New Issue
Date of Sale: Tuesday, October 22, 2019
Between 10:00 and 10:15 A.M., C.D.T.
(Open Speer Auction)

Investment Ratings:
Moody's Investors Service ... Aaa (Stable Outlook)
S&P Global Ratings ... AAA (Stable Outlook)
(Ratings Requested)

Official Statement

The delivery of the Bonds is subject to the opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, to the effect that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. See ***"TAX EXEMPTION"*** *herein. Interest on the Bonds is not exempt from present Illinois income taxes.*

VILLAGE OF NORTHBROOK
Cook County, Illinois
$13,170,000* General Obligation Bonds, Series 2019

Dated Date of Delivery **Book-Entry** **Due Serially December 1, 2020-2038**

The 13,170,000* General Obligation Bonds, Series 2019 (the "Bonds") are being issued by the Village of Northbrook, Illinois (the "Village"). Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2020. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the years and amounts as detailed below.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS[(1)]

Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number(1)	Principal Amount*	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number(1)
$625,000	2020	____%	____%	_____	$ 570,000	2030	____%	____%	_____
670,000	2021	____%	____%	_____	600,000	2031	____%	____%	_____
685,000	2022	____%	____%	_____	610,000	2032	____%	____%	_____
705,000	2023	____%	____%	_____	635,000	2033	____%	____%	_____
670,000	2024	____%	____%	_____	670,000	2034	____%	____%	_____
685,000	2025	____%	____%	_____	450,000	2035	____%	____%	_____
715,000	2026	____%	____%	_____	475,000	2036	____%	____%	_____
745,000	2027	____%	____%	_____	1,020,000	2037	____%	____%	_____
775,000	2028	____%	____%	_____	1,065,000	2038	____%	____%	_____
800,000	2029	____%	____%	_____					

Any consecutive maturities may be aggregated into a term bond at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds due December 1, 2020-2027, inclusive, are non-callable. The Bonds due December 1, 2028-2038, inclusive, are callable in whole or in part on any date on or after December 1, 2027, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The Bond proceeds will be used to (i) finance certain capital improvements of the Village, (ii) finance capital improvements to the Northbrook Public Library, (iii) currently refund a portion of the Village's outstanding General Obligation Bonds, Series 2010, and (iv) to pay the costs of issuance of the Series 2019 Bonds. See **"THE PROJECT"** and "**PLAN OF FINANCE**" herein.

In the opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding general obligations of the Village and the Village is obligated to levy ad valorem taxes upon all the taxable property within the Village for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

This Official Statement is dated October 10, 2019, and has been prepared under the authority of the Village. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendar/Competitive". Additional copies may be obtained from Jeffrey L. Rowitz, Deputy Village Manager/Chief Financial Officer, Village of Northbrook, 1225 Cedar Lane, Northbrook, Illinois 60062 or from the Municipal Advisor to the Village:

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
www.speerfinancial.com

**Subject to change.*

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Series 2019 Bonds or as set forth on page 2 of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Village from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Village.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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OFFICIAL BID FORM
OFFICIAL NOTICE OF SALE

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which is provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	Village of Northbrook, Illinois.
Issue:	13,170,000* General Obligation Bonds, Series 2019.
Dated Date:	Date of delivery, which is expected to be on or about November 6, 2019.
Interest Due:	Each June 1 and December 1, commencing June 1, 2020.
Principal Due:	Serially each December 1, commencing December 1, 2020 through 2038, as detailed on the front page of this Official Statement.
Optional Redemption:	The Bonds due December 1, 2020-2027, inclusive, are non-callable. The Bonds due December 1, 2028-2038, inclusive, are callable in whole or in part on any date on or after December 1, 2027, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See "**OPTIONAL REDEMPTION**" herein.
Authorization:	Pursuant to the home rule powers of the Village and a bond ordinance expected to be adopted by the President and Board of Trustees of the Village on the 22nd day of October, 2019.
Security:	The Bonds are valid and legally binding general obligations of the Village and the Village is obligated to levy ad valorem taxes upon all the taxable property within the Village for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.
Credit Rating:	The Bonds has been rated "AAA" (Stable Outlook) from S&P Global Ratings, a Division of the McGraw-Hill Companies, New York, New York and "Aaa" (Stable Outlook) from Moody's Investors Service, New York, New York.
Purpose:	The Bond proceeds will be used to (i) finance certain capital improvements of the Village, (ii) finance capital improvements to the Northbrook Public Library, (iii) currently refund a portion of the Village's outstanding General Obligation Bonds, Series 2010, and (iv) to pay the costs of issuance of the Series 2019 Bonds. See "**THE PROJECT**" and "**PLAN OF FINANCE**" herein.
Tax Exemption:	Katten Muchin Rosenman LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds as discussed under **"TAX EXEMPTION"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
No Bank Qualification:	The Bonds **are not** "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Bond Registrar/Paying Agent/ Escrow Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about November 6, 2019.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

VILLAGE OF NORTHBROOK
Cook County, Illinois

Sandra E. Frum
Village President

Village Board of Trustees

Kathryn L. Ciesla	Robert P. Israel	Muriel J. Collison
Jason C. Han	Heather E. Ross	Johannah K. Hebl

Officials

Richard A. Nahrstadt *Village Manager*	Debra J. Ford *Administrative Service Manager/ Village Clerk*	Jeffrey L. Rowitz *Deputy Village Manager/ Chief Financial Officer*

Iwona Petryszak
Deputy Chief Financial Officer

Katten Muchin Rosenman LLP *Bond Counsel*	Speer Financial, Inc. *Municipal Advisor*	Holland & Knight *Village Attorney*

AUTHORIZATION, PURPOSE AND SECURITY

The General Obligation Bonds, Series 2019 (the "Bonds") are being issued pursuant to the home rule powers of the Village of Northbrook, Illinois (the "Village"), under Section 6 of Article VII of the 1970 Constitution of the State of Illinois, and pursuant to a bond ordinance expected to be adopted by the President and Board of Trustees of the Village on the 22nd day of October, 2019 (the "Bond Ordinance"). The Bond proceeds will be used to (i) finance certain capital improvements of the Village, (ii) finance capital improvements to the Northbrook Public Library, (iii) currently refund a portion of the Village's outstanding General Obligation Bonds, Series 2010, and (iv) to pay the costs of issuance of the Series 2019 Bonds. See "**THE PROJECT**" and "**PLAN OF FINANCE**" herein. The Bonds constitute valid and legally binding full faith and credit general obligations of the Village, and are payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Village in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of Cook County, and will serve as authorization to said County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. In addition, the underfunding of the State's pension systems and a bill backlog of billions of dollars contributed to the State's poor financial health. On July 6, 2017, the General Assembly of the State (the "General Assembly") enacted a budget (the "Fiscal Year 2018 Budget") for the State fiscal year ending June 30, 2018 (the "State Fiscal Year 2018"), overriding the Governor's veto. On May 31, 2018, the General Assembly passed a budget (the "Fiscal Year 2019 Budget") for the State for fiscal year ending June 30, 2019 (the "State Fiscal Year 2019"), and on June 4, 2018, the Governor approved the same. On June 1, 2019, the General Assembly passed a budget (the "Fiscal Year 2020 Budget") for the State for fiscal year ending June 30, 2020 (the "State Fiscal Year 2020"), and on June 5, 2019, the Governor approved the same.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, both the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the Village, by 10% (for State Fiscal Year 2018) and by 5% (for State Fiscal Year 2019). The Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget also include a service fee for sales taxes imposed locally and collected on behalf of municipalities by the State, the same being 2% of such sales taxes (for State Fiscal Year 2018) and 1.5% of such sales taxes (for State Fiscal Year 2019). The Village cannot determine at this time the financial impact of these provisions on its overall financial condition but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village.

The Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State.

Future Pension Plan Funding Requirements

The Village participates in the Police Pension Plan and the Firefighters' Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "Pension Code"), the Village is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the Village will increase over time. The Village also participates in the Illinois Municipal Retirement Plan (the "IMRF Plan"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("IMRF"); employer contributions are projected by the IMRF to increase over time. Increasing annual required employer contributions for the Village could have a material adverse effect on the finances of the Village.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the Village to the Police Pension Plan and the Firefighters' Pension Plan to satisfy contribution shortfalls by the Village. If the Village does not make 100% of its annual required contributions to the Police Pension Plan and Firefighters' Pension Plan, the Village may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the Village's financial health and operations.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the Village. Despite the implementation of network security measures by the Village, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the Village does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the Village's operations and financial health. Further, as cybersecurity threats continue to evolve, the Village may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Loss or Change of Bond Rating

The Bonds have received a credit rating from S&P Global Ratings, a Division of the McGraw-Hill Companies, New York, New York ("S&P"), and Moody's Investors Service, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the Village's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the Village to comply with the Undertaking for continuing disclosure (see **"CONTINUING DISCLOSURE"** and **"THE UNDERTAKING"** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Village, or the taxing authority of the Village. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes or collect revenues for its ongoing operations.

Bankruptcy

The rights and remedies of the Bond Holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE VILLAGE

General Information

The Village is located approximately 26 miles north of downtown Chicago at the border of Cook and Lake Counties. The Village is bounded by Glencoe on the east, Highland Park and Deerfield to the north, Wheeling to the west and Glenview and Northfield to the south. A significant amount of area was incorporated into the Village boundaries in 1988.

The community was incorporated in 1901 as the Village of Shermerville. In 1923, by referendum, the Village was reincorporated and renamed Northbrook in recognition of the middle and west forks of the North Branch of the Chicago River which flow through the Village.

At the 1950 Census the Village population was 3,348. With the opening of the Edens Expressway in the early 1950s (the major expressway to the northern suburbs) and the Tri-State (Illinois) Tollway in 1958, the Village's population increased to 11,635 by 1960 and 27,297 by 1970. At that time, the area of the Village totaled 12.5 square miles. Between 1970 and 1980 the Village's population increased 12.8% to 30,778 with a land area of approximately 13 square miles. According to the 1990 Census, the Village population was 32,308, an increase of 5.0% over the 1980 figure. In 2000, the Census reported a population of 33,435. In 2010, the U.S. Census Bureau reported the Village's population to be 33,170 residents.

Government of the Village

The Village is a home rule municipality under the Constitution and laws of the State of Illinois, and operates a Council/Manager form of government.

The governing body of the Village is the President and Board of Trustees. The Village President is elected for a four-year term. She is the chief elected officer of the Village, and presides over board meetings and executes official documents. The Village President appoints, with the consent of the Board of Trustees, the members of Committees and Commissions. The Village Board of Trustees consists of six members elected at large for four-year staggered terms.

The Village Manager is the Chief Operating Officer of the Village and is responsible for the management of all Village operations under the direction of the President and Board of Trustees. The Manager is appointed by the President and Board of Trustees and serves at their direction. The Village Department heads, including the Chief Financial Officer, report to the Village Manager.

Sandra E. Frum, Village President. Ms. Frum has been a member of the Northbrook Village Board since 1987, and was elected Village President in 2009 and reelected in 2013 and 2017. Prior to her election as Village President, Ms. Frum served as the chair of the Administration and Finance Committee. She has been a Northbrook resident for over 35 years. She also served as the President of the Northwest Municipal Conference, a regional governmental council representing 41 municipalities and one township in Cook, DuPage, Kane, Lake, and McHenry County in Illinois.

Richard A. Nahrstadt, Village Manager. Mr. Nahrstadt has been a member of the administration of the Village of Northbrook since 1991. Mr. Nahrstadt's service with Northbrook includes 16 years as Assistant Village Manager. He was appointed Village Manager in 2008. Prior to his service in Northbrook, Mr. Nahrstadt was the Senior Analyst and Acting H.R. Director for the City of Naperville and the Assistant to the Village Manager/Zoning Administrator for the Village of Flossmoor.

Jeffrey L. Rowitz, Deputy Village Manager/Chief Financial Officer. Mr. Rowitz was hired as the Director of Finance and Village Treasurer of Northbrook in 1996 and was promoted to Deputy Village Manager/Chief Financial Officer in 2013. Previously, he was the Director of Finance for the Village of Willowbrook, Illinois. He has also served as the Assistant Finance Director for the City of Park Ridge, Illinois. Mr. Rowitz is a Certified Public Accountant and a Certified Government Financial Manager. He is a past President of the Illinois Government Finance Officers Association.

Iwona Petryszak, Deputy Chief Financial Officer. Ms. Petryszak was hired as Accounting Manager in 2012 and promoted to Deputy Chief Financial Officer in 2018. Previously, she was a manager with the public accounting firm McGladrey. Ms. Petryszak is a Certified Public Accountant and a member of the Illinois CPA society and American Institute of CPAs.

Village Employees

The Village is staffed by 265 full time positions and 11 permanent part-time positions and 12.8 seasonal part-time positions. The Village is party to four collective bargaining agreements: an agreement with the Northbrook Police Association (contract expires 4/30/2022), covering sworn police officers and dispatchers; Combined Counties Police Association (contract expires 4/30/2022) covering police sergeants; Local 1894 of the International Association of Professional Fire Fighters (contract expires 4/30/2022); and Local 150 of the International Union of Operating Engineers (contract expires 4/30/2022), covering all Public Works employees.

Village Economy

The Village maintains a strong local economy with high personal wealth among residents; strong employment diversification; diversity of industrial, commercial, and office development; and natural and economic geographic advantages. As the location for a number of corporate headquarters, it has an additional distinction as a residential community for a number of corporate executives and of high home values. As an industrial community, it offers convenient transportation and proximity to Chicago and beyond. With a broad-based diversification of Village revenues and relatively low tax rates, the Village is able to offer a high level of governmental services to its residents.

The Village's geographic location, east of the Tri-State Tollway, west and south of Interstate 94 and on the Milwaukee Road railroad (40 minutes from downtown Chicago), has made it a prime area for high value residential development. A substantial land area has also permitted development of important corporate offices and commercial shopping centers. Northbrook Court includes, for example, such stores as Neiman Marcus, Lord & Taylor and Crate & Barrel, and features over 100 specialty shops like the Apple Store, H&M, XXI Forever, Coach, and Louis Vuitton. The Village is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters' Laboratories, Inc. and Wiss, Janney, Elstner Associates, as well as serves as the Northern Illinois distribution center for the United Parcel Service.

Economic Development and Initiatives

The Village's retail sector remains healthy; anchored by the 1 million square foot high-end Northbrook Court mall, the 417,000-square foot Willow Festival shopping center, and the 335,000-square foot Village Square shopping center.

Despite the many changes taking place in the world of retailing, the Village's retail market maintained a low 3.8% vacancy rate as of September 2019. The Village's varied shopping areas provide area residents with a combination of luxury, convenience, and discount shopping experiences. The approval of two large luxury apartment complexes along the Skokie Boulevard corridor, the 347-unit Northshore 770 building (which opened in 2016) and the 304-unit 1000 Skokie apartment building which will open in October of 2019 will only increase the demand for shopping and dining experiences in the community and surrounding area for years to come.

Significant changes are underway at Northbrook Court shopping center. The owner of the 1 million square foot mall, Brookfield Properties, purchased the Macy's department store structure and related property and parking field. In June 2019, the Village approved a major redevelopment plan for the east end of the mall. The 280,000-square foot Macy's store will be demolished in early-2020. Replacing it will be 109,500 square feet of open-air retailers and restaurants facing a common open space/amenity area. There will also be 315 luxury apartments integrated into the center. The inside of the shopping center will also be getting a refresh and a new food hall facing the redevelopment area is planned.

In addition, in 2018 Lifetime Fitness completed a 90,000 square foot facility at the intersection of Skokie Boulevard and Sunset Ridge Road and Ultimo Motors has opened a luxury used car dealership in an existing 90,000 square foot building on Holste Road, in the southern part of the Village. Both of these new businesses ae thriving.

Redevelopment continues in downtown Northbrook. A mixed use development project along Shermer Road, which consists of retail space on the first floor and 10 apartment units on the second and third levels has been completed, and the first set of units within the 68-unit townhome development along Shermer Road will open in October 2019.

Single family home subdivision development has picked-up once again. Construction is underway on the 21-unit Timbers Edge residential development on Dundee Road in west Northbrook, and the 32-unit Anets Woods residential development on the northeast corner of Voltz and Waukegan Road.

SOCIOECONOMIC INFORMATION

The following statistics principally pertain to the Village with additional comparisons with Cook County (the "County") and the State of Illinois (the "State").

Major Village Employers*(1)*

Name	Product/Service	Approximate Employees
Underwriters Laboratories	Corporate Headquarters; Product Testing and Certification	2,000
Northbrook Court	Shopping Mall	1,000
Glenbrook High School District 225	Education	849
Euromarket Designs, Inc.	Corporate Headquarters (Crate & Barrel)	500
Hilco Merchant Resources, LLC	Management Consulting	400
Bell Flavors & Fragrances, Inc.	Corporate Headquarters and Natural Flavors and Fragrances	300
Hilton-Chicago Northbrook	Hotel	250

Note: (1) Source: 2019 Illinois Manufacturers Directory, 2019 Illinois Services Directory, and the Village's 2018 CAFR.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Unincorporated Cook County	Allstate Insurance Company	Corporate Headquarters; Insurance	8,750
Deerfield	Walgreens Boots Alliance, Inc.	Holding Company headquarters; Pharmaceuticals and Home Healthcare Supplies	6,500
Deerfield	Walgreen Co.	Company Headquarters; Pharmacy & Drugstore	2,500
Deerfield	Baxter Healthcare Corp.	Corporate Headquarters; Pharmaceutical Products	2,500
Glenview	Northshore Glenbrook Hospital	Hospital	2,000
Glenview	Abt Electronics, Inc.	Consumer Electronics & Appliances	1,500
Glenview	Astellas Pharma US Inc.	Corporate Headquarters and Wholesale Pharmaceutical Products	1,150
Glenview	CVS/Caremark International	Pharmaceuticals	1,400
Highland Park	Highland Park Hospital	General Hospital	1,200
Glenview	Kraft Heinz Foods Company	Food Products	1,000
Glenview	Anixter, Inc.	Corporate Headquarters; Telecommunications Products	1,000
Glenview	Glenbrook Hospital	General Hospital	1,000
Deerfield	Takeda Pharmaceuticals U.S.A., Inc.	Corporate Headquarters; Pharmaceutical Products	1,000
Northfield	Medline Industries, Inc.	Corporate Headquarters; Surgical and Medical Instruments	900
Glenview	Glenbrook High School District 225	Secondary Education	850
Deerfield	Essendant Co.	Company Headquarters; Office Equipment	800
Glenview	Northshore Glenbrook Hospital	Hospital	600
Northfield	College of American Pathologists	Pathologists' Membership Association	600
Glenview	Midwest Industrial Packaging	Packaging Equipment	600
Glenview	Illinois Tool Works, Inc.	Corporate Headquarters; Industrial Equipment	550
Deerfield	Trinity International University	University	500
Deerfield	Mondelez International, Inc.	Corporate Headquarters; Food Products	500

Note: (1) Source: 2019 Illinois Manufacturers Directory, 2019 Illinois Services Directory.

The following tables show employment by industry and by occupation for the Village, the County and the State as reported by the U.S. Census Bureau 2013-2017 American Community Survey 5-year estimated values.

Employment By Industry*(1)*

	The Village		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	14	0.1%	4,337	0.2%	65,813	1.1%
Construction	423	2.9%	117,207	4.6%	323,578	5.2%
Manufacturing	1,365	9.2%	250,458	9.9%	762,175	12.3%
Wholesale Trade	620	4.2%	72,751	2.9%	190,916	3.1%
Retail Trade	1,284	8.7%	248,657	9.9%	669,300	10.8%
Transportation and Warehousing, and Utilities	267	1.8%	172,388	6.8%	378,576	6.1%
Information	338	2.3%	55,694	2.2%	120,295	1.9%
Finance and Insurance, and Real Estate and Rental and Leasing	2,325	15.7%	203,124	8.1%	451,556	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services	2,587	17.5%	362,791	14.4%	722,129	11.7%
Educational Services and Health Care and Social Assistance	3,714	25.1%	571,784	22.7%	1,416,064	22.9%
Arts, Entertainment and Recreation and Accommodation and Food Services	846	5.7%	250,137	9.9%	561,894	9.1%
Other Services, Except Public Administration	718	4.9%	124,005	4.9%	292,409	4.7%
Public Administration	302	2.0%	88,104	3.5%	226,948	3.7%
Total	14,803	100.0%	2,521,437	100.0%	6,181,653	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

Employment By Occupation*(1)*

	The Village		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	9,398	63.5%	991,828	39.3%	2,321,710	37.6%
Service	1,110	7.5%	452,513	17.9%	1,067,320	17.3%
Sales and Office	3,333	22.5%	595,172	23.6%	1,481,082	24.0%
Natural Resources, Construction, and Maintenance	368	2.5%	150,561	6.0%	446,857	7.2%
Production, Transportation, and Material Moving	594	4.0%	331,363	13.1%	864,684	14.0%
Total	14,803	100.0%	2,521,437	100.0%	6,181,653	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

Unemployment Rates

The unemployment rates for the Village, the County and the State are listed below.

Annual Average Unemployment Rates*(1)*

Calendar Year	The Village	The County	The State
2010	7.6%	9.8%	10.4%
2011	7.4%	8.8%	9.7%
2012	6.9%	8.1%	9.0%
2013	7.0%	7.9%	9.0%
2014	5.2%	6.4%	7.1%
2015	4.4%	5.4%	6.0%
2016	4.5%	5.2%	5.8%
2017	3.7%	4.4%	4.9%
2018	3.0%	4.5%	4.3%
2019(2)	3.3%	4.2%	4.0%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for the month of June 2019.

Building Permits

Village Building Permits*(1)*
(Excludes the Value of Land)

	Village of Northbrook				
	Commercial Construction		Residential Construction		
Fiscal Year	Number of Permits	Value	Number of Permits	Value	Total Value
2010	101	$19,529,700	149	$ 20,867,515	$ 40,397,215
2011	92	31,229,275	129	22,721,872	53,951,147
2012	141	40,699,670	114	19,127,670	59,827,340
2013	97	14,040,942	161	58,508,801	72,549,743
2014	101	24,444,648	166	49,712,921	74,157,569
2015	134	49,429,250	197	103,715,966	153,145,216
2016	121	29,264,757	132	34,324,665	63,589,422
2017	102	36,857,715	180	24,306,914	61,164,629
2018	42	8,462,622	209	85,149,014	93,611,636
2019	93	41,128,062	236	38,914,579	80,042,641

Notes: (1) Source: the Village based on valuations per building permits issued by the Village's Development Department.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was $517,700. This compares to $227,400 for the County and $179,700 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, the County and the State at the time of the 2013-2017 American Community Survey.

Home Values*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $50,000	321	2.9%	47,678	4.3%	231,604	7.3%
$50,000 to $99,999	158	1.4%	103,126	9.3%	501,389	15.7%
$100,000 to $149,999	244	2.2%	149,729	13.5%	516,996	16.2%
$150,000 to $199,999	384	3.4%	178,608	16.1%	514,629	16.2%
$200,000 to $299,999	720	6.4%	258,702	23.3%	653,765	20.5%
$300,000 to $499,999	3,489	31.1%	232,983	20.9%	505,831	15.9%
$500,000 to $999,999	5,176	46.2%	111,183	10.0%	209,287	6.6%
$1,000,000 or more	710	6.3%	30,374	2.7%	51,641	1.6%
Total	11,202	100.0%	1,112,383	100.0%	3,185,142	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

Mortgage Status*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	6,623	59.1%	735,268	66.1%	2,052,491	64.4%
Housing Units without a Mortgage	4,579	40.9%	377,115	33.9%	1,132,651	35.6%
Total	11,202	100.0%	1,112,383	100.0%	3,185,142	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

Income

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of $146,896. This compares to $73,012 for the County and $76,533 for the State. The following table represents the distribution of family incomes for the Village, the County and the State at the time of the 2013-2017 American Community Survey.

Family Income*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $10,000	101	1.0%	58,145	4.9%	126,456	4.0%
$10,000 to $14,999	59	0.6%	34,510	2.9%	75,208	2.4%
$15,000 to $24,999	214	2.2%	88,242	7.5%	197,736	6.3%
$25,000 to $34,999	302	3.1%	96,695	8.2%	227,565	7.3%
$35,000 to $49,999	426	4.3%	135,622	11.5%	354,977	11.4%
$50,000 to $74,999	1,053	10.7%	192,719	16.3%	550,434	17.6%
$75,000 to $99,999	848	8.6%	154,066	13.0%	452,377	14.5%
$100,000 to $149,999	1,984	20.2%	201,446	17.0%	584,593	18.7%
$150,000 to $199,999	1,670	17.0%	99,139	8.4%	266,120	8.5%
$200,000 or more	3,164	32.2%	122,367	10.3%	287,025	9.2%
Total	9,821	100.0%	1,182,951	100.0%	3,122,491	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of $119,568. This compares to $59,426 for the County and $61,229 for the State. The following table represents the distribution of household incomes for the Village, the County and the State at the time of the 2013-2017 American Community Survey.

Household Income*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $10,000	369	2.9%	159,387	8.1%	331,315	6.9%
$10,000 to $14,999	231	1.8%	89,384	4.6%	204,278	4.2%
$15,000 to $24,999	660	5.1%	189,773	9.7%	446,453	9.3%
$25,000 to $34,999	758	5.9%	173,798	8.9%	425,803	8.8%
$35,000 to $49,999	782	6.1%	232,740	11.9%	593,198	12.3%
$50,000 to $74,999	1,412	11.0%	321,931	16.5%	836,760	17.4%
$75,000 to $99,999	1,112	8.7%	234,621	12.0%	613,614	12.7%
$100,000 to $149,999	2,394	18.6%	278,593	14.2%	724,960	15.0%
$150,000 to $199,999	1,798	14.0%	126,015	6.4%	311,141	6.5%
$200,000 or more	3,324	25.9%	150,319	7.7%	330,930	6.9%
Total	12,840	100.0%	1,956,561	100.0%	4,818,452	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

Retail Activity

Following is a summary of the Village's sales tax receipts as collected and disbursed by the State Department of Revenue.

Retailers' Occupations, Service Occupation and Use Tax*(1)*

State Fiscal Year Ending 6/30	Municipal Tax(2)	Percent Change + (-)	Home Rule Sales Tax	Percent Change + (-)	Total	Percent Change + (-)
2010	$8,125,650	(6.50%)	$4,440,529	(7.18%)	$12,566,178	(6.74%)
2011	8,489,447	4.48%	4,670,469	5.18%	13,159,916	4.72%
2012	9,005,606	6.08%	4,999,524	7.05%	14,005,130	6.42%
2013	9,414,267	4.54%	5,203,659	4.08%	14,617,926	4.38%
2014	9,207,725	(2.19%)	4,977,122	(4.35%)	14,184,847	(2.96%)
2015	9,433,127	2.45%	5,097,023	2.41%	14,530,150	2.43%
2016	9,471,381	0.41%	5,194,193	1.91%	14,665,573	0.93%
2017	9,784,586	3.31%	5,595,568	7.73%	15,380,154	4.87%
2018	9,545,990	(2.44%)	5,305,711	(5.18%)	14,851,700	(3.44%)
2019	9,177,772	(3.86%)	6,201,976	16.89%	15,379,748	3.56%
Growth from 2010 to 2019		12.95%		39.67%		22.39%

Notes: (1) Source: Illinois Department of Revenue.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.

THE PROJECT

A portion of the Bond proceeds will be used to (i) finance certain capital improvements, (ii) finance capital improvements to the Northbrook Public Library and (ii) to pay the costs of issuance of the Bonds. Such capital improvements include general capital and infrastructure improvements, water system improvements, sanitary sewer system improvements, stormwater system improvements and upgrades to the Northbrook Public Library.

PLAN OF FINANCING*(1)*

Bond proceeds will be used to fund an escrow to currently refund a portion of the Village's outstanding General Obligation Bonds, Series 2010, as listed below (the "Refunded Bonds"):

Outstanding General Obligation Bonds, Series 2010

Maturities	Outstanding Amount	Amount Refunded(2)	Redemption Price(s)(2)	Redemption Date(2)
12/15/2019	$ 200,000	$ 0	NA	NA
12/15/2020	205,000	205,000	100.00%	12/9/2019
12/15/2021	210,000	210,000	100.00%	12/9/2019
12/15/2022	215,000	215,000	100.00%	12/9/2019
12/15/2023	225,000	225,000	100.00%	12/9/2019
12/15/2024	230,000	230,000	100.00%	12/9/2019
12/15/2025	235,000	235,000	100.00%	12/9/2019
12/15/2026	245,000	245,000	100.00%	12/9/2019
12/15/2027	255,000	255,000	100.00%	12/9/2019
12/15/2028	265,000	265,000	100.00%	12/9/2019
12/15/2029	275,000	275,000	100.00%	12/9/2019
Total	$2,560,000	$2,360,000		

Notes: (1) Source: the Village
(2) Subject to change.

DEFAULT RECORD

The Village has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The Village has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding $132,755,000 (subject to change) principal amount of general obligation debt. A portion of the Village's outstanding general obligation debt including the Bonds is expected to be repaid by sources other than property taxes.

The Village does not expect to issue additional general obligation debt within the next twelve months.

Village General Obligation Bonded Debt *(1)*
(Principal Only)

Calendar Year	Series 2010 (12-1)	Series 2011 (12-1)	Series 2012A (12-1)	Series 2012B (12-1)	Series 2013A (12-1)	Series 2013B(2) (12-1)	Series 2014A (12-1)	Series 2015A (12-1)	Series 2015B (12-1)	Series 2016 (12-1)	Series 2018A (12-1)	Series 2018B (12-1)	The Bonds(3) (12-1)	Less: the Refunded Bonds(3)	Total Principal All GO Bonds(3)	Cumulative Retirement(3) Amount	Cumulative Retirement(3) Percent
2019.....	$200,000	$130,000	$2,245,000	$ 450,000	$ 335,000	$ 190,000	$ 1,775,000	$ 0	$ 0	$ 740,000	$ 190,000	$ 75,000	$ 0	$ 0	$ 6,330,000	$ 6,330,000	4.77%
2020.....	205,000	135,000	2,275,000	455,000	345,000	195,000	1,870,000	0	0	945,000	395,000	75,000	625,000	(205,000)	7,315,000	13,645,000	10.28%
2021.....	210,000	140,000	2,315,000	465,000	355,000	205,000	1,965,000	0	0	965,000	410,000	75,000	670,000	(210,000)	7,565,000	21,210,000	15.98%
2022.....	215,000	140,000	0	120,000	365,000	285,000	2,050,000	360,000	775,000	1,420,000	730,000	400,000	685,000	(215,000)	7,330,000	28,540,000	21.50%
2023.....	225,000	145,000	0	125,000	375,000	295,000	2,155,000	365,000	800,000	1,460,000	755,000	410,000	705,000	(225,000)	7,590,000	36,130,000	27.22%
2024.....	230,000	150,000	0	125,000	385,000	305,000	2,265,000	1,035,000	825,000	770,000	785,000	425,000	670,000	(230,000)	7,740,000	43,870,000	33.05%
2025.....	235,000	155,000	0	130,000	400,000	320,000	2,390,000	1,070,000	855,000	785,000	820,000	435,000	685,000	(235,000)	8,045,000	51,915,000	39.11%
2026.....	245,000	160,000	0	130,000	410,000	330,000	2,485,000	1,105,000	880,000	825,000	850,000	450,000	715,000	(245,000)	8,340,000	60,255,000	45.39%
2027.....	255,000	170,000	0	135,000	425,000	345,000	2,595,000	1,145,000	910,000	850,000	875,000	460,000	745,000	(255,000)	8,655,000	68,910,000	51.91%
2028.....	265,000	175,000	0	0	445,000	360,000	1,740,000	1,185,000	940,000	970,000	970,000	475,000	775,000	(265,000)	8,035,000	76,945,000	57.96%
2029.....	275,000	180,000	0	0	460,000	375,000	0	1,230,000	970,000	1,000,000	1,050,000	490,000	800,000	(275,000)	6,555,000	83,500,000	62.90%
2030.....	0	185,000	0	0	480,000	390,000	0	1,280,000	1,000,000	1,065,000	1,080,000	510,000	570,000	0	6,560,000	90,060,000	67.84%
2031.....	0	195,000	0	0	500,000	405,000	0	1,330,000	1,035,000	1,100,000	1,115,000	525,000	600,000	0	6,805,000	96,865,000	72.97%
2032.....	0	205,000	0	0	520,000	425,000	0	1,390,000	1,065,000	1,135,000	1,150,000	540,000	610,000	0	7,040,000	103,905,000	78.27%
2033.....	0	0	0	0	540,000	445,000	0	1,350,000	1,100,000	1,165,000	1,175,000	560,000	635,000	0	6,970,000	110,875,000	83.52%
2034.....	0	0	0	0	565,000	460,000	0	1,405,000	1,140,000	1,200,000	1,215,000	580,000	670,000	0	7,235,000	118,110,000	88.97%
2035.....	0	0	0	0	590,000	485,000	0	0	1,175,000	1,235,000	1,255,000	600,000	450,000	0	5,790,000	123,900,000	93.33%
2036.....	0	0	0	0	620,000	505,000	0	0	0	1,285,000	1,290,000	620,000	475,000	0	4,795,000	128,695,000	96.94%
2037.....	0	0	0	0	0	0	0	0	0	0	1,330,000	645,000	1,020,000	0	2,995,000	131,690,000	99.20%
2038.....	0	0	0	0	0	0	0	0	0	0	0	0	1,065,000	0	1,065,000	132,755,000	100.00%
Total.....	$2,560,000	$2,265,000	$6,835,000	$2,135,000	$8,115,000	$6,320,000	$21,290,000	$14,250,000	$13,470,000	$18,915,000	$17,440,000	$8,350,000	$13,170,000	$(2,360,000)	$132,755,000		

Notes: (1) Source: the Village.
(2) Public Library Bonds.
(3) Subject to change.

Detailed Overlapping Bonded Debt*(1)*

(As of August 21, 2019)

	Outstanding Debt(2)	Applicable to Village Percent(3)	Applicable to Village Amount
Schools:			
School District Number 21	$ 69,085,000	1.47%	$ 1,014,141
School District Number 27	0	88.72%	0
School District Number 28	0	89.32%	0
School District Number 29	5,423,110	14.81%	803,180
School District Number 30	33,605,000	68.31%	22,955,917
School District Number 31	12,220,000	14.64%	1,789,156
High School District Number 203	85,820,000	1.29%	1,108,951
High School District Number 214	43,940,000	0.31%	135,108
High School District Number 225	72,951,131	45.83%	33,430,368
Community College District Number 512	117,785,000	0.14%	164,229
Community College District Number 535	32,130,000	11.24%	3,611,427
Total Schools			$ 65,012,476
Others:			
Cook County	$2,950,121,750	1.60%	$ 47,128,969
Cook County Forest Preserve District	142,360,000	1.60%	2,274,238
Metropolitan Water Reclamation District of Greater Chicago	2,348,253,000	1.63%	38,187,242
Northfield Park District	0	14.93%	0
Northbrook Park District	9,435,000	93.75%	8,845,059
Total Others			$ 96,435,509
Total Schools and Others Overlapping Bonded Debt			$161,447,984

Notes: (1) Source: Cook County Clerk.
(2) Includes original principal amounts of capital appreciation bonds.
(3) Percentages are based on 2018 Equalized Assessed Valuations, the most recent available.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio To Equalized Assessed	Ratio To Estimated Actual	Per Capita (2010 Census Pop. 33,170)
Assessed Valuation of Taxable Property, 2018	$2,533,423,242	100.00%	33.33%	$ 76,376.94
Estimated Actual Value, 2018	$7,600,269,726	300.00%	100.00%	$229,130.83
Village Direct Bonded Debt(2)	$ 132,755,000	5.24%	1.75%	$ 4,002.26
Overlapping Debt:(3)				
Schools	$ 65,012,476	2.57%	0.86%	$ 1,959.98
All Others	96,435,509	3.81%	1.27%	2,907.31
Total Overlapping Bonded Debt	$ 161,447,985	6.37%	2.12%	$ 4,867.29
Total Net Direct & Overlapping Debt(2)(3)	$ 294,202,985	11.61%	3.87%	$ 8,869.55

Notes: (1) Source: The Village.
(2) Includes the Bonds, excludes the Refunded Bonds, and is subject to change.
(3) As of August 21, 2019.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2017 levy year, the Village's EAV was comprised of 68.67% residential, 20.70% commercial, 8.60% industrial, and less than 1% of farm and railroad property valuations.

Village Equalized Assessed Valuation*(1)*

	Levy Years				
Property Class	2014	2015	2016(2)	2017	2018
Residential	$1,426,205,616	$1,389,618,675	$1,731,210,975	$1,778,794,337	
Farm	1,922	1,992	1,992	0	Details Not
Commercial	578,433,197	492,412,415	540,146,612	587,929,200	Available
Industrial	178,797,415	193,245,905	211,751,867	222,683,268	
Railroad	609,714	732,251	745,075	760,178	
Total	$2,184,047,934	$2,076,011,238	$2,483,856,521	$2,590,166,983	$2,533,423,242
Percent change +(-)	1.80%(3)	(4.95%)	19.65%	4.28%	(2.19%)

Notes: (1) Source: Cook County Clerk.
(2) Triennial assessment year.
(3) Percent change based on 2013 EAV of $2,145,411,161.

Representative Tax Rates*(1)*
(Per $100 EAV)

	Levy Years				
	2014	2015	2016(2)	2017	2018
Village Rates:					
Corporate Fund	$0.3581	$0.3767	$0.3243	$0.2651	$0.2710
Bonds and Interest	0.1172	0.1282	0.1294	0.1572	0.1641
Police Pension	0.0640	0.0869	0.0884	0.1158	0.1436
Fire Pension	0.0650	0.0842	0.0830	0.1308	0.1462
IMRF	0.0000	0.0000	0.0000	0.0459	0.0469
Library	0.3570	0.3850	0.3290	0.3290	0.3470
Total Village Rate	$0.9620	$1.0610	$0.9541	$1.0438	$1.1188
Cook County	0.5680	0.5520	0.5330	0.4960	0.4890
Cook County Forest Preserve District	0.0690	0.0690	0.0630	0.0620	0.0600
Consolidated Elections	0.0000	0.0340	0.0000	0.0310	0.0000
Northfield Township (3)	0.0930	0.0920	0.0790	0.0780	0.0830
North Shore Mosquito Abatement Dist.	0.0110	0.0120	0.0100	0.0100	0.0100
Metropolitan Water Reclamation Dist.	0.4300	0.4260	0.4060	0.4020	0.3960
Northbrook Park District	0.5370	0.5690	0.4230	0.4190	0.4560
School District Number 28	3.0090	3.2990	2.8480	2.8240	2.9700
Township High School District No. 225	2.3670	2.4930	2.1060	2.1020	2.2160
Community College District Number 535	0.2580	0.2710	0.2310	0.2320	0.2460
Total(4)	$8.3040	$8.8780	$7.6531	$7.6998	$8.0448

Notes: (1) Source: Cook County Clerk.
(2) Reassessment year.
(3) Includes Road and Bridge and General Assistance.
(4) Representative tax rate is for Tax Code No 25032, which represents the largest tax code of the Village's 2018 EAV; the latest data available.

Village Tax Extensions and Collections*(1)*

Levy Year	Collection Year	Tax Extensions	Taxes Collected	Percent of Collections to Tax Levy
2013	2014	$13,065,554	$13,065,132	100.00%
2014	2015	13,213,490	12,869,537	97.40%
2015	2016	14,033,836	13,393,634	95.44%
2016	2017	15,526,527	15,409,633	99.25%
2017	2018	18,512,965	18,512,965	100.00%
2018	2019	19,558,027	9,585,874	49.02%(2)

Notes: (1) Source: The Village.
(2) Collections through April 30, 2019.

Principal Village Taxpayers*(1)*

Taxpayer	Business/Service	2018 EAV(2)
Brookfield Prop Retail(3)	Northbrook Court Shopping Center	$ 58,940,331
Jones Lang LaSalle	Commercial Office Buildings	51,430,471
Willow Festival Regency	Shopping Center	26,780,066
Underwriters Laboratory, Inc.	Equipment Testing	25,347,345
TGM Northshore LLC	Real Property	15,597,097
GK Edens Corp. CTR LLC	Real Property	15,208,093
Lake Cook Road & Mid America	Portion of Village Square Shopping Center	14,891,440
Korman Lederer	Commercial and Industrial Property	14,610,657
Village Square of Northbrook	Portion of Village Square Shopping Center	14,566,933
Northbrook ND Invest	Real Property	12,444,095
Total		$249,816,528
10 Largest Taxpayers as Percent of Total 2018 EAV of $2,533,423,242		9.86%

Notes: (1) Source: Cook County Clerk.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2018 EAV is the most current available.
(3) Previously West Coast Estates.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the Village. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including that in the Village, except for certain railroad property and pollution control facilities, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The Village is located in the North Tri and was reassessed for the 2016 tax levy year.

Real property in the County is separated into classes for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Prior to the 2009 tax levy year, the classification percentages ranged from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property. On September 17, 2008, the Cook County Board of Commissioners approved changes to the property classification ordinance. The changes reduced the percentages used to calculate the assessed value of real property in the County for real estate tax purposes. These reductions took effect in the 2009 tax levy year. Such new classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1) unimproved real estate - 10%; Class 2) residential - 10%; Class 3) rental-residential - 16%, in tax year 2009, 13% in assessment year 2010, and 10% in assessment year 2011 and subsequent years; Class 4) not-for-profit - 25%; Class 5a) commercial - 25%; Class 5b) industrial - 25%. There are also eight additional categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 10% for the first 10 years and for any subsequent 10-year renewal periods. However, if the incentive is not renewed, the 6b assessment level is 15% in year 11 and 20% in year 12, hereafter reverting to Class 5b. Real estate, which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation, may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation may be classified as Class 7c, and will be assessed at a level of 10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones may be eligible for Class 9 categorization. The Class 9 assessment level is 10% for an initial 10-year period, renewable upon application for additional 10-year periods. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level The Class S assessment level is 10% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4 or 5b properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 15% in year 11 and 20% in year 12, thereafter reverting to Class 3, 4 or 5b. Class L commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review, which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of both residential property having six or fewer units and owners of real estate other than residential property with six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in Cook County, regardless of its assessment category, except for some farmland property which is not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "EAV") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for Cook County for the last 10 tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $10,000 for tax year 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to $75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2017, the maximum exemption is $8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is $65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law (the "Limitation Law") limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the Village, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the Village, the limitations set forth therein will not apply to any taxes levied by the Village to pay the principal of and interest on the Bonds. See **"DESCRIPTION OF THE BONDS"** herein.

Illinois legislators have introduced proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State (the "Property Tax Freeze Proposal"). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may have a material impact on the finances of the Village and the ability of the Village to issue non-referendum bonds. The Village cannot predict whether, or in what form, any change to the Limitation Law, including the Property Tax Freeze Proposal, may be enacted into law, nor can the Village predict the effect of any such change on the Village's finances.

The Village is a Home Rule unit of government and is not subject to the Limitation Law.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to one-half of the prior year's tax bill; beginning in collection year 2010, this estimated amount was raised to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Truth in Taxation Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Truth in Taxation Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Truth in Taxation Law do not apply to levies made to pay principal of and certain interest on the Bonds.

FINANCIAL INFORMATION

Financial Reports

The Village's financial statements are audited annually by certified public accountants. The Village's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for every year since fiscal year 1991. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

No Consent or Updated Information Requested of the Auditor

The tables contained in this "**FINANCIAL INFORMATION**" section (the "Excerpted Financial Information") are from the audited financial statements of the Village, including the draft audited financial statements for the fiscal year ended April 30, 2019 (the "2019 Audit"), which will be presented to the Village Board and is attached to this Official Statement as **APPENDIX A** and the audited financial statements for the fiscal year ended April 30, 2018 (the "2018 Audit"), which has been presented to the Village Board and is attached to this Official Statement as **APPENDIX E**. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information, the 2019 Audit or the 2018 Audit; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information, the 2019 Audit or the 2018 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information, the 2019 Audit and 2018 Audit has not been updated since the date of each audit, respectively. The inclusion of the Excerpted Financial Information, the 2019 Audit and 2018 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2019 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2019 Audit should be directed to the Village.

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Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the Village's 2019 Audit and APPENDIX E for the Village's 2018 Audit.

Statement of Net Position
Governmental Activities

	Audited As of April 30				Draft
	2015	2016	2017	2018	2019
ASSETS:					
Cash and Investments	$ 36,892,328	$ 44,531,391	$ 41,824,062	$ 51,112,058	$ 39,689,973
Receivables, net	11,186,553	11,834,868	13,253,475	14,750,714	14,571,439
Due from Other Governments	1,532,755	2,175,300	1,170,732	1,191,281	1,743,884
Internal Balances	405,991	300,512	306,101	259,100	151,618
Inventory/Prepaids	1,630,863	1,771,571	2,122,430	2,388,223	2,596,240
Net Pension Asset	16,299,856	0	0	0	0
Capital Assets Not Being Depreciated	32,124,708	31,963,013	31,963,013	32,113,013	40,087,223
Capital Assets Being Depreciated, Net of Depreciation	63,719,627	62,397,293	62,890,005	61,932,697	61,098,725
Total Assets	$163,792,681	$154,973,948	$153,529,818	$163,747,086	$159,939,102
DEFERRED OUTFLOWS OF RESOURCES:					
Unamortized Loss on Refunding	$ 2,425,644	$ 2,242,885	$ 2,060,127	$ 1,877,368	$ 1,694,610
Deferred Items – IMRF	0	5,131,843	3,637,988	2,523,531	5,828,040
Deferred RBP	0	0	0	0	97,463
Deferred Items – Police Pension	0	11,415,068	9,079,627	5,905,869	5,905,869
Deferred Items – Firefighters' Pension	0	10,781,360	7,880,924	8,201,155	8,201,155
Total Deferred Outflows or Resources(1)	2,425,644	29,571,156	22,658,666	18,507,923	21,727,137
Total Assets and Deferred Outflows of Resources(1)	$166,218,325	$184,545,104	$176,188,484	$182,255,009	$181,666,239
LIABILITIES:					
Accounts Payable	$ 1,309,643	$ 1,525,018	$ 2,302,361	$ 1,154,570	$ 1,515,963
Accrued Payroll	733,778	770,413	640,273	712,315	716,905
Retainage Payable	0	0	0	250,860	0
Accrued Interest Payable	559,834	780,701	1,067,160	959,530	1,012,401
Deposits Payable	580,933	627,720	679,650	644,786	620,037
Other Payables	400,000	0	0	35,000	0
Due to Other Governments	207,509	281,864	664,628	1,324,699	757,806
Compensated Absences Payable	1,543,170	1,497,748	1,433,320	1,337,105	1,492,866
Net OPEB Payable	779,176	1,032,649	1,358,146	1,717,372	0
Net Pension Obligation	111,149	0	0	0	0
Net Pension Liability – IMRF	0	8,375,080	7,212,103	1,682,946	9,412,745
Net Pension Liability – Police Pension	0	46,178,166	46,035,224	43,819,646	43,819,646
Net Pension Liability - Firefighter's Pension	0	39,914,304	41,522,404	43,325,834	43,325,834
Total OPEB Liability – RBP	0	0	0	0	7,300,466
TIF Note Payable	0	0	4,900,000	4,766,301	4,274,764
General Obligation Bonds Payable Due Within One Year	3,672,669	3,663,819	3,759,869	4,287,181	4,405,324
Due In More Than One Year	57,942,128	64,607,648	61,003,062	71,451,361	67,216,209
Total Liabilities(1)	$ 67,839,989	$169,255,130	$172,578,200	$177,469,506	$185,870,966
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes	$ 13,559,889	$ 14,005,719	$ 13,668,027	$ 15,500,179	$ 16,038,121
Deferred Items – IMRF	0	17,084	527,317	5,768,279	1,266,602
Deferred Items – Police Pension	0		1,912,887	3,550,048	3,550,048
Deferred Items – Firefighters' Pension	0	420,673	0	1,691,952	1,691,952
Total Deferred Inflows or Resources	13,559,889	14,443,476	16,108,231	26,510,458	22,546,723
Total Liabilities and Deferred Inflows of Resources(1)	$ 81,399,878	$183,698,606	$188,686,431	$203,979,964	$208,417,689
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	$ 53,968,132	$ 51,908,848	$ 52,296,658	$ 49,228,665	$ 48,427,345
Restricted	7,122,879	735,777	910,914	1,661,902	2,331,081
Unrestricted(1)	23,727,436	(51,798,127)	(65,705,520)	(72,615,522)	(77,509,876)
Total Net Position(1)	$ 84,818,447	$ 846,498	$ (12,497,948)	$ (21,724,955)	$(26,751,450)

Note: (1) Changes due to the inclusion of pension liabilities per GASB Statement No. 68.

Statement of Activities
Governmental Activities
Net (Expense) Revenue and Changes in Net Position

	Audited Year Ended April 30				Draft
	2015	2016	2017	2018	2019
PRIMARY GOVERNMENT:					
Government Activities(1):					
General Government	$ 66,603	$ (2,424,657)	$ (6,770,620)	$ (1,758,705)	$ (2,196,236)
Public Safety	(25,607,062)	(35,234,107)	(34,180,241)	(35,698,294)	(30,502,719)
Highways and Streets	(8,340,217)	(8,959,207)	(10,184,560)	(11,615,861)	(9,951,492)
Interest	(1,564,952)	(2,047,508)	(2,453,769)	(2,321,650)	(2,568,578)
Total Governmental Activities	$(35,445,628)	$(48,665,479)	$(53,589,190)	$(51,394,510)	$(45,219,025)
General Revenues:					
Taxes					
Property	$ 13,224,376	$ 13,434,887	$ 14,802,772	$ 17,620,255	$ 19,771,153
Income	3,401,924	3,362,196	3,141,181	2,998,512	3,429,472
State Sales	14,530,151	14,665,574	15,380,154	14,883,566	15,312,715
Use	670,183	765,696	817,854	872,486	1,008,471
Auto Rental	13,620	6,605	5,795	5,426	4,854
Telecommunications	3,217,022	3,210,141	2,554,292	2,135,223	1,980,139
Utility	1,144,255	995,457	1,012,559	968,873	1,011,487
Other	1,462,155	1,450,427	1,586,811	1,386,566	1,394,327
Investment Income	777,991	123,245	253,606	507,428	790,341
Miscellaneous	37,420	109,125	689,720	789,168	575,823
Transfers In (Out)	97,640	(3,000,000)	0	0	0
Total	$ 38,576,737	$ 35,123,353	$ 40,244,744	$ 42,167,503	$ 45,278,782
Change in Net Position	$ 3,131,109	$(13,542,126)	$(13,344,446)	$ (9,227,007)	$ 59,757
Net Position, May 1	$ 81,687,338	$ 14,388,624(2)	$ 846,498	$(12,497,948)	$(26,811,207)
Net Position, April 30	$ 84,818,447	$ 846,498	$(12,497,948)	$(21,724,955)	$(26,751,450)

Notes: (1) Expenses less program revenues of Charges for Services Operating Grants and Capital Grants.
(2) As restated due to the implementation of GASB Statement No. 68 related to the reporting of the net pension liabilities and related items for the Illinois Municipal Retirement Fund, the Police Pension Fund and the Firefighters' Pension Fund.

