

VILLAGE OF BROADVIEW

Broadview, Illinois

FINANCIAL STATEMENTS

As of and for the Year Ended April 30, 2018

VILLAGE OF BROADVIEW

TABLE OF CONTENTS As of and for the Year Ended April 30, 2018

| | <u>Page(s)</u> |
|--|----------------|
| Independent Auditors' Report | 1 - 2 |
| Required Supplementary Information | |
| Management's Discussion and Analysis | 3 - 14 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 15 |
| Statement of Activities | 16 - 17 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 18 - 19 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 20 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 21 - 22 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 23 |
| Statement of Net Position - Proprietary Fund | 24 - 25 |
| Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund | 26 |
| Statement of Cash Flows - Proprietary Fund | 27 - 28 |
| Statement of Fiduciary Net Position | 29 |
| Statement of Changes in Fiduciary Net Position | 30 |
| Index to Notes to Financial Statements | 31 |
| Notes to Financial Statements | 32 - 77 |
| Required Supplementary Information | |
| General Fund | |
| Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 78 - 86 |
| Special Revenue Funds | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - 22nd and 17th Avenue TIF Redevelopment Fund - Major Special Revenue Fund | 87 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Roosevelt Road TIF Fund - Major Special Revenue Fund | 88 |

VILLAGE OF BROADVIEW

TABLE OF CONTENTS (cont.) As of and for the Year Ended April 30, 2018

Required Supplementary Information (cont.)

Historical Pension and OPEB Information

| | |
|--|----|
| Illinois Municipal Retirement Fund - Schedule of Changes in the Village's Net Pension Liability and Related Ratios | 89 |
| Illinois Municipal Retirement Fund - Schedule of Employer Contributions | 90 |
| Police Pension Fund - Schedule of Changes in the Village's Net Pension Liability and Related Ratios | 91 |
| Police Pension Fund - Schedule of Employer Contributions | 92 |
| Firefighters' Pension Fund - Schedule of Changes in the Village's Net Pension Liability and Related Ratios | 93 |
| Firefighters' Pension Fund - Schedule of Employer Contributions | 94 |
| Retiree Health Insurance - Schedule of Changes in the Total OPEB Liability and Related Ratios | 95 |
| Notes to Required Supplementary Information | 96 |

Supplementary Information

| | |
|--|-----------|
| Combining Balance Sheet - Nonmajor Governmental Funds | 97 - 98 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 99 - 100 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual | |
| Garbage Fund - Nonmajor - Special Revenue Fund | 101 |
| Illinois Municipal Retirement Fund - Nonmajor - Special Revenue Fund | 102 |
| Motor Fuel Tax Fund - Nonmajor - Special Revenue Fund | 103 |
| CDBG Fund - Nonmajor - Special Revenue Fund | 104 |
| Emergency Telephone System Fund - Nonmajor - Special Revenue Fund | 105 |
| 27th / 23rd TIF Redevelopment Fund - Nonmajor - Special Revenue Fund | 106 |
| 17th Avenue North TIF Redevelopment Fund - Nonmajor - Special Revenue Fund | 107 |
| Debt Service Fund - Nonmajor | 108 |
| Capital Projects Fund - Nonmajor | 109 |
| Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual | |
| Water and Sewerage Fund - Major - Enterprise Fund | 110 - 111 |
| Combining Statement of Fiduciary Net Position - Pension Trust Funds | 112 |
| Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds | 113 |

INDEPENDENT AUDITORS' REPORT

To the President and Village Board
Village of Broadview, Illinois

Report on the Financial Statements

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 Broadview, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Broadview's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 Police Pension Fund which represent 51 percent, 54 percent, and 35 percent respectively, of the assets/deferred outflows of resources, net position/fund balances, and revenues/additions of the aggregate remaining fund information. 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 Police Pension Fund, 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. 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 Village of Broadview'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 Village of Broadview'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.

To the President and Village Board
Village of Broadview, Illinois

Opinions

In our opinion, based on our audit and the report of 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 Broadview, Illinois, as of April 30, 2018 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

As discussed in Note I, the Village of Broadview adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective May 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Broadview's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
February 13, 2019

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

The discussion and analysis of Village of Broadview's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended April 30, 2018. The management of the Village encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Village's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights - Government-wide Financial Statements

- > The Village of Broadview's net position decreased by \$1.4 million or 42% compared to the prior year. The Village ended the fiscal year with net position of (\$4.9 million).
- > During the year, expenses of \$24.8 exceeded revenues of \$23.4 million, resulting in a decrease in net position of \$1.4 million. Net position of business-type activities increased \$0.3 million or 2.8%, while net position of governmental activities decreased by \$1.7 million or 12.3%.
- > General revenues accounted for \$15.5 million in revenue or 77% of all governmental revenues. Program specific revenues in the form of charges for services and fees, and grants accounted for \$4.4 million or 23% of total governmental revenues.
- > The governmental activities had \$21.6 million in expenses related to government activities. However, only \$4.4 million of these expenses were offset by program specific charges and grants.
- > At the end of the current fiscal year, unassigned fund balance for the General Fund was in the position of \$4.2 million.
- > The Village's total long-term liabilities increased during the current year to \$45.7 million.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The basic financial statements are comprised of three components:

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the Village's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the Village that are principally supported by taxes and intergovernmental revenues. Business-type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Village's governmental activities include functions like general government, public safety, highways, and streets and sanitation. The Village's business-type activities include water and sewerage services.

Fund financial statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Village's near-term financing requirements.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

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

The Village maintains three major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, 22nd / 17th Avenue TIF Redevelopment, and Roosevelt Road TIF all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The Village adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Proprietary funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village's proprietary fund presents the activities and balances in Water and Sewerage Fund, which is considered to be a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary funds reflect the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's Illinois Municipal Retirement Fund Pension, Police Pension Fund, Firefighters' Pension Fund and Other Post-Employment Benefits; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2018 (Unaudited)

Government-Wide Financial Analysis

Table 1
Condensed Statements of Net Position
(in millions of dollars)

| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | | | <u>Total</u> | | |
|---------------------------------------|--------------------------------|------------------|---------------|---------------------------------|----------------|---------------|-----------------|-----------------|---------------|
| | <u>2018</u> | <u>2017*</u> | <u>Change</u> | <u>2018</u> | <u>2017*</u> | <u>Change</u> | <u>2018</u> | <u>2017*</u> | <u>Change</u> |
| Assets and | | | | | | | | | |
| Current and other assets | \$ 20.7 | \$ 24.7 | (16.2)% | \$ 5.7 | \$ 5.2 | 9.6% | \$ 26.4 | \$ 29.9 | 3.8% |
| Capital assets | <u>15.5</u> | <u>12.7</u> | 22.0% | <u>6.3</u> | <u>6.1</u> | 3.3% | <u>21.8</u> | <u>18.8</u> | 8.7% |
| Total assets | <u>36.2</u> | <u>37.4</u> | 6.9% | <u>12.0</u> | <u>11.3</u> | 1.8% | <u>48.2</u> | <u>48.7</u> | 5.6% |
| Deferred Outflows of Resources | | | | | | | | | |
| Deferred outflows of resources | <u>2.4</u> | <u>4.9</u> | (14.0)% | <u>-</u> | <u>0.1</u> | | <u>2.4</u> | <u>5.0</u> | -13.8% |
| Liabilities | | | | | | | | | |
| Long-term liabilities | 45.6 | 44.1 | 3.4% | 0.1 | - | | 45.7 | 44.1 | 3.6% |
| Other liabilities | <u>2.2</u> | <u>1.9</u> | 15.8% | <u>0.6</u> | <u>0.4</u> | 50.0% | <u>2.8</u> | <u>2.3</u> | 21.7% |
| Total liabilities | <u>47.8</u> | <u>46.0</u> | 3.9% | <u>0.7</u> | <u>0.4</u> | 75.0% | <u>48.5</u> | <u>46.4</u> | 4.5% |
| Deferred Inflows of Resources | | | | | | | | | |
| Deferred inflows of resources | <u>6.9</u> | <u>8.3</u> | (16.9)% | <u>0.1</u> | <u>-</u> | | <u>7.0</u> | <u>8.3</u> | (15.7)% |
| Net position | | | | | | | | | |
| Net investment in capital assets | 13.7 | 10.4 | 31.7% | 6.3 | 6.1 | 3.3% | 20.0 | 16.5 | 21.2% |
| Restricted | 6.1 | 8.0 | (23.8)% | - | - | | 6.1 | 8.0 | (23.8)% |
| Unrestricted | <u>(35.9)</u> | <u>(30.4)</u> | 18.1% | <u>4.9</u> | <u>4.9</u> | | <u>(31.0)</u> | <u>(25.5)</u> | 21.6% |
| Total net position | \$ <u>(16.1)</u> | \$ <u>(12.0)</u> | 34.2% | \$ <u>11.2</u> | \$ <u>11.0</u> | 1.9% | \$ <u>(4.9)</u> | \$ <u>(1.0)</u> | 390.0% |

*Prior year information has not been updated for the Village's implementation of GASB Statement No. 75 in fiscal year 2018.

Normal Impacts

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

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net position net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net position net investment in capital assets.

Current Year Impacts

As noted earlier, net position and their changes over time serve as a useful indicator of a government's financial position. The Village's total cumulative net position for Governmental Activities resulted in a net \$1,769,745 decrease in net position from a negative \$14,373,844 to a negative \$16,143,589. The net position of Business-Type activities reflects a small increase of \$302,738.

The Village's total governmental activities assets saw a decrease of \$1,467,007, mostly due to a decrease in cash. Overall cash and investments has a decrease of \$2,866,778.

Capital assets increased \$2,858,275 mainly due to capital improvements related to road reconstruction offset by the current year's depreciation.

Total liabilities and the deferred inflows of resources increased mainly due to an increase in noncurrent liabilities.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2018 (Unaudited)

| Table 2 | | | | | | | | | |
|---|--------------------------------|------------------|---------------|---------------------------------|----------------|---------------|-----------------|-----------------|---------------|
| Condensed Statements of Activities | | | | | | | | | |
| (in millions of dollars) | | | | | | | | | |
| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | | | <u>Total</u> | | |
| | <u>2018</u> | <u>2017*</u> | <u>Change</u> | <u>2018</u> | <u>2017*</u> | <u>Change</u> | <u>2018</u> | <u>2017*</u> | <u>Change</u> |
| Revenues | | | | | | | | | |
| <i>Program revenues</i> | | | | | | | | | |
| Charges for services | \$ 3.9 | \$ 2.3 | 69.6% | \$ 3.5 | \$ 3.4 | 2.9% | \$ 7.4 | \$ 5.7 | 29.8% |
| Operating grants and contributions | 0.3 | 0.4 | (25.0)% | - | - | | 0.3 | 0.4 | (25.0)% |
| Capital grants and contributions | 0.2 | 0.1 | 100.0% | - | - | | 0.2 | 0.1 | 100.0% |
| <i>General revenues</i> | | | | | | | | | |
| Property taxes | 9.0 | 9.6 | (6.3)% | - | - | | 9.0 | 9.6 | (6.3)% |
| Other taxes | 5.0 | 0.8 | 525.0% | - | - | | 5.0 | 0.8 | 525.0% |
| Intergovernmental | 1.3 | 1.4 | (7.1)% | - | - | | 1.3 | 1.4 | (7.1)% |
| Other general revenues | <u>0.2</u> | <u>0.6</u> | (66.7)% | <u>-</u> | <u>-</u> | | <u>0.2</u> | <u>0.6</u> | (66.7)% |
| Total revenues | <u>19.9</u> | <u>15.2</u> | 30.9% | <u>3.5</u> | <u>3.4</u> | 2.9% | <u>23.4</u> | <u>18.6</u> | 25.8% |
| Expenses | | | | | | | | | |
| General government | 6.6 | 3.2 | 106.3% | - | - | | 6.6 | 3.2 | 106.3% |
| Public safety | 12.6 | 12.7 | (0.8)% | - | - | | 12.6 | 12.7 | (0.8)% |
| Highways and streets | 1.5 | 1.8 | (16.7)% | - | - | | 1.5 | 1.8 | (16.7)% |
| Sanitation | 0.7 | 0.8 | -12.5% | - | - | | 0.7 | 0.8 | (12.5)% |
| Interest and fees | 0.2 | 0.1 | 100.0% | - | - | | 0.2 | 0.1 | 100.0% |
| Water and sewerage | <u>-</u> | <u>-</u> | | <u>3.2</u> | <u>3.2</u> | | <u>3.2</u> | <u>3.2</u> | |
| Total expenses | <u>21.6</u> | <u>18.6</u> | 16.1% | <u>3.2</u> | <u>3.2</u> | | <u>24.8</u> | <u>21.8</u> | 13.8% |
| Change in net position | (1.7) | 0.8 | (312.5)% | 0.3 | 0.2 | 50.0% | (1.4) | 1.0 | (240.0)% |
| Net position, beginning of year | <u>(14.4)</u> | <u>(12.8)</u> | 12.5% | <u>10.9</u> | <u>10.8</u> | 0.9% | <u>(3.5)</u> | <u>(2.0)</u> | 75.0% |
| Net position end of year | <u>\$ (16.1)</u> | <u>\$ (12.0)</u> | 34.2% | <u>\$ 11.2</u> | <u>\$ 11.0</u> | 1.8% | <u>\$ (4.9)</u> | <u>\$ (1.0)</u> | 390% |

*Prior year information has not been updated for the Village's implementation of GASB Statement No. 75 in fiscal year 2018.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in Village approved rates – while certain tax rates are set by statute, the Village has significant authority to impose and periodically increase/decrease rates (water, sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the Village's investments may be affected by market conditions causing investment income to increase/decrease.

Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the Village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

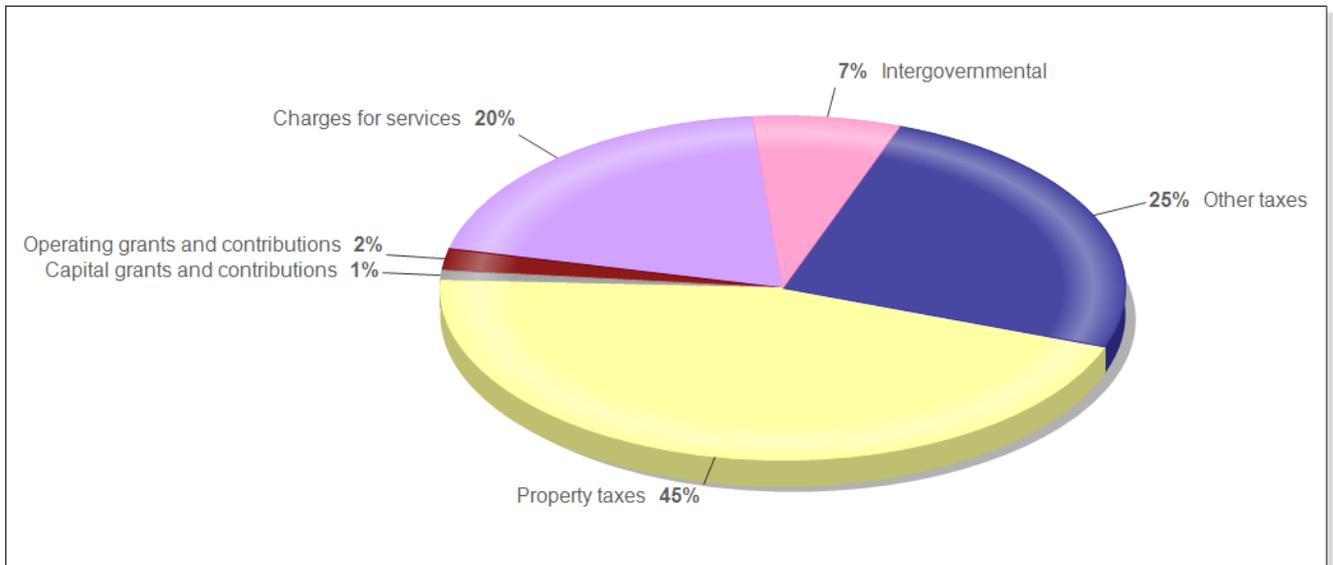
Current Year Impacts

The Governmental Activities revenues increased from the prior year of \$19,437,641 to \$19,874,439, a \$436,798 overall increase. A \$527,947 decrease in property tax receipts was due primarily to a decrease in incremental property taxes generated by the Village's TIFs. Additionally, public safety charges for services increased in revenue of \$1,266,305. Please refer to the table on page 9 for additional details of the revenue categories.

Governmental Activities expenditures increased by \$3.0 million in the current year as compared to that of the prior year, which was mainly attributable to various offsetting increases and decreases in the various expenditure categories.

Governmental Activities

Revenue Source - Governmental Activities



VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

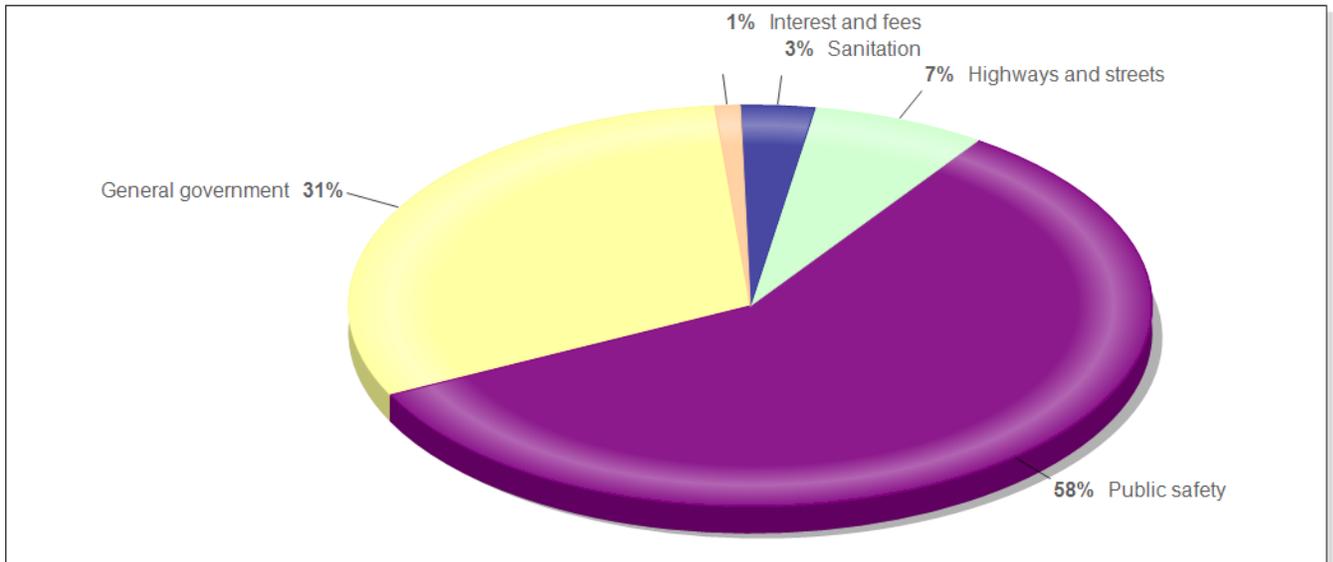
(Unaudited)

Governmental Activities Revenues

A graphic summary of the FY 2018 Governmental Activities revenues by category for the Village of Broadview is shown above. Property Taxes and Other Taxes accounted for a combined 70% of the Village's revenue sources used to fund governmental activities. Annual receipts from property taxes decreased \$.6 million, or approximately 6.3% from the prior year. The decrease was primarily due to a decrease in incremental property taxes generated by the Village's TIFs. Current year collections in Other and Intergovernmental Taxes, which include sales taxes, utility taxes, state/local use taxes and cable CATV taxes, also reflect a decrease over the prior year. Total revenues from governmental activities increased \$436,798, or 2.2% from the prior year.

