

**Final Official Statement**  
**CUSIPS CORRECTED AS OF SEPTEMBER 7, 2021**

*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.*



**\$10,270,000**  
**VILLAGE OF NORTHBROOK**  
**Cook County, Illinois**  
**General Obligation Bonds, Series 2021**

**Dated Date of Delivery      Book-Entry      Callable      Non-Bank Qualified      Due Serially December 1, 2022-2040**

The \$10,270,000 General Obligation Bonds, Series 2021 (the "Bonds") are being issued by the Village of Northbrook, Cook County, Illinois (the "Village"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2022. 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, New York, New York ("DTC"), 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 following years and amounts.

**AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

| Principal<br>Amount | Due<br>Dec.1 | Interest<br>Rate | Yield  | CUSIP<br>Number(1) | Principal<br>Amount | Due<br>Dec. 1 | Interest<br>Rate | Yield  | CUSIP<br>Number(1) |
|---------------------|--------------|------------------|--------|--------------------|---------------------|---------------|------------------|--------|--------------------|
| \$330,000.....      | 2022         | 5.000%           | 0.150% | 663821 ZW9         | \$650,000.....      | 2032*         | 2.000%           | 1.300% | 663821 A89         |
| 430,000.....        | 2023         | 5.000%           | 0.200% | 663821 ZX7         | 670,000.....        | 2033*         | 2.000%           | 1.400% | 663821 A97         |
| 170,000.....        | 2024         | 5.000%           | 0.300% | 663821 ZY5         | 685,000.....        | 2034*         | 2.000%           | 1.500% | 663821 B21         |
| 180,000.....        | 2025         | 5.000%           | 0.400% | 663821 ZZ2         | 695,000.....        | 2035*         | 2.000%           | 1.600% | 663821 B39         |
| 190,000.....        | 2026         | 5.000%           | 0.550% | 663821 A22         | 710,000.....        | 2036*         | 2.000%           | 1.700% | 663821 B47         |
| 195,000.....        | 2027         | 5.000%           | 0.700% | 663821 A30         | 725,000.....        | 2037*         | 2.000%           | 1.800% | 663821 B54         |
| 555,000.....        | 2028         | 5.000%           | 0.800% | 663821 A48         | 735,000.....        | 2038*         | 2.000%           | 1.900% | 663821 B62         |
| 580,000.....        | 2029         | 5.000%           | 0.900% | 663821 A55         | 750,000.....        | 2039          | 2.000%           | 2.000% | 663821 B70         |
| 610,000.....        | 2030         | 5.000%           | 1.000% | 663821 A63         | 770,000.....        | 2040*         | 3.000%           | 1.700% | 663821 B88         |
| 640,000.....        | 2031*        | 2.000%           | 1.250% | 663821 A71         |                     |               |                  |        |                    |

\*These maturities have been priced to call.

**OPTIONAL REDEMPTION**

The Bonds due December 1, 2022-2030, inclusive, are not subject to optional redemption. The Bonds due December 1, 2031-2040, inclusive, are callable in whole or in part on any date on or after December 1, 2030, 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) make various capital improvements, and (ii) to pay the costs of issuance of the Bonds. See "THE PROJECT" 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.

The Village does not intend to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Final Official Statement is dated August 24, 2021, and has been prepared under the authority of the Village. Additional copies may be obtained from the Village, or from the Municipal Advisor to the Village:



(1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Global Ratings. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Final Official Statement.

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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## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement which is provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

|                                     |   |
|-------------------------------------|---|
| <b>Issuer:</b>                      | Village of Northbrook, Illinois.  |
| <b>Issue:</b>                       | \$10,270,000 General Obligation Bonds, Series 2021.   |
| <b>Dated Date:</b>                  | Date of delivery, expected to be on or about September 14, 2021.  |
| <b>Interest Due:</b>                | Each June 1 and December 1, commencing June 1, 2022.  |
| <b>Principal Due:</b>               | Serially each December 1, commencing December 1, 2022 through December 1, 2040, as detailed on the cover page of this Final Official Statement.   |
| <b>Optional Redemption:</b>         | The Bonds due December 1, 2022-2030, inclusive, are not subject to optional redemption. The Bonds due December 1, 2031-2040, inclusive, are callable in whole or in part on any date on or after December 1, 2030, 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 “ <b>OPTIONAL REDEMPTION</b> ” herein. |
| <b>Authorization:</b>               | A Bond Ordinance to be adopted by the President and Board of Trustees of the Village on August 24, 2021 (the "Bond Ordinance").   |
| <b>Security:</b>                    | The Bonds are valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.   |
| <b>Investment Rating:</b>           | The Bonds have received a rating of “AAA” (Stable Outlook) from S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and “Aaa” (Stable Outlook) from Moody’s Investors Service, Inc., New York, New York.   |
| <b>Purpose:</b>                     | The Bonds are being issued to finance various capital improvements throughout the Village and to pay the costs of issuing the Bonds. See “ <b>THE PROJECT</b> ” herein.   |
| <b>Tax Matters:</b>                 | Katten Muchin Rosenman LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds as discussed under “ <b>TAX MATTERS</b> ” in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.  |
| <b>Bank Qualification:</b>          | The Bonds are <b>not</b> “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.   |
| <b>Bond Registrar/Paying Agent:</b> | Amalgamated Bank of Chicago, Chicago, Illinois.   |
| <b>Delivery:</b>                    | The Bonds are expected to be delivered on or about September 14, 2021.  |
| <b>Book-Entry Form:</b>             | The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See <b>APPENDIX B</b> herein.  |
| <b>Denomination:</b>                | \$5,000 or integral multiples thereof.  |
| <b>Municipal Advisor:</b>           | Speer Financial, Inc., Chicago, Illinois.   |

**VILLAGE OF NORTHBROOK**  
**Cook County, Illinois**

Kathryn L. Ciesla  
*Village President*

**Village Board of Trustees**

Robert P. Israel  
Johannah K. Hebl

Muriel J. Collison  
Daniel H. Prepoon

Heather E. Ross  
Joy U. Ebhomielen

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**Officials**

Richard A. Nahrstadt\*  
*Village Manager*

Debra J. Ford  
*Director of Administrative Services*

Iwona Petryszak  
*Chief Financial Officer*

Anita Bozic  
*Deputy Chief Financial Officer*

Katten Muchin Rosenman LLP  
*Bond Counsel*

Speer Financial, Inc.  
*Municipal Advisor*

Holland & Knight  
*Village Attorney*

**INTRODUCTION**

The purpose of this Final Official Statement is to set forth certain information concerning the Village of Northbrook, Illinois (the “Village”), in connection with the offering and sale of its General Obligation Bonds, Series 2021 (the “Bonds”).

This Final Official Statement contains “forward-looking statements” that are based upon the Village’s current expectations and its projections about future events. When used in this Final Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the Village. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the Village nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

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\* Cara Pavlicek started as the Village Manager on September 1, 2021.

## AUTHORIZATION, PURPOSE AND SECURITY

The Bonds are being issued pursuant to the home rule powers of the Village, under Section 6, Article VII of the 1970 Constitution of the State of Illinois. The Bonds are issuable pursuant to a bond ordinance to be adopted by the President and Board of Trustees of the Village on the 24<sup>th</sup> day of August, 2021 (the “Bond Ordinance”). Bond proceeds will be used to finance various capital improvements throughout the Village and to pay the costs of issuance of the Bonds. See “**THE PROJECT**” 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, Illinois, and will serve as authorization to said County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

## OPTIONAL REDEMPTION

The Bonds due December 1, 2022-2030, inclusive, are not subject to optional redemption. The Bonds due December 1, 2031-2040, inclusive, are callable in whole or in part on any date on or after December 1, 2030, 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.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

|                                |                     |
|--------------------------------|---------------------|
| <b>SOURCES:</b>                |                     |
| Principal Amount .....         | \$10,270,000.00     |
| Original Issue Premium .....   | <u>1,074,800.35</u> |
| Total Sources .....            | \$11,344,800.35     |
| <b>USES:</b>                   |                     |
| Pay Costs of the Project ..... | \$11,150,550.00     |
| Costs of Issuance(1) .....     | <u>194,250.35</u>   |
| Total Uses .....               | \$11,344,800.35     |

Note: (1) Includes estimated costs including underwriter's discount, fixed costs of issuance and contingencies.

## 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 Final Official Statement and its appendices 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.

## **Construction Risks**

There are potential risks that could affect the ability of the Village to timely complete the Project. While preliminary costs have been projected by the Village's consulting architects, not all of the construction contracts have been let by the Village. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

## **Finances of the State of Illinois**

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's long-term general obligation bonds carry ratings at the lowest investment grade rating level from multiple rating agencies. The State's ratings are the lowest ratings of all the states.

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. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the "Fiscal Year 2018 Budget"), June 30, 2019 (the "Fiscal Year 2019 Budget"), June 30, 2020 (the "Fiscal Year 2020 Budget") and June 30, 2021 (the "Fiscal Year 2021 Budget"). Governor Pritzker (the "Governor") is expected to sign the budget for the State fiscal year ending June 30, 2022 (the "Fiscal Year 2022 Budget"), which was passed by the General Assembly on May 31, 2021.

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, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained 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 and State Fiscal Year 2020. The Fiscal Year 2021 and the Fiscal Year 2022 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget, the Fiscal Year 2021 Budget and the Fiscal Year 2022 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020, State Fiscal Year 2021 and State Fiscal Year 2022. 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, nor can the Village predict the effect the State's financial problems, including those caused by the continued spread of the Novel Coronavirus 2019 ("COVID-19") or the various governmental or private actions in reaction thereto, may have on the Village's future finances. Despite moneys the State has received and is expected to receive from the federal government, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant impact on the State's economy. See "**Potential Impact of COVID-19**" below.

## **Potential Impact of COVID-19**

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, former President Trump declared a “national emergency” and designated the State as part of a national disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. Federal legislation, particularly (i) the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), signed into law on March 27, 2020, and (ii) the American Rescue Plan Act of 2021, signed into law on March 12, 2021 (the “ARP Act” and, together with the Supplemental CARES Act, the “Federal COVID-19 Legislation”), are each directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocated approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the Village of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). The ARP Act provides additional federal money for states and local governments to combat COVID-19 pandemic including, but not limited to, funds to replace revenues lost as a result of the pandemic. The Village expects to receive \$4,480,449.26 in funding through the American Rescue Plan.