General Fund
Balance Sheet

	Audited As of April 30				Draft
	2015	2016	2017	2018	2019
ASSETS:					
Cash and Investments	$24,889,953	$26,552,460	$24,801,018	$34,007,699	$24,660,817
Receivables:					
Property Taxes	4,175,920	4,079,562	4,519,341	4,406,311	4,278,089
Other Taxes	3,315,252	3,142,123	3,308,915	2,576,873	3,179,997
Other	752,147	937,019	989,819	1,314,211	946,249
Inventory	0	0	26,661	119,736	53,620
Due from Other Funds	521,979	300,512	306,101	259,100	151,618
Due from Other Governments	1,129,270	1,072,615	1,059,438	1,076,600	1,628,454
Total Assets	$34,784,521	$36,084,291	$35,011,293	$43,760,530	$34,898,844
LIABILITIES:					
Accounts Payable	$ 1,099,041	$ 1,438,504	$ 1,688,771	$ 1,089,647	$ 1,073,180
Deposits Payable	307,405	354,192	406,122	371,258	346,509
Accrued Payroll	733,778	770,413	640,273	712,315	716,905
Due to Other Governments	207,509	107,234	195,880	111,150	115,300
Other Payables	400,000	0	0	0	0
Total Liabilities	$ 2,747,733	$ 2,670,343	$ 2,931,046	$ 2,284,370	$ 2,251,894
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	$ 8,308,036	$ 8,320,728	$ 8,570,784	$ 8,596,658	$ 8,620,144
Total deferred inflows of resources	8,308,036	8,320,728	8,570,784	8,596,658	8,620,144
Total liabilities and deferred inflows of resources	$11,055,769	$10,991,071	$11,501,830	$10,881,028	$10,872,038
FUND BALANCES:					
Restricted	$ 1,668,232	$ 3,843,709	$ 1,359,625	$11,517,298	$ 1,713,200
Nonspendable	0	0	26,661	119,736	53,620
Unassigned	22,060,520	21,249,511	22,123,177	21,242,468	22,259,986
Total Fund Balance	$23,728,752	$25,093,220	$23,509,463	$32,879,502	$24,026,806
Total Liabilities, Deferred Inflows and Fund Balance	$34,784,521	$36,084,291	$35,011,293	$43,760,530	$34,898,844

General Fund
Revenues and Expenditures

	Audited Year Ended April 30				Draft
	2015	2016	2017	2018	2019
REVENUES:					
Taxes	$30,411,628	$13,744,885	$13,272,799	$12,765,979	$12,643,793
Licenses, Permits and Fees	5,890,656	6,055,848	5,265,165	5,976,991	5,587,902
Intergovernmental	0	16,601,063	17,019,424	16,501,058	18,310,315
Charges for Services	5,754,747	5,543,956	5,783,009	5,434,918	5,798,302
Fines and Forfeits	242,091	168,080	134,095	170,098	270,908
Interest	49,630	102,543	208,655	377,592	477,323
Miscellaneous	32,704	91,877	683,191	481,530	502,523
Total Revenues	$42,381,456	$42,308,252	$42,366,338	$41,708,166	$43,591,066
EXPENDITURES:					
General Government	$ 7,332,962	$ 7,965,568	$ 7,774,497	$ 7,986,990	$15,666,614
Public Safety	26,403,880	26,069,987	27,383,064	26,751,446	28,385,219
Debt Service	0	25,701	0	0	0
Highways and Streets	7,927,706	7,889,975	8,792,534	7,599,240	7,767,145
Total Expenditures	$41,664,548	$41,951,231	$43,950,095	$42,337,676	$51,818,978
Excess (Deficiency) of Revenues Over Expenditures	$ 716,908	$ 357,021	$ (1,583,757)	$ (629,510)	$ (8,227,912)
OTHER FINANCING SOURCES (USES):					
Debt Issuance	$ 1,984,476	$ 4,106,560	$ 0	$11,540,250	$ 0
Premium/Discount on Debt Issuance	240,525	200,894	0	(32,273)	0
Transfers In (Out), net	0	(3,300,007)	0	(1,508,428)	(624,784)
Total Other Financing Sources (uses)	$ 2,225,001	$ 1,007,447	$ 0	$ 9,999,549	$ (624,784)
Net Change in Fund Balance	$ 2,941,909	$ 1,364,468	$ (1,583,757)	$ 9,370,039	$ (8,852,696)
Beginning Fund Balance	$20,786,843	$23,728,752	$25,093,220	$23,509,463	$32,879,502
Ending Fund Balance	$23,728,752	$25,093,220	$23,509,463	$32,879,502	$24,026,806

General Fund*(1)*
Budget Financial Information

	Budgeted Fiscal Year Ending 4/30/20
REVENUES:	
Property Tax	$ 8,535,370
Replacement Taxes	342,000
Sales Tax	13,981,100
Income Taxes	3,340,000
Other Taxes	4,045,000
Permits	2,230,000
Licenses	932,500
Interest Income	400,000
Fees	3,711,500
Fines	270,000
Charges for Service	1,998,250
Miscellaneous	2,506,375
Grants	57,000
Total Revenues	$42,349,095
Operating Transfers In	$ 2,587,285
Total Revenues and Transfers In	$44,936,380
EXPENDITURES:	
Personal Services	$27,286,734
Fringe Benefits	5,137,150
Contractual Services	7,755,741
Commodities	1,824,910
Capital Outlay	2,409,000
Total Expenditures	$44,413,535
Operating Transfer Out	550,605
Total Expenditures and Transfers Out	$44,964,140
Revenues over (Under) Expenditures and Transfers	$ (27,760)

Note: (1) Source: The Village.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

See **APPENDIX D** herein for a discussion of the Village's employee retirement and other postemployment benefits obligations.

REGISTRATION, TRANSFER AND EXCHANGE

Registration

The registered owner of a Bond will be deemed and regarded as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Village nor the Bond Registrar will be affected by any notice to the contrary.

Transfers and Exchanges

The transfer of Bonds will be registrable only upon the registration books maintained by the Village for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner thereof or by his attorney duly authorized in writing, upon surrender thereof together with an instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or his duly authorized agent. Upon such surrender for registration of transfer, the Village will execute and the Bond Registrar will authenticate and deliver a new Bond or Bonds of any authorized denominations, registered in the name of the transferee, and of the same aggregate principal amount, series, maturity and interest rate as the surrendered Bond.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate and of any authorized denominations, upon surrender thereof as the principal corporate trust office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized agent.

For every such exchange or registration of transfer of Bonds, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. No charge will be made in connection with such exchange or registration of transfer to pay the cost of preparing each new Bond issued upon such exchange or registration of transfer.

TAX EXEMPTION

Summary of Bond Counsel Opinion

Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), Bond Counsel is of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Bonds is not exempt from State of Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of property financed with the proceeds of the Bonds. The Village has covenanted in the Bond Ordinance to comply with these requirements.

Bonds Purchased at a Premium or a Discount

The difference (if any) between the initial price at which a substantial amount of each maturity of the Bonds is sold to the public (the "Offering Price") and the principal amount payable at maturity of such Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium"; if the Offering Price is lower than the maturity value of a Bond, the difference between the two is known as "original issue discount".

Bond premium and original issue discount are amortized over the term of a Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period and is subtracted from the owner's tax basis in the Bond. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Bond for Federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the Bond. A Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon disposition of the Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bond).

Owners of Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Bonds. It is possible that under the applicable provisions governing the determination of state or local income taxes, accrued interest on the Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a year later.

Exclusion From Gross Income Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of Bonds proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "temporary periods," proceeds of the Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of "minor portion") may generally not be invested in investments having a yield that is "materially higher" (1/8 of one percent) than the yield on the Bonds.

Rebate of Arbitrage Profit. Unless the Village qualifies for one of several exemptions, earnings from the investment of the "gross proceeds" of the Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the original proceeds of the Bonds, amounts received as a result of investing such proceeds, and amounts to be used to pay debt service on the Bonds.

Covenants to Comply. The Village has covenanted in the Bond Ordinance to comply with the requirements of the Code relating to the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Risks of Non-Compliance

In the event that the Village fails to comply with the requirements of the Code, interest on the Bonds may become includible in the gross income of the owners thereof for Federal income tax purposes retroactive to the date of issue. In such event, the Bond Ordinance requires neither acceleration of payment of principal of, or interest on, the Bonds nor payment of any additional interest or penalties to the owners of the Bonds.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Bonds which may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE BONDS.

See **APPENDIX C** for the proposed form of Bond Counsel opinion for the Bonds.

CONTINUING DISCLOSURE

In the Bond Ordinance, the Village has covenanted and agreed, for the benefit of the beneficial owners of the Bonds, to provide certain financial information and operating data relating to the Village within 210 days after the close of the Village's fiscal year (the "Annual Report"); and, in a timely manner not in excess of ten business days after the event, to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Village with the Municipal Securities Rulemaking Board (the "MSRB") for disclosures on its Electronic Municipal Market Access ("EMMA") system. The information to be contained in the Annual Report will consist of the annual audited financial statement of the Village, and updated information with respect to the statements in this Official Statement contained under the captions **"Retailers' Occupation, Service Occupation and Use Tax"**, **"DEBT INFORMATION"**, **"PROPERTY ASSESSMENT AND TAX INFORMATION"** and **"FINANCIAL INFORMATION" (excluding Budget Financial Information)**. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement will be included in the Annual Report and the audited financial statement will be filed promptly after it becomes available. The notices of enumerated events and timely notice of any failure of the Village to file its Annual Report within the 210 day period will be filed by the Village with the MSRB for disclosures on EMMA. The Village's undertaking with respect to enumerated events includes timely notice of the occurrence of any of the following events with respect to the Bonds.

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Village*;

**This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.*

13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

The Village has agreed to the foregoing undertakings in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The Village will provide the foregoing information for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the Village remains an "obligated person" under the Rule with respect to the Bonds. No provision of the bond ordinance limits the remedies available to any beneficial owner of the Bonds with respect to the enforcement of the continuing disclosure covenants of the Village described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default under the Bond Ordinance.

The Village may amend the continuing disclosure undertakings contained in the Bond Ordinance upon a change in circumstances provided that (a) the change in circumstances arises from a change in legal requirements, law, or change in the identity, nature or status of the Village or the type of business conducted by the Village, (b) the undertakings, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (c) in the opinion of nationally recognized bond counsel selected by the Village, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

The Village previously entered into Continuing Disclosure Undertakings with respect its General Obligation Bonds, Series 2007 and Series 2008 (the "Series 2007 and 2008 Undertakings") which stipulate the Village must file the Annual Report within 180 days after the close of the Village's fiscal year (April 30). The Village filed the Annual Report for the 2013 fiscal year on October 29, 2013, approximately two days beyond the deadline required in the Series 2007 and 2008 Undertakings.

The Village previously entered into Continuing Disclosure Undertakings with respect to its General Obligation Bonds, Series 2011; Taxable General Obligation Bonds, Series 2012A; General Obligation Bonds, Series 2012B; General Obligation Bonds, Series 2013A; General Obligation Bonds, Series 2014A; and Taxable General Obligation Bonds, Series 2015A (the 2012-2015A Undertakings). The Village's Annual Reports for the Fiscal Year's ended April 30, 2013 through April 30, 2015 were filed with EMMA within the time period specified in the 2012-2015A Undertakings; however, these Annual Reports were only filed for the Village's 2010 and prior bond offerings. The Annual Reports were not filed on EMMA for the CUSIPs related to the 2012-2015A Undertakings as required. The Village has since corrected this error.

OPTIONAL REDEMPTION

The Bonds due December 1, 2020-2027, inclusive, are non-callable. The Bonds due December 1, 2028-2038, inclusive, are callable in whole or in part on any date on or after December 1, 2027, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

NOTICE OF REDEMPTION

Notice of the redemption of Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on said registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable.

Notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the Village, threatened against the Village that is expected to materially impact the financial condition of the Village.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be delivered with the Bonds. Bond Counsel has reviewed the statements in this Official Statement appearing under the headings **"PURPOSE, LEGALITY AND SECURITY"**, and **"TAX EXEMPTION"** and is of the opinion that the statements contained under such headings are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown. Except for the foregoing, however, Bond Counsel has not independently verified the accuracy or completeness of statements and information contained in the Official Statement and does not assume any responsibility of the accuracy or completeness of such statements and information.

The opinion of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Village has been rated "Aaa" (Stable Outlook) by Moody's Investors Service and "AAA" (Stable Outlook) by S&P Global Ratings. The Village has supplied certain information and material concerning the Bonds and the Village to the rating services shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for investment ratings on the Bonds. Ratings reflect only the views of the rating agencies assigning such ratings and an explanation of the significance of such ratings may be obtained from such rating agencies. Generally, such rating services base their ratings on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such ratings will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating services if, in their judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment ratings may be obtained from the rating agencies: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. S&P Global Ratings Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The Village will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

DEFEASANCE AND PAYMENT OF BONDS

If the Village shall pay or cause to be paid to the registered owners of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the Village to the registered owners and the beneficial owners of the Bonds shall be discharged and satisfied.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined below, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said bonds on and prior to the applicable redemption date or maturity date thereof.

The term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

UNDERWRITING

The Bonds were offered for sale by the Village at a public, competitive sale on October 22, 2019. The best bid submitted at the sale was submitted by _____ (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of $_____. The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

MUNICIPAL ADVISOR

The Village has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the Village's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated October 10, 2019, for the 13,170,000* General Obligation Bonds, Series 2019, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **SANDRA E. FRUM**
Village President
Village of Northbrook
Cook County, Illinois

/s/ **JEFFREY L. ROWITZ**
Deputy Village Manager/Chief Financial Officer
Village of Northbrook
Cook County, Illinois

**Subject to change.*

APPENDIX A

VILLAGE OF NORTHBROOK
COOK COUNTY, ILLINOIS

DRAFT FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS

Village of Northbrook

Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended April 30, 2019

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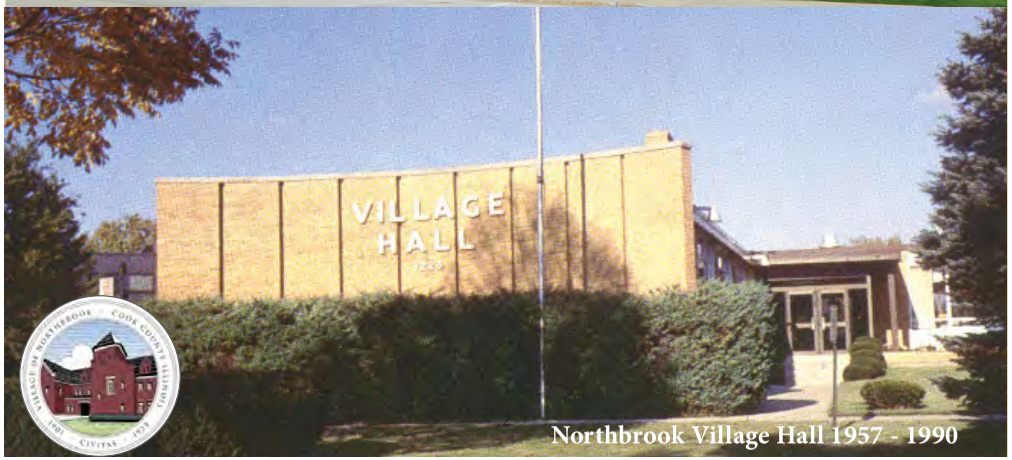

Northbrook Village Hall 1957 - 1990

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VILLAGE OF NORTHBROOK, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2019

Prepared by:
Finance Department

Jeffrey L. Rowitz, CPA, Deputy Village Manager/Chief Financial Officer
Iwona Petryszak, CPA, Deputy Chief Financial Officer
Elizabeth M. Garibaldi, CPA, Assistant Director of Finance

VILLAGE OF NORTHBROOK, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Northbrook including: List of Principal Officials, Organization Chart, Letter of Transmittal from Village Manager and Deput y Village Manager/Chief Financial Officer, and Certificate of Achievement for Excellence in Financial Reporting.

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VILLAGE OF NORTHBROOK, ILLINOIS

List of Principal Officials
April 30, 2019

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sandra E. Frum, President

James A. Karagianis
Albert C. Buehler, III
Kathryn L. Ciesla
Robert P. Israel
Muriel J. Collison
Jason C. Han

Debra J. Ford, Village Clerk

ADMINISTRATIVE

Richard A. Nahrstadt, Village Manager
Jeffrey L. Rowitz, Deputy Village Manager/Chief Financial Officer

FINANCE DEPARTMENT

Jeffrey L. Rowitz, CPA, Deputy Village Manager/Chief Financial Officer
Iwona Petryszak, CPA, Deputy Chief Financial Officer
Elizabeth M. Garibaldi, CPA, Assistant Director of Finance

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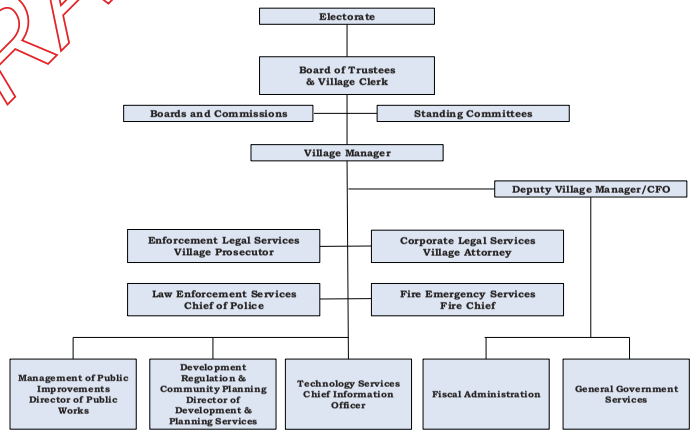
Village of Northbrook
Organization Chart



Boards And Commissions

Architectural Control
Arts Commission
Community Relations
Economic Development
Electrical
Emergency Telephone System
Environmental Quality
Fire & Police Commissioners
Firefighters' Pension
Foreign Fire Insurance
Industrial & Commercial Development
Local Improvements
Plan
Police Pension
Senior Services
Stormwater Management
Youth
Zoning Board of Appeals

Standing Committees

Administration & Finance
Communications & Legislation
Planning & Zoning
Public Safety
Public Works
Community & Sustainability

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Northbrook

Illinois

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

April 30, 2018

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.

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INDEPENDENT AUDITORS' REPORT

September 21, 2019

The Honorable Village President
Members of the Board of Trustees
Village of Northbrook, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Northbrook, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northbrook Public Library. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northbrook Public Library, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village'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'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.

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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 Northbrook, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Northbrook, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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Other Matters – Continued

Other Information – Continued

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

LAUTERBACH & AMEN, LLP

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position
April 30, 2019

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position
April 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Public Library
ASSETS				
Current Assets				
Cash and Investments	$ 39,689,973	22,271,102	61,961,075	11,045,327
Receivables - Net	14,571,439	2,189,558	16,760,997	4,157,178
Due from Other Governments	1,743,884	-	1,743,884	-
Internal Balances	151,618	(151,618)	-	-
Inventory/Prepaids	2,596,240	-	2,596,240	103,761
Total Current Assets	58,753,154	24,309,042	83,062,196	15,306,266
Noncurrent Assets				
Capital Assets				
Land	40,087,223	2,735,685	42,822,908	340,932
Artwork	-	-	-	3,200
Depreciable Capital Assets	135,072,813	154,995,496	290,068,309	31,304,167
Depreciation	(73,974,088)	(88,011,598)	(161,985,686)	(15,710,793)
Total Noncurrent Assets	101,185,948	69,719,583	170,905,531	15,937,506
Total Assets	159,939,102	94,028,625	253,967,727	31,243,772
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding	1,694,610	-	1,694,610	-
Deferred Items - IMRF	5,828,040	1,359,488	7,187,528	1,983,423
Deferred Items - Police Pension	6,228,855	-	6,228,855	-
Deferred Items - Firefighters' Pension	6,192,688	-	6,192,688	-
Deferred Items - RBP	97,463	12,778	110,241	8,469
Total Deferred Outflows of Resources	20,041,656	1,372,266	21,413,922	1,991,892
Total Assets and Deferred Outflows of Resources	179,980,758	95,400,891	275,381,649	33,235,664

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

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	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 1,515,963	503,595	2,019,558	398,031
Retainage Payable	-	272,496	272,496	-
Accrued Payroll and Related	716,905	9,865	726,770	42,703
Accrued Interest Payable	1,012,401	655,212	1,667,613	111,770
Deposits Payable	620,037	66,897	686,934	-
Other Payable	-	-	-	-
Due to Other Governments	757,806	-	757,806	-
Current Portion of Long-Term Debt	4,405,324	2,070,339	6,475,663	309,945
Total Current Liabilities	9,028,436	3,578,404	12,606,840	862,449
Noncurrent Liabilities				
Compensated Absences Payable	1,492,866	125,672	1,618,538	138,942
Net Pension Liability - IMRF	9,412,745	2,195,678	11,608,423	3,203,384
Net Pension Liability - Police Pension	47,240,371	-	47,240,371	-
Net Pension Liability - Firefighters' Pension	46,221,112	-	46,221,112	-
Total OPEB Liability - RBP	7,300,466	957,186	8,257,652	497,083
TIF Note Payable	4,274,764	-	4,274,764	-
General Obligation Bonds Payable - Net	67,216,209	45,451,994	112,668,203	6,376,661
Total Noncurrent Liabilities	183,158,533	48,730,530	231,889,063	10,216,070
Total Liabilities	192,186,969	52,308,934	244,495,903	11,078,519
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	1,266,602	295,455	1,562,057	431,055
Deferred Items - Police Pension	3,455,770	-	3,455,770	-
Deferred Items - Firefighters' Pension	588,060	-	588,060	-
Property Taxes	16,038,121	-	16,038,121	8,601,908
Total Deferred Inflows of Resources	21,348,553	295,455	21,644,008	9,032,963
Total Liabilities/Deferred Inflows of Resources	213,535,522	52,604,389	266,139,911	20,111,482
NET POSITION				
Net Investment in Capital Assets	48,427,345	30,313,161	78,740,506	9,285,636
Restricted				
Public Safety	1,022,101	-	1,022,101	-
Tax Increment Financing	535,386	-	535,386	-
Perpetual Care - Nonexpendable	399,232	-	399,232	-
Pension Contribution	23	-	23	-
Capital Projects	374,339	-	374,339	-
Public Library	-	-	-	459,843
Unrestricted (Deficit)	(84,313,190)	12,483,341	(71,829,849)	3,378,703
Total Net Position	(33,554,764)	42,796,502	9,241,738	13,124,182

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

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Activities
For the Fiscal Year Ended April 30, 2019

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants/ Contributions	Program Revenues: Capital Grants/ Contributions	Net (Expenses)/Revenues: Primary Government: Governmental Activities	Net (Expenses)/Revenues: Primary Government: Business-Type Activities	Net (Expenses)/Revenues: Primary Government: Totals	Net (Expenses)/Revenues: Component Unit: Public Library
Governmental Activities								
General Government	$ 5,938,774	3,742,538	-	-	(2,196,236)	-	(2,196,236)	-
Public Safety	42,831,331	5,389,734	135,564	-	(37,306,033)	-	(37,306,033)	-
Highways and Streets	10,793,499	-	842,007	-	(9,951,492)	-	(9,951,492)	-
Interest on Long-Term Debt	2,568,578	-	-	-	(2,568,578)	-	(2,568,578)	-
Total Governmental Activities	62,132,182	9,132,272	977,571	-	(52,022,339)	-	(52,022,339)	-
Business-Type Activities								
Water	8,166,761	8,685,487	92,668	-	-	611,394	611,394	-
Sanitary Sewer	1,705,456	1,435,920	35,869	-	-	(233,667)	(233,667)	-
Senior Housing	792,910	866,114	-	-	-	73,204	73,204	-
Stormwater Utility	2,370,065	1,358,291	-	-	-	(1,011,774)	(1,011,774)	
Parking	228,788	186,363	-	-	-	(42,425)	(42,425)	-
Total Business-Type Activities	13,263,980	12,532,175	128,537	-	-	(603,268)	(603,268)	-
Total Primary Government	75,396,162	21,664,447	1,106,108	-	(52,022,339)	(603,268)	(52,625,607)	-
Component Unit - Public Library	7,969,794	57,637	91,305	-	-	-	-	(7,820,852)
General Revenues								
Taxes								
Property Taxes					19,771,153	-	19,771,153	8,269,619
Use Taxes					1,008,471	-	1,008,471	-
Auto Rental Taxes					4,854	-	4,854	-
Utility Taxes					1,011,487	-	1,011,487	-
Telecommunication Taxes					1,980,139	-	1,980,139	-
Other Taxes					1,394,327	-	1,394,327	121,389
Intergovernmental - Unrestricted								
Sales Taxes					15,312,715	-	15,312,715	-
State Income Taxes					3,429,472	-	3,429,472	-
Interest					790,341	402,637	1,192,978	138,965
Miscellaneous					575,823	-	575,823	9,623
					45,278,782	402,637	45,681,419	8,539,596
Change in Net Position					(6,743,557)	(200,631)	(6,944,188)	718,744
Net Position - Beginning as Restated					(26,811,207)	42,997,133	16,185,926	12,405,438
Net Position - Ending					(33,554,764)	42,796,502	9,241,738	13,124,182

The notes to the financial statements are an integral part of this statement.

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The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2019

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
ASSETS						
Cash and Investments	$ 24,660,817	23	2,156,683	8,855,641	1,315,058	36,988,222
Receivables - Net of Allowances						
Property Taxes	4,278,089	3,945,561	1,983,733	-	-	10,207,383
Other Taxes	3,179,997	-	-	237,810	-	3,417,807
Other	946,249	-	-	-	-	946,249
Due from Other Governments	1,628,454	-	-	73,420	-	1,701,874
Due from Other Funds	151,618	-	-	-	-	151,618
Inventories	53,620	-	-	-	-	53,620
Total Assets	34,898,844	3,945,584	4,140,416	9,166,871	1,315,058	53,466,773
LIABILITIES						
Accounts Payable	1,073,180	-	-	393,708	10,876	1,477,764
Accrued Payroll	716,905	-	-	-	-	716,905
Deposits Payable	346,509	-	-	-	273,528	620,037
Other Payable	-	-	-	-	-	-
Due to Other Governments	115,300	642,506	-	-	-	757,806
Total Liabilities	2,251,894	642,506	-	393,708	284,404	3,572,512
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	8,620,144	3,303,055	4,114,922	-	-	16,038,121
Total Liabilities and Deferred Inflows of Resources	10,872,038	3,945,561	4,114,922	393,708	284,404	19,610,633
FUND BALANCES						
Nonspendable	53,620	-	-	-	-	53,620
Restricted	1,713,200	23	25,494	2,228,343	934,618	4,901,678
Committed	-	-	-	-	96,036	96,036
Assigned	-	-	-	6,544,820	-	6,544,820
Unassigned	22,259,986	-	-	-	-	22,259,986
Total Fund Balances	24,026,806	23	25,494	8,773,163	1,030,654	33,856,140
Total Liabilities, Deferred Inflows of Resources and Fund Balances	34,898,844	3,945,584	4,140,416	9,166,871	1,315,058	53,466,773

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2019

Total Governmental Fund Balances	$ 33,856,140
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	101,185,948
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	5,248,182
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	4,561,438
Deferred Items - Police Pension	2,773,085
Deferred Items - Firefighters' Pension	5,604,628
Deferred Items - RBP	97,463
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,866,083)
Net Pension Liability - IMRF	(9,412,745)
Net Pension Liability - Police Pension	(47,240,371)
Net Pension Liability - Firefighters' Pension	(46,221,112)
Total OPEB Liability - RBP	(7,300,466)
TIF Note Payable	(4,274,764)
General Obligation Bonds Payable - Net of Unamortized Items	(69,553,706)
Accrued Interest Payable	(1,012,401)
Net Position of Governmental Activities	(33,554,764)

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2019

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2019

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
Revenues						
Taxes	$ 12,643,793	6,804,113	3,962,781	1,575,907	751,273	25,737,867
Intergovernmental	18,310,315	-	-	842,007	-	19,152,322
Licenses, Permits and Fees	5,587,902	-	-	-	-	5,587,902
Charges for Services	5,798,302	-	-	-	-	5,798,302
Fines and Forfeits	270,908	-	-	-	-	270,908
Interest	477,323	-	71,133	189,998	22,098	760,552
Miscellaneous	502,523	-	-	65,493	7,807	575,823
Total Revenues	43,591,066	6,804,113	4,033,914	2,673,405	781,178	57,883,676
Expenditures						
Current						
General Government	15,666,614	-	-	-	34,455	15,701,069
Public Safety	28,385,219	7,204,113	-	-	-	35,589,332
Highways and Streets	7,767,145	-	-	2,262,347	-	10,029,492
Debt Service						
Principal Retirement	-	-	3,952,905	-	491,537	4,444,442
Interest and Fiscal Charges	-	-	2,321,510	-	214,484	2,535,994
Total Expenditures	51,818,978	7,204,113	6,274,415	2,262,347	740,476	68,300,329
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,227,912)	(400,000)	(2,240,501)	411,058	40,702	(10,416,653)
Other Financing Sources (Uses)						
Transfers In	-	400,000	2,245,763	224,784	-	2,870,547
Transfers Out	(624,784)	-	-	(2,245,763)	-	(2,870,547)
	(624,784)	400,000	2,245,763	(2,020,979)	-	-
Net Change in Fund Balances	(8,852,696)	-	5,262	(1,609,921)	40,702	(10,416,653)
Fund Balances - Beginning	32,879,502	23	20,232	10,383,084	989,952	44,272,793
Fund Balances - Ending	24,026,806	23	25,494	8,773,163	1,030,654	33,856,140

The notes to the financial statements are an integral part of this statement.

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The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

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

For the Fiscal Year Ended April 30, 2019

Net Change in Fund Balances - Total Governmental Funds	$ (10,416,653)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	11,041,287
Depreciation Expense	(3,901,049)
Disposals - Cost	(184,722)
Disposals - Accumulated Depreciation	184,722
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(557,992)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	7,806,186
Change in Deferred Items - Police Pension	417,264
Change in Deferred Items - Firefighters' Pension	(904,575)
Change in Deferred Items - RBP	97,463
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
(Additions) to Compensated Absences Payable	(194,702)
(Addtions) to Net Pension Liability - IMRF	(7,729,799)
(Additions) to Net Pension Liability - Police Pension	(3,420,725)
(Additions) to Net Pension Liability - Firefighters' Pinion	(2,895,278)
(Additions) to Total OPEB Liability - RBP	(496,842)
Retirement of Debt	4,444,442
Amortization of Debt Related Items	20,287
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(52,871)
Changes in Net Position of Governmental Activities	(6,743,557)

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2019

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2019

	Business Type Activities						Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
ASSETS							
Current Assets							
Cash and Investments	$ 12,169,487	1,470,108	1,505,195	7,114,689	11,623	22,271,102	2,701,751
Receivables - Net of Allowances							
Accounts	1,612,268	310,653	-	266,637	-	2,189,558	-
Due from Other Governments	-	-	-	-	-	-	42,010
Prepaids	-	-	-	-	-	-	2,542,620
Total Current Assets	13,781,755	1,780,761	1,505,195	7,381,326	11,623	24,460,660	5,286,381
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	1,513,434	104,099	308,732	40,000	769,420	2,735,685	-
Depreciable Capital Assets	80,888,969	18,557,552	5,913,955	48,018,350	1,616,670	154,995,496	-
Accumulated Depreciation	(46,211,764)	(12,564,907)	(3,902,905)	(24,090,337)	(1,241,685)	(88,011,598)	-
Total Noncurrent Assets	36,190,639	6,096,744	2,319,782	23,968,013	1,144,405	69,719,583	-
Total Assets	49,972,394	7,877,505	3,824,977	31,349,339	1,156,028	94,180,243	5,286,381
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Items - IMRF	914,092	223,626	-	221,770	-	1,359,488	-
Deferred Items - RBP	9,038	1,554	861	1,325	-	12,778	-
Total Deferred Outflows of Resources	923,130	225,180	861	223,095	-	1,372,266	-
Total Assets and Deferred Outflows of Resources	50,895,524	8,102,685	3,825,838	31,572,434	1,156,028	95,552,509	5,286,381
LIABILITIES							
Current Liabilities							
Accounts Payable	301,562	24,136	72,307	104,663	927	503,595	38,199
Retainage Payable	149,502	-	-	122,994	-	272,496	-
Accrued Payroll	8,524	1,341	-	-	-	9,865	-
Interest Payable	327,057	65,571	-	262,584	-	655,212	-
Deposits Payable	-	-	66,897	-	-	66,897	-
Due to Other Funds	-	-	151,618	-	-	151,618	-
Compensated Absences Payable	28,795	2,623	-	-	-	31,418	-
General Obligation Bonds Payable	1,215,541	180,142	-	643,238	-	2,038,921	-
Total Current Liabilities	2,030,981	273,813	290,822	1,133,479	927	3,730,022	38,199
Noncurrent Liabilities							
Compensated Absences Payable	115,182	10,490	-	-	-	125,672	-
Net Pension Liability - IMRF	1,476,330	361,173	-	358,175	-	2,195,678	-
Total OPEB Liability - RBP	677,014	116,426	64,477	99,269	-	957,186	-
General Obligation Bonds Payable - Net	21,211,428	4,223,620	-	20,016,946	-	45,451,994	-
Total Noncurrent Liabilities	23,479,954	4,711,709	64,477	20,474,390	-	48,730,530	-
Total Liabilities	25,510,935	4,985,522	355,299	21,607,869	927	52,460,552	38,199
DEFERRED INFLOWS OF RESOURCES							
Deferred Items - IMRF	198,658	48,600	-	48,197	-	295,455	-
Total Liabilities and Deferred Inflows of Resources	25,709,593	5,034,122	355,299	21,656,066	927	52,756,007	38,199
NET POSITION							
Net Investment in Capital Assets	19,413,481	2,203,142	2,319,782	5,232,351	1,144,405	30,313,161	-
Unrestricted	5,772,450	865,421	1,150,757	4,684,017	10,696	12,483,341	5,248,182
Total Net Position	25,185,931	3,068,563	3,470,539	9,916,368	1,155,101	42,796,502	5,248,182

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2019

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
Operating Revenues							
Charges for Services	$ 8,685,487	1,435,920	866,114	1,358,291	171,466	12,517,278	1,446,173
Miscellaneous	-	-	-	-	14,897	14,897	-
Interfund Services	-	-	-	-	-	-	5,053,445
Total Operating Revenues	8,685,487	1,435,920	866,114	1,358,291	186,363	12,532,175	6,499,618
Operating Expenses							
Administration	1,895,115	570,035	138,740	120,330	91,620	2,815,840	22,406
Operations	3,993,349	704,046	536,717	869,582	86,918	6,190,612	7,493,862
Depreciation and Amortization	1,474,496	269,696	117,453	740,396	50,250	2,652,291	-
Total Operating Expenses	7,362,960	1,543,777	792,910	1,730,308	228,788	11,658,743	7,516,268
Operating Income (Loss)	1,322,527	(107,857)	73,204	(372,017)	(42,425)	873,432	(1,016,650)
Nonoperating Revenues (Expenses)							
Interest Income	274,894	31,290	2,660	93,724	69	402,637	29,789
Permits/Connection/Recapture Fees	92,668	35,869	-	-	-	128,537	-
Other Income	-	-	-	-	-	-	428,869
Interest Expense	(803,801)	(161,679)	-	(639,757)	-	(1,605,237)	-
	(436,239)	(94,520)	2,660	(546,033)	69	(1,074,063)	458,658
Change in Net Position	886,288	(202,377)	75,864	(918,050)	(42,356)	(200,631)	(557,992)
Net Position - Beginning as Restated	24,299,643	3,270,940	3,394,675	10,834,418	1,197,457	42,997,133	5,806,174
Net Position - Ending	25,185,931	3,068,563	3,470,539	9,916,368	1,155,101	42,796,502	5,248,182

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2019

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
Cash Flows from Operating Activities							
Receipts from Customers and Users	$ 8,534,256	1,409,951	866,114	1,356,672	186,363	12,353,356	-
Receipts from Interfund Services	-	-	-	-	-	-	6,651,090
Payments to Employees	(1,525,225)	(361,568)	-	(387,224)	-	(2,274,017)	-
Payments to Suppliers	(4,287,126)	(1,071,714)	(794,967)	(606,091)	(179,123)	(6,939,021)	(7,488,917)
	2,721,905	(23,331)	71,147	363,357	7,240	3,140,318	(837,827)
Cash Flows from Capital and Related Financing Activities							
Purchase of Capital Assets	(3,030,232)	(104,099)	-	(674,484)	-	(3,808,815)	-
Principal Paid on General Obligation Bonds	(1,194,390)	(175,405)	-	(635,224)	-	(2,005,019)	-
Interest Paid on General Obligation Bonds	(803,801)	(161,679)	-	(639,757)	-	(1,605,237)	-
	(5,028,423)	(441,183)	-	(1,949,465)	-	(7,419,071)	-
Cash Flows from Investing Activities							
Interest Received	274,894	31,290	2,660	93,724	69	402,637	29,789
Net Change in Cash and Cash Equivalents	(2,031,624)	(433,224)	73,807	(1,492,384)	7,309	(3,876,116)	(808,038)
Cash and Cash Equivalents - Beginning	14,201,111	1,903,332	1,431,388	8,607,073	4,314	26,147,218	3,509,789
Cash and Cash Equivalents - Ending	12,169,487	1,470,108	1,505,195	7,114,689	11,623	22,271,102	2,701,751
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	1,322,527	(107,857)	73,204	(372,017)	(42,425)	873,432	(1,016,650)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:							
Other Nonoperating Revenues	92,668	35,869	-	-	-	128,537	428,869
Depreciation and Amortization Expense	1,474,496	269,696	117,453	740,396	50,250	2,652,291	-
Other Expenses - IMRF and RBP	22,588	1,511	3,527	2,106	-	29,732	-
(Increase) Decrease in Current Assets	(243,899)	(61,838)	-	(1,619)	-	(307,356)	(277,397)
Increase (Decrease) in Current Liabilities	53,525	(160,712)	(123,037)	(5,509)	(585)	(236,318)	27,351
Net Cash Provided by Operating Activities	2,721,905	(23,331)	71,147	363,357	7,240	3,140,318	(837,827)

The notes to the financial statements are an integral part of this statement.

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The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Fiduciary Net Position
April 30, 2019

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	$ 4,456,212	6,295,454
Investments		
U.S. Treasury Securities	5,023,251	-
U.S. Agency Securities	1,193,685	
State and Local Securities	301,672	-
Corporate Bonds	26,585,818	-
Mutual Funds	32,205,186	-
Common Stock	32,395,494	-
Illinois Funds	2,704,208	-
Receivables		
Accrued Interest	306,347	-
Due from Other Governments	757,806	15,996
Total Assets	105,929,679	6,311,450
LIABILITIES		
Accounts Payable	(83)	27,641
Deposits Payable	-	6,283,809
Due to Other Governments	42,010	-
Total Liabilities	41,927	6,311,450
NET POSITION		
Net Position Restricted for Pensions	105,887,752	

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2019

	Pension Trust
Additions	
Contributions - Employer	$ 7,204,113
Contributions - Plan Members	1,410,613
Total Contributions	8,614,726
Investment Income	
Interest Earned	2,731,968
Net Change in Fair Value	2,670,905
	5,402,873
Less Investment Expenses	(108,253)
	5,294,620
Miscellaneous Income	231
Total Additions	13,909,577
Deductions	
Administration	188,266
Benefits and Refunds	9,015,503
Total Deductions	9,203,769
Change in Fiduciary Net Position	4,705,808
Net Position Restricted for Pensions	
Beginning	101,181,944
Ending	105,887,752

The notes to the financial statements are an integral part of this statement.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Northbrook (the Village), Illinois, incorporated in 1901, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sanitary sewer services, parking system services, senior housing services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP in the United States). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations).

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Northbrook
Discretely Presented Component Unit:	Northbrook Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Village have been included.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Northbrook Public Library

The Northbrook Public Library (the Library) operates and maintains the Village's public library facilities. The Library's Board is elected by the voters of the Village. The Library may not issue bonded debt, and its annual budget and property tax levy are subject to the Village Board's approval. A financial benefit/burden relationship exists between the Village and the Library. Separate audited financial statements as of April 30, 2019 are available from the Library's administrative office at 1201 Cedar Lane, Northbrook, Illinois 60062.

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and sanitary sewer services, stormwater management services, parking system services and senior housing services are classified as business-type activities.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Financial Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
>
> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

DRAFT

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the Pension Contribution Fund, which accounts for the Village's employer contribution to the police and firefighters' pension funds. Funding comes from a restricted annual property tax levy.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and accumulates monies for the payment of general obligation debt, with financing provided by the annual tax levy.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the Infrastructure Fund, which accounts for infrastructure improvements including streets and storm water.

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs, that is, for the benefit of the Village or its citizenry.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

DRAFT

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains four major enterprise funds: Water, Sanitary Sewer, Senior Housing and Stormwater Utility Funds. The Water Fund accounts for the provision of potable water services to the residents of the Village. The Sanitary Sewer Fund accounts for the provision of sewer repair and improvement services to the resident of the Village. The Senior Housing Fund accounts for the provision of housing to the residents of the Village-owned apartment complex. The Stormwater Utility fund accounts for the maintenance and construction of the Village's storm water management system.

Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund. The Insurance Fund accounts for the Village's workers' compensation, employee health insurance and property and casualty losses, as well as excess insurance purchased to cover major losses. The Village's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Agency Funds are used to account for assets held by the Village in a purely custodial capacity. The Escrow Fund accounts for refundable deposits held by the Village to ensure the completion of public improvements by private developers, with the monies being refunded upon completion of the improvements.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, and of the Village's internal service funds are charges to customers for sales and services.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants. Business-type activities report utility charges as their major receivables.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

DRAFT

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Prepaids/Inventories

Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of $50,000 to $250,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	40 - 50 Years
Equipment and Vehicles	5 - 10 Years
System Mains, Lines and Appurtenances	15 - 50 Years
Infrastructure	15 - 50 Years

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

DRAFT

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

> Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted – Consists of net position with constraints placed on the 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 legislations.
>
> Unrestricted – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All departments of the Village submit requests for budgets to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function, department and object, and includes information on the past two years, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the Village Board for review. The Board of Trustees holds public hearings and may add to, subtract from, or change budgeted amounts. The Board of Trustees then adopts a management budget for budgetary control purposes.

The manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. The Village does not adopt an annual budget for the Pension Contribution Fund, the Traffic Impact Fund, and the Tax Increment Financing Fund.

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NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year budget transfers were necessary.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
Debt Service	$ 3,458
Revenue Parking	3,018
Police Pension	163,123
Firefighters' Pension	448,304

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office 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. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of 2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least 5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least 10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled $44,519,235 and the bank balances totaled $45,905,366. In addition, the Village had $17,441,840 invested in the Illinois Funds at year-end, are measured at the net asset value per share determined by the pool.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that the investment portfolio shall be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The Village's investment policy further states that unless matched directly to a specific cash flow, the Village will not invest in securities maturing more than two years from 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states that investments shall be limited to the safest types of securities. At year-end, the Village's investment in the Illinois Funds was rated AAAm by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires that any deposit in excess of the FDIC limits shall be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third-party institution in the name of the Village.

The Village will accept any of the following types of securities as collateral: U.S. Government securities, obligations of federal agencies, obligations of federal instrumentalities, obligations of the State of Illinois, municipal bonds with a rating of Aa of higher. Pledged collateral will be held in safekeeping by a depository designated by the Village and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of pledged assets without the approval of the Village. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Village's investment in the Illinois Fund are not subject to custodial credit risk.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that funds shall be diversified to the best of its ability based upon the type of investments and the cash flow needs of the respective funds. Specifically, the following limits shall apply:

a. No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of U.S. government securities held in safekeeping.

b. Funds deposited in financial institutions shall not exceed 25% of the deposits of that institution.

c. Commercial paper shall not exceed 33% of the Village's investment portfolio.

At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $1,923,033 and the bank balances totaled $1,922,988.

Investments. The Fund has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 2,511,625	-	-	579,933	1,931,692
U.S. Agency Securities	521,438	-	521,438	-	-
State and Local Securities	150,836	150,836	-	-	-
Corporate Bonds	12,775,238	9,052,351	3,208,793	266,252	247,842
Illinois Funds	1,355,689	1,355,689	-	-	-
	17,314,826	10,558,876	3,730,231	846,185	2,179,534

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 2,511,625	2,511,625	-	-
U.S. Agencies	521,438	-	521,438	-
State and Local Obligations	150,836	-	150,836	-
Corporate Bonds	12,775,238	-	12,775,238	-
Equity Securities				
Mutual Funds	18,685,825	18,685,825		
Common Stock	14,360,371	14,360,371	-	-
Total Investments by Fair Value Level	49,005,333	35,557,821	13,447,512	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,355,689			
Total Investments Measured at Fair Value	50,361,022			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states that investments shall be selected to enable the Fund to have available sufficient cash for all operating purposes.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in the U.S. agencies were rated Aaa by Moody's, state and local securities and corporate bonds were rated AAA to BBB- by Standard & Poor's, and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy states that some form of collateral shall secure all deposits in excess of FDIC limits. Direct investments guaranteed by the United States Government do not require collateral. The Fund shall accept any of the following securities as collateral: negotiable full-faith and credit obligations of the United States Government and negotiable obligations of any agency or instrumentality of the United States Government. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of funds secured. Pledged collateral will be held in safekeeping and evidenced by a safekeeping agreement. All investments of the Fund shall be clearly held and accounted for to indicate ownership by the Board. The Fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a state bank, national bank or trust company authorized to do business in the State of Illinois. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's Federal Home Loan Bank Securities, Federal National Mortgage Securities, Government National Mortgage Securities and State and Local Bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy states that no financial institution shall hold more than 50% of the Fund's portfolio at the current time of investment placement, exclusive of securities held in safekeeping with the Trust Department of the financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $18,685,825 invested in mutual funds and $14,360,371 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	10.50%
Cash and Cash Equivalents	0.00%	0.00%

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

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table above.

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $2,533,179 and the bank balances totaled $2,533,179.

Investments. The Fund has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 2,511,626	-	-	579,933	1,931,693
U.S. Agency Securities	672,247	-	491,810	-	180,437
State and Local Securities	150,836	150,836	-	-	-
Corporate Bonds	13,810,580	10,307,975	2,988,510	266,252	247,843
Illinois Funds	1,348,519	1,348,519	-	-	-
	18,493,808	11,807,330	3,480,320	846,185	2,359,973

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 2,511,626	2,511,626	-	-
U.S. Agencies	672,247	-	672,247	-
State and Local Obligations	150,836	-	150,836	-
Corporate Bonds	13,810,580	-	13,810,580	-
Equity Securities				
Mutual Funds	13,519,361	13,519,361	-	-
Common Stock	18,035,123	18,035,123	-	-
Total Investments by Fair Value Level	48,699,773	34,066,110	14,633,663	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,348,519			
Total Investments Measured at Fair Value	50,048,292			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states the duration of the investments must coincide with the cash flow requirements of the Fund to meet short-term and long-term needs.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in the state and local obligations were rated AA by Standard & Poor's, the corporate bonds were rated Baa3 to A1 by Moody's and the investment in the Illinois Funds was rated AAAm by Standard & Poor's. The ratings for the U.S. agencies were not available.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy states that collateral is required for demand deposits and certificates of deposit at one hundred ten percent (110%) of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States of America and its agencies. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's U.S. Treasury Securities, Federal Home Loan Bank and Mortgage Securities, Federal National Mortgage Securities, Government National Mortgage Securities, and State and Local Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy states that no more than 50% of the assets of the Fund shall be concentrated in a single instrument or class of instruments other than U.S. Treasury Obligations. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $13,519,361 invested in mutual funds and $18,035,123 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	10.50%
Cash and Cash Equivalents	0.00%	0.00%

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

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table above.