Operating revenues of the Village's business type activities (not shown as part of graph) increased by 2.3% over the prior year due primarily to a slight variations in water consumption and resulting units of billable water sold to consumers. The sale of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand.

Expenses by Function -Governmental Activities



The chart as shown above graphically depicts the major expense categories of the Village of Broadview. The public safety category that includes the Law Enforcement, Fire and Building Departments is substantially tax supported with program charges covering approximately 19.4% of their expenses. The Sanitation function, on the other hand, is contracted to private vendors and the residents and businesses of the community are billed monthly to cover the cost of collection and disposal. Sufficient revenues were received to cover the full cost of that function.

Operating expenses of the business type activities of the Village that includes the Water and Sewerage Department (not shown as part of graph) increased by \$18,923 or 0.6% from the prior year primarily related to increased water prices and system repairs and related purchases.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

Financial Analysis of the Village's Funds

As of the end of the current fiscal year, the Village of Broadview's governmental funds reported a combined (major & non major) ending fund balance of \$11,103,595, a decrease of \$4,858,357 over fiscal year 2017 from \$15,961,952. A significant portion of the net decrease was attributable to decreases within general government and public safety expenditures. The 22nd and 17th Avenue TIF Redevelopment Fund decreased its fund balance from \$3,477,861 to \$848,795 in 2018. That decrease is attributable to a distribution of \$3.5 million to the Cook County Treasurer.

Other Financing Sources and Uses

An operating transfer into the General Fund occurred in FY18 due to the Village reimbursing expenditures from one of its Tax Increment Redevelopment Funds to the Village's General Fund.

General Fund Budgetary Highlights

The Village's budget for the General Fund anticipated that revenues would exceed expenditures by \$546,787 and that the net impact after other financing sources (uses) would result in an overall net increase of \$448,446 to the fund balance. The actual result was a decrease of \$332,308 resulting in an ending fund balance of \$4,287,733.

Annual revenues were greater than the budgeted amount by \$157,812. Favorable budget variances experienced by the various revenue categories caused this decrease.

The General Fund total actual expenditures exceeded the budgeted expenditures by \$978,475. Unfavorable budget variances experienced by the various departments caused this increase.

For additional Details, please see the Budgetary Comparison Schedules for the General Fund in this report.

Capital Assets and Debt Administration

Capital assets

The Village of Broadview's investment in capital assets for its governmental and business type activities as of April 30, 2017 was \$21.8 million (net of accumulated depreciation of \$21.6 million). This investment in capital assets includes land, buildings and improvements, distribution systems, vehicles, furniture and equipment and infrastructure. During the current fiscal year, there was controlled activity in the purchasing of capital assets due to limited resources. More detailed information about capital assets can be found in Note III C. of the basic financial statements.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2018 (Unaudited)

| Table 3 | | | | | | | | | |
|---|--------------------------------|----------------|---------------|---------------------------------|---------------|---------------|----------------|----------------|---------------|
| Capital Assets (net of depreciation) | | | | | | | | | |
| (in millions of dollars) | | | | | | | | | |
| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | | | <u>Total</u> | | |
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | <u>2018</u> | <u>2017</u> | <u>Change</u> | <u>2018</u> | <u>2017</u> | <u>Change</u> |
| Land | \$ 1.6 | \$ 1.6 | | \$ 0.1 | \$ 0.1 | | \$ 1.7 | \$ 1.7 | |
| Const. in Process | 0.2 | 0.4 | -50.0% | - | - | | 0.2 | 0.4 | -50.0% |
| Buildings | 1.8 | 1.6 | 12.5% | - | - | | 1.8 | 1.6 | 12.5% |
| Vehicles | 1.1 | 1.0 | 10.0% | - | - | | 1.1 | 1.0 | 10.0% |
| Equipment | 0.2 | 0.3 | (33.3)% | 0.4 | 0.4 | | 0.6 | 0.7 | (14.3)% |
| Infrastructure | <u>10.6</u> | <u>7.8</u> | 35.9% | <u>5.8</u> | <u>5.6</u> | 3.6% | <u>16.4</u> | <u>13.4</u> | 22.4% |
| Total | \$ 15.5 | \$ 12.7 | 22.0% | \$ 6.3 | \$ 6.1 | 3.3% | \$ 21.8 | \$ 18.8 | 16.0% |

Debt Administration

At year end, the Village had total outstanding long term debt of \$45.7 million, as compared to \$44.1 million of the previous year. More detailed information about debt administration can be found in Note III E. of the basic financial statements.

| Table 4 | | | | | | | | | |
|---------------------------------|--------------------------------|----------------|---------------|---------------------------------|--------------|---------------|----------------|----------------|---------------|
| Long-Term Debt | | | | | | | | | |
| (in millions of dollars) | | | | | | | | | |
| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | | | <u>Total</u> | | |
| | <u>2018</u> | <u>2017*</u> | <u>Change</u> | <u>2018</u> | <u>2017*</u> | <u>Change</u> | <u>2018</u> | <u>2017*</u> | <u>Change</u> |
| Bonds | \$ 4.4 | \$ 4.9 | | \$ - | \$ - | | \$ 4.4 | \$ 4.9 | (10.2)% |
| Other | <u>41.2</u> | <u>39.2</u> | | <u>0.1</u> | <u>-</u> | | <u>41.3</u> | <u>39.2</u> | (3.0)% |
| Total | \$ 45.6 | \$ 44.1 | 3.4% | \$ 0.1 | \$ - | | \$ 45.7 | \$ 44.1 | (3.7)% |

*Prior year information has not been updated for the Village's implementation of GASB Statement No. 75 in fiscal year 2018.

VILLAGE OF BROADVIEW

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

(Unaudited)

Factors Bearing on the Village's Future

The Village continued its diligent efforts to properly allocate spending, maintain high level of village services for resident and begin strategic planning to create sustainable plans to position the Village for long-term financial stability.

The Village's largest single sources of revenue are property taxes which generally are stable and predictable. Increases in the Village's annual levy are limited by the Property Tax Extension Limitation Law (PTELL). PTELL limits the increase in the property tax extensions (total taxes billed) for nonhome rule taxing districts to the lower of the National Consumer Price index or 5%, excluding any new growth. For 2018, the CPI is 1.9% (lower than the 5% maximum).

Economic Development

The Village utilizes a range of economic development programs and tools to promote economic development and business retention. In addition to TIF Districts, the Village pursues financing (e.g., grants) to improve the physical condition and appearance of the major business districts, offers incentives for businesses to replace and/or upgrade their commercial signage, sponsors events that foster development and local tourism, and undertakes outreach to the businesses and developers.

Long-term Financial Planning

The Village looks to conduct strategic planning sessions to identify key issues in an effort to maximize services provided to the Village's residents.

The Sessions are intended to link issues to outcomes by focusing on key goals in governance. They include:

1. Maintain Fiscal Responsibility with Sound Budget Practices
2. Improve and Maintain Infrastructure and Roads
3. Maintain and Communicate Good Government Practices and Services
4. Maintain Public Services Through Safe Practices and Proper Equipment
5. Attract, Retain and Expand Business

Requests for Information

This financial report is designed to provide the Village's citizens, taxpayers and creditors with a general overview of the Village's finances and to demonstrate the Village's Accountability and Transparency of funds under the Village's control. If you have questions about this report or need additional financial information, contact the Village's Finance Department:

Timothy Hicks, Finance Director
Village of Broadview
2350 South 25th Avenue
Broadview, Illinois 60155

VILLAGE OF BROADVIEW

STATEMENT OF NET POSITION As of April 30, 2018

| | Governmental Activities | Business- Type Activities | Totals |
|--|----------------------------|------------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 9,956,870 | \$ 5,263,853 | \$ 15,220,723 |
| Receivables (net) | | | |
| Property taxes | 3,855,915 | - | 3,855,915 |
| Intergovernmental | 1,552,956 | - | 1,552,956 |
| Accounts | 79,958 | 270,706 | 350,664 |
| Other | 1,326,621 | - | 1,326,621 |
| Restricted cash and investments | 921,061 | - | 921,061 |
| Prepaid items | 59,577 | - | 59,577 |
| Internal balances | (100,000) | 100,000 | - |
| Property held for resale | 1,647,176 | - | 1,647,176 |
| Net pension asset | 1,436,081 | 108,212 | 1,544,293 |
| Capital Assets | | | |
| Land | 1,625,162 | 68,195 | 1,693,357 |
| Construction in progress | 194,853 | - | 194,853 |
| Infrastructure | 17,535,789 | 12,667,866 | 30,203,655 |
| Buildings | 4,287,553 | 16,885 | 4,304,438 |
| Machinery and equipment | 1,692,982 | 905,378 | 2,598,360 |
| Vehicles | 4,333,825 | - | 4,333,825 |
| Less: accumulated depreciation | <u>(14,214,387)</u> | <u>(7,396,480)</u> | <u>(21,610,867)</u> |
| Total Assets | <u>36,191,992</u> | <u>12,004,615</u> | <u>48,196,607</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources related to pensions | <u>2,442,326</u> | <u>11,680</u> | <u>2,454,006</u> |
| Total Deferred Outflows of Resources | <u>2,442,326</u> | <u>11,680</u> | <u>2,454,006</u> |
| LIABILITIES | | | |
| Accounts payable | 1,604,381 | 582,092 | 2,186,473 |
| Accrued payroll | (38,398) | - | (38,398) |
| Other liabilities | 361,151 | - | 361,151 |
| Accrued interest payable | 46,626 | - | 46,626 |
| Due to agency fund | 300,000 | - | 300,000 |
| Noncurrent Liabilities | | | |
| Due within one year | 1,580,000 | - | 1,580,000 |
| Due in more than one year | 43,994,563 | 155,449 | 44,150,012 |
| Total Liabilities | <u>47,848,323</u> | <u>737,541</u> | <u>48,585,864</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property taxes levied for future periods | 3,799,795 | - | 3,799,795 |
| Deferred inflows of resources related to pensions | <u>3,129,789</u> | <u>92,848</u> | <u>3,222,637</u> |
| Total Deferred Inflows of Resources | <u>6,929,584</u> | <u>92,848</u> | <u>7,022,432</u> |
| NET POSITION | | | |
| Net investment in capital assets | 13,737,227 | 6,261,844 | 19,999,071 |
| Restricted for | | | |
| Highways and streets | 1,340,360 | - | 1,340,360 |
| Economic development | 2,967,589 | - | 2,967,589 |
| Debt service | 443,603 | - | 443,603 |
| Public safety | 358,293 | - | 358,293 |
| Capital projects | 950,250 | - | 950,250 |
| Unrestricted | <u>(35,940,911)</u> | <u>4,924,062</u> | <u>(31,016,849)</u> |
| TOTAL NET POSITION | <u>\$ (16,143,589)</u> | <u>\$ 11,185,906</u> | <u>\$ (4,957,683)</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2018

| Functions/Programs | Program Revenues | | | |
|--------------------------------|------------------|----------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities | | | | |
| General government | \$ 6,647,607 | \$ 532,134 | \$ 6,200 | \$ - |
| Public safety | 12,646,981 | 2,330,583 | 102,080 | - |
| Highways and streets | 1,497,286 | 300,295 | 169,458 | 214,010 |
| Sanitation | 697,534 | 686,067 | - | - |
| Interest and fiscal charges | 154,776 | - | - | - |
| Total Governmental Activities | 21,644,184 | 3,849,079 | 277,738 | 214,010 |
| Business-type activities | | | | |
| Water and sewerage | 3,149,118 | 3,478,107 | - | - |
| Conservation and development | 30,500 | - | - | - |
| Total Business-type Activities | 3,179,618 | 3,478,107 | - | - |
| Total | \$ 24,823,802 | \$ 7,327,186 | \$ 277,738 | \$ 214,010 |

General Revenues

- Property taxes
- Other taxes
 - Sales taxes
 - Local use taxes
 - Utility taxes
 - Other taxes
- Intergovernmental
 - State income tax
 - Personal property replacement tax
- Investment income
- Miscellaneous
- Total General Revenues

Change in net position

NET POSITION (Deficit) - Beginning of Year (as restated)

NET POSITION (Deficit) - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Totals</u> |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (6,109,273) | \$ - | \$ (6,109,273) |
| (10,214,318) | - | (10,214,318) |
| (813,523) | - | (813,523) |
| (11,467) | - | (11,467) |
| <u>(154,776)</u> | <u>-</u> | <u>(154,776)</u> |
| <u>(17,303,357)</u> | <u>-</u> | <u>(17,303,357)</u> |
| - | 328,989 | 328,989 |
| <u>-</u> | <u>(30,500)</u> | <u>(30,500)</u> |
| <u>-</u> | <u>298,489</u> | <u>298,489</u> |
| <u>(17,303,357)</u> | <u>298,489</u> | <u>(17,004,868)</u> |
| 9,044,490 | | 9,044,490 |
| 3,503,295 | - | 3,503,295 |
| 208,803 | - | 208,803 |
| 1,139,235 | - | 1,139,235 |
| 142,358 | - | 142,358 |
| 719,288 | - | 719,288 |
| 592,633 | - | 592,633 |
| 19,776 | 4,249 | 24,025 |
| <u>163,734</u> | <u>-</u> | <u>163,734</u> |
| <u>15,533,612</u> | <u>4,249</u> | <u>15,537,861</u> |
| (1,769,745) | 302,738 | (1,467,007) |
| <u>(14,373,844)</u> | <u>10,883,168</u> | <u>(3,490,676)</u> |
| <u>\$ (16,143,589)</u> | <u>\$ 11,185,906</u> | <u>\$ (4,957,683)</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2018

| | General | 22nd and 17th Avenue TIF Redevelopment Fund | Roosevelt Road TIF | Nonmajor Governmental Funds | Totals |
|---------------------------------|----------------------------|--|----------------------------|-----------------------------------|-----------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 1,209,561 | \$ - | \$ 3,881,852 | \$ 4,865,457 | \$ 9,956,870 |
| Receivables (net) | | | | | |
| Property taxes | 2,708,409 | - | 457,076 | 690,430 | 3,855,915 |
| Intergovernmental | 1,519,387 | - | - | 33,569 | 1,552,956 |
| Accounts | - | - | - | 79,958 | 79,958 |
| Other | 1,326,621 | - | - | - | 1,326,621 |
| Restricted cash and investments | - | 876,061 | - | 45,000 | 921,061 |
| Due from other funds | 1,637,291 | - | - | - | 1,637,291 |
| Prepaid items | <u>59,577</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>59,577</u> |
| TOTAL ASSETS | <u>\$ 8,460,846</u> | <u>\$ 876,061</u> | <u>\$ 4,338,928</u> | <u>\$ 5,714,414</u> | <u>\$ 19,390,249</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

BALANCE SHEET
GOVERNMENTAL FUNDS
As of April 30, 2018

| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | General | 22nd and 17th Avenue TIF Redevelopment Fund | Roosevelt Road TIF | Nonmajor Governmental Funds | Totals |
|--|---------------------|--|---------------------|-----------------------------|----------------------|
| Liabilities | | | | | |
| Accounts payable | \$ 355,001 | \$ 195 | \$ 623,703 | \$ 625,482 | \$ 1,604,381 |
| Accrued liabilities | (38,398) | - | - | - | (38,398) |
| Other liabilities | 361,151 | - | - | - | 361,151 |
| Due to other funds | - | 27,071 | 369,921 | 1,240,299 | 1,637,291 |
| Advance to agency fund | 300,000 | - | - | - | 300,000 |
| Advances from other funds | - | - | - | 100,000 | 100,000 |
| Total Liabilities | <u>977,754</u> | <u>27,266</u> | <u>993,624</u> | <u>1,965,781</u> | <u>3,964,425</u> |
| Deferred Inflows of Resources | | | | | |
| Property taxes levies for future periods | 2,672,925 | - | 443,828 | 683,042 | 3,799,795 |
| Unavailable other taxes receivable | <u>522,434</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>522,434</u> |
| Total Deferred Inflows of Resources | <u>3,195,359</u> | <u>-</u> | <u>443,828</u> | <u>683,042</u> | <u>4,322,229</u> |
| Fund Balances (Deficit) | | | | | |
| Nonspendable for prepaid items | 59,577 | - | - | - | 59,577 |
| Restricted for debt service purposes | - | 848,795 | - | 530,229 | 1,379,024 |
| Restricted for highways and streets | - | - | - | 1,340,360 | 1,340,360 |
| Restricted for economic development | 66,113 | - | 2,901,476 | - | 2,967,589 |
| Restricted for capital projects | - | - | - | 950,250 | 950,250 |
| Restricted for public safety | - | - | - | 358,293 | 358,293 |
| Assigned for debt service | - | - | - | 260,426 | 260,426 |
| Unassigned | <u>4,162,043</u> | <u>-</u> | <u>-</u> | <u>(373,967)</u> | <u>3,788,076</u> |
| Total Fund Balances | <u>4,287,733</u> | <u>848,795</u> | <u>2,901,476</u> | <u>3,065,591</u> | <u>11,103,595</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 8,460,846</u> | <u>\$ 876,061</u> | <u>\$ 4,338,928</u> | <u>\$ 5,714,414</u> | <u>\$ 19,390,249</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of April 30, 2018

| | |
|--|---------------|
| Total Fund Balances - Governmental Funds | \$ 11,103,595 |
|--|---------------|

