.038
Worker's compensation	0.0058	0.0056	0.0054	0.005	0.004	0.004	0.003	0.002	0.001	0.001
Unemployment	0.0058	0.0056	0.0054	0.005	0.004	0.004	0.003	0.002	0.001	0.001
Total tax rates	0.4807	0.4724	0.4623	0.436	0.413	0.392	0.408	0.383	0.392	0.415
TAX EXTENSIONS										
Corporate	339,661	336,289	$ 331,295	$ 327,245	$ 321,793	$ 332,093	$ 325,795	$ 339,175	$ 339,950	$ 297,852
Emergency Services	25,357	24,446	23,552	22,907	20,112	17,479	13,163	9,691	5,861	5,180
Street lighting	120,838	118,782	116,503	114,536	110,617	108,367	95,435	93,677	84,988	82,881
Parks	66,054	64,876	63,433	62,176	56,984	55,931	49,363	48,454	41,028	41,440
Police protection	224,145	220,641	216,363	212,709	207,825	206,247	190,870	190,584	175,836	165,761
Police pension	210,371	207,164	203,173	199,619	197,769	192,264	177,706	174,433	161,183	152,811
Audit	38,505	37,609	36,741	35,997	36,872	34,957	29,618	25,842	20,514	20,720
Social security	152,143	149,497	146,649	143,988	140,785	136,333	125,053	122,749	114,294	108,781
School crossing guard	35,375	34,475	33,601	32,724	30,168	27,966	23,036	19,381	14,653	12,950
IMRF	120,838	118,782	116,503	114,536	110,616	108,367	95,435	93,677	84,988	82,881
Liability insurance	135,238	132,886	130,006	127,625	124,025	122,350	108,598	106,598	99,640	98,421
Worker's compensation	18,157	17,551	16,957	16,362	13,408	13,983	9,872	6,460	2,931	2,590
Unemployment	18,157	17,551	16,957	16,362	13,408	13,983	9,872	6,460	2,931	2,590
Total tax extensions	$ 1,504,839	$ 1,480,549	$ 1,451,733	$ 1,426,786	$ 1,384,382	$ 1,370,320	$ 1,253,816	$ 1,237,181	$ 1,148,797	$ 1,074,858
TAX COLLECTIONS										
General fund		$ 1,469,451	$ 1,444,800	$ 1,418,923	$ 1,372,277	$ 1,354,384	$ 1,246,735	$ 1,229,453	$ 1,139,895	$ 1,061,904
Road and bridge collections		36,337	40,850	29,300	26,581	27,724	16,342	12,853	23,382	23,133
Total tax collections		$ 1,505,788	$ 1,485,650	$ 1,448,223	$ 1,398,858	$ 1,382,108	$ 1,263,077	$ 1,242,306	$ 1,163,277	$ 1,085,037
Percentage of Village levy collected		99.3%	99.5%	99.4%	99.1%	98.8%	99.4%	99.2%	98.8%	99.0%

Borschnack Pelletier & Co.
Certified Public Accountants & Consultants
200 East Court Street • Suite 608 • Kankakee, IL 60901
815.933.1771 • fax: 815.933.1163

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Village of Bourbonnais
Bourbonnais, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Bourbonnais, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise Village of Bourbonnais, Illinois' basic financial statements and have issued our report thereon dated December 14, 2016. Our report includes a reference to other auditors who audited the financial statements of the Kankakee River Metropolitan Agency, as described in our report on the Village of Bourbonnais, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance or other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Bourbonnais, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Bourbonnais, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Bourbonnais, Illinois' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in finding 16-1 in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Bourbonnais, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Bourbonnais, Illinois' Response to Finding

Village of Bourbonnais, Illinois' responses to the finding identified in our audit is described in the accompanying schedule of findings. Village of Bourbonnais, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Bourbonnais, Illinois' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Bourbonnais, Illinois' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Borschnack, Pelletier & Co.

December 14, 2016

VILLAGE OF BOURBONNAIS
SCHEDULE OF FINDINGS
APRIL 30, 2016

FINDING 16-1: PREPARATION OF FINANCIAL STATEMENTS AND DISCLOSURES

Condition

The Village of Bourbonnais (Village) did not prepare financial statements and disclosures in accordance with accounting principles generally accepted in the United States of America. Certain material adjustments were needed to correct the Village's account balances as of April 30, 2016. These adjustments have been proposed to Village management and have been approved for posting to the Village's accounts by Village management.

Cause

Due to the limited amount of resources available, the Village has historically depended on its auditors to prepare financial statements and disclosures in accordance with accounting principles generally accepted in the United States of America. Certain accounts within the Village of Bourbonnais' accounting records have essentially been maintained on the cash basis of accounting and required adjustments to convert the account balances to the accrual basis of accounting.

Criteria

Prudent business practices require that account balances be reconciled each month.

Effect

Not preparing financial statements in accordance with accounting principles generally accepted in the United State of America results in the inaccurate reporting of financial information.

Recommendation

We recommend the Village reconcile all account balances to detailed records as a part of its yearend closing process in order to provide accurate account balances in accordance with accounting principles generally accepted in the United States.

As your auditors, we may continue to help with typing and formatting of the financial statements, but cannot make management decisions regarding the preparation of the Village's financial statements. Accordingly, we wish to remind Village management that your independent auditors are not part of the Village's internal control system.

We understand the Village has assigned an individual to oversee the preparation of the financial statements and disclosures. We recommend the Village continue to do so in the future.

Management's Response

Village management will reconcile account balances prior to providing such information to our auditors and will continue to assign an individual to oversee the preparation of the financial statements and disclosures in order to ensure that all management decisions related to this process are made by Village management.