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 31,963,013	8,124,210	-	40,087,223
Construction in Progress	150,000	-	150,000	-
	32,113,013	8,124,210	150,000	40,087,223
Depreciable Capital Assets				
Buildings	19,800,794	238,500	-	20,039,294
Equipment and Vehicles	11,859,679	529,638	184,722	12,204,595
Infrastructure	100,529,985	2,298,939	-	102,828,924
	132,190,458	3,067,077	184,722	135,072,813
Less Accumulated Depreciation				
Buildings	9,775,362	434,756	-	10,210,118
Equipment and Vehicles	8,194,929	790,735	184,722	8,800,942
Infrastructure	52,287,470	2,675,558	-	54,963,028
	70,257,761	3,901,049	184,722	73,974,088
Total Net Depreciable Capital Assets	61,932,697	(833,972)	-	61,098,725
Total Net Capital Assets	94,045,710	7,290,238	150,000	101,185,948

Depreciation expense was charged to governmental activities as follows:

General Government	$ 125,017
Public Safety	562,753
Highways and Streets	3,213,279
	3,901,049

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 1,674,404	-	-	1,674,404
Construction in Progress	-	1,061,281	-	1,061,281
	1,674,404	1,061,281	-	2,735,685
Depreciable Capital Assets				
Land Improvements	2,801,513	-	-	2,801,513
Buildings	21,381,573	-	-	21,381,573
Equipment and Vehicles	17,498,359	-	-	17,498,359
System Mains, Lines and Appurtenances	110,643,352	2,747,534	76,835	113,314,051
	152,324,797	2,747,534	76,835	154,995,496
Less Accumulated Depreciation				
Land Improvements	1,507,531	33,528	-	1,541,059
Buildings	12,916,509	359,141	-	13,275,650
Equipment and Vehicles	12,094,633	272,766	-	12,367,399
System Mains, Lines and Appurtenances	58,776,532	2,127,793	76,835	60,827,490
	85,295,205	2,793,228	76,835	88,011,598
Total Net Depreciable Capital Assets	67,029,592	(45,694)	-	66,983,898
Total Net Capital Assets	68,703,996	1,015,587	-	69,719,583

Depreciation expense was charged to business-type as follows:

Water	$ 1,552,781
Sanitary Sewer	292,007
Senior Housing	117,453
Stormwater Utility	780,737
Revenue Parking	50,250
	2,793,228

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Component Unit – Public Library

Component Unit – Public Library capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 35,000	-	-	35,000
Construction in Progress	420,625	305,932	420,625	305,932
Artwork	3,200	-	-	3,200
	458,825	305,932	420,625	344,132
Depreciable Capital Assets				
Buildings and Improvements	23,232,366	393,084	4,953	23,620,497
Land Improvements	57,007	-	-	57,007
Computer Equipment	509,455	40,781	17,813	532,423
Office and Other Equipment	563,058	31,652	20,110	574,600
Furniture and Shelving	1,208,905	75,574	36,613	1,247,866
Books and Other Library Materials	5,484,330	607,233	819,789	5,271,774
	31,055,121	1,148,324	899,278	31,304,167
Less Accumulated Depreciation				
Buildings and Improvements	10,080,317	623,934	4,953	10,699,298
Land Improvements	47,659	1,438	-	49,097
Computer Equipment	335,522	116,312	17,813	434,021
Office and Other Equipment	356,665	33,535	19,744	370,456
Furniture and Shelving	881,999	45,505	33,954	893,550
Books and Other Library Materials	3,436,679	647,481	819,789	3,264,371
	15,138,841	1,468,205	896,253	15,710,793
Total Net Depreciable Capital Assets	15,916,280	(319,881)	3,025	15,593,374
Total Net Capital Assets	16,375,105	(13,949)	423,650	15,937,506

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Senior Housing	$ 151,618

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount	
Debt Service	Infrastructure	$ 2,245,763	(1)
Pension Contributions	General	400,000	(2)
Infrastructure	General	224,784	(2)
		2,870,547	

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for pension purposes. General obligation bonds are capital-related debt. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2010 ($7,135,000), due in annual installments of $185,000 to $1,175,000 plus interest at 2.00% to 4.00% through December 1, 2029.	Debt Service	$ 788,151	-	54,455	733,696
	Water	1,961,849	-	135,545	1,826,304

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2011 ($3,000,000), due in annual installments of $115,000 to $205,000 plus interest at 2.00% to 3.75% through December 1, 2032.	Infrastructure	$ 2,395,000	-	130,000	2,265,000
Taxable General Obligation Refunding Bonds of 2012A and 2012B ($20,515,000), due in annual installments of $120,000 to $2,278,423 plus interest at 1.75% to 2.00% through December 1, 2021.	Debt Service	9,484,453	-	1,962,582	7,521,871
	Water	1,317,355	-	574,282	743,073
	Stormwater Utility	546,120	-	51,060	495,060
General Obligation Bonds of 2013A ($9,355,000), due in annual installments of $295,000 to $620,000 plus interest at 3.00% to 4.50% through December 1, 2036.	Infrastructure	4,793,298	-	184,576	4,608,722
	Debt Service	1,091,786	-	42,042	1,049,744
	Water	1,139,538	-	43,880	1,095,658
	Sanitary Sewer	542,636	-	20,895	521,741
	Stormwater Utility	872,742	-	33,607	839,135
General Obligation Bonds of 2014A ($25,315,000), due in annual installments of $325,000 to $2,595,000 plus interest at 3.00% to 5.00% through December 1, 2028.	Debt Service	16,100,000	-	1,197,000	14,903,000
	Water	4,140,000	-	307,800	3,832,200
	Sanitary Sewer	1,840,000	-	136,800	1,703,200
	Stormwater Utility	920,000	-	68,400	851,600
General Obligation Refunding Bonds of 2015A ($15,395,000), due in annual installments of $350,000 to $1,405,000 plus interest at 0.45% to 3.90% through December 1, 2034.	Debt Service	14,250,000	-	-	14,250,000

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2015B ($13,470,000), due in annual installments of $775,000 to $1,175,000 plus interest at 3.00% to 4.00% through December 1, 2035.	Debt Service	$ 3,219,330	-	-	3,219,330
	Water	6,317,430	-	-	6,317,430
	Sanitary Sewer	902,490	-	-	902,490
	Stormwater Utility	3,030,750	-	-	3,030,750
General Obligation Bonds of 2016A ($20,350,000), due in annual installments of $710,000 to $1,285,000 plus interest at 2.00% to 3.50% through December 1, 2036.	Debt Service	6,292,800	-	232,000	6,060,800
	Water	1,211,193	-	44,733	1,166,460
	Sanitary Sewer	188,184	-	6,960	181,224
	Stormwater Utility	11,947,823	-	441,307	11,506,516
General Obligation Bonds of 2018A ($17,655,000), due in annual installments of $190,000 to $1,330,000 plus interest at 3.00% to 4.00% through December 1, 2037.	Debt Service	6,179,250	-	75,250	6,104,000
	Water	7,238,550	-	88,150	7,150,400
	Sanitary Sewer	882,750	-	10,750	872,000
	Stormwater Utility	3,354,450	-	40,850	3,313,600
General Obligation Bonds of 2018B ($8,425,000), due in annual installments of $75,000 to $645,000 plus interest at 2.00% to 3.90% through December 1, 2037.	Debt Service	8,425,000	-	75,000	8,350,000
		121,372,928	-	5,957,924	115,415,004
Plus/Less Unamortized Items:					
Premium on General Obligation Bonds - Governmental Activities					2,182,153
Premium on General Obligation Bonds - Business-Type Activities					1,142,074
					118,739,231

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2017	Tax Increment Financing	$ 4,766,301	-	491,537	4,274,764

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	$ 1,671,381	389,404	194,702	1,866,083	373,217
Net Pension Liabilty					
IMRF	1,682,946	7,729,799	-	9,412,745	-
Police Pension	43,819,646	3,420,725	-	47,240,371	-
Firefighters' Pension	43,325,834	2,895,278	-	46,221,112	-
Total OPEB Liability - RBP	6,803,624	496,842	-	7,300,466	-
TIF Note Payable	4,766,301	-	491,537	4,274,764	-
General Obligation Bonds	73,019,068	-	3,952,905	69,066,163	4,032,107
Plus: Unamortized Premium on Debt Issuance	2,385,198	-	203,045	2,182,153	-
	177,473,998	14,932,048	4,842,189	187,563,857	4,405,324

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	$ 191,057	33,967	67,934	157,090	31,418
Net Pension Liabilty					
IMRF	394,218	1,801,460	-	2,195,678	-
Total OPEB Liability - RBP	892,043	65,143	-	957,186	-
General Obligation Bonds	48,353,860	-	2,005,019	46,348,841	2,038,921
Plus: Unamortized Premium on Debt Issuance	1,283,010	-	140,936	1,142,074	-
	51,114,188	1,900,570	2,213,889	50,800,869	2,070,339
Component Unit - Public Library					
Compensated Absences	179,235	5,557	11,114	173,678	34,736
Net Pension Liabilty					
IMRF	545,086	2,658,298	-	3,203,384	-
Total OPEB Liability - RBP	540,576	-	43,493	497,083	-
General Obligation Bonds	6,782,069	-	252,076	6,529,993	258,971
Plus: Unamortized Premium on Debt Issuance	138,115	-	16,238	121,877	16,238
	8,185,081	2,663,855	322,921	10,526,015	309,945

For governmental activities, the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the General Fund. The Debt Service and Infrastructure Funds make payments on the general obligation bonds. The Tax Increment Financing Fund makes payments on the TIF Note Payable as property taxes are received. For business-type activities, the compensated absences are being liquidated by the Water, Sanitary Sewer, and Stormwater Utility Funds. The Water, Sanitary Sewer, Stormwater Utility, and Senior Housing Funds make payments on the net pension liability, the total OPEB liability, and on the general obligation bonds. The Northbrook Public Library discretely presented component unit makes payments on the library compensated absences, net pension liability, total OPBE liability, and general obligation bonds.

The Village has deferred the accounting gains/losses and premiums/discounts from the advance refundings. The governmental activities are amortizing $2,182,153 and $1,694,610 for the deferred premium and loss, respectively. The business-type activities are amortizing $1,142,074 for the deferred premium. These deferred items are being amortized over the remaining life of the bonds.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

	Governmental Activities		Business-Type Activities		Component Unit Public Library	
	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 4,032,107	2,318,619	2,038,921	1,572,513	258,971	269,433
2021	4,787,923	2,225,610	1,842,132	1,490,769	264,945	262,531
2022	4,927,703	2,090,610	1,901,216	1,430,259	276,077	253,422
2023	3,612,974	1,956,376	2,962,026	1,371,388	285,000	243,800
2024	3,746,616	1,821,177	3,071,410	1,266,008	295,000	232,400
2025	4,317,700	1,677,445	2,674,273	1,150,385	305,000	220,600
2026	4,494,088	1,515,253	2,780,911	1,045,099	320,000	208,400
2027	4,654,702	1,360,257	2,885,298	942,371	330,000	195,600
2028	4,831,729	1,199,602	2,988,272	840,742	345,000	182,400
2029	4,313,802	1,050,413	2,851,198	749,497	360,000	168,600
2030	3,218,892	912,277	2,436,108	660,721	375,000	154,200
2031	3,267,497	796,272	2,332,504	584,285	390,000	139,200
2032	3,388,257	684,536	2,411,743	511,907	405,000	122,625
2033	3,517,823	564,465	2,487,178	435,501	425,000	104,400
2034	3,333,484	438,065	2,556,516	356,697	445,000	85,275
2035	3,460,676	316,015	2,644,324	272,635	460,000	65,250
2036	2,126,673	188,756	2,728,327	185,449	485,000	44,550
2037	1,923,017	110,907	1,891,984	92,248	505,000	22,725
2038	1,110,500	39,702	864,500	27,016	-	-
	69,066,163	21,266,357	46,348,841	14,985,490	6,529,993	2,975,410

The Tax Increment Financing Note of 2017 does not have a formal repayment schedule, since the payments are based on property taxes received in the current fiscal year.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property…(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:…indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum…shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 101,185,948
Plus: Unspent Bond Proceeds	2,545,103
Less Capital Related Debt:	
General Obligation Bonds of 2010	(733,696)
General Obligation Bonds of 2011	(2,265,000)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(7,521,871)
General Obligation Bonds of 2013A	(5,658,466)
General Obligation Bonds of 2014A	(14,903,000)
General Obligation Bonds of 2015B	(3,219,330)
General Obligation Bonds of 2016A	(6,060,800)
General Obligation Bonds of 2018A	(6,104,000)
General Obligation Bonds of 2018B	(8,350,000)
Premium on Debt Issuance	(2,182,153)
Loss on Advanced Refunding	1,694,610
Net Investment in Capital Assets	48,427,345

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION – NET INVESTMENT IN CAPITAL ASSETS – Continued

Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	$ 69,719,583
Plus: Unspent Bond Proceeds	8,084,493
Less Capital Related Debt:	
General Obligation Bonds of 2010	(1,826,304)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(1,238,133)
General Obligation Bonds of 2013A	(2,456,534)
General Obligation Bonds of 2014A	(6,387,000)
General Obligation Bonds of 2015B	(10,250,670)
General Obligation Bonds of 2016A	(12,854,200)
General Obligation Bonds of 2018A	(11,336,000)
Premium on Debt Issuance	(1,142,074)
Net Investment in Capital Assets	30,313,161

NET POSITION RESTATEMENT

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	$ (21,724,955)	(26,811,207)	(5,086,252)
Business-Type Activities	43,889,176	42,997,133	(892,043)
Water Fund	24,930,582	24,299,643	(630,939)
Sanitary Sewer Fund	3,379,442	3,270,940	(108,502)
Senior Housing Fund	3,454,764	3,394,675	(60,089)
Stormwater Utility Fund	10,926,931	10,834,418	(92,513)

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy states that the General Fund should maintain a minimum unassigned fund balance equal to 40% of revenues.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
Fund Balances						
Nonspendable						
Inventory	$ 53,620	-	-	-	-	53,620
Restricted						
Public Safety	1,022,101	-	-	-	-	1,022,101
Capital Projects	691,099	-	-	2,228,343	-	2,919,442
Tax Increment Financing	-	-	-	-	535,386	535,386
Perpetual Care Cemetery	-	-	-	-	399,232	399,232
Pension Contribution	-	23	-	-	-	23
Debt Service	-	-	25,494	-	-	25,494
	1,713,200	23	25,494	2,228,343	934,618	4,901,678
Committed						
Traffic Impact	-	-	-	-	96,036	96,036
Assigned						
Capital Projects	-	-	-	6,544,820	-	6,544,820
Unassigned	22,259,986	-	-	-	-	22,259,986
Total Fund Balances	24,026,806	23	25,494	8,773,163	1,030,654	33,856,140

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through a limited insurance program and private insurance coverage. The Village currently reports all its risk management activities in its insurance fund.

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NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Intergovernmental Risk Management Agency (IRMA)

The Village also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation'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.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first $2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

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NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan are held in trust on behalf of the employees. Accordingly, the assets are not reported in these financial statements.

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

COMMITMENTS

Sales Tax Agreements

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue paid by this dealership. The agreement expires when total payments to the dealership are $1,500,000. For the year ended April 30, 2019, the Village collected $134,066 and will rebate $67,033 of sales tax to this dealership. Cumulative payments through April 30, 2019 are $67,033.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 1225 Cedar Lane, Northbrook, IL 60062-4582.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the three pension plans is:

IMRF	$ 1,197,549
Police Pension	6,499,708
Firefighters' Pension	7,507,719
	15,204,976

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96, with a maximum salary cap of $106,800 at January 1, 2011. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	221
Inactive Plan Members Entitled to but not yet Receiving Benefits	111
Active Plan Members	226
Total	558 *

*The employees in the above table include the Northbrook Public Library and the RED Center.

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2019, the Village's contribution was 10.97% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, and the discount rate in the prior valuation 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$		
Village	20,775,301	11,608,423	4,046,380
Library	5,733,015	3,203,384	1,116,613
RED Center	3,922,734	2,191,870	764,026
Totals	30,431,050	17,003,677	5,927,019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	$ 100,089,382	97,093,720	2,995,662
Changes for the Year:			
Service Cost	1,567,118	-	1,567,118
Interest on the Total Pension Liability	7,365,851	-	7,365,851
Difference Between Expected and Actual Experience of the Total Pension Liability	1,746,468	-	1,746,468
Changes of Assumptions	2,968,880	-	2,968,880
Contributions - Employer	-	1,973,033	(1,973,033)
Contributions - Employees	-	758,920	(758,920)
Net Investment Income	-	(5,247,773)	5,247,773
Benefit Payments, including Refunds of Employee Contributions	(5,323,199)	(5,323,199)	-
Other (Net Transfer)	-	2,156,122	(2,156,122)
Net Changes	8,325,118	(5,682,897)	14,008,015
Balances at December 31, 2018	108,414,500	91,410,823	17,003,677
Net Pension Liability			
Village	75,743,973	64,135,550	11,608,423
Library	19,403,481	16,200,097	3,203,384
RED Center	13,267,046	11,075,176	2,191,870
Totals	108,414,500	91,410,823	17,003,677

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

For the fiscal year ended April 30, 2019, the Village recognized pension expense of $1,197,549, the Northbrook Public Library recognized pension e xpense of $295,536, and the RED Center recognized pension expense of $387,874.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 1,566,222	(288,159)	1,278,063
Change in Assumptions	2,315,983	(1,999,896)	316,087
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,081,856	-	6,081,856
Pension Expense to be Recognized in Future Periods	9,964,061	(2,288,055)	7,676,006
Pension Contributions Made Subsequent to the Measurement Date	564,019	-	564,019
Total Deferred Amounts Related to IMRF	10,528,080	(2,288,055)	8,240,025
Total Deferred Amounts Related to IMRF			
Village	7,187,528	(1,562,057)	5,625,471
Library	1,983,423	(431,055)	1,552,368
RED Center	1,357,129	(294,943)	1,062,186
Totals	10,528,080	(2,288,055)	8,240,025

$564,019 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

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

Fiscal Year	Net Deferred Outflows of Resources			
	Village	Library	RED Center	Totals
2020	$ 1,514,937	418,052	286,046	2,219,035
2021	792,884	218,799	149,710	1,161,393
2022	977,014	269,610	184,477	1,431,101
2023	1,955,581	539,649	369,247	2,864,477
2024	-	-	-	-
Thereafter	-	-	-	-
Totals	5,240,416	1,446,110	989,480	7,676,006

Police Pension Plan

Plan Descriptions

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

Plan Membership. At April 30, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	66
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	66
Total	135

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. At January 1, 2011, Police officer salary for the pension purposes was capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 50.07% of covered payroll.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Projected by years of service
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected from 2013 with scale MP2018 fully generationally.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 61,547,064	47,240,371	35,660,962

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	$ 94,008,293	50,188,647	43,819,646
Changes for the Year:			
Service Cost	1,458,847	-	1,458,847
Interest on the Total Pension Liability	6,403,976	-	6,403,976
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	5,443,091	-	5,443,091
Changes of Assumptions	(2,549,363)	-	(2,549,363)
Contributions - Employer	-	3,496,247	(3,496,247)
Contributions - Employees	-	716,482	(716,482)
Net Investment Income	-	3,141,841	(3,141,841)
Benefit Payments, including Refunds of Employee Contributions	(4,657,688)	(4,657,688)	-
Administrative Expenses	-	(18,744)	18,744
Net Changes	6,098,863	2,678,138	3,420,725
Balances at April 30, 2019	100,107,156	52,866,785	47,240,371

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2019, the Village recognized pension expense of $6,499,708. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 4,703,764	(940,380)	3,763,384
Change in Assumptions	1,414,388	(2,515,390)	(1,101,002)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	110,703	-	110,703
Total Deferred Amounts Related to Police Pension	6,228,855	(3,455,770)	2,773,085

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2020	$ 2,200,138
2021	(199,614)
2022	99,204
2023	426,759
2024	246,598
Thereafter	-
Total	2,773,085

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	63
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	70
Total	137

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. At January 1, 2011, Firefighters' salary for the pension purposes was capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 50.65% of covered payroll.

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Projected by years of service
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected from 2013 with scale MP2018 fully generationally.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 60,209,006	46,221,112	34,809,001

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	$ 94,319,131	50,993,297	43,325,834
Changes for the Year:			
Service Cost	2,113,585	-	2,113,585
Interest on the Total Pension Liability	6,207,719	-	6,207,719
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	806,935	-	806,935
Changes of Assumptions	152,524	-	152,524
Contributions - Employer	-	3,707,866	(3,707,866)
Contributions - Employees	-	694,131	(694,131)
Contributions - Other	-	231	(231)
Net Investment Income	-	2,152,779	(2,152,779)
Benefit Payments, including Refunds of Employee Contributions	(4,357,815)	(4,357,815)	-
Administrative Expenses	-	(169,522)	169,522
Net Changes	4,922,948	2,027,670	2,895,278
Balances at April 30, 2019	99,242,079	53,020,967	46,221,112

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

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

For the year ended April 30, 2019, the Village recognized pension expense of $7,507,719. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 2,454,910	(112,861)	2,342,049
Change in Assumptions	1,991,642	(475,199)	1,516,443
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,746,136	-	1,746,136
Total Deferred Amounts Related to Firefighters' Pension	6,192,688	(588,060)	5,604,628

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

Fiscal Year	Net Deferred Outflows of Resources
2020	$ 3,214,201
2021	784,251
2022	744,821
2023	715,788
2024	145,567
Thereafter	-
Total	5,604,628

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides medical coverage to retirees and their dependents. Retirees and their dependents may continue coverage by paying 100% of the blended average active group cost. Coverage ends at age 65 for disabled employees or once retirees are eligible for Medicare.

Plan Membership. As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	211
Total	275

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	3.50%
Salary Increases	3.50%
Discount Rate	3.79%
Healthcare Cost Trend Rates	8.0% for 2019, decreasing 0.25% per year to an ultimate rate of 5.0% for 2031 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the expected rate of return associated with funded benefits, and for unfunded benefits, the 20-year muni bond rates.

Mortality rates were based on the RP2014 blue collar base rates projected to 2018 using scale MP2018 for police and fire. For all others the RP2014 base rates projected to 2018 us ing scale MP2018 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2019.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2018	$ 7,695,667
Changes for the Year:	
Service Cost	457,714
Interest on the Total Pension Liability	299,236
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	121,498
Benefit Payments	(316,463)
Net Changes	561,985
Balance at April 30, 2019	8,257,652

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.79%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	$ 8,965,156	8,257,652	7,605,167

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using current Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	(7.00% Decreasing to 4.00%)	Healthcare Cost Trend Rates (8.00% Decreasing to 5.00%)	(9.00% Decreasing to 6.00%)
Total OPEB Liability	$ 7,392,889	8,257,652	9,265,820

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Village recognized OPEB expense of $768,207. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ -	-	-
Change in Assumptions	110,241	-	110,241
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	110,241	-	110,241

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

Fiscal Year	Net Deferred Outflows of Resources
2020	$ 11,257
2021	11,257
2022	11,257
2023	11,257
2024	11,257
Thereafter	53,956
Total	110,241

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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefits Plan
- Budgetary Comparison Schedule
  - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

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VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	Totals	$ 1,982,573	$ 1,982,573	$ -	$ 15,975,610	12.41%
2017		1,981,100	1,986,901	5,801	15,976,613	12.44%
2018		1,968,240	1,964,759	(3,481)	16,566,884	11.86%
2019	Village	1,272,674	1,273,936	1,262	11,615,111	10.97%
	Library	240,303	240,541	238	2,193,133	10.97%
	RED Center	351,199	351,547	348	3,205,230	10.97%
	Totals	1,864,176	1,866,024	1,848	17,013,474	10.97%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,397,406	$ 1,349,585	$ (47,821)	$ 6,259,278	21.56%
2016	1,545,370	1,591,260	45,890	6,501,228	24.48%
2017	1,803,482	1,965,874	162,392	6,689,389	29.39%
2018	2,949,665	3,338,429	388,764	6,906,794	48.34%
2019	2,998,526	3,496,247	497,721	6,983,385	50.07%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP2014 base rates with blue collar adjustment projected from 2013 with Scale MP2018 fully generationally

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,419,399	$ 1,332,783	$ (86,616)	$ 6,514,303	20.46%
2016	1,571,442	1,565,117	(6,325)	6,790,390	23.05%
2017	1,748,845	1,880,878	132,033	7,038,056	26.72%
2018	2,814,963	3,492,984	678,021	8,454,642	41.31%
2019	3,387,070	3,707,866	320,796	7,319,853	50.65%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP2014 base rates with blue collar adjustment projected from 2013 with Scale MP2018 fully generationally

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	12/31/2015 Total
Total Pension Liability	
Service Cost	$ 1,726,172
Interest	6,737,576
Differences Between Expected and Actual Experience	(35,918)
Change of Assumptions	231,057
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)
Net Change in Total Pension Liability	4,609,676
Total Pension Liability - Beginning	91,115,805
Total Pension Liability - Ending	95,725,481
Plan Fiduciary Net Position	
Contributions - Employer	1,982,573
Contributions - Members	723,580
Net Investment Income	410,050
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)
Other (Net Transfer)	153,221
Net Change in Plan Fiduciary Net Position	(779,787)
Plan Net Position - Beginning	82,681,580
Plan Net Position - Ending	81,901,793
Employer's Net Pension Liability	$ 13,823,688
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.56%
Covered Payroll	$ 15,975,610
Employer's Net Pension Liability as a Percentage of Covered Payroll	86.53%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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12/31/2016	12/31/2017	12/31/2018			
Total	Total	Village	Library	RED Center	Totals
1,671,595	1,681,566	1,069,873	295,235	202,010	1,567,118
7,045,985	7,293,032	4,996,647	1,406,958	962,246	7,365,851
(833,025)	390,684	1,192,315	329,023	225,130	1,746,468
(354,406)	(3,294,578)	2,026,857	559,318	382,705	2,968,880
(4,475,023)	(4,761,929)	(3,634,152)	(1,002,857)	(686,190)	(5,323,199)
3,055,126	1,308,775	5,651,540	1,587,677	1,085,901	8,325,118
95,725,481	98,780,607	70,092,433	17,815,804	12,181,145	100,089,382
98,780,607	100,089,382	75,743,973	19,403,481	13,267,046	108,414,500
1,986,901	1,975,094	1,346,991	371,707	254,335	1,973,033
733,781	740,723	518,115	142,976	97,829	758,920
5,643,439	15,049,148	(3,582,659)	(988,647)	(676,467)	(5,247,773)
(4,475,023)	(4,761,929)	(3,634,152)	(1,002,857)	(686,190)	(5,323,199)
42,788	(1,742,995)	1,471,986	406,200	277,936	2,156,122
3,931,886	11,260,041	(3,879,719)	(1,070,621)	(732,557)	(5,682,897)
81,901,793	85,833,679	68,015,269	17,270,718	11,807,733	97,093,720
85,833,679	97,093,720	64,135,550	16,200,097	11,075,176	91,410,823
12,946,928	2,995,662	11,608,423	3,203,384	2,191,870	17,003,677
86.89%	97.01%	84.67%	83.49%	83.48%	84.32%
15,979,613	16,149,095	11,515,226	3,177,666	2,174,273	16,867,165
81.02%	18.55%	100.81%	100.81%	100.81%	100.81%

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	2015
Total Pension Liability	
Service Cost	$ 859,722
Interest	4,969,863
Differences Between Expected and Actual Experience	(176,001)
Change of Assumptions	10,847,753
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)
Net Change in Total Pension Liability	13,056,598
Total Pension Liability - Beginning	63,845,656
Total Pension Liability - Ending	76,902,254
Plan Fiduciary Net Position	
Contributions - Employer	$ 1,349,585
Contributions - Members	698,545
Contributions - Other	8,270
Net Investment Income	2,950,989
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)
Administrative Expense	(28,367)
Net Change in Plan Fiduciary Net Position	1,534,283
Plan Net Position - Beginning	44,306,698
Plan Net Position - Ending	45,840,981
Employer's Net Pension Liability	$ 31,061,273
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.61%
Covered Payroll	$ 6,259,278
Employer's Net Pension Liability as a Percentage of Covered Payroll	496.24%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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2016	2017	2018	2019
1,181,410	1,231,694	1,317,913	1,458,847
5,439,935	6,258,782	6,293,068	6,403,976
1,722,362	(1,269,954)	(717,081)	5,443,091
7,385,822	838,321	(668,120)	(2,549,363)
(3,737,336)	(3,933,840)	(4,236,937)	(4,657,688)
11,992,193	3,125,003	1,988,843	6,098,863
76,902,254	88,894,447	92,019,450	94,008,293
88,894,447	92,019,450	94,008,293	100,107,156
1,591,260	1,965,874	3,338,429	3,496,247
752,378	705,161	701,436	716,482
7,225	254,817	-	-
(1,695,870)	4,302,920	4,445,111	3,141,841
(3,737,336)	(3,933,840)	(4,236,937)	(4,657,688)
(42,357)	(26,987)	(43,618)	(18,744)
(3,124,700)	3,267,945	4,204,421	2,678,138
45,840,981	42,716,281	45,984,226	50,188,647
42,716,281	45,984,226	50,188,647	52,866,785
46,178,166	46,035,224	43,819,646	47,240,371
48.05%	49.97%	53.39%	52.81%
6,501,228	6,689,389	6,906,794	6,983,385
710.30%	688.18%	634.44%	676.47%

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	2015
Total Pension Liability	
Service Cost	$ 1,309,525
Interest	4,781,977
Differences Between Expected and Actual Experience	599,853
Change of Assumptions	8,708,762
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)
Net Change in Total Pension Liability	12,173,830
Total Pension Liability - Beginning	61,387,861
Total Pension Liability - Ending	73,561,691
Plan Fiduciary Net Position	
Contributions - Employer	$ 1,332,783
Contributions - Members	704,152
Contributions - Other	-
Net Investment Income	3,046,217
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)
Administrative Expense	(63,932)
Net Change in Plan Fiduciary Net Position	1,792,933
Plan Net Position - Beginning	45,660,245
Plan Net Position - Ending	47,453,178
Employer's Net Pension Liability	$ 26,108,513
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.51%
Covered Payroll	$ 6,514,303
Employer's Net Pension Liability as a Percentage of Covered Payroll	400.79%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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2016	2017	2018	2019
1,499,447	1,605,351	1,717,726	2,113,585
5,225,638	5,906,179	6,070,520	6,207,719
(523,277)	397,050	2,393,822	806,935
7,060,087	772,971	(704,211)	152,524
(3,364,422)	(3,538,561)	(3,760,880)	(4,357,815)
9,897,473	5,142,990	5,716,977	4,922,948
73,561,691	83,459,164	88,602,154	94,319,131
83,459,164	88,602,154	94,319,131	99,242,079
1,565,117	1,880,878	3,492,984	3,707,866
631,544	691,264	719,854	694,131
-	215,297	374	231
(2,700,867)	4,334,250	3,594,542	2,152,779
(3,364,422)	(3,538,561)	(3,760,880)	(4,357,815)
(39,690)	(48,238)	(133,327)	(169,522)
(3,908,318)	3,534,890	3,913,547	2,027,670
47,453,178	43,544,860	47,079,750	50,993,297
43,544,860	47,079,750	50,993,297	53,020,967
39,914,304	41,522,404	43,325,834	46,221,112
52.18%	53.14%	54.06%	53.43%
6,790,390	7,038,056	8,454,642	7,319,853
587.81%	589.97%	512.45%	631.45%

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2019

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.86%
2016	(3.76%)
2017	10.07%
2018	7.64%
2019	7.34%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2019

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.84%
2016	(5.84%)
2017	9.95%
2018	6.99%
2019	6.65%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
April 30, 2019

	2019
Total OPEB Liability	
Service Cost	$ 457,714
Interest	299,236
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	121,498
Benefit Payments	(316,463)
Net Change in Total OPEB Liability	561,985
Total OPEB Liability - Beginning	7,695,667
Total OPEB Liability - Ending	8,257,652
Covered Payroll	$ 20,980,536
Total OPEB Liability as a Percentage of Covered Payroll	39.36%

Notes:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Medical
2020	7.75%
2021	7.50%
2022	7.25%
2023	7.00%
2024	6.75%
2025	6.50%
2026	6.25%
2027	6.00%
2028	5.75%
2029	5.50%
2030	5.25%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

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VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Revenues			
Taxes	$ 12,824,370	12,824,370	12,643,793
Intergovernmental	17,992,055	17,992,055	18,310,315
Licenses, Permits and Fees	5,668,500	5,668,500	5,587,902
Charges for Services	5,539,865	5,539,865	5,795,977
Fines and Forfeitures	265,335	265,335	270,908
Interest	250,500	250,500	477,323
Miscellaneous	430,000	430,000	502,523
Total Revenues	42,970,625	42,970,625	43,588,741
Expenditures			
General Government	8,294,020	16,337,760	15,666,614
Public Safety	28,354,546	28,695,132	28,385,219
Highways and Streets	8,021,775	8,021,775	7,767,145
Total Expenditures	44,670,341	53,054,667	51,818,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,699,716)	(10,084,042)	(8,230,237)
Other Financing (Uses)			
Transfers Out	(624,784)	(624,784)	(624,784)
Change in Fund Balance	(2,324,500)	(10,708,826)	(8,855,021)
Fund Balance - Beginning			32,879,502
Fund Balance - Ending			24,024,481

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OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Statement of Changes in Assets and Liabilities – Agency Fund

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GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Pension Contribution Fund

The Pension Contribution Fund is used to account for the employer's contribution to the police and firefighters' pension funds.

Traffic Impact Fund

The Traffic Impact Fund is used to account for monies received from property owners in order to mitigate the effect on the Village's infrastructure caused by the development of such properties.

Tax Increment Financing (TIF) Fund

The Tax Increment Financing Fund is used to account for development in the TIF Districts. Financing is provided by an annual property tax levy.

DEBT SERVICE FUND

The Debt Service Fund is used account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Financing is provided by the annual tax levy.

CAPITAL PROJECTS FUND

The Capital Projects Funds account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

Infrastructure Project Fund

The Infrastructure Capital Projects Fund is used to account for infrastructure improvements including streets and storm water.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

PERMANENT FUND

The Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs, that is, for the benefit of the Village or its citizenry.

Cemetery Fund

The Cemetery Fund is used to account for perpetual care trust funds to be used for the perpetual care of the Village's cemetery.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for the provision of potable water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Sanitary Sewer Fund

The Sanitary Sewer Fund is used to account for the provision of sewer repair and improvement services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Senior Housing Fund

The Senior Housing Fund is used to account for the provision of housing to the residents of the Village-owned apartment complex. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Stormwater Utility Fund

The Stormwater Utility Fund is used to account for the maintenance and construction of the Village's storm water management system. All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS - Continued

Revenue Parking Fund

The Revenue Parking Fund is used to account for the provision of public parking services for commuters. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

INTERNAL SERVICE FUND

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Insurance Fund

The Insurance Fund is used to account for the Village's workers' compensation, employee health insurance and property and casualty losses, as well as excess insurance purchased to cover major losses.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

AGENCY FUND

Escrow Fund

The Escrow Fund is used to account for refundable deposits held by the Village to ensure the completion of public improvements by private developers. The monies are refunded upon completion of the improvements.

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VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Taxes			
Property Taxes	$ 8,055,370	8,055,370	7,849,752
Township Road and Bridge Taxes	475,000	475,000	403,234
Replacement Taxes	228,000	228,000	364,166
Utility Tax	1,000,000	1,000,000	1,011,487
Telecommunication Tax	2,000,000	2,000,000	1,980,139
Admissions and Entertainment Tax	110,000	110,000	117,133
Hotel Occupancy Tax	950,000	950,000	913,028
Municipal Auto Rental Tax	6,000	6,000	4,854
	12,824,370	12,824,370	12,643,793
Intergovernmental			
Sales Taxes	13,900,000	13,900,000	13,736,808
State Use Tax	872,370	872,370	1,008,471
State Income Tax	3,177,685	3,177,685	3,429,472
Grants	42,000	42,000	135,564
	17,992,055	17,992,055	18,310,315
Licenses, Permits and Fees			
Licenses			
Animal	22,500	22,500	23,086
Business/Liquor	350,000	350,000	279,754
Vehicle	535,000	535,000	546,983
Permits			
Building	1,765,000	1,765,000	1,566,483
Retail Sales	1,000	1,000	945
Alarm	75,000	75,000	79,337
Fees			
Franchise	800,000	800,000	762,335
Emergency 911 Surcharge	275,000	275,000	582,279
Foreign Fire Insurance	125,000	125,000	121,887
Ambulance Transportation	1,550,000	1,550,000	1,453,664
Elevator Inspection	40,000	40,000	51,920
Alarm Service	130,000	130,000	118,599
Warrant Fees	-	-	630
	5,668,500	5,668,500	5,587,902

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VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Charges for Services			
Administrative Services	$ 2,524,840	2,524,840	2,524,840
Plan Commission Fees	20,000	20,000	98,537
Overtime Reimbursements	65,000	65,000	48,945
State Route Maintenance Reimbursement	20,000	20,000	20,414
Reforestation Program	10,000	10,000	5,136
Toll Road Emergency Responses	1,750	1,750	700
Police Services	130,000	130,000	156,115
Annexation Fees	25,000	25,000	-
Antenna Lease Fee	166,400	166,400	183,888
Miscellaneous	6,875	6,875	1,783
Red Center	20,000	20,000	20,000
Northbrook Fire Protection District	2,550,000	2,550,000	2,735,619
	5,539,865	5,539,865	5,795,977
Fines and Forfeitures			
Court Fines	100,000	100,000	104,183
Drug Forfeitures	15,000	15,000	93,528
Ordinance Violations	150,335	150,335	73,197
	265,335	265,335	270,908
Interest			
Investment Income	250,500	250,500	477,323
Miscellaneous			
Sale of Property	80,000	80,000	62,798
Miscellaneous	350,000	350,000	439,725
	430,000	430,000	502,523
Total Revenues	42,970,625	42,970,625	43,588,741

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VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
General Government			
General Government Department			
Personal Services	$ 1,519,780	1,519,780	1,541,789
Contractual Services	1,237,495	1,281,235	1,203,717
Commodities	2,500	2,500	2,139
Capital Outlay	-	8,000,000	7,895,655
	2,759,775	10,803,515	10,643,300
Finance Department			
Personal Services	994,795	994,795	936,954
Contractual Services	211,765	211,765	187,327
Commodities	17,000	17,000	15,303
Capital Outlay	2,500	2,500	2,500
	1,226,060	1,226,060	1,142,084
Information Services Department			
Personal Services	619,735	619,735	545,148
Contractual Services	994,250	994,250	840,589
Commodities	500	500	447
Capital Outlay	410,000	410,000	349,897
	2,024,485	2,024,485	1,736,081
Development and Planning Service Department			
Personal Services	1,694,110	1,694,110	1,704,184
Contractual Services	584,800	584,800	438,382
Commodities	3,790	3,790	2,181
Capital Outlay	1,000	1,000	402
	2,283,700	2,283,700	2,145,149
Total General Government	8,294,020	16,337,760	15,666,614

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VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Public Safety			
Police			
Personal Services	$ 12,374,215	12,374,215	12,556,953
Contractual Services	1,499,396	1,499,396	1,546,343
Commodities	481,045	481,045	479,328
Capital Outlay	194,700	535,286	513,626
	14,549,356	14,889,942	15,096,250
Fire			
Personal Services	10,185,505	10,185,505	9,778,137
Contractual Services	1,315,510	1,315,510	1,307,470
Commodities	494,175	494,175	474,735
Capital Outlay	1,810,000	1,810,000	1,728,627
	13,805,190	13,805,190	13,288,969
Total Public Safety	28,354,546	28,695,132	28,385,219
Highways and Streets			
Public Works Department			
Personal Services	4,613,780	4,613,780	4,587,791
Contractual Services	1,751,980	1,751,980	1,800,113
Commodities	722,380	722,380	636,586
Capital Outlay	933,635	933,635	742,655
Total Highways and Streets	8,021,775	8,021,775	7,767,145
Total Expenditures	44,670,341	53,054,667	51,818,978

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VILLAGE OF NORTHBROOK, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 4,072,000	4,072,000	3,962,781
Interest	16,500	16,500	71,133
Total Revenues	4,088,500	4,088,500	4,033,914
Expenditures			
Debt Service			
Principal Retirement	3,952,905	3,952,905	3,952,905
Interest and Fiscal Charges	2,314,857	2,314,857	2,321,510
Total Expenditures	6,267,762	6,267,762	6,274,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,179,262)	(2,179,262)	(2,240,501)
Other Financing Sources			
Transfers In	2,195,763	2,195,763	2,245,763
Change in Fund Balance	16,501	16,501	5,262
Fund Balance - Beginning			20,232
Fund Balance - Ending			25,494

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VILLAGE OF NORTHBROOK, ILLINOIS

Infrastructure - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Sales Tax	$ 2,000,000	2,000,000	1,575,907
Intergovernmental			
Motor Fuel Tax Allotment	860,000	860,000	842,007
Interest	55,000	55,000	189,998
Miscellaneous	-	-	65,493
Total Revenues	2,915,000	2,915,000	2,673,405
Expenditures			
Highways and Streets			
Capital Outlay			
Engineering Services	36,000	36,000	24,579
Street Maintenance/Improvements	3,764,230	3,764,230	2,237,768
Total Expenditures	3,800,230	3,800,230	2,262,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	(885,230)	(885,230)	411,058
Other Financing Sources (Uses)			
Transfers In	224,784	224,784	224,784
Transfers Out	(2,195,763)	(2,195,763)	(2,245,763)
	(1,970,979)	(1,970,979)	(2,020,979)
Change in Fund Balance	(2,856,209)	(2,856,209)	(1,609,921)
Fund Balance - Beginning			10,383,084
Fund Balance - Ending			8,773,163

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VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
April 30, 2019

	Special Revenue			
	Traffic Impact	Tax Increment Financing	Permanent Cemetery	Totals
ASSETS				
Cash and Investments	$ 369,564	535,386	410,108	1,315,058
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	-	-	10,876	10,876
Deposits Payable	273,528	-	-	273,528
Total Liabilities	273,528	-	10,876	284,404
Fund Balances				
Restricted	-	535,386	399,232	934,618
Committed	96,036	-	-	96,036
Total Fund Balances	96,036	535,386	399,232	1,030,654
Total Liabilities and Fund Balances	369,564	535,386	410,108	1,315,058

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VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2019

	Special Revenue			
	Traffic Impact	Tax Increment Financing	Permanent Cemetery	Totals
Revenues				
Property Tax	$ -	751,273	-	751,273
Interest	5,285	15,645	1,168	22,098
Miscellaneous	-	-	7,807	7,807
Total Revenues	5,285	766,918	8,975	781,178
Expenditures				
General Government	-	747	33,708	34,455
Debt Service				
Principal Retirement	-	491,537	-	491,537
Interest and Fiscal Charges	-	214,484	-	214,484
Total Expenditures	-	706,768	33,708	740,476
Change in Fund Balances	5,285	60,150	(24,733)	40,702
Fund Balances - Beginning	90,751	475,236	423,965	989,952
Fund Balances - Ending	96,036	535,386	399,232	1,030,654

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VILLAGE OF NORTHBROOK, ILLINOIS

Cemetery Fund - Permanent

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Revenues			
Interest	$ 2,500	2,500	1,168
Miscellaneous	-	-	7,807
Total Revenues	2,500	2,500	8,975
Expenditures			
General Government	40,815	40,815	33,708
Change in Fund Balance	(38,315)	(38,315)	(24,733)
Fund Balance - Beginning			423,965
Fund Balance - Ending			399,232

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VILLAGE OF NORTHBROOK, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales	$ 8,880,000	8,880,000	8,685,487
Operating Expenses			
Administration	1,895,115	1,895,115	1,895,115
Operations	6,782,883	6,822,883	3,993,349
Depreciation and Amortization	-	-	1,474,496
Total Operating Expenses	8,677,998	8,717,998	7,362,960
Operating Income	202,002	162,002	1,322,527
Nonoperating Revenues (Expenses)			
Interest Income	70,000	70,000	274,894
Permits/Connection/Recapture Fees	62,500	62,500	92,668
Other Income	5,000	5,000	-
Interest Expense	(767,564)	(767,564)	(803,801)
	(630,064)	(630,064)	(436,239)
Change in Net Position	(428,062)	(468,062)	886,288
Net Position - Beginning as Restated			24,299,643
Net Position - Ending			25,185,931

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VILLAGE OF NORTHBROOK, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 1,718,615	1,718,615	1,718,615
Charges for Services	176,500	176,500	176,500
Total Administration	1,895,115	1,895,115	1,895,115
Operations			
Personal Services	2,363,570	2,403,570	2,313,400
Contractual Services	960,785	960,785	809,422
Commodities	185,160	185,160	145,620
Capital Outlay	6,303,600	6,303,600	3,755,139
	9,813,115	9,853,115	7,023,581
Less Capital Assets Capitalized	(3,030,232)	(3,030,232)	(3,030,232)
Total Operations	6,782,883	6,822,883	3,993,349
Depreciation and Amortization	-	-	1,474,496
Debt Service			
Principal Retirement	1,194,390	1,194,390	1,194,390
Interest Expense	767,564	767,564	803,801
	1,961,954	1,961,954	1,998,191
Less Nonoperating Items			
Debt Service	(1,961,954)	(1,961,954)	(1,998,191)
Total Debt Service	-	-	-
Total Operating Expenses	8,677,998	8,717,998	7,362,960

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VILLAGE OF NORTHBROOK, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Sanitary Sewer User Fees	$ 1,484,000	1,484,000	1,435,920
Operating Expenses			
Administration	570,035	570,035	570,035
Operations	1,118,606	1,118,606	704,046
Depreciation and Amortization	-	-	269,696
Total Operating Expenses	1,688,641	1,688,641	1,543,777
Operating (Loss)	(204,641)	(204,641)	(107,857)
Nonoperating Revenues (Expenses)			
Interest Income	15,000	15,000	31,290
Permits/Connection/Recapture Fees	-	-	35,869
Interest Expense	(158,282)	(158,282)	(161,679)
	(143,282)	(143,282)	(94,520)
Change in Net Position	(347,923)	(347,923)	(202,377)
Net Position - Beginning as Restated			3,270,940
Net Position - Ending			3,068,563

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VILLAGE OF NORTHBROOK, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 543,260	543,260	543,260
Charges for Services	26,775	26,775	26,775
Total Administration	570,035	570,035	570,035
Operations			
Personal Services	487,415	487,415	494,077
Contractual Services	158,520	158,520	166,602
Commodities	36,770	36,770	34,905
Capital Outlay	540,000	540,000	112,561
	1,222,705	1,222,705	808,145
Less Capital Assets Capitalized	(104,099)	(104,099)	(104,099)
Total Operations	1,118,606	1,118,606	704,046
Depreciation and Amortization	-	-	269,696
Debt Service			
Principal Retirement	175,405	175,405	175,405
Interest Expense	158,282	158,282	161,679
	333,687	333,687	337,084
Less Nonoperating Items			
Debt Service	(333,687)	(333,687)	(337,084)
Total Debt Service	-	-	-
Total Operating Expenses	1,688,641	1,688,641	1,543,777

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VILLAGE OF NORTHBROOK, ILLINOIS

Senior Housing - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Rents	$ 853,160	853,160	866,114
Operating Expenses			
Administration	138,740	138,740	138,740
Operations	795,680	795,680	536,717
Depreciation	-	-	117,453
Total Operating Expenses	934,420	934,420	792,910
Operating Income (Loss)	(81,260)	(81,260)	73,204
Nonoperating Revenues			
Interest Income	1,500	1,500	2,660
Change in Net Position	(79,760)	(79,760)	75,864
Net Position - Beginning as Restated			3,394,675
Net Position - Ending			3,470,539

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VILLAGE OF NORTHBROOK, ILLINOIS

Stormwater Utility - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Stormwater Utility Fees	$ 1,435,000	1,435,000	1,358,291
Operating Expenses			
Administration	120,330	120,330	120,330
Operations	1,136,561	1,136,561	869,582
Depreciation and Amortization	-	-	740,396
Total Operating Expenses	1,256,891	1,256,891	1,730,308
Operating Income (Loss)	178,109	178,109	(372,017)
Nonoperating Revenues (Expenses)			
Interest Income	20,000	20,000	93,724
Interest Expense	(623,543)	(623,543)	(639,757)
	(603,543)	(603,543)	(546,033)
Change in Net Position	(425,434)	(425,434)	(918,050)
Net Position - Beginning as Restated			10,834,418
Net Position - Ending			9,916,368

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VILLAGE OF NORTHBROOK, ILLINOIS

Stormwater Utility - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 83,970	83,970	83,970
Charges for Services	36,360	36,360	36,360
Total Administration	120,330	120,330	120,330
Operations			
Personal Services	541,995	541,995	496,930
Contractual Services	218,950	218,950	211,594
Commodities	25,100	25,100	26,534
Capital Outlay	1,025,000	1,025,000	809,008
	1,811,045	1,811,045	1,544,066
Less Capital Assets Capitalized	(674,484)	(674,484)	(674,484)
Total Operations	1,136,561	1,136,561	869,582
Depreciation and Amortization	-	-	740,396
Debt Service			
Principal Retirement	635,225	635,225	635,224
Interest Expense	623,543	623,543	639,757
	1,258,768	1,258,768	1,274,981
Less Nonoperating Items			
Debt Service	(1,258,768)	(1,258,768)	(1,274,981)
Total Debt Service	-	-	-
Total Operating Expenses	1,256,891	1,256,891	1,730,308

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VILLAGE OF NORTHBROOK, ILLINOIS

Revenue Parking - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Parking Fees	$ 167,800	167,800	171,466
Miscellaneous	7,640	7,640	14,897
Total Operating Revenues	175,440	175,440	186,363
Operating Expenses			
Administration	91,620	91,620	91,620
Operations	83,900	83,900	86,918
Depreciation	-	-	50,250
Total Operating Expenses	175,520	175,520	228,788
Operating (Loss)	(80)	(80)	(42,425)
Nonoperating Revenues			
Interest Income	300	300	69
Change in Net Position	220	220	(42,356)
Net Position - Beginning			1,197,457
Net Position - Ending			1,155,101

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VILLAGE OF NORTHBROOK, ILLINOIS

Revenue Parking - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 88,575	88,575	88,575
Charges for Services	3,045	3,045	3,045
Total Administration	91,620	91,620	91,620
Operations			
Contractual Services	81,500	81,500	85,643
Commodities	2,400	2,400	1,275
Total Operations	83,900	83,900	86,918
Depreciation	-	-	50,250
Total Operating Expenses	175,520	175,520	228,788

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VILLAGE OF NORTHBROOK, ILLINOIS

Insurance - Internal Service Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Billings	$ 5,053,445	5,053,445	5,053,445
Member Contributions	1,385,000	1,385,000	1,446,173
Total Operating Revenues	6,438,445	6,438,445	6,499,618
Operating Expenses			
Administration			
Claims Administration Fees	33,500	33,500	22,406
Operations			
Insurance	7,729,000	7,729,000	7,461,024
Claims	95,000	95,000	32,838
Total Operating Expenses	7,857,500	7,857,500	7,516,268
Operating (Loss)	(1,419,055)	(1,419,055)	(1,016,650)
Nonoperating Revenues			
Interest Income	7,500	7,500	29,789
Other Income	120,000	120,000	428,869
	127,500	127,500	458,658
Change in Net Position	(1,291,555)	(1,291,555)	(557,992)
Net Position - Beginning			5,806,174
Net Position - Ending			5,248,182

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VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
April 30, 2019