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

| | |
|--|------------|
| Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III C. | 15,455,777 |
|--|------------|

| | |
|--|---------|
| Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. | 522,434 |
|--|---------|

| | |
|---|-----------|
| The net pension asset does not relate to current financial resources and is not reported in the governmental funds. | 1,436,081 |
|---|-----------|

| | |
|---|-----------|
| Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. | 2,442,326 |
|---|-----------|

| | |
|--|-------------|
| Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. | (3,129,789) |
|--|-------------|

| | |
|--|-----------|
| Property held for resale in the governmental funds are not current financial resources and therefore, are not reported in the fund financial statements. | 1,647,176 |
|--|-----------|

| | |
|---|---------------------|
| Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds. | |
| Bonds and loans payable | (4,284,115) |
| Accrued interest | (46,626) |
| Unamortized debt discount | (68,430) |
| Total OPEB liability | (3,540,384) |
| Net pension liability | <u>(37,681,634)</u> |

| | |
|--|-------------------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ (16,143,589)</u> |
|--|-------------------------------|

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended April 30, 2018

| | General | 22nd and 17th Avenue TIF Redevelopment Fund | Roosevelt Road TIF | Nonmajor Governmental Funds |
|---|---------------------|--|-----------------------|-----------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 5,900,887 | \$ 1,486,390 | \$ 377,650 | \$ 1,279,563 |
| Other taxes | 4,869,293 | - | - | - |
| Intergovernmental | 1,425,032 | - | - | 383,468 |
| Licenses and permits | 828,697 | - | - | - |
| Investment income | 9,094 | 2,862 | 3,693 | 4,127 |
| Charges for services | 1,888,241 | - | - | 799,909 |
| Fines, forfeitures and penalties | 267,527 | - | - | 14,797 |
| Miscellaneous | <u>107,480</u> | <u>-</u> | <u>4,857</u> | <u>46,350</u> |
| Total Revenues | <u>15,296,251</u> | <u>1,489,252</u> | <u>386,200</u> | <u>2,528,214</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,554,008 | 3,522,343 | 384,633 | 893,206 |
| Public safety | 12,669,619 | - | - | 15,538 |
| Highways and streets | 1,406,644 | - | - | 72,400 |
| Sanitation | - | - | - | 697,534 |
| Employee benefits | - | - | - | 295,569 |
| Debt Service | | | | |
| Debt service - principal | - | - | - | 1,515,000 |
| Debt service - interest and fees | 1,155 | - | - | 124,628 |
| Cost of issuance | - | - | - | 52,345 |
| Capital Outlay | <u>96,513</u> | <u>-</u> | <u>326,148</u> | <u>1,906,076</u> |
| Total Expenditures | <u>15,727,939</u> | <u>3,522,343</u> | <u>710,781</u> | <u>5,572,296</u> |
| Excess (deficiency) of revenues over expenditures | <u>(431,688)</u> | <u>(2,033,091)</u> | <u>(324,581)</u> | <u>(3,044,082)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bonds issued and bond premium | 279,180 | - | - | 695,820 |
| Debt issued | - | - | 85 | - |
| Transfers in | 595,975 | - | - | 775,775 |
| Transfers (out) | <u>(775,775)</u> | <u>(595,975)</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>99,380</u> | <u>(595,975)</u> | <u>85</u> | <u>1,471,595</u> |
| Net Change in Fund Balances | (332,308) | (2,629,066) | (324,496) | (1,572,487) |
| FUND BALANCES - Beginning of Year | <u>4,620,041</u> | <u>3,477,861</u> | <u>3,225,972</u> | <u>4,638,078</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 4,287,733</u> | <u>\$ 848,795</u> | <u>\$ 2,901,476</u> | <u>\$ 3,065,591</u> |

See accompanying notes to financial statements.

Totals

\$ 9,044,490
4,869,293
1,808,500
828,697
19,776
2,688,150
282,324
158,687
19,699,917

6,354,190
12,685,157
1,479,044
697,534
295,569

1,515,000
125,783
52,345
2,328,737
25,533,359

(5,833,442)

975,000
85
1,371,750
(1,371,750)
975,085

(4,858,357)

15,961,952

\$ 11,103,595

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2018

| | | |
|---|-----------|---------------------------|
| Net change in fund balances - total governmental funds | \$ | (4,858,357) |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p> | | |
| Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements | | 3,620,751 |
| Depreciation is reported in the government-wide financial statements | | (880,485) |
| <p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p> | | |
| | | 179,379 |
| <p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p> | | |
| Debt issued | | (975,085) |
| Principal repaid | | 1,515,000 |
| <p>Some of the bonds issued in the current year are accretion bonds. Accretion of the bonds during the year increases the carrying value of the bonds and will be repaid using future year resources. The current year's accretion is charged to interest expense in the Statement of Activities.</p> | | |
| | | (10,895) |
| <p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p> | | |
| Premiums | | 28,648 |
| <p>Some 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.</p> | | |
| Total OPEB liability | | (146,425) |
| Accrued interest on debt | | 5,599 |
| Net pension asset/liability | | 1,915,628 |
| Deferred outflows of resources related to pensions | | (2,554,258) |
| Deferred inflows of resources related to pensions | | 390,755 |
| | | 390,755 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u>(1,769,745)</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF NET POSITION PROPRIETARY FUND As of April 30, 2018

| | Business-type Activities - Enterprise Fund |
|--|---|
| | <u>Water and Sewerage</u> |
| ASSETS | |
| Current Assets | |
| Cash and investments | \$ 5,263,853 |
| Receivables (net) | |
| Accounts | 270,706 |
| Advances to other funds | <u>100,000</u> |
| Total Current Assets | <u>5,634,559</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Land | 68,195 |
| Buildings and improvements | 16,885 |
| Machinery, equipment and furnishings | 905,378 |
| Infrastructure | 12,667,866 |
| Less: Accumulated depreciation | (7,396,480) |
| Other Assets | |
| Net pension asset | <u>108,212</u> |
| Total Noncurrent Assets | <u>6,370,056</u> |
| Total Assets | <u>12,004,615</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pensions | <u>11,680</u> |
| Total Deferred Outflows of Resources | <u>11,680</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF NET POSITION PROPRIETARY FUND As of April 30, 2018

| | Business-type Activities - Enterprise Fund <u>Water and Sewerage</u> |
|---|--|
| LIABILITIES | |
| Current Liabilities | |
| Accounts payable | <u>582,092</u> |
| Total Current Liabilities | <u>582,092</u> |
| Noncurrent Liabilities | |
| Long-Term Debt | |
| Total OPEB liability | <u>155,449</u> |
| Total Liabilities | <u>737,541</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to pensions | <u>92,848</u> |
| Total Deferred Inflows of Resources | <u>92,848</u> |
| NET POSITION | |
| Net investment in capital assets | 6,261,844 |
| Unrestricted | <u>4,924,062</u> |
| TOTAL NET POSITION | <u>\$ 11,185,906</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND For the Year Ended April 30, 2018

| | Business-type Activities - Enterprise Fund <u>Water and Sewerage</u> |
|--|--|
| OPERATING REVENUES | |
| Water sales | \$ 2,926,804 |
| Sewer charges | 365,780 |
| Penalties | 56,016 |
| Miscellaneous | <u>129,507</u> |
| Total Operating Revenues | <u>3,478,107</u> |
| OPERATING EXPENSES | |
| Source of supply | 2,493,388 |
| Transmission and distribution | 190,314 |
| Customer accounting and collections | 7,543 |
| Personnel services | 127,298 |
| Contractual services | 1,000 |
| Depreciation | <u>360,075</u> |
| Total Operating Expenses | <u>3,179,618</u> |
| Operating Income | <u>298,489</u> |
| NONOPERATING REVENUES | |
| Interest income | <u>4,249</u> |
| Total Nonoperating Revenues | <u>4,249</u> |
| Change in Net Position | 302,738 |
| NET POSITION - Beginning of Year (as restated) | <u>10,883,168</u> |
| NET POSITION - END OF YEAR | <u>\$ 11,185,906</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2018

| | <u>Water and Sewerage</u> |
|---|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Received from customers | \$ 3,401,641 |
| Paid to suppliers for goods and services | (2,364,938) |
| Paid to employees for services | <u>(175,976)</u> |
| Net Cash Flows From Operating Activities | <u>860,727</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Investment income | <u>4,249</u> |
| Net Cash Flows From Investing Activities | <u>4,249</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition and construction of capital assets | <u>(478,084)</u> |
| Net Cash Flows From Capital and Related Financing Activities | <u>(478,084)</u> |
| Net Change in Cash and Cash Equivalents | 386,892 |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>4,876,961</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 5,263,853</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2018

| | <u>Water and Sewerage</u> |
|---|-------------------------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating income | \$ 298,489 |
| Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities | |
| Depreciation | 360,075 |
| Changes in assets and liabilities | |
| Accounts receivable | (76,466) |
| Deferred outflows related to pensions and OPEB | 43,389 |
| Net pension asset | (105,100) |
| Accounts payable | 241,063 |
| Net OPEB Liability | 6,429 |
| Deferred inflows related to pensions and OPEB | <u>92,848</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | \$ <u>860,727</u> |
| NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES | |
| None | |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2018

| | <u>Pension Trusts</u> | <u>Agency Fund</u> |
|--------------------------------------|-----------------------|--------------------|
| ASSETS | | |
| Cash | \$ 280,523 | \$ 14,674 |
| Investments | | |
| Money markets | 217,639 | - |
| State and local obligations | 2,877,332 | - |
| U.S Government and agency securities | 15,584,627 | - |
| Mutual funds | 28,447,764 | - |
| Corporate notes | 879,575 | - |
| Receivables | | |
| Assessment receivable | - | 18,479 |
| Accrued interest | 135,644 | - |
| Prepaid items | 5,193 | - |
| Due from primary government | 29,814 | 300,000 |
| Other assets | 375 | - |
| Total Assets | <u>48,458,486</u> | <u>333,153</u> |
| LIABILITIES | | |
| Accounts payable | 14,494 | - |
| Special assessments | - | 280,552 |
| Special assessment bonds payable | - | 52,601 |
| Total Liabilities | <u>14,494</u> | <u>333,153</u> |
| NET POSITION | | |
| Restricted for pensions | <u>\$ 48,443,992</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended April 30, 2018

| | <u>Pension Trusts</u> |
|---|--------------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 3,626,768 |
| Plan members | 458,810 |
| Refunds | <u>11,905</u> |
| Total Contributions | <u>4,097,483</u> |
| Investment income | |
| Interest and dividends | 2,107,751 |
| Net appreciation in fair value of investments | <u>1,297,630</u> |
| Total Investment Income | 3,405,381 |
| Less Investment expenses | <u>119,044</u> |
| Net Investment Income | <u>3,286,337</u> |
| Total Additions | <u>7,383,820</u> |
| DEDUCTIONS | |
| Administration | 129,753 |
| Benefits | <u>4,414,063</u> |
| Total Deductions | <u>4,543,816</u> |
| Change in Net Position | 2,840,004 |
| NET POSITION - Beginning of Year | <u>45,603,988</u> |
| NET POSITION - END OF YEAR | <u>\$ 48,443,992</u> |

See accompanying notes to financial statements.

VILLAGE OF BROADVIEW

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

| NOTE | Page |
|---|-------------|
| I Summary of Significant Accounting Policies | 32 |
| A. Reporting Entity | 32 |
| B. Government-Wide and Fund Financial Statements | 33 |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 37 |
| D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity | 38 |
| 1. Deposits and Investments | 38 |
| 2. Receivables | 41 |
| 3. Prepaid Items | 42 |
| 4. Restricted Assets | 42 |
| 5. Capital Assets | 42 |
| 6. Other Assets | 43 |
| 7. Deferred Outflows of Resources | 43 |
| 8. Long-Term Obligations | 44 |
| 9. Deferred Inflows of Resources | 44 |
| 10. Equity Classifications | 44 |
| II Stewardship, Compliance, and Accountability | 46 |
| A. Excess Expenditures Over Appropriations | 46 |
| B. Deficit Balances | 46 |
| C. Limitations on the Village's Tax Levy | 47 |
| III Detailed Notes on All Funds | 48 |
| A. Deposits and Investments | 48 |
| B. Receivables | 52 |
| C. Capital Assets | 53 |
| D. Interfund Receivables/Payables, Advances and Transfers | 55 |
| E. Long-Term Obligations | 56 |
| F. IEPA Brownsfield Revolving Loan | 58 |
| G. Restatement of Net Position | 59 |
| IV Other Information | 59 |
| A. Employees' Retirement System | 59 |
| B. Risk Management | 73 |
| C. Commitments and Contingencies | 73 |
| D. Other Postemployment Benefits | 74 |
| E. Subsequent Events | 76 |
| F. Tax Increment Financing District | 77 |
| G. Effect of New Accounting Standards on Current-Period Financial Statements | 77 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Broadview, Illinois (the "Village") was incorporated in 1914. The Village is a non home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Broadview, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Pension Trust Funds

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. Complete financial statements for the component unit may be obtained at the entity's administrative offices:

Police Pension Board
2350 South 25th Street
Broadview, Illinois

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. Separately issued financial statements for the component unit may be obtained at the entity's administrative offices:

Firefighters' Pension Board
2400 South 25th Street
Broadview, Illinois

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented May 1, 2017.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

- General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- 22nd and 17th Avenue TIF Redevelopment Fund - is used to account for incremental real estate and sales tax revenues received from Village Square Tax Increment Financing District that are to be used for the development of the Redevelopment Project Area at 22nd Street and 17th Avenue.
- Roosevelt Road TIF Fund - is used to account for incremental real estate tax revenues received from Roosevelt Road Tax Increment Financing District that are to be used for the development of the Redevelopment Project Area at Roosevelt Road.

The Village reports the following major enterprise fund:

- Water and Sewerage Fund - accounts for operations of the sewerage and collection systems, and the water distribution system.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The Village reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

| | |
|-------------------------------------|---|
| Garbage | Illinois Municipal Retirement |
| Motor Fuel Tax | Community Development Block Grant (CDBG) |
| Emergency Telephone System | 27th / 23rd Street TIF Redevelopment |
| 17th Avenue North TIF Redevelopment | |

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Debt Service

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund

In addition, the Village reports the following fund types:

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Police Pension Fund
Firefighters' Pension Fund

Agency Fund - used to account for and report assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Special Assessment

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for state income taxes. State income taxes received within 120 days will be considered as available. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The 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 Water and Sewerage Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Certain deposits of the 22nd and 17th Avenue Tax Increment Financing District are classified as restricted assets because their use is restricted based on the Redevelopment Agreement for the Tax Increment Financing District.

The Village and pensions have adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

The Village and pension's formal investment policy states the portfolio should provide a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio. The Village set an investment bank's 1-3 year Governmental Bond Index as its initial benchmark. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The pensions' investment policies seek to ensure preservation of capital in the overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The Police Pension's investment policy limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The Firefighters' Pension's policy does not limit investment maturities except as part of statutory requirements, as a means of managing its exposure to fair value losses arising from increasing interest rates. Over a full business cycle (3-5 years) it is the goal of the Firefighters' Pension to get a return on investments that meets or exceeds the rate of 8%. The portfolio will be managed with an average duration ranging from one to ten years. However, all of the policies require the Village's and pensions' investment portfolios to be sufficiently liquid to enable the village and pensions to meet all operating requirements as they come due.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village's and pension's investment policies authorize investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. The Police Pension's investment policy prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Concentration of Credit Risk

The Village's and pensions' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity.

The Police Pension does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2018, the Police Pension Fund does not have any investments over 5% of net plan assets invested in various agency securities. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The Firefighter's investment policy has a preferred target that not less than 55 percent of its portfolio be in fixed income securities and up to 45 percent may be invested in qualified equity securities. At April 30, 2018, the Firefighters' Pension Fund has over 5% of net assets invested in various agency securities as indicated in the table in Note III A.

Custodial Credit Risk - Deposits

The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 100% of the value of the deposit. The Police Pension Fund's investment policy requires pledging of collateral with a fair value of 100% of all bank balances in excess of federal depository insurance.

Custodial Credit Risk - Investments

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village's investment policy requires all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. The Firefighters' Pension's investment policy requires all investments to be registered in the name of the fund, however, it does not specifically address these risks.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. Investment in IMET's 1-3 year fund may be redeemed with 5 business days' notice.

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2017 attaches as an enforceable lien on January 1, 2017, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2018 tax levy, which attached as an enforceable lien on the property as of January 1, 2018, has not been recorded as a receivable as of April 30, 2018, as the tax has not yet been levied by the Village and will not be levied until December 2018, and therefore, the levy is not measurable at April 30, 2018.