In addition to the federal COVID-19 response, the Governor signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that have called for social distancing and masking and imposed restrictions on personal mobility, business operations, and congregate activities. The Governor implemented a five-phase approach to reopening the State’s businesses (the “Reopening Plan”), with each successive phase of the Reopening Plan easing certain of the restrictions previously imposed by such prior executive orders. The State is currently in the fourth phase of the Reopening Plan. In addition, the reopening plan divides the State into regions, which allows for public health restrictions and mitigations to be lifted or imposed, as necessary on a region-by-region basis depending on factors such as COVID-19 test positivity rates, hospital admissions and capacity. Under the Governor’s current executive orders, most businesses are open, but some businesses, such as bars and restaurants, have restrictions on the number of indoor patrons they can serve.

The development and deployment of three COVID-19 vaccines nationwide is expected to allow for a more rapid reopening and recovery of the economy, including the State. The State has opened vaccination sites around the State.

On June 11, 2021, the State moved to Phase 5 of the Reopening Plan, which provides for a full reopening of the State. All regions of the State will move together through the final phases of the Reopening Plan.

The Village cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income and utility tax revenues and real estate tax collections. If there is a negative impact on the receipt of such revenues and/or extension and collection of real estate taxes, the Village may have difficulty paying debt service on the Bonds.

## **Future Pension Plan Funding Requirements**

The Village participates in the Police Pension Plan and the Fire 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 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 Fire 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 Fire 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. See **"EMPLOYEE RETIREMENT PLANS"** herein for a more complete discussion.

## **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.

## **Declining Equalized Assessed Valuations**

The amount of property taxes extended for the Village is determined by applying the various operating tax rates and the bond and interest tax rate levied by the Village to the Village's Equalized Assessed Valuation ("EAV"). The Village's EAV could decrease for a number of reasons including, but not limited to, a decline in property values or large taxpayers moving out of the Village. As detailed herein, the Village's EAV has declined at times during the past five years. Declining EAVs and increasing tax rates (certain of which may reach their rate ceilings) could reduce the amount of taxes the Village is able to receive.

## **Loss or Change of Bond Rating**

The Bonds have received credit ratings from S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York ("S&P") and Moody's Investors Service, Inc., 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 hereinafter-defined 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 Continuing Disclosure Undertaking (the “Undertaking”) for continuing disclosure (see **“CONTINUING DISCLOSURE”** and **APPENDIX E** 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 rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Final 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.

## **Factors Relating to Tax Exemption**

As discussed under **“TAX EXEMPTION”** herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Village in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Village’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Village.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Village could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## **Bankruptcy**

The rights and remedies of the Bondholders 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 opinion of Bond Counsel (as defined herein) 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. The Village President 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 Village 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 Village President and Village Board of Trustees. The Village Manager is appointed by the Village President and Village Board of Trustees and serves at their pleasure. The Village Department heads, including the Chief Financial Officer, report to the Village Manager.

## **Village Employees**

The Village is staffed by 263 full time positions and 10 permanent part-time positions and 10.85 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 and Crate & Barrel, and features over 100 specialty shops like the Apple Store, H&M, XXI Forever, Coach, Louis Vuitton, and Arhaus. 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. The Village is also home to several auto dealerships including: Bentley, Cadillac and Toyota on the east side of the Village along Interstate 94. The Cadillac dealership is currently underway for substantial reinvestment to remodel the dealership.

Despite the many changes taking place in the world of retail and moreover, the detrimental impact due to COVID-19, the Village's retail market maintained a low 4.5% vacancy rate as of March 2021. The Village's varied shopping areas provide area residents with a combination of luxury, convenience, and discount shopping experiences. The completion 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 opened in October of 2019) will only continue to increase the demand for shopping and dining experiences in the community and surrounding area for years to come.

In July 2021, the Village released a Request for Proposals (the "RFP") for real estate brokerage and marketing services for the sale and redevelopment of the 10.3 acre Village owned site at 1657 Shermer Road. To maximize the potential impact to the downtown and Village as a whole, the RFP seeks a wide range of potential uses including commercial retail, office and mixed use residential.

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 was 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 are 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 opened in October 2019 while additional units are continuing to be constructed. A new Bank of America building has been completed at 1160 Shermer Road.

Single family home subdivision development has picked-up once again. Construction has completed at 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. A new 84-unit multi-family townhome subdivision is also currently being constructed and completed in proximity to the over 60 acres Park District owned Techny Prairie and Parks Fields.

## SOCIOECONOMIC INFORMATION

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

### Major Village Employers(1)(2)

| <u>Name</u>                                 | <u>Product/Service</u>   | <u>Approximate Employment</u> |
|---|--|-------------------------------|
| Allstate Insurance Company.....             | Corporate Headquarters; Insurance .....                            | 8,750                         |
| Underwriters Laboratories .....             | Corporate Headquarters; Product Testing and Certification .....    | 1,700                         |
| Astellas Pharma US Inc.....                 | Corporate Headquarters and Wholesale Pharmaceutical Products ..... | 1,150                         |
| Euromarket Designs, Inc. ....               | Corporate Headquarters (Crate & Barrel).....                       | 500                           |
| Bell Flavors & Fragrances, Inc.....         | Corporate Headquarters and Natural Flavors and Fragrances.....     | 300                           |
| Wiss, Janney, Elstner Associates, Inc. .... | Corporate headquarters and Consulting Engineers .....              | 252                           |

- Notes: (1) Source: 2021 Illinois Manufacturers Directory, 2021 Illinois Services Directory.  
(2) The COVID-19 pandemic, and the response thereto, has negatively impacted businesses through the State and may have had an adverse impact on these employers. The Village makes no prediction as to the effect of COVID-19 on the information set forth in this table. See **"RISK FACTORS - Potential Impact of COVID-19"** herein.

### Major Area Employers(1)(2)

| <u>Location</u>     | <u>Name</u>                              | <u>Product/Service</u>   | <u>Approximate Employment</u> |
|---------------------|--|--|-------------------------------|
| Deerfield .....     | Walgreens Boots Alliance, Inc. ....      | Holding Company headquarters; Pharmaceuticals and Home Healthcare Supplies ..... | 6,500                         |
| Northfield .....    | Medline Industries, Inc. ....            | Corporate Headquarters; Surgical and Medical Instruments .....                   | 5,000                         |
| Deerfield .....     | Walgreen Co. ....                        | Company Headquarters; Pharmacy and Drugstore .....                               | 2,500                         |
| Deerfield .....     | Baxter Healthcare Corp. ....             | Corporate Headquarters; Pharmaceutical Products .....                            | 2,500                         |
| Glenview .....      | Abt Electronics, Inc. ....               | Consumer Electronics & Appliances .....  | 1,600                         |
| 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 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 .....      | Illinois Tool Works, Inc. ....           | Corporate Headquarters; Industrial Equipment .....                               | 550                           |
| Deerfield .....     | Trinity International University .....   | University .....   | 500                           |

- Notes: (1) Source: 2021 Illinois Manufacturers Directory, 2021 Illinois Services Directory.  
(2) The COVID-19 pandemic, and the response thereto, has negatively impacted businesses through the State and may have had an adverse impact on these employers. The Village makes no prediction as to the effect of COVID-19 on the information set forth in this table. See **"RISK FACTORS - Potential Impact of COVID-19"** herein.

The following tables show employment by industry and by occupation for the Village, Cook County, and the State as reported by the U.S. Census Bureau 2015-2019 American Community Survey 5-year estimated values.

### Employment by Industry(1)

| <u>Classification</u>   | <u>The Village</u> |                | <u>The County</u> |                | <u>The State</u> |                |
|---|--------------------|----------------|-------------------|----------------|------------------|----------------|
|   | <u>Number</u>      | <u>Percent</u> | <u>Number</u>     | <u>Percent</u> | <u>Number</u>    | <u>Percent</u> |
| Agriculture, Forestry, Fishing, Hunting, and Mining .....                                 | 0                  | 0.0%           | 4,425             | 0.2%           | 65,484           | 1.0%           |
| Construction .....  | 420                | 2.8%           | 119,785           | 4.7%           | 333,807          | 5.3%           |
| Manufacturing .....   | 1,209              | 8.1%           | 247,161           | 9.6%           | 749,476          | 12.0%          |
| Wholesale Trade .....   | 770                | 5.1%           | 70,291            | 2.7%           | 187,923          | 3.0%           |
| Retail Trade .....  | 1,339              | 8.9%           | 243,740           | 9.5%           | 663,163          | 10.6%          |
| Transportation and Warehousing, and Utilities .....                                       | 374                | 2.5%           | 188,355           | 7.3%           | 409,516          | 6.6%           |
| Information.....  | 444                | 3.0%           | 53,821            | 2.1%           | 113,822          | 1.8%           |
| Finance, Insurance, Real Estate, and Rental and Leasing .....                             | 2,155              | 14.4%          | 208,169           | 8.1%           | 453,306          | 7.3%           |
| Professional, Scientific, Management, Administrative, and Waste Management Services ..... | 2,848              | 19.0%          | 378,949           | 14.8%          | 743,209          | 11.9%          |
| Educational, Health and Social Services .....   | 3,712              | 24.7%          | 586,136           | 22.8%          | 1,441,934        | 23.1%          |
| Entertainment and Recreation Services, Accommodation and Food Services .....              | 772                | 5.1%           | 248,616           | 9.7%           | 566,907          | 9.1%           |
| Other Services (except Public Administration) .....                                       | 624                | 4.2%           | 126,368           | 4.9%           | 292,957          | 4.7%           |
| Public Administration .....   | 332                | 2.2%           | 91,514            | 3.6%           | 229,358          | 3.7%           |
| Total .....   | 14,999             | 100.0%         | 2,567,330         | 100.0%         | 6,250,862        | 100.0%         |

- Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

### Employment by Occupation(1)

| Classification  | The Village |         | The County |         | The State |         |
|---|-------------|---------|------------|---------|-----------|---------|
|   | Number      | Percent | Number     | Percent | Number    | Percent |
| Management, Business, Science and Arts .....          | 9,799       | 65.3%   | 1,052,071  | 41.0%   | 2,421,993 | 38.7%   |
| Service .....   | 962         | 6.4%    | 454,594    | 17.7%   | 1,073,272 | 17.2%   |
| Sales and Office .....                                | 3,270       | 21.8%   | 551,604    | 21.5%   | 1,366,039 | 21.9%   |
| Natural Resources, Construction, and Maintenance..... | 355         | 2.4%    | 151,272    | 5.9%    | 451,379   | 7.2%    |
| Production, Transportation, and Material Moving ..... | 613         | 4.1%    | 357,789    | 13.9%   | 938,179   | 15.0%   |
| Total .....   | 14,999      | 100.0%  | 2,567,330  | 100.0%  | 6,250,862 | 100.0%  |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