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	$ 1,923,033	2,533,179	4,456,212
Investments			
U.S. Treasury Securities	2,511,625	2,511,626	5,023,251
U.S. Agency Securities	521,438	672,247	1,193,685
State and Local Securities	150,836	150,836	301,672
Corporate Bonds	12,775,238	13,810,580	26,585,818
Mutual Funds	18,685,825	13,519,361	32,205,186
Common Stock	14,360,371	18,035,123	32,395,494
Illinois Funds	1,355,689	1,348,519	2,704,208
Receivables			
Accrued Interest	139,193	167,154	306,347
Due from Other Governments	462,945	294,861	757,806
Total Assets	52,886,193	53,043,486	105,929,679
LIABILITIES			
Accounts Payable	-	(83)	(83)
Due to Other Governments	19,408	22,602	42,010
Total Liabilities	19,408	22,519	41,927
NET POSITION			
Net Position Restricted for Pensions	52,866,785	53,020,967	105,887,752

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VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2019

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	$ 3,496,247	3,707,866	7,204,113
Contributions - Plan Members	716,482	694,131	1,410,613
Total Contributions	4,212,729	4,401,997	8,614,726
Investment Income			
Interest	1,054,388	1,677,580	2,731,968
Net Change in Fair Value	2,135,842	535,063	2,670,905
	3,190,230	2,212,643	5,402,873
Less Investment Expenses	(48,389)	(59,864)	(108,253)
Net Investment Income	3,141,841	2,152,779	5,294,620
Miscellaneous Income	-	231	231
Total Additions	7,354,570	6,555,007	13,909,577
Deductions			
Administration	18,744	169,522	188,266
Benefits and Refunds	4,657,688	4,357,815	9,015,503
Total Deductions	4,676,432	4,527,337	9,203,769
Change in Fiduciary Net Position	2,678,138	2,027,670	4,705,808
Net Position Restricted for Pensions			
Beginning	50,188,647	50,993,297	101,181,944
Ending	52,866,785	53,020,967	105,887,752

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes of Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 3,198,526	3,198,526	3,496,247
Contributions - Plan Members	700,000	700,000	716,482
Total Contributions	3,898,526	3,898,526	4,212,729
Investment income			
Interest	2,000,000	2,000,000	1,054,388
Net Change in Fair Value	-	-	2,135,842
	2,000,000	2,000,000	3,190,230
Less Investment Expenses	-	-	(48,389)
Net Investment Income	2,000,000	2,000,000	3,141,841
Miscellaneous Income	2,000	2,000	-
Total Additions	5,900,526	5,900,526	7,354,570
Deductions			
Administration	83,000	83,000	18,744
Benefits and Refunds	4,381,920	4,381,920	4,657,688
Total Deductions	4,464,920	4,464,920	4,676,432
Change in Fiduciary Net Position	1,435,606	1,435,606	2,678,138
Net Position Restricted for Pensions			
Beginning			50,188,647
Ending			52,866,785

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 3,587,070	3,587,070	3,707,866
Contributions - Plan Members	700,000	700,000	694,131
Total Contributions	4,287,070	4,287,070	4,401,997
Investment income			
Interest	2,000,000	2,000,000	1,677,580
Net Change in Fair Value	-	-	535,063
	2,000,000	2,000,000	2,212,643
Less Investment Expenses	-	-	(59,864)
Net Investment Income	2,000,000	2,000,000	2,152,779
Miscellaneous Income	-	-	231
Total Additions	6,287,070	6,287,070	6,555,007
Deductions			
Administration	261,000	261,000	169,522
Benefits and Refunds	3,758,400	3,758,400	4,357,815
Total Deductions	4,019,400	4,019,400	4,527,337
Change in Fiduciary Net Position	2,267,670	2,267,670	2,027,670
Net Position Restricted for Pensions			
Beginning			50,993,297
Ending			53,020,967

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VILLAGE OF NORTHBROOK, ILLINOIS

Escrow - Agency Fund

Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2019

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	$ 6,259,837	6,295,454	6,259,837	6,295,454
Due from Other Governments	34,230	15,996	34,230	15,996
Total Assets	6,294,067	6,311,450	6,294,067	6,311,450
LIABILITIES				
Accounts Payable	5,616	27,641	5,616	27,641
Deposits Payable	6,288,451	6,283,809	6,288,451	6,283,809
Total Liabilities	6,294,067	6,311,450	6,294,067	6,311,450

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VILLAGE OF NORTHBROOK, ILLINOIS

Consolidated Year-End Financial Report
April 30, 2019

CSFA #	Program Name	State	Federal	Other	Totals
482-00-0894	EMS Assistance Fund Grant	$ 2,985	-	-	2,985
494-00-1005	Local Federal Bridge Program	65,268	-	-	65,268
494-00-1488	Motor Fuel Tax Program	842,007	-	-	842,007
494-10-0343	State and Community Highway Safety/National Priority Safety Program	29,579	-	-	29,579
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	74,456,323	74,456,323
	Totals	939,839	-	74,456,323	75,396,162

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

September 21, 2019

The Honorable Village President
Members of the Board of Trustees
Village of Northbrook, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Northbrook, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 21, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

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

LAUTERBACH & AMEN, LLP

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SUPPLEMENTAL SCHEDULES

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2010
April 30, 2019

Date of Issue	October 12, 2010
Date of Maturity	December 1, 2029
Authorized Issue	$7,135,000
Denomination of Bonds	$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 200,000	90,424	290,424
2021	205,000	83,819	288,819
2022	210,000	80,199	290,199
2023	215,000	72,299	287,299
2024	225,000	66,259	291,259
2025	230,000	59,542	289,542
2026	235,000	52,188	287,188
2027	245,000	45,220	290,220
2028	255,000	36,890	291,890
2029	265,000	29,165	294,165
2030	275,000	18,845	293,845
	2,560,000	634,850	3,194,850

733,696	General Long-Term Debt
1,826,304	Water Fund
2,560,000	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2011
April 30, 2019

Date of Issue	November 22, 2011
Date of Maturity	December 1, 2032
Authorized Issue	$3,000,000
Denomination of Bonds	$5,000
Interest Rates	2.00% to 3.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 130,000	75,560	205,560
2021	135,000	71,660	206,660
2022	140,000	67,610	207,610
2023	140,000	63,410	203,410
2024	145,000	59,210	204,210
2025	150,000	54,860	204,860
2026	155,000	50,285	205,285
2027	160,000	45,325	205,325
2028	170,000	40,045	210,045
2029	175,000	34,265	209,265
2030	180,000	28,140	208,140
2031	185,000	21,660	206,660
2032	195,000	15,000	210,000
2033	205,000	7,687	212,687
	2,265,000	634,717	2,899,717
	2,265,000	General Long-Term Debt	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Refunding Bonds of 2012A and 2012B
April 30, 2019

Date of Issue	December 4, 2012
Date of Maturity	December 1, 2021
Authorized Issue	$20,515,000
Denomination of Bonds	$5,000
Interest Rate	1.75% to 2.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 2,626,029	158,554	2,784,583
2021	2,660,055	117,082	2,777,137
2022	2,708,919	69,478	2,778,397
2023	120,000	15,300	135,300
2024	125,000	12,900	137,900
2025	125,000	10,400	135,400
2026	130,000	7,900	137,900
2027	130,000	5,300	135,300
2022	135,001	2,700	137,701
	8,760,004	399,614	9,159,618
	7,521,871	General Long-Term Debt	
	743,073	Water Fund	
	495,060	Stormwater Utility Fund	
	8,760,004		

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013A
April 30, 2019

Date of Issue	July 23, 2013
Date of Maturity	December 1, 2036
Authorized Issue	$9,355,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 4.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 335,000	313,656	648,656
2021	345,000	303,606	648,606
2022	355,000	293,256	648,256
2023	365,000	282,606	647,606
2024	375,000	271,656	646,656
2025	385,000	260,406	645,406
2026	400,000	248,375	648,375
2027	410,000	234,875	644,875
2028	425,000	220,526	645,526
2029	445,000	203,525	648,525
2030	460,000	185,725	645,725
2031	480,000	167,325	647,325
2032	500,000	148,125	648,125
2033	520,000	126,250	646,250
2034	540,000	103,500	643,500
2035	565,000	79,875	644,875
2036	590,000	54,450	644,450
2037	620,000	27,900	647,900
	8,115,000	3,525,637	11,640,637

5,658,466	General Long-Term Debt
1,095,658	Water Fund
521,741	Sanitary Sewer Fund
839,135	Stormwater Utility Fund
8,115,000	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2014A
April 30, 2019

Date of Issue	October 14, 2014
Date of Maturity	December 1, 2028
Authorized Issue	$25,315,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 1,775,000	909,400	2,684,400
2021	1,870,000	820,650	2,690,650
2022	1,965,000	727,150	2,692,150
2023	2,050,000	648,550	2,698,550
2024	2,155,000	546,050	2,701,050
2025	2,265,000	438,300	2,703,300
2026	2,390,000	325,050	2,715,050
2027	2,485,000	229,450	2,714,450
2028	2,595,000	130,050	2,725,050
2029	1,740,000	52,200	1,792,200
	21,290,000	4,826,850	26,116,850

14,903,000	General Long-Term Debt
3,832,200	Water Fund
1,703,200	Sanitary Sewer Fund
851,600	Stormwater Utility Fund
21,290,000	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2015A
April 30, 2019

Date of Issue	January 13, 2015
Date of Maturity	December 1, 2034
Authorized Issue	$15,395,000
Denomination of Bonds	$5,000
Interest Rates	0.45% to 3.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ -	484,060	484,060
2021	-	484,060	484,060
2022	-	484,060	484,060
2023	360,000	484,060	844,060
2024	365,000	475,420	840,420
2025	1,035,000	466,113	1,501,113
2026	1,070,000	438,168	1,508,168
2027	1,105,000	407,673	1,512,673
2028	1,145,000	374,523	1,519,523
2029	1,185,000	338,455	1,523,455
2030	1,230,000	299,350	1,529,350
2031	1,280,000	256,915	1,536,915
2032	1,330,000	210,835	1,540,835
2033	1,390,000	160,960	1,550,960
2034	1,350,000	107,445	1,457,445
2035	1,405,000	54,795	1,459,795
	14,250,000	5,526,892	16,859,652
	14,250,000	General Long-Term Debt	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2015B
April 30, 2019

Date of Issue	November 10, 2015
Date of Maturity	December 1, 2035
Authorized Issue	$13,470,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ -	458,475	458,475
2021	-	458,475	458,475
2022	-	458,475	458,475
2023	775,000	458,475	1,233,475
2024	800,000	435,225	1,235,225
2025	825,000	403,225	1,228,225
2026	855,000	370,225	1,225,225
2027	880,000	336,025	1,216,025
2028	910,000	300,825	1,210,825
2029	940,000	273,525	1,213,525
2030	970,000	245,325	1,215,325
2031	1,000,000	216,225	1,216,225
2032	1,035,000	184,975	1,219,975
2033	1,065,000	151,337	1,216,337
2034	1,100,000	116,725	1,216,725
2035	1,140,000	79,600	1,219,600
2036	1,175,000	41,125	1,216,125
	13,470,000	4,988,262	18,458,262
	3,219,330	General Long-Term Debt	
	6,317,430	Water Fund	
	902,490	Sanitary Sewer Fund	
	3,030,750	Stormwater Utility Fund	
	13,470,000		

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2016A
April 30, 2019

Date of Issue	April 27, 2016
Date of Maturity	December 1, 2036
Authorized Issue	$20,350,000
Denomination of Bonds	$5,000
Interest Rate	2.00% to 3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 740,000	559,463	1,299,463
2021	945,000	544,662	1,489,662
2022	965,000	525,763	1,490,763
2023	1,420,000	506,462	1,926,462
2024	1,460,000	463,863	1,923,863
2025	770,000	420,062	1,190,062
2026	785,000	396,963	1,181,963
2027	825,000	373,412	1,198,412
2028	850,000	348,663	1,198,663
2029	970,000	323,162	1,293,162
2030	1,000,000	294,063	1,294,063
2031	1,065,000	264,062	1,329,062
2032	1,100,000	232,113	1,332,113
2033	1,135,000	199,112	1,334,112
2034	1,165,000	165,062	1,330,062
2035	1,200,000	127,200	1,327,200
2036	1,235,000	88,200	1,323,200
2037	1,285,000	44,975	1,329,975
	18,915,000	5,877,262	24,792,262

6,060,800	General Long-Term Debt
1,166,460	Water Fund
181,224	Sanitary Sewer Fund
11,506,516	Stormwater Utility Fund
18,915,000	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2018A
April 30, 2019

Date of Issue	February 13, 2018
Date of Maturity	December 1, 2037
Authorized Issue	$17,655,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 190,000	567,325	757,325
2021	395,000	559,725	954,725
2022	410,000	543,925	953,925
2023	730,000	527,525	1,257,525
2024	755,000	498,325	1,253,325
2025	785,000	468,125	1,253,125
2026	820,000	436,725	1,256,725
2027	850,000	403,925	1,253,925
2028	875,000	378,425	1,253,425
2029	970,000	352,175	1,322,175
2030	1,050,000	323,075	1,373,075
2031	1,080,000	291,575	1,371,575
2032	1,115,000	259,175	1,374,175
2033	1,150,000	225,725	1,375,725
2034	1,175,000	191,225	1,366,225
2035	1,215,000	155,975	1,370,975
2036	1,255,000	119,525	1,374,525
2037	1,290,000	81,875	1,371,875
2038	1,330,000	41,563	1,371,563
	17,440,000	6,425,913	23,865,913

6,104,000	General Long-Term Debt
7,150,400	Water Fund
872,000	Sanitary Sewer Fund
3,313,600	Stormwater Utility Fund
17,440,000	

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VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2018B
April 30, 2019

Date of Issue	February 13, 2018
Date of Maturity	December 1, 2037
Authorized Issue	$8,425,000
Denomination of Bonds	$5,000
Interest Rates	2.00% to 3.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	$ 75,000	274,215	349,215
2021	75,000	272,640	347,640
2022	75,000	270,953	345,953
2023	400,000	269,077	669,077
2024	410,000	258,277	668,277
2025	425,000	246,797	671,797
2026	435,000	234,473	669,473
2027	450,000	221,423	671,423
2028	460,000	207,697	667,697
2029	475,000	193,438	668,438
2030	490,000	178,475	668,475
2031	510,000	162,795	672,795
2032	525,000	146,220	671,220
2033	540,000	128,895	668,895
2034	560,000	110,805	670,805
2035	580,000	91,205	671,205
2036	600,000	70,905	670,905
2037	620,000	48,405	668,405
2038	645,000	25,155	670,155
	8,350,000	3,411,850	8,410,375
	8,350,000	General Long-Term Debt	

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STATISTICAL SECTION
(Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

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VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012
Governmental Activities			
Net Investment in Capital Assets	$ 62,198,793	62,098,299	60,405,834
Restricted	9,538,439	8,632,065	10,308,453
Unrestricted	23,544,765	20,589,595	16,780,393
Total Governmental Activities Net Position	95,281,997	91,319,959	87,494,680
Business-Type Activities			
Net Investment in Capital Assets	29,812,537	28,366,798	29,833,970
Restricted	-	-	-
Unrestricted	5,350,127	6,512,590	4,447,398
Total Business-Type Activities Net Position	35,162,664	34,879,388	34,281,368
Primary Government			
Net Investment in Capital Assets	92,011,330	90,465,097	90,239,804
Restricted	9,538,439	8,632,065	10,308,453
Unrestricted	28,894,892	27,102,185	21,227,791
Total Primary Government Net Position	130,444,661	126,199,347	121,776,048

Data Source: Village Records

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2013	2014	2015	2016	2017	2018	2019
54,761,060	54,811,717	53,968,132	51,908,848	52,296,658	49,228,665	48,427,345
6,780,111	6,465,042	7,122,879	735,777	910,914	1,661,902	2,331,081
16,939,446	20,410,579	23,727,436	(51,798,127)	(65,705,520)	(72,615,522)	(84,313,190)
78,480,617	81,687,338	84,818,447	846,498	(12,497,948)	(21,724,955)	(33,554,764)
39,969,558	36,875,367	36,238,159	32,904,654	32,805,023	30,850,258	30,313,161
-	-	-	-	-	-	-
6,225,075	8,717,492	8,639,556	13,303,516	12,440,146	13,038,918	12,483,341
46,194,633	45,592,859	44,877,715	46,208,170	45,245,169	43,889,176	42,796,502
94,730,618	91,687,084	90,206,291	84,813,502	85,101,681	80,078,923	78,740,506
6,780,111	6,465,042	7,122,879	735,777	910,914	1,661,902	2,331,081
23,164,521	29,128,071	32,366,992	(38,494,611)	(53,265,374)	(59,576,604)	(71,829,849)
124,675,250	127,280,197	129,696,162	47,054,668	32,747,221	22,164,221	9,241,738

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VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	$ 4,608,518	4,570,679	5,213,800	4,772,121	4,157,836	5,079,347	7,344,065	10,932,097	6,387,947	5,938,774
Public Safety	24,841,399	26,243,715	27,254,854	27,652,937	27,911,733	29,843,204	39,448,782	38,637,952	40,077,276	42,831,331
Highways and Streets	8,733,088	9,845,883	9,246,750	8,873,854	10,002,273	9,452,061	9,807,659	11,025,303	12,462,791	10,793,499
Interest on Long-Term Debt	1,988,379	1,768,794	2,203,366	2,429,312	2,133,562	1,564,952	2,047,508	2,453,769	2,321,650	2,568,578
Total Governmental Activities Expenses	40,171,384	42,429,071	43,918,770	43,728,224	44,205,404	45,939,564	58,648,014	63,049,121	61,249,664	62,132,182
Business-Type Activities										
Water	6,479,015	7,293,177	7,049,582	7,125,972	7,533,497	7,296,563	7,626,212	7,895,063	7,927,864	8,166,761
Sanitary Sewer	1,316,857	1,579,728	1,574,892	1,667,662	1,762,580	1,535,487	1,964,504	1,894,162	1,892,142	1,705,456
Senior Housing	837,878	794,509	864,944	828,192	927,308	883,213	911,890	813,997	841,260	792,910
Stormwater Utility	-	-	-	1,660,222	1,697,785	1,713,381	2,439,184	2,137,821	2,489,484	2,370,065
Parking	247,032	253,324	165,928	159,021	196,073	222,881	216,759	219,643	234,534	228,788
Total Business-Type Activities Net Position	8,880,782	9,920,738	9,655,346	11,441,069	12,117,243	11,651,525	13,158,549	12,960,686	13,385,284	13,263,980
Total Primary Government Expenses	49,052,166	52,349,809	53,574,116	55,169,293	56,322,647	57,591,089	71,806,563	76,009,807	74,634,948	75,396,162
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	3,663,775	3,865,001	3,485,549	3,867,156	4,628,283	5,145,950	4,919,408	4,161,477	4,629,242	3,742,538
Public Safety	4,260,563	4,334,116	4,568,948	4,549,841	4,347,869	4,236,142	4,213,875	4,414,152	4,355,075	5,389,734
Operating Grants/Contributions	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	849,252	884,302	870,837	977,571
Total Governmental Activities Program Revenues	8,847,136	9,226,367	9,187,404	9,378,019	10,042,441	10,493,936	9,982,535	9,459,931	9,855,154	10,109,843
Business-Type Activities										
Charges for Services										
Water	5,800,001	5,949,938	6,695,973	7,565,670	6,572,146	7,059,498	7,139,477	7,130,783	7,652,106	8,685,487
Sanitary Sewer	1,067,556	1,103,109	1,053,519	1,167,822	1,138,167	1,302,248	1,213,451	1,224,701	1,289,902	1,435,920
Senior Housing	816,614	820,172	830,129	845,504	833,622	835,097	842,163	846,534	847,203	866,114
Stormwater Utility				1,685,913	1,474,031	1,313,492	1,383,078	1,389,220	1,475,491	1,358,291
Parking	157,096	153,254	156,458	152,923	163,556	166,236	165,211	485,193	175,161	186,363
Operating Grants/Contributions	127,842	94,071	99,894	288,311	87,293	31,210	77,995	83,637	10,476	128,537
Capital Grants/Contributions	150,000	-	-	-	-	300,750	-	-	-	-
Total Business-Type Activities Program Revenues	8,119,109	8,120,544	8,835,973	11,706,143	10,268,815	11,008,531	10,821,375	11,160,068	11,450,339	12,660,712
Total Primary Government Program Revenues	16,966,245	17,346,911	18,023,377	21,084,162	20,311,256	21,502,467	20,803,910	20,619,999	21,305,493	22,770,555

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Revenues (Expenses)										
Governmental Activities	$ (33,202,704)	(34,731,366)	(34,350,205)	(34,162,963)	(35,445,628)	(35,445,628)	(48,665,479)	(53,589,190)	(51,394,510)	(52,022,339)
Business-Type Activities	(1,800,194)	(819,373)	265,074	(1,848,428)	(642,994)	(642,994)	(2,337,174)	(1,800,618)	(1,934,945)	(603,268)
Total Primary Government										
Net Revenues (Expenses)	(35,002,898)	(35,550,739)	(34,085,131)	(36,011,391)	(36,088,622)	(36,088,622)	(51,002,653)	(55,389,808)	(53,329,455)	(52,625,607)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	9,360,963	10,514,887	10,017,255	12,035,727	12,728,095	13,224,376	13,434,887	14,802,772	17,620,255	19,771,153
Utility	1,145,038	1,157,167	1,102,266	1,124,312	1,182,658	1,144,255	995,457	1,012,559	968,873	1,011,487
Other	1,970,520	2,158,207	2,078,884	2,853,880	5,641,961	5,362,980	5,432,869	4,964,752	4,399,701	4,387,791
Intergovernmental - Unrestricted										
Sales	12,559,042	13,160,916	14,000,067	14,533,553	14,184,846	14,530,151	14,665,574	15,380,154	14,883,566	15,312,715
State Income	2,612,166	2,680,215	2,831,454	3,111,609	3,162,141	3,401,924	3,362,196	3,141,181	2,998,512	3,429,472
Interest	481,109	1,050,287	844,764	829,229	744,529	777,991	123,245	253,606	507,428	790,341
Miscellaneous	2,802,198	(1,388,084)	31,397	55,152	220,641	37,420	109,125	689,720	789,168	575,823
Transfers	-	-	-	(9,207,320)	(495,187)	97,640	(3,000,000)	-	-	-
Total Governmental Activities	30,931,036	29,333,595	30,906,087	25,336,142	37,369,684	38,576,737	35,123,353	40,244,744	42,167,503	45,278,782
Business-Type Activities										
Interest	104,653	60,918	21,353	27,927	14,307	16,883	21,049	90,600	174,656	402,637
Miscellaneous	23,108	1,456,000	200,000	2,412,944	741,830	8,607	873,832	747,017	404,296	-
Transfers	-	-	-	9,207,320	490,517	(97,640)	3,000,000	-	-	-
Total Business-Type Activities	127,761	1,516,918	221,353	11,648,191	1,246,654	(72,150)	3,894,881	837,617	578,952	402,637
Total Primary Government	31,058,797	30,850,513	31,127,440	36,984,333	38,616,338	38,504,587	39,018,234	41,082,361	42,746,455	45,681,419
Changes in Net Position										
Governmental Activities	(2,271,668)	(5,397,771)	(3,444,118)	(8,826,821)	1,924,056	3,131,109	(13,542,126)	(13,344,446)	(9,227,007)	(6,743,557)
Business-Type Activities	(1,672,433)	697,545	486,427	9,799,763	603,660	(715,144)	1,557,707	(963,001)	(1,355,993)	(200,631)
Total Primary Government	(3,944,101)	(4,700,226)	(2,957,691)	972,942	2,527,716	2,415,965	(11,984,419)	(14,307,447)	(10,583,000)	(6,944,188)

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

	2010	2011	2012	2013
General Fund				
Reserved	$ 203,829	209,981	-	-
Unreserved	17,860,913	17,068,792	-	-
Nonspendable	-	-	37,684	42,325
Restricted	-	-	296,057	301,817
Unassigned	-	-	16,393,318	18,057,612
Total General Fund	18,064,742	17,278,773	16,727,059	18,401,754
All Other Governmental Funds				
Reserved	11,155,949	9,123,847	-	-
Unreserved, Reported in:				
Special Revenues Funds	-	-	-	-
Capital Projects Funds	1,355,533	849,995	-	-
Restricted	-	-	847,119	501,494
Committed	-	-	86,941	87,003
Assigned	-	-	9,215,213	5,016,350
Unassigned	-	-	(484,787)	(920,858)
Total All Other Governmental Funds	12,511,482	9,973,842	9,664,486	4,683,989
Total Governmental Funds	30,576,224	27,252,615	26,391,545	23,085,743

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

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2014	2015	2016	2017	2019
-	-	-	-	-
-	-	-	-	-
42,446	-	-	26,661	53,620
1,062,020	1,668,232	3,843,709	1,359,625	1,713,200
19,682,377	22,060,520	21,249,511	22,123,177	22,259,986
20,786,843	23,728,752	25,093,220	23,509,463	24,026,806
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,792,504	1,854,693	5,145,971	4,734,403	3,188,478
87,023	87,048	87,121	88,163	96,036
5,826,348	5,644,859	7,515,496	6,345,426	6,544,820
(1,221,866)	(1,205,459)	-	-	-
7,484,009	6,381,141	12,748,588	11,167,992	9,829,334
28,270,852	30,109,893	37,841,808	34,677,455	33,856,140

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VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Revenues by Source - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Source	2010	2011	2012	2013
Taxes	$ 27,647,729	29,671,392	30,029,926	33,659,081
Intergovernmental	922,798	1,027,250	1,132,907	961,022
Licenses, Permits and Fees	4,285,636	4,449,883	4,458,665	5,097,795
Charges for Services	5,621,768	5,863,624	5,556,370	5,374,546
Fines and Forfeits	230,904	221,135	288,064	288,406
Interest	459,333	1,034,540	834,831	822,154
Miscellaneous	1,081,534	61,916	31,397	55,152
Totals	40,249,702	42,329,740	42,332,160	46,258,156

Includes General, Special Revenue, Debt Service Funds and Capital Projects for the primary government.
* In 2016, sales and income taxes were reclassified from the "Taxes" category to the "Intergovernmental" category.
Data Source: Village Records

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2014	2015	2016*	2017	2018	2019
36,899,701	37,663,686	21,290,720	22,325,553	24,393,756	25,737,867
1,066,289	1,111,844	17,449,515	17,860,167	17,347,988	19,152,322
4,889,027	5,920,259	6,057,697	5,265,165	5,976,991	5,587,902
6,182,875	5,754,747	5,543,956	5,783,009	5,434,918	5,798,302
341,735	242,091	168,080	134,095	170,098	270,908
740,276	772,588	114,671	249,815	487,625	760,552
220,641	37,420	109,125	689,720	789,168	575,823
50,340,544	51,502,635	50,733,764	52,307,524	54,600,544	57,883,676

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VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Function	2010	2011	2012	2013
General Government	$ 6,806,457	6,557,849	6,902,454	6,598,887
Public Safety	24,338,610	25,291,476	26,206,664	27,389,925
Highways and Streets	11,431,732	9,458,425	8,838,987	9,700,086
Debt Service				
Principal	1,864,200	2,017,300	2,283,224	1,863,056
Interest and Fiscal Charges	2,001,709	1,882,761	1,975,091	2,504,775
Totals	46,442,708	45,207,811	46,206,420	48,056,729

Includes General, Special Revenue, Debt Service Funds and Capital Projects for the primary government.

Data Source: Village Records

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2014	2015	2016	2017	2018	2019
6,681,223	7,353,556	7,979,601	12,695,935	8,001,934	15,701,069
28,350,834	29,781,583	29,224,364	31,229,816	33,582,859	35,589,332
11,682,823	10,813,292	9,027,487	10,969,145	12,039,858	10,029,492
2,453,025	2,547,591	3,285,430	3,289,383	3,535,239	4,444,442
2,020,112	2,170,456	1,912,766	2,187,598	2,417,293	2,535,994
51,188,017	52,666,478	51,429,648	60,371,877	59,577,183	68,300,329

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VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

	2010	2011	2012	2013
Revenues				
Taxes	$ 27,647,729	29,671,392	30,029,926	33,659,081
Intergovernmental	922,798	1,027,250	1,132,907	961,022
Licenses, Permits and Fees	4,285,636	4,449,883	4,458,665	5,097,795
Charges for Services	5,621,768	5,863,624	5,556,370	5,374,546
Fines and Forfeits	230,904	221,135	288,064	288,406
Interest	459,333	1,034,540	834,831	822,154
Miscellaneous	1,081,534	61,916	31,397	55,152
Total Revenues	40,249,702	42,329,740	42,332,160	46,258,156
Expenditures				
General Government	6,806,457	6,557,849	6,902,454	6,598,887
Public Safety	24,338,610	25,291,476	26,206,664	27,389,925
Highways and Streets	11,431,732	9,458,425	8,838,987	9,700,086
Debt Service				
Principal	1,864,200	2,017,300	2,283,224	1,863,056
Interest and Fiscal Charges	2,001,709	1,882,761	1,975,091	2,504,775
Total Expenditures	46,442,708	45,207,811	46,206,420	48,056,729
Excess (Defiance) of Revenues Over (Under) Expenditures	(6,193,006)	(2,878,071)	(3,874,260)	(1,798,573)
Other Financing Sources (Uses)				
Proceeds from Bonds	-	4,334,905	3,000,000	12,790,278
Payment to Escrow Agent	-	(3,325,000)	-	(11,670,347)
Transfer In	3,427,480	2,800,462	3,003,696	2,538,912
Transfer Out	(3,427,480)	(4,250,462)	(3,003,696)	(5,166,072)
Premium on Debt Issuance	-	-	-	-
Discount on Debt Issuance	-	87,486	13,190	-
	-	(352,609)	3,013,190	(1,507,229)
Net Change in Fund Balances	(6,193,006)	(3,230,680)	(861,070)	(3,305,802)
Debt Service as a Percentage of Noncapital Expenditures	9.49%	9.13%	9.73%	9.75%

Data Source: Village Records
* In 2016, sales and income taxes were reclassified from the "Taxes" category to the "Intergovernmental" category.

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2014	2015	2016*	2017	2018	2019
36,899,701	37,663,686	21,290,720	22,325,553	24,393,756	25,737,867
7,066,289	1,111,844	17,449,515	17,860,167	17,347,988	19,152,322
4,889,027	5,920,259	6,057,697	5,265,165	5,976,991	5,587,902
6,182,875	5,754,747	5,543,956	5,783,009	5,434,918	5,798,302
341,735	242,091	168,080	134,095	170,098	270,908
740,276	772,588	114,671	249,815	487,625	760,552
220,641	37,420	109,125	689,720	789,168	575,823
50,340,544	51,502,635	50,733,764	52,307,524	54,600,544	57,883,676
6,681,223	7,353,556	7,979,601	12,695,935	8,001,934	15,701,069
28,350,834	29,781,583	29,224,364	31,229,816	33,582,859	35,589,332
11,682,823	10,813,292	9,027,487	10,969,145	12,039,858	10,029,492
2,453,025	2,547,591	3,285,430	3,289,383	3,535,239	4,444,442
2,020,112	2,170,456	1,912,766	2,187,598	2,417,293	2,535,994
51,188,017	52,666,478	51,429,648	60,371,877	59,577,183	68,300,329
(847,473)	(1,163,843)	(695,884)	(8,064,353)	(4,976,639)	(10,416,653)
6,523,099	33,115,500	9,739,330	4,900,000	14,604,250	-
-	(32,971,504)	-	-	-	-
3,289,840	2,149,653	2,818,830	2,731,372	3,781,692	2,870,547
(3,780,357)	(2,052,013)	(5,818,830)	(2,731,372)	(3,781,692)	(2,870,547)
-	-	-	-	(32,273)	-
-	2,761,248	483,009	-	-	-
6,032,582	3,002,884	7,222,339	4,900,000	14,571,977	-
5,185,109	1,839,041	6,526,455	(3,164,353)	9,595,338	(10,416,653)
9.49%	9.66%	10.48%	9.77%	10.52%	12.19%

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VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type
Last Two Fiscal Years
April 30, 2019 (Unaudited)

	Police Pension Fund		Firefighters' Pension Fund	
	4/30/2018	4/30/2019	4/30/2018	4/30/2019
Investment Rate of Return	7.64%	7.34%	6.99%	6.65%
Pension Expenses by Type				
Retirement Pensions	$ 3,604,696	4,027,142	2,809,235	3,213,176
Disability Pensions	158,427	159,381	637,146	872,150
Survivor's Pensions	473,814	471,165	272,489	272,489
Contribution Refunds	-	-	42,010	-
Totals	4,236,937	4,657,688	3,760,880	4,357,815
Increase (Decrease) in Total Pension Expenses	$ 303,097	420,751	222,319	596,935
% Increase (Decrease) in Total Pension Expenses	7.70%	9.93%	6.28%	15.87%

Data Source: Village Records

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VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years
April 30, 2013 (Unaudited)

	2010	2011	2012	2013
General Merchandise	$ 123,671,015	128,467,649	130,626,700	133,120,916
Food	121,444,358	123,347,693	134,829,685	142,511,250
Drinking and Eating Places	77,418,564	85,536,308	85,026,415	88,324,011
Apparel	93,590,380	93,855,671	102,155,490	106,696,854
Furniture and H.H. and Radio	85,454,134	81,687,982	88,258,868	89,565,642
Lumber, Building, Hardware	30,233,297	30,105,368	32,414,643	31,456,490
Automobile and Filling Stations	103,588,415	121,864,971	106,706,870	113,469,555
Drugs and Misc. Retail	97,601,427	94,453,449	128,037,569	142,177,257
Agriculture and All Others	72,248,120	77,660,851	77,809,765	81,060,130
Manufacturers	9,236,638	11,566,543	14,439,509	12,647,121
Totals	814,486,348	848,546,485	900,305,514	941,029,226
Total Number of Taxpayers	1,140	1,165	1,222	1,195
Village Direct Rate	1.75%	1.75%	1.75%	1.75%

Data Source: Village and State Records

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2014	2015	2016	2017	2018	2019
127,825,137	81,580,151	60,508,854	47,427,079	45,644,277	40,854,348
137,959,342	126,490,686	138,521,900	137,082,802	143,073,321	136,429,616
89,199,356	93,794,294	101,769,299	107,078,241	111,299,659	111,973,788
101,275,237	92,148,952	90,977,220	87,173,163	84,855,041	81,797,768
87,668,232	94,625,854	96,876,544	93,982,758	98,395,377	99,294,611
33,880,995	36,949,690	37,371,799	37,099,085	37,134,401	36,923,862
131,092,322	139,160,036	121,347,791	107,242,052	107,873,146	122,093,209
100,928,405	192,252,070	175,597,124	187,354,622	188,358,246	181,316,221
97,851,920	71,462,289	109,429,626	161,694,997	129,175,615	98,520,199
12,206,576	14,630,868	14,563,052	12,092,821	8,562,022	8,111,096
919,887,522	943,094,890	946,963,209	978,227,620	954,371,105	917,314,718
1,197	1,171	1,001	986	996	954
1.75%	1.75%	1.75%	1.75%	1.75%	2.00%

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VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	State Rate	RTA Rate	County Home Rule Rate	Village Home Rule Rate*	Total Sales Tax Rate	% Distributed to Village
2010	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2011	6.25%	1.00%	1.25%	0.75%	9.25%	1.75%
2012	6.25%	1.00%	1.00%	0.75%	9.00%	1.75%
2013	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2014	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2015	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2016	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2017	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2018	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2019	6.25%	1.00%	1.75%	1.00%	10.00%	2.00%

Data Source: Village and State Records

*The Village's Home Rule Sales Tax Rate does not apply to groceries, medicine and titled vehicles.

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VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property
2008	$ 1,993,265,844	$ 3,188	$ 709,300,258	$ 406,775,119
2009	2,139,565,115	1,992	628,565,693	362,682,781
2010	1,888,236,408	1,992	643,440,675	353,825,268
2011	1,716,072,032	1,992	564,327,892	311,415,316
2012	1,592,730,144	1,992	526,759,510	291,406,647
2013	1,395,727,711	1,992	483,582,152	265,514,616
2014	1,426,205,616	1,992	578,433,197	178,797,415
2015	1,389,618,675	1,992	492,412,415	193,245,905
2016	1,731,210,975	1,992	540,146,612	211,751,867
2017	1,778,794,337	-	587,929,200	222,683,268

Data Source: Office of the County Clerk

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Total	Railroad	Total Assessed Value	Total Estimated Actual Value	Total Direct Tax Rate
$ 3,109,344,409	$ 261,022	$ 3,109,605,431	9,328,816,293	0.314
3,130,815,581	314,544	3,131,130,125	9,393,390,375	0.341
2,885,504,343	393,474	2,885,897,817	8,657,693,451	0.458
2,591,817,232	418,157	2,592,235,389	7,776,706,167	0.524
2,410,898,293	473,145	2,411,371,438	7,234,114,314	0.609
2,144,826,471	584,690	2,145,411,161	6,436,233,483	0.605
2,183,438,220	609,714	2,184,047,934	6,552,143,802	0.676
2,075,278,987	732,251	2,076,011,238	6,228,033,714	0.625
2,483,111,446	745,075	2,483,856,521	7,451,569,563	0.715
2,589,406,805	760,178	2,590,166,983	7,770,500,949	0.672

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VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)

	2009	2010	2011	2012
Village of Northbrook				
General Corporate rate	0.254	0.255	0.302	0.324
Debt Service Rate	0.035	0.035	0.073	0.097
Police Pension	0.007	0.015	0.043	0.052
Fire Pension	0.018	0.036	0.040	0.051
IMRF	0.000	0.000	0.000	0.000
Total Direct Tax Rate	0.314	0.341	0.458	0.524
Overlapping Rates				
Cook County	0.394	0.423	0.462	0.531
Cook County Forest Preserve District	0.049	0.051	0.058	0.063
Suburban TB Sanitarium	0.000	0.000	0.025	0.000
Cook County Consolidated Election Board	0.021	0.000	0.000	0.000
Northfield Township	0.011	0.011	0.020	0.024
Northfield Road and Bridge	0.031	0.036	0.041	0.046
Northfield General Assistance	0.010	0.011	0.008	0.009
Metropolitan Water Reclamation District	0.261	0.274	0.320	0.370
North Shore Mosquito Abatement District	0.008	0.009	0.010	0.010
High School District #225	1.395	1.609	0.182	2.028
Community College District #535	0.140	0.160	0.196	0.219
Northbrook Park District	0.334	0.375	0.424	0.471
School District #28	1.888	2.072	2.339	2.604
School District #30	2.327	2.327	2.641	2.999
Northwest Mosquito Abatement District	0.008	0.009	0.010	0.011
Glenbrook Sanitary District	0.027	0.026	0.030	0.034
High School District #203	1.237	1.474	1.674	1.864
School District #29	1.844	2.173	2.450	2.701
School District #27	1.698	2.334	2.667	2.957
Mission Brook Sanitary District	0.120	0.142	0.164	0.184
School District #31	1.494	1.730	2.018	2.525
Wheeling Township	0.039	0.043	0.048	0.052
Wheeling Road and Bridge	0.012	0.014	0.015	0.016
Wheeling General Assistance	0.009	0.005	0.009	0.009
High School District #214	1.636	1.839	2.067	2.324
Community College District #512	0.258	0.295	0.334	0.373
Consolidated School District #21	3.209	3.658	4.164	4.556
Northbrook Public Library	0.207	0.231	0.269	0.300
Northfield Park District	0.166	0.189	0.209	0.227
Total Direct and Overlapping Tax Rate	19.147	21.861	23.312	28.031

Data Source: Office of the County Clerk

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2013	2014	2015	2016	2017	2018
0.365	0.358	0.377	0.324	0.265	0.171
0.112	0.117	0.128	0.129	0.157	0.164
0.065	0.064	0.087	0.088	0.116	0.144
0.066	0.066	0.084	0.083	0.131	0.146
0.000	0.000	0.000	0.000	0.046	0.047
0.609	0.605	0.676	0.625	0.715	0.672
0.560	0.568	0.552	0.533	0.496	0.489
0.069	0.069	0.069	0.063	0.062	0.060
0.000	0.000	0.000	0.000	0.000	0.000
0.031	0.000	0.034	0.000	0.031	0.000
0.031	0.032	0.028	0.024	0.023	0.024
0.053	0.054	0.057	0.049	0.049	0.052
0.008	0.007	0.007	0.006	0.006	0.007
0.417	0.430	0.426	0.406	0.402	0.396
0.007	0.011	0.012	0.010	0.010	0.010
2.341	2.367	2.493	2.106	2.102	2.216
0.256	0.258	0.271	0.231	0.232	0.246
0.536	0.537	0.569	0.423	0.419	0.456
2.962	3.009	3.299	2.848	2.824	2.970
3.381	3.272	3.394	2.866	3.193	3.310
0.013	0.013	0.011	0.010	0.010	0.011
0.037	0.037	0.052	0.046	0.046	0.047
2.111	2.268	2.380	1.974	1.993	2.111
3.077	3.068	3.197	2.762	2.727	2.906
3.412	3.443	3.569	3.031	3.031	3.204
0.215	0.215	0.221	0.175	0.177	0.181
2.946	2.911	3.107	2.699	2.700	2.842
0.056	0.052	0.055	0.041	0.043	0.043
0.019	0.019	0.020	0.014	0.015	0.016
0.010	0.010	0.010	0.008	0.009	0.009
2.768	2.776	2.881	2.527	2.563	2.669
0.444	0.451	0.466	0.416	0.425	0.443
4.841	5.430	5.642	4.966	5.022	5.276
0.359	0.357	0.385	0.329	0.329	0.347
0.254	0.254	0.264	0.229	0.232	0.246
31.823	32.523	34.147	29.417	29.886	31.259

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VILLAGE OF NORTHBROOK, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Eight Fiscal Years Ago
April 30, 2019 (Unaudited)

	2019			2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Brookfield Prop Retail	$ 59,866,195	1	2.31%	$ 84,489,246	1	2.72%
Jones Lang LaSalle	33,702,109	2	1.30%	76,054,843	2	2.45%
Willow Festival Regency	26,869,972	3	1.04%			
Underwriters Laboratory Inc.	25,358,881	4	0.98%	29,917,116	3	0.96%
TGM Northshore LLC	15,597,097	5	0.60%	22,224,741	6	0.71%
Korman Lederer	15,353,562	6	0.59%			
GK Edens Corp Center, LLC	15,208,093	7	0.59%	22,002,712	7	0.71%
Lake Cook Road & Mid America	14,891,440	8	0.57%	22,347,194	5	0.72%
Village Square of Northbrook	14,608,107	9	0.56%			
Euromarket Designs	13,740,531	10	0.53%			
Lake Cood Road 3200						
HP Willow, LLC				28,054,465	4	0.90%
400 Skokie Blvd, LLC				17,049,868	8	0.55%
Gregory Realty Group				16,758,958	9	0.54%
The May Department Store				14,491,423	10	0.47%
	235,195,987		9.08%	333,390,566		10.72%

Data Source: Office of the County Clerk

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VILLAGE OF NORTHBROOK, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2009	$ 9,837,183	$ 9,572,390	97.31%	$ -	$ 9,572,390	97.31%
2011	2010	10,224,675	10,096,547	98.75%	-	10,096,547	98.75%
2012	2011	12,394,649	12,147,254	98.00%	-	12,147,254	98.00%
2013	2012	12,635,586	12,540,219	99.25%	-	12,540,219	99.25%
2014	2013	13,065,554	13,065,132	100.00%	-	13,065,132	100.00%
2015	2014	13,213,490	12,869,537	97.40%	-	12,869,537	97.40%
2016	2015	14,033,836	13,393,634	95.44%	-	13,393,634	95.44%
2017	2016	15,526,527	15,409,633	99.25%	-	15,409,633	99.25%
2018	2017	18,512,965	18,512,965	100.00%	-	18,512,965	100.00%
2019	2018	19,555,239	9,585,874	49.02%	-	9,585,874	49.02%

Note: Special Service Areas #1 through #5 have been excluded from this table.

Data Source: Office of the County Clerk

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VILLAGE OF NORTHBROOK, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities			
	Net General Obligation Bonds	TIF Note Payable	Net Water, Sewer and Sanitary Sewer Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita (1)
2010	$ 55,763,678	$ -	$ 11,182,698	$ 66,946,376	2.03%	$ 1,945.04
2011	54,723,666	-	13,519,963	68,243,629	1.82%	2,057.39
2012	55,407,825	-	13,093,536	68,501,361	1.83%	2,065.16
2013	54,611,635	-	12,838,340	67,449,975	1.80%	2,033.46
2014	59,590,529	-	14,706,578	74,297,107	1.99%	2,239.89
2015	61,229,005	-	18,063,695	79,292,700	2.12%	2,390.49
2016	67,897,030	-	41,449,413	109,346,443	2.92%	3,296.55
2017	64,404,601	4,900,000	40,114,448	109,419,049	2.92%	3,298.74
2018	75,404,266	4,766,301	49,636,870	129,807,437	3.47%	3,913.40
2019	71,248,316	4,274,764	47,490,915	123,013,995	3.29%	3,708.59

Data Source: Village's Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

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VILLAGE OF NORTHBROOK, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	Net General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2010	$ 66,946,376	$ 1,198,781	$ 65,747,595	2.11%	$ 1,945.04
2011	68,243,629	511,899	67,731,730	2.16%	2,057.39
2012	68,501,361	17,151	68,484,210	2.37%	2,065.16
2013	67,449,975	-	67,449,975	2.60%	2,033.46
2014	74,297,107	-	74,297,107	3.08%	2,239.89
2015	79,292,700	90,427	79,202,273	3.69%	2,390.49
2016	109,346,443	-	109,346,443	5.01%	3,296.55
2017	109,419,049	7,730	109,411,319	5.27%	3,298.74
2018	129,807,437	-	129,807,437	5.23%	3,913.40
2019	123,013,995	-	123,013,995	4.75%	3,708.59

Data Source: Village's Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).
(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

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VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
April 30, 2019 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village *	Village's Share of Debt
Direct			
Village of Northbrook	$ 75,523,080	100.00%	$ 75,523,080
Overlapping			
Cook County	3,387,834,079	1.73%	58,609,530
Forest Preserve District	151,010,000	1.73%	2,612,473
Metropolitan Water Reclamation District	2,920,043,000	1.76%	51,392,757
Northbrook Park District	2,060,000	93.61%	1,928,366
School District 21	30,255,000	1.49%	450,800
School District 29	23,757,890	15.10%	3,587,441
School District 30	36,952,332	67.59%	24,976,081
School District 31	12,924,754	15.02%	1,941,298
High School District 203	102,395,000	1.30%	1,331,135
High School District 214	37,480,000	0.31%	116,188
High School District 225	81,992,389	45.31%	37,150,751
Community College District 512	126,895,000	0.14%	177,653
Community College District 535	32,130,000	11.02%	3,540,726
Total Overlapping	6,945,729,444		187,815,199
Total Direct and Overlapping	7,021,252,524		263,338,279

* Determined by the ratio of assessed value of property in the Village of Northbrook subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

Data Source: Cook County Tax Extension Department

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VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Legal Debt Margin
April 30, 2019 (Unaudited)

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin:

> The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

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VILLAGE OF NORTHBROOK, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Fiscal Year	(1) Population	(2) Personal Income (in Thousands)	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2010	34,419	$ 95,665	$ 50,765	44.1	8,278	7.4
2011	33,170	112,827	57,763	48.0	N/A	7.4
2012	33,170	112,827	57,763	48.0	N/A	5.7
2013	33,170	112,827	57,763	48.0	N/A	7.4
2014	33,170	112,827	57,763	48.0	N/A	5.0
2015	33,170	112,827	57,763	48.0	N/A	3.9
2016	33,170	112,827	57,763	48.0	6,730	4.1
2017	33,170	112,827	57,763	48.0	6,749	4.6
2018	33,170	112,827	57,763	48.0	6,755	4.1
2019	33,170	112,827	57,763	48.0	N/A	4.1

Data Sources:

(1) U.S. Department of Commerce, Bureau of the Census

(2) Bureau of Economic Research

(3) Annual School Census by Board of Education

(4) Illinois Department of Employment Security

N/A - Not Available

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VILLAGE OF NORTHBROOK, ILLINOIS

Principal Employers - Prior Fiscal Year and Seven Fiscal Years Ago
April 30, 2019 (Unaudited)

	2018			2011		
Employer	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Allstate Insurance Company	8,750	1	N/A	5,478	1	N/A
Underwriters Laboratories	2,000	2	N/A	1,600	5	N/A
Northshore Glenbrook Hospital	2,000	3	N/A			
CVS/Caremark International	1,400	4	N/A			
Astellas Pharma US Inc.	1,150	5	N/A			
Northbrook Court	1,000	6	N/A	1,250	7	N/A
Glenbrook High School District 225	849	7	N/A			
Euromarket Designs, Inc (Crate & Barrel	500	8	N/A			
Hilco Merchant Resources, LLC	400	9	N/A			
Hilton-Chicago Northbrook	250	10	N/A			
Kraft				3,068	2	N/A
Walgreens Company				-	3	N/A
Baxter International				1,850	3	N/A
Walgreens Company				1,700	4	
Caremark International				1,300	6	N/A
Northfield Township District 225				833	8	
Glenbrook Hospital				820	9	N/A
United Parcel Service				800	10	N/A
	18,299		N/A	18,699		N/A

N/A - Not Available

Data Sources: Village Community Development Department Records and U.S. Census Bureau.