Tax bills for levy year 2017 are prepared by Cook County and issued on or about February 1, 2018 and July 1, 2018, and are payable in two installments, on or about March 1, 2018 and August 1, 2018 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2017 property tax levy is recognized as a receivable and deferred inflows in fiscal 2018, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2018, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2017 levy.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days (\$36,404) comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 1 percent (\$74,764) of outstanding property taxes at April 30, 2018.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,500 for general capital assets and \$1,500 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------|-------------|
| Buildings | 50 Years |
| Land Improvements | 20 Years |
| Machinery and Equipment | 5-20 Years |
| Infrastructure | 20-50 Years |

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

The Village's property held for resale includes land that is being held for sale for future development of the Village. The Village reevaluates the value of the property held for resale on an annual basis. Based on current market conditions, the Village determined that no adjustment to the value was necessary as of April 30, 2018.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Village . This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following; 1) Formal action of the Village Board 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER BUDGET

| Funds | Budgeted Expenditures | Actual Expenditures | Excess Expenditures Over Budget |
|----------------------------|--------------------------|------------------------|---------------------------------------|
| General | \$ 14,591,652 | \$ 15,727,939 | \$ 1,136,287 |
| Garbage | 658,311 | 697,534 | 39,223 |
| Emergency Telephone System | - | 15,538 | 15,538 |
| 17th Avenue North TIF | | | |
| Redevelopment | 1,333 | 5,975 | 4,642 |
| Debt Service | 1,658,806 | 1,691,973 | 33,167 |

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2018, the following individual funds held a deficit balance:

| Fund | Amount | Reason |
|-------------------------------|-----------|---|
| Garbage | \$ 16,702 | Operating expenditures exceeded available revenues or financing |
| CDBG | 113,783 | Prior operating expenditures exceeded available revenues or financing |
| 17th Avenue TIF Redevelopment | 7,876 | Current and prior operating expenditures exceeded available revenues or financing |
| Illinois Municipal Retirement | 84,645 | Current operating expenditures exceeded available revenues or financing |
| 27th & 23rd TIF Redevelopment | 150,961 | Current operating expenditures exceeded available revenues or financing |

The Community Development Block Grant deficit will be funded by future grant awards.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. LIMITATIONS ON THE VILLAGE'S TAX LEVY

Tax rate ceilings are established by Illinois state law under the Property Tax Extension Limitation Act (PTELA) and are subject to change only by the approval of the voters of the Village. The tax rate ceilings are applied at the fund level.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the Village's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2017 and 2016 tax levies were 2.1% and 0.7%, respectively.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's deposits and investments at year end were comprised of the following:

| | Carrying Value | Statement Balances | Associated Risks |
|---|--------------------------|--------------------------|---|
| Cash on hand | \$ 2,800 | \$ - | N/A |
| Deposits with financial institutions | 15,604,620 | 15,745,072 | Custodial Credit Risk - Deposits |
| Other investments | <u>48,836,498</u> | <u>48,818,189</u> | Interest rate risk; Credit risk; Concentration of credit risk; Custodial credit risk - investments |
| Total Deposits and Investments | <u>\$ 64,443,918</u> | <u>\$ 64,563,261</u> | |
| Reconciliation to financial statements | | | |
| Per statement of net position | | | |
| Unrestricted cash and investments | \$ 15,220,723 | | |
| Restricted cash and investments | 921,061 | | |
| Per statement of net position - fiduciary funds | | | |
| Pension - Cash | 280,523 | | |
| Pension - Money markets | 217,639 | | |
| Pension - State and local obligations | 2,877,332 | | |
| Pension - U.S. Government and agency securities | 15,584,627 | | |
| Pension - Mutual funds | 28,447,764 | | |
| Pension - Corporate notes | 879,575 | | |
| Agency - Cash | <u>14,674</u> | | |
| Total Deposits and Investments | <u>\$ 64,443,918</u> | | |

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

The Village used the market valuation method for recurring fair value measurements. As of April 30, 2018, the Village's investments were measured using valuation inputs as follows:

Firefighters' Pension Fund:

| Investment Type | April 30, 2018 | | | |
|---------------------------------------|----------------------|---------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. Government and Agency Securities | \$ - | \$ 5,596,868 | \$ - | \$ 5,596,868 |
| State and Local Obligations | - | 1,123,640 | - | 1,123,640 |
| Mutual Funds | 12,662,870 | - | - | 12,662,870 |
| Corporate Notes | - | 879,575 | - | 879,575 |
| Total | <u>\$ 12,662,870</u> | <u>\$ 7,600,083</u> | <u>\$ -</u> | <u>\$ 20,262,953</u> |

Police Pension Fund:

| Investment Type | April 30, 2018 | | | |
|-----------------------------|----------------------|----------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. Treasuries | \$ 1,491,750 | \$ - | \$ - | \$ 1,491,750 |
| U.S. Agencies | - | 8,496,009 | - | 8,496,009 |
| State and Local Obligations | - | 1,753,692 | - | 1,753,692 |
| Mutual Funds | 15,784,894 | - | - | 15,784,894 |
| Total | <u>\$ 17,276,644</u> | <u>\$ 10,249,701</u> | <u>\$ -</u> | <u>\$ 27,526,345</u> |

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

As of April 30, 2018, \$29,587 of the Village's total bank balances were exposed to custodial credit risk as follows:

| | |
|--------------------------------|------------------|
| Uninsured and uncollateralized | \$ 29,587 |
| Total | <u>\$ 29,587</u> |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2018, the Village's investments were rated as follows:

| Investment Type | Standard & Poors | Moody's Investors Services |
|---------------------------------------|------------------|----------------------------|
| Federal Farm Credit Bank | AA+ | Aaa |
| Federal Home Loan Bank | AA+ | Aaa |
| Corporate Notes | BBB+ to AA+ | Aaa to A3 |
| State and Local Obligations | AA+ to AA- | Aa2 to A1 |
| Illinois Funds | AAAm | N/A |
| Illinois Metropolitan Investment Fund | N/A | Aaa |

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At April 30, 2018, the Firefighters' Pension Fund investment portfolio was concentrated as follows:

| Issuer | Investment Type | Percentage of Net Position |
|------------------------|--------------------------|----------------------------|
| U.S. Government Agency | Federal Farm Credit Bank | 9.72% |
| U.S. Government Agency | Federal Home Loan Bank | 8.93% |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2018, the Village's investments were as follows:

Firefighters' Pension Fund:

| Investment Type | Fair Value | Maturity (In Years) | | | |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|
| | | Less than 1 | 1-5 | 6-10 | More than 10 |
| Corporate Notes | \$ 879,575 | \$ 213,185 | \$ 425,712 | \$ 240,678 | \$ - |
| U.S. Treasury Notes | 740,352 | 198,813 | 418,023 | 123,516 | - |
| State and Local Obligations | 1,123,640 | 20,249 | 372,121 | 731,270 | - |
| Federal Farm Credit Bank | 1,996,583 | 42,553 | 498,600 | 1,455,430 | - |
| Federal Home Loan Bank | 1,834,650 | 50,006 | 525,522 | 1,259,122 | - |
| Federal Home Loan Mortgage Corporation | 325,996 | 53 | 172,563 | 153,380 | - |
| Federal National Mortgage Association Pool | 282,372 | 58,823 | 147,301 | 48,820 | 27,428 |
| Governmental National Mortgage Association | <u>416,915</u> | <u>1,439</u> | <u>24,111</u> | <u>-</u> | <u>391,365</u> |
| Totals | <u>\$ 7,600,083</u> | <u>\$ 585,121</u> | <u>\$ 2,583,953</u> | <u>\$ 4,012,216</u> | <u>\$ 418,793</u> |

Police Pension Fund:

| Investment Type | Fair Value | Maturity (In Years) | | | |
|-----------------------------|----------------------|---------------------|---------------------|---------------------|-------------------|
| | | Less than 1 | 1-5 | 6-10 | More than 10 |
| State and Local Obligations | \$ 1,753,692 | \$ 202,677 | \$ 793,503 | \$ 657,338 | \$ 100,174 |
| U.S. Treasury Notes | 1,491,750 | 399,063 | 949,781 | 142,906 | - |
| U.S. Agencies | <u>8,496,009</u> | <u>231,979</u> | <u>1,850,947</u> | <u>6,268,917</u> | <u>144,166</u> |
| Totals | <u>\$ 11,741,451</u> | <u>\$ 833,719</u> | <u>\$ 3,594,231</u> | <u>\$ 7,069,161</u> | <u>\$ 244,340</u> |

See Note I.D.1. for further information on deposit and investment policies.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Roosevelt Road TIF | Nonmajor Funds | Water and Sewerage | Totals |
|------------------------------------|--------------|-----------------------|-------------------|-----------------------|--------------|
| Receivables | | | | | |
| Property taxes | \$ 2,763,549 | \$ 463,141 | \$ 703,989 | \$ - | \$ 3,930,679 |
| Replacement taxes | 251,300 | - | - | - | 251,300 |
| Income taxes | 122,334 | - | - | - | 122,334 |
| Local use taxes | 65,789 | - | - | - | 65,789 |
| Sales taxes | 1,079,964 | - | - | - | 1,079,964 |
| Utility taxes | 332,029 | - | - | - | 332,029 |
| Fire protection | 51,667 | - | - | - | 51,667 |
| Ambulance billings | 890,749 | - | - | - | 890,749 |
| Motor fuel taxes | - | - | 33,569 | - | 33,569 |
| Other | 180,920 | - | - | - | 180,920 |
| Accounts | - | - | 79,958 | 307,110 | 387,068 |
| | 5,738,301 | 463,141 | 817,516 | 307,110 | 7,326,068 |
| Gross receivables | | | | | |
| Less: Allowance for uncollectibles | (183,884) | (6,065) | (13,559) | (36,404) | (239,912) |
| | \$ 5,554,417 | \$ 457,076 | \$ 803,957 | \$ 270,706 | \$ 7,086,156 |
| Net Total Receivables | | | | | |

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

| | Unearned | Unavailable |
|--|--------------|-------------|
| Property taxes receivable for subsequent year | \$ 3,799,795 | \$ - |
| Sales taxes receivable | - | 290,651 |
| Local use tax receivable | - | 16,377 |
| Excise tax receivable | - | 22,339 |
| Utility tax receivable | - | 138,086 |
| State income tax receivable | - | 54,981 |
| | \$ 3,799,795 | \$ 522,434 |
| Total Unearned/Unavailable Revenue for Governmental Funds | | |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018, was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|--------------|------------|-------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 1,625,162 | \$ - | \$ - | \$ 1,625,162 |
| Construction in process | 402,609 | 194,853 | 402,609 | 194,853 |
| Total Capital Assets Not Being Depreciated | 2,027,771 | 194,853 | 402,609 | 1,820,015 |
| Capital assets being depreciated | | | | |
| Buildings | 4,070,000 | 217,553 | - | 4,287,553 |
| Vehicles | 4,012,760 | 321,065 | - | 4,333,825 |
| Equipment | 1,627,089 | 65,893 | - | 1,692,982 |
| Infrastructure | 14,311,793 | 3,223,996 | - | 17,535,789 |
| Total Capital Assets Being Depreciated | 24,021,642 | 3,828,507 | - | 27,850,149 |
| Total Capital Assets | 26,049,413 | 4,023,360 | 402,609 | 29,670,164 |
| Less: Accumulated depreciation for | | | | |
| Buildings | (2,436,500) | (76,951) | - | (2,513,451) |
| Vehicles | (3,052,132) | (199,459) | - | (3,251,591) |
| Equipment | (1,376,781) | (124,435) | - | (1,501,216) |
| Infrastructure | (6,468,489) | (479,640) | - | (6,948,129) |
| Total Accumulated Depreciation | (13,333,902) | (880,485) | - | (14,214,387) |
| Net Capital Assets Being Depreciated | 10,687,740 | 2,948,022 | - | 13,635,762 |
| Total Governmental Activities Capital Assets, Net of Accumulated Depreciation | \$ 12,715,511 | \$ 3,142,875 | \$ 402,609 | \$ 15,455,777 |

Depreciation expense was charged to functions as follows:

| | |
|--|------------|
| Governmental Activities | |
| General government | \$ 102,128 |
| Public safety | 240,565 |
| Highways and streets | 537,792 |
| Total Governmental Activities Depreciation Expense | \$ 880,485 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|------------|-----------|-------------------|
| Business-type Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 68,195 | \$ - | \$ - | \$ 68,195 |
| Total Capital Assets Not Being depreciated | 68,195 | - | - | 68,195 |
| Capital assets being depreciated | | | | |
| Buildings | 16,885 | - | - | 16,885 |
| Equipment | 834,157 | 71,221 | - | 905,378 |
| Infrastructure | 12,261,003 | 406,863 | - | 12,667,866 |
| Total Capital Assets Being Depreciated | 13,112,045 | 478,084 | - | 13,590,129 |
| Total Capital Assets | 13,180,240 | 478,084 | - | 13,658,324 |
| Less: Accumulated depreciation for | | | | |
| Buildings | (16,885) | - | - | (16,885) |
| Equipment | (421,987) | (28,716) | - | (450,703) |
| Infrastructure | (6,597,533) | (331,359) | - | (6,928,892) |
| Total Accumulated Depreciation | (7,036,405) | (360,075) | - | (7,396,480) |
| Net Capital Assets Being Depreciated | 6,075,640 | 118,009 | - | 6,193,649 |
| Business-type Capital Assets, Net of Accumulated Depreciation | \$ 6,143,835 | \$ 118,009 | \$ - | \$ 6,261,844 |

Depreciation expense was charged to functions as follows:

| | |
|---|------------|
| Business-type Activities | |
| Water | \$ 360,075 |
| Total Business-type Activities Depreciation Expense | \$ 360,075 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

| Receivable Fund | Payable Fund | Amount |
|---|--------------------------|--------------------|
| General | Roosevelt Road TIF | \$ 369,921 |
| | 22nd and 17th Avenue TIF | |
| General | Redevelopment | 27,071 |
| General | Nonmajor | <u>1,240,299</u> |
| Total - Fund Financial Statements | | 1,637,291 |
| Less: Fund eliminations | | <u>(1,637,291)</u> |
| Total Internal Balances - Government-Wide Statement of Net Position | | <u><u>\$ -</u></u> |

All amounts are due within one year.

The principal purpose of these interfunds is because of shortfalls in respective funds thus creating short-term interfund loans.

Advances

The following is a schedule of interfund advances:

| Receivable Fund | Payable Fund | Amount | Amount Not Due Within One Year |
|--|--------------|--------------------------|--------------------------------|
| Agency | General | \$ 300,000 | \$ 300,000 |
| Water | Nonmajor | <u>100,000</u> | 100,000 |
| Total - Fund Financial Statements | | 400,000 | |
| Less: Fiduciary fund eliminations (Due to agency fund) | | <u>(300,000)</u> | |
| Total - Interfund Advances - Government-Wide Statement of Net Position | | <u><u>\$ 100,000</u></u> | |

The principal purpose of these interfunds is because of a shortfall in respective funds thus creating long-term interfund loans.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

| Fund Transferred To | Fund Transferred From | Amount | Principal Purpose |
|--|---|--------------------|---|
| Nonmajor | General | \$ 775,775 | Budgeted operating transfers To reimburse the Village for TIF expenses. |
| General | 22nd and 17th Avenue TIF Redevelopment | <u>595,975</u> | |
| Total - Fund Financial Statements | | 1,371,750 | |
| Less: Fund eliminations | | <u>(1,371,750)</u> | |
| Total Transfers - Government-Wide Statement of Activities | | <u>\$ -</u> | |

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2018, was as follows:

| | Beginning Balance (as restated) | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|---------------------------------------|---------------------|---------------------|----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonds Payable | | | | | |
| General obligation debt | \$ 4,694,181 | \$ 985,895 | \$ 1,515,000 | \$ 4,165,076 | \$ 1,580,000 |
| Unamortized premium | <u>97,078</u> | <u>-</u> | <u>28,648</u> | <u>68,430</u> | <u>-</u> |
| Sub-totals | <u>4,791,259</u> | <u>985,895</u> | <u>1,543,648</u> | <u>4,233,506</u> | <u>1,580,000</u> |
| Other Liabilities | | | | | |
| IEPA Brownfields revolving loan | 118,954 | 85 | - | 119,039 | - |
| Total OPEB Liability | 3,393,959 | 238,698 | 92,273 | 3,540,384 | - |
| Net pension liability | <u>38,202,487</u> | <u>3,105,915</u> | <u>3,626,768</u> | <u>37,681,634</u> | <u>-</u> |
| Total Other Liabilities | <u>41,715,400</u> | <u>3,344,698</u> | <u>3,719,041</u> | <u>41,341,057</u> | <u>-</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 46,506,659</u> | <u>\$ 4,330,593</u> | <u>\$ 5,262,689</u> | <u>\$ 45,574,563</u> | <u>\$ 1,580,000</u> |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--|----------------------|-----------|-----------|-------------------|-----------------------------------|
| Business-type Activities | | | | | |
| Other Liabilities | | | | | |
| Net OPEB Liability | \$ 149,020 | \$ 10,480 | \$ 4,051 | \$ 155,449 | \$ - |
| Total Other Liabilities | 149,020 | 10,480 | 4,051 | 155,449 | - |
| Total Business-type Activities Long-Term Liabilities | \$ 149,020 | \$ 10,480 | \$ 4,051 | \$ 155,449 | \$ - |

The compensated absences, OPEB liabilities and net pension liabilities are paid out of the fund that has the associated salary.

The Village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the Village. As of April 30, 2018, the statutory debt limit for the Village was \$21,596,517, providing a debt margin of \$17,606,517.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities

| General Obligation Debt | Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance April 30, 2018 |
|---|------------------|-------------------|-------------------|--------------------------|---------------------------|
| Alternative Revenue General Obligation Bond (Capital Appreciation Bonds) | 2003A | 06/01/2022 | 2.70%- 5.50% | \$ 1,690,000 | \$ 175,076 |
| Alternative Revenue General Obligation Bond | 2015A | 12/01/2022 | 3.00% | 4,675,000 | 3,015,000 |
| General Obligation Limited Tax Bond | 2017 | 11/30/2017 | 2.00% | 975,000 | 975,000 |
| Total Governmental Activities - General Obligation Debt | | | | | \$ 4,165,076 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows (includes \$29,924 of accretion excluded in the above 2003A carrying amount):

| <u>Years</u> | <u>Governmental Activities General Obligation Debt</u> | |
|--------------|--|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2019 | \$ 1,580,000 | \$ 109,138 |
| 2020 | 630,000 | 73,500 |
| 2021 | 645,000 | 55,800 |
| 2022 | 665,000 | 37,650 |
| 2023 | <u>675,000</u> | <u>19,050</u> |
| Totals | <u>\$ 4,195,000</u> | <u>\$ 295,138</u> |

F. IEPA BROWNSFIELD REVOLVING LOAN

In 2007, the Village entered into an agreement with the IEPA to receive a \$300,000 revolving loan to fund cleanup activities at the former Broadview Quick Wash site.

According to the agreement, the Village has two years to use the funds.

There are a number of provisions and covenants contained in the loan agreement. If the site is sold, leased, traded, or developed within 15 years of the agreement (until 2022), the Village must repay between 0% and 80% of the proceeds. Otherwise, the Village has no obligation to repay the loan. The Village is in compliance with all significant provisions and covenants. However, as a conservative measure, the Village has recorded a liability on its Statement of Net Position for 80% of the proceeds received. This obligation will be repaid from the Roosevelt Road TIF Fund.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. RESTATEMENT OF NET POSITION

Net position has been restated due to the implementation of GASB No. 75. The restatement is necessary to record the beginning of year total other postemployment liability.