### Annual Average Unemployment Rates(1)

| Calendar<br>Year | The<br>Village | The<br>County | The<br>State |
|------------------|----------------|---------------|--------------|
| 2012 .....       | 6.9%           | 9.7%          | 9.0%         |
| 2013 .....       | 7.0%           | 9.7%          | 9.1%         |
| 2014 .....       | 5.3%           | 7.6%          | 7.2%         |
| 2015 .....       | 4.4%           | 6.3%          | 6.0%         |
| 2016 .....       | 4.6%           | 6.2%          | 5.9%         |
| 2017 .....       | 3.8%           | 5.2%          | 5.0%         |
| 2018 .....       | 3.1%           | 4.2%          | 4.4%         |
| 2019 .....       | 3.0%           | 4.0%          | 4.0%         |
| 2020(2).....     | 8.2%           | 11.1%         | 9.5%         |
| 2021(2)(3).....  | 5.1%           | 8.7%          | 6.7%         |

- Notes: (1) Source: Illinois Department of Employment Security.  
(2) The Village attributes the increase in unemployment rates to the various stay at home orders, issued by the Governor, related to the COVID-19 pandemic. See “**RISK FACTORS – Potential Impact of COVID-19**” herein.  
(3) Preliminary rates for the month of May 2021.

### Building Permits

Residential building permits have averaged \$37,668,609 over the last five years in the Village, excluding the value of land.

### Village Building Permits(1)(2) (Excludes the Value of Land)

| Fiscal<br>Year | Commercial Construction |              | Residential Construction |               | Total         |
|----------------|-------------------------|--------------|--------------------------|---------------|---------------|
|                | Number of<br>Units      | Value        | Number of<br>Units       | Value         |               |
| 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.....      | 83                      | 41,042,032   | 208                      | 35,056,431    | 76,098,463    |
| 2019.....      | 81                      | 40,012,477   | 195                      | 37,624,779    | 77,637,256    |
| 2020.....      | 78                      | 31,903,007   | 226                      | 40,429,200    | 72,332,207    |
| 2021.....      | 63                      | 29,356,724   | 276                      | 50,925,723    | 80,282,447    |

- Notes: (1) Source: the Village.  
(2) 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 \$534,800. This compares to \$246,600 for the County and \$194,500 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 2015-2019 American Community Survey.

### Home Values(I)

| Value                        | The Village |         | The County |         | The State |         |
|------------------------------|-------------|---------|------------|---------|-----------|---------|
|                              | Number      | Percent | Number     | Percent | Number    | Percent |
| Less than \$50,000 .....     | 171         | 1.5%    | 36,885     | 3.3%    | 198,619   | 6.2%    |
| \$50,000 to \$99,999 .....   | 39          | 0.3%    | 83,703     | 7.5%    | 456,773   | 14.3%   |
| \$100,000 to \$149,999 ..... | 182         | 1.6%    | 131,697    | 11.7%   | 483,504   | 15.1%   |
| \$150,000 to \$199,999 ..... | 398         | 3.5%    | 175,062    | 15.6%   | 508,852   | 15.9%   |
| \$200,000 to \$299,999 ..... | 680         | 6.1%    | 270,535    | 24.1%   | 693,104   | 21.6%   |
| \$300,000 to \$499,999 ..... | 3,590       | 32.0%   | 262,380    | 23.4%   | 570,203   | 17.8%   |
| \$500,000 to \$999,999 ..... | 5,196       | 46.3%   | 126,736    | 11.3%   | 234,153   | 7.3%    |
| \$1,000,000 or more .....    | 958         | 8.5%    | 35,586     | 3.2%    | 57,507    | 1.8%    |
| Total .....                  | 11,214      | 100.0%  | 1,122,584  | 100.0%  | 3,202,715 | 100.0%  |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

### Mortgage Status(I)

| Value                                  | The Village |         | The County |         | The State |         |
|--|-------------|---------|------------|---------|-----------|---------|
|  | Number      | Percent | Number     | Percent | Number    | Percent |
| Housing Units with a Mortgage .....    | 6,827       | 60.9%   | 728,538    | 64.9%   | 2,027,640 | 63.3%   |
| Housing Units without a Mortgage ..... | 4,387       | 39.1%   | 394,046    | 35.1%   | 1,175,075 | 36.7%   |
| Total .....                            | 11,214      | 100.0%  | 1,122,584  | 100.0%  | 3,202,715 | 100.0%  |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

## Income

### Per Capita Personal Income for the Highest Income Counties in the State(I)

| Rank     | 2015 to 2019                    |
|----------|---------------------------------|
| 1 .....  | DuPage County ..... \$46,272    |
| 2 .....  | Lake County..... 45,766         |
| 3 .....  | Monroe County ..... 42,152      |
| 4 .....  | McHenry County ..... 39,006     |
| 5 .....  | <b>Cook County ..... 37,552</b> |
| 6 .....  | Woodford County..... 37,170     |
| 7 .....  | Will County..... 36,524         |
| 8 .....  | Kendall County ..... 36,382     |
| 9 .....  | Kane County ..... 36,270        |
| 10 ..... | Sangamon County..... 35,509     |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year estimates 2015 to 2019.



The following shows the median family income for counties in the Chicago metropolitan area.

### Ranking of Median Family Income(1)

| County                   | Family Income | Rank      |
|--------------------------|---------------|-----------|
| DuPage County .....      | \$114,001     | 1         |
| Lake County .....        | 108,478       | 2         |
| Kendall County .....     | 105,313       | 3         |
| Will County .....        | 101,880       | 4         |
| Monroe County .....      | 101,294       | 5         |
| McHenry County .....     | 100,294       | 6         |
| Kane County .....        | 95,005        | 7         |
| <b>Cook County .....</b> | <b>80,744</b> | <b>17</b> |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year estimates 2015 to 2019.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of \$158,204. This compares to \$80,744 for the County and \$83,279 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 2015-2019 American Community Survey.

### Family Income(1)

| Income                       | The Village  |              | The County     |              | The State      |              |
|------------------------------|--------------|--------------|----------------|--------------|----------------|--------------|
|                              | Number       | Percent      | Number         | Percent      | Number         | Percent      |
| Under \$10,000 .....         | 115          | 1.2%         | 49,816         | 4.2%         | 109,130        | 3.5%         |
| \$10,000 to \$14,999 .....   | 67           | 0.7%         | 27,177         | 2.3%         | 63,897         | 2.1%         |
| \$15,000 to \$24,999 .....   | 208          | 2.1%         | 79,538         | 6.7%         | 176,771        | 5.7%         |
| \$25,000 to \$34,999 .....   | 193          | 2.0%         | 89,568         | 7.6%         | 207,138        | 6.7%         |
| \$35,000 to \$49,999 .....   | 346          | 3.5%         | 126,729        | 10.7%        | 328,081        | 10.6%        |
| \$50,000 to \$74,999 .....   | 940          | 9.6%         | 181,815        | 15.4%        | 515,217        | 16.6%        |
| \$75,000 to \$99,999 .....   | 732          | 7.5%         | 151,200        | 12.8%        | 441,395        | 14.2%        |
| \$100,000 to \$149,999 ..... | 2,046        | 20.9%        | 213,984        | 18.1%        | 617,199        | 19.8%        |
| \$150,000 to \$199,999 ..... | 1,625        | 16.6%        | 113,578        | 9.6%         | 304,305        | 9.8%         |
| \$200,000 or more .....      | <u>3,517</u> | <u>35.9%</u> | <u>149,867</u> | <u>12.7%</u> | <u>346,629</u> | <u>11.1%</u> |
| Total .....                  | 9,789        | 100.0%       | 1,183,272      | 100.0%       | 3,109,762      | 100.0%       |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$124,863. This compares to \$64,660 for the County and \$65,886 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 2015-2019 American Community Survey.

### Household Income(1)

| Income                       | The Village  |              | The County     |             | The State      |             |
|------------------------------|--------------|--------------|----------------|-------------|----------------|-------------|
|                              | Number       | Percent      | Number         | Percent     | Number         | Percent     |
| Under \$10,000 .....         | 398          | 3.0%         | 144,492        | 7.3%        | 302,966        | 6.3%        |
| \$10,000 to \$14,999 .....   | 117          | 0.9%         | 79,117         | 4.0%        | 185,043        | 3.8%        |
| \$15,000 to \$24,999 .....   | 459          | 3.5%         | 177,486        | 9.0%        | 417,135        | 8.6%        |
| \$25,000 to \$34,999 .....   | 717          | 5.5%         | 166,358        | 8.4%        | 405,504        | 8.4%        |
| \$35,000 to \$49,999 .....   | 907          | 6.9%         | 219,867        | 11.1%       | 563,757        | 11.6%       |
| \$50,000 to \$74,999 .....   | 1,428        | 10.9%        | 310,795        | 15.8%       | 809,343        | 16.7%       |
| \$75,000 to \$99,999 .....   | 1,021        | 7.8%         | 240,315        | 12.2%       | 622,330        | 12.8%       |
| \$100,000 to \$149,999 ..... | 2,552        | 19.5%        | 301,087        | 15.3%       | 778,079        | 16.1%       |
| \$150,000 to \$199,999 ..... | 1,748        | 13.4%        | 147,525        | 7.5%        | 360,394        | 7.4%        |
| \$200,000 or more .....      | <u>3,709</u> | <u>28.4%</u> | <u>185,066</u> | <u>9.4%</u> | <u>401,583</u> | <u>8.3%</u> |
| Total .....                  | 13,056       | 100.0%       | 1,972,108      | 100.0%      | 4,846,134      | 100.0%      |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

## Retail Activity

The table below shows the distribution of the municipal portion and Home Rule portion of the Retailer's Occupation, Service Occupation and Use Tax ("Sales Tax") collected by the State Department of Revenue from retailers within the Village. The table indicates the level of retail activity in the Village.