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VILLAGE OF NORTHBROOK, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

See Following Page

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VILLAGE OF NORTHBROOK, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2019 (Unaudited)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	13	13	13	13	12	13	12	12	13	13
Finance	9	8	8	8	8	8	7	7	8	8
Public Works	40	38	35	35	36	37	37	37	37	37
Police	93	93	93	93	93	93	94	94	94	93
Fire	74	74	74	74	75	75	75	77	76	76
Development/ Planning Services	12	12	11	11	11	12	13	13	13	13
Water and Sewer	21	22	26	26	26	27	27	27	27	27
Totals	262	260	260	260	261	264	265	267	268	267

Data Source: Village Records

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VILLAGE OF NORTHBROOK, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years
April 30, 2019 (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works										
Forestry										
Number of Parkway Trees Planted	369	225	524	429	510	602	831	715	517	289
Number of Parkway Trees Trimmed	1,830	2,479	1,588	1,863	3,711	3,446	1,973	2,265	2,035	1,433
Fleet Services										
Number of Vehicles Maintained	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety										
Fire										
Number of Fire Calls	2,727	2,469	2,692	2,632	2,736	2,684	2,714	2,780	2,878	2,920
Number of EMS Calls	2,923	3,007	2,945	3,220	3,160	3,427	3,350	3,654	3,674	3,718
ISO Rating	2	2	2	2	2	2	2	1	1	1
Police										
Calls for Service	23,923	22,510	21,588	21,429	22,489	23,109	24,740	24,573	24,814	24,792
Traffic Citations Issued	3,951	4,033	3,475	2,841	2,902	2,796	2,515	2,667	3,004	2,443
Parking Citations Issued	2,395	1,843	1,910	1,582	3,045	2,992	1,309	1,207	1,144	1,520
Community Development										
Number of Building Permits Issued	268	253	255	258	267	251	324	355	305	375
Number of Building Inspections	6,456	4,648	5,543	5,846	7,777	6,687	9,254	13,434	7,938	10,005
Highways and Streets										
Sidewalk Replaced (Sq. Ft.)	74,066	61,827	34,250	33,502	41,283	28,510	28,403	32,554	29,291	33,630
Annual Resurfacing Program ($)	105,570	1,874,928	888,139	1,112,023	2,979,982	2,583,303	696,116	555,545	794,120	718,229
Water and Sewer										
Water Main Breaks	70	91	69	219	101	66	45	93	110	90
Hydrants Flushed	2,835	2,844	2,748	700	778	2,700	987	1,054	733	589
Water Meters Read	N/A	12,210	12,400	12,400	12,449	12,398	12,989	12,409	12,416	12,430
Water Meter Service Requests	791	1,058	1,169	1,487	972	769	752	1,869	852	1,130
Total Distribution Pumpage (1,000 Gallons)	1,919,256	2,094,526	2,000,073	2,197,297	1,892,779	1,222,948	1,727,180	1,795,621	1,833,926	1,766,182
Average Daily Pumpage (1,000 Gallons)	5,250	5,738	5,472	5,999	5,186	5,731	4,732	4,911	5,024	4,833
Sanitary Sewer Televising (Feet)	61,380	70,749	38,605	60,584	37,150	24,049	36,938	37,472	35,297	34,935
Sanitary Sewer Repairs	-	-	3	3	5	3	13	1	2	4

N/A - Not Available

Data Source: Village Records

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VILLAGE OF NORTHBROOK, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years
April 30, 2019 (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (Miles)	270.26	270.26	270.26	272.66	272.66	272.66	272.66	272.66	272.66	272.66
Streetlights	1,776	1,779	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399
Water and Sewer										
Water Mains (Miles)	N/A	171.30	179.80	183.00	183.00	183.00	183.00	183.00	183.00	205.00
Fire Hydrants	2,835	2,748	2,747	2,751	2,751	2,751	2,751	2,751	2,751	2,751
Sanitary Sewers (Miles)	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75	133.00

N/A - Not Available

Data Source: Village Records

APPENDIX B
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL

_____, 2019

The President and Board of Trustees of the
Village of Northbrook, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $_____,000 principal amount of General Obligation Bonds, Series 2019 (the "Bonds"), of the Village of Northbrook, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and by virtue of an ordinance adopted by the President and Board of Trustees of the Village on October 22, 2019 and entitled: "Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2019, of the Village of Northbrook, Illinois" (the "Bond Ordinance").

The Bonds are issuable in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. Bonds delivered on original issuance are dated _____, 2019. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on June 1, 2020 and semiannually thereafter on each June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2020	$,000	. %
2021	,000	
2022	,000	
2023	,000	
2024	,000	
2025	,000	
2026	,000	
2027	,000	
2028	,000	
2029	,000	
2030	,000	
2031	,000	
2032	,000	
2033	,000	
2034	,000	
2035	,000	
2036	,000	
2037	,000	
2038	,000	
2039	,000	

The Bonds maturing on or after December 1, 2028 are subject to redemption prior to maturity at the option of the Village, in such principal amounts and from such maturities as the Village shall determine, and by lot within a single maturity, on December 1, 2027 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

In our opinion, the Bonds are valid and legally binding general obligations of the Village of Northbrook and the Village is obligated to levy ad valorem taxes upon all the taxable property within the Village for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The Village has covenanted in the Bond Ordinance to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

APPENDIX D

VILLAGE OF NORTHBROOK
COOK COUNTY, ILLINOIS

EXCERPTS OF DRAFT FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS
RELATING TO THE VILLAGE'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Northbrook (the Village), Illinois, incorporated in 1901, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sanitary sewer services, parking system services, senior housing services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP in the United States). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations).

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Northbrook
Discretely Presented Component Unit:	Northbrook Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Village have been included.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Northbrook Public Library

The Northbrook Public Library (the Library) operates and maintains the Village's public library facilities. The Library's Board is elected by the voters of the Village. The Library may not issue bonded debt, and its annual budget and property tax levy are subject to the Village Board's approval. A financial benefit/burden relationship exists between the Village and the Library. Separate audited financial statements as of April 30, 2019 are available from the Library's administrative office at 1201 Cedar Lane, Northbrook, Illinois 60062.

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and sanitary sewer services, stormwater management services, parking system services and senior housing services are classified as business-type activities.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains four major enterprise funds: Water, Sanitary Sewer, Senior Housing and Stormwater Utility Funds. The Water Fund accounts for the provision of potable water services to the residents of the Village. The Sanitary Sewer Fund accounts for the provision of sewer repair and improvement services to the resident of the Village. The Senior Housing Fund accounts for the provision of housing to the residents of the Village-owned apartment complex. The Stormwater Utility fund accounts for the maintenance and construction of the Village's storm water management system.

Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund. The Insurance Fund accounts for the Village's workers' compensation, employee health insurance and property and casualty losses, as well as excess insurance purchased to cover major losses. The Village's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

> Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted – Consists of net position with constraints placed on the 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 legislations.
>
> Unrestricted – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All departments of the Village submit requests for budgets to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function, department and object, and includes information on the past two years, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the Village Board for review. The Board of Trustees holds public hearings and may add to, subtract from, or change budgeted amounts. The Board of Trustees then adopts a management budget for budgetary control purposes.

The manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. The Village does not adopt an annual budget for the Pension Contribution Fund, the Traffic Impact Fund, and the Tax Increment Financing Fund.

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NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year budget transfers were necessary.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
Debt Service	$ 3,458
Revenue Parking	3,018
Police Pension	163,123
Firefighters' Pension	448,304

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office 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. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of 2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least 5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least 10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled $44,519,235 and the bank balances totaled $45,905,366. In addition, the Village had $17,441,840 invested in the Illinois Funds at year-end, are measured at the net asset value per share determined by the pool.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that funds shall be diversified to the best of its ability based upon the type of investments and the cash flow needs of the respective funds. Specifically, the following limits shall apply:

a. No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of U.S. government securities held in safekeeping.

b. Funds deposited in financial institutions shall not exceed 25% of the deposits of that institution.

c. Commercial paper shall not exceed 33% of the Village's investment portfolio.

At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $1,923,033 and the bank balances totaled $1,922,988.

Investments. The Fund has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 2,511,625	-	-	579,933	1,931,692
U.S. Agency Securities	521,438	-	521,438	-	-
State and Local Securities	150,836	150,836	-	-	-
Corporate Bonds	12,775,238	9,052,351	3,208,793	266,252	247,842
Illinois Funds	1,355,689	1,355,689	-	-	-
	17,314,826	10,558,876	3,730,231	846,185	2,179,534

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 2,511,625	2,511,625	-	-
U.S. Agencies	521,438	-	521,438	-
State and Local Obligations	150,836	-	150,836	-
Corporate Bonds	12,775,238	-	12,775,238	-
Equity Securities				
Mutual Funds	18,685,825	18,685,825		
Common Stock	14,360,371	14,360,371	-	-
Total Investments by Fair Value Level	49,005,333	35,557,821	13,447,512	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,355,689			
Total Investments Measured at Fair Value	50,361,022			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states that investments shall be selected to enable the Fund to have available sufficient cash for all operating purposes.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in the U.S. agencies were rated Aaa by Moody's, state and local securities and corporate bonds were rated AAA to BBB- by Standard & Poor's, and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy states that some form of collateral shall secure all deposits in excess of FDIC limits. Direct investments guaranteed by the United States Government do not require collateral. The Fund shall accept any of the following securities as collateral: negotiable full-faith and credit obligations of the United States Government and negotiable obligations of any agency or instrumentality of the United States Government. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of funds secured. Pledged collateral will be held in safekeeping and evidenced by a safekeeping agreement. All investments of the Fund shall be clearly held and accounted for to indicate ownership by the Board. The Fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a state bank, national bank or trust company authorized to do business in the State of Illinois. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's Federal Home Loan Bank Securities, Federal National Mortgage Securities, Government National Mortgage Securities and State and Local Bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy states that no financial institution shall hold more than 50% of the Fund's portfolio at the current time of investment placement, exclusive of securities held in safekeeping with the Trust Department of the financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $18,685,825 invested in mutual funds and $14,360,371 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	10.50%
Cash and Cash Equivalents	0.00%	0.00%

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

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table above.

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $2,533,179 and the bank balances totaled $2,533,179.

Investments. The Fund has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 2,511,626	-	-	579,933	1,931,693
U.S. Agency Securities	672,247	-	491,810	-	180,437
State and Local Securities	150,836	150,836	-	-	-
Corporate Bonds	13,810,580	10,307,975	2,988,510	266,252	247,843
Illinois Funds	1,348,519	1,348,519	-	-	-
	18,493,808	11,807,330	3,480,320	846,185	2,359,973

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2019:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 2,511,626	2,511,626	-	-
U.S. Agencies	672,247	-	672,247	-
State and Local Obligations	150,836	-	150,836	-
Corporate Bonds	13,810,580	-	13,810,580	-
Equity Securities				
Mutual Funds	13,519,361	13,519,361	-	-
Common Stock	18,035,123	18,035,123	-	-
Total Investments by Fair Value Level	48,699,773	34,066,110	14,633,663	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,348,519			
Total Investments Measured at Fair Value	50,048,292			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states the duration of the investments must coincide with the cash flow requirements of the Fund to meet short-term and long-term needs.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in the state and local obligations were rated AA by Standard & Poor's, the corporate bonds were rated Baa3 to A1 by Moody's and the investment in the Illinois Funds was rated AAAm by Standard & Poor's. The ratings for the U.S. agencies were not available.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy states that collateral is required for demand deposits and certificates of deposit at one hundred ten percent (110%) of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States of America and its agencies. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's U.S. Treasury Securities, Federal Home Loan Bank and Mortgage Securities, Federal National Mortgage Securities, Government National Mortgage Securities, and State and Local Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy states that no more than 50% of the assets of the Fund shall be concentrated in a single instrument or class of instruments other than U.S. Treasury Obligations. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $13,519,361 invested in mutual funds and $18,035,123 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	10.50%
Cash and Cash Equivalents	0.00%	0.00%

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

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table above.

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

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NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan are held in trust on behalf of the employees. Accordingly, the assets are not reported in these financial statements.

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

COMMITMENTS

Sales Tax Agreements

The Village has an agreement with an automobile dealership based upon sales tax revenue generated and paid by this dealership during the calendar year. The Village will remit 50% of sales tax revenue paid by this dealership. The agreement expires when total payments to the dealership are $1,500,000. For the year ended April 30, 2019, the Village collected $134,066 and will rebate $67,033 of sales tax to this dealership. Cumulative payments through April 30, 2019 are $67,033.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 1225 Cedar Lane, Northbrook, IL 60062-4582.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the three pension plans is:

IMRF	$ 1,197,549
Police Pension	6,499,708
Firefighters' Pension	7,507,719
	15,204,976

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96, with a maximum salary cap of $106,800 at January 1, 2011. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	221
Inactive Plan Members Entitled to but not yet Receiving Benefits	111
Active Plan Members	226
Total	558 *

*The employees in the above table include the Northbrook Public Library and the RED Center.

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2019, the Village's contribution was 10.97% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, and the discount rate in the prior valuation 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$		
Village	20,775,301	11,608,423	4,046,380
Library	5,733,015	3,203,384	1,116,613
RED Center	3,922,734	2,191,870	764,026
Totals	30,431,050	17,003,677	5,927,019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	$ 100,089,382	97,093,720	2,995,662
Changes for the Year:			
Service Cost	1,567,118	-	1,567,118
Interest on the Total Pension Liability	7,365,851	-	7,365,851
Difference Between Expected and Actual Experience of the Total Pension Liability	1,746,468	-	1,746,468
Changes of Assumptions	2,968,880	-	2,968,880
Contributions - Employer	-	1,973,033	(1,973,033)
Contributions - Employees	-	758,920	(758,920)
Net Investment Income	-	(5,247,773)	5,247,773
Benefit Payments, including Refunds of Employee Contributions	(5,323,199)	(5,323,199)	-
Other (Net Transfer)	-	2,156,122	(2,156,122)
Net Changes	8,325,118	(5,682,897)	14,008,015
Balances at December 31, 2018	108,414,500	91,410,823	17,003,677
Net Pension Liability			
Village	75,743,973	64,135,550	11,608,423
Library	19,403,481	16,200,097	3,203,384
RED Center	13,267,046	11,075,176	2,191,870
Totals	108,414,500	91,410,823	17,003,677

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

For the fiscal year ended April 30, 2019, the Village recognized pension expense of $1,197,549, the Northbrook Public Library recognized pension e xpense of $295,536, and the RED Center recognized pension expense of $387,874.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 1,566,222	(288,159)	1,278,063
Change in Assumptions	2,315,983	(1,999,896)	316,087
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,081,856	-	6,081,856
Pension Expense to be Recognized in Future Periods	9,964,061	(2,288,055)	7,676,006
Pension Contributions Made Subsequent to the Measurement Date	564,019	-	564,019
Total Deferred Amounts Related to IMRF	10,528,080	(2,288,055)	8,240,025
Total Deferred Amounts Related to IMRF			
Village	7,187,528	(1,562,057)	5,625,471
Library	1,983,423	(431,055)	1,552,368
RED Center	1,357,129	(294,943)	1,062,186
Totals	10,528,080	(2,288,055)	8,240,025

$564,019 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

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

Fiscal Year	Net Deferred Outflows of Resources			
	Village	Library	RED Center	Totals
2020	$ 1,514,937	418,052	286,046	2,219,035
2021	792,884	218,799	149,710	1,161,393
2022	977,014	269,610	184,477	1,431,101
2023	1,955,581	539,649	369,247	2,864,477
2024	-	-	-	-
Thereafter	-	-	-	-
Totals	5,240,416	1,446,110	989,480	7,676,006

Police Pension Plan

Plan Descriptions

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

Plan Membership. At April 30, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	66
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	66
Total	135

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. At January 1, 2011, Police officer salary for the pension purposes was capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 50.07% of covered payroll.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Projected by years of service
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected from 2013 with scale MP2018 fully generationally.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 61,547,064	47,240,371	35,660,962

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	$ 94,008,293	50,188,647	43,819,646
Changes for the Year:			
Service Cost	1,458,847	-	1,458,847
Interest on the Total Pension Liability	6,403,976	-	6,403,976
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	5,443,091	-	5,443,091
Changes of Assumptions	(2,549,363)	-	(2,549,363)
Contributions - Employer	-	3,496,247	(3,496,247)
Contributions - Employees	-	716,482	(716,482)
Net Investment Income	-	3,141,841	(3,141,841)
Benefit Payments, including Refunds of Employee Contributions	(4,657,688)	(4,657,688)	-
Administrative Expenses	-	(18,744)	18,744
Net Changes	6,098,863	2,678,138	3,420,725
Balances at April 30, 2019	100,107,156	52,866,785	47,240,371

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2019, the Village recognized pension expense of $6,499,708. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 4,703,764	(940,380)	3,763,384
Change in Assumptions	1,414,388	(2,515,390)	(1,101,002)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	110,703	-	110,703
Total Deferred Amounts Related to Police Pension	6,228,855	(3,455,770)	2,773,085

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2020	$ 2,200,138
2021	(199,614)
2022	99,204
2023	426,759
2024	246,598
Thereafter	-
Total	2,773,085

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	63
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	70
Total	137

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. At January 1, 2011, Firefighters' salary for the pension purposes was capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 50.65% of covered payroll.

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Projected by years of service
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected from 2013 with scale MP2018 fully generationally.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 60,209,006	46,221,112	34,809,001

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	$ 94,319,131	50,993,297	43,325,834
Changes for the Year:			
Service Cost	2,113,585	-	2,113,585
Interest on the Total Pension Liability	6,207,719	-	6,207,719
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	806,935	-	806,935
Changes of Assumptions	152,524	-	152,524
Contributions - Employer	-	3,707,866	(3,707,866)
Contributions - Employees	-	694,131	(694,131)
Contributions - Other	-	231	(231)
Net Investment Income	-	2,152,779	(2,152,779)
Benefit Payments, including Refunds of Employee Contributions	(4,357,815)	(4,357,815)	-
Administrative Expenses	-	(169,522)	169,522
Net Changes	4,922,948	2,027,670	2,895,278
Balances at April 30, 2019	99,242,079	53,020,967	46,221,112

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

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

For the year ended April 30, 2019, the Village recognized pension expense of $7,507,719. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 2,454,910	(112,861)	2,342,049
Change in Assumptions	1,991,642	(475,199)	1,516,443
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,746,136	-	1,746,136
Total Deferred Amounts Related to Firefighters' Pension	6,192,688	(588,060)	5,604,628

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

Fiscal Year	Net Deferred Outflows of Resources
2020	$ 3,214,201
2021	784,251
2022	744,821
2023	715,788
2024	145,567
Thereafter	-
Total	5,604,628

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides medical coverage to retirees and their dependents. Retirees and their dependents may continue coverage by paying 100% of the blended average active group cost. Coverage ends at age 65 for disabled employees or once retirees are eligible for Medicare.

Plan Membership. As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	211
Total	275

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2019 , and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	3.50%
Salary Increases	3.50%
Discount Rate	3.79%
Healthcare Cost Trend Rates	8.0% for 2019, decreasing 0.25% per year to an ultimate rate of 5.0% for 2031 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the expected rate of return associated with funded benefits, and for unfunded benefits, the 20-year muni bond rates.

Mortality rates were based on the RP2014 blue collar base rates projected to 2018 using scale MP2018 for police and fire. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2019.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2018	$ 7,695,667
Changes for the Year:	
Service Cost	457,714
Interest on the Total Pension Liability	299,236
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	121,498
Benefit Payments	(316,463)
Net Changes	561,985
Balance at April 30, 2019	8,257,652

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.79%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	$ 8,965,156	8,257,652	7,605,167

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using current Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	(7.00% Decreasing to 4.00%)	Healthcare Cost Trend Rates (8.00% Decreasing to 5.00%)	(9.00% Decreasing to 6.00%)
Total OPEB Liability	$ 7,392,889	8,257,652	9,265,820

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Village recognized OPEB expense of $768,207. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ -	-	-
Change in Assumptions	110,241	-	110,241
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	110,241	-	110,241

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

Fiscal Year	Net Deferred Outflows of Resources
2020	$ 11,257
2021	11,257
2022	11,257
2023	11,257
2024	11,257
Thereafter	53,956
Total	110,241

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,397,406	$ 1,349,585	$ (47,821)	$ 6,259,278	21.56%
2016	1,545,370	1,591,260	45,890	6,501,228	24.48%
2017	1,803,482	1,965,874	162,392	6,689,389	29.39%
2018	2,949,665	3,338,429	388,764	6,906,794	48.34%
2019	2,998,526	3,496,247	497,721	6,983,385	50.07%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP2014 base rates with blue collar adjustment projected from 2013 with Scale MP2018 fully generationally

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,419,399	$ 1,332,783	$ (86,616)	$ 6,514,303	20.46%
2016	1,571,442	1,565,117	(6,325)	6,790,390	23.05%
2017	1,748,845	1,880,878	132,033	7,038,056	26.72%
2018	2,814,963	3,492,984	678,021	8,454,642	41.31%
2019	3,387,070	3,707,866	320,796	7,319,853	50.65%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP2014 base rates with blue collar adjustment projected from 2013 with Scale MP2018 fully generationally

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	12/31/2015	12/31/2016	12/31/2017	12/31/2018			
	Total	Total	Total	Village	Library	RED Center	Totals
Total Pension Liability							
Service Cost	$ 1,726,172	1,671,595	1,681,566	1,069,873	295,235	202,010	1,567,118
Interest	6,737,576	7,045,985	7,293,032	4,996,647	1,406,958	962,246	7,365,851
Differences Between Expected and Actual Experience	(35,918)	(833,025)	390,684	1,192,315	329,023	225,130	1,746,468
Change of Assumptions	231,057	(354,406)	(3,294,578)	2,026,857	559,318	382,705	2,968,880
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(4,475,023)	(4,761,929)	(3,634,152)	(1,002,857)	(686,190)	(5,323,199)
Net Change in Total Pension Liability	4,609,676	3,055,126	1,308,775	5,651,540	1,587,677	1,085,901	8,325,118
Total Pension Liability - Beginning	91,115,805	95,725,481	98,780,607	70,092,433	17,815,804	12,181,145	100,089,382
Total Pension Liability - Ending	95,725,481	98,780,607	100,089,382	75,743,973	19,403,481	13,267,046	108,414,500
Plan Fiduciary Net Position							
Contributions - Employer	1,982,573	1,986,901	1,975,094	1,346,991	371,707	254,335	1,973,033
Contributions - Members	723,580	733,781	740,723	518,115	142,976	97,829	758,920
Net Investment Income	410,050	5,643,439	15,049,148	(3,582,659)	(988,647)	(676,467)	(5,247,773)
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(4,475,023)	(4,761,929)	(3,634,152)	(1,002,857)	(686,190)	(5,323,199)
Other (Net Transfer)	153,221	42,788	(1,742,995)	1,471,986	406,200	277,936	2,156,122
Net Change in Plan Fiduciary Net Position	(779,787)	3,931,886	11,260,041	(3,879,719)	(1,070,621)	(732,557)	(5,682,897)
Plan Net Position - Beginning	82,681,580	81,901,793	85,833,679	68,015,269	17,270,718	11,807,733	97,093,720
Plan Net Position - Ending	81,901,793	85,833,679	97,093,720	64,135,550	16,200,097	11,075,176	91,410,823
Employer's Net Pension Liability	$ 13,823,688	12,946,928	2,995,662	11,608,423	3,203,384	2,191,870	17,003,677
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.56%	86.89%	97.01%	84.67%	83.49%	83.48%	84.32%
Covered Payroll	$ 15,975,610	15,979,613	16,149,095	11,515,226	3,177,666	2,174,273	16,867,165
Employer's Net Pension Liability as a Percentage of Covered Payroll	86.53%	81.02%	18.55%	100.81%	100.81%	100.81%	100.81%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	2015	2016	2017	2018	2019
Total Pension Liability					
Service Cost	$ 859,722	1,181,410	1,231,694	1,317,913	1,458,847
Interest	4,969,863	5,439,935	6,258,782	6,293,068	6,403,976
Differences Between Expected and Actual Experience	(176,001)	1,722,362	(1,269,954)	(717,081)	5,443,091
Change of Assumptions	10,847,753	7,385,822	838,321	(668,120)	(2,549,363)
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)	(4,236,937)	(4,657,688)
Net Change in Total Pension Liability	13,056,598	11,992,193	3,125,003	1,988,843	6,098,863
Total Pension Liability - Beginning	63,845,656	76,902,254	88,894,447	92,019,450	94,008,293
Total Pension Liability - Ending	76,902,254	88,894,447	92,019,450	94,008,293	100,107,156
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,349,585	1,591,260	1,965,874	3,338,429	3,496,247
Contributions - Members	698,545	752,378	705,161	701,436	716,482
Contributions - Other	8,270	7,225	254,817	-	-
Net Investment Income	2,950,989	(1,695,870)	4,302,920	4,445,111	3,141,841
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)	(4,236,937)	(4,657,688)
Administrative Expense	(28,367)	(42,357)	(26,987)	(43,618)	(18,744)
Net Change in Plan Fiduciary Net Position	1,534,283	(3,124,700)	3,267,945	4,204,421	2,678,138
Plan Net Position - Beginning	44,306,698	45,840,981	42,716,281	45,984,226	50,188,647
Plan Net Position - Ending	45,840,981	42,716,281	45,984,226	50,188,647	52,866,785
Employer's Net Pension Liability	$ 31,061,273	46,178,166	46,035,224	43,819,646	47,240,371
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.61%	48.05%	49.97%	53.39%	52.81%
Covered Payroll	$ 6,259,278	6,501,228	6,689,389	6,906,794	6,983,385
Employer's Net Pension Liability as a Percentage of Covered Payroll	496.24%	710.30%	688.18%	634.44%	676.47%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2019

	2015	2016	2017	2018	2019
Total Pension Liability					
Service Cost	$ 1,309,525	1,499,447	1,605,351	1,717,726	2,113,585
Interest	4,781,977	5,225,638	5,906,179	6,070,520	6,207,719
Differences Between Expected and Actual Experience	599,853	(523,277)	397,050	2,393,822	806,935
Change of Assumptions	8,708,762	7,060,087	772,971	(704,211)	152,524
Benefit Payments, Including					
Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)	(3,760,880)	(4,357,815)
Net Change in Total Pension Liability	12,173,830	9,897,473	5,142,990	5,716,977	4,922,948
Total Pension Liability - Beginning	61,387,861	73,561,691	83,459,164	88,602,154	94,319,131
Total Pension Liability - Ending	73,561,691	83,459,164	88,602,154	94,319,131	99,242,079
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,332,783	1,565,117	1,880,878	3,492,984	3,707,866
Contributions - Members	704,152	631,544	691,264	719,854	694,131
Contributions - Other	-	-	215,297	374	231
Net Investment Income	3,046,217	(2,700,867)	4,334,250	3,594,542	2,152,779
Benefit Payments, Including					
Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)	(3,760,880)	(4,357,815)
Administrative Expense	(63,932)	(39,690)	(48,238)	(133,327)	(169,522)
Net Change in Plan Fiduciary Net Position	1,792,933	(3,908,318)	3,534,890	3,913,547	2,027,670
Plan Net Position - Beginning	45,660,245	47,453,178	43,544,860	47,079,750	50,993,297
Plan Net Position - Ending	47,453,178	43,544,860	47,079,750	50,993,297	53,020,967
Employer's Net Pension Liability	$ 26,108,513	39,914,304	41,522,404	43,325,834	46,221,112
Plan Fiduciary Net Position as a					
Percentage of the Total Pension Liability	64.51%	52.18%	53.14%	54.06%	53.43%
Covered Payroll	$ 6,514,303	6,790,390	7,038,056	8,454,642	7,319,853
Employer's Net Pension Liability as a					
Percentage of Covered Payroll	400.79%	587.81%	589.97%	512.45%	631.45%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2019

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.86%
2016	(3.76%)
2017	10.07%
2018	7.64%
2019	7.34%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2019

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.84%
2016	(5.84%)
2017	9.95%
2018	6.99%
2019	6.65%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

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VILLAGE OF NORTHBROOK, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
April 30, 2019

	2019
Total OPEB Liability	
Service Cost	$ 457,714
Interest	299,236
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	121,498
Benefit Payments	(316,463)
Net Change in Total OPEB Liability	561,985
Total OPEB Liability - Beginning	7,695,667
Total OPEB Liability - Ending	8,257,652
Covered Payroll	$ 20,980,536
Total OPEB Liability as a Percentage of Covered Payroll	39.36%

Notes:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Medical
2020	7.75%
2021	7.50%
2022	7.25%
2023	7.00%
2024	6.75%
2025	6.50%
2026	6.25%
2027	6.00%
2028	5.75%
2029	5.50%
2030	5.25%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS - Continued

Revenue Parking Fund

The Revenue Parking Fund is used to account for the provision of public parking services for commuters. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

INTERNAL SERVICE FUND

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Insurance Fund

The Insurance Fund is used to account for the Village's workers' compensation, employee health insurance and property and casualty losses, as well as excess insurance purchased to cover major losses.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

AGENCY FUND

Escrow Fund

The Escrow Fund is used to account for refundable deposits held by the Village to ensure the completion of public improvements by private developers. The monies are refunded upon completion of the improvements.

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VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
April 30, 2019

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	$ 1,923,033	2,533,179	4,456,212
Investments			
U.S. Treasury Securities	2,511,625	2,511,626	5,023,251
U.S. Agency Securities	521,438	672,247	1,193,685
State and Local Securities	150,836	150,836	301,672
Corporate Bonds	12,775,238	13,810,580	26,585,818
Mutual Funds	18,685,825	13,519,361	32,205,186
Common Stock	14,360,371	18,035,123	32,395,494
Illinois Funds	1,355,689	1,348,519	2,704,208
Receivables			
Accrued Interest	139,193	167,154	306,347
Due from Other Governments	462,945	294,861	757,806
Total Assets	52,886,193	53,043,486	105,929,679
LIABILITIES			
Accounts Payable	-	(83)	(83)
Due to Other Governments	19,408	22,602	42,010
Total Liabilities	19,408	22,519	41,927
NET POSITION			
Net Position Restricted for Pensions	52,866,785	53,020,967	105,887,752

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VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2019

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	$ 3,496,247	3,707,866	7,204,113
Contributions - Plan Members	716,482	694,131	1,410,613
Total Contributions	4,212,729	4,401,997	8,614,726
Investment Income			
Interest	1,054,388	1,677,580	2,731,968
Net Change in Fair Value	2,135,842	535,063	2,670,905
	3,190,230	2,212,643	5,402,873
Less Investment Expenses	(48,389)	(59,864)	(108,253)
Net Investment Income	3,141,841	2,152,779	5,294,620
Miscellaneous Income	-	231	231
Total Additions	7,354,570	6,555,007	13,909,577
Deductions			
Administration	18,744	169,522	188,266
Benefits and Refunds	4,657,688	4,357,815	9,015,503
Total Deductions	4,676,432	4,527,337	9,203,769
Change in Fiduciary Net Position	2,678,138	2,027,670	4,705,808
Net Position Restricted for Pensions			
Beginning	50,188,647	50,993,297	101,181,944
Ending	52,866,785	53,020,967	105,887,752

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VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes of Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 3,198,526	3,198,526	3,496,247
Contributions - Plan Members	700,000	700,000	716,482
Total Contributions	3,898,526	3,898,526	4,212,729
Investment income			
Interest	2,000,000	2,000,000	1,054,388
Net Change in Fair Value	-	-	2,135,842
	2,000,000	2,000,000	3,190,230
Less Investment Expenses	-	-	(48,389)
Net Investment Income	2,000,000	2,000,000	3,141,841
Miscellaneous Income	2,000	2,000	-
Total Additions	5,900,526	5,900,526	7,354,570
Deductions			
Administration	83,000	83,000	18,744
Benefits and Refunds	4,381,920	4,381,920	4,657,688
Total Deductions	4,464,920	4,464,920	4,676,432
Change in Fiduciary Net Position	1,435,606	1,435,606	2,678,138
Net Position Restricted for Pensions			
Beginning			50,188,647
Ending			52,866,785

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VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2019

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 3,587,070	3,587,070	3,707,866
Contributions - Plan Members	700,000	700,000	694,131
Total Contributions	4,287,070	4,287,070	4,401,997
Investment income			
Interest	2,000,000	2,000,000	1,677,580
Net Change in Fair Value	-	-	535,063
	2,000,000	2,000,000	2,212,643
Less Investment Expenses	-	-	(59,864)
Net Investment Income	2,000,000	2,000,000	2,152,779
Miscellaneous Income	-	-	231
Total Additions	6,287,070	6,287,070	6,555,007
Deductions			
Administration	261,000	261,000	169,522
Benefits and Refunds	3,758,400	3,758,400	4,357,815
Total Deductions	4,019,400	4,019,400	4,527,337
Change in Fiduciary Net Position	2,267,670	2,267,670	2,027,670
Net Position Restricted for Pensions			
Beginning			50,993,297
Ending			53,020,967

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VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type
Last Two Fiscal Years
April 30, 2019 (Unaudited)

	Police Pension Fund		Firefighters' Pension Fund	
	4/30/2018	4/30/2019	4/30/2018	4/30/2019
Investment Rate of Return	7.64%	7.34%	6.99%	6.65%
Pension Expenses by Type				
Retirement Pensions	$ 3,604,696	4,027,142	2,809,235	3,213,176
Disability Pensions	158,427	159,381	637,146	872,150
Survivor's Pensions	473,814	471,165	272,489	272,489
Contribution Refunds	-	-	42,010	-
Totals	4,236,937	4,657,688	3,760,880	4,357,815
Increase (Decrease) in Total Pension Expenses	$ 303,097	420,751	222,319	596,935
% Increase (Decrease) in Total Pension Expenses	7.70%	9.93%	6.28%	15.87%

Data Source: Village Records

APPENDIX E

VILLAGE OF NORTHBROOK
COOK COUNTY, ILLINOIS

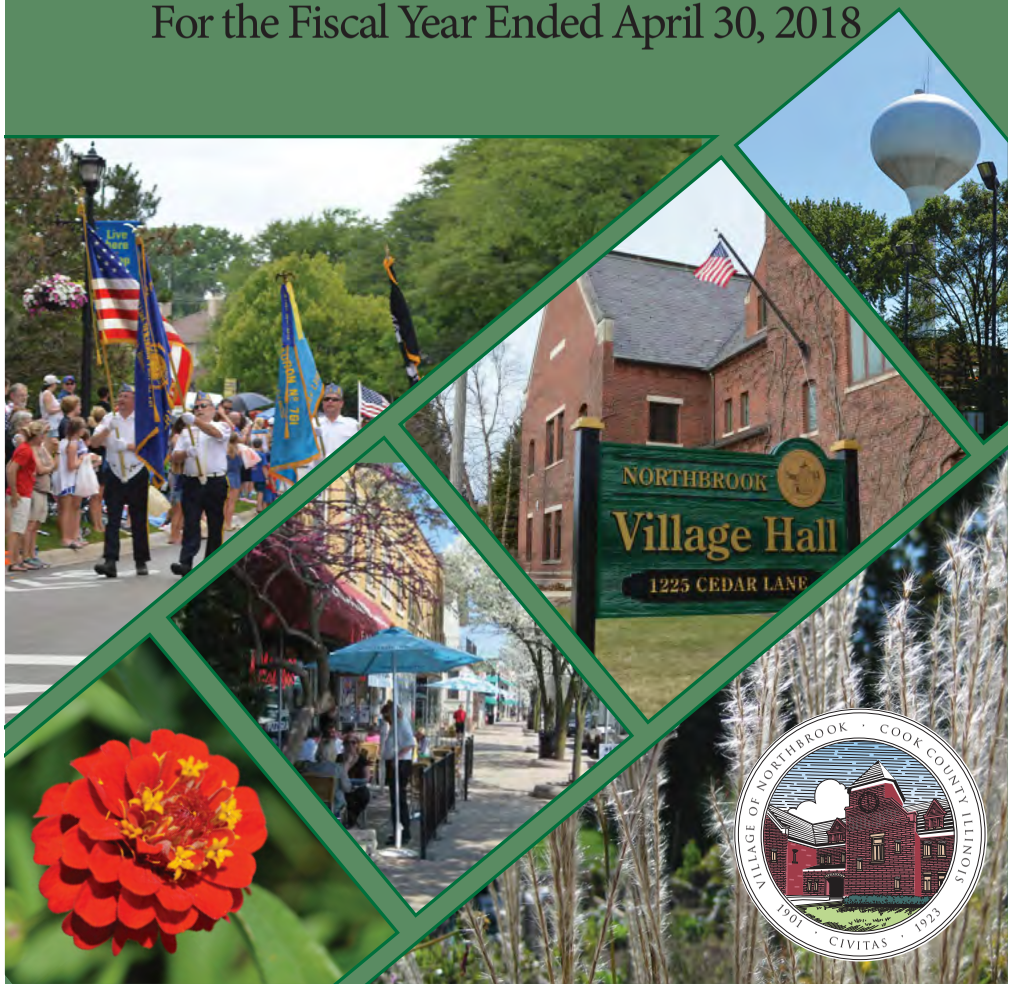
FISCAL YEAR 2018 AUDITED FINANCIAL STATEMENTS

Village of Northbrook

Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended April 30, 2018



VILLAGE OF NORTHBROOK, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2018

Prepared by:
Finance Department

Jeffrey L. Rowitz, CPA, Deputy Village Manager/Chief Financial Officer
Iwona Petryszak, CPA, Deputy Chief Financial Officer
Elizabeth M. Garibaldi, CPA, Assistant Director of Finance

VILLAGE OF NORTHBROOK, ILLINOIS

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VILLAGE OF NORTHBROOK, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Northbrook including: List of Principal Officials, Organization Chart, Letter of Transmittal from Village Manager and Deputy Village Manager/Chief Financial Officer, and Certificate of Achievement for Excellence in Financial Reporting.

VILLAGE OF NORTHBROOK, ILLINOIS

List of Principal Officials
April 30, 2018

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sandra E. Frum, President

James A. Karagianis
Albert C. Buehler, III
Kathryn L. Ciesla
Robert P. Israel
Muriel J. Collison
Jason C. Han

Debra J. Ford, Village Clerk

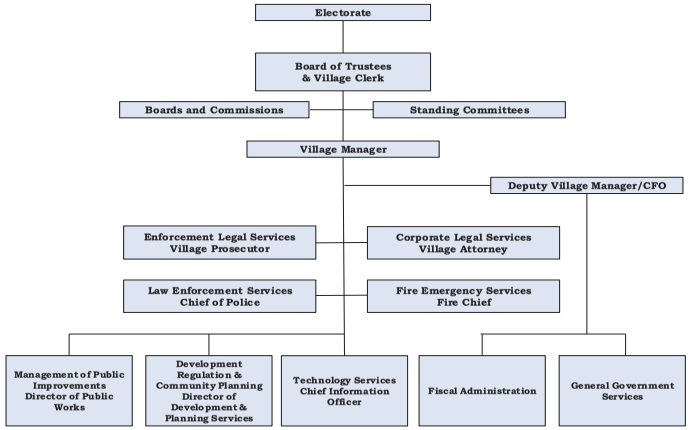
ADMINISTRATIVE

Richard A. Nahrstadt, Village Manager
Jeffrey L. Rowitz, Deputy Village Manager/Chief Financial Officer

FINANCE DEPARTMENT

Jeffrey L. Rowitz, CPA, Deputy Village Manager/Chief Financial Officer
Iwona Petryszak, CPA, Deputy Chief Financial Officer
Elizabeth M. Garibaldi, CPA, Assistant Director of Finance

Village of Northbrook
Organization Chart



Boards And Commissions

Architectural Control
Arts Commission
Community Relations
Economic Development
Electrical
Emergency Telephone System
Environmental Quality
Fire & Police Commissioners
Firefighters' Pension
Foreign Fire Insurance
Industrial & Commercial Development
Local Improvements
Plan
Police Pension
Senior Services
Stormwater Management
Youth
Zoning Board of Appeals

Standing Committees

Administration & Finance
Communications & Legislation
Planning & Zoning
Public Safety
Public Works
Community & Sustainability

Village of Northbrook
1225 Cedar Lane Northbrook, Illinois 60062 847.272.5050 Fax 847.272.9760 www.northbrook.il.us

October 9, 2018

The Honorable Village President Frum
Members of the Board of Trustees
Village of Northbrook, Illinois

The Comprehensive Annual Financial Report of the Village of Northbrook for the fiscal year ended April 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and accounts of the Village of Northbrook. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The financial section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations as applicable.

The Village provides a full range of services. These services include police and fire protection; water and sanitary sewer services; the construction and maintenance of highways, streets, and infrastructure; and cultural events. For financial reporting purposes, in conformity with the Governmental Accounting Standards Board Statement No. 14, this report includes all the funds and component units of the Village. For additional disclosures concerning the Village's reporting entity, see Note 1 to the financial statements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to compliment the information presented here in conjunction with the additional information that is furnished in the MD&A. The Village's MD&A is located following the independent auditor's report.

ECONOMIC CONDITION AND OUTLOOK

Northbrook is located in northeastern Illinois, approximately 26 miles north of Chicago. While the population increased by 21% during the 1970's, growth moderated to 5% in the following decade. The 2010 census reported a population of 33,170, reflecting a decrease of 249 residents since the 2000 census.

Northbrook combines factors of unusual personal wealth among residents; a strong diversification of employment; a diversity of industrial, commercial and office development and geographic factors that contribute to a strong local economy. As the location for a number of corporate headquarters, it has the additional distinction as a residential community for a number of corporate executives and of high home values. As an industrial community, it offers convenient transportation and proximity to Chicago. With a broad-based distribution of Village revenues and relatively low tax rates, the Village is able to offer a high level of governmental services to its residents.

PRESIDENT
Sandra E. Frum

BOARD OF TRUSTEES
James A. Karagianis
Robert P. Israel
A.C. Buehler III
Muriel J. Collison
Kathryn L. Ciesla
Jason C. Han

VILLAGE CLERK
Debra J. Ford

VILLAGE MANAGER
Richard A. Nahrstadt

The Village's geographic location, east of the Tri-State Tollway, west and south of Interstate 94 and on the Milwaukee Road railroad (40 minutes from downtown Chicago), has made it a prime area for high value residential development. A substantial land area has also permitted development of important corporate offices and commercial shopping centers. Northbrook Court includes, for example, such stores as Neiman Marcus, Macy's, Lord & Taylor and Crate & Barrel and features over 100 specialty shops like the Apple Store, H&M, XXI Forever, Coach, Louis Vuitton and True Religion. Northbrook is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters' Laboratories, Inc., and Wiss, Janney, Elstner Associates, as well as serves as the Northern Illinois distribution center for United Parcel Service. Major corporate entities adjacent to Northbrook include the corporate headquarters for Allstate Insurance Company, and Baxter; as well as North American headquarters for Takeda Pharmaceutical Company and Astellas Pharma. The careful planning and development of Northbrook should ensure an economically stable community for the foreseeable future. The wise development of the remaining property within the Village will further that stability.

MAJOR INITIATIVES

Accomplishments in Fiscal Year 2017/18

Fiscal Year 2017/18 continued to exemplify careful planning, thoughtful Village governance and leadership, and a deep, abiding respect for Northbrook citizens and businesses. Together, the Village Board and staff have responded to the economic challenges of the last several years with policies and processes that have focused our efforts to meaningfully and appropriately address the short- and long-term financial health of our Village government. Our quarterly budget reviews have transformed the way we manage the Village's finances and enhanced our ability to navigate new challenges as they arise. We have continued to refine the five-year Capital Improvement Plan to make it into a valuable planning tool that allows us to look forward and better address the Village's long-term capital and infrastructure needs.

Six years ago we introduced an expanded two year budget for the General Fund to further assist the Village Board in the discussion of the Village's fiscal policy. Each year, the budget as presented has been within 2% of the prior year estimate. Last year, we projected total General Fund expenses for FY 2018/19 of $44.3 million, with total operating expenses of $41.6 million. As shown in the table below, our current projection for total General Fund expenses is 0.34% higher, with total operating expenses 0.8% lower than our projections at this time last year. This is despite inclusion of $100,000 for planning and traffic studies and $50,000 for building and grounds maintenance related to the Grainger property, which was not known at this time last year.

Total Variance - Last Six Years

	Projected in Previous Year	Proposed Budget Following Year	Variance
FY 2013/14	$ 41,809,295	$ 40,921,500	-2.12%
FY 2014/15	$ 42,599,490	$ 43,106,630	1.19%
FY 2015/16	$ 44,109,062	$ 43,262,625	-1.92%
FY 2016/17	$ 44,978,900	$ 44,474,205	-1.12%
FY 2017/18	$ 44,096,756	$ 43,227,266	-1.97%
FY 2018/19	$ 44,336,014	$ 44,488,236	0.34%

Comparison of Second Year Estimates in Previous Year to Proposed Budget
Operating and Capital - Previous Three Years

	Projected in FY 15/16 for FY 16/17	FY 16/17 Budget	Variance	Projected in FY 16/17 for FY 17/18	FY 17/18 Budget	Variance	Projected in FY 17/18 for FY 18/19	FY 18/19 Budget	Variance
Operating	41,374,640	40,823,265	-1.33%	41,850,306	40,622,576	-2.93%	41,562,819	41,216,401	-0.83%
Capital	3,604,260	3,650,940	1.30%	2,246,450	2,604,690	15.95%	2,773,195	3,271,835	17.98%
Total	44,978,900	44,474,205	-1.12%	44,096,756	43,227,266	-1.97%	44,336,014	44,488,236	0.34%

It is clear that the business community continues to see Northbrook as an attractive place to grow and expand. The retail sector remains healthy; anchored by the 1 million square foot high-end Northbrook Court mall, the 417,000-square foot Willow Festival shopping center, and the 335,000-square foot Village Square shopping center.

The Village of Northbrook overall retail market remains quite strong, with a low 3.6% vacancy rate, despite the many changes taking place in the world of retailing. Northbrook's varied shopping areas provide North Shore residents with a combination of luxury, convenience, and discount shopping experiences. The approval of two large luxury apartment complexes along the Skokie Boulevard corridor, the 347-unit Northshore 770 building (which opened in 2016) and the 304-unit 1000 Skokie apartment building (under construction) will only increase the demand for shopping and dining experiences in the community and surrounding area for years to come.

The five-year Capital Improvement Plan and the Village's expanded two-year operating budget provide the basis for meaningful planning and the capacity to adjust our resource allocations as necessary in order to meet the changing service needs of the community. Northbrook is one of only five communities in Illinois to carry triple-A ratings from both Standard and Poor's and Moody's. Our financial house is in order. The focus of this budget is rightfully on maintaining high quality public infrastructure and services.

Highlights of FY 2017/18 included:

- Researched local adjudication programs for the Board's consideration and approval. Administrative hearings will begin in the fall of 2018.
- Reviewed, responded to, and partnered with nearby municipalities to monitor the environmental assessment for the Chicago-Milwaukee Intercity Passenger Rail Corridor and potential impacts on Northbrook residents and businesses.
- Purchased the "Grainger Property" at 1657 Shermer Road.
- Continued working with state and regional associations to analyze financial impacts of proposed legislation.
- Completed the Village's network and wireless upgrade to ensure the following: 1) all locations are upgraded and running on current network switches; 2) nearly all Village facilities, especially the locations visited by the public, have wireless; 3) various wireless networks are available, including Guest, secured Staff, and highly secured Public Safety networks; 4) on-going maintenance is in place to ensure the critical network infrastructure remains current and fully supported by the vendor.
- Promoted internally to fill the Chief, Deputy Chief, two Battalion Chiefs, two Captains, and two Lieutenants positions in the Fire Department which were open due to Chief and Deputy Chief retirements. In addition, hired several new firefighters to fill vacancies.

- Appointed a new Chief of Police and Deputy Chief of Field Operations to replace outgoing personnel. Promoted within the Department to fill additional supervisory roles.
- Continued developing the Facilities Plan with the Ad Hoc Facilities Committee to promote a proactive facility management philosophy.
- Began preparing a Master Bicycle and Pedestrian Plan for the Village. The Plan will be used as a guide for future bicycle and pedestrian development, improvement, and incorporation into the Village's roadway projects.
- Worked with the Plan Commission to prepare a comprehensive set of Zoning Code text amendments for the Downtown Area.
- Prepared amendments to the Village Green Overlay (VGO) District for the downtown area.
- Presented local amendments to the 2015 International Property Maintenance Code to the Board of Trustees to replace the current 2006 standards in the Northbrook Municipal Code.

FINANCIAL INFORMATION

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the general fund, debt service fund, capital projects fund, enterprise funds, internal service fund and pension trust funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility of sound financial management.

General Fund Balance. The unassigned fund balance of the General Fund at fiscal year ended April 30, 2018 decreased by 4.0% from the unassigned fund balance at May 1, 2017 due to a planned reduction of excess reserves above our fund balance policy. During the year, the Village transferred $1.5 million from General Fund reserves to the Police and Fire Pension funds in order to reduce the impact on the property tax levy. The unassigned fund balance is the equivalent of 51% of General Fund revenues and operating transfers in, and 48% of General Fund expenditures. This exceeds the fund balance policy previously established by the Village Board of Trustees which calls for an unrestricted fund balance equal to 40% of revenues.

Debt Administration. At April 30, 2018, the Village had a number of general obligation debt issues outstanding which totaled $121,372,928. Moody's Investors Service, in April of 1994, upgraded the Village's bond rating from Aa1 to Aaa. In November 2000, the Village also sought a rating from Standard & Poor's. Standard & Poor's also conveyed their highest rating (AAA) to the Village. Both of these ratings were re-affirmed in January, 2018.

Under current state statutes, home rule communities do not have a legal limit on the amount of debt which can be issued, thus the Village's general obligation bonded debt issuances are not subject to a legal limitation. As of April 30, 2018, the Village's net general obligation bonded debt for governmental funds was $73,019,068 and debt per capita equaled $2,201.36. Net general obligation bonded debt is the gross general obligation bonded debt less the fund balance of the Debt Service Fund and debt payable from Enterprise Fund revenues.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Lauterbach & Amen, LLP, was selected by the Village Board of Trustees. This audit meets the requirements set forth in state statutes. The auditor's report on the basic financial statements and combining and individual fund schedules as well as the information listed as supplemental is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Northbrook for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Acknowledgments. The timely preparation and submission of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department and the assistance of our auditing firm, Lauterbach & Amen, LLP. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

Richard A. Nahrstadt
Village Manager

Jeffrey L. Rowitz
Deputy Village Manager/
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Northbrook

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
668 N. RIVER ROAD • NAPERVILLE, IL 60563
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

INDEPENDENT AUDITORS' REPORT

October 9, 2018

The Honorable Village President
Members of the Board of Trustees
Village of Northbrook, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Northbrook, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northbrook Public Library. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northbrook Public Library, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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'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's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of 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 Northbrook, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Northbrook, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Matters – Continued

Other Information – Continued

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

Our discussion and analysis of the Village of Northbrook's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2018. Please read it in conjunction with the transmittal letter on page iii - vii and the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased by 32.1% as a result of this year's operations. Net position of business-type activities decreased by about $1.3 million and net position of governmental activities decreased by $9.2 million. In FY 16/17 the Village implemented GASB Statement No. 68 related to the reporting of the net pension liabilities and related items for the Illinois Municipal Retirement Fund, the Police Pension Fund, and the Firefighters' Pension Fund. GASB 68 requires pension liabilities previously included in footnotes to the financial statements to be moved into the statements themselves and calculated in the funds' net positions with the recording of additional expenses. This change requires inclusion of $89.2 million in net pension liability. It is important to note that this is only a change in financial reporting procedure, and does not change the Village's actual financial resources.