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Net position as of April 30, 2017 (as reported) | \$ (11,990,087) | \$ 11,032,188 |
| Adjustment to record the total OPEB liability as of April 30, 2017 | (3,393,959) | (149,020) |
| Adjustment to remove prior year net OPEB obligation | 1,010,202 | - |
| Net position as of April 30, 2017 (as restated) | \$ (14,373,844) | \$ 10,883,168 |
| | Water and Sewerage | |
| Net position as of April 30, 2017 (as reported) | \$ 11,032,188 | |
| Adjustment to record the total OPEB liability as of April 30, 2017 | (149,020) | |
| Net position as of April 30, 2017 (as restated) | \$ 10,883,168 | |

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The Village contributes to three defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund

Plan description. All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service 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 ever 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. At December 31, 2017, the measurement date, membership in the plan was as follows:

| | |
|-------------------------------|-------------------|
| Retirees and beneficiaries | 42 |
| Inactive, non-retired members | 22 |
| Active members | <u>41</u> |
| Total | <u><u>105</u></u> |

Contributions. As set by statute, Village employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actuarially determined contribution rate for calendar year 2017 was 6.21% of annual covered payroll for IMRF. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2017 using the following actuarial methods and assumptions:

| | |
|---------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value |
| Actuarial assumptions | |
| Investment Rate of Return | 7.50% |
| Price Inflation | 2.50% |
| Salary increases | 3.39% to 14.50%, including inflation |

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

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

| Asset Class | Target Allocation | Projected Returns/Risks | |
|------------------------|-------------------|-------------------------|--------------------|
| | | One Year Arithmetic | Ten Year Geometric |
| Equities | 37.00% | 8.30% | 6.85% |
| International equities | 18.00% | 8.45% | 6.75% |
| Fixed income | 28.00% | 3.05% | 3.00% |
| Real estate | 9.00% | 6.90% | 5.75% |
| Alternatives | 7.00% | | |
| Private equity | | 12.45% | 7.35% |
| Hedge funds | | 5.35% | 5.25% |
| Commodities | | 4.25% | 2.65% |
| Cash equivalents | 1.00% | 2.25% | 2.25% |

Discount rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the 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 investments of 7.50% was applied to all periods of projected benefits to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents net pension liability/(asset) of the Village calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|---------------------|-----------------------|-----------------------|
| Total pension liability | \$ 12,787,413 | \$ 11,456,427 | \$ 10,375,848 |
| Plan fiduciary net pension | 13,000,720 | 13,000,720 | 13,000,720 |
| Net pension liability/(asset) | <u>\$ (213,307)</u> | <u>\$ (1,544,293)</u> | <u>\$ (2,624,872)</u> |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in net pension liability/(asset). The changes in net pension liability/(asset) for the calendar year ended December 31, 2017 were as follows:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
| Balances at December 31, 2016 | \$ 11,912,340 | \$ 11,956,758 | \$ (44,418) |
| Service cost | 167,223 | - | 167,223 |
| Interest on total pension liability | 875,831 | - | 875,831 |
| Differences between expected and actual experience of the total pension liability | (526,503) | - | (526,503) |
| Change of assumptions | (336,041) | - | (336,041) |
| Benefit payments, including refunds of employee contributions | (636,423) | (636,423) | - |
| Contributions - employer | - | 100,062 | (100,062) |
| Contributions - employee | - | 72,509 | (72,509) |
| Net investment income | - | 2,158,178 | (2,158,178) |
| Other (net transfer) | - | (650,364) | 650,364 |
| Balances at December 31, 2017 | \$ 11,456,427 | \$ 13,000,720 | \$ (1,544,293) |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the Village recognized pension expense of \$544,426. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 129,882 | \$ 392,092 |
| Assumption changes | - | 250,253 |
| Net difference between projected and actual earnings on pension plan investments | - | 682,689 |
| Contributions subsequent to the measurement date | 38,970 | - |
| Total | \$ 168,852 | \$ 1,325,034 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending . The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,195,152) will be recognized in pension expense as follows:

| Year Ending December 31, | |
|--------------------------|---------------------|
| 2018 | \$ 227,759 |
| 2019 | 255,626 |
| 2020 | 451,127 |
| 2021 | <u>260,640</u> |
| Total | <u>\$ 1,195,152</u> |

Police Pension

Plan description. Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or onehalf the annual unadjusted percentage increase in the CPI, whichever is less.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Plan membership. At April 30, 2018, the Police Pension membership consisted of:

| | |
|-------------------------------|------------------|
| Retirees and beneficiaries | 33 |
| Inactive, non-retired members | - |
| Active members | <u>31</u> |
| Total | <u><u>64</u></u> |

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending April 30, 2018 was 50.20% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions:

| | |
|----------------------------|------------------|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value |
| Actuarial assumptions | |
| Interest rate | 7.00% |
| Inflation | 2.50% |
| Projected salary increases | 3.50% - 27.25% |
| Cost-of-living adjustments | 2.50% |

Mortality rates were based on the outside actuary's 2016 Illinois Police Mortality Table.

Long-term expected real rate of return. The long-term expected rate of return on the Police Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of April 30, 2018 are as follows:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed income | 45.00% | 1.45% |
| Large Cap Domestic Equity | 38.50% | 6.65% |
| Small Cap Domestic Equity | 11.00% | 8.55% |
| International equities | 5.50% | 6.45% |

Illinois Compiled Statutes (ILCS) limit the Plan's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Discount rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan'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 Plan investments was applied to all periods 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 pension liability of the Village calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------------|---------------|--------------------------|---------------|
| Total pension liability | \$ 48,260,922 | \$ 42,488,095 | \$ 37,759,970 |
| Plan fiduciary net position | 27,909,905 | 27,909,905 | 27,909,905 |
| Net pension liability | \$ 20,351,017 | \$ 14,578,190 | \$ 9,850,065 |

Changes in net pension liability/(asset). The Village's changes in net pension liability/(asset) for the calendar year ended April 30, 2018 was as follows:

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/Asset (a) - (b) |
| Balances at April 30, 2017 | \$ 41,183,516 | \$ 26,665,789 | \$ 14,517,727 |
| Service cost | 612,021 | - | 612,021 |
| Interest on total pension liability | 2,807,907 | - | 2,807,907 |
| Differences between expected and actual experience of the total pension liability | 25,775 | - | 25,775 |
| Benefit payments, including refunds of employee contributions | (2,141,124) | (2,141,124) | - |
| Contributions - employer | - | 1,388,241 | (1,388,241) |
| Contributions - employee | - | 255,311 | (255,311) |
| Net investment income | - | 1,810,822 | (1,810,822) |
| Administration | - | (69,134) | 69,134 |
| Balances at April 30, 2018 | \$ 42,488,095 | \$ 27,909,905 | \$ 14,578,190 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the Village recognized pension expense of \$1,019,748. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 274,277 | \$ 210,572 |
| Assumption changes | - | 1,161,584 |
| Net difference between projected and actual earnings on pension plan investments | 319,831 | - |
| Total | \$ 594,108 | \$ 1,372,156 |

The amounts reported as deferred outflows and inflows of resources related to pensions (\$778,048) will be recognized in pension expense as follows:

| Year Ending April 30, | Amount |
|-----------------------|--------------|
| 2019 | \$ (367,232) |
| 2020 | (238,992) |
| 2021 | (139,854) |
| 2022 | (32,247) |
| 2023 | (143) |
| Thereafter | 420 |
| Total | \$ (778,048) |

Firefighters' Pension

Plan description. Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan membership. At April 30, 2018, the Firefighters' Pension Plan membership consisted of:

| | |
|-------------------------------|------------------|
| Retirees and beneficiaries | 38 |
| Inactive, non-retired members | 3 |
| Active members | <u>28</u> |
| Total | <u><u>69</u></u> |

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2018, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending April 30, 2018 was 104.00% of annual covered payroll.

Net pension liability/(asset). The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Summary of significant accounting policies. The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions:

| | |
|----------------------------|------------------|
| Actuarial cost method | Entry age normal |
| Asset valuation method | Market value |
| Actuarial assumptions | |
| Interest rate | 6.75% |
| Inflation | 2.50% |
| Projected salary increases | 4.00% - 11.40% |
| Cost-of-living adjustments | 2.50% |

Mortality rates were based on the outside actuary's 2016 Illinois Mortality Table.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Long-term expected real rate of return. The long-term expected rate of return on the Firefighters' Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of April 30, 2018 are as follows:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed income | 40.00% | 1.50% |
| Large cap domestic equity | 42.00% | 6.70% |
| Small cap domestic equity | 12.00% | 8.60% |
| International equities | 6.00% | 6.50% |

Illinois Compiled Statutes (ILCS) limit the Plan's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Discount rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 6.75%, the same as the prior valuation. 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan'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 Plan investments was applied to all periods 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 pension liability of the Village calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------------|----------------------|--------------------------|----------------------|
| Total pension liability | \$ 49,047,402 | \$ 43,637,531 | \$ 39,151,761 |
| Plan fiduciary net position | <u>20,534,093</u> | <u>20,534,087</u> | <u>20,534,093</u> |
| Net pension liability | <u>\$ 28,513,309</u> | <u>\$ 23,103,444</u> | <u>\$ 18,617,668</u> |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Changes in net pension liability/(asset). The Village's changes in net pension liability/(asset) for the calendar year ended April 30, 2018 was as follows:

| | Increase (Decrease) | | |
|--|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/Asset (a) - (b) |
| Balances at April 30, 2017 | \$ 42,622,959 | \$ 18,938,199 | \$ 23,684,760 |
| Service cost | 546,950 | - | 546,950 |
| Interest on total pension liability | 2,800,332 | - | 2,800,332 |
| Differences between expected and actual experience of the total pension liability | (59,771) | - | (59,771) |
| Benefit payments, including refunds of employee contributions | (2,272,939) | (2,272,939) | - |
| Contributions - employer | - | 2,238,527 | (2,238,527) |
| Contributions - employee | - | 215,404 | (215,404) |
| Net investment income | - | 1,475,515 | (1,475,515) |
| Administration | - | (60,619) | 60,619 |
| Balances at April 30, 2018 | \$ 43,637,531 | \$ 20,534,087 | \$ 23,103,444 |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the Village recognized pension expense of \$2,441,678. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 92,089 | \$ 323,622 |
| Assumption changes | 1,433,313 | 201,825 |
| Net difference between projected and actual earnings on pension plan investments | 165,644 | - |
| Total | \$ 1,691,046 | \$ 525,447 |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$1,165,599) will be recognized in pension expense as follows:

| <u>Year Ending April 30,</u> | <u>Amount</u> |
|------------------------------|---------------------|
| 2019 | \$ 531,567 |
| 2020 | 531,566 |
| 2021 | 186,553 |
| 2022 | (36,416) |
| 2023 | (44,648) |
| Thereafter | <u>(3,023)</u> |
| Total | <u>\$ 1,165,599</u> |

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Public Entity Risk Pool

IMLRA

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

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

The Village has active construction projects as of April 30, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. OTHER POSTEMPLOYMENT BENEFITS

Plan description. The Village's single-employer defined benefit OPEB plan, the Retiree Health Insurance Plan, provides health insurance plan coverage to eligible retirees and their spouses. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Contributions and benefits provided. The Village provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with ILCS, which creates an OPEB for retirees, commonly referred to as an implicit rate subsidy. To be eligible for benefits, an employee must qualify for retirement under the Village's retirement plans. The Village pays \$267 per retiree who stays on the Village insurance for life and the amount is fixed for future years. The retiree pays the difference in coverage premiums. Retired employees are required to pay 100% of the premiums for such coverage. Additionally, the Village pays 100% of the insurance cost for disabled police and fire employees.

Plan membership. At April 30, 2018, membership consisted of:

| | |
|-----------------------------------|------------------|
| Retired plan members | 8 |
| Active employees not yet eligible | 71 |
| Active employees fully eligible | <u>16</u> |
| Total | <u><u>95</u></u> |

Total OPEB Liability. At April 30, 2018, the Village's total OPEB liability of \$3,695,833 was measured as of April 30, 2018, and was determined by an actuarial valuation as of May 1, 2017.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the April 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Discount rate | 3.97% |
| Health care participation rate | 30% participation with 50% electing spouse coverage |
| Healthcare cost trend rates | Initial rate of 7.70%, grading down to the ultimate trend rate of 5.00% |
| Retirees' share of benefit-related costs | 100% |

The discount rate was based on the 2018 Bond Buyer 20-Bond Index, as published by the Federal Reserve.

Mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA (for IMRF, Library, and disabled employees) and Scale BB (for Police and Fire employees). These rates are improved generationally using MP-2016 improvement rates.

The actuarial assumptions used in the April 30, 2018 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|----------------------------|---------------------------------|
| Balances at April 30, 2017 | \$ <u>3,542,979</u> |
| Changes for the year: | |
| Service cost | 110,434 |
| Interest | 138,744 |
| Benefit payments | <u>(96,324)</u> |
| Net changes | <u>152,854</u> |
| Balances at April 30, 2018 | \$ <u><u>3,695,833</u></u> |

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97 percent) or 1-percentage-point higher (4.97 percent) than the current discount rate:

| | 1% Decrease (2.97%) | Discount Rate (3.97%) | 1% Increase (4.97%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 3,299,863 | \$ 3,695,833 | \$ 2,560,941 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.70 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.70 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

| | 1% Decrease (6.70% Decreasing to 4.00%) | Healthcare Cost Trend Rates (7.70% Decreasing to 5.00%) | 1% Increase (8.70% Decreasing to 6.00%) |
|----------------------|--|---|--|
| Total OPEB liability | \$ 2,522,802 | \$ 3,695,833 | \$ 3,354,305 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended April 30, 2018, the Village recognized OPEB expense of \$249,178. At April 30, 2018, the Village had no deferred outflows or inflows of resources related to OPEB

E. SUBSEQUENT EVENTS

On August 28, 2018, the Village issued general obligation bonds (alternative revenue source), Series 2018 in the amount of \$10,845,000 with an interest rate of 5.00%. The maturity date is December 1, 2038. This amount will be used to construct capital improvements, acquire equipment and pay capitalized interest.

On November 19, 2018, the Village issued general obligation limited tax bonds, Series 2018 in the amount of \$740,000 with an interest rate of 2.80%. The maturity date is November 15, 2019. This amount will be used to pay debt service on the Village's outstanding bonds, fund certain capital projects and pay certain costs of the issuance.

Subsequent to April 30, 2018, the investment markets have experienced significant volatility. It is highly likely that the values of the Firefighters' Pension Fund's investments have changed by material amounts since year end.