### Retailer's Occupation, Service Occupation and Use Tax(1)

| Calendar<br>Year               | Municipal Tax(2) | Percent<br>Change +(-) | Home Rule<br>Sales Tax(3) | Percent<br>Change +(-) | Total        | Percent<br>Change +(-) |
|--------------------------------|------------------|------------------------|---------------------------|------------------------|--------------|------------------------|
| 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%                  |
| 2020 .....                     | 8,798,713        | (4.13%)                | 6,231,710                 | 0.48%                  | 15,030,423   | (2.27%)                |
| 2021 .....                     | 7,493,924        | (14.83%)               | 5,001,914                 | (19.73%)               | 12,495,839   | (16.86%)               |
| Growth from 2012 to 2021 ..... |                  | (16.79%)               |                           | 0.05%                  |              | (10.78%)               |

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.

## Income Tax

The following table shows the distribution of the municipal portion of the State Income Tax collected by the State and distributed through the Local Government Distributive Fund by the State Comptroller over the past five fiscal years. For 2020, the State's income tax filing deadline has been extended to July 15th in response to the COVID-19 outbreak.

### Income Tax Revenue History(1)

| Fiscal<br>Year | Income Tax<br>Revenues<br>Distributions(2) |
|----------------|--|
| 2016 .....     | \$3,362,196                                |
| 2017 .....     | 3,141,181                                  |
| 2018 .....     | 2,998,512                                  |
| 2019 .....     | 3,429,472                                  |
| 2020 .....     | 3,262,554                                  |

Notes: (1) Source: The Village's Comprehensive Annual Financial Reports for the fiscal years ended April 30, 2016 - April 30, 2020.

(2) The State Fiscal Year 2022 Budget contains 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 5% for State Fiscal Year 2022. The Village cannot determine at this time the financial impact of this provision on the overall financial condition for the future.

## **THE PROJECT**

Bond proceeds will be also be used to finance various capital improvements throughout the Village and to pay the costs of issuing the Bonds. Such capital improvements include upgrades and improvements to the Village's water system, capital equipment, facility improvements, street and bike trail improvements, sanitary sewer improvements, and capital improvements to the Village senior housing facility.

## **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.

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## DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$129,470,000 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.

Except for the Bonds, the Village does not intend to issue any debt within the next six months.

### General Obligation Bonded Debt(I) (Principal Only)

| Calendar Year | 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) |
|---------------|--------------------|---------------------|---------------------|---------------------|------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| 2021 .....    | \$ 140,000         | \$2,315,000         | \$ 465,000          | \$ 355,000          | \$ 205,000             | \$ 1,965,000        | \$ 0                | \$ 0                | \$ 965,000         | \$ 410,000          |
| 2022 .....    | 140,000            | 0                   | 120,000             | 365,000             | 285,000                | 2,050,000           | 360,000             | 775,000             | 1,420,000          | 730,000             |
| 2023 .....    | 145,000            | 0                   | 125,000             | 375,000             | 295,000                | 2,155,000           | 365,000             | 800,000             | 1,460,000          | 755,000             |
| 2024 .....    | 150,000            | 0                   | 125,000             | 385,000             | 305,000                | 2,265,000           | 1,035,000           | 825,000             | 770,000            | 785,000             |
| 2025 .....    | 155,000            | 0                   | 130,000             | 400,000             | 320,000                | 2,390,000           | 1,070,000           | 855,000             | 785,000            | 820,000             |
| 2026 .....    | 160,000            | 0                   | 130,000             | 410,000             | 330,000                | 2,485,000           | 1,105,000           | 880,000             | 825,000            | 850,000             |
| 2027 .....    | 170,000            | 0                   | 135,000             | 425,000             | 345,000                | 2,595,000           | 1,145,000           | 910,000             | 850,000            | 875,000             |
| 2028 .....    | 175,000            | 0                   | 0                   | 445,000             | 360,000                | 1,740,000           | 1,185,000           | 940,000             | 970,000            | 970,000             |
| 2029 .....    | 180,000            | 0                   | 0                   | 460,000             | 375,000                | 0                   | 1,230,000           | 970,000             | 1,000,000          | 1,050,000           |
| 2030 .....    | 185,000            | 0                   | 0                   | 480,000             | 390,000                | 0                   | 1,280,000           | 1,000,000           | 1,065,000          | 1,080,000           |
| 2031 .....    | 195,000            | 0                   | 0                   | 500,000             | 405,000                | 0                   | 1,330,000           | 1,035,000           | 1,100,000          | 1,115,000           |
| 2032 .....    | 205,000            | 0                   | 0                   | 520,000             | 425,000                | 0                   | 1,390,000           | 1,065,000           | 1,135,000          | 1,150,000           |
| 2033 .....    | 0                  | 0                   | 0                   | 540,000             | 445,000                | 0                   | 1,350,000           | 1,100,000           | 1,165,000          | 1,175,000           |
| 2034 .....    | 0                  | 0                   | 0                   | 565,000             | 460,000                | 0                   | 1,405,000           | 1,140,000           | 1,200,000          | 1,215,000           |
| 2035 .....    | 0                  | 0                   | 0                   | 590,000             | 485,000                | 0                   | 0                   | 1,175,000           | 1,235,000          | 1,255,000           |
| 2036 .....    | 0                  | 0                   | 0                   | 620,000             | 505,000                | 0                   | 0                   | 0                   | 1,285,000          | 1,290,000           |
| 2037 .....    | 0                  | 0                   | 0                   | 0                   | 0                      | 0                   | 0                   | 0                   | 0                  | 1,330,000           |
| 2038 .....    | 0                  | 0                   | 0                   | 0                   | 0                      | 0                   | 0                   | 0                   | 0                  | 0                   |
| 2039 .....    | 0                  | 0                   | 0                   | 0                   | 0                      | 0                   | 0                   | 0                   | 0                  | 0                   |
| 2040 .....    | 0                  | 0                   | 0                   | 0                   | 0                      | 0                   | 0                   | 0                   | 0                  | 0                   |
| Total .....   | \$2,000,000        | \$2,315,000         | \$1,230,000         | \$7,435,000         | \$5,935,000            | \$17,645,000        | \$14,250,000        | \$13,470,000        | \$17,230,000       | \$16,855,000        |

| Calendar Year | Series 2018B (12/1) | Series 2019 (12/1) | The Bonds (12/1) | Total Principal Outstanding | Cumulative Principal Retired |         |
|---------------|---------------------|--------------------|------------------|-----------------------------|------------------------------|---------|
|               |                     |                    |                  |                             | Amount                       | Percent |
| 2021 .....    | \$ 75,000           | \$ 655,000         | \$ 0             | \$ 7,550,000                | \$ 7,550,000                 | 5.83%   |
| 2022 .....    | 400,000             | 680,000            | 330,000          | 7,655,000                   | 15,205,000                   | 11.74%  |
| 2023 .....    | 410,000             | 700,000            | 430,000          | 8,015,000                   | 23,220,000                   | 17.93%  |
| 2024 .....    | 425,000             | 660,000            | 170,000          | 7,900,000                   | 31,120,000                   | 24.04%  |
| 2025 .....    | 435,000             | 690,000            | 180,000          | 8,230,000                   | 39,350,000                   | 30.39%  |
| 2026 .....    | 450,000             | 735,000            | 190,000          | 8,550,000                   | 47,900,000                   | 37.00%  |
| 2027 .....    | 460,000             | 760,000            | 195,000          | 8,865,000                   | 56,765,000                   | 43.84%  |
| 2028 .....    | 475,000             | 805,000            | 555,000          | 8,620,000                   | 65,385,000                   | 50.50%  |
| 2029 .....    | 490,000             | 825,000            | 580,000          | 7,160,000                   | 72,545,000                   | 56.03%  |
| 2030 .....    | 510,000             | 590,000            | 610,000          | 7,190,000                   | 79,735,000                   | 61.59%  |
| 2031 .....    | 525,000             | 605,000            | 640,000          | 7,450,000                   | 87,185,000                   | 67.34%  |
| 2032 .....    | 540,000             | 630,000            | 650,000          | 7,710,000                   | 94,895,000                   | 73.29%  |
| 2033 .....    | 560,000             | 645,000            | 670,000          | 7,650,000                   | 102,545,000                  | 79.20%  |
| 2034 .....    | 580,000             | 670,000            | 685,000          | 7,920,000                   | 110,465,000                  | 85.32%  |
| 2035 .....    | 600,000             | 455,000            | 695,000          | 6,490,000                   | 116,955,000                  | 90.33%  |
| 2036 .....    | 620,000             | 470,000            | 710,000          | 5,500,000                   | 122,455,000                  | 94.58%  |
| 2037 .....    | 645,000             | 1,015,000          | 725,000          | 3,715,000                   | 126,170,000                  | 97.45%  |
| 2038 .....    | 0                   | 1,045,000          | 735,000          | 1,780,000                   | 127,950,000                  | 98.83%  |
| 2039 .....    | 0                   | 0                  | 750,000          | 750,000                     | 128,700,000                  | 99.41%  |
| 2040 .....    | 0                   | 0                  | 770,000          | 770,000                     | 129,470,000                  | 100.00% |
| Total .....   | \$8,200,000         | \$12,635,000       | \$10,270,000     | \$129,470,000               |                              |         |

Notes: (1) Source: The Village.  
(2) Public Library Funds.

## Detailed Overlapping Bonded Debt(1) (As of June 29, 2021)

|  | Outstanding<br>Debt | Percent(2) | Applicable to the Village<br>Amount |
|--|---------------------|------------|-------------------------------------|
| <b>Schools:</b>  |                     |            |                                     |
| School District Number 21 .....                                  | \$ 88,265,000       | 1.44%      | \$ 1,268,066                        |
| School District Number 29 .....                                  | 4,870,000           | 14.21%     | 692,045                             |
| School District Number 30 .....                                  | 43,345,000          | 68.01%     | 29,477,915                          |
| School District Number 31 .....                                  | 11,410,000          | 13.40%     | 1,529,302                           |
| High School District Number 203 .....                            | 125,905,000         | 1.27%      | 1,603,872                           |
| High School District Number 214 .....                            | 27,650,000          | 0.30%      | 82,984                              |
| High School District Number 225 .....                            | 60,080,429          | 45.30%     | 27,216,769                          |
| Community College District Number 512 .....                      | 254,770,000         | 0.14%      | 356,481                             |
| Community College District Number 535 .....                      | 47,200,000          | 11.11%     | 5,246,087                           |
| Total Schools .....  |                     |            | \$ 67,473,520                       |
| <b>Others:</b>   |                     |            |                                     |
| Cook County .....  | \$2,663,661,751     | 1.72%      | \$ 45,748,919                       |
| Cook County Forest Preserve District .....                       | 125,285,000         | 1.72%      | 2,151,795                           |
| Metropolitan Water Reclamation District of Greater Chicago ..... | 2,694,934,289       | 1.75%      | 47,093,766                          |
| Northbrook Park District .....                                   | 11,615,000          | 93.09%     | 10,812,475                          |
| Total Others .....   |                     |            | \$105,806,955                       |
| Total Schools and Others Overlapping Bonded Debt .....           |                     |            | \$173,280,475                       |

- Notes: (1) Source: Cook County Clerk.  
(2) Includes original principal amounts of capital appreciation bonds.  
(3) Percentages are based on 2019 Equalized Assessed Valuations, the most recent available.