- During the year, expenses were approximately $9.2 million higher than the $52.1 million generated in tax and other revenues for governmental programs. This variance is primarily due to recording of the pension liabilities in accordance with GASB Statement No. 68 and planned use of reserves above our fund balance policy.

- During the year, revenues for business-type activities were $12.0 million while expenses were $13.3 million, generating a decrease in net position of about $1.3 million.

- The General Fund reported a surplus for the year of $9.4 million. This is primarily due to the issuance of $11.5 million in bonds late in the fiscal year. The unspent bond proceeds will be used in FY 18/19 for planned capital projects and acquisition of land and building. Revenues were $691,489, or 1.6%, less than expected. Expenditures were $1.1 million, or 2.6% under budget. This difference is mostly attributed to timing of capital expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 7) provide information about the activities of the Village of Northbrook as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide statements

USING THIS ANNUAL REPORT – Continued

by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 4 - 7 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, 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. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's roads, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, finance, public safety, highways and streets, community planning, development and engineering. The business-type activities of the Village include waterworks, sewerage, storm water management, parking operations and senior housing.

The Village includes one separate legal entity in its report, the Northbrook Public Library. Although legally separate, this "component unit" is important because the Village is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the Village's near-term financing requirements.

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 Village'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 the comparison between governmental funds and governmental activities.

The Village maintains seven 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 Fund, Pension Contribution Fund, Debt Service Fund, and Infrastructure Fund, all of which are considered major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for all funds except the Traffic Impact Fund, the Pension Contribution Fund, and the Tax Increment Financing Fund. A budgetary comparison schedule for all other funds has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 8 - 13 of this report.

Proprietary Funds

The Village maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its waterworks and sewerage, storm water management, senior housing and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions.

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

The Village uses an internal service fund to account for its insurance program. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sanitary Sewer Fund, Stormwater Utility Fund, and Senior Housing Fund, all of which are considered to be major funds of the Village. The Revenue Parking Fund is reported as a non-major fund.

The basic proprietary fund financial statements can be found on pages 14 - 19 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 20 - 21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 - 78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police and firefighters employee pension obligations, the Village's other postemployment benefit obligation, as well as the budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 79 - 91 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 92 - 115 of this report.

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by $22.2 million.

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current Assets	$ 69.7	58.7	27.8	23.7	97.5	82.4
Capital Assets	94.1	94.8	68.7	64.7	162.8	159.5
Total Assets	163.8	153.5	96.5	88.4	260.3	241.9
Deferred Outflows	18.5	22.7	0.6	1.0	19.1	23.7
Total Assets/Deferred Outflows	182.3	176.2	97.1	89.4	279.4	265.6
Long-Term Debt Outstanding	(168.1)	(163.4)	(48.2)	(40.2)	(216.3)	(203.6)
Other Liabilities	(9.4)	(9.1)	(3.6)	(3.8)	(13.0)	(12.9)
Total Liabilties	(177.5)	(172.5)	(51.8)	(44.0)	(229.3)	(216.5)
Deferred Inflows	(26.5)	(16.1)	(1.4)	(0.1)	(27.9)	(16.2)
Total Liabilities/Deferred Inflows	(204.0)	(188.6)	(53.2)	(44.1)	(257.2)	(232.7)
Net Position						
Net Investment in Capital Assets	49.2	52.3	30.9	32.8	80.1	85.1
Restricted	1.7	0.9	-	-	1.7	0.9
Unrestricted	(72.6)	(65.7)	13.0	12.4	(59.6)	(53.3)
Total Net Position	(21.7)	(12.5)	43.9	45.2	22.2	32.7

Net position was $22.2 million in fiscal 2018, a decrease of $10.5 million. Of the Village's net position, $80.1 million was net investment in capital assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional $1.7 million of the Village's net position represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position was negative $59.6 million. The negative net position is due to incorporation of GASB Statement 68 which includes $89.2 million of net pension liability in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	$ 9.0	8.6	11.4	11.1	20.4	19.7
Capital Grants/Contributions	-	-	-	0.1	-	0.1
Operating Grants/Contributions	0.9	0.9	-	-	0.9	0.9
General Revenues						
Property Taxes	17.6	14.8	-	-	17.6	14.8
Sales Taxes	14.9	15.4	-	-	14.9	15.4
State Income Taxes	3.0	3.1	-	-	3.0	3.1
Utility Taxes	1.0	1.0	-	-	1.0	1.0
Other Taxes	4.4	4.9	-	-	4.4	4.9
Other General Revenues	1.3	0.9	0.6	0.8	1.9	1.7
Total Revenues	52.1	49.6	12.0	12.0	64.1	61.6
Expenses						
General Government	6.4	10.9	-	-	6.4	10.9
Public Safety	40.1	38.6	-	-	40.1	38.6
Public Works	12.5	11.0	-	-	12.5	11.0
Interest on Long-Term Debt	2.3	2.4	-	-	2.3	2.4
Water	-	-	7.9	7.9	7.9	7.9
Sewer	-	-	1.9	1.9	1.9	1.9
Storm Water	-	-	2.5	2.2	2.5	2.2
Senior Housing	-	-	0.8	0.8	0.8	0.8
Parking Facilities	-	-	0.2	0.2	0.2	0.2
Total Expenses	61.3	62.9	13.3	13.0	74.6	75.9
Increase (Decrease) in Net Position	(9.2)	(13.3)	(1.3)	(1.0)	(10.5)	(14.3)
Net Position-Beginning	(12.5)	0.8	45.2	46.2	32.7	47.0
Net Position-Ending	(21.7)	(12.5)	43.9	45.2	22.2	32.7

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
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GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities decreased by $9.2 million (negative 12.5 million compared to negative $21.7 million) and unrestricted net position of the Village's governmental activities was negative $72.6 million. The negative net position is entirely attributable to the implementation of GASB Statement 68. The General Fund reported an operating deficit of $692,510 for the fiscal year ending April 30, 2018. The operating deficit was due to a planned reduction of excess reserves above our fund balance policy. During the year, the Village transferred $1.5 million from General Fund reserves to the Police and Fire Pension funds in order to reduce the impact on the property tax levy.

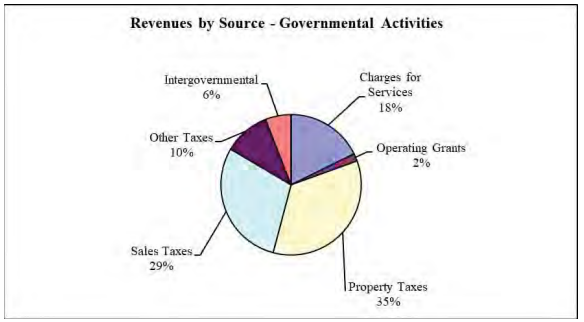
Net position of business-type activities decreased 2.9% from the prior year ($45.2 million compared to $43.9 million). The Village generally can only use this net position to finance the continuing operations of the waterworks, sewerage, storm water, senior housing and parking operations.

Total revenues increased by 4.1% ($64.1 million compared to $61.6 million). Property taxes and sales taxes accounted for the majority of this increase. The total cost of all programs and services decreased by 1.7%, or $1.3 million. This decrease is attributed to the recording of a TIF note for the North Shore 770 development in the previous fiscal year. This is a reimbursement note for certain public improvements completed by the developer. Fiscal Year 16/17 was the first year there was sufficient tax increment to begin payment on the note.

Governmental Activities

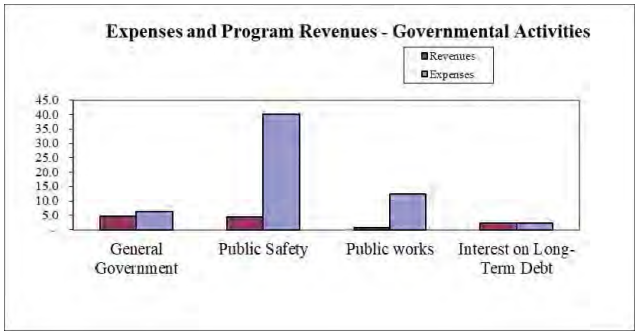
Revenues for governmental activities (excluding special items) were $52.1 million, while total expenses were $61.3 million.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on sales taxes to fund governmental activities. It also clearly identifies the minor percentage the Village receives from other governments.



GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

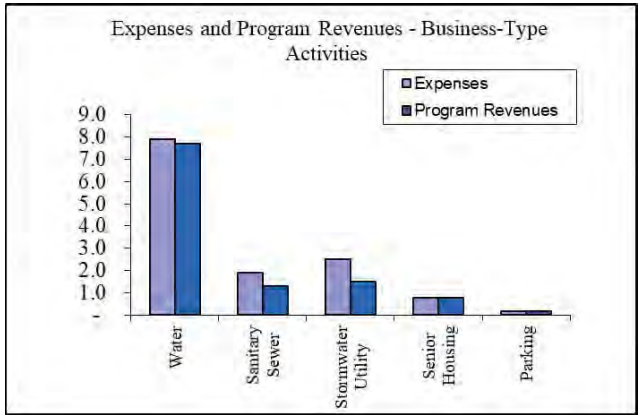
Governmental Activities – Continued



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. Clearly public safety and public works expenses far exceed any directly allocated revenues.

Business-Type Activities

Revenues from business type activities were flat and expenses increased by 2.3%, or $300,000.



VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities – Continued

The previous graph compares program revenues to expenses for the Village's enterprise operations. The deficits in the Water, Sanitary Sewer, and Stormwater Utility Funds are due to the use of prior year bond proceeds for planned capital expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of $44.3 million, which is 27.7% higher than last year's total of $34.7 million. This increase is due to a bond sale near the end of the fiscal year, which was mostly reported as restricted fund balance at April 30, 2018. The unspent bond proceeds will be used in FY 18/19 for planned capital projects and acquisition of land and building.

Unassigned General Fund Balance experienced a decrease of $1.4 million, or 6.2%. The budget anticipated a reduction of $1 million due to a planned transfer of excess reserves above our fund balance policy. During the year, the Village transferred $1.5 million from General Fund reserves to the Police and Fire Pension funds in order to reduce the impact on the property tax levy. Revenues were $691,489, or 1.6%, less than expected. Expenditures were $1.1 million, or 2.6% under budget. This difference is mostly attributed to timing of capital expenditures.

The Debt Service fund reported a modest increase of $12,502 for the year.

The Infrastructure Fund reported a decrease in fund balance prior to transfers out of approximately $1.2 million due to timing of capital expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Village reports the Water, Sanitary Sewer, Stormwater Utility, and Senior Housing Funds as major proprietary funds.

The Water Fund accounts for all of the operations of the municipal water system. The Village is the only municipality in Illinois that is not on the lakefront but pumps its' own water directly from Lake Michigan. Many years ago, the Village constructed a pipeline directly to the lake by purchasing various rights- of- way. Water was sold to all municipal customers at a rate of $4.90 per thousand gallons.

The Village intends to run the Water Fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects and water consumption. The current fiscal year experienced a modest deficit of $61,895.

The Sanitary Sewer Fund accounts for all operations of the Village's sanitary sewer system. Customers are billed at a rate of $1.05 per thousand gallons of water used. This fund experienced a deficit of $575,835 for the year due to the timing of capital expenses. In April 2018, the Village Board approved a planned rate increase of 20% effective May 1, 2018.

The Stormwater Utility Fund is used to account for the maintenance and construction of the Village's storm water management system. All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service. This fund experienced a deficit of $666,614 for the year due to timing of capital expenses.

The Senior Housing Fund accounts for all operations of Crestwood Place, a senior housing apartment complex owned by the Village. Day-to-day operations are handled by a management company. Since the Village owns the buildings, we have been able to keep rents low and still allow this fund to entirely cover its' cost of operations. This fund experienced a modest surplus of $7,544 for the current year.

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2018 was $162.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, roads, sidewalks, storm sewers, and bridges.

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 32.0	32.0	3.0	3.0	35.0	35.0
Buildings	10.1	10.3	8.5	8.8	18.6	19.1
Equipment & Vehicles	3.7	4.0	5.4	3.3	9.1	7.3
Infrastructure	48.2	48.5	51.8	49.7	100.0	98.2
Total	94.0	94.8	68.7	64.8	162.7	159.6

The FY 2017/18 capital budget includes projects totaling $22.8 million. This total includes $8.3 million for water system improvements, $7.7 million for street improvements, $3.1 million for storm water improvements, $480,000 for sewer improvements and $3.2 million for other general fund projects. Additional information on the Village's capital assets can be found in note 3 on pages 44 - 45 of this report.

Debt Administration

At year-end, the Village had total outstanding bonded debt of $121.4 million as compared to $100.5 million the previous year. The following is a comparative statement of outstanding debt:

	General Obligation Bonds (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	$ 73.0	61.8	48.4	38.7	121.4	100.5

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration - Continued

The Village maintains an AAA rating from Standard & Poor's and an Aaa rating from Moody's for general obligation debt. The rating from Moody's has not changed in twenty-three years. The Village first sought a rating from Standard & Poor's in November 2000 and was awarded the AAA rating at that time. As a home-rule unit, no legal limit exists on the amount of debt that can be outstanding. Additional information on the Village's long-term debt can be found in Note 3 on pages 47-53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2019 budget, tax rates, and fees that will be charged for its governmental and business-type activities. Beginning with FY 2012/13, the Village introduced an expanded two year budget for the General Fund to further assist the Village Board in their discussion of fiscal policy. Each year, the budget as presented has been within 2% of the prior year estimate. Last year, we projected total General Fund expenses for FY 2018/19 of $44.3 million, with total operating expenses of $41.6 million. As shown in the table below, our current projection for General Fund expenses is 0.34% higher, with total operating expenses 0.8% lower than our projections at this time last year. This is despite inclusion of $100,000 for planning and traffic studies and $50,000 for building and grounds maintenance related to the Grainger property, which was not known at this time last year.

Total Variance - Last Six Years

	Projected in Previous Year	Proposed Budget Following Year	Variance
FY 2013/14	$ 41,809,295	$ 40,921,500	-2.12%
FY 2014/15	$ 42,599,490	$ 43,106,630	1.19%
FY 2015/16	$ 44,109,062	$ 43,262,625	-1.92%
FY 2016/17	$ 44,978,900	$ 44,474,205	-1.12%
FY 2017/18	$ 44,096,756	$ 43,227,266	-1.97%
FY 2018/19	$ 44,336,014	$ 44,488,236	0.34%

Comparison of Second Year Estimates in Previous Year to Proposed Budget
Operating and Capital - Previous Three Years

	Projected in FY 15/16 for FY 16/17	FY 16/17 Budget	Variance	Projected in FY 16/17 for FY 17/18	FY 17/18 Budget	Variance	Projected in FY 17/18 for FY 18/19	FY 18/19 Budget	Variance
Operating	41,374,640	40,823,265	-1.33%	41,850,306	40,622,576	-2.93%	41,562,819	41,216,401	-0.83%
Capital	3,604,260	3,650,940	1.30%	2,246,450	2,604,690	15.95%	2,773,195	3,271,835	17.98%
Total	44,978,900	44,474,205	-1.12%	44,096,756	43,227,266	-1.97%	44,336,014	44,488,236	0.34%

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis
April 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued

The FY 2018/19 budget (before equity transfers) is balanced and estimates General Fund reserves of $2.98 million above our 40% policy at April 30, 2019. FY 2018/19 General Fund expenditures, before equity transfers are budgeted to be $2.3 million more than the FY 2017/18 actual. Of this amount, $1.4 million is attributed to the planned replacement of a ladder truck in the Fire Department. The approved budget provides revenue stability for operations and a funding plan to address both future capital needs and unfunded pension liabilities.

During the budget deliberations, consensus was reached to bring our home rule sales tax in line with the prevailing rate charged by municipalities in the area. Accordingly, the rate of the local home rule sales tax was increased from three quarters of one percent to one percent, effective July 1, 2018. The home rule sales tax is not applied to sales of automobiles, groceries, and medicine. All other retail sales are included. In addition, the Board discussed the financial impacts associated with our Fire and Police Pensions and decided to increase the ambulance transport fee and apply the additional revenue annually to paying down the unfunded liabilities in our Police and Fire pension funds. We anticipate the increased ambulance transport fees will generate an additional $400,000 per year which will be split evenly between the Police and Fire pension funds.

Our general revenue assumptions are conservative. Total revenues for the General Fund in FY 2018/19 (net of bond proceeds) are budgeted to be only 3% higher than actual for FY 2017/18, despite the increases in home rule sales tax and ambulance transport fees.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Northbrook's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Chief Financial Officer, Village of Northbrook, 1225 Cedar Lane, Northbrook, IL 60062.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position
April 30, 2018

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position
April 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Public Library
ASSETS				
Current Assets				
Cash and Investments	$ 51,112,058	26,147,218	77,259,276	9,826,409
Receivables - Net	14,750,714	1,882,202	16,632,916	3,923,017
Due from Other Governments	1,191,281	-	1,191,281	-
Internal Balances	259,100	(259,100)	-	-
Inventory/Prepaids	2,388,223	-	2,388,223	119,671
Total Current Assets	69,701,376	27,770,320	97,471,696	13,869,097
Noncurrent Assets				
Capital Assets				
Land	32,113,013	1,674,404	33,787,417	455,625
Artwork	-	-	-	3,200
Depreciable Capital Assets	132,190,458	152,324,797	284,515,255	31,055,121
Depreciation	(70,257,761)	(85,295,205)	(155,552,966)	(15,138,841)
Total Noncurrent Assets	94,045,710	68,703,996	162,749,706	16,375,105
Total Assets	163,747,086	96,474,316	260,221,402	30,244,202
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding	1,877,368	-	1,877,368	-
Deferred Items - IMRF	2,523,531	591,119	3,114,650	817,340
Deferred Items - Police Pension	5,905,869	-	5,905,869	-
Deferred Items - Firefighters' Pension	8,201,155	-	8,201,155	-
Total Deferred Outflows of Resources	18,507,923	591,119	19,099,042	817,340
Total Assets and Deferred Outflows of Resources	182,255,009	97,065,435	279,320,444	31,061,542

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 1,154,570	647,225	1,801,795	195,187
Retainage Payable	250,860	273,400	524,260	45,759
Accrued Payroll and Related	712,315	8,186	720,501	-
Accrued Interest Payable	959,530	599,605	1,559,135	114,520
Deposits Payable	644,786	74,519	719,305	-
Other Payable	35,000	-	35,000	-
Due to Other Governments	1,324,699	-	1,324,699	-
Current Portion of Long-Term Debt	4,287,181	2,043,230	6,330,411	304,161
Total Current Liabilities	9,368,941	3,646,165	13,015,106	659,627
Noncurrent Liabilities				
Compensated Absences Payable	1,337,105	152,846	1,489,951	143,388
Net Pension Liability - IMRF	1,682,946	394,218	2,077,164	545,086
Net Pension Liability - Police Pension	43,819,646	-	43,819,646	-
Net Pension Liability - Firefighters' Pension	43,325,834	-	43,325,834	-
Net Other Post-Employment Benefit Payable	1,717,372	-	1,717,372	22,868
TIF Note Payable	4,766,301	-	4,766,301	-
General Obligation Bonds Payable - Net	71,451,361	47,631,851	119,083,212	6,651,870
Total Noncurrent Liabilities	168,100,565	48,178,915	216,279,480	7,363,212
Total Liabilities	177,469,506	51,825,080	229,294,586	8,022,839
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	5,768,279	1,351,179	7,119,458	1,868,275
Deferred Items - Police Pension	3,550,048	-	3,550,048	-
Deferred Items - Firefighters' Pension	1,691,952	-	1,691,952	-
Property Taxes	15,500,179	-	15,500,179	8,247,282
Total Deferred Inflows of Resources	26,510,458	1,351,179	27,861,637	10,115,557
Total Liabilities/Deferred Inflows of Resources	203,979,964	53,176,259	257,156,223	18,138,396
NET POSITION				
Net Investment in Capital Assets	49,228,665	30,850,258	80,078,923	9,454,921
Restricted				
Public Safety	762,678	-	762,678	-
Tax Increment Financing	475,236	-	475,236	-
Perpetual Care - Nonexpendable	423,965	-	423,965	-
Pension Contribution	23	-	23	-
Public Library	-	-	-	315,966
Unrestricted (Deficit)	(72,615,522)	13,038,918	(59,576,604)	3,152,259
Total Net Position	(21,724,955)	43,889,176	22,164,221	12,923,146

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Activities
For the Fiscal Year Ended April 30, 2018

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants/ Contributions	Program Revenues: Capital Grants/ Contributions	Net (Expenses)/Revenues: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Totals	Component Unit: Public Library
Governmental Activities								
General Government	$ 6,387,947	4,629,242	-	-	(1,758,705)	-	(1,758,705)	-
Public Safety	40,077,276	4,355,075	23,907	-	(35,698,294)	-	(35,698,294)	-
Highways and Streets	12,462,791	-	846,930	-	(11,615,861)	-	(11,615,861)	-
Interest on Long-Term Debt	2,321,650	-	-	-	(2,321,650)	-	(2,321,650)	-
Total Governmental Activities	61,249,664	8,984,317	870,837	-	(51,394,510)	-	(51,394,510)	-
Business-Type Activities								
Water	7,927,864	7,652,106	10,476	-	-	(265,282)	(265,282)	-
Sanitary Sewer	1,892,142	1,289,902	-	-	-	(602,240)	(602,240)	-
Senior Housing	841,260	847,203	-	-	-	5,943	5,943	-
Stormwater Utility	2,489,484	1,475,491	-	-	-	(1,013,993)	(1,013,993)	
Parking	234,534	175,161	-	-	-	(59,373)	(59,373)	-
Total Business-Type Activities	13,385,284	11,439,863	10,476	-	-	(1,934,945)	(1,934,945)	-
Total Primary Government	74,634,948	20,424,180	881,313	-	(51,394,510)	(1,934,945)	(53,329,455)	-
Component Unit - Public Library	8,002,405	104,951	70,466	-	-	-	-	(7,826,988)
General Revenues								
Taxes								
Property Taxes					17,620,255	-	17,620,255	8,049,408
Use Taxes					872,486	-	872,486	-
Auto Rental Taxes					5,426	-	5,426	-
Utility Taxes					968,873	-	968,873	-
Telecommunication Taxes					2,135,223	-	2,135,223	-
Other Taxes					1,386,566	-	1,386,566	134,227
Intergovernmental - Unrestricted								
Sales Taxes					14,883,566	-	14,883,566	-
State Income Taxes					2,998,512	-	2,998,512	-
Interest					507,428	174,656	682,084	62,356
Miscellaneous					789,168	404,296	1,193,464	53,146
					42,167,503	578,952	42,746,455	8,299,137
Change in Net Position					(9,227,007)	(1,355,993)	(10,583,000)	472,149
Net Position - Beginning					(12,497,948)	45,245,169	32,747,221	12,450,997
Net Position - Ending					(21,724,955)	43,889,176	22,164,221	12,923,146

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2018

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
ASSETS						
Cash and Investments	$ 34,007,699	23	2,014,096	10,281,971	1,298,480	47,602,269
Receivables - Net of Allowances						
Property Taxes	4,406,311	4,085,790	2,037,416	-	-	10,529,517
Other Taxes	2,576,873	-	-	330,113	-	2,906,986
Other	1,314,211	-	-	-	-	1,314,211
Due from Other Governments	1,076,600	-	-	75,935	-	1,152,535
Due from Other Funds	259,100	-	-	-	-	259,100
Inventories	119,736	-	-	-	-	119,736
Total Assets	43,760,530	4,085,813	4,051,512	10,688,019	1,298,480	63,884,354
LIABILITIES						
Accounts Payable	1,089,647	-	-	54,075	-	1,143,722
Retainage Payable	-	-	-	250,860	-	250,860
Accrued Payroll	712,315	-	-	-	-	712,315
Deposits Payable	371,258	-	-	-	273,528	644,786
Other Payable	-	-	-	-	35,000	35,000
Due to Other Governments	111,150	1,213,549	-	-	-	1,324,699
Total Liabilities	2,284,370	1,213,549	-	304,935	308,528	4,111,382
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	8,596,658	2,872,241	4,031,280	-	-	15,500,179
Total Liabilities and Deferred Inflows of Resources	10,881,028	4,085,790	4,031,280	304,935	308,528	19,611,561
FUND BALANCES						
Nonspendable	119,736	-	-	-	-	119,736
Restricted	11,517,298	23	20,232	4,013,054	899,201	16,449,808
Committed	-	-	-	-	90,751	90,751
Assigned	-	-	-	6,370,030	-	6,370,030
Unassigned	21,242,468	-	-	-	-	21,242,468
Total Fund Balances	32,879,502	23	20,232	10,383,084	989,952	44,272,793
Total Liabilities, Deferred Inflows of Resources and Fund Balances	43,760,530	4,085,813	4,051,512	10,688,019	1,298,480	63,884,354

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2018

Total Governmental Fund Balances	$ 44,272,793
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	94,045,710
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	5,806,174
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(3,244,748)
Deferred Items - Police Pension	2,355,821
Deferred Items - Firefighters' Pension	6,509,203
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,671,381)
Net Pension Liability - IMRF	(1,682,946)
Net Pension Liability - Police Pension	(43,819,646)
Net Pension Liability - Firefighters' Pension	(43,325,834)
Net Other Post-Employment Benefit Obligation Payable	(1,717,372)
TIF Note Payable	(4,766,301)
General Obligation Bonds Payable - Net of Unamortized Items	(73,526,898)
Accrued Interest Payable	(959,530)
Net Position of Governmental Activities	(21,724,955)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2018

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
Revenues						
Taxes	$ 12,765,979	5,322,985	3,129,063	2,277,413	898,316	24,393,756
Intergovernmental	16,501,058	-	-	846,930	-	17,347,988
Licenses, Permits and Fees	5,976,991	-	-	-	-	5,976,991
Charges for Services	5,434,918	-	-	-	-	5,434,918
Fines and Forfeits	170,098	-	-	-	-	170,098
Interest	377,592	23	26,535	76,514	6,961	487,625
Miscellaneous	481,530	-	-	50,450	257,188	789,168
Total Revenues	41,708,166	5,323,008	3,155,598	3,251,307	1,162,465	54,600,544
Expenditures						
Current						
General Government	7,986,990	-	-	-	14,944	8,001,934
Public Safety	26,751,446	6,831,413	-	-	-	33,582,859
Highways and Streets	7,599,240	-	-	4,440,618	-	12,039,858
Debt Service						
Principal Retirement	-	-	3,401,540	-	133,699	3,535,239
Interest and Fiscal Charges	-	-	2,014,820	-	402,473	2,417,293
Total Expenditures	42,337,676	6,831,413	5,416,360	4,440,618	551,116	59,577,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(629,510)	(1,508,405)	(2,260,762)	(1,189,311)	611,349	(4,976,639)
Other Financing Sources (Uses)						
Debt Issuance	11,540,250	-	-	3,064,000	-	14,604,250
Discount on Debt Issuance	(32,273)	-	-	-	-	(32,273)
Transfers In	-	1,508,428	2,273,264	-	-	3,781,692
Transfers Out	(1,508,428)	-	-	(2,273,264)	-	(3,781,692)
	9,999,549	1,508,428	2,273,264	790,736	-	14,571,977
Net Change in Fund Balances	9,370,039	23	12,502	(398,575)	611,349	9,595,338
Fund Balances - Beginning	23,509,463	-	7,730	10,781,659	378,603	34,677,455
Fund Balances - Ending	32,879,502	23	20,232	10,383,084	989,952	44,272,793

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

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

For the Fiscal Year Ended April 30, 2018

Net Change in Fund Balances - Total Governmental Funds	$ 9,595,338
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	2,976,789
Depreciation Expense	(3,784,097)
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(238,231)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(6,355,419)
Change in Deferred Items - Police Pension	(4,810,919)
Change in Deferred Items - Firefighters' Pension	(1,371,721)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Deductions to Compensated Absences Payable	120,269
Deductions to Net Pension Liability - IMRF	5,529,157
Deductions to Net Pension Liability - Police Pension	2,215,578
Additions to Net Pension Liability - Firefighters' Pinion	(1,803,430)
Additions to Net Other Post-Employment Benefit Obligation Payable	(359,226)
Issuance of Debt	(14,604,250)
Retirement of Debt	3,535,239
Amortization of Debt Related Items	20,286
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	107,630
Changes in Net Position of Governmental Activities	(9,227,007)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2018

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2018

	Business-Type Activities						Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
ASSETS							
Current Assets							
Cash and Investments	$ 14,201,111	1,903,332	1,431,388	8,607,073	4,314	26,147,218	3,509,789
Receivables - Net of Allowances							
Accounts	1,368,369	248,815	-	265,018	-	1,882,202	-
Due from Other Governments	-	-	-	-	-	-	38,746
Prepaids	-	-	-	-	-	-	2,268,487
Total Current Assets	15,569,480	2,152,147	1,431,388	8,872,091	4,314	28,029,420	5,817,022
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	556,252	-	308,732	40,000	769,420	1,674,404	-
Depreciable Capital Assets	78,892,754	18,557,552	5,913,955	47,343,866	1,616,670	152,324,797	-
Accumulated Depreciation	(44,735,818)	(12,272,900)	(3,785,452)	(23,309,600)	(1,191,435)	(85,295,205)	-
Total Noncurrent Assets	34,713,188	6,284,652	2,437,235	24,074,266	1,194,655	68,703,996	-
Total Assets	50,282,668	8,436,799	3,868,623	32,946,357	1,198,969	96,733,416	5,817,022
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Items - IMRF	397,063	97,817	-	96,239	-	591,119	-
Total Assets and Deferred Outflows of Resources	50,679,731	8,534,616	3,868,623	33,042,596	1,198,969	97,324,535	5,817,022
LIABILITIES							
Current Liabilities							
Accounts Payable	262,458	186,974	80,240	116,041	1,512	647,225	10,848
Retainage Payable	140,063	-	-	133,337	-	273,400	-
Accrued Payroll	7,050	1,136	-	-	-	8,186	-
Interest Payable	290,820	62,414	-	246,371	-	599,605	-
Deposits Payable	-	-	74,519	-	-	74,519	-
Due to Other Funds	-	-	259,100	-	-	259,100	-
Compensated Absences Payable	35,341	2,870	-	-	-	38,211	-
General Obligation Bonds Payable	1,194,390	175,405	-	635,224	-	2,005,019	-
Total Current Liabilities	1,930,122	428,799	413,859	1,130,973	1,512	3,905,265	10,848
Noncurrent Liabilities							
Compensated Absences Payable	141,366	11,480	-	-	-	152,846	-
Net Pension Liability - IMRF	264,802	65,234	-	64,182	-	394,218	-
General Obligation Bonds Payable - Net	22,505,253	4,426,072	-	20,700,526	-	47,631,851	-
Total Noncurrent Liabilities	22,911,421	4,502,786	-	20,764,708	-	48,178,915	-
Total Liabilities	24,841,543	4,931,585	413,859	21,895,681	1,512	52,084,180	10,848
DEFERRED INFLOWS OF RESOURCES							
Deferred Items - IMRF	907,606	223,589	-	219,984	-	1,351,179	-
Total Liabilities and Deferred Inflows of Resources	25,749,149	5,155,174	413,859	22,115,665	1,512	53,435,359	10,848
NET POSITION							
Net Investment in Capital Assets	19,481,259	2,297,434	2,437,235	5,439,675	1,194,655	30,850,258	-
Unrestricted	5,449,323	1,082,008	1,017,529	5,487,256	2,802	13,038,918	5,806,174
Total Net Position	24,930,582	3,379,442	3,454,764	10,926,931	1,197,457	43,889,176	5,806,174

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
Operating Revenues							
Charges for Services	$ 7,652,106	1,289,902	847,203	1,475,491	167,968	11,432,670	1,363,045
Miscellaneous	-	-	-	-	7,193	7,193	-
Interfund Services	-	-	-	-	-	-	5,389,805
Total Operating Revenues	7,652,106	1,289,902	847,203	1,475,491	175,161	11,439,863	6,752,850
Operating Expenses							
Administration	1,974,035	559,385	137,000	118,685	99,620	2,888,725	8,900
Operations	3,821,480	809,555	586,796	1,045,179	84,664	6,347,674	7,381,988
Depreciation and Amortization	1,440,269	295,347	117,464	740,693	50,250	2,644,023	-
Total Operating Expenses	7,235,784	1,664,287	841,260	1,904,557	234,534	11,880,422	7,390,888
Operating Income (Loss)	416,322	(374,385)	5,943	(429,066)	(59,373)	(440,559)	(638,038)
Nonoperating Revenues (Expenses)							
Interest Income	120,984	19,976	1,601	31,915	180	174,656	19,803
Permits/Connection/Recapture Fees	10,476	-	-	-	-	10,476	-
Other Income	82,403	6,429	-	315,464	-	404,296	380,004
Disposal of Capital Assets	-	(77,489)	-	-	-	(77,489)	-
Interest Expense	(692,080)	(150,366)	-	(584,927)	-	(1,427,373)	-
	(478,217)	(201,450)	1,601	(237,548)	180	(915,434)	399,807
Change in Net Position	(61,895)	(575,835)	7,544	(666,614)	(59,193)	(1,355,993)	(238,231)
Net Position - Beginning	24,992,477	3,955,277	3,447,220	11,593,545	1,256,650	45,245,169	6,044,405
Net Position - Ending	24,930,582	3,379,442	3,454,764	10,926,931	1,197,457	43,889,176	5,806,174

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
Cash Flows from Operating Activities							
Receipts from Customers and Users	$ 7,682,528	1,295,387	847,203	1,793,066	485,993	12,104,177	-
Receipts from Interfund Services	-	-	-	-	-	-	6,960,059
Payments to Employees	(1,477,917)	(358,173)	-	(352,256)	-	(2,188,346)	-
Payments to Suppliers	(4,451,265)	(998,226)	(699,789)	(653,680)	(481,859)	(7,284,819)	(7,392,439)
	1,753,346	(61,012)	147,414	787,130	4,134	2,631,012	(432,380)
Cash Flows from Capital and Related Financing Activities							
Purchase of Capital Assets	(4,399,217)	(244,444)	-	(2,135,044)	-	(6,778,705)	-
Issuance of Capital Debt	7,238,550	882,750	-	3,354,450	-	11,475,750	-
Principal Paid on General Obligation Bonds	(1,075,534)	(157,868)	-	(578,990)	-	(1,812,392)	-
Interest Paid on General Obligation Bonds	(692,080)	(150,366)	-	(584,927)	-	(1,427,373)	-
	1,071,719	330,072	-	55,489	-	1,457,280	-
Cash Flows from Investing Activities							
Interest Received	120,984	19,976	1,601	31,915	180	174,656	19,803
Net Change in Cash and Cash Equivalents	2,946,049	289,036	149,015	874,534	4,314	4,262,948	(412,577)
Cash and Cash Equivalents - Beginning	11,255,062	1,614,296	1,282,373	7,732,539	-	21,884,270	3,922,366
Cash and Cash Equivalents - Ending	14,201,111	1,903,332	1,431,388	8,607,073	4,314	26,147,218	3,509,789
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	416,322	(374,385)	5,943	(429,066)	(59,373)	(440,559)	(638,038)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:							
Other Nonoperating Revenues	92,879	6,429	-	315,464	-	414,772	380,004
Depreciation and Amortization Expense	1,440,269	295,347	117,464	740,693	50,250	2,644,023	-
Other Expenses - IMRF	110,194	30,460	-	18,161	-	158,815	-
(Increase) Decrease in Current Assets	(62,457)	(944)	-	2,111	310,832	249,542	(172,795)
Increase (Decrease) in Current Liabilities	(243,861)	(17,919)	24,007	139,767	(297,575)	(395,581)	(1,551)
Net Cash Provided by Operating Activities	1,753,346	(61,012)	147,414	787,130	4,134	2,631,012	(432,380)

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Fiduciary Net Position
April 30, 2018

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	$ 5,714,593	6,259,837
Investments		
U.S. Government and Agency Securities	8,022,431	-
State and Local Securities	1,234,205	-
Corporate Bonds	22,058,506	-
Mutual Funds	31,413,288	-
Common Stock	29,745,069	-
Illinois Funds	1,396,774	-
Receivables		
Accrued Interest	311,075	-
Due from Other Governments	1,324,699	34,230
Total Assets	101,220,640	6,294,067
LIABILITIES		
Accounts Payable	(50)	5,616
Deposits Payable	-	6,288,451
Due to Other Governments	38,746	-
Total Liabilities	38,696	6,294,067
NET POSITION		
Net Position Restricted for Pensions	101,181,944	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2018

	Pension Trust
Additions	
Contributions - Employer	$ 6,831,413
Contributions - Plan Members	1,421,290
Total Contributions	8,252,703
Investment Income	
Interest Earned	2,017,616
Net Change in Fair Value	6,107,198
	8,124,814
Less Investment Expenses	(85,161)
	8,039,653
Miscellaneous Income	374
Total Additions	16,292,730
Deductions	
Administration	176,945
Benefits and Refunds	7,997,817
Total Deductions	8,174,762
Change in Fiduciary Net Position	8,117,968
Net Position Restricted for Pensions	
Beginning	93,063,976
Ending	101,181,944

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Northbrook (Village), Illinois, incorporated in 1901, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sanitary sewer services, parking system services, senior housing services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP in the United States). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations).

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Northbrook
Discretely Presented Component Unit:	Northbrook Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Village have been included.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Northbrook Public Library

The Northbrook Public Library (Library) operates and maintains the Village's public library facilities. The Library's Board is elected by the voters of the Village. The Library may not issue bonded debt, and its annual budget and property tax levy are subject to the Village Board's approval. A financial benefit/burden relationship exists between the Village and the Library. Separate audited financial statements as of April 30, 2018 are available from the Library's administrative office at 1201 Cedar Lane, Northbrook, Illinois 60062.

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and sanitary sewer services, stormwater management services, parking system services and senior housing services are classified as business-type activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Financial Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
>
> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the Pension Contribution Fund, which accounts for the Village's employer contribution to the police and firefighters' pension funds. Funding comes from a restricted annual property tax levy.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and accumulates monies for the payment of general obligation debt, with financing provided by the annual tax levy.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the Infrastructure Fund, which accounts for infrastructure improvements including streets and storm water.

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs, that is, for the benefit of the Village or its citizenry.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains four major enterprise funds: Water, Sanitary Sewer, Senior Housing and Stormwater Utility funds. The Water Fund accounts for the provision of potable water services to the residents of the Village. The Sanitary Sewer Fund accounts for the provision of sewer repair and improvement services to the resident of the Village. The Senior Housing Fund accounts for the provision of housing to the residents of the Village-owned apartment complex. The Stormwater Utility fund accounts for the maintenance and construction of the Village's storm water management system.

Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund. The Insurance Fund accounts for the Village's workers' compensation, employee health insurance and property and casualty losses, as well as excess insurance purchased to cover major losses. The Village's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Agency Funds are used to account for assets held by the Village in a purely custodial capacity. The Escrow Fund accounts for refundable deposits held by the Village to ensure the completion of public improvements by private developers, with the monies being refunded upon completion of the improvements.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, and of the Village's internal service funds are charges to customers for sales and services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants. Business-type activities report utility charges as their major receivables.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Prepaids/Inventories

Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of $50,000 to $250,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	40 - 50 Years
Equipment and Vehicles	5 - 10 Years
System Mains, Lines and Appurtenances	15 - 50 Years
Infrastructure	15 - 50 Years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

> Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted – Consists of net position with constraints placed on the 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 legislations.
>
> Unrestricted – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All departments of the Village submit requests for budgets to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function, department and object, and includes information on the past two years, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the Village Board for review. The Board of Trustees holds public hearings and may add to, subtract from, or change budgeted amounts. The Board of Trustees then adopts a management budget for budgetary control purposes.

The manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. The Village does not adopt an annual budget for the Pension Contribution Fund, the Traffic Impact Fund, and the Tax Increment Financing Fund.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year budget transfers were necessary.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Debt Service	$ 3,140
Police Pension	90,635
Firefighters' Pension	97,107

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office 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. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of 2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least 5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least 10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled $54,652,553 and the bank balances totaled $56,347,732. In addition, the Village had $22,606,723 invested in the Illinois Funds at year-end, are measured at the net asset value per share determined by the pool.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that the investment portfolio shall be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The Village's investment policy further states that unless matched directly to a specific cash flow, the Village will not invest in securities maturing more than two years from 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states that investments shall be limited to the safest types of securities. At year-end, the Village's investment in the Illinois Funds was rated AAAm by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires that any deposit in excess of the FDIC limits shall be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third-party institution in the name of the Village.

The Village will accept any of the following types of securities as collateral: U.S. Government securities, obligations of federal agencies, obligations of federal instrumentalities, obligations of the State of Illinois, municipal bonds with a rating of Aa of higher. Pledged collateral will be held in safekeeping by a depository designated by the Village and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of pledged assets without the approval of the Village. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Village's investment in the Illinois Fund are not subject to custodial credit risk.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that funds shall be diversified to the best of its ability based upon the type of investments and the cash flow needs of the respective funds. Specifically, the following limits shall apply:

a. No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of U.S. government securities held in safekeeping.

b. Funds deposited in financial institutions shall not exceed 25% of the deposits of that institution.

c. Commercial paper shall not exceed 33% of the Village's investment portfolio.

At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $2,914,750 and the bank balances totaled $2,914,705.

Investments. The Fund has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 3,013,301	146,574	846,192	548,740	1,471,795
U.S. Agency Securities	522,718	-	522,718	-	-
State and Local Securities	665,151	512,427	152,724	-	-
Corporate Bonds	11,011,808	7,545,272	2,976,392	253,129	237,015
Illinois Funds	690,339	690,339	-	-	-
	15,903,317	8,894,612	4,498,026	801,869	1,708,810

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2018:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 3,013,301	3,013,301	-	-
U.S. Agencies	522,718	-	522,718	-
State and Local Obligations	665,151	-	665,151	-
Corporate Bonds	11,011,808	-	11,011,808	-
Equity Securities				
Mutual Funds	18,179,147	18,179,147		
Common Stock	12,537,381	12,537,381	-	-
Total Investments by Fair Value Level	45,929,506	33,729,829	12,199,677	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	690,339			
Total Investments Measured at Fair Value	46,619,845			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states that investments shall be selected to enable the Fund to have available sufficient cash for all operating purposes.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in the U.S. agencies ratings were not available, state and local securities and corporate bonds were rated Aa1 to Baa3 by Standard & Poor's and Moody's, and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy states that some form of collateral shall secure all deposits in excess of FDIC limits. Direct investments guaranteed by the United States Government do not require collateral. The Fund shall accept any of the following securities as collateral: negotiable full-faith and credit obligations of the United States Government and negotiable obligations of any agency or instrumentality of the United States Government. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of funds secured. Pledged collateral will be held in safekeeping and evidenced by a safekeeping agreement. All investments of the Fund shall be clearly held and accounted for to indicate ownership by the Board. The Fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a state bank, national bank or trust company authorized to do business in the State of Illinois. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's Federal Home Loan Bank Securities, Federal National Mortgage Securities, Government National Mortgage Securities and State and Local Bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy states that no financial institution shall hold more than 50% of the Fund's portfolio at the current time of investment placement, exclusive of securities held in safekeeping with the Trust Department of the financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $18,179,147 invested in mutual funds and $12,537,381 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	12.50%
Cash and Cash Equivalents	0.00%	0.00%

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $2,799,843 and the bank balances totaled $2,799,843.

Investments. The Fund has the following investment fair values and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 3,792,759	-	1,591,563	548,740	1,652,456
U.S. Agency Securities	693,653	-	480,320	-	213,333
State and Local Securities	569,054	416,330	152,724	-	-
Corporate Bonds	11,046,698	7,835,459	2,721,095	490,144	-
Illinois Funds	706,435	706,435	-	-	-
	16,808,599	8,958,224	4,945,702	1,038,884	1,865,789

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2018:

		Fair Value Measurements Using		
Investments by Fair Value Level	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 3,792,759	3,792,759	-	-
U.S. Agencies	693,653	-	693,653	-
State and Local Obligations	569,054	-	569,054	-
Corporate Bonds	11,046,698	-	11,046,698	-
Equity Securities				
Mutual Funds	13,234,141	13,234,141	-	-
Common Stock	17,207,688	17,207,688	-	-
Total Investments by Fair Value Level	46,543,993	34,234,588	12,309,405	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	706,435			
Total Investments Measured at Fair Value	47,250,428			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund's investment policy states the duration of the investments must coincide with the cash flow requirements of the Fund to meet short-term and long-term needs.

Credit Risk. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in the state and local obligations were rated Baa3 to AA by Standard & Poor's and Moody's, the corporate bonds were rated Aa3 to A1 by Moody's and the investment in the Illinois Funds was rated AAAm by Standard & Poor's. The ratings for the U.S. agencies were not available.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Custodial Credit Risk. The Fund's investment policy states that collateral is required for demand deposits and certificates of deposit at one hundred ten percent (110%) of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States of America and its agencies. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's U.S. Treasury Securities, Federal Home Loan Bank and Mortgage Securities, Federal National Mortgage Securities, Government National Mortgage Securities, and State and Local Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy states that no more than 50% of the assets of the Fund shall be concentrated in a single instrument or class of instruments other than U.S. Treasury Obligations. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $13,234,141 invested in mutual funds and $17,207,688 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	12.50%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund'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 NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 31,963,013	-	-	31,963,013
Construction in Progress	-	150,000	-	150,000
	31,963,013	150,000	-	32,113,013
Depreciable Capital Assets				
Buildings	19,697,812	102,982	-	19,800,794
Equipment and Vehicles	11,502,307	357,372	-	11,859,679
Infrastructure	98,163,550	2,366,435	-	100,529,985
	129,363,669	2,826,789	-	132,190,458
Less Accumulated Depreciation				
Buildings	9,346,537	428,825	-	9,775,362
Equipment and Vehicles	7,452,884	742,045	-	8,194,929
Infrastructure	49,674,243	2,613,227	-	52,287,470
	66,473,664	3,784,097	-	70,257,761
Total Net Depreciable Capital Assets	62,890,005	(957,308)	-	61,932,697
Total Net Capital Assets	94,853,018	(807,308)	-	94,045,710

Depreciation expense was charged to governmental activities as follows:

General Government	$ 121,269
Public Safety	545,881
Highways and Streets	3,116,947
	3,784,097

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 1,674,404	-	-	1,674,404
Depreciable Capital Assets				
Land Improvements	2,801,513	-	-	2,801,513
Buildings	21,381,573	-	-	21,381,573
Equipment and Vehicles	17,377,897	244,444	123,982	17,498,359
System Mains, Lines and Appurtenances	104,298,822	6,534,261	189,731	110,643,352
	145,859,805	6,778,705	313,713	152,324,797
Less Accumulated Depreciation				
Land Improvements	1,461,624	45,907	-	1,507,531
Buildings	12,551,135	365,374	-	12,916,509
Equipment and Vehicles	11,849,421	291,705	46,493	12,094,633
System Mains, Lines and Appurtenances	56,884,287	2,081,976	189,731	58,776,532
	82,746,467	2,784,962	236,224	85,295,205
Total Net Depreciable Capital Assets	63,113,338	3,993,743	77,489	67,029,592
Total Net Capital Assets	64,787,742	3,993,743	77,489	68,703,996

Depreciation expense was charged to business-type as follows:

Water	$ 1,518,555
Sanitary Sewer	317,658
Senior Housing	117,464
Stormwater Utility	781,035
Revenue Parking	50,250
	2,784,962

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Component Unit – Public Library

Component Unit – Public Library capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 35,000	-	-	35,000
Construction in Progress	577,577	420,625	577,577	420,625
Artwork	3,200	-	-	3,200
	615,777	420,625	577,577	458,825
Depreciable Capital Assets				
Buildings and Improvements	22,531,633	700,733	-	23,232,366
Land Improvements	57,007	-	-	57,007
Computer Equipment	493,518	41,486	25,549	509,455
Office and Other Equipment	550,566	28,234	15,742	563,058
Furniture and Shelving	1,206,248	21,403	18,746	1,208,905
Books and Other Library Materials	5,638,601	631,000	785,271	5,484,330
	30,477,573	1,422,856	845,308	31,055,121
Less Accumulated Depreciation				
Buildings and Improvements	9,474,018	606,299	-	10,080,317
Land Improvements	45,329	2,330	-	47,659
Computer Equipment	243,869	117,202	25,549	335,522
Office and Other Equipment	337,074	35,333	15,742	356,665
Furniture and Shelving	856,774	43,971	18,746	881,999
Books and Other Library Materials	3,615,185	606,765	785,271	3,436,679
	14,572,249	1,411,900	845,308	15,138,841
Total Net Depreciable Capital Assets	15,905,324	10,956	-	15,916,280
Total Net Capital Assets	16,521,101	431,581	577,577	16,375,105

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Senior Housing	$ 259,100

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount	
Debt Service	Infrastructure	$ 2,273,264	(1)
Pension Contributions	General	1,508,428	(2)
		3,781,692	

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for pension purposes. General obligation bonds are capital-related debt. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2010 ($7,135,000), due in annual installments of $185,000 to $1,175,000 plus interest at 2.00% to 4.00% through December 1, 2029.	Debt Service	$ 841,171	-	53,020	788,151
	Water	2,093,829	-	131,980	1,961,849

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2011 ($3,000,000), due in annual installments of $115,000 to $205,000 plus interest at 2.00% to 3.75% through December 1, 2032.	Infrastructure	$ 2,520,000	-	125,000	2,395,000
Taxable General Obligation Refunding Bonds of 2012A and 2012B ($20,515,000), due in annual installments of $120,000 to $2,278,423 plus interest at 1.75% to 2.00% through December 1, 2021.	Debt Service	10,761,628	-	1,277,175	9,484,453
	Water	1,880,272	-	562,917	1,317,355
	Stormwater Utility	594,960	-	48,840	546,120
General Obligation Bonds of 2013A ($9,355,000), due in annual installments of $295,000 to $620,000 plus interest at 3.00% to 4.50% through December 1, 2036.	Infrastructure	4,972,195	-	178,897	4,793,298
	Debt Service	1,132,534	-	40,748	1,091,786
	Water	1,182,068	-	42,530	1,139,538
	Sanitary Sewer	562,888	-	20,252	542,636
	Stormwater Utility	905,315	-	32,573	872,742
General Obligation Bonds of 2014A ($25,315,000), due in annual installments of $325,000 to $2,595,000 plus interest at 3.00% to 5.00% through December 1, 2028.	Debt Service	17,244,500	-	1,144,500	16,100,000
	Water	4,434,300	-	294,300	4,140,000
	Sanitary Sewer	1,970,800	-	130,800	1,840,000
	Stormwater Utility	985,400	-	65,400	920,000
General Obligation Refunding Bonds of 2015A ($15,395,000), due in annual installments of $350,000 to $1,405,000 plus interest at 0.45% to 3.90% through December 1, 2034.	Debt Service	14,605,000	-	355,000	14,250,000

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2015B ($13,470,000), due in annual installments of $775,000 to $1,175,000 plus interest at 3.00% to 4.00% through December 1, 2035.	Debt Service	$ 3,219,330	-	-	3,219,330
	Water	6,317,430	-	-	6,317,430
	Sanitary Sewer	902,490	-	-	902,490
	Stormwater Utility	3,030,750	-	-	3,030,750
General Obligation Bonds of 2016A ($20,350,000), due in annual installments of $710,000 to $1,285,000 plus interest at 2.00% to 3.50% through December 1, 2036.	Debt Service	6,520,000	-	227,200	6,292,800
	Water	1,255,000	-	43,807	1,211,193
	Sanitary Sewer	195,000	-	6,816	188,184
	Stormwater Utility	12,380,000	-	432,177	11,947,823
General Obligation Bonds of 2018A ($17,655,000), due in annual installments of $190,000 to $1,330,000 plus interest at 3.00% to 4.00% through December 1, 2037.	Debt Service	-	6,179,250	-	6,179,250
	Water	-	7,238,550	-	7,238,550
	Sanitary Sewer	-	882,750	-	882,750
	Stormwater Utility	-	3,354,450	-	3,354,450
General Obligation Bonds of 2018B ($8,425,000), due in annual installments of $75,000 to $645,000 plus interest at 2.00% to 3.90% through December 1, 2037.	Debt Service	-	8,425,000	-	8,425,000
		100,506,860	26,080,000	5,213,932	121,372,928
Plus/Less Unamortized Items:					
Premium on General Obligation Bonds - Governmental Activities					2,385,198
Premium on General Obligation Bonds - Business-Type Activities					1,283,010
					125,041,136

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2017	Tax Increment Financing	$ 4,900,000	-	133,699	4,766,301

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	$ 1,791,650	120,269	240,538	1,671,381	334,276
Net Pension Liabilty					
IMRF	7,212,103	-	5,529,157	1,682,946	-
Police Pension	46,035,224	-	2,215,578	43,819,646	-
Firefighters' Pension	41,522,404	1,803,430	-	43,325,834	-
Net Other Post-Employment					
Benefit Obligation	1,358,146	359,226	-	1,717,372	-
TIF Note Payable	4,900,000	-	133,699	4,766,301	-
General Obligation Bonds	61,816,358	14,604,250	3,401,540	73,019,068	3,952,905
Plus: Unamortized Premium on Debt Issuance	2,588,243	-	203,045	2,385,198	-
	167,224,128	16,887,175	11,723,557	172,387,746	4,287,181

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	$ 207,676	16,619	33,238	191,057	38,211
Net Pension Liabilty					
IMRF	1,750,458	-	1,356,240	394,218	-
General Obligation Bonds	38,690,502	11,475,750	1,812,392	48,353,860	2,005,019
Plus: Unamortized Premium on Debt Issuance	1,423,946	-	140,936	1,283,010	-
	42,072,582	11,492,369	3,342,806	50,222,145	2,043,230
Component Unit - Public Library					
Compensated Absences	159,006	40,458	20,229	179,235	35,847
Net Pension Liabilty					
IMRF	2,387,252	-	1,842,166	545,086	-
Net Other Post-Employment					
Benefit Obligation	19,369	7,477	3,978	22,868	-
General Obligation Bonds	7,508,137	-	726,068	6,782,069	252,076
Plus: Unamortized Premium on Debt Issuance	154,353	-	16,238	138,115	16,238
	10,228,117	47,935	2,608,679	7,667,373	304,161

For governmental activities, the compensated absences, the net pension liabilities, and the net other post-employment benefit obligation are liquidated by the General Fund. The Debt Service and Infrastructure Funds make payments on the general obligation bonds. The Tax Increment Financing Fund makes payments on the TIF Note Payable as property taxes are received. For business-type activities, the compensated absences are being liquidated by the Water and Sanitary Sewer Funds. The Water, Sanitary Sewer and Stormwater Utility Funds make payments on the net pension liability and on the general obligation bonds. The Northbrook Public Library discretely presented component unit makes payments on the library compensated absences, net pension liability, net other post-employment benefit obligation, and general obligation bonds.