VILLAGE OF BROADVIEW

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

F. TAX INCREMENT FINANCING DISTRICT

The Village of Broadview has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the Village and its surrounding areas. As part of the redevelopment plans, the Village has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the Village created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL
For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|------------------------------------|------------------------------|------------------|-------------------------------|
| REVENUES | | | |
| PROPERTY TAXES | | | |
| Property taxes | \$ 4,802,231 | \$ 5,900,887 | \$ 1,098,656 |
| Total Property taxes | <u>4,802,231</u> | <u>5,900,887</u> | <u>1,098,656</u> |
| OTHER TAXES | | | |
| Sales | 3,573,500 | 3,514,020 | (59,480) |
| Local use | 150,000 | 207,683 | 57,683 |
| Utility taxes | 1,120,000 | 964,062 | (155,938) |
| Cablevision | 91,000 | 93,014 | 2,014 |
| Telecommunication taxes | 39,500 | 41,170 | 1,670 |
| Other | 15,000 | 49,344 | 34,344 |
| Total Other taxes | <u>4,989,000</u> | <u>4,869,293</u> | <u>(119,707)</u> |
| INTERGOVERNMENTAL | | | |
| State income tax | 794,375 | 664,307 | (130,068) |
| Personal property replacement tax | 564,000 | 592,633 | 28,633 |
| Federal grants | 137,000 | 102,080 | (34,920) |
| State grants | - | 66,012 | 66,012 |
| Other | 200,000 | - | (200,000) |
| Total Intergovernmental | <u>1,695,375</u> | <u>1,425,032</u> | <u>(270,343)</u> |
| LICENSES, PERMITS AND FEES | | | |
| Vehicle license fees | 100,000 | 112,555 | 12,555 |
| Liquor and malt beverage licenses | 35,200 | 35,200 | - |
| Business and occupational licenses | 109,500 | 107,951 | (1,549) |
| Building permits | 190,000 | 385,261 | 195,261 |
| Electrical permits | 20,000 | 40,980 | 20,980 |
| Plumbing permits | 30,000 | 35,713 | 5,713 |
| Occupancy permits | 60,000 | 87,207 | 27,207 |
| Other permits | 30,700 | 23,250 | (7,450) |
| Zoning permits and fees | 250 | 305 | 55 |
| Other regulatory permits and fees | 1,400 | 80 | (1,320) |
| Dog and cat licenses | 3,900 | 195 | (3,705) |
| Total Licenses, permits and fees | <u>580,950</u> | <u>828,697</u> | <u>247,747</u> |
| INVESTMENT INCOME | | | |
| Investment income | 8,790 | 9,094 | 304 |
| Total Investment income | <u>8,790</u> | <u>9,094</u> | <u>304</u> |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|--------------------------------------|-------------------|---------------------------------------|
| CHARGES FOR SERVICES | | | |
| Hospital billings | \$ 600,000 | \$ 818,056 | \$ 218,056 |
| Ambulance fees | 475,900 | 780,317 | 304,417 |
| Towing and storage | 150,000 | 165,515 | 15,515 |
| Occupancy inspection | 12,200 | 11,483 | (717) |
| Law enforcement fees | 25,000 | 90,645 | 65,645 |
| Building transfer fees | 33,000 | 22,225 | (10,775) |
| Total Charges for services | <u>1,296,100</u> | <u>1,888,241</u> | <u>592,141</u> |
| FINES AND FORFEITURES | | | |
| Traffic fines | 275,000 | 225,636 | (49,364) |
| Compliance and immobilization | 60,000 | 39,526 | (20,474) |
| Building code violations | 35,000 | 2,365 | (32,635) |
| Total Fines and forfeitures | <u>370,000</u> | <u>267,527</u> | <u>(102,473)</u> |
| OTHER | | | |
| Rentals | 1,900 | 6,200 | 4,300 |
| Reimbursement of Village costs | 150,000 | 80,422 | (69,578) |
| Miscellaneous | 1,226,093 | 3,983 | (1,222,110) |
| Other miscellaneous | 18,000 | 16,875 | (1,125) |
| Total Other | <u>1,395,993</u> | <u>107,480</u> | <u>(1,288,513)</u> |
| Total Revenues | <u>15,138,439</u> | <u>15,296,251</u> | <u>157,812</u> |
| EXPENDITURES | | | |
| EXECUTIVE | | | |
| Personnel services | | | |
| President | 55,000 | 52,050 | 2,950 |
| Administrative assistant | 43,000 | 39,866 | 3,134 |
| Trustees | 25,200 | 23,758 | 1,442 |
| Liquor commissioner | 3,000 | 3,000 | - |
| Office manager | - | 32,796 | (32,796) |
| Contractual services | | | |
| Legal and professional services | 389,951 | 609,947 | (219,996) |
| Dues and publications | 10,500 | 15,186 | (4,686) |
| Telephone | 3,000 | 8,505 | (5,505) |
| Seminars and conferences | 11,000 | 6,057 | 4,943 |
| Printing newsletters and notices | 48,000 | 13,462 | 34,538 |
| Local civic events | 15,000 | 9,652 | 5,348 |
| Employee health care benefits | 19,667 | 19,164 | 503 |
| Retiree health care benefits | 811 | 3,821 | (3,010) |
| Workers' compensation insurance | 1,077 | 986 | 91 |
| Liability insurance | 95,816 | 127,432 | (31,616) |
| Travel | - | 1,234 | (1,234) |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont. For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|------------------------------|----------------|-------------------------------|
| Supplies and materials | | | |
| Gas and oil | \$ 720 | \$ - | \$ 720 |
| Office supplies | 2,000 | 22,796 | (20,796) |
| Miscellaneous | 2,000 | 585 | 1,415 |
| Contingency | 8,500 | 3,815 | 4,685 |
| Total Executive | <u>734,242</u> | <u>994,112</u> | <u>(259,870)</u> |
| FINANCE | | | |
| Personnel services | | | |
| Treasurer | 5,500 | 6,816 | (1,316) |
| Collector | 26,400 | - | 26,400 |
| Budget officer | 10,764 | 9,448 | 1,316 |
| Finance director | 125,000 | 55,243 | 69,757 |
| Administrative clerk | 47,664 | 56,569 | (8,905) |
| Contractual services | | | |
| Employee health care benefits | 18,276 | 14,977 | 3,299 |
| Retiree health care benefits | - | 1,802 | (1,802) |
| Liability insurance | 7,211 | 9,582 | (2,371) |
| Workers' compensation insurance | 1,013 | 927 | 86 |
| Schools, seminars and meetings | 1,000 | 740 | 260 |
| Maintenance, office equipment | - | 419 | (419) |
| Audit services - finance | 63,000 | 69,725 | (6,725) |
| Printing and binding | 5,000 | 5,305 | (305) |
| Legal and professional services | 57,421 | 47,807 | 9,614 |
| Postage | 2,500 | 7,683 | (5,183) |
| Telephone | 7,500 | 12,886 | (5,386) |
| Travel | - | 211 | (211) |
| Dues and publications | 3,600 | 2,009 | 1,591 |
| Library - IL replacement tax payments | 70,000 | 46,898 | 23,102 |
| Supplies and materials | | | |
| Office supplies | 4,500 | 12,289 | (7,789) |
| Capital Outlay | | | |
| Computer hardware/software/webpage | 23,100 | 375 | 22,725 |
| Office equipment | 10,000 | 25,315 | (15,315) |
| Total Finance | <u>489,449</u> | <u>387,026</u> | <u>102,423</u> |
| VILLAGE CLERK | | | |
| Personnel services | | | |
| Village clerk | 12,000 | 11,390 | 610 |
| Deputy clerk | 15,600 | 11,450 | 4,150 |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|----------------|-------------------------------|
| Contractual services | | | |
| Legal and professional services | \$ 23,320 | \$ 4,297 | \$ 19,023 |
| Telephone | 220 | 1,087 | (867) |
| Dues and publications | 4,275 | 505 | 3,770 |
| Seminars and conferences | 2,500 | 375 | 2,125 |
| Employee healthcare plan | 385 | 31 | 354 |
| General liability insurance | 6,940 | 9,222 | (2,282) |
| Supplement to municipal contract | 2,500 | 500 | 2,000 |
| Worker's comp insurance | 1,013 | 927 | 86 |
| Supplies and materials | | | |
| Election and office supplies | 600 | 2,432 | (1,832) |
| Total Village Clerk | <u>69,353</u> | <u>42,216</u> | <u>27,137</u> |
| BOARDS AND COMMISSIONS | | | |
| Personnel services | | | |
| Zoning and planning commission | - | 5,699 | (5,699) |
| Contractual services | | | |
| Tests and administration | 7,000 | 9,608 | (2,608) |
| Dues and publications | 1,500 | - | 1,500 |
| Printing and binding | 150 | - | 150 |
| Legal services | - | 14,245 | (14,245) |
| Total Boards and commissions | <u>8,650</u> | <u>29,552</u> | <u>(20,902)</u> |
| MUNICIPALS BUILDINGS AND GROUNDS | | | |
| Contractual services | | | |
| Custodial services | 32,051 | 36,204 | (4,153) |
| Liability insurance | - | 2,165 | (2,165) |
| Workers' compensation insurance | 1,918 | 1,755 | 163 |
| R & M, buildings | 55,000 | 29,974 | 25,026 |
| Maintenance, grounds | 30,000 | 28,839 | 1,161 |
| Employee health care plan | 17,545 | 19,228 | (1,683) |
| Supplies and materials | | | |
| Fuel for heating | 9,000 | 3,004 | 5,996 |
| Janitorial services | 3,000 | 5,623 | (2,623) |
| Total Municipals buildings and grounds | <u>148,514</u> | <u>126,792</u> | <u>21,722</u> |
| DEBT SERVICE | | | |
| Debt service - interest and fees | - | 1,155 | (1,155) |
| Total Debt Service | <u>-</u> | <u>1,155</u> | <u>(1,155)</u> |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|--------------------------------------|---------------|---------------------------------------|
| POLICE DEPARTMENT | | | |
| Personnel services | | | |
| Chief | \$ 118,000 | \$ 107,227 | \$ 10,773 |
| Deputy chief | 107,493 | 107,493 | - |
| Lieutenants | 198,640 | 133,063 | 65,577 |
| Sergeants | 463,402 | 463,922 | (520) |
| Patrolmen | 1,635,239 | 1,702,949 | (67,710) |
| Telecommunication officers | 296,345 | 291,733 | 4,612 |
| Administrative clerk | 58,300 | 58,300 | - |
| Matron | 300 | - | 300 |
| Holiday pay | 125,530 | 101,451 | 24,079 |
| Crossing guards | 24,153 | 11,264 | 12,889 |
| Overtime | 200,000 | 238,691 | (38,691) |
| Officer's compensatory | 7,771 | - | 7,771 |
| Contribution to pension | 1,022,068 | 1,373,334 | (351,266) |
| Supervisor | 83,200 | 86,181 | (2,981) |
| Contractual services | | | |
| R & M, radio equipment | 53,000 | 52,423 | 577 |
| R & M, computer | 3,000 | 2,235 | 765 |
| R & M, office equipment | 3,000 | 490 | 2,510 |
| R & M, other equipment | 38,000 | 42,519 | (4,519) |
| Professional/legal service | 70,792 | 12,290 | 58,502 |
| Telephone | 47,500 | 59,976 | (12,476) |
| Lead service | 15,000 | 17,775 | (2,775) |
| Social worker program | 2,000 | - | 2,000 |
| Liability insurance | 57,082 | 80,161 | (23,079) |
| Vehicle insurance | 4,219 | - | 4,219 |
| Employee health care benefit plan | 705,800 | 875,751 | (169,951) |
| Retirees health care benefits | 13,708 | 81,384 | (67,676) |
| Workers' compensation insurance | 185,059 | 172,570 | 12,489 |
| Dues and publications | 2,500 | 1,766 | 734 |
| Training school expenditures | 16,000 | 16,704 | (704) |
| Seminars/conferences | 6,000 | 5,337 | 663 |
| Radio and motor equipment installation | 5,000 | 4,460 | 540 |
| Towing and storage | 80,000 | 60,485 | 19,515 |
| Other | 29,000 | 161,537 | (132,537) |
| Travel | 4,000 | 2,825 | 1,175 |
| Supplies and materials | | | |
| Uniforms | 50,000 | 47,008 | 2,992 |
| Medical exam - vaccination | 250 | - | 250 |
| Tools and supplies | 23,750 | 18,985 | 4,765 |
| Crime prevention and relations | 12,500 | 8,477 | 4,023 |
| Gas and oil | 55,960 | 54,882 | 1,078 |
| Board of prisoners | 2,500 | 1,370 | 1,130 |
| R & M - buildings | 15,000 | 5,070 | 9,930 |
| Photography supplies | 250 | - | 250 |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|--|------------------------------|------------------|-------------------------------|
| Capital outlay | | | |
| Office equipment - Public safety | \$ 61,500 | \$ 42,615 | \$ 18,885 |
| Equipment | <u>80,500</u> | <u>79,604</u> | <u>896</u> |
| Total Police department | <u>5,983,311</u> | <u>6,584,307</u> | <u>(600,996)</u> |
| BUILDING CONTROL AND INSPECTION | | | |
| Personnel services | | | |
| Building commissioner | 93,600 | 88,840 | 4,760 |
| Building inspector | 88,220 | 124,189 | (35,969) |
| Exterior house inspectors | 7,200 | - | 7,200 |
| Administrative clerk | 59,283 | 41,462 | 17,821 |
| Contractual services | | | |
| Telephone | 1,750 | 1,888 | (138) |
| Liability insurance | 9,064 | 22,046 | (12,982) |
| Workers' compensation insurance | 6,994 | 6,399 | 595 |
| Vehicle insurance | 329 | - | 329 |
| Dues and publications | 5,500 | - | 5,500 |
| Legal services | 35,545 | 34,400 | 1,145 |
| Repairs and maintenance | 12,500 | 393 | 12,107 |
| Employee health care plan | 69,768 | 77,556 | (7,788) |
| Seminars and conferences | 2,000 | 4,016 | (2,016) |
| Buildings Control and inspection | 500 | - | 500 |
| Supplies and materials | | | |
| Gas and oil | 6,500 | 5,479 | 1,021 |
| Office supplies and printing | <u>24,300</u> | <u>16,291</u> | <u>8,009</u> |
| Total Building control and inspection | <u>423,053</u> | <u>422,959</u> | <u>94</u> |
| FIRE DEPARTMENT | | | |
| Personnel services | | | |
| Chief | 116,462 | 117,806 | (1,344) |
| Deputy chief | 106,944 | 112,052 | (5,108) |
| Captains | 294,611 | 315,550 | (20,939) |
| Lieutenants | 180,356 | 158,652 | 21,704 |
| Firefighters | 1,310,646 | 1,321,119 | (10,473) |
| Paramedics | 90,960 | 24,286 | 66,674 |
| Training officer | 3,000 | - | 3,000 |
| Overtime | 110,000 | 82,485 | 27,515 |
| Mechanic | 2,000 | - | 2,000 |
| EMS coordinator | 1,000 | - | 1,000 |
| Contribution - pension fund | 1,513,923 | 2,238,526 | (724,603) |
| Holiday pay | 95,000 | 54,818 | 40,182 |
| Inspector | 188,382 | 151,701 | 36,681 |
| Education incentive | 3,000 | - | 3,000 |
| Clerical | 43,000 | 36,928 | 6,072 |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|--|------------------------------|------------------|-------------------------------|
| Contractual services | | | |
| Employee health care benefit plan | \$ 533,711 | \$ 549,464 | \$ (15,753) |
| Retiree health care plan | 50,781 | 1,435 | 49,346 |
| Liability insurance | 43,294 | 57,536 | (14,242) |
| Workers' compensation insurance | 217,425 | 198,945 | 18,480 |
| Wellness medical exam - vaccinations | 10,000 | 8,484 | 1,516 |
| Maintenance - fire equipment | 2,600 | 4,203 | (1,603) |
| Maintenance - building and grounds | 32,000 | 5,530 | 26,470 |
| Maintenance - radio equipment | 3,480 | 3,268 | 212 |
| Maintenance - fuel tanks and pumps | 12,500 | 138 | 12,362 |
| Maintenance - breathing equipment | 17,300 | 11,403 | 5,897 |
| Maintenance - paramedic equipment | 4,400 | 1,922 | 2,478 |
| Maintenance - computers and office equipment | 2,320 | 296 | 2,024 |
| Legal services | 12,602 | 10,676 | 1,926 |
| Telephone | 24,000 | 31,534 | (7,534) |
| Assessment division 20 | 11,000 | 10,831 | 169 |
| Dues and publications | 3,500 | 1,881 | 1,619 |
| Training school | 47,160 | 33,519 | 13,641 |
| Gas for heating | 6,000 | 4,044 | 1,956 |
| Other | 74,861 | 12,178 | 62,683 |
| Supplies and materials | | | |
| Gas and oil | 18,000 | 16,370 | 1,630 |
| Uniforms | 49,300 | 36,667 | 12,633 |
| Fire prevention | 4,282 | 521 | 3,761 |
| Photography | 1,800 | 212 | 1,588 |
| Tools and supplies | 73,707 | 47,169 | 26,538 |
| R & M - motor equipment | 48,500 | 41,939 | 6,561 |
| Postage | - | 880 | (880) |
| Contingency | 58,475 | - | 58,475 |
| Capital outlay | | | |
| Machinery equipment - Public safety | 16,875 | 4,615 | 12,260 |
| Capital outlay | <u>48,000</u> | <u>17,614</u> | <u>30,386</u> |
| Total Fire department | <u>5,487,157</u> | <u>5,727,197</u> | <u>(240,040)</u> |
| HIGHWAYS AND STREETS | | | |
| Personnel services | | | |
| Director of public works | 49,400 | 46,888 | 2,512 |
| Mechanic | 79,341 | 74,473 | 4,868 |
| Employee wages | 215,611 | 295,382 | (79,771) |
| Administrative clerk | 67,614 | 65,101 | 2,513 |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|--------------------------------------|-------------------|---------------------------------------|
| Contractual services | | | |
| Legal and other professional services | \$ 50,957 | \$ 30,915 | \$ 20,042 |
| Uniform rental | 15,000 | 16,271 | (1,271) |
| Employee health care benefit plan | 147,923 | 141,225 | 6,698 |
| Retiree health care plan | 3,499 | 13,423 | (9,924) |
| Liability insurance | 38,167 | 55,372 | (17,205) |
| Workers' compensation insurance | 28,525 | 26,103 | 2,422 |
| Telephone | 14,500 | 14,821 | (321) |
| Maintenance, streets | 50,000 | 39,954 | 10,046 |
| Maintenance, street and traffic lights | 72,000 | 182,633 | (110,633) |
| Maintenance, radio system | 500 | - | 500 |
| Light and power, street lighting | 68,000 | 54,151 | 13,849 |
| Maintenance, building and grounds | 17,000 | 90,232 | (73,232) |
| Tree trimming | 10,000 | 25,887 | (15,887) |
| Tree replacement | 3,000 | 11,366 | (8,366) |
| Rental of barricades | 100 | - | 100 |
| Schools, seminars and meetings | 1,000 | 1,620 | (620) |
| Maintenance, office equipment | 5,000 | 41,231 | (36,231) |
| Dumping fees | - | 285 | (285) |
| Other contractual services | 3,200 | 1,957 | 1,243 |
| Dues & publications | - | 340 | (340) |
| Streets | 7,500 | 24,446 | (16,946) |
| Supplies and materials | | | |
| Gas and oil | 22,500 | 25,204 | (2,704) |
| Tools and supplies | 78,200 | 49,891 | 28,309 |
| Maintenance, motor equipment | 55,000 | 59,653 | (4,653) |
| Maintenance, parkways | 15,000 | - | 15,000 |
| Equipment, streets | 94,500 | 10,789 | 83,711 |
| Vehicle insurance | 4,536 | - | 4,536 |
| Medical exam - vaccinations | 1,000 | 849 | 151 |
| Other | 9,350 | 6,182 | 3,168 |
| Capital outlay | | | |
| Street construction - public works | <u>20,000</u> | <u>5,979</u> | <u>14,021</u> |
| Total Highways and streets | <u>1,247,923</u> | <u>1,412,623</u> | <u>(164,700)</u> |
| Total Expenditures | <u>14,591,652</u> | <u>15,727,939</u> | <u>(1,136,287)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>546,787</u> | <u>(431,688)</u> | <u>(978,475)</u> |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL - cont.
For the Year Ended April 30, 2018

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|--------------------------------------|---------------------|---------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ - | \$ 595,975 | \$ 595,975 |
| Transfers out | (419,846) | (775,775) | (355,929) |
| Bonds issued and bond premium | <u>321,525</u> | <u>279,180</u> | <u>(42,345)</u> |
| Total Other Financing Sources (Uses) | <u>(98,321)</u> | <u>99,380</u> | <u>197,701</u> |
| Net Change in Fund Balance | <u>\$ 448,466</u> | (332,308) | <u>\$ (780,774)</u> |
| FUND BALANCE - Beginning of Year | | <u>4,620,041</u> | |
| FUND BALANCE - END OF YEAR | | <u>\$ 4,287,733</u> | |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - 22ND AND 17TH AVENUE TIF REDEVELOPMENT FUND -
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|--------------------------------------|------------------------------|--------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 1,500,000 | \$ 1,486,390 | \$ (13,610) |
| Investment income | 1,800 | 2,862 | 1,062 |
| Total Revenues | 1,501,800 | 1,489,252 | (12,548) |
| EXPENDITURES | | | |
| GENERAL GOVERNMENT | | | |
| General Government | | | |
| Auditing fee | 3,250 | - | 3,250 |
| Legal and professional services | 7,423 | 4,837 | 2,586 |
| Distribution to other governments | - | 3,517,506 | (3,517,506) |
| Contingency | 4,282,565 | - | 4,282,565 |
| Total general government | 4,293,238 | 3,522,343 | 770,895 |
| Total Expenditures | 4,293,238 | 3,522,343 | 770,895 |
| Excess of revenues over expenditures | (2,791,438) | (2,033,091) | 758,347 |
| OTHER FINANCING USES | | | |
| Transfers out | - | (595,975) | (595,975) |
| Total Other Financing Uses | - | (595,975) | (595,975) |
| Net Change in Fund Balance | \$ (2,791,438) | (2,629,066) | \$ 162,372 |
| FUND BALANCE - Beginning of Year | | 3,477,861 | |
| FUND BALANCE - END OF YEAR | | \$ 848,795 | |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ROOSEVELT ROAD TIF - SPECIAL REVENUE FUND
For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|--------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 60,000 | \$ 377,650 | \$ 317,650 |
| Investment income | - | 3,693 | 3,693 |
| Reimbursement of Village expenses | - | 4,857 | 4,857 |
| Total Revenues | 60,000 | 386,200 | 326,200 |
| EXPENDITURES | | | |
| General government | | | |
| Legal and professional services | 19,745 | 30,274 | (10,529) |
| Other contractual | - | 333,000 | (333,000) |
| Gas and oil | 2,000 | 1,701 | 299 |
| Contingency | 118,954 | - | 118,954 |
| Other | 18,500 | 19,658 | (1,158) |
| Grant expenditures | 755,000 | - | 755,000 |
| Auditing fee | 3,250 | - | 3,250 |
| Building improvements | 100,000 | - | 100,000 |
| Repair and maintenance | 170,000 | - | 170,000 |
| Total general government | 1,187,449 | 384,633 | 802,816 |
| Street construction - public works | 475,559 | 326,148 | 149,411 |
| Total capital outlay | 475,559 | 326,148 | 149,411 |
| Total Expenditures | 1,663,008 | 710,781 | 952,227 |
| Excess (deficiency) of revenues over (under) expenditures | (1,603,008) | (324,581) | 1,278,427 |
| OTHER FINANCING SOURCES (USES) | | | |
| Debt issued | - | 85 | 85 |
| Total Other Financing Sources (Uses) | - | 85 | 85 |
| Net Change in Fund Balance | \$ (1,603,008) | (324,496) | \$ 1,278,512 |
| FUND BALANCE - Beginning of Year | | 3,225,972 | |
| FUND BALANCE - END OF YEAR | | \$ 2,901,476 | |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION ASSET AND RELATED RATIOS Three Most Recent Fiscal Years

| | 2018 | 2017 | 2016 |
|---|----------------|---------------|---------------|
| Total pension liability | | | |
| Service cost | \$ 167,223 | \$ 182,649 | \$ 167,889 |
| Interest | 875,831 | 829,973 | 799,529 |
| Differences between expected and actual experience | (526,503) | 248,170 | 71,366 |
| Changes of assumptions | (336,041) | - | - |
| Benefit payments, including refunds of member contributions | (636,423) | (646,877) | (633,600) |
| Net change in total pension liability | (455,913) | 613,915 | 405,184 |
| Total pension liability - beginning | 11,912,340 | 11,298,425 | 10,893,241 |
| Total pension liability - ending (a) | \$ 11,456,427 | \$ 11,912,340 | \$ 11,298,425 |
| Plan fiduciary net position | | | |
| Employer contributions | \$ 100,062 | \$ 105,641 | \$ 127,051 |
| Employee contributions | 72,509 | 153,938 | 83,179 |
| Net investment income | 2,158,178 | 792,412 | 57,986 |
| Benefit payments, including refunds of member contributions | (636,423) | (646,877) | (633,600) |
| Other (net transfer) | (650,364) | 56,883 | 51,255 |
| Net change in plan fiduciary net position | 1,043,962 | 461,997 | (314,129) |
| Plan fiduciary net position - beginning | 11,956,758 | 11,494,761 | 11,808,890 |
| Plan fiduciary net position - ending (b) | \$ 13,000,720 | \$ 11,956,758 | \$ 11,494,761 |
| Employer's net pension liability (asset) - ending (a) - (b) | \$ (1,544,293) | \$ (44,418) | \$ (196,336) |
| Plan fiduciary net position as a percentage of the total pension liability | 113.48% | 100.37% | 101.74% |
| Covered-employee payroll | \$ 1,611,295 | \$ 1,569,711 | \$ 1,562,744 |
| Employer's net pension liability as a percentage of covered-employee payroll | -95.84% | -2.83% | -12.56% |

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

VILLAGE OF BROADVIEW

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Three Most Recent Fiscal Years

| | 2018 | 2017 | 2016 |
|--|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 100,061 | \$ 105,642 | \$ 127,051 |
| Contributions in relation to the actuarially determined contribution | <u>(100,062)</u> | <u>(105,641)</u> | <u>(127,051)</u> |
| Contribution deficiency (excess) | <u>\$ (1)</u> | <u>\$ 1</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 1,611,295 | \$ 1,569,711 | \$ 1,562,744 |
| Contributions as a percentage of covered-employee payroll | 6.21% | 6.73% | 8.13% |

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 4 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Aggregate entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 26 years |
| Asset valuation method | 5-Year Smoothed Market, 20% corridor |
| Inflation | 2.75% - approximate |
| Salary increases | 3.75% to 14.50% including inflation |
| Investment rate of return | 7.50% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | RP-2014 Employee Mortality Table, adjusted to match current IMRF experience |

Other information:

There were no benefit changes during the year.