## Statement of Bonded Indebtedness

|  | Amount<br>Applicable | Equalized<br>Assessed | Ratio To<br>Estimated<br>Actual | Per Capita<br>(2010 Census<br>Pop. 33,170) |
|--|----------------------|-----------------------|---------------------------------|--|
| Assessed Valuation of Taxable Property, 2019 ..... | \$2,866,844,264      | 100.00%               | 33.33%                          | \$ 86,428.83                               |
| Estimated Actual Value, 2019 .....                 | \$8,600,532,792      | 300.00%               | 100.00%                         | \$259,286.49                               |
| Village Direct Bonded Debt(2) .....                | \$ 129,470,000       | 4.52%                 | 1.51%                           | \$ 3,903.23                                |
| <b>Overlapping Bonded Debt(3)</b>                  |                      |                       |                                 |  |
| Schools .....                                      | \$ 67,473,520        | 2.35%                 | 0.78%                           | \$ 2,034.17                                |
| All Others .....                                   | 105,806,955          | 3.69%                 | 1.23%                           | 3,189.84                                   |
| Total Overlapping Bonded Debt .....                | \$ 173,280,475       | 6.04%                 | 2.01%                           | \$ 5,224.01                                |
| Total Direct & Overlapping Bonded Debt(2) .....    | \$ 302,750,475       | 10.56%                | 3.52%                           | \$ 9,127.24                                |

- Notes: (1) Source: Cook County Clerk and the Village.  
(2) Includes the Bonds.  
(3) Overlapping bonded debt as of June 28, 2021.

## PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2019 levy year, the Village's EAV was comprised of 65.99% residential, 9.43% industrial, 24.58% commercial, and no farm and railroad property valuations.

## Village Equalized Assessed Valuation(1)

|                          | 2015            | 2016(2)         | Levy Years<br>2017 | 2018            | 2019(2)         |
|--------------------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| <b>Property Class:</b>   |                 |                 |                    |                 |                 |
| Residential .....        | \$1,389,618,675 | \$1,731,210,975 | \$1,778,794,337    | \$1,739,304,863 | \$1,891,846,774 |
| Farm .....               | 1,992           | 1,992           | 0                  | 0               | 0               |
| Commercial .....         | 492,412,415     | 540,146,612     | 587,929,200        | 570,456,101     | 704,555,966     |
| Industrial .....         | 193,245,905     | 211,751,867     | 222,683,268        | 223,662,278     | 270,441,524     |
| Railroad .....           | 732,251         | 745,075         | 760,178            | 0               | 0               |
| Total .....              | \$2,076,011,238 | \$2,483,856,521 | \$2,590,166,983    | \$2,533,423,242 | \$2,866,844,264 |
| Percent change +/- ..... | (4.95%)(3)      | 19.65%          | 4.28%              | (2.19%)         | 13.16%          |

- Notes: (1) Source: Cook County Clerk.  
(2) Triennial assessment year.  
(3) Percentage based on 2014 EAV of \$2,184,047,934.

## Representative Tax Rates(1) (Per \$100 EAV)

|   | Levy Years    |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 2015          | 2016          | 2017          | 2018          | 2019(2)       |
| <b>Village Rates:</b>                       |               |               |               |               |               |
| Corporate Fund .....                        | \$0.3767      | \$0.3243      | \$0.2651      | \$0.2710      | \$0.2467      |
| Bonds and Interest .....                    | 0.1282        | 0.1294        | 0.1572        | 0.1641        | 0.1716        |
| Police Pension .....                        | 0.0869        | 0.0884        | 0.1158        | 0.1436        | 0.1454        |
| Fire Pension .....                          | 0.0842        | 0.0830        | 0.1308        | 0.1462        | 0.1569        |
| IMRF .....                                  | 0.0000        | 0.0000        | 0.0459        | 0.0469        | 0.0427        |
| Library .....                               | <u>0.3850</u> | <u>0.3290</u> | <u>0.3290</u> | <u>0.3470</u> | <u>0.3140</u> |
| Total Village Rates .....                   | \$1.0610      | \$0.9541      | \$1.0438      | \$1.1188      | \$1.0773      |
| Cook County .....                           | 0.5520        | 0.5330        | 0.4960        | 0.4890        | 0.4540        |
| Cook County Forest Preserve District .....  | 0.0690        | 0.0630        | 0.0620        | 0.0600        | 0.0590        |
| Consolidated Elections .....                | 0.0340        | 0.0000        | 0.0310        | 0.0000        | 0.0300        |
| Northfield Township(3) .....                | 0.0920        | 0.0790        | 0.0780        | 0.0830        | 0.0750        |
| North Shore Mosquito Abatement Dist. ....   | 0.0120        | 0.0100        | 0.0100        | 0.0100        | 0.0090        |
| Metropolitan Water Reclamation Dist. ....   | 0.4260        | 0.4060        | 0.4020        | 0.3960        | 0.3890        |
| Northbrook Park District .....              | 0.5690        | 0.4230        | 0.4190        | 0.4560        | 0.4160        |
| School District Number 28 .....             | 3.2990        | 2.8480        | 2.8240        | 2.9700        | 2.6810        |
| Township High School District No. 225 ..... | 2.4930        | 2.1060        | 2.1020        | 2.2160        | 2.0060        |
| Community College District Number 535 ..... | <u>0.2710</u> | <u>0.2310</u> | <u>0.2320</u> | <u>0.2460</u> | <u>0.2210</u> |
| Total(4) .....                              | \$8.8780      | \$7.6531      | \$7.6998      | \$8.0448      | \$7.4173      |

- 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 2019 EAV; the latest data available. See **"REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES - Property Tax Extension Limitation Law"** herein for information on the operation of such maximum rates under the Limitation Law (as hereinafter defined).

## Tax Extensions and Collections(1)

| Levy<br>Year | Coll.<br>Year | Taxes<br>Extended | Total Collections |         |
|--------------|---------------|-------------------|-------------------|---------|
|              |               |                   | Amount            | Percent |
| 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 .....    | 19,555,239        | 19,067,172        | 97.50%  |
| 2019 .....   | 2020 .....    | 21,882,760        | 21,882,760        | 100.00% |

Note: (1) Source: Cook County Clerk and the Village.

## Principal Taxpayers(1)

| <u>Taxpayer Name</u>   | <u>Business/Service</u>                         | <u>2019 EAV(2)</u> |
|--|---|--------------------|
| Jones Lang LaSalle .....   | Commercial Office Buildings .....               | \$ 65,905,545      |
| Brookfield Prop Retail .....   | Northbrook Court Shopping Center .....          | 56,422,145         |
| Willow Festival Regency .....  | Shopping Center .....                           | 34,065,957         |
| Underwriters Laboratory, Inc. ....   | Equipment Testing .....                         | 27,819,101         |
| Lake Cook Road & Mid America .....   | Portion of Village Square Shopping Center ..... | 20,050,311         |
| TGM Northshore LLC .....   | Real Property .....                             | 19,849,183         |
| LTF Real Estate Co .....   | Real Property .....                             | 19,678,844         |
| Village Square of Northbrook .....   | Portion of Village Square Shopping Center ..... | 19,437,295         |
| GK Edens Corp. CTR LLC .....   | Real Property .....                             | 17,793,388         |
| Euromarket Designs .....   | Furniture and Home Décor .....                  | <u>17,484,578</u>  |
| Total .....  |   | \$298,506,347      |
| 10 Largest Taxpayers as Percent of Total 2019 EAV of \$2,866,844,264 ..... |   | 10.41%             |

- 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 2019 EAV is the most current available.

## **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 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 the County, including such property located within the boundaries of the Village, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. 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 last reassessed for the 2019 tax levy year. The Village will next be reassessed for the 2022 levy year.

Real property in the County is separated into classes for assessment purposes. After the 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. Such 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 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 tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

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| CLASS | DESCRIPTION OF QUALIFYING PROPERTY  | ASSESSMENT PERCENTAGE  | REVERTS TO CLASS |
|-------|---|--|------------------|
| 6b    | Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties   | 10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12 | 5b               |
| C     | Industrial property that has undergone environmental testing and remediation  | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5b               |
|       | Commercial property that has undergone environmental testing and remediation  | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5a               |
| 7a/7b | Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development   | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5a               |
| 7c    | 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 | 10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5     | 5a               |
| 8     | Industrial properties in enterprise communities or zones in need of substantial revitalization  | 10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12 | 5b               |
|       | Commercial properties in enterprise communities or zones in need of substantial revitalization  | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5a               |
| 9     | New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones   | 10% for first 10 years and any 10 year renewal   | As Applicable    |
| S     | Class 3 properties subject to Section 8 contracts renewed under the “Mark up to Market” option  | 10% for term of Section 8 contract renewal and any subsequent renewal                          | 3                |
| L     | Substantially rehabilitated Class 3, 4 or 5b properties qualifying as “Landmark” or “Contributing” buildings  | 10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12 | 3, 4, or 5b      |
|       | Substantially rehabilitated Class 5a properties qualifying as “Landmark” or “Contributing” buildings  | 10% for first 10 years, 15% in year 11, 20% in year 12   | 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 (the “Board of Review”), which consists of three commissioners elected by the voters of Cook County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having 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 (the “Circuit Court”) 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. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. 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 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 Department is required by statute to review the Assessed Valuations. The Department 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 the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are 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 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 Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the “Assessment Base”). The following table sets forth the Equalization Factor for the County for the last 10 tax levy years.

| <u>TAX LEVY YEAR</u> | <u>EQUALIZATION FACTOR</u> |
|----------------------|----------------------------|
| 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                     |
| 2019                 | 2.9160                     |

## 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 or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the Assessed Valuation 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, reside in their property as their principal place of residence and receive a household income not in excess of (i) \$55,000 through assessment year 2016 and (ii) \$65,000 beginning in assessment year 2017. 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 in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or \$2,000.