The Village has deferred the accounting gains/losses and premiums/discounts from the advance refundings. The governmental activities are amortizing $2,385,198 and $1,877,368 for the deferred premium and loss, respectively. The business-type activities are amortizing $1,283,010 for the deferred premium. These deferred items are being amortized over the remaining life of the bonds.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

	Governmental Activities		Business-Type Activities		Component Unit Public Library	
	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 3,952,905	2,318,922	2,005,019	1,549,388	252,076	276,061
2020	4,032,107	2,318,619	2,038,921	1,572,513	258,971	269,433
2021	4,787,923	2,225,610	1,842,132	1,490,769	264,945	262,531
2022	4,927,703	2,090,610	1,901,216	1,430,259	276,077	253,422
2023	3,612,974	1,956,376	2,962,026	1,371,388	285,000	243,800
2024	3,746,616	1,821,177	3,071,410	1,266,008	295,000	232,400
2025	4,317,700	1,677,445	2,674,273	1,150,385	305,000	220,600
2026	4,494,088	1,515,253	2,780,911	1,045,099	320,000	208,400
2027	4,654,702	1,360,257	2,885,298	942,371	330,000	195,600
2028	4,831,729	1,199,602	2,988,272	840,742	345,000	182,400
2029	4,313,802	1,050,413	2,851,198	749,497	360,000	168,600
2030	3,218,892	912,277	2,436,108	660,721	375,000	154,200
2031	3,267,497	796,272	2,332,504	584,285	390,000	139,200
2032	3,388,257	684,536	2,411,743	511,907	405,000	122,625
2033	3,517,823	564,465	2,487,178	435,501	425,000	104,400
2034	3,333,484	438,065	2,556,516	356,697	445,000	85,275
2035	3,460,676	316,015	2,644,324	272,635	460,000	65,250
2036	2,126,673	188,756	2,728,327	185,449	485,000	44,550
2037	1,923,017	110,907	1,891,984	92,248	505,000	22,725
2038	1,110,500	39,702	864,500	27,016	-	-
	73,019,068	23,585,279	48,353,860	16,534,878	6,782,069	3,251,471

The Tax Increment Financing Note of 2017 does not have a formal repayment schedule, since the payments are based on property taxes received in the current fiscal year.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property…(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:…indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum…shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 94,045,710
Plus: Unspent Bond Proceeds	14,459,853
Less Capital Related Debt:	
General Obligation Bonds of 2010	(788,151)
General Obligation Bonds of 2011	(2,395,000)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(9,484,453)
General Obligation Bonds of 2013A	(5,885,084)
General Obligation Bonds of 2014A	(16,100,000)
General Obligation Bonds of 2015B	(3,219,330)
General Obligation Bonds of 2016A	(6,292,800)
General Obligation Bonds of 2018A	(6,179,250)
General Obligation Bonds of 2018B	(8,425,000)
Premium on Debt Issuance	(2,385,198)
Loss on Advanced Refunding	1,877,368
Net Investment in Capital Assets	49,228,665

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION – NET INVESTMENT IN CAPITAL ASSETS – Continued

Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	$ 68,703,996
Plus: Unspent Bond Proceeds	11,783,132
Less Capital Related Debt:	
General Obligation Bonds of 2010	(1,961,849)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(1,863,475)
General Obligation Bonds of 2013A	(2,554,916)
General Obligation Bonds of 2014A	(6,900,000)
General Obligation Bonds of 2015B	(10,250,670)
General Obligation Bonds of 2016A	(13,347,200)
General Obligation Bonds of 2018A	(11,475,750)
Premium on Debt Issuance	(1,283,010)
Net Investment in Capital Assets	30,850,258

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy states that the General Fund should maintain a minimum unassigned fund balance equal to 40% of revenues.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
Fund Balances						
Nonspendable						
Inventory	$ 119,736	-	-	-	-	119,736
Restricted						
Public Safety	762,678	-	-	-	-	762,678
Capital Projects	10,754,620	-	-	4,013,054	-	14,767,674
Tax Increment Financing	-	-	-	-	475,236	475,236
Perpetual Care Cemetery	-	-	-	-	423,965	423,965
Pension Contribution	-	23	-	-	-	23
Debt Service	-	-	20,232	-	-	20,232
	11,517,298	23	20,232	4,013,054	899,201	16,449,808
Committed						
Traffic Impact	-	-	-	-	90,751	90,751
Assigned						
Capital Projects	-	-	-	6,370,030	-	6,370,030
Unassigned	21,242,468	-	-	-	-	21,242,468
Total Fund Balances	32,879,502	23	20,232	10,383,084	989,952	44,272,793

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through a limited insurance program and private insurance coverage. The Village currently reports all its risk management activities in its insurance fund.

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Intergovernmental Risk Management Agency (IRMA)

The Village also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation'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.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first $2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan are held in trust on behalf of the employees. Accordingly, the assets are not reported in these financial statements.

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 1225 Cedar Lane, Northbrook, IL 60062-4582. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96, with a maximum salary cap of $106,800 at January 1, 2011. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	214
Inactive Plan Members Entitled to but not yet Receiving Benefits	97
Active Plan Members	218
Total	529 *

*The employees in the above table include the Northbrook Public Library and the RED Center.

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2018, the Village's contribution was 11.86% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	$		
Village	10,578,719	2,077,164	(4,943,946)
Library	2,776,048	545,086	(1,297,381)
RED Center	1,901,738	373,412	(888,774)
Totals	15,256,505	2,995,662	(7,130,101)

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	$ 98,780,607	85,833,679	12,946,928
Changes for the Year:			
Service Cost	1,681,566	-	1,681,566
Interest on the Total Pension Liability	7,293,032	-	7,293,032
Difference Between Expected and Actual Experience of the Total Pension Liability	390,684	-	390,684
Changes of Assumptions	(3,294,578)	-	(3,294,578)
Contributions - Employer	-	1,975,094	(1,975,094)
Contributions - Employees	-	740,723	(740,723)
Net Investment Income	-	15,049,148	(15,049,148)
Benefit Payments, including Refunds of Employee Contributions	(4,761,929)	(4,761,929)	-
Other (Net Transfer)	-	(1,742,995)	1,742,995
Net Changes	1,308,775	11,260,041	(9,951,266)
Balances at December 31, 2017	100,089,382	97,093,720	2,995,662
Net Pension Liability			
Village	70,092,433	68,015,269	2,077,164
Library	17,815,804	17,270,718	545,086
RED Center	12,181,145	11,807,733	373,412
Totals	100,089,382	97,093,720	2,995,662

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

For the fiscal year ended April 30, 2018, the Village recognized pension expense of $2,347,422, the Northbrook Public Library recognized pension expense of $595,925, and the RED Center recognized pension expense of $430,007.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 427,128	(479,180)	(52,052)
Change in Assumptions	609,881	(2,785,448)	(2,175,567)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,781,758	(7,002,971)	(4,221,213)
Pension Expense to be Recognized in Future Periods	3,818,767	(10,267,599)	(6,448,832)
Pension Contributions Made Subsequent to the Measurement Date	673,144	-	673,144
Total Deferred Amounts Related to IMRF	4,491,911	(10,267,599)	(5,775,688)
Total Deferred Amounts Related to IMRF			
Village	3,114,650	(7,119,458)	(4,004,808)
Library	817,340	(1,868,275)	(1,050,935)
RED Center	559,921	(1,279,866)	(719,945)
Totals	4,491,911	(10,267,599)	(5,775,688)

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

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

Fiscal Year	Net Deferred (Inflows) of Resources			
	Village	Library	RED Center	Totals
2019	$ (337,746)	(88,631)	(60,717)	(487,094)
2020	(951,370)	(249,657)	(171,028)	(1,372,055)
2021	(1,684,729)	(442,103)	(302,864)	(2,429,696)
2022	(1,497,715)	(393,028)	(269,244)	(2,159,987)
2023	-	-	-	-
Thereafter	-	-	-	-
Totals	(4,471,560)	(1,173,419)	(803,853)	(6,448,832)

Police Pension Plan

Plan Descriptions

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

Plan Membership. At April 30, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	66
Total	127

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. At January 1, 2011, Police officer salary for the pension purposes was capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2018, the Village's contribution was 48.34% of covered payroll.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 18.30%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the independent actuary assumption study for police 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and the prior year valuation was 6.83%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 56,820,600	43,819,646	33,197,323

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	$ 92,019,450	45,984,226	46,035,224
Changes for the Year:			
Service Cost	1,317,913	-	1,317,913
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(717,081)	-	(717,081)
Changes of Assumptions	(668,120)	-	(668,120)
Contributions - Employer	-	3,338,429	(3,338,429)
Contributions - Employees	-	701,436	(701,436)
Net Investment Income	-	4,445,111	(4,445,111)
Benefit Payments, including Refunds of Employee Contributions	(4,236,937)	(4,236,937)	-
Administrative Expenses	-	(43,618)	43,618
Net Changes	1,988,843	4,204,421	(2,215,578)
Balances at April 30, 2018	94,008,293	50,188,647	43,819,646

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2018, the Village recognized pension expense of $5,933,770. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 622,982	(1,331,422)	(708,440)
Change in Assumptions	3,160,489	(550,285)	2,610,204
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,122,398	(1,668,341)	454,057
Total Deferred Amounts Related to Police Pension	5,905,869	(3,550,048)	2,355,821

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2019	$ 2,191,078
2020	1,609,702
2021	(790,050)
2022	(491,232)
2023	(163,677)
Thereafter	-
Total	2,355,821

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	69
Total	124

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. At January 1, 2011, Firefighters' salary for the pension purposes was capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2018, the Village's contribution was 41.31% of covered payroll.

Concentrations. At year-end, the Pension Plan does not have any investments over 5 percent of the net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

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
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.50% - 24.35%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the independent actuary assumption study for firefighters 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and the prior year valuation was 6.86%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 56,847,941	43,325,834	32,275,414

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
-	$ 88,602,154	47,079,750	41,522,404
Changes for the Year:			
Service Cost	1,717,726	-	1,717,726
Interest on the Total Pension Liability	6,070,520	-	6,070,520
Difference Between Expected and Actual Experience of the Total Pension Liability	2,393,822	-	2,393,822
Changes of Assumptions	(704,211)	-	(704,211)
Contributions - Employer	-	3,492,984	(3,492,984)
Contributions - Employees	-	719,854	(719,854)
Contributions - Other	-	374	(374)
Net Investment Income	-	3,594,542	(3,594,542)
Benefit Payments, including Refunds of Employee Contributions	(3,760,880)	(3,760,880)	-
Administrative Expenses	-	(133,327)	133,327
Net Changes	5,716,977	3,913,547	1,803,430
-	94,319,131	50,993,297	43,325,834

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Pension Expense, 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 $6,883,432. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 2,254,576	(215,465)	2,039,111
Change in Assumptions	3,393,779	(589,705)	2,804,074
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,552,800	(886,782)	1,666,018
Total Deferred Amounts Related to Firefighters' Pension	8,201,155	(1,691,952)	6,509,203

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

Fiscal Year	Net Deferred Outflows of Resources
2019	$ 2,773,151
2020	2,773,147
2021	343,197
2022	303,767
2023	274,734
Thereafter	41,207
Total	6,509,203

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2018, retirees contributed $704,980. Active employees do not contribute to the post-employment benefit plan until retirement.

At April 30, 2017, the measurement date, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	57
Active Employees	254
Total	311
Participating Employers	1

The Village does not currently have a funding policy.

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2018, was calculated as follows:

Annual Required Contribution	$ 669,580
Interest on the NOPEBO	54,326
Adjustment to the ARC	(45,272)
Annual OPEB Cost	678,634
Actual Contribution	319,408
Increase in the NOPEBO	359,226
NOPEBO - Beginning	1,358,146
NOPEBO - Ending	1,717,372

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2016	$ 533,031	$ 279,588	52.45%	$ 1,032,349
2017	650,712	325,215	49.98%	1,358,146
2018	678,634	319,408	47.07%	1,717,372

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2017, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	$ 9,049,968
Actuarial Value of Plan Assets	$ -
Unfunded Actuarial Accrued Liability (UAAL)	$ 9,049,968
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	$ N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

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

Actuarial Methods and Assumptions

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

In the April 30, 2017 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return, including a 4.00% inflation assumption, and an initial annual healthcare cost trend rate of 0.50%, with an ultimate rate of 5.50%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2018 was 30 years.

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENT

On May 9, 2018, the Village closed on the purchase of the Grainger property at 1657 Shermer Road for $8,000,000. This purchase provided the Village with a unique opportunity to control a parcel of land that is strategically positioned in the Village's downtown. Securing this parcel now enables the Village to plan for and facilitate projects-whether they be private, public, or a combination thereof. One option the Village is exploring is the possibility of moving the Metra commuter station to the Grainger site.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
  - Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
- Budgetary Comparison Schedule
  - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF NORTHBROOK, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2018

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2013	$ -	$ 4,509,667	0.00%	$ 4,509,667	$ 26,423,856	17.07%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	7,050,005	0.00%	7,050,005	27,802,808	25.36%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	-	9,049,968	0.00%	9,049,968	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2013	$ 243,526	$ 334,615	72.78%
2014	278,716	374,368	74.45%
2015	316,226	507,535	62.31%
2016	279,558	527,836	52.96%
2017	325,215	643,827	50.51%
2018	319,408	669,580	47.70%

The Village is required to have an actuarial valuation performed biennially.

N/A - Not Available

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	Total	$ 1,982,573	$ 1,982,573	$ -	$ 15,975,610	12.41%
2017		1,981,100	1,986,901	5,801	15,976,613	12.44%
2018	Village	1,364,759	1,362,346	(2,413)	11,487,324	11.86%
	Library	358,138	357,504	(634)	3,014,482	11.86%
	RED Center	245,343	244,909	(434)	2,065,078	11.86%
	Totals	1,968,240	1,964,759	(3,481)	16,566,884	11.86%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,397,406	$ 1,349,585	$ (47,821)	$ 6,259,278	21.56%
2016	1,545,370	1,591,260	45,890	6,501,228	24.48%
2017	1,803,482	1,965,874	162,392	6,689,389	29.39%
2018	2,949,665	3,338,429	388,764	6,906,794	48.34%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 18.30%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent actuary 2016 Illinois Police Mortality Rates

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2018

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 1,419,399	$ 1,332,783	$ (86,616)	$ 6,514,303	20.46%
2016	1,571,442	1,565,117	(6,325)	6,790,390	23.05%
2017	1,748,845	1,880,878	132,033	7,038,056	26.72%
2018	2,814,963	3,492,984	678,021	8,454,642	41.31%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	3.50% - 24.35%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent actuary 2016 Illinois Firefighters Mortality Rates

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018

	12/31/2015	12/31/2016	12/31/2017			
	Total	Total	Village	Library	RED Center	Totals
Total Pension Liability						
Service Cost	$ 1,726,172	1,671,595	1,165,982	305,975	209,609	1,681,566
Interest	6,737,576	7,045,985	5,071,639	1,295,578	925,815	7,293,032
Differences Between Expected and Actual Experience	(35,918)	(833,025)	270,897	71,088	48,699	390,684
Change of Assumptions	231,057	(354,406)	(2,284,430)	(599,476)	(410,672)	(3,294,578)
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(4,475,023)	(3,301,878)	(866,472)	(593,579)	(4,761,929)
Net Change in Total Pension Liability	4,609,676	3,055,126	922,210	206,693	179,872	1,308,775
Total Pension Liability - Beginning	91,115,805	95,725,481	69,170,223	17,609,111	12,001,273	98,780,607
Total Pension Liability - Ending	95,725,481	98,780,607	70,092,433	17,815,804	12,181,145	100,089,382
Plan Fiduciary Net Position						
Contributions - Employer	1,982,573	1,986,901	1,369,512	359,385	246,197	1,975,094
Contributions - Members	723,580	733,781	513,610	134,781	92,332	740,723
Net Investment Income	410,050	5,643,439	10,434,940	2,738,317	1,875,891	15,049,148
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(4,475,023)	(3,301,878)	(866,472)	(593,579)	(4,761,929)
Other (Net Transfer)	153,221	42,788	(1,208,577)	(317,152)	(217,266)	(1,742,995)
Net Change in Plan Fiduciary Net Position	(779,787)	3,931,886	7,807,607	2,048,859	1,403,575	11,260,041
Plan Net Position - Beginning	82,681,580	81,901,793	60,207,662	15,221,859	10,404,158	85,833,679
Plan Net Position - Ending	81,901,793	85,833,679	68,015,269	17,270,718	11,807,733	97,093,720
Employer's Net Pension Liability	$ 13,823,688	12,946,928	2,077,164	545,086	373,412	2,995,662
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.56%	86.89%	97.04%	96.94%	96.93%	97.01%
Covered Payroll	$ 15,975,610	15,979,613	11,197,633	2,938,462	2,013,000	16,149,095
Employer's Net Pension Liability as a Percentage of Covered Payroll	86.53%	81.02%	18.55%	18.55%	18.55%	18.55%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018

	2015	2016	2017	2018
Total Pension Liability				
Service Cost	$ 859,722	1,181,410	1,231,694	1,317,913
Interest	4,969,863	5,439,935	6,258,782	6,293,068
Differences Between Expected and Actual Experience	(176,001)	1,722,362	(1,269,954)	(717,081)
Change of Assumptions	10,847,753	7,385,822	838,321	(668,120)
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)	(4,236,937)
Net Change in Total Pension Liability	13,056,598	11,992,193	3,125,003	1,988,843
Total Pension Liability - Beginning	63,845,656	76,902,254	88,894,447	92,019,450
Total Pension Liability - Ending	76,902,254	88,894,447	92,019,450	94,008,293
Plan Fiduciary Net Position				
Contributions - Employer	$ 1,349,585	1,591,260	1,965,874	3,338,429
Contributions - Members	698,545	752,378	705,161	701,436
Contributions - Other	8,270	7,225	254,817	-
Net Investment Income	2,950,989	(1,695,870)	4,302,920	4,445,111
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)	(4,236,937)
Administrative Expense	(28,367)	(42,357)	(26,987)	(43,618)
Net Change in Plan Fiduciary Net Position	1,534,283	(3,124,700)	3,267,945	4,204,421
Plan Net Position - Beginning	44,306,698	45,840,981	42,716,281	45,984,226
Plan Net Position - Ending	45,840,981	42,716,281	45,984,226	50,188,647
Employer's Net Pension Liability	$ 31,061,273	46,178,166	46,035,224	43,819,646
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.61%	48.05%	49.97%	53.39%
Covered Payroll	$ 6,259,278	6,501,228	6,689,389	6,906,794
Employer's Net Pension Liability as a Percentage of Covered Payroll	496.24%	710.30%	688.18%	634.44%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018

	2015	2016	2017	2018
Total Pension Liability				
Service Cost	$ 1,309,525	1,499,447	1,605,351	1,717,726
Interest	4,781,977	5,225,638	5,906,179	6,070,520
Differences Between Expected and Actual Experience	599,853	(523,277)	397,050	2,393,822
Change of Assumptions	8,708,762	7,060,087	772,971	(704,211)
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)	(3,760,880)
Net Change in Total Pension Liability	12,173,830	9,897,473	5,142,990	5,716,977
Total Pension Liability - Beginning	61,387,861	73,561,691	83,459,164	88,602,154
Total Pension Liability - Ending	73,561,691	83,459,164	88,602,154	94,319,131
Plan Fiduciary Net Position				
Contributions - Employer	$ 1,332,783	1,565,117	1,880,878	3,492,984
Contributions - Members	704,152	631,544	691,264	719,854
Contributions - Other	-	-	215,297	374
Net Investment Income	3,046,217	(2,700,867)	4,334,250	3,594,542
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)	(3,760,880)
Administrative Expense	(63,932)	(39,690)	(48,238)	(133,327)
Net Change in Plan Fiduciary Net Position	1,792,933	(3,908,318)	3,534,890	3,913,547
Plan Net Position - Beginning	45,660,245	47,453,178	43,544,860	47,079,750
Plan Net Position - Ending	47,453,178	43,544,860	47,079,750	50,993,297
Employer's Net Pension Liability	$ 26,108,513	39,914,304	41,522,404	43,325,834
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.51%	52.18%	53.14%	54.06%
Covered Payroll	$ 6,514,303	6,790,390	7,038,056	8,454,642
Employer's Net Pension Liability as a Percentage of Covered Payroll	400.79%	587.81%	589.97%	512.45%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2018

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.86%
2016	(3.76%)
2017	10.07%
2018	7.64%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2018

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.84%
2016	(5.84%)
2017	9.95%
2018	6.99%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Revenues			
Taxes	$ 14,124,370	14,124,370	12,765,979
Intergovernmental	16,639,370	16,639,370	16,501,058
Licenses, Permits and Fees	5,352,000	5,352,000	5,976,991
Charges for Services	5,543,315	5,543,315	5,434,918
Fines and Forfeitures	180,500	180,500	170,098
Interest	150,100	150,100	377,592
Miscellaneous	410,000	410,000	481,530
Total Revenues	42,399,655	42,399,655	41,708,166
Expenditures			
General Government	7,899,865	7,905,865	7,986,990
Public Safety	26,772,286	26,818,286	26,751,446
Highways and Streets	8,737,115	8,737,115	7,599,240
Total Expenditures	43,409,266	43,461,266	42,337,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,009,611)	(1,061,611)	(629,510)
Other Financing Sources (Uses)			
Debt Issuance	870,140	870,140	11,540,250
Discount on Debt Issuance	-	-	(32,273)
Transfers Out	-	-	(1,508,428)
	870,140	870,140	9,999,549
Change in Fund Balance	(139,471)	(191,471)	9,370,039
Fund Balance - Beginning			23,509,463
Fund Balance - Ending			32,879,502

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Statement of Changes in Assets and Liabilities – Agency Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Pension Contribution Fund

The Pension Contribution Fund is used to account for the employer's contribution to the police and firefighters' pension funds.

Traffic Impact Fund

The Traffic Impact Fund is used to account for monies received from property owners in order to mitigate the effect on the Village's infrastructure caused by the development of such properties.

Tax Increment Financing (TIF) Fund

The Tax Increment Financing Fund is used to account for development in the TIF Districts. Financing is provided by an annual property tax levy.

DEBT SERVICE FUND

The Debt Service Fund is used account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Financing is provided by the annual tax levy.

CAPITAL PROJECTS FUND

The Capital Projects Funds account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

Infrastructure Project Fund

The Infrastructure Capital Projects Fund is used to account for infrastructure improvements including streets and storm water.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

PERMANENT FUND

The Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs, that is, for the benefit of the Village or its citizenry.

Cemetery Fund

The Cemetery Fund is used to account for perpetual care trust funds to be used for the perpetual care of the Village's cemetery.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for the provision of potable water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Sanitary Sewer Fund

The Sanitary Sewer Fund is used to account for the provision of sewer repair and improvement services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Senior Housing Fund

The Senior Housing Fund is used to account for the provision of housing to the residents of the Village-owned apartment complex. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Stormwater Utility Fund

The Stormwater Utility Fund is used to account for the maintenance and construction of the Village's storm water management system. All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS - Continued

Revenue Parking Fund

The Revenue Parking Fund is used to account for the provision of public parking services for commuters. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

INTERNAL SERVICE FUND

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Insurance Fund

The Insurance Fund is used to account for the Village's workers' compensation, employee health insurance and property and casualty losses, as well as excess insurance purchased to cover major losses.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

AGENCY FUND

Escrow Fund

The Escrow Fund is used to account for refundable deposits held by the Village to ensure the completion of public improvements by private developers. The monies are refunded upon completion of the improvements.

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Taxes			
Property Taxes	$ 8,055,370	8,055,370	7,815,677
Township Road and Bridge Taxes	465,000	465,000	454,214
Replacement Taxes	282,000	282,000	364,701
Utility Tax	1,100,000	1,100,000	968,873
Telecommunication Tax	3,100,000	3,100,000	2,135,223
Admissions and Entertainment Tax	110,000	110,000	111,583
Hotel Occupancy Tax	1,000,000	1,000,000	910,282
Municipal Auto Rental Tax	12,000	12,000	5,426
	14,124,370	14,124,370	12,765,979
Intergovernmental			
Sales Taxes	12,450,000	12,450,000	12,606,153
State Use Tax	839,200	839,200	872,486
State Income Tax	3,350,170	3,350,170	2,998,512
Grants	-	-	23,907
	16,639,370	16,639,370	16,501,058
Licenses, Permits and Fees			
Licenses			
Animal	24,000	24,000	22,686
Business/Liquor	350,000	350,000	303,207
Vehicle	580,000	580,000	543,556
Permits			
Building	1,800,000	1,800,000	2,408,270
Retail Sales	1,000	1,000	1,035
Alarm	79,000	79,000	73,011
Fees			
Franchise	800,000	800,000	773,679
Emergency 911 Surcharge	275,000	275,000	374,838
Foreign Fire Insurance	125,000	125,000	126,775
Ambulance Transportation	1,150,000	1,150,000	1,203,422
Elevator Inspection	38,000	38,000	38,558
Alarm Service	130,000	130,000	107,884
Warrant Fees	-	-	70
	5,352,000	5,352,000	5,976,991

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Charges for Services			
Administrative Services	$ 2,607,690	2,607,690	2,597,690
Plan Commission Fees	20,000	20,000	105,720
Overtime Reimbursements	65,000	65,000	40,802
State Route Maintenance Reimbursement	20,000	20,000	19,961
Reforestation Program	15,000	15,000	5,815
Toll Road Emergency Responses	1,750	1,750	2,200
Police Services	127,000	127,000	127,592
Annexation Fees	25,000	25,000	15,972
Antenna Lease Fee	160,000	160,000	178,268
Miscellaneous	6,875	6,875	8,285
Red Center	20,000	20,000	20,000
Northbrook Fire Protection District	2,475,000	2,475,000	2,312,613
	5,543,315	5,543,315	5,434,918
Fines and Forfeitures			
Court Fines	120,000	120,000	72,895
Drug Forfeitures	15,000	15,000	67,392
Ordinance Violations	45,500	45,500	29,811
	180,500	180,500	170,098
Interest			
Investment Income	150,100	150,100	377,592
Miscellaneous			
Sale of Property	60,000	60,000	141,446
Miscellaneous	350,000	350,000	340,084
	410,000	410,000	481,530
Total Revenues	42,399,655	42,399,655	41,708,166

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
General Government			
General Government Department			
Personal Services	$ 1,508,755	1,508,755	1,503,479
Contractual Services	1,148,680	1,154,680	1,328,791
Commodities	2,500	2,500	347
Capital Outlay	-	-	150,000
	2,659,935	2,665,935	2,982,617
Finance Department			
Personal Services	971,375	971,375	949,656
Contractual Services	221,100	221,100	187,121
Commodities	17,000	17,000	14,354
Capital Outlay	2,500	2,500	3,353
	1,211,975	1,211,975	1,154,484
Information Services Department			
Personal Services	642,815	642,815	568,490
Contractual Services	878,400	878,400	937,760
Commodities	2,000	2,000	1,190
Capital Outlay	292,750	292,750	244,254
	1,815,965	1,815,965	1,751,694
Development and Planning Service Department			
Personal Services	1,711,200	1,711,200	1,623,900
Contractual Services	496,060	496,060	471,223
Commodities	3,730	3,730	2,928
Capital Outlay	1,000	1,000	144
	2,211,990	2,211,990	2,098,195
Total General Government	7,899,865	7,905,865	7,986,990

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Public Safety			
Police			
Personal Services	$ 12,187,900	12,187,900	12,339,258
Contractual Services	1,589,536	1,589,536	1,656,419
Commodities	493,840	493,840	387,583
Capital Outlay	409,600	409,600	403,229
	14,680,876	14,680,876	14,786,489
Fire			
Personal Services	9,818,605	9,818,605	9,827,854
Contractual Services	1,270,830	1,270,830	1,250,587
Commodities	503,975	503,975	440,056
Capital Outlay	498,000	544,000	446,460
	12,091,410	12,137,410	11,964,957
Total Public Safety	26,772,286	26,818,286	26,751,446
Highways and Streets			
Public Works Department			
Personal Services	4,739,940	4,739,940	4,723,472
Contractual Services	1,794,285	1,794,285	1,599,517
Commodities	722,050	722,050	639,157
Capital Outlay	1,480,840	1,480,840	637,094
Total Highways and Streets	8,737,115	8,737,115	7,599,240
Total Expenditures	43,409,266	43,461,266	42,337,676

VILLAGE OF NORTHBROOK, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 3,214,956	3,214,956	3,129,063
Interest	7,000	7,000	26,535
Total Revenues	3,221,956	3,221,956	3,155,598
Expenditures			
Debt Service			
Principal Retirement	3,401,539	3,401,539	3,401,540
Interest and Fiscal Charges	2,011,681	2,011,681	2,014,820
Total Expenditures	5,413,220	5,413,220	5,416,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,191,264)	(2,191,264)	(2,260,762)
Other Financing Sources			
Transfers In	2,198,264	2,198,264	2,273,264
Change in Fund Balance	7,000	7,000	12,502
Fund Balance - Beginning			7,730
Fund Balance - Ending			20,232

VILLAGE OF NORTHBROOK, ILLINOIS

Infrastructure - Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Sales Tax	$ 2,265,000	2,265,000	2,277,413
Intergovernmental			
Motor Fuel Tax Allotment	854,125	854,125	846,930
Interest	21,000	21,000	76,514
Miscellaneous	-	-	50,450
Total Revenues	3,140,125	3,140,125	3,251,307
Expenditures			
Highways and Streets			
Capital Outlay			
Engineering Services	103,000	103,000	27,333
Street Maintenance/Improvements	7,529,385	7,529,385	4,413,285
Total Expenditures	7,632,385	7,632,385	4,440,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,492,260)	(4,492,260)	(1,189,311)
Other Financing Sources (Uses)			
Debt Issuance	2,209,500	2,209,500	3,064,000
Transfers Out	(2,198,264)	(2,198,264)	(2,273,264)
	11,236	11,236	790,736
Change in Fund Balance	(4,481,024)	(4,481,024)	(398,575)
Fund Balance - Beginning			10,781,659
Fund Balance - Ending			10,383,084

VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
April 30, 2018

	Special Revenue			
	Traffic Impact	Tax Increment Financing	Permanent Cemetery	Totals
ASSETS				
Cash and Investments	$ 364,279	475,236	458,965	1,298,480
LIABILITIES AND FUND BALANCES				
Liabilities				
Deposits Payable	273,528	-	-	273,528
Other Payables	-	-	35,000	35,000
Total Liabilities	273,528	-	35,000	308,528
Fund Balances				
Restricted	-	475,236	423,965	899,201
Committed	90,751	-	-	90,751
Total Fund Balances	90,751	475,236	423,965	989,952
Total Liabilities and Fund Balances	364,279	475,236	458,965	1,298,480

VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018

	Special Revenue			
	Traffic Impact	Tax Increment Financing	Permanent Cemetery	Totals
Revenues				
Property Tax	$ -	898,316	-	898,316
Interest	2,588	3,937	436	6,961
Miscellaneous	-	-	257,188	257,188
Total Revenues	2,588	902,253	257,624	1,162,465
Expenditures				
General Government	-	1,696	13,248	14,944
Debt Service				
Principal Retirement		133,699	-	133,699
Interest and Fiscal Charges	-	402,473	-	402,473
Total Expenditures	-	537,868	13,248	551,116
Change in Fund Balances	2,588	364,385	244,376	611,349
Fund Balances - Beginning	88,163	110,851	179,589	378,603
Fund Balances - Ending	90,751	475,236	423,965	989,952

VILLAGE OF NORTHBROOK, ILLINOIS

Cemetery Fund - Permanent

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Revenues			
Interest	$ 150	150	436
Miscellaneous	3,000	3,000	257,188
Total Revenues	3,150	3,150	257,624
Expenditures			
General Government	42,780	42,780	13,248
Change in Fund Balance	(39,630)	(39,630)	244,376
Fund Balance - Beginning			179,589
Fund Balance - Ending			423,965

VILLAGE OF NORTHBROOK, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales	$ 7,412,025	7,412,025	7,652,106
Operating Expenses			
Administration	1,974,035	1,974,035	1,974,035
Operations	7,658,341	7,658,341	3,821,480
Depreciation and Amortization	-	-	1,440,269
Total Operating Expenses	9,632,376	9,632,376	7,235,784
Operating Income	(2,220,351)	(2,220,351)	416,322
Nonoperating Revenues (Expenses)			
Interest Income	30,000	30,000	120,984
Permits/Connection/Recapture Fees	70,000	70,000	10,476
Other Income	5,000	5,000	82,403
Interest Expense	(621,223)	(621,223)	(692,080)
	(516,223)	(516,223)	(478,217)
Change in Net Position	(2,736,574)	(2,736,574)	(61,895)
Net Position - Beginning			24,992,477
Net Position - Ending			24,930,582

VILLAGE OF NORTHBROOK, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 1,797,535	1,797,535	1,797,535
Charges for Services	176,500	176,500	176,500
Total Administration	1,974,035	1,974,035	1,974,035
Operations			
Personal Services	2,328,815	2,328,815	2,225,468
Contractual Services	958,340	958,340	788,356
Commodities	369,285	369,285	275,310
Capital Outlay	8,401,118	8,401,118	4,931,563
	12,057,558	12,057,558	8,220,697
Less Capital Assets Capitalized	(4,399,217)	(4,399,217)	(4,399,217)
Total Operations	7,658,341	7,658,341	3,821,480
Depreciation and Amortization	-	-	1,440,269
Debt Service			
Principal Retirement	1,075,534	1,075,534	1,075,534
Interest Expense	621,223	621,223	692,080
	1,696,757	1,696,757	1,767,614
Less Nonoperating Items			
Debt Service	(1,696,757)	(1,696,757)	(1,767,614)
Total Debt Service	-	-	-
Total Operating Expenses	9,632,376	9,632,376	7,235,784

VILLAGE OF NORTHBROOK, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Sanitary Sewer User Fees	$ 1,287,900	1,287,900	1,289,902
Operating Expenses			
Administration	559,385	559,385	559,385
Operations	1,211,581	1,211,581	809,555
Depreciation and Amortization	-	-	295,347
Total Operating Expenses	1,770,966	1,770,966	1,664,287
Operating Income (Loss)	(483,066)	(483,066)	(374,385)
Nonoperating Revenues (Expenses)			
Interest Income	5,000	5,000	19,976
Other Income	-	-	6,429
Disposal of Capital Assets	-	-	(77,489)
Interest Expense	(142,528)	(142,528)	(150,366)
	(137,528)	(137,528)	(201,450)
Change in Net Position	(620,594)	(620,594)	(575,835)
Net Position - Beginning			3,955,277
Net Position - Ending			3,379,442

VILLAGE OF NORTHBROOK, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 532,610	532,610	532,610
Charges for Services	26,775	26,775	26,775
Total Administration	559,385	559,385	559,385
Operations			
Personal Services	496,705	496,705	522,318
Contractual Services	182,300	182,300	139,599
Commodities	37,020	37,020	41,444
Capital Outlay	740,000	740,000	350,638
	1,456,025	1,456,025	1,053,999
Less Capital Assets Capitalized	(244,444)	(244,444)	(244,444)
Total Operations	1,211,581	1,211,581	809,555
Depreciation and Amortization	-	-	295,347
Debt Service			
Principal Retirement	157,868	157,868	157,868
Interest Expense	142,528	142,528	150,366
	300,396	300,396	308,234
Less Nonoperating Items			
Debt Service	(300,396)	(300,396)	(308,234)
Total Debt Service	-	-	-
Total Operating Expenses	1,770,966	1,770,966	1,664,287

VILLAGE OF NORTHBROOK, ILLINOIS

Senior Housing - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Rents	$ 851,100	851,100	847,203
Operating Expenses			
Administration	137,000	137,000	137,000
Operations	784,910	784,910	586,796
Depreciation	-	-	117,464
Total Operating Expenses	921,910	921,910	841,260
Operating Income (Loss)	(70,810)	(70,810)	5,943
Nonoperating Revenues			
Interest Income	400	400	1,601
Change in Net Position	(70,410)	(70,410)	7,544
Net Position - Beginning			3,447,220
Net Position - Ending			3,454,764

VILLAGE OF NORTHBROOK, ILLINOIS

Stormwater Utility - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Stormwater Utility Fees	$ 1,272,150	1,272,150	1,475,491
Operating Expenses			
Administration	118,685	118,685	118,685
Operations	1,730,956	1,730,956	1,045,179
Depreciation and Amortization	-	-	740,693
Total Operating Expenses	1,849,641	1,849,641	1,904,557
Operating Income (Loss)	(577,491)	(577,491)	(429,066)
Nonoperating Revenues (Expenses)			
Interest Income	35,000	35,000	31,915
Other Income	-	-	315,464
Interest Expense	(549,873)	(549,873)	(584,927)
	(514,873)	(514,873)	(237,548)
Change in Net Position	(1,092,364)	(1,092,364)	(666,614)
Net Position - Beginning			11,593,545
Net Position - Ending			10,926,931

VILLAGE OF NORTHBROOK, ILLINOIS

Stormwater Utility - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 82,325	82,325	82,325
Charges for Services	36,360	36,360	36,360
Total Administration	118,685	118,685	118,685
Operations			
Personal Services	543,865	543,865	480,052
Contractual Services	212,950	212,950	192,296
Commodities	25,135	25,135	29,009
Capital Outlay	3,084,050	3,084,050	2,478,866
	3,866,000	3,866,000	3,180,223
Less Capital Assets Capitalized	(2,135,044)	(2,135,044)	(2,135,044)
Total Operations	1,730,956	1,730,956	1,045,179
Depreciation and Amortization	-	-	740,693
Debt Service			
Principal Retirement	578,990	578,990	578,990
Interest Expense	549,873	549,873	584,927
	1,128,863	1,128,863	1,163,917
Less Nonoperating Items			
Debt Service	(1,128,863)	(1,128,863)	(1,163,917)
Total Debt Service	-	-	-
Total Operating Expenses	1,849,641	1,849,641	1,904,557

VILLAGE OF NORTHBROOK, ILLINOIS

Revenue Parking - Enterprise Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Parking Fees	$ 170,125	170,125	167,968
Miscellaneous	7,640	7,640	7,193
Total Operating Revenues	177,765	177,765	175,161
Operating Expenses			
Administration	109,620	109,620	99,620
Operations	216,030	216,030	84,664
Depreciation	-	-	50,250
Total Operating Expenses	325,650	325,650	234,534
Operating (Loss)	(147,885)	(147,885)	(59,373)
Nonoperating Revenues			
Interest Income	500	500	180
Change in Net Position	(147,385)	(147,385)	(59,193)
Net Position - Beginning			1,256,650
Net Position - Ending			1,197,457

VILLAGE OF NORTHBROOK, ILLINOIS

Revenue Parking - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 106,575	106,575	96,575
Charges for Services	3,045	3,045	3,045
Total Administration	109,620	109,620	99,620
Operations			
Contractual Services	74,900	74,900	81,027
Commodities	141,130	141,130	3,637
Total Operations	216,030	216,030	84,664
Depreciation	-	-	50,250
Total Operating Expenses	325,650	325,650	234,534

VILLAGE OF NORTHBROOK, ILLINOIS

Insurance - Internal Service Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Billings	$ 5,389,805	5,389,805	5,389,805
Member Contributions	1,495,000	1,495,000	1,363,045
Total Operating Revenues	6,884,805	6,884,805	6,752,850
Operating Expenses			
Administration			
Claims Administration Fees	28,000	28,000	8,900
Operations			
Insurance	7,914,400	7,914,400	7,305,388
Claims	85,000	85,000	76,600
Total Operating Expenses	8,027,400	8,027,400	7,390,888
Operating (Loss)	(1,142,595)	(1,142,595)	(638,038)
Nonoperating Revenues			
Interest Income	6,000	6,000	19,803
Other Income	67,000	67,000	380,004
	73,000	73,000	399,807
Change in Net Position	(1,069,595)	(1,069,595)	(238,231)
Net Position - Beginning			6,044,405
Net Position - Ending			5,806,174

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
April 30, 2018

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	$ 2,914,750	2,799,843	5,714,593
Investments			
U.S. Treasury and Agency Securities	3,536,019	4,486,412	8,022,431
State and Local Securities	665,151	569,054	1,234,205
Corporate Bonds	11,011,808	11,046,698	22,058,506
Mutual Funds	18,179,147	13,234,141	31,413,288
Common Stock	12,537,381	17,207,688	29,745,069
Illinois Funds	690,339	706,435	1,396,774
Receivables			
Accrued Interest	148,464	162,611	311,075
Due from Other Governments	524,374	800,325	1,324,699
Total Assets	50,207,433	51,013,207	101,220,640
LIABILITIES			
Accounts Payable	-	(50)	(50)
Due to Other Governments	18,786	19,960	38,746
Total Liabilities	18,786	19,910	38,696
NET POSITION			
Net Position Restricted for Pensions	50,188,647	50,993,297	101,181,944

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2018

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	$ 3,338,429	3,492,984	6,831,413
Contributions - Plan Members	701,436	719,854	1,421,290
Total Contributions	4,039,865	4,212,838	8,252,703
Investment Income			
Interest	942,311	1,075,305	2,017,616
Net Change in Fair Value	3,538,124	2,569,074	6,107,198
	4,480,435	3,644,379	8,124,814
Less Investment Expenses	(35,324)	(49,837)	(85,161)
Net Investment Income	4,445,111	3,594,542	8,039,653
Miscellaneous Income	-	374	374
Total Additions	8,484,976	7,807,754	16,292,730
Deductions			
Administration	43,618	133,327	176,945
Benefits and Refunds	4,236,937	3,760,880	7,997,817
Total Deductions	4,280,555	3,894,207	8,174,762
Change in Fiduciary Net Position	4,204,421	3,913,547	8,117,968
Net Position Restricted for Pensions			
Beginning	45,984,226	47,079,750	93,063,976
Ending	50,188,647	50,993,297	101,181,944

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes of Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 2,949,665	2,949,665	3,338,429
Contributions - Plan Members	680,000	680,000	701,436
Total Contributions	3,629,665	3,629,665	4,039,865
Investment income			
Interest	2,000,000	2,000,000	942,311
Net Change in Fair Value	-	-	3,538,124
	2,000,000	2,000,000	4,480,435
Less Investment Expenses	-	-	(35,324)
Net Investment Income	2,000,000	2,000,000	4,445,111
Miscellaneous Income	2,000	2,000	-
Total Additions	5,631,665	5,631,665	8,484,976
Deductions			
Administration	73,000	73,000	43,618
Benefits and Refunds	4,116,920	4,116,920	4,236,937
Total Deductions	4,189,920	4,189,920	4,280,555
Change in Fiduciary Net Position	1,441,745	1,441,745	4,204,421
Net Position Restricted for Pensions			
Beginning			45,984,226
Ending			50,188,647

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2018

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 2,814,963	2,814,963	3,492,984
Contributions - Plan Members	700,000	700,000	719,854
Total Contributions	3,514,963	3,514,963	4,212,838
Investment income			
Interest	2,000,000	2,000,000	1,075,305
Net Change in Fair Value	-	-	2,569,074
	2,000,000	2,000,000	3,644,379
Less Investment Expenses	-	-	(49,837)
Net Investment Income	2,000,000	2,000,000	3,594,542
Miscellaneous Income	-	-	374
Total Additions	5,514,963	5,514,963	7,807,754
Deductions			
Administration	121,500	121,500	133,327
Benefits and Refunds	3,675,600	3,675,600	3,760,880
Total Deductions	3,797,100	3,797,100	3,894,207
Change in Fiduciary Net Position	1,717,863	1,717,863	3,913,547
Net Position Restricted for Pensions			
Beginning			47,079,750
Ending			50,993,297

VILLAGE OF NORTHBROOK, ILLINOIS

Escrow - Agency Fund

Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2018

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	$ 6,700,050	6,259,837	6,700,050	6,259,837
Due from Other Governments	22,630	34,230	22,630	34,230
Total Assets	6,722,680	6,294,067	6,722,680	6,294,067
LIABILITIES				
Accounts Payable	5,927	5,616	5,927	5,616
Deposits Payable	6,716,753	6,300,641	6,728,943	6,288,451
Total Liabilities	6,722,680	6,306,257	6,734,870	6,294,067

SUPPLEMENTAL SCHEDULES

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2010
April 30, 2018

Date of Issue	October 12, 2010
Date of Maturity	December 1, 2029
Authorized Issue	$7,135,000
Denomination of Bonds	$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 190,000	95,909	285,909
2020	200,000	90,424	290,424
2021	205,000	83,819	288,819
2022	210,000	80,199	290,199
2023	215,000	72,299	287,299
2024	225,000	66,259	291,259
2025	230,000	59,542	289,542
2026	235,000	52,188	287,188
2027	245,000	45,220	290,220
2028	255,000	36,890	291,890
2029	265,000	29,165	294,165
2030	275,000	18,845	293,845
	2,750,000	730,759	3,480,759

788,151	General Long-Term Debt
1,961,849	Water Fund
2,750,000	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2011
April 30, 2018

Date of Issue	November 22, 2011
Date of Maturity	December 1, 2032
Authorized Issue	$3,000,000
Denomination of Bonds	$5,000
Interest Rates	2.00% to 3.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 130,000	79,460	209,460
2020	130,000	75,560	205,560
2021	135,000	71,660	206,660
2022	140,000	67,610	207,610
2023	140,000	63,410	203,410
2024	145,000	59,210	204,210
2025	150,000	54,860	204,860
2026	155,000	50,285	205,285
2027	160,000	45,325	205,325
2028	170,000	40,045	210,045
2029	175,000	34,265	209,265
2030	180,000	28,140	208,140
2031	185,000	21,660	206,660
2032	195,000	15,000	210,000
2033	205,000	7,687	212,687
	2,395,000	714,177	3,109,177

2,395,000	General Long-Term Debt

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Refunding Bonds of 2012A and 2012B
April 30, 2018