VILLAGE OF BROADVIEW

POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS Last Four Fiscal Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total pension liability | | | | |
| Service cost | \$ 612,021 | \$ 571,983 | \$ 464,324 | \$ 605,624 |
| Interest | 2,807,907 | 2,740,118 | 2,826,722 | 2,357,222 |
| Differences between expected and actual experience | 25,775 | 376,011 | (569,504) | - |
| Changes of assumptions | - | (642,346) | (1,973,902) | - |
| Benefit payments, including refunds of member contributions | <u>(2,141,124)</u> | <u>(2,013,599)</u> | <u>(1,956,069)</u> | <u>(1,911,378)</u> |
| Net change in total pension liability | <u>1,304,579</u> | <u>1,032,167</u> | <u>(1,208,429)</u> | <u>1,051,468</u> |
| Total pension liability - beginning | <u>41,183,516</u> | <u>40,151,349</u> | <u>41,359,778</u> | <u>40,308,310</u> |
| Total pension liability - ending (a) | <u><u>\$ 42,488,095</u></u> | <u><u>\$ 41,183,516</u></u> | <u><u>\$ 40,151,349</u></u> | <u><u>\$ 41,359,778</u></u> |
| Plan fiduciary net position | | | | |
| Employer contributions | \$ 1,388,241 | \$ 940,127 | \$ 1,141,046 | \$ 1,128,622 |
| Employee contributions | 255,311 | 398,863 | 255,331 | 274,634 |
| Net investment income | 1,810,822 | 2,271,141 | 229,155 | 1,870,570 |
| Benefit payments, including refunds of member contributions | (2,141,124) | (2,013,599) | (1,956,069) | (1,911,378) |
| Administration | (69,134) | (52,903) | (54,207) | (51,250) |
| Other | - | - | 2,173 | 82,448 |
| Net change in plan fiduciary net position | <u>1,244,116</u> | <u>1,543,629</u> | <u>(382,571)</u> | <u>1,393,646</u> |
| Plan fiduciary net position - beginning | <u>26,665,789</u> | <u>25,122,160</u> | <u>25,504,731</u> | <u>24,111,085</u> |
| Plan fiduciary net position - ending (b) | <u><u>\$ 27,909,905</u></u> | <u><u>\$ 26,665,789</u></u> | <u><u>\$ 25,122,160</u></u> | <u><u>\$ 25,504,731</u></u> |
| Village's net pension liability - ending (a) - (b) | <u><u>\$ 14,578,190</u></u> | <u><u>\$ 14,517,727</u></u> | <u><u>\$ 15,029,189</u></u> | <u><u>\$ 15,855,047</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 65.69% | 64.75% | 62.57% | 61.67% |
| Covered-employee payroll | \$ 2,765,874 | \$ 2,672,342 | \$ 2,496,284 | \$ 2,267,768 |
| Village's net pension liability as a percentage of covered-employee payroll | 527.07% | 543.26% | 602.06% | 699.15% |

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

VILLAGE OF BROADVIEW

POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Last Four Fiscal Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|--------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 1,112,192 | \$ 909,221 | \$ 920,848 | \$ 870,614 |
| Contributions in relation to the actuarially determined contribution | 1,388,241 | 940,127 | 1,141,046 | 1,128,622 |
| Contribution deficiency (excess) | <u>\$ (276,049)</u> | <u>\$ (30,906)</u> | <u>\$ (220,198)</u> | <u>\$ (258,008)</u> |
| Covered-employee payroll | \$ 2,765,874 | \$ 2,672,342 | \$ 2,496,284 | \$ 2,267,768 |
| Contributions as a percentage of covered-employee payroll | 50.19% | 35.18% | 45.71% | 49.77% |

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry-age normal |
| Amortization method | Straight Line |
| Remaining amortization period | 23 years |
| Asset valuation method | Market Value |
| Inflation | 2.50% |
| Salary increases | 3.50% - 27.25% |
| Investment rate of return | 7.00% |
| Retirement age | Outside actuary's 2016 Illinois Police Retirement Rates, Capped at age 62 |
| Mortality | Outside actuary's 2016 Illinois Police Mortality Rates |

VILLAGE OF BROADVIEW

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS Last Four Fiscal Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total pension liability | | | | |
| Service cost | \$ 546,950 | \$ 512,365 | \$ 538,436 | \$ 479,284 |
| Interest | 2,800,332 | 2,776,854 | 2,520,905 | 2,466,321 |
| Differences between expected and actual experience | (59,771) | (399,843) | 176,839 | - |
| Changes of assumptions | - | (295,263) | 2,752,314 | - |
| Benefit payments, including refunds of member contributions | <u>(2,272,939)</u> | <u>(2,219,450)</u> | <u>(2,173,864)</u> | <u>(2,100,060)</u> |
| Net change in total pension liability | 1,014,572 | 374,663 | 3,814,630 | 845,545 |
| Total pension liability - beginning | <u>42,622,959</u> | <u>42,248,296</u> | <u>38,433,666</u> | <u>37,588,121</u> |
| Total pension liability - ending (a) | <u><u>\$ 43,637,531</u></u> | <u><u>\$ 42,622,959</u></u> | <u><u>\$ 42,248,296</u></u> | <u><u>\$ 38,433,666</u></u> |
| Plan fiduciary net position | | | | |
| Employer contributions | \$ 2,238,527 | \$ 1,301,423 | \$ 1,387,145 | \$ 1,356,663 |
| Employee contributions | 203,499 | 198,999 | 189,071 | 176,999 |
| Contributions- Other | 11,905 | - | - | - |
| Net investment income | 1,475,515 | 1,799,573 | (462,145) | 598,324 |
| Benefit payments, including refunds of member contributions | (2,272,939) | (2,219,450) | (2,173,863) | (2,100,060) |
| Administration | (60,619) | (57,944) | (67,272) | (50,328) |
| Other | - | - | - | 7 |
| Net change in plan fiduciary net position | <u>1,595,888</u> | <u>1,022,601</u> | <u>(1,127,064)</u> | <u>(18,395)</u> |
| Plan fiduciary net position - beginning | <u>18,938,199</u> | <u>17,915,598</u> | <u>19,042,662</u> | <u>19,061,057</u> |
| Plan fiduciary net position - ending (b) | <u><u>\$ 20,534,087</u></u> | <u><u>\$ 18,938,199</u></u> | <u><u>\$ 17,915,598</u></u> | <u><u>\$ 19,042,662</u></u> |
| Village's net pension liability - ending (a) - (b) | <u><u>\$ 23,103,444</u></u> | <u><u>\$ 23,684,760</u></u> | <u><u>\$ 24,332,698</u></u> | <u><u>\$ 19,391,004</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 47.06% | 44.43% | 42.41% | 49.55% |
| Covered-employee payroll | \$ 2,152,293 | \$ 2,115,487 | \$ 2,052,994 | \$ 1,861,763 |
| Village's net pension liability as a percentage of covered-employee payroll | 1073.43% | 1119.59% | 1185.23% | 1041.54% |

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

VILLAGE OF BROADVIEW

FIREFIGHTERS' PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Last Four Fiscal Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|-------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 1,775,728 | \$ 1,571,337 | \$ 1,167,673 | \$ 1,067,151 |
| Contributions in relation to the actuarially determined contribution | <u>2,238,527</u> | <u>1,301,423</u> | <u>1,387,145</u> | <u>1,356,664</u> |
| Contribution deficiency (excess) | <u>\$ (462,799)</u> | <u>\$ 269,914</u> | <u>\$ (219,472)</u> | <u>\$ (289,513)</u> |
| Covered-employee payroll | \$ 2,152,293 | \$ 2,317,041 | \$ 2,052,994 | \$ 1,861,763 |
| Contributions as a percentage of covered-employee payroll | 104.01% | 56.17% | 67.57% | 72.87% |

Notes to Schedule:

The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry-age normal |
| Amortization method | Straight Line |
| Remaining amortization period | 6.32 Years Actuarial Experience; 5.00 Years Asset Experience |
| Asset valuation method | Market Value |
| Inflation | 2.50% |
| Salary increases | 4.00% - 11.40% |
| Investment rate of return | 6.75% |
| Retirement age | Outside actuary's 2016 Illinois Firefighters', capped at age |
| Mortality | Outside actuary's 2016 Illinois Firefighters' Mortality Rates |

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF BROADVIEW

RETIREE HEALTH INSURANCE PLAN SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS Most Recent Fiscal Year

| | <u>2018</u> |
|--|---------------------|
| Total OPEB liability | |
| Service cost | \$ 110,434 |
| Interest | 138,744 |
| Benefit payments, including refunds of member contributions | <u>(96,324)</u> |
| Net change in total OPEB liability | 152,854 |
| Total OPEB liability - beginning | <u>3,542,979</u> |
| Total OPEB liability - ending | <u>\$ 3,695,833</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% |
| Covered payroll | \$ 4,249,188 |
| Village's total OPEB liability as a percentage of covered payroll | 86.98% |

Notes to Schedule:

The Village implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

A Schedule of Contributions is not presented as the plan is a pay-as-you-go and, as such, no actuarially determined contribution is determined.

VILLAGE OF BROADVIEW

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2018

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to April 30, the Village finance director submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The Village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village finance director is authorized to transfer budget amounts between department within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

EXCESS EXPENDITURES OVER BUDGET

Excess expenditures over appropriations are as follows:

| | <u>Final Budget</u> | <u>Expenditures</u> | <u>Excess</u> |
|--------------|---------------------|---------------------|---------------|
| General Fund | \$ 14,591,652 | \$ 15,727,939 | \$ 1,136,287 |

SUPPLEMENTARY INFORMATION

VILLAGE OF BROADVIEW

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2018

| | Garbage | Illinois Municipal Retirement | Motor Fuel Tax | CDBG |
|--|-------------------|-------------------------------------|---------------------|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 253,291 | \$ 87,959 | \$ 1,392,790 | \$ 374,010 |
| Receivables (net) | | | | |
| Property taxes | - | 106,669 | - | - |
| Intergovernmental | - | - | 33,569 | - |
| Accounts | 79,958 | - | - | - |
| Restricted cash and investments | - | - | - | - |
| TOTAL ASSETS | \$ 333,249 | \$ 194,628 | \$ 1,426,359 | \$ 374,010 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 14,427 | \$ - | \$ - | \$ - |
| Due to other funds | 235,524 | 173,719 | 85,999 | 487,793 |
| Advances from other funds | 100,000 | - | - | - |
| Total Liabilities | 349,951 | 173,719 | 85,999 | 487,793 |
| Deferred Inflows of Resources | | | | |
| Property taxes levies for future periods | - | 105,554 | - | - |
| Total Deferred Inflows of Resources | - | 105,554 | - | - |
| Fund Balances (Deficit) | | | | |
| Restricted for highways and streets | - | - | 1,340,360 | - |
| Restricted for capital projects | - | - | - | - |
| Restricted for public safety | - | - | - | - |
| Restricted for debt service purposes | - | - | - | - |
| Assigned for debt service | - | - | - | - |
| Unassigned | (16,702) | (84,645) | - | (113,783) |
| Total Fund Balances (deficit) | (16,702) | (84,645) | 1,340,360 | (113,783) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 333,249 | \$ 194,628 | \$ 1,426,359 | \$ 374,010 |

| <u>Emergency Telephone System</u> | <u>17th Avenue North TIF Redevelopment</u> | <u>27th/23rd TIF Redevelopment</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total Nonmajor Governmental Funds</u> |
|-----------------------------------|--|------------------------------------|---------------------|-------------------------|--|
| \$ 358,293 | \$ 13,050 | \$ 338,937 | \$ 744,382 | \$ 1,302,745 | \$ 4,865,457 |
| - | - | 41,052 | 542,709 | - | 690,430 |
| - | - | - | - | - | 33,569 |
| - | - | - | - | - | 79,958 |
| - | - | - | - | 45,000 | 45,000 |
| <u>\$ 358,293</u> | <u>\$ 13,050</u> | <u>\$ 379,989</u> | <u>\$ 1,287,091</u> | <u>\$ 1,347,745</u> | <u>\$ 5,714,414</u> |
| \$ - | \$ 5,000 | \$ 248,560 | \$ - | \$ 357,495 | \$ 625,482 |
| - | 15,926 | 241,338 | - | - | 1,240,299 |
| - | - | - | - | - | 100,000 |
| - | <u>20,926</u> | <u>489,898</u> | - | <u>357,495</u> | <u>1,965,781</u> |
| - | - | <u>41,052</u> | <u>536,436</u> | - | <u>683,042</u> |
| - | - | <u>41,052</u> | <u>536,436</u> | - | <u>683,042</u> |
| - | - | - | - | - | 1,340,360 |
| - | - | - | - | 950,250 | 950,250 |
| 358,293 | - | - | - | - | 358,293 |
| - | - | - | 490,229 | 40,000 | 530,229 |
| - | - | - | 260,426 | - | 260,426 |
| - | <u>(7,876)</u> | <u>(150,961)</u> | - | - | <u>(373,967)</u> |
| <u>358,293</u> | <u>(7,876)</u> | <u>(150,961)</u> | <u>750,655</u> | <u>990,250</u> | <u>3,065,591</u> |
| <u>\$ 358,293</u> | <u>\$ 13,050</u> | <u>\$ 379,989</u> | <u>\$ 1,287,091</u> | <u>\$ 1,347,745</u> | <u>\$ 5,714,414</u> |

VILLAGE OF BROADVIEW

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2018

| | Garbage | Illinois Municipal Retirement | Motor Fuel Tax | CDBG | Emergency Telephone System |
|---|--------------------|-------------------------------------|---------------------|---------------------|----------------------------------|
| REVENUES | | | | | |
| Property taxes | \$ - | \$ 176,121 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 169,458 | 214,010 | - |
| Investment income | - | 1 | 1,669 | - | 1,766 |
| Charges for services | 671,270 | - | - | - | 128,639 |
| Fines, forfeitures and penalties | 14,797 | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total Revenues | <u>686,067</u> | <u>176,122</u> | <u>171,127</u> | <u>214,010</u> | <u>130,405</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | - | - | 15,538 |
| Highways and streets | - | - | 72,400 | - | - |
| Sanitation | 697,534 | - | - | - | - |
| Employee benefits | - | 295,569 | - | - | - |
| Debt Service | | | | | |
| Debt service - principal | - | - | - | - | - |
| Debt service - interest and fees | - | - | - | - | - |
| Cost of issuance | - | - | - | - | - |
| Capital Outlay | - | - | 400,532 | 309,684 | - |
| Total Expenditures | <u>697,534</u> | <u>295,569</u> | <u>472,932</u> | <u>309,684</u> | <u>15,538</u> |
| Excess (deficiency) of revenues over expenditures | <u>(11,467)</u> | <u>(119,447)</u> | <u>(301,805)</u> | <u>(95,674)</u> | <u>114,867</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bonds issued | - | - | - | - | - |
| Transfers in | - | 207,250 | - | 160,000 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>207,250</u> | <u>-</u> | <u>160,000</u> | <u>-</u> |
| Net Change in Fund Balances | (11,467) | 87,803 | (301,805) | 64,326 | 114,867 |
| FUND BALANCES (DEFICIT) | | | | | |
| - Beginning of Year | <u>(5,235)</u> | <u>(172,448)</u> | <u>1,642,165</u> | <u>(178,109)</u> | <u>243,426</u> |
| FUND BALANCES (DEFICIT) - END OF YEAR | <u>\$ (16,702)</u> | <u>\$ (84,645)</u> | <u>\$ 1,340,360</u> | <u>\$ (113,783)</u> | <u>\$ 358,293</u> |