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 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, the designated body for each Unit annually adopts proceedings 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. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the Village. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

## **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 CPI 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.

## 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. Beginning with the first installment payable in 2010, the first installment is equal 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 based on the certain percentage 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 the County; the first installment penalty date has been March 1 for all such years. However, for 2010, the first installment penalty date was established as April 1 by statute.

| <u>TAX LEVY YEAR</u> | <u>SECOND INSTALLMENT<br/>PENALTY DATE</u> |
|----------------------|--|
| 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                             |
| 2019(1)              | October 1, 2020                            |

Note: (1) Source: Cook County Clerk’s Office. Due to the impact of COVID-19, Cook County approved an ordinance declaring that no interest will accrue on the second installment of 2019 taxes, due on August 3, 2020, provided the taxes are paid on or before October 1, 2020. Said ordinance was amended in November 2020, providing that the first installment of property taxes for the 2020 tax year will be due on March 2, 2021, and the second installment will be due on August 2, 2021, but that no interest penalties for any late payments of tax year 2020 taxes will accrue until after May 3, 2021, for the first installment of taxes and October 1, 2021, for the second installment of taxes.

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.

With 90 days following the second installment due date, 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 “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 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 Law do not apply to levies made to pay principal of and interest on the Bonds. The Village covenanted in the Bond Ordinance that it will not take any action or fail to take any action which would adversely affect the ability of the Village to levy and collect the taxes levied by the Village for payment of principal of and interest on the Bonds, other than as described under **“THE BONDS – Abatement of Pledged Taxes”** herein. The Village also covenanted that it and its officers will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the Village, collected and deposited as provided in the Bond Ordinance.

## **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.

### **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 audited financial statements for the fiscal year ended April 30, 2020 (the "2020 Audit"), which was approved by formal action of the Village Board and attached to this Final Official Statement as **APPENDIX A**. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2020 Audit; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information or the 2020 Audit in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information and 2020 Audit has not been updated since the date of the 2020 Audit. The inclusion of the Excerpted Financial Information and 2020 Audit in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2020 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2020 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 2020 Audit.

### Statement of Net Position Governmental Activities

|  | Audited As of April 30 |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   |
| <b>ASSETS:</b>   |                        |                        |                        |                        |                        |
| Cash and Investments.....                                      | \$ 44,531,391          | \$ 41,824,062          | \$ 51,112,058          | \$ 39,689,973          | \$ 46,953,834          |
| Receivables, net.....  | 11,834,868             | 13,253,475             | 14,750,714             | 14,571,439             | 15,787,448             |
| Due from Other Governments.....                                | 2,175,300              | 1,170,732              | 1,191,281              | 1,743,884              | 1,432,446              |
| Internal Balances.....   | 300,512                | 306,101                | 259,100                | 151,618                | 57,928                 |
| Inventory/Prepays.....   | 1,771,571              | 2,122,430              | 2,388,223              | 2,596,240              | 3,312,962              |
| Capital Assets Not Being Depreciated.....                      | 31,963,013             | 31,963,013             | 32,113,013             | 40,087,223             | 40,087,223             |
| Capital Assets Being Depreciated, Net<br>of Depreciation.....  | <u>62,397,293</u>      | <u>62,890,005</u>      | <u>61,932,697</u>      | <u>61,098,725</u>      | <u>60,151,175</u>      |
| Total Assets.....  | <u>\$154,973,948</u>   | <u>\$153,529,818</u>   | <u>\$163,747,086</u>   | <u>\$159,939,102</u>   | <u>\$167,783,016</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                         |                        |                        |                        |                        |                        |
| Unamortized Loss on Refunding.....                             | \$ 2,242,885           | \$ 2,060,127           | \$ 1,877,368           | \$ 1,694,610           | \$ 1,511,851           |
| Deferred Items – IMRF.....                                     | 5,131,843              | 3,637,988              | 2,523,531              | 5,828,040              | 2,306,599              |
| Deferred RBP.....  | 0                      | 0                      | 0                      | 98,324                 | 631,489                |
| Deferred Items – Police Pension.....                           | 11,415,068             | 9,079,627              | 5,905,869              | 6,228,855              | 6,037,386              |
| Deferred Items – Firefighters' Pension.....                    | <u>10,781,360</u>      | <u>7,880,924</u>       | <u>8,201,155</u>       | <u>6,192,688</u>       | <u>5,907,852</u>       |
| Total Deferred Outflows or Resources(1).....                   | <u>29,571,156</u>      | <u>22,658,666</u>      | <u>18,507,923</u>      | <u>20,042,517</u>      | <u>16,395,177</u>      |
| Total Assets and Deferred Outflows of<br>Resources(1).....     | <u>\$184,545,104</u>   | <u>\$176,188,484</u>   | <u>\$182,255,009</u>   | <u>\$179,981,619</u>   | <u>\$184,178,193</u>   |
| <b>LIABILITIES:</b>  |                        |                        |                        |                        |                        |
| Accounts Payable.....  | \$ 1,525,018           | \$ 2,302,361           | \$ 1,154,570           | \$ 1,515,963           | \$ 1,239,954           |
| Accrued Payroll.....   | 770,413                | 640,273                | 712,315                | 716,905                | 994,932                |
| Retainage Payable.....   | 0                      | 0                      | 250,860                | 0                      | 0                      |
| Accrued Interest Payable.....                                  | 780,701                | 1,067,160              | 959,530                | 1,012,401              | 958,384                |
| Deposits Payable.....  | 627,720                | 679,650                | 644,786                | 620,037                | 6,656,007              |
| Other Payables.....  | 0                      | 0                      | 35,000                 | 0                      | 0                      |
| Due to Other Governments.....                                  | 281,864                | 664,628                | 1,324,699              | 757,806                | 1,089,972              |
| Compensated Absences Payable.....                              | 1,497,748              | 1,433,320              | 1,337,105              | 1,492,866              | 1,286,282              |
| Net OPEB Payable.....  | 1,032,649              | 1,358,146              | 1,717,372              | 0                      | 0                      |
| Net Pension Liability – IMRF.....                              | 8,375,080              | 7,212,103              | 1,682,946              | 9,412,745              | 3,965,117              |
| Net Pension Liability – Police Pension.....                    | 46,178,166             | 46,035,224             | 43,819,646             | 47,240,371             | 50,842,827             |
| Net Pension Liability – Firefighter's Pension.....             | 39,914,304             | 41,522,404             | 43,325,834             | 46,221,112             | 49,933,828             |
| Total OPEB Liability – RBP.....                                | 0                      | 0                      | 0                      | 7,364,943              | 8,397,547              |
| TIF Note Payable.....  | 0                      | 4,900,000              | 4,766,301              | 4,274,764              | 3,746,511              |
| General Obligation Bonds Payable                               |                        |                        |                        |                        |                        |
| Due Within One Year.....                                       | 3,663,819              | 3,759,869              | 4,287,181              | 4,405,324              | 5,095,738              |
| Due In More Than One Year.....                                 | <u>64,607,648</u>      | <u>61,003,062</u>      | <u>71,451,361</u>      | <u>67,216,209</u>      | <u>65,156,738</u>      |
| Total Liabilities(1).....                                      | <u>\$169,255,130</u>   | <u>\$172,578,200</u>   | <u>\$177,469,506</u>   | <u>\$192,251,446</u>   | <u>\$199,363,837</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                          |                        |                        |                        |                        |                        |
| Property Taxes.....  | \$ 14,005,719          | \$ 13,668,027          | \$ 15,500,179          | \$ 16,038,121          | \$ 17,642,691          |
| Deferred Items – IMRF.....                                     | 17,084                 | 527,317                | 5,768,279              | 1,266,602              | 3,172,322              |
| Deferred Items – Police Pension.....                           |                        | 1,912,887              | 3,550,048              | 3,455,770              | 2,734,594              |
| Deferred Items – Firefighters' Pension.....                    | <u>420,673</u>         | <u>0</u>               | <u>1,691,952</u>       | <u>588,060</u>         | <u>965,449</u>         |
| Total Deferred Inflows or Resources.....                       | <u>14,443,476</u>      | <u>16,108,231</u>      | <u>26,510,458</u>      | <u>21,348,553</u>      | <u>24,515,056</u>      |
| Total Liabilities and Deferred<br>Inflows of Resources(1)..... | <u>\$183,698,606</u>   | <u>\$188,686,431</u>   | <u>\$203,979,964</u>   | <u>\$213,599,999</u>   | <u>\$223,878,893</u>   |
| <b>NET POSITION:</b>   |                        |                        |                        |                        |                        |
| Invested in Capital Assets, Net of<br>Related Debt.....        | \$ 51,908,848          | \$ 52,296,658          | \$ 49,228,665          | \$ 48,427,345          | \$ 49,423,846          |
| Restricted.....  | 735,777                | 910,914                | 1,661,902              | 2,331,081              | 3,457,358              |
| Unrestricted(1).....   | <u>(51,798,127)</u>    | <u>(65,705,520)</u>    | <u>(72,615,522)</u>    | <u>(84,376,806)</u>    | <u>(92,581,904)</u>    |
| Total Net Position(1).....                                     | <u>\$ 846,498</u>      | <u>\$ (12,497,948)</u> | <u>\$ (21,724,955)</u> | <u>\$ (33,618,380)</u> | <u>\$ (39,700,700)</u> |