Date of Issue	December 4, 2012
Date of Maturity	December 1, 2021
Authorized Issue	$20,515,000
Denomination of Bonds	$5,000
Interest Rate	1.75% to 2.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 2,587,924	193,926	2,781,850
2020	2,626,029	158,554	2,784,583
2021	2,660,055	117,082	2,777,137
2022	2,708,919	69,478	2,778,397
2023	120,000	15,300	135,300
2024	125,000	12,900	137,900
2025	125,000	10,400	135,400
2026	130,000	7,900	137,900
2027	130,000	5,300	135,300
2022	135,001	2,700	137,701
	11,347,928	593,540	11,941,468

9,484,453	General Long-Term Debt
1,317,355	Water Fund
546,120	Stormwater Utility Fund
11,347,928	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013A
April 30, 2018

Date of Issue	July 23, 2013
Date of Maturity	December 1, 2036
Authorized Issue	$9,355,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 4.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 325,000	323,406	648,406
2020	335,000	313,656	648,656
2021	345,000	303,606	648,606
2022	355,000	293,256	648,256
2023	365,000	282,606	647,606
2024	375,000	271,656	646,656
2025	385,000	260,406	645,406
2026	400,000	248,375	648,375
2027	410,000	234,875	644,875
2028	425,000	220,526	645,526
2029	445,000	203,525	648,525
2030	460,000	185,725	645,725
2031	480,000	167,325	647,325
2032	500,000	148,125	648,125
2033	520,000	126,250	646,250
2034	540,000	103,500	643,500
2035	565,000	79,875	644,875
2036	590,000	54,450	644,450
2037	620,000	27,900	647,900
	8,440,000	3,849,043	12,289,043

5,885,084	General Long-Term Debt
1,139,538	Water Fund
542,636	Sanitary Sewer Fund
872,742	Stormwater Utility Fund
8,440,000	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2014A
April 30, 2018

Date of Issue	October 14, 2014
Date of Maturity	December 1, 2028
Authorized Issue	$25,315,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 1,710,000	977,800	2,687,800
2020	1,775,000	909,400	2,684,400
2021	1,870,000	820,650	2,690,650
2022	1,965,000	727,150	2,692,150
2023	2,050,000	648,550	2,698,550
2024	2,155,000	546,050	2,701,050
2025	2,265,000	438,300	2,703,300
2026	2,390,000	325,050	2,715,050
2027	2,485,000	229,450	2,714,450
2028	2,595,000	130,050	2,725,050
2029	1,740,000	52,200	1,792,200
	23,000,000	5,804,650	28,804,650

16,100,000	General Long-Term Debt
4,140,000	Water Fund
1,840,000	Sanitary Sewer Fund
920,000	Stormwater Utility Fund
23,000,000	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2015A
April 30, 2018

Date of Issue	January 13, 2015
Date of Maturity	December 1, 2034
Authorized Issue	$15,395,000
Denomination of Bonds	$5,000
Interest Rates	0.45% to 3.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ -	484,060	484,060
2020	-	484,060	484,060
2021	-	484,060	484,060
2022	-	484,060	484,060
2023	360,000	484,060	844,060
2024	365,000	475,420	840,420
2025	1,035,000	466,113	1,501,113
2026	1,070,000	438,168	1,508,168
2027	1,105,000	407,673	1,512,673
2028	1,145,000	374,523	1,519,523
2029	1,185,000	338,455	1,523,455
2030	1,230,000	299,350	1,529,350
2031	1,280,000	256,915	1,536,915
2032	1,330,000	210,835	1,540,835
2033	1,390,000	160,960	1,550,960
2034	1,350,000	107,445	1,457,445
2035	1,405,000	54,795	1,459,795
	14,250,000	6,010,952	17,343,712

14,250,000	General Long-Term Debt

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2015B
April 30, 2018

Date of Issue	November 10, 2015
Date of Maturity	December 1, 2035
Authorized Issue	$13,470,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ -	458,475	458,475
2020	-	458,475	458,475
2021	-	458,475	458,475
2022	-	458,475	458,475
2023	775,000	458,475	1,233,475
2024	800,000	435,225	1,235,225
2025	825,000	403,225	1,228,225
2026	855,000	370,225	1,225,225
2027	880,000	336,025	1,216,025
2028	910,000	300,825	1,210,825
2029	940,000	273,525	1,213,525
2030	970,000	245,325	1,215,325
2031	1,000,000	216,225	1,216,225
2032	1,035,000	184,975	1,219,975
2033	1,065,000	151,337	1,216,337
2034	1,100,000	116,725	1,216,725
2035	1,140,000	79,600	1,219,600
2036	1,175,000	41,125	1,216,125
	13,470,000	5,446,737	18,916,737

3,219,330	General Long-Term Debt
6,317,430	Water Fund
902,490	Sanitary Sewer Fund
3,030,750	Stormwater Utility Fund
13,470,000	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2016A
April 30, 2018

Date of Issue	April 27, 2016
Date of Maturity	December 1, 2036
Authorized Issue	$20,350,000
Denomination of Bonds	$5,000
Interest Rate	2.00% to 3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 725,000	573,962	1,298,962
2020	740,000	559,463	1,299,463
2021	945,000	544,662	1,489,662
2022	965,000	525,763	1,490,763
2023	1,420,000	506,462	1,926,462
2024	1,460,000	463,863	1,923,863
2025	770,000	420,062	1,190,062
2026	785,000	396,963	1,181,963
2027	825,000	373,412	1,198,412
2028	850,000	348,663	1,198,663
2029	970,000	323,162	1,293,162
2030	1,000,000	294,063	1,294,063
2031	1,065,000	264,062	1,329,062
2032	1,100,000	232,113	1,332,113
2033	1,135,000	199,112	1,334,112
2034	1,165,000	165,062	1,330,062
2035	1,200,000	127,200	1,327,200
2036	1,235,000	88,200	1,323,200
2037	1,285,000	44,975	1,329,975
	19,640,000	6,451,224	26,091,224

6,292,800	General Long-Term Debt
1,211,193	Water Fund
188,184	Sanitary Sewer Fund
11,947,823	Stormwater Utility Fund
19,640,000	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2018A
April 30, 2018

Date of Issue	February 13, 2018
Date of Maturity	December 1, 2037
Authorized Issue	$17,655,000
Denomination of Bonds	$5,000
Interest Rate	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 215,000	460,740	675,740
2020	190,000	567,325	757,325
2021	395,000	559,725	954,725
2022	410,000	543,925	953,925
2023	730,000	527,525	1,257,525
2024	755,000	498,325	1,253,325
2025	785,000	468,125	1,253,125
2026	820,000	436,725	1,256,725
2027	850,000	403,925	1,253,925
2028	875,000	378,425	1,253,425
2029	970,000	352,175	1,322,175
2030	1,050,000	323,075	1,373,075
2031	1,080,000	291,575	1,371,575
2032	1,115,000	259,175	1,374,175
2033	1,150,000	225,725	1,375,725
2034	1,175,000	191,225	1,366,225
2035	1,215,000	155,975	1,370,975
2036	1,255,000	119,525	1,374,525
2037	1,290,000	81,875	1,371,875
2038	1,330,000	41,563	1,371,563
	17,655,000	6,886,653	24,541,653

6,179,250	General Long-Term Debt
7,238,550	Water Fund
882,750	Sanitary Sewer Fund
3,354,450	Stormwater Utility Fund
17,655,000	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General ObligationBonds of 2018B
April 30, 2018

Date of Issue	February 13, 2018
Date of Maturity	December 1, 2037
Authorized Issue	$8,425,000
Denomination of Bonds	$5,000
Interest Rates	2.00% to 3.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2019	$ 75,000	220,572	295,572
2020	75,000	274,215	349,215
2021	75,000	272,640	347,640
2022	75,000	270,953	345,953
2023	400,000	269,077	669,077
2024	410,000	258,277	668,277
2025	425,000	246,797	671,797
2026	435,000	234,473	669,473
2027	450,000	221,423	671,423
2028	460,000	207,697	667,697
2029	475,000	193,438	668,438
2030	490,000	178,475	668,475
2031	510,000	162,795	672,795
2032	525,000	146,220	671,220
2033	540,000	128,895	668,895
2034	560,000	110,805	670,805
2035	580,000	91,205	671,205
2036	600,000	70,905	670,905
2037	620,000	48,405	668,405
2038	645,000	25,155	670,155
	8,425,000	3,632,422	8,705,947

8,425,000	General Long-Term Debt

STATISTICAL SECTION
(Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	$ 58,646,126	62,198,793	62,098,299	60,405,834	54,761,060	54,811,717	53,968,132	51,908,848	52,296,658	49,228,665
Restricted	14,094,595	9,538,439	8,632,065	10,308,453	6,780,111	6,465,042	7,122,879	735,777	910,914	1,661,902
Unrestricted	22,934,488	23,544,765	20,589,595	16,780,393	16,939,446	20,410,579	23,727,436	(51,798,127)	(65,705,520)	(72,615,522)
Total Governmental Activities Net Position	95,675,209	95,281,997	91,319,959	87,494,680	78,480,617	81,687,338	84,818,447	846,498	(12,497,948)	(21,724,955)
Business-Type Activities										
Net Investment in Capital Assets	28,247,579	29,812,537	28,366,798	29,833,970	39,969,558	36,875,367	36,238,159	32,904,654	32,805,023	30,850,258
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,548,997	5,350,127	6,512,590	4,447,398	6,225,075	8,717,492	8,639,556	13,303,516	12,440,146	13,038,918
Total Business-Type Activities Net Position	35,796,576	35,162,664	34,879,388	34,281,368	46,194,633	45,592,859	44,877,715	46,208,170	45,245,169	43,889,176
Primary Government										
Net Investment in Capital Assets	86,893,705	92,011,330	90,465,097	90,239,804	94,730,618	91,687,084	90,206,291	84,813,502	85,101,681	80,078,923
Restricted	14,094,595	9,538,439	8,632,065	10,308,453	6,780,111	6,465,042	7,122,879	735,777	910,914	1,661,902
Unrestricted	30,483,485	28,894,892	27,102,185	21,227,791	23,164,521	29,128,071	32,366,992	(38,494,611)	(53,265,374)	(59,576,604)
Total Primary Government Net Position	131,471,785	130,444,661	126,199,347	121,776,048	124,675,250	127,280,197	129,696,162	47,054,668	32,747,221	22,164,221

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	$ 5,152,883	4,608,518	4,570,679	5,213,800	4,772,121	4,157,836	5,079,347	7,344,065	10,932,097	6,387,947
Public Safety	24,779,673	24,841,399	26,243,715	27,254,854	27,652,937	27,911,733	29,843,204	39,448,782	38,637,952	40,077,276
Highways and Streets	6,451,398	8,733,088	9,845,883	9,246,750	8,873,854	10,002,273	9,452,061	9,807,659	11,025,303	12,462,791
Interest on Long-Term Debt	1,969,816	1,988,379	1,768,794	2,203,366	2,429,312	2,133,562	1,564,952	2,047,508	2,453,769	2,321,650
Total Governmental Activities Expenses	38,353,770	40,171,384	42,429,071	43,918,770	43,728,224	44,205,404	45,939,564	58,648,014	63,049,121	61,249,664
Business-Type Activities										
Water	7,742,720	6,479,015	7,293,177	7,049,582	7,125,972	7,533,497	7,296,563	7,626,212	7,895,063	7,927,864
Sanitary Sewer	1,582,256	1,316,857	1,579,728	1,574,892	1,667,662	1,762,580	1,535,487	1,964,504	1,894,162	1,892,142
Senior Housing	735,174	837,878	794,509	864,944	828,192	927,308	883,213	911,890	813,997	841,260
Stormwater Utility	-	-	-	-	1,660,222	1,697,785	1,713,381	2,439,184	2,137,821	2,489,484
Parking	260,163	247,032	253,324	165,928	159,021	196,073	222,881	216,759	219,643	234,534
Total Business-Type Activities Net Position	10,320,313	8,880,782	9,920,738	9,655,346	11,441,069	12,117,243	11,651,525	13,158,549	12,960,686	13,385,284
Total Primary Government Expenses	48,674,083	49,052,166	52,349,809	53,574,116	55,169,293	56,322,647	57,591,089	71,806,563	76,009,807	74,634,948
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	5,385,993	3,663,775	3,865,001	3,485,549	3,867,156	4,628,283	5,145,950	4,919,408	4,161,477	4,629,242
Public Safety	4,222,244	4,260,563	4,334,116	4,568,948	4,549,841	4,347,869	4,236,142	4,213,875	4,414,152	4,355,075
Operating Grants/Contributions	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	849,252	884,302	870,837
Total Governmental Activities Program Revenues	10,615,102	8,847,136	9,226,367	9,187,404	9,378,019	10,042,441	10,493,936	9,982,535	9,459,931	9,855,154
Business-Type Activities										
Charges for Services										
Water	5,989,496	5,800,001	5,949,938	6,695,973	7,565,670	6,572,146	7,059,498	7,139,477	7,130,783	7,652,106
Sanitary Sewer	1,119,243	1,067,556	1,103,109	1,053,519	1,167,822	1,138,167	1,302,248	1,213,451	1,224,701	1,289,902
Senior Housing	800,514	816,614	820,172	830,129	845,504	833,622	835,097	842,163	846,534	847,203
Stormwater Utility					1,685,913	1,474,031	1,313,492	1,383,078	1,389,220	1,475,491
Parking	161,029	157,096	153,254	156,458	152,923	163,556	166,236	165,211	485,193	175,161
Operating Grants/Contributions	308,985	127,842	94,071	99,894	288,311	87,293	31,210	77,995	83,637	10,476
Capital Grants/Contributions	681,000	150,000	-	-	-	-	300,750	-	-	-
Total Business-Type Activities Program Revenues	9,060,267	8,119,109	8,120,544	8,835,973	11,706,143	10,268,815	11,008,531	10,821,375	11,160,068	11,450,339
Total Primary Government Program Revenues	19,675,369	16,966,245	17,346,911	18,023,377	21,084,162	20,311,256	21,502,467	20,803,910	20,619,999	21,305,493

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Revenues (Expenses)										
Governmental Activities	$ (31,324,248)	(33,202,704)	(34,731,366)	(34,350,205)	(34,162,963)	(35,445,628)	(35,445,628)	(48,665,479)	(53,589,190)	(51,394,510)
Business-Type Activities	(761,673)	(1,800,194)	(819,373)	265,074	(1,848,428)	(642,994)	(642,994)	(2,337,174)	(1,800,618)	(1,934,945)
Total Primary Government Net Revenues (Expenses)	(32,085,921)	(35,002,898)	(35,550,739)	(34,085,131)	(36,011,391)	(36,088,622)	(36,088,622)	(51,002,653)	(55,389,808)	(53,329,455)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	10,465,992	9,360,963	10,514,887	10,017,255	12,035,727	12,728,095	13,224,376	13,434,887	14,802,772	17,620,255
Utility	1,303,397	1,145,038	1,157,167	1,102,266	1,124,312	1,182,658	1,144,255	995,457	1,012,559	968,873
Other	1,596,568	1,970,520	2,158,207	2,078,884	2,853,880	5,641,961	5,362,980	5,432,869	4,964,752	4,399,701
Intergovernmental - Unrestricted										
Sales	13,552,946	12,559,042	13,160,916	14,000,067	14,533,553	14,184,846	14,530,151	14,665,574	15,380,154	14,883,566
State Income	2,974,820	2,612,166	2,680,215	2,831,454	3,111,609	3,162,141	3,401,924	3,362,196	3,141,181	2,998,512
Interest	894,812	481,109	1,050,287	844,764	829,229	744,529	777,991	123,245	253,606	507,428
Miscellaneous	1,950,002	2,802,198	(1,388,084)	31,397	55,152	220,641	37,420	109,125	689,720	789,168
Transfers	-	-	-	-	(9,207,320)	(495,187)	97,640	(3,000,000)	-	-
Total Governmental Activities	32,738,537	30,931,036	29,333,595	30,906,087	25,336,142	37,369,684	38,576,737	35,123,353	40,244,744	42,167,503
Business-Type Activities										
Interest	233,125	104,653	60,918	21,353	27,927	14,307	16,883	21,049	90,600	174,656
Miscellaneous	11	23,108	1,456,000	200,000	2,412,944	741,830	8,607	873,832	747,017	404,296
Transfers	-	-	-	-	9,207,320	490,517	(97,640)	3,000,000	-	-
Total Business-Type Activities	233,136	127,761	1,516,918	221,353	11,648,191	1,246,654	(72,150)	3,894,881	837,617	578,952
Total Primary Government	32,971,673	31,058,797	30,850,513	31,127,440	36,984,333	38,616,338	38,504,587	39,018,234	41,082,361	42,746,455
Changes in Net Position										
Governmental Activities	1,414,289	(2,271,668)	(5,397,771)	(3,444,118)	(8,826,821)	1,924,056	3,131,109	(13,542,126)	(13,344,446)	(9,227,007)
Business-Type Activities	(528,537)	(1,672,433)	697,545	486,427	9,799,763	603,660	(715,144)	1,557,707	(963,001)	(1,355,993)
Total Primary Government	885,752	(3,944,101)	(4,700,226)	(2,957,691)	972,942	2,527,716	2,415,965	(11,984,419)	(14,307,447)	(10,583,000)

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	$ 616,059	203,829	209,981	-	-	-	-	-	-	-
Unreserved	18,468,003	17,860,913	17,068,792	-	-	-	-	-	-	-
Nonspendable	-	-	-	37,684	42,325	42,446	-	-	26,661	119,736
Restricted	-	-	-	296,057	301,817	1,062,020	1,668,232	3,843,709	1,359,625	11,517,298
Unassigned	-	-	-	16,393,318	18,057,612	19,682,377	22,060,520	21,249,511	22,123,177	21,242,468
Total General Fund	19,084,062	18,064,742	17,278,773	16,727,059	18,401,754	20,786,843	23,728,752	25,093,220	23,509,463	32,879,502
All Other Governmental Funds										
Reserved	15,889,619	11,155,949	9,123,847	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenues Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	1,795,549	1,355,533	849,995	-	-	-	-	-	-	-
Restricted	-	-	-	847,119	501,494	2,792,504	1,854,693	5,145,971	4,734,403	4,932,510
Committed	-	-	-	86,941	87,003	87,023	87,048	87,121	88,163	90,751
Assigned	-	-	-	9,215,213	5,016,350	5,826,348	5,644,859	7,515,496	6,345,426	6,370,030
Unassigned	-	-	-	(484,787)	(920,858)	(1,221,866)	(1,205,459)	-	-	-
Total All Other Governmental Funds	17,685,168	12,511,482	9,973,842	9,664,486	4,683,989	7,484,009	6,381,141	12,748,588	11,167,992	11,393,291
Total Governmental Funds	36,769,230	30,576,224	27,252,615	26,391,545	23,085,743	28,270,852	30,109,893	37,841,808	34,677,455	44,272,793

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Revenues by Source - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Source	2009	2010	2011	2012	2013	2014	2015	2016*	2017	2018
Taxes	$ 29,893,723	27,647,729	29,671,392	30,029,926	33,659,081	36,899,701	37,663,686	21,290,720	22,325,553	24,393,756
Intergovernmental	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	17,449,515	17,860,167	17,347,988
Licenses, Permits and Fees	5,542,350	4,285,636	4,449,883	4,458,665	5,097,795	4,889,027	5,920,259	6,057,697	5,265,165	5,976,991
Charges for Services	5,962,772	5,621,768	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747	5,543,956	5,783,009	5,434,918
Fines and Forfeits	191,750	230,904	221,135	288,064	288,406	341,735	242,091	168,080	134,095	170,098
Interest	868,056	459,333	1,034,540	834,831	822,154	740,276	772,588	114,671	249,815	487,625
Miscellaneous	1,950,002	1,081,534	61,916	31,397	55,152	220,641	37,420	109,125	689,720	789,168
Totals	45,415,518	40,249,702	42,329,740	42,332,160	46,258,156	50,340,544	51,502,635	50,733,764	52,307,524	54,600,544

Includes General, Special Revenue, Debt Service Funds and Capital Projects for the primary government.
* In 2016, sales and income taxes were reclassified from the "Taxes" category to the "Intergovernmental" category.
Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	$ 7,137,250	6,806,457	6,557,849	6,902,454	6,598,887	6,681,223	7,353,556	7,979,601	12,695,935	8,001,934
Public Safety	25,323,090	24,338,610	25,291,476	26,206,664	27,389,925	28,350,834	29,781,583	29,224,364	31,229,816	33,582,859
Highways and Streets	22,683,220	11,431,732	9,458,425	8,838,987	9,700,086	11,682,823	10,813,292	9,027,487	10,969,145	12,039,858
Debt Service										
Principal	1,020,345	1,864,200	2,017,300	2,283,224	1,863,056	2,453,025	2,547,591	3,285,430	3,289,383	3,535,239
Interest and Fiscal Charges	1,889,428	2,001,709	1,882,761	1,975,091	2,504,775	2,020,112	2,170,456	1,912,766	2,187,598	2,417,293
Totals	58,053,333	46,442,708	45,207,811	46,206,420	48,056,729	51,188,017	52,666,478	51,429,648	60,371,877	59,577,183

Includes General, Special Revenue, Debt Service Funds and Capital Projects for the primary government.

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016*	2017	2018
Revenues										
Taxes	$ 29,893,723	27,647,729	29,671,392	30,029,926	33,659,081	36,899,701	37,663,686	21,290,720	22,325,553	24,393,756
Intergovernmental	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	17,449,515	17,860,167	17,347,988
Licenses, Permits and Fees	5,542,350	4,285,636	4,449,883	4,458,665	5,097,795	4,889,027	5,920,259	6,057,697	5,265,165	5,976,991
Charges for Services	5,962,772	5,621,768	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747	5,543,956	5,783,009	5,434,918
Fines and Forfeits	191,750	230,904	221,135	288,064	288,406	341,735	242,091	168,080	134,095	170,098
Interest	868,056	459,333	1,034,540	834,831	822,154	740,276	772,588	114,671	249,815	487,625
Miscellaneous	1,950,002	1,081,534	61,916	31,397	55,152	220,641	37,420	109,125	689,720	789,168
Total Revenues	45,415,518	40,249,702	42,329,740	42,332,160	46,258,156	50,340,544	51,502,635	50,733,764	52,307,524	54,600,544
Expenditures										
General Government	7,137,250	6,806,457	6,557,849	6,902,454	6,598,887	6,681,223	7,353,556	7,979,601	12,695,935	8,001,934
Public Safety	25,323,090	24,338,610	25,291,476	26,206,664	27,389,925	28,350,834	29,781,583	29,224,364	31,229,816	33,582,859
Highways and Streets	22,683,220	11,431,732	9,458,425	8,838,987	9,700,086	11,682,823	10,813,292	9,027,487	10,969,145	12,039,858
Debt Service										
Principal	1,020,345	1,864,200	2,017,300	2,283,224	1,863,056	2,453,025	2,547,591	3,285,430	3,289,383	3,535,239
Interest and Fiscal Charges	1,889,428	2,001,709	1,882,761	1,975,091	2,504,775	2,020,112	2,170,456	1,912,766	2,187,598	2,417,293
Total Expenditures	58,053,333	46,442,708	45,207,811	46,206,420	48,056,729	51,188,017	52,666,478	51,429,648	60,371,877	59,577,183
Excess (Defiance) of Revenues Over (Under) Expenditures	(12,637,815)	(6,193,006)	(2,878,071)	(3,874,260)	(1,798,573)	(847,473)	(1,163,843)	(695,884)	(8,064,353)	(4,976,639)
Other Financing Sources (Uses)										
Proceeds from Bonds	-	-	4,334,905	3,000,000	12,790,278	6,523,099	33,115,500	9,739,330	4,900,000	14,604,250
Payment to Escrow Agent	-	-	(3,325,000)	-	(11,670,347)	-	(32,971,504)	-	-	-
Transfer In	2,623,317	3,427,480	2,800,462	3,003,696	2,538,912	3,289,840	2,149,653	2,818,830	2,731,372	3,781,692
Transfer Out	(2,623,317)	(3,427,480)	(4,250,462)	(3,003,696)	(5,166,072)	(3,780,357)	(2,052,013)	(5,818,830)	(2,731,372)	(3,781,692)
Premium on Debt Issuance	-	-	-	-	-	-	-	-	-	(32,273)
Discount on Debt Issuance	-	-	87,486	13,190	-	-	2,761,248	483,009	-	-
	-	-	(352,609)	3,013,190	(1,507,229)	6,032,582	3,002,884	7,222,339	4,900,000	14,571,977
Net Change in Fund Balances	(12,637,815)	(6,193,006)	(3,230,680)	(861,070)	(3,305,802)	5,185,109	1,839,041	6,526,455	(3,164,353)	9,595,338
Debt Service as a Percentage of Noncapital Expenditures	7.36%	9.49%	9.13%	9.73%	9.75%	9.49%	9.66%	10.48%	9.77%	10.52%

Data Source: Village Records

* In 2016, sales and income taxes were reclassified from the "Taxes" category to the "Intergovernmental" category.

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type
Last Two Fiscal Years
April 30, 2018 (Unaudited)

	Police Pension Fund		Firefighters' Pension Fund	
	4/30/2017	4/30/2018	4/30/2017	4/30/2018
Investment Rate of Return	10.07%	7.64%	9.95%	6.99%
Pension Expenses by Type				
Retirement Pensions	$ 3,310,581	3,604,696	2,636,239	2,809,235
Disability Pensions	157,473	158,427	629,833	637,146
Survivor's Pensions	465,786	473,814	272,489	272,489
Contribution Refunds	-	-	-	42,010
Totals	3,933,840	4,236,937	3,538,561	3,760,880
Increase (Decrease) in Total Pension Expenses	$ 196,504	303,097	174,139	222,319
% Increase (Decrease) in Total Pension Expenses	5.26%	7.70%	5.18%	6.28%

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Merchandise	$ 145,003,300	123,671,015	128,467,649	130,626,700	133,120,916	127,825,137	81,580,151	60,508,854	47,427,079	45,644,277
Food	121,225,700	121,444,358	123,347,693	134,829,685	142,511,250	137,959,342	126,490,686	138,521,900	137,082,802	143,073,321
Drinking and Eating Places	76,877,600	77,418,564	85,536,308	85,026,415	88,324,011	89,199,356	93,794,294	101,769,299	107,078,241	111,299,659
Apparel	102,199,100	93,590,380	93,855,671	102,155,490	106,696,854	101,275,237	92,148,952	90,977,220	87,173,163	84,855,041
Furniture and H.H. and Radio	96,946,900	85,454,134	81,687,982	88,258,868	89,565,642	87,668,232	94,625,854	96,876,544	93,982,758	98,395,377
Lumber, Building, Hardware	36,637,800	30,233,297	30,105,368	32,414,643	31,456,490	33,880,995	36,949,690	37,371,799	37,099,085	37,134,401
Automobile and Filling Stations	115,816,400	103,588,415	121,864,971	106,706,870	113,469,555	131,092,322	139,160,036	121,347,791	107,242,052	107,873,146
Drugs and Misc. Retail	104,414,900	97,601,427	94,453,449	128,037,569	142,177,257	100,928,405	192,252,070	175,597,124	187,354,622	188,358,246
Agriculture and All Others	100,518,700	72,248,120	77,660,851	77,809,765	81,060,130	97,851,920	71,462,289	109,429,626	161,694,997	129,175,615
Manufacturers	11,207,300	9,236,638	11,566,543	14,439,509	12,647,121	12,206,576	14,630,868	14,563,052	12,092,821	8,562,022
Totals	910,847,700	814,486,348	848,546,485	900,305,514	941,029,226	919,887,522	943,094,890	946,963,209	978,227,620	954,371,105
Total Number of Taxpayers	1,218	1,140	1,165	1,222	1,195	1,197	1,171	1,001	986	996
Village Direct Rate	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

Data Source: Village and State Records

VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Fiscal Year	State Rate	RTA Rate	County Home Rule Rate	Village Home Rule Rate*	Total Sales Tax Rate	% Distributed to Village
2009	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2010	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2011	6.25%	1.00%	1.25%	0.75%	9.25%	1.75%
2012	6.25%	1.00%	1.00%	0.75%	9.00%	1.75%
2013	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2014	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2015	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2016	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2017	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2018	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%

Data Source: Village and State Records

*The Village's Home Rule Sales Tax Rate does not apply to groceries, medicine and titled vehicles.

VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Estimated Actual Value	Total Direct Tax Rate
2008	$ 1,847,982,098	$ 3,188	$ 649,131,288	$ 386,256,850	$ 2,883,373,424	$ 238,683	$ 2,883,612,107	8,650,836,321	0.299
2009	1,993,265,844	3,188	709,300,258	406,775,119	3,109,344,409	261,022	3,109,605,431	9,328,816,293	0.314
2010	2,139,565,115	1,992	628,565,693	362,682,781	3,130,815,581	314,544	3,131,130,125	9,393,390,375	0.341
2011	1,888,236,408	1,992	643,440,675	353,825,268	2,885,504,343	393,474	2,885,897,817	8,657,693,451	0.458
2012	1,716,072,032	1,992	564,327,892	311,415,316	2,591,817,232	418,157	2,592,235,389	7,776,706,167	0.524
2013	1,592,730,144	1,992	526,759,510	291,406,647	2,410,898,293	473,145	2,411,371,438	7,234,114,314	0.609
2014	1,395,727,711	1,992	483,582,152	265,514,616	2,144,826,471	584,690	2,145,411,161	6,436,233,483	0.605
2015	1,426,205,616	1,992	578,433,197	178,797,415	2,183,438,220	609,714	2,184,047,934	6,552,143,802	0.676
2016	1,389,618,675	1,992	492,412,415	193,245,905	2,075,278,987	732,251	2,076,011,238	6,228,033,714	0.625
2017	1,731,210,975	1,992	540,146,612	211,751,867	2,483,111,446	745,075	2,483,856,521	7,451,569,563	0.715

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Village of Northbrook										
General Corporate rate	0.251	0.254	0.255	0.302	0.324	0.365	0.358	0.377	0.324	0.265
Debt Service Rate	0.024	0.035	0.035	0.073	0.097	0.112	0.117	0.128	0.129	0.157
Police Pension	0.007	0.007	0.015	0.043	0.052	0.065	0.064	0.087	0.088	0.116
Fire Pension	0.017	0.018	0.036	0.040	0.051	0.066	0.066	0.084	0.083	0.131
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.046
Total Direct Tax Rate	0.299	0.314	0.341	0.458	0.524	0.609	0.605	0.676	0.625	0.715
Overlapping Rates										
Cook County	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	0.496
Cook County Forest Preserve District	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	0.062
Suburban TB Sanitarium	0.000	0.000	0.000	0.025	0.000	0.000	0.000	0.000	0.000	0.000
Cook County Consolidated Election Board	0.000	0.021	0.000	0.000	0.000	0.031	0.000	0.034	0.000	0.031
Northfield Township	0.009	0.011	0.011	0.020	0.024	0.031	0.032	0.028	0.024	0.023
Northfield Road and Bridge	0.030	0.031	0.036	0.041	0.046	0.053	0.054	0.057	0.049	0.049
Northfield General Assistance	0.009	0.010	0.011	0.008	0.009	0.008	0.007	0.007	0.006	0.006
Metropolitan Water Reclamation District	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402
North Shore Mosquito Abatement District	0.008	0.008	0.009	0.010	0.010	0.007	0.011	0.012	0.010	0.010
High School District #225	1.383	1.395	1.609	0.182	2.028	2.341	2.367	2.493	2.106	2.102
Community College District #535	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271	0.231	0.232
Northbrook Park District	0.332	0.334	0.375	0.424	0.471	0.536	0.537	0.569	0.423	0.419
School District #28	1.816	1.888	2.072	2.339	2.604	2.962	3.009	3.299	2.848	2.824
School District #30	2.089	2.327	2.327	2.641	2.999	3.381	3.272	3.394	2.866	3.193
Northwest Mosquito Abatement District	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	0.010
Glenbrook Sanitary District	0.023	0.027	0.026	0.030	0.034	0.037	0.037	0.052	0.046	0.046
High School District #203	1.290	1.237	1.474	1.674	1.864	2.111	2.268	2.380	1.974	1.993
School District #29	1.809	1.844	2.173	2.450	2.701	3.077	3.068	3.197	2.762	2.727
School District #27	2.019	1.698	2.334	2.667	2.957	3.412	3.443	3.569	3.031	3.031
Mission Brook Sanitary District	0.127	0.120	0.142	0.164	0.184	0.215	0.215	0.221	0.175	0.177
School District #31	1.402	1.494	1.730	2.018	2.525	2.946	2.911	3.107	2.699	2.700
Wheeling Township	0.038	0.039	0.043	0.048	0.052	0.056	0.052	0.055	0.041	0.043
Wheeling Road and Bridge	0.012	0.012	0.014	0.015	0.016	0.019	0.019	0.020	0.014	0.015
Wheeling General Assistance	0.009	0.009	0.005	0.009	0.009	0.010	0.010	0.010	0.008	0.009
High School District #214	1.587	1.636	1.839	2.067	2.324	2.768	2.776	2.881	2.527	2.563
Community College District #512	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	0.425
Consolidated School District #21	3.161	3.209	3.658	4.164	4.556	4.841	5.430	5.642	4.966	5.022
Northbrook Public Library	0.332	0.207	0.231	0.269	0.300	0.359	0.357	0.385	0.329	0.329
Northfield Park District	0.161	0.166	0.189	0.209	0.227	0.254	0.254	0.264	0.229	0.232
Total Direct and Overlapping Tax Rate	19.067	19.147	21.861	23.312	28.031	31.823	32.523	34.147	29.417	29.886

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Eight Fiscal Years Ago
April 30, 2018 (Unaudited)

	2018			2010		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Westcoast Estates	$ 60,787,887	1	2.45%	$ 113,940,904	1	3.95%
Jones Lang LaSalle	52,005,354	2	2.09%	77,588,726	2	2.69%
Willow Festival Regency	28,183,318	3	1.13%			
Underwriters Laboratory Inc.	25,810,148	4	1.04%	31,730,019	3	1.10%
Korman Lederer	15,626,722	5	0.63%	22,255,599	8	0.77%
GK Edens Corp Center, LLC	15,478,724	6	0.62%			
Lake Cook Road & Mid America	15,156,435	7	0.61%			
Village Square of Northbrook	14,868,060	8	0.60%	28,249,465	4	0.98%
Morningside Cross Res, LLC	14,047,734	9	0.57%			
Euromarket Designs	13,670,129	10	0.55%			
Lake Cood Road 3200				28,204,304	5	0.98%
HP Willow, LLC				24,677,868	6	0.86%
North Shore IL, LLC				23,602,283	7	0.82%
Gregory Realty Group				20,183,816	9	0.70%
The May Department Store				19,468,127	10	0.68%
	255,634,511		10.29%	389,901,111		13.52%

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	$ 9,291,513	$ 8,877,016	95.54%	$ -	$ 8,877,016	95.54%
2010	2009	9,837,183	9,572,390	97.31%	-	9,572,390	97.31%
2011	2010	10,224,675	10,096,547	98.75%	-	10,096,547	98.75%
2012	2011	12,394,649	12,147,254	98.00%	-	12,147,254	98.00%
2013	2012	12,635,586	12,540,219	99.25%	-	12,540,219	99.25%
2014	2013	13,065,554	13,065,132	100.00%	-	13,065,132	100.00%
2015	2014	13,213,490	12,869,537	97.40%	-	12,869,537	97.40%
2016	2015	14,033,836	13,393,634	95.44%	-	13,393,634	95.44%
2017	2016	15,526,527	15,409,633	99.25%	-	15,409,633	99.25%
2018	2017	18,512,965	8,174,142	44.15%	-	8,174,142	44.15%

Note: Special Service Areas #1 through #5 have been excluded from this table.

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Fiscal Year	Governmental Activities: Net General Obligation Bonds	Business-Type Activities: Net Water, Sewer and Sanitary Sewer Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita (1)
2009	$ 57,660,495	$ 11,690,367	$ 69,350,862	2.11%	$ 2,014.90
2010	55,763,678	11,182,698	66,946,376	2.03%	1,945.04
2011	54,723,666	13,519,963	68,243,629	1.82%	2,057.39
2012	55,407,825	13,093,536	68,501,361	1.83%	2,065.16
2013	54,611,635	12,838,340	67,449,975	1.80%	2,033.46
2014	59,590,529	14,706,578	74,297,107	1.99%	2,239.89
2015	61,229,005	18,063,695	79,292,700	2.12%	2,390.49
2016	67,897,030	41,449,413	109,346,443	2.92%	3,296.55
2017	64,404,601	40,114,448	104,519,049	2.79%	3,151.01
2018	75,404,266	49,636,870	125,041,136	3.34%	3,769.71

Data Source: Village's Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF NORTHBROOK, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Fiscal Year	Net General Obligation Bonds	Less: Amounts Available in Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2009	$ 69,350,862	$ 2,145,733	$ 67,205,129	2.33%	$ 2,014.90
2010	66,946,376	1,198,781	65,747,595	2.11%	1,945.04
2011	68,243,629	511,899	67,731,730	2.16%	2,057.39
2012	68,501,361	17,151	68,484,210	2.37%	2,065.16
2013	67,449,975	-	67,449,975	2.60%	2,033.46
2014	74,297,107	-	74,297,107	3.08%	2,239.89
2015	79,292,700	90,427	79,202,273	3.69%	2,390.49
2016	109,346,443	-	109,346,443	5.01%	3,296.55
2017	104,519,049	7,730	104,511,319	5.03%	3,151.01
2018	125,041,136	-	125,041,136	5.03%	3,769.71

Data Source: Village's Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).
(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
April 30, 2018 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village *	Village's Share of Debt
Direct			
Village of Northbrook	$ 75,404,266	100.00%	$ 75,404,266
Overlapping			
Cook County	3,379,916,079	1.73%	58,472,548
Forest Preserve District	159,490,000	1.73%	2,759,177
Metropolitan Water Reclamation District	2,994,196,000	1.76%	52,697,850
Northbrook Park District	4,095,000	93.61%	3,833,330
School District 21	33,950,000	1.49%	505,855
School District 29	24,710,890	15.10%	3,731,344
School District 30	-	67.59%	-
School District 31	3,360,000	15.02%	504,672
High School District 203	102,960,000	1.30%	1,338,480
High School District 214	39,490,000	0.31%	122,419
High School District 225	88,598,970	45.31%	40,144,193
Community College District 512	153,255,000	0.14%	214,557
Community College District 535	28,950,000	11.02%	3,190,290
Total Overlapping	7,012,971,939		167,514,715
Total Direct and Overlapping	7,088,376,205		242,918,981

* Determined by the ratio of assessed value of property in the Village of Northbrook subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

Data Source: Cook County Tax Extension Department

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Legal Debt Margin
April 30, 2018 (Unaudited)

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

> The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF NORTHBROOK, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Fiscal Year	(1) Population	(2) Personal Income (in Thousands)	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2009	34,419	$ 95,665	$ 50,765	44.1	8,278	6.3
2010	34,419	95,665	50,765	44.1	8,278	7.4
2011	33,170	112,827	57,763	48.0	N/A	7.4
2012	33,170	112,827	57,763	48.0	N/A	5.7
2013	33,170	112,827	57,763	48.0	N/A	7.4
2014	33,170	112,827	57,763	48.0	N/A	5.0
2015	33,170	112,827	57,763	48.0	N/A	3.9
2016	33,170	112,827	57,763	48.0	6,730	4.1
2017	33,170	112,827	57,763	48.0	6,749	4.6
2018	33,170	112,827	57,763	48.0	N/A	4.1

Data Sources:

(1) U.S. Department of Commerce, Bureau of the Census

(2) Bureau of Economic Research

(3) Annual School Census by Board of Education

(4) Illinois Department of Employment Security

N/A - Not Available

VILLAGE OF NORTHBROOK, ILLINOIS

Principal Employers - Current Fiscal Year and Eight Fiscal Years Ago
April 30, 2018 (Unaudited)

	2018			2010		
Employer	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Allstate Insurance Company	8,750	1	N/A	5,780	1	N/A
Underwriters Laboratories	2,000	2	N/A	1,600	5	N/A
Northshore Glenbrook Hospital	2,000	3	N/A			
CVS/Caremark International	1,400	4	N/A			
Astellas Pharma US Inc.	1,150	5	N/A			
Northbrook Court	1,000	6	N/A	1,100	6	N/A
Glenbrook High School District 225	849	7	N/A			
Euromarket Designs, Inc (Crate & Barrel	500	8	N/A			
Hilco Merchant Resources, LLC	400	9	N/A			
Hilton-Chicago Northbrook	250	10	N/A			
Kraft				5,631	2	N/A
Walgreens Company				1,975	3	N/A
Baxter International				1,750	4	N/A
Caremark International				1,000	7	N/A
Glenbrook Hospital				820	8	N/A
United Parcel Service				539	9	N/A
Northfield Township District 225				778	10	N/A
	18,299		N/A	20,973		N/A

N/A - Not Available

Data Sources: Village Community Development Department Records and U.S. Census Bureau.

VILLAGE OF NORTHBROOK, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	11	13	13	13	13	12	13	12	12	13
Finance	8	9	8	8	8	8	8	7	7	8
Public Works	44	40	38	35	35	36	37	37	37	37
Police	95	93	93	93	93	93	93	94	94	94
Fire	76	74	74	74	74	75	75	75	77	76
Development/ Planning Services	21	12	12	11	11	11	12	13	13	13
Water and Sewer	21	21	22	26	26	26	27	27	27	27
Totals	276	262	260	260	260	261	264	265	267	268

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years
April 30, 2018 (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Forestry										
Number of Parkway Trees Planted	333	369	225	524	429	510	602	831	715	517
Number of Parkway Trees Trimmed	2,717	1,830	2,479	1,588	1,863	3,711	3,446	1,973	2,265	2,035
Fleet Services										
Number of Vehicles Maintained	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety										
Fire										
Number of Fire Calls	2,731	2,727	2,469	2,692	2,632	2,736	2,684	2,714	2,780	2,878
Number of EMS Calls	3,086	2,923	3,007	2,945	3,220	3,160	3,427	3,350	3,654	3,674
ISO Rating	2	2	2	2	2	2	2	2	1	1
Police										
Calls for Service	24,458	23,923	22,510	21,588	21,429	22,489	23,109	24,740	24,573	24,814
Traffic Citations Issued	3,594	3,951	4,033	3,475	2,841	2,902	2,796	2,515	2,667	3,004
Parking Citations Issued	3,254	2,395	1,843	1,910	1,582	3,045	2,992	1,309	1,207	1,144
Community Development										
Number of Building Permits Issued	487	268	253	255	258	267	251	324	355	305
Number of Building Inspections	7,884	6,456	4,648	5,543	5,846	7,777	6,687	9,254	13,434	7,938
Highways and Streets										
Sidewalk Replaced (Sq. Ft.)	106,786	74,066	61,827	34,250	33,502	41,283	28,510	28,403	32,554	29,291
Annual Resurfacing Program ($)	1,429,317	105,570	1,874,928	888,139	1,112,023	2,979,982	2,583,303	696,116	555,545	794,120
Water and Sewer										
Water Main Breaks	52	70	91	69	219	101	66	45	93	110
Hydrants Flushed	2,735	2,835	2,844	2,748	700	778	2,700	987	1,054	733
Water Meters Read	12,130	N/A	12,210	12,400	12,400	12,449	12,398	12,989	12,409	12,416
Water Meter Service Requests	717	791	1,058	1,169	1,487	972	769	752	1,869	852
Total Distribution Pumpage (1,000 Gallons)	1,970,679	1,919,256	2,094,526	2,000,073	2,197,297	1,892,779	1,222,948	1,727,180	1,795,621	1,833,926
Average Daily Pumpage (1,000 Gallons)	5,379	5,250	5,738	5,472	5,999	5,186	5,731	4,732	4,911	5,024
Sanitary Sewer Televising (Feet)	77,636	61,380	70,749	38,605	60,584	37,150	24,049	36,938	37,472	35,297
Sanitary Sewer Repairs	-	-	-	3	3	5	3	13	1	2

N/A - Not Available

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years
April 30, 2018 (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (Miles)	269.18	270.26	270.26	270.26	272.66	272.66	272.66	272.66	272.66	272.66
Streetlights	1,712	1,776	1,779	1,399	1,399	1,399	1,399	1,399	1,399	1,399
Water and Sewer										
Water Mains (Miles)	171.20	N/A	171.30	179.80	183.00	183.00	183.00	183.00	183.00	183.00
Fire Hydrants	2,735	2,835	2,748	2,747	2,751	2,751	2,751	2,751	2,751	2,751
Sanitary Sewers (Miles)	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75

N/A - Not Available

Data Source: Village Records

OFFICIAL BID FORM
(OPEN SPEER AUCTION)

Village of Northbrook
1225 Cedar Lane
Northbrook, Illinois 60062

October 22, 2019
Speer Financial, Inc.

Members of the Village Board:

For the 13,170,000* General Obligation Bonds, Series 2019 (the "Bonds") of the Village of Northbrook, Cook County, Illinois (the "Village"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $_____ (no less than $13,064,640). The Bonds are dated the date of delivery, expected to be on or about November 6, 2019. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%).

MATURITIES* – DECEMBER 1

$625,000	2020	$745,000	2027	$ 670,000	2034
670,000	2021	775,000	2028	450,000	2035
685,000	2022	800,000	2029	475,000	2036
705,000	2023	570,000	2030	1,020,000	2037
670,000	2024	600,000	2031	1,065,000	2038
685,000	2025	610,000	2032		
715,000	2026	635,000	2033		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the Village's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the Village in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within **TWO hours** of Bidding:
Wire Transfer [ ]

Amount: $263,400

Account Manager Information

Name _____

Address _____

By _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

_____

Premium: _____

Maturities: (Check One)

[__] _____**Years**

[__] All

The foregoing bid was accepted and the Bonds sold by ordinance of the Village on October 22, 2019, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF NORTHBROOK, COOK COUNTY, ILLINOIS

**Subject to change.*

_____
Village President

---------- NOT PART OF THE BID ----------
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	$	
Less Premium/Plus Discount	$	
True Interest Cost	$	
True Interest Rate	%	
TOTAL BOND YEARS	135,364.58	
AVERAGE LIFE	10.278 Years	

OFFICIAL NOTICE OF SALE

13,170,000*
VILLAGE OF NORTHBROOK
Cook County, Illinois
General Obligation Bonds, Series 2019

(Open Speer Auction)

The Village of Northbrook, Cook County, Illinois (the "Village"), will receive electronic bids on the SpeerAuction ("*SpeerAuction")* website address "www.SpeerAuction.com" for its 13,170,000* General Obligation Bonds, Series 2019 (the "Bonds"), on an all or none basis between 10:00 A.M. and 10:15 A.M., C.S.T., Tuesday, October 22, 2019. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Village's sale (as described below). Award will be made or all bids rejected at a meeting of the Village on that date. The Village reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding general obligations of the Village and the Village is obligated to levy ad valorem taxes upon all the taxable property within the Village for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

(2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.

(3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

Establishment of Issue Price (10% Test May Apply if Competitive Sale Requirements are Not Satisfied)

(a) The winning bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A to this Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Village and Katten Muchin Rosenman LLP, Chicago, Illinois ("Bond Counsel"). All actions to be taken by the Village under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Village by the Village's municipal advisor and any notice or report to be provided to the Village may be provided to Speer Financial, Inc., Chicago, Illinois (*"Speer"*).

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(i) the Village shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the Village may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

**Subject to change*.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid**.**

(c) In the event that the competitive sale requirements are not satisfied, the Village shall so advise the winning bidder. **The Village will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the "hold the offering price rule" (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering-price rule" as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the "hold-the-offering-price rule" (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the "hold-the-offering-price rule" at or prior to the time the Bonds are awarded.

(i) If the winning bidder does not request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The Village shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Village the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the Village with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

(ii) If the winning bidder does request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The Village may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Village shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the Village determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the *"initial offering price"*), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth business day after the Sale Date; or
(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The Village acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Village further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

(d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.

(e) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "Public" means any person other than an Underwriter or a Related Party,

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "Sale Date" means the date that the Bonds are awarded by the Village to the winning bidder.

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Village, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Village.

(2) Neither the Village, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Village exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the Village. If, for any reason, the Village fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the Village, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The Village reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month which next precedes an interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 1 and December 1 of each year commencing June 1, 2020, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar"). The Bonds are dated date of delivery, expected to be on or about November 6, 2019.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the Village will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – DECEMBER 1

$625,000	2020	$745,000	2027	$ 670,000	2034
670,000	2021	775,000	2028	450,000	2035
685,000	2022	800,000	2029	475,000	2036
705,000	2023	570,000	2030	1,020,000	2037
670,000	2024	600,000	2031	1,065,000	2038
685,000	2025	610,000	2032		
715,000	2026	635,000	2033		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds due December 1, 2020-2027, inclusive, are non-callable. The Bonds due December 1, 2028-2038, inclusive, are callable in whole or in part on any date on or after December 1, 2027, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid for the December 1, 2029 through December 1, 2038 maturities shall be in non-descending order in relation to the rate bid for the December 1, 2028 maturity. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than $13,064,640.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. **True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price.** For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Village as determined by the Village's Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per $1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Village's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the Village's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the Village. The Village reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the Village pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 N. LaSalle Street, 38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Village of Northbrook, Cook County, Illinois
bid for 13,170,000* General Obligation Bonds, Series 2019

Contemporaneously with such wire transfer, the bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The Village and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the Village; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The winning bidder shall provide a certificate, in form as drafted by or acceptable to Bond Counsel, attached as Exhibit A, to evidence the issue price of each maturity of the Bonds, form of which certificate is available upon request.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about November 6, 2019. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Village shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, that the Bonds are lawful and enforceable obligations of the Village in accordance with their terms and are payable from ad valorem taxes levied against all taxable property of the Village, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the Village.

The Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Bonds. Copies of such Official Statement or additional information may be obtained from Jeffrey L. Rowitz, Deputy Village Manager/Chief Financial Officer, Village of Northbrook, 1225 Cedar Lane, Northbrook, Illinois 60062 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar" from the Municipal Advisor to the Village, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **SANDRA E. FRUM**
Village President
Village of Northbrook
Cook County, Illinois

/s/ **JEFFREY L. ROWITZ**
Deputy Village Manager/Chief Financial Officer
Village of Northbrook
Cook County, Illinois