| <u>17th Avenue North TIF Redevelopment</u> | <u>27th/23rd TIF Redevelopment</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|--|---------------------|-----------------------------|--|
| \$ - | \$ 113,512 | \$ 989,930 | \$ - | \$ 1,279,563 |
| - | - | - | - | 383,468 |
| 13 | 673 | - | 5 | 4,127 |
| - | - | - | - | 799,909 |
| - | - | - | - | 14,797 |
| - | - | - | 46,350 | 46,350 |
| <u>13</u> | <u>114,185</u> | <u>989,930</u> | <u>46,355</u> | <u>2,528,214</u> |
| 975 | 402,450 | - | 489,781 | 893,206 |
| - | - | - | - | 15,538 |
| - | - | - | - | 72,400 |
| - | - | - | - | 697,534 |
| - | - | - | - | 295,569 |
| - | - | 1,515,000 | - | 1,515,000 |
| - | - | 124,628 | - | 124,628 |
| - | - | 52,345 | - | 52,345 |
| <u>5,000</u> | <u>-</u> | <u>-</u> | <u>1,190,860</u> | <u>1,906,076</u> |
| <u>5,975</u> | <u>402,450</u> | <u>1,691,973</u> | <u>1,680,641</u> | <u>5,572,296</u> |
| <u>(5,962)</u> | <u>(288,265)</u> | <u>(702,043)</u> | <u>(1,634,286)</u> | <u>(3,044,082)</u> |
| - | - | 695,820 | - | 695,820 |
| - | - | 87,000 | 321,525 | 775,775 |
| - | - | 782,820 | 321,525 | 1,471,595 |
| (5,962) | (288,265) | 80,777 | (1,312,761) | (1,572,487) |
| <u>(1,914)</u> | <u>137,304</u> | <u>669,878</u> | <u>2,303,011</u> | <u>4,638,078</u> |
| <u>\$ (7,876)</u> | <u>\$ (150,961)</u> | <u>\$ 750,655</u> | <u>\$ 990,250</u> | <u>\$ 3,065,591</u> |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - GARBAGE FUND - NONMAJOR - SPECIAL REVENUE FUND
 For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|-------------|-------------------------------|
| REVENUES | | | |
| Rubbish billings | \$ 650,000 | \$ 650,730 | \$ 730 |
| Trash and compost tags | 20,000 | 20,540 | 540 |
| Fines, forfeitures and penalties | 15,000 | 14,797 | (203) |
| Investment income | 20 | - | (20) |
| Total Revenues | 685,020 | 686,067 | 1,047 |
| EXPENDITURES | | | |
| Sanitation | | | |
| Rubbish and garbage removal | 500,000 | 521,754 | (21,754) |
| Legal and Professional Services | 311 | - | 311 |
| Trash and compost tags | 14,000 | 5,276 | 8,724 |
| Dumping fees | 144,000 | 170,504 | (26,504) |
| Total sanitation | 658,311 | 697,534 | (39,223) |
| Total | 658,311 | 697,534 | (39,223) |
| Total Expenditures | 658,311 | 697,534 | (39,223) |
| Net Change in Fund Balance | \$ 26,709 | (11,467) | \$ (38,176) |
| FUND BALANCE (DEFICIT) - Beginning of Year | | (5,235) | |
| FUND BALANCE (DEFICIT) - END OF YEAR | | \$ (16,702) | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL - ILLINOIS MUNICIPAL RETIREMENT FUND - NONMAJOR -
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|--|------------------------------|--------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 151,175 | \$ 176,121 | \$ 24,946 |
| Investment income | <u>-</u> | <u>1</u> | <u>1</u> |
| Total Revenues | <u>151,175</u> | <u>176,122</u> | <u>24,947</u> |
| EXPENDITURES | | | |
| Employee Benefits | | | |
| Social security tax | 101,444 | 98,645 | 2,799 |
| IMRF contributions | 107,872 | 82,888 | 24,984 |
| Medicare | 100,746 | 90,666 | 10,080 |
| Unemployment contribution | <u>5,060</u> | <u>23,370</u> | <u>(18,310)</u> |
| Total employee benefits | <u>315,122</u> | <u>295,569</u> | <u>19,553</u> |
| Total Expenditures | <u>315,122</u> | <u>295,569</u> | <u>19,553</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(163,947)</u> | <u>(119,447)</u> | <u>44,500</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>207,250</u> | <u>207,250</u> | <u>-</u> |
| Total Other Financing Sources | <u>207,250</u> | <u>207,250</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 43,303</u> | 87,803 | <u>\$ 44,500</u> |
| FUND BALANCE (DEFICIT) - Beginning of Year | | <u>(172,448)</u> | |
| FUND BALANCE (DEFICIT) - END OF YEAR | | <u>\$ (84,645)</u> | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND - NONMAJOR - SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|------------------------------|--------------|-------------------------------|
| REVENUES | | | |
| Motor fuel tax | \$ 200,000 | \$ 169,458 | \$ (30,542) |
| Investment income | - | 1,669 | 1,669 |
| Total Revenues | 200,000 | 171,127 | (28,873) |
| EXPENDITURES | | | |
| Highways and streets | | | |
| Legal and other professional services | - | 72,400 | (72,400) |
| Total highways and streets | - | 72,400 | (72,400) |
| Capital Outlay - Highways and streets | 473,300 | 400,532 | 72,768 |
| Total capital outlay | 473,300 | 400,532 | 72,768 |
| Total Expenditures | 473,300 | 472,932 | 368 |
| Net Change in Fund Balance | \$ (273,300) | (301,805) | \$ (28,505) |
| FUND BALANCE - Beginning of Year | | 1,642,165 | |
| FUND BALANCE - END OF YEAR | | \$ 1,340,360 | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CDBG FUND - NONMAJOR - SPECIAL REVENUE FUND For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| State grants | \$ 200,000 | \$ 214,010 | \$ 14,010 |
| Total Revenues | <u>200,000</u> | <u>214,010</u> | <u>14,010</u> |
| EXPENDITURES | | | |
| Capital Outlay | | | |
| Street construction - public safety | <u>360,000</u> | <u>309,684</u> | <u>50,316</u> |
| Total capital outlay | <u>360,000</u> | <u>309,684</u> | <u>50,316</u> |
| Total Expenditures | <u>360,000</u> | <u>309,684</u> | <u>50,316</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(160,000)</u> | <u>(95,674)</u> | <u>64,326</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>160,000</u> | <u>160,000</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>160,000</u> | <u>160,000</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>64,326</u> | <u>\$ 64,326</u> |
| FUND BALANCE (DEFICIT) - Beginning of Year | | <u>(178,109)</u> | |
| FUND BALANCE (DEFICIT) - END OF YEAR | | <u>\$ (113,783)</u> | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - EMERGENCY TELEPHONE SYSTEM FUND - NONMAJOR -
 SPECIAL REVENUE FUND
 For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|-----------------------------------|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Surcharge emergency 911 | \$ - | \$ 128,639 | \$ 128,639 |
| Investment income | - | 1,766 | 1,766 |
| Total Revenues | - | 130,405 | 130,405 |
| EXPENDITURES | | | |
| Public Safety | | | |
| Uniforms | - | 3,353 | (3,353) |
| Equipment | - | 1,483 | (1,483) |
| Dues and publications | - | 479 | (479) |
| Contingency | - | 2,757 | (2,757) |
| Training school | - | 7,462 | (7,462) |
| Bank service charge | - | 4 | (4) |
| Total public safety | - | 15,538 | (15,538) |
| Total Expenditures | - | 15,538 | (15,538) |
| Net Change in Fund Balance | \$ - | 114,867 | \$ 114,867 |
| FUND BALANCE - Beginning of Year | | 243,426 | |
| FUND BALANCE - END OF YEAR | | \$ 358,293 | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - 27TH/23RD TIF REDEVELOPMENT FUND - NONMAJOR -
SPECIAL REVENUE FUND
For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 117,000 | \$ 113,512 | \$ (3,488) |
| Investment income | 600 | 673 | 73 |
| Total Revenues | <u>117,600</u> | <u>114,185</u> | <u>(3,415)</u> |
| EXPENDITURES | | | |
| General government | | | |
| Legal and professional services | 989 | 67,746 | (66,757) |
| Auditing fee | 3,250 | - | 3,250 |
| TIF / Capital Projects Development | <u>623,300</u> | <u>334,704</u> | <u>288,596</u> |
| Total general government | <u>627,539</u> | <u>402,450</u> | <u>225,089</u> |
| Total Expenditures | <u>627,539</u> | <u>402,450</u> | <u>225,089</u> |
| Net Change in Fund Balance | <u>\$ (509,939)</u> | <u>(288,265)</u> | <u>\$ 221,674</u> |
| FUND BALANCE - Beginning of Year | | <u>137,304</u> | |
| FUND BALANCE (DEFICIT) - END OF YEAR | | <u>\$ (150,961)</u> | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - 17TH AVENUE NORTH TIF REDEVELOPMENT FUND -
 NONMAJOR - SPECIAL REVENUE FUND
 For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Investment income | \$ - | \$ 13 | \$ 13 |
| Total Revenues | - | 13 | 13 |
| EXPENDITURES | | | |
| General government | | | |
| Legal and professional services | 1,333 | 975 | 358 |
| TIF/Capital Projects Development | - | 5,000 | (5,000) |
| Total general government | 1,333 | 5,975 | (4,642) |
| Total Expenditures | 1,333 | 5,975 | (4,642) |
| Net Change in Fund Balance | \$ (1,333) | (5,962) | \$ (4,629) |
| FUND BALANCE (DEFICIT) - Beginning of Year | | (1,914) | |
| FUND BALANCE (DEFICIT) - END OF YEAR | | \$ (7,876) | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND - NONMAJOR For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 968,603 | \$ 989,930 | \$ 21,327 |
| Total Revenues | <u>968,603</u> | <u>989,930</u> | <u>21,327</u> |
| EXPENDITURES | | | |
| Debt service | | | |
| Debt service - principal | 1,495,162 | 1,515,000 | (19,838) |
| Debt service - interest and fees | 143,644 | 124,628 | 19,016 |
| Cost of issuance | 20,000 | 52,345 | (32,345) |
| Total debt service | <u>1,658,806</u> | <u>1,691,973</u> | <u>(33,167)</u> |
| Total Expenditures | <u>1,658,806</u> | <u>1,691,973</u> | <u>(33,167)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(690,203)</u> | <u>(702,043)</u> | <u>(11,840)</u> |
| OTHER FINANCING SOURCES | | | |
| Bonds issued and bond premiums | 603,475 | 695,820 | 92,345 |
| Transfers in | 87,000 | 87,000 | - |
| Total Other Financing Sources | <u>690,475</u> | <u>782,820</u> | <u>92,345</u> |
| Net Change in Fund Balance | <u>\$ 272</u> | 80,777 | <u>\$ 80,505</u> |
| FUND BALANCE - Beginning of Year | | <u>669,878</u> | |
| FUND BALANCE - END OF YEAR | | <u>\$ 750,655</u> | |

VILLAGE OF BROADVIEW

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - NONMAJOR For the Year Ended April 30, 2018

| | Original and Final Budget | Actual | Variance with Final Budget |
|---|------------------------------|-------------|-------------------------------|
| REVENUES | | | |
| Investment income | \$ - | \$ 5 | \$ 5 |
| Rentals | - | 46,350 | 46,350 |
| Total Revenues | - | 46,355 | 46,355 |
| EXPENDITURES | | | |
| General government | | | |
| Legal and professional services | 350,000 | 394,281 | (44,281) |
| Property tax payments | - | 95,500 | (95,500) |
| Capital outlay | 1,127,400 | 781,337 | 346,063 |
| Capital Outlay - Streets | 650,000 | 409,523 | 240,477 |
| Total general government | 2,127,400 | 1,680,641 | 446,759 |
| Total Expenditures | 2,127,400 | 1,680,641 | 446,759 |
| Excess (deficiency) of revenues over (under) expenditures | (2,127,400) | (1,634,286) | 493,114 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 321,525 | 321,525 | - |
| Total Other Financing Sources (Uses) | 321,525 | 321,525 | - |
| Net Change in Fund Balance | \$ (1,805,875) | (1,312,761) | \$ 493,114 |
| FUND BALANCE - Beginning of Year | | 2,303,011 | |
| FUND BALANCE - END OF YEAR | | \$ 990,250 | |

VILLAGE OF BROADVIEW

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL WATER AND SEWERAGE FUND For the Year Ended April 30, 2018

| | <u>Original And Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|--------------------------------------|------------------|---------------------------------------|
| OPERATING REVENUES | | | |
| Charges for services | | | |
| Water sales | \$ 2,800,000 | \$ 2,926,804 | \$ 126,804 |
| Sewer charges | 350,000 | 365,780 | 15,780 |
| Penalties | 60,000 | 56,016 | (3,984) |
| Miscellaneous | <u>150,500</u> | <u>129,507</u> | <u>(20,993)</u> |
| Total Operating Revenues | <u>3,360,500</u> | <u>3,478,107</u> | <u>117,607</u> |
| OPERATING EXPENSES | | | |
| Water department | | | |
| Source of supply | | | |
| Salaries and wages | 123,710 | 86,244 | (37,466) |
| Illinois Municipal Retirement Fund and Social Security | - | 56,450 | 56,450 |
| Professional services | 201,611 | 116,714 | (84,897) |
| Cost of water purchased | 2,100,000 | 2,226,193 | 126,193 |
| Machinery and equipment | <u>6,500</u> | <u>7,787</u> | <u>1,287</u> |
| Total source of supply | <u>2,431,821</u> | <u>2,493,388</u> | <u>61,567</u> |
| Transmission and distribution | | | |
| R&M, mains | 867,500 | 106,836 | (760,664) |
| R&M, meters | 20,500 | 11,976 | (8,524) |
| R&M, vehicles | 1,500 | - | (1,500) |
| Purchase of water meters and hydrants | 26,000 | - | (26,000) |
| Machinery and equipment | 2,500 | 409 | (2,091) |
| Emergency water main | 250,000 | 1,945 | (248,055) |
| Gas and oil - water | 18,000 | 16,789 | (1,211) |
| Rentals - equipment | 3,000 | 630 | (2,370) |
| Small tools and supplies | 4,000 | 1,011 | (2,989) |
| Risk management | <u>41,315</u> | <u>50,718</u> | <u>9,403</u> |
| Total transmission and distribution | <u>1,234,315</u> | <u>190,314</u> | <u>(1,044,001)</u> |
| Customer accounting and collections | | | |
| Postage | <u>13,500</u> | <u>7,543</u> | <u>(5,957)</u> |
| Total customer accounting and collections | <u>13,500</u> | <u>7,543</u> | <u>(5,957)</u> |
| Total water department | <u>3,679,636</u> | <u>2,691,245</u> | <u>(988,391)</u> |

VILLAGE OF BROADVIEW

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL WATER AND SEWERAGE FUND For the Year Ended April 30, 2018

| | Original And Final Budget | Actual | Variance with Final Budget |
|--|------------------------------|----------------------|-------------------------------|
| Sewer department | | | |
| Personnel services | | | |
| Other employees | <u>105,244</u> | <u>127,298</u> | <u>22,054</u> |
| Total personnel services | <u>105,244</u> | <u>127,298</u> | <u>22,054</u> |
| Contractual services | | | |
| Sewer system maintenance | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Total contractual services | <u>1,000</u> | <u>1,000</u> | <u>-</u> |
| Capital services | | | |
| Depreciation | <u>-</u> | <u>360,075</u> | <u>360,075</u> |
| Total capital services | <u>-</u> | <u>360,075</u> | <u>360,075</u> |
| Total sewer department | <u>106,244</u> | <u>488,373</u> | <u>382,129</u> |
| Total Operating Expenses | <u>3,785,880</u> | <u>3,179,618</u> | <u>606,262</u> |
| Operating Income | <u>(425,380)</u> | <u>298,489</u> | <u>723,869</u> |
| NON-OPERATING REVENUES | | | |
| Interest income | <u>1,205</u> | <u>4,249</u> | <u>3,044</u> |
| Total Non-Operating Revenues | <u>1,205</u> | <u>4,249</u> | <u>3,044</u> |
| Change in net position | <u>\$ (424,175)</u> | 302,738 | <u>\$ 726,913</u> |
| NET POSITION - Beginning of Year (as restated) | | <u>10,883,168</u> | |
| NET POSITION - END OF YEAR | | <u>\$ 11,185,906</u> | |

VILLAGE OF BROADVIEW

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS As of April 30, 2018

| | Police Pension | Firefighters' Pension | Total |
|--------------------------------------|----------------|--------------------------|---------------|
| ASSETS | | | |
| Cash | \$ 280,273 | \$ 250 | \$ 280,523 |
| Investments | | | |
| Money markets | - | 217,639 | 217,639 |
| State and local obligations | 1,753,692 | 1,123,640 | 2,877,332 |
| U.S Government and agency securities | 9,987,759 | 5,596,868 | 15,584,627 |
| Mutual funds | 15,784,894 | 12,662,870 | 28,447,764 |
| Corporate notes | - | 879,575 | 879,575 |
| Receivables | | | |
| Accrued interest | 81,836 | 53,808 | 135,644 |
| Prepaid items | 5,193 | - | 5,193 |
| Other assets | - | 375 | 375 |
| Due from primary government | 29,814 | - | 29,814 |
| Total Assets | 27,923,461 | 20,535,025 | 48,458,486 |
| LIABILITIES | | | |
| Accounts payable | 13,556 | 938 | 14,494 |
| Total Liabilities | 13,556 | 938 | 14,494 |
| NET POSITION | | | |
| Restricted for pensions | \$ 27,909,905 | \$ 20,534,087 | \$ 48,443,992 |

VILLAGE OF BROADVIEW

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS For the Year Ended April 30, 2018

| | <u>Police Pension</u> | <u>Firefighters' Pension</u> | <u>Total</u> |
|---|--------------------------|----------------------------------|--------------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 1,388,241 | \$ 2,238,527 | \$ 3,626,768 |
| Plan members | 255,311 | 203,499 | 458,810 |
| Refunds | - | 11,905 | 11,905 |
| Total Contributions | <u>1,643,552</u> | <u>2,453,931</u> | <u>4,097,483</u> |
| Investment income | | | |
| Interest and dividends | 1,177,049 | 930,702 | 2,107,751 |
| Net appreciation in fair value of investments | <u>703,116</u> | <u>594,514</u> | <u>1,297,630</u> |
| Total Investment Income | 1,880,165 | 1,525,216 | 3,405,381 |
| Less Investment expenses | <u>(69,343)</u> | <u>(49,701)</u> | <u>(119,044)</u> |
| Net Investment Income | <u>1,810,822</u> | <u>1,475,515</u> | <u>3,286,337</u> |
| Total Additions | <u>3,454,374</u> | <u>3,929,446</u> | <u>7,383,820</u> |
| DEDUCTIONS | | | |
| Administration | 69,134 | 60,619 | 129,753 |
| Benefits | <u>2,141,124</u> | <u>2,272,939</u> | <u>4,414,063</u> |
| Total Deductions | <u>2,210,258</u> | <u>2,333,558</u> | <u>4,543,816</u> |
| Change in Net Position | 1,244,116 | 1,595,888 | 2,840,004 |
| NET POSITION - Beginning of Year | <u>26,665,789</u> | <u>18,938,199</u> | <u>45,603,988</u> |
| NET POSITION - END OF YEAR | <u>\$ 27,909,905</u> | <u>\$ 20,534,087</u> | <u>\$ 48,443,992</u> |