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 |                       |                       |                          |                       |
|-------------------------------------|-----------------------------|-----------------------|-----------------------|--------------------------|-----------------------|
|                                     | 2016                        | 2017                  | 2018                  | 2019                     | 2020                  |
| <b>PRIMARY GOVERNMENT:</b>          |                             |                       |                       |                          |                       |
| Government Activities(1):           |                             |                       |                       |                          |                       |
| General Government .....            | \$ (2,424,657)              | \$ (6,770,620)        | \$ (1,758,705)        | \$ (2,199,763)           | \$ (2,769,968)        |
| Public Safety .....                 | (35,234,107)                | (34,180,241)          | (35,698,294)          | (37,306,033)             | (37,465,876)          |
| Highways and Streets .....          | (8,959,207)                 | (10,184,560)          | (11,615,861)          | (9,951,492)              | (9,214,173)           |
| Interest .....                      | (2,047,508)                 | (2,453,769)           | (2,321,650)           | (2,568,578)              | (2,418,422)           |
| Total Governmental Activities ..... | <u>\$(48,665,479)</u>       | <u>\$(53,589,190)</u> | <u>\$(51,394,510)</u> | <u>\$(52,025,866)</u>    | <u>\$(51,868,439)</u> |
| <b>GENERAL REVENUES:</b>            |                             |                       |                       |                          |                       |
| Taxes                               |                             |                       |                       |                          |                       |
| Property .....                      | \$ 13,434,887               | \$ 14,802,772         | \$ 17,620,255         | \$ 19,771,153            | \$ 21,093,599         |
| Income .....                        | 3,362,196                   | 3,141,181             | 2,998,512             | 3,429,472                | 3,262,554             |
| State Sales .....                   | 14,665,574                  | 15,380,154            | 14,883,566            | 15,312,715               | 14,986,207            |
| Use .....                           | 765,696                     | 817,854               | 872,486               | 1,008,471                | 1,160,716             |
| Auto Rental .....                   | 6,605                       | 5,795                 | 5,426                 | 4,854                    | 4,972                 |
| Telecommunications .....            | 3,210,141                   | 2,554,292             | 2,135,223             | 1,980,139                | 1,817,816             |
| Utility .....                       | 995,457                     | 1,012,559             | 968,873               | 1,011,487                | 941,529               |
| Other .....                         | 1,450,427                   | 1,586,811             | 1,386,566             | 1,394,327                | 1,358,490             |
| Investment Income .....             | 123,245                     | 253,606               | 507,428               | 790,341                  | 775,778               |
| Miscellaneous .....                 | 109,125                     | 689,720               | 789,168               | 575,823                  | 384,458               |
| Transfers In (Out) .....            | (3,000,000)                 | 0                     | 0                     | 0                        | 0                     |
| Total .....                         | <u>\$ 35,123,353</u>        | <u>\$ 40,244,744</u>  | <u>\$ 42,167,503</u>  | <u>\$ 45,278,782</u>     | <u>\$ 45,786,119</u>  |
| Change in Net Position .....        | <u>\$(13,542,126)</u>       | <u>\$(13,344,446)</u> | <u>\$ (9,227,007)</u> | <u>\$ (6,747,084)</u>    | <u>\$ (6,082,320)</u> |
| Net Position, May 1 .....           | <u>\$ 14,388,624(2)</u>     | <u>\$ 846,498</u>     | <u>\$(12,497,948)</u> | <u>\$(26,871,296)(2)</u> | <u>\$(33,618,380)</u> |
| Net Position, April 30 .....        | <u>\$ 846,498</u>           | <u>\$(12,497,948)</u> | <u>\$(21,724,955)</u> | <u>\$(33,618,380)</u>    | <u>\$(39,700,700)</u> |

Notes: (1) Expenses less program revenues of Charges for Services Operating Grants and Capital Grants.  
(2) As restated.

## General Fund Balance Sheet

|  | Audited As of April 30 |                     |                     |                     |                     |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2016                   | 2017                | 2018                | 2019                | 2020                |
| <b>ASSETS:</b>   |                        |                     |                     |                     |                     |
| Cash and Investments .....                                 | \$26,552,460           | \$24,801,018        | \$34,007,699        | \$24,660,817        | \$33,011,399        |
| Receivables:   |                        |                     |                     |                     |                     |
| Property Taxes .....                                       | 4,079,562              | 4,519,341           | 4,406,311           | 4,278,089           | 4,739,152           |
| Other Taxes .....  | 3,142,123              | 3,308,915           | 2,576,873           | 3,179,997           | 2,477,091           |
| Other .....  | 937,019                | 989,819             | 1,314,211           | 946,249             | 919,154             |
| Inventory .....  | 0                      | 26,661              | 119,736             | 53,620              | 0                   |
| Due from Other Funds .....                                 | 300,512                | 306,101             | 259,100             | 151,618             | 57,928              |
| Due from Other Governments .....                           | 1,072,615              | 1,059,438           | 1,076,600           | 1,628,454           | 1,292,159           |
| Total Assets .....   | <u>\$36,084,291</u>    | <u>\$35,011,293</u> | <u>\$43,760,530</u> | <u>\$34,898,844</u> | <u>\$42,496,883</u> |
| <b>LIABILITIES:</b>  |                        |                     |                     |                     |                     |
| Accounts Payable .....                                     | \$ 1,438,504           | \$ 1,688,771        | \$ 1,089,647        | \$ 1,073,180        | \$ 881,787          |
| Deposits Payable .....                                     | 354,192                | 406,122             | 371,258             | 346,509             | 6,378,105(1)        |
| Accrued Payroll .....                                      | 770,413                | 640,273             | 712,315             | 716,905             | 994,932             |
| Due to Other Governments .....                             | 107,234                | 195,880             | 111,150             | 115,300             | 117,857             |
| Total Liabilities .....                                    | <u>\$ 2,670,343</u>    | <u>\$ 2,931,046</u> | <u>\$ 2,284,370</u> | <u>\$ 2,251,894</u> | <u>\$ 8,372,681</u> |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                      |                        |                     |                     |                     |                     |
| Property Taxes .....                                       | \$ 8,320,728           | \$ 8,570,784        | \$ 8,596,658        | \$ 8,620,144        | \$ 8,874,061        |
| Total deferred inflows of resources .....                  | <u>8,320,728</u>       | <u>8,570,784</u>    | <u>8,596,658</u>    | <u>8,620,144</u>    | <u>8,874,061</u>    |
| Total liabilities and deferred inflows of resources .....  | <u>\$10,991,071</u>    | <u>\$11,501,830</u> | <u>\$10,881,028</u> | <u>\$10,872,038</u> | <u>\$17,246,742</u> |
| <b>FUND BALANCES:</b>                                      |                        |                     |                     |                     |                     |
| Restricted .....   | \$ 3,843,709           | \$ 1,359,625        | \$11,517,298        | \$ 1,713,200        | \$ 3,635,017        |
| Nonspendable .....   | 0                      | 26,661              | 119,736             | 53,620              | 0                   |
| Unassigned .....   | 21,249,511             | 22,123,177          | 21,242,468          | 22,259,986          | 21,615,124          |
| Total Fund Balance .....                                   | <u>\$25,093,220</u>    | <u>\$23,509,463</u> | <u>\$32,879,502</u> | <u>\$24,026,806</u> | <u>\$25,250,141</u> |
| Total Liabilities, Deferred Inflows and Fund Balance ..... | <u>\$36,084,291</u>    | <u>\$35,011,293</u> | <u>\$43,760,530</u> | <u>\$34,898,844</u> | <u>\$42,496,883</u> |

Note: (1) Due to GASB changes, deposits previously reported in agency funds were moved to the General Fund in FY2020.



## General Fund Revenues and Expenditures

Audited Year Ended April 30

|   | 2016         | 2017           | 2018         | 2019           | 2020           |
|---|--------------|----------------|--------------|----------------|----------------|
| <b>REVENUES:</b>  |              |                |              |                |                |
| Taxes.....  | \$13,744,885 | \$13,272,799   | \$12,765,979 | \$12,643,793   | \$12,510,236   |
| Licenses, Permits and Fees .....                          | 6,055,848    | 5,265,165      | 5,976,991    | 5,587,902      | 5,519,845      |
| Intergovernmental.....                                    | 16,601,063   | 17,019,424     | 16,501,058   | 18,310,315     | 17,680,360     |
| Charges for Services .....                                | 5,543,956    | 5,783,009      | 5,434,918    | 5,798,302      | 5,507,335      |
| Fines and Forfeits.....                                   | 168,080      | 134,095        | 170,098      | 270,908        | 286,254        |
| Interest .....  | 102,543      | 208,655        | 377,592      | 477,323        | 471,874        |
| Miscellaneous.....  | 91,877       | 683,191        | 481,530      | 502,523        | 371,903        |
| Total Revenues .....                                      | \$42,308,252 | \$42,366,338   | \$41,708,166 | \$43,591,066   | \$42,347,807   |
| <b>EXPENDITURES:</b>                                      |              |                |              |                |                |
| General Government.....                                   | \$ 7,965,568 | \$ 7,774,497   | \$ 7,986,990 | \$15,666,614   | \$ 8,404,603   |
| Public Safety.....  | 26,069,987   | 27,383,064     | 26,751,446   | 28,385,219     | 27,074,842     |
| Debt Service.....   | 25,701       | 0              | 0            | 0              | 0              |
| Highways and Streets.....                                 | 7,889,975    | 8,792,534      | 7,599,240    | 7,767,145      | 7,980,421      |
| Total Expenditures(1) .....                               | \$41,951,231 | \$43,950,095   | \$42,337,676 | \$51,818,978   | \$43,459,866   |
| Excess (Deficiency) of Revenues<br>Over Expenditures..... | \$ 357,021   | \$ (1,583,757) | \$ (629,510) | \$ (8,227,912) | \$ (1,112,059) |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |              |                |              |                |                |
| Debt Issuance.....  | \$ 4,106,560 | \$ 0           | \$11,540,250 | \$ 0           | \$ 2,496,000   |
| Premium/Discount on Debt Issuance .....                   | 200,894      | 0              | (32,273)     | 0              | 264,394        |
| Transfers In (Out), net .....                             | (3,300,007)  | 0              | (1,508,428)  | (624,784)      | (425,000)      |
| Total Other Financing Sources (uses).....                 | \$ 1,007,447 | \$ 0           | \$ 9,999,549 | \$ (624,784)   | \$ 2,335,394   |
| Net Change in Fund Balance.....                           | \$ 1,364,468 | \$ (1,583,757) | \$ 9,370,039 | \$ (8,852,696) | \$ 1,223,335   |
| Beginning Fund Balance .....                              | \$23,728,752 | \$25,093,220   | \$23,509,463 | \$2,879,502    | \$2,026,806    |
| Ending Fund Balance .....                                 | \$25,093,220 | \$23,509,463   | \$32,879,502 | \$24,026,806   | \$25,250,141   |

Note: (1) Total General Fund Expenditures in each year include expenses incurred for capital projects which are funded through the issuance of debt in fiscal years 2016, 2018 and 2020.

## General Fund(I) Budget Financial Information

|   | Budgeted<br>Fiscal Year<br>Ending<br>April 30, 2021 | Estimated<br>Fiscal Year<br>Ending<br>April 30, 2021 | Budgeted<br>Fiscal Year<br>Ending<br>April 30, 2022 |
|---|---|--|---|
| <b>REVENUES:</b>  |   |  |   |
| Property Tax.....   | \$ 8,832,050  | \$ 8,832,050   | \$ 9,837,050  |
| Replacement Taxes .....                                   | 503,000   | 413,000  | 434,500   |
| Sales Tax .....   | 11,847,535  | 12,781,815   | 13,960,345  |
| Income Taxes.....   | 2,782,850   | 3,328,550  | 3,678,550   |
| Other Taxes .....   | 3,530,000   | 2,670,000  | 2,960,000   |
| Permits .....   | 2,835,000   | 1,291,000  | 1,770,000   |
| Licenses .....  | 907,500   | 856,000  | 896,000   |
| Interest Income .....                                     | 300,000   | 135,000  | 150,000   |
| Fees .....  | 3,765,800   | 3,695,800  | 3,767,000   |
| Fines .....   | 290,000   | 130,000  | 290,000   |
| Charges for Service .....                                 | 2,020,500   | 1,601,000  | 2,030,500   |
| Miscellaneous .....                                       | 1,220,000   | 1,156,000  | 1,910,970   |
| Grants .....  | 50,000  | 450,000  | 160,000   |
| Total Revenues .....                                      | \$38,884,235  | \$37,340,215   | \$41,844,915  |
| Operating Transfers In .....                              | \$ 2,653,260  | \$ 2,607,760   | \$ 2,684,625  |
| Total Revenues and Transfers In .....                     | \$41,537,495  | \$39,947,975   | \$44,529,540  |
| <b>EXPENDITURES:</b>                                      |   |  |   |
| Personal Services .....                                   | \$28,013,505  | \$28,805,730   | \$27,711,585  |
| Fringe Benefits .....                                     | 5,402,880   | 5,527,675  | 5,432,700   |
| Contractual Services .....                                | 7,634,915   | 7,097,489  | 7,693,945   |
| Commodities .....   | 1,741,545   | 1,387,455  | 1,621,175   |
| Capital Outlay.....                                       | 2,798,806   | 1,732,385  | 3,080,870   |
| Total Expenditures .....                                  | \$45,591,651  | \$44,550,734   | \$45,540,275  |
| Operating Transfer Out .....                              | 425,000   | 0  | 425,000   |
| Total Expenditures and Transfers Out.....                 | \$46,016,651  | \$44,550,734   | \$45,965,275  |
| Revenues over (Under) Expenditures<br>and Transfers ..... | \$ (4,479,156)                                      | \$ (4,602,759)                                       | \$ (1,435,735)                                      |

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, maturity and interest rate as the surrendered Bond.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of any authorized denominations, upon surrender thereof at 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.**

- A. **Cost of Carry.** Owners of the Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for Federal income tax purposes as having been incurred or continued to purchase or carry the Bonds. Financial institutions are denied a deduction for their otherwise allowable interest expense in an amount determined by reference to their adjusted basis in the Bonds.
- B. **Individual Owner.** Receipt of interest on the Bonds may increase the amount of Social Security and Railroad Retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.
- C. **Certain Blue Cross or Blue Shield Organizations.** Receipt of interest on the Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.
- D. **Property or Casualty Insurance Companies.** Receipt of interest on the Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.
- E. **Corporate Owners.** Interest on the Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.
- F. **Foreign Personal Holding Company Income.** A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Bonds held by such a company is properly allocable to the shareholder.

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 Final 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\*;
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.

*\*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.*

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 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.

### **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.

Subject to the provisions for a conditional redemption described above, 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 Final 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 this Final 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 Final 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.

## FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final 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 Bonds have been rated “AAA” (Stable Outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and “Aaa” (Stable Outlook) by Moody’s Investors Service, Inc. The Village has supplied certain information and material concerning the Bonds and the Village to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described under the heading **“CONTINUING DISCLOSURE”**, the form of which is attached hereto as **APPENDIX E**, neither the Village nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000 and Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. 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 this 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 August 24, 2021. The best bid submitted at the sale was submitted by The Baker Group LP, Babylon, New York (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of \$11,237,636.59 (reflecting the par amount of \$10,270,000.00, plus a reoffering premium of \$1,074,800.35, and less an Underwriter's discount of \$107,163.76). The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the prices or yields set forth in the Final 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 this Final 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 Final Official Statement, nor is the Municipal Advisor obligated by the Village's continuing disclosure undertaking.



## CERTIFICATION

We have examined this Final Official Statement dated August 24, 2021 for the \$10,270,000 General Obligation Bonds, Series 2021, 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 Final 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 light of the circumstances under which they were made, not misleading.

/s/ **KATHRYN L. CIESLA**  
*President*  
Village of Northbrook  
Cook County, Illinois

/s/ **IWONA PETRYSZAK**  
*Chief Financial Officer*  
Village of Northbrook  
Cook County, Illinois

**APPENDIX A**

**VILLAGE OF NORTHBROOK  
COOK COUNTY, ILLINOIS**

**FISCAL YEAR 2020 AUDITED FINANCIAL STATEMENTS**

# Village of Northbrook Illinois Comprehensive Annual Financial Report

For the Fiscal Year Ended April 30, 2020



VILLAGE OF NORTHBROOK, ILLINOIS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2020

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

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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

## Principal Officials

### April 30, 2020



#### Legislative

##### Board of Trustees

##### Village President

Sandra E. Frum

##### Trustees

Kathryn L. Ciesla, Robert P. Israel, Muriel J. Collison,  
Heather E. Ross, Johanna K. Hebl, Daniel H. Pepoon

##### Administrative

Richard A. Nahrstadt, Village Manager

Jeffrey L. Rowitz, CPA, 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

1235 Cedar Lane Northbrook, Illinois 60062 Fax: 847.272.5040 Fax: 847.272.1892 www.northbrook.il.us

October 7, 2020

The Honorable Village President From  
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, 2020, 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 account groups 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, storm 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, account groups and component units of the Village. For additional disclosures concerning the Village's reporting entity, see Note 1 to the financial statements.

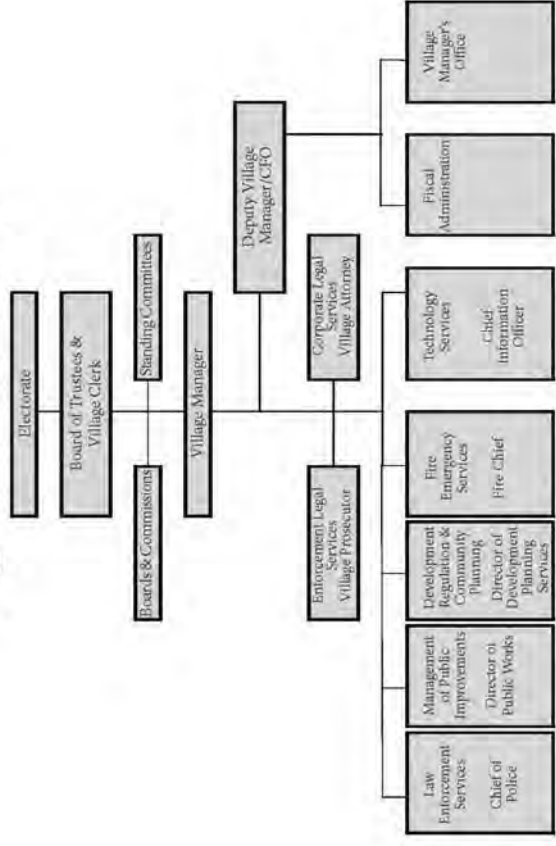
## ECONOMIC CONDITION AND OUTLOOK

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 and businesses.

|                                     |   |  |   |
|-------------------------------------|---|--|---|
| <b>PRESIDENT</b><br>Sandra E. Frann | <b>BOARD OF TRUSTEES</b><br>Kathryn L. Casella<br>Heather E. Ross | <b>VILLAGE CLERK</b><br>Doreen J. Ford | <b>VILLAGE MANAGER</b><br>Richard A. Naloraitis |
|-------------------------------------|---|--|---|

# Village of Northbrook Organization Chart



## Boards and Commissions

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

## Standing Committees

- Finance Committee
- Public Works Committee
- Planning & Zoning Committee
- Community Committee
- Public Safety Committee
- Legislative & Communications Committee

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.

For example, Northbrook Court includes such stores as Neiman Marcus, Crate & Barrel and features over 100 specialty shops like the Apple Store, H&M, Tiffany's, Coach, and Louis Vuitton. Northbrook is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters' Laboratories, Inc., Barilla America 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, Caterpillar, Medline and Baxter; as well as North American headquarters for Astellas Pharma and Horizon Therapeutics. The careful planning and development of Northbrook helps to ensure a stable economic base for the foreseeable future. The wise development of the remaining property within the Village will add to that stability.

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.

Despite the many changes taking place in the world of retailing, the Village's retail market maintained a low 4.9 vacancy rate as of September 2020. The Village's varied shopping areas provide residents with a combination of luxury, convenience, and discount shopping experiences. Two large luxury apartment complexes along the Skokie Boulevard corridor, the 347-unit Northshore 770 building and the 304-unit 1000 Skokie apartment building 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 was demolished in early-2020. It will be replaced by 109,500 square feet of open-air retailers and restaurants, including a grocery store that will be 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.

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 occupied. The second phase of the 68-unit townhome development along Shermer Road in downtown Northbrook is underway.

Elsewhere in the Village, sales at the 84-unit townhome development by national builder M/I Homes on Techny Road, which broke ground in 2020, are particularly strong as they offer new homes at an attractive price point. Construction is nearly complete on both 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. Redevelopment of existing infill sites continues throughout the community with new homes replacing older homes. The excellent public school system and the park system are a major draw for new residents and have led to the community's high residential property values and strong real estate market.

## MAJOR INITIATIVES

### Accomplishments in Fiscal Year 2019/20

Fiscal Year 2019/20 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 more economic challenges and the COVID-19 pandemic 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.

Eight 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 2020/21 of \$45.18 million, with total operating expenses of \$42.6 million. As shown in the table below, our current projection for General Fund expenses is 0.65% lower, with total operating expenses 0.66% lower than our projections at the same time last year. The FY 2020/21 General Fund budget includes \$250,000 to support local businesses and help them reopen when allowed by the state and \$100,000 for additional contributions to mental health and domestic violence organizations.

| Total Variance - Last Eight Years |              |      |              |                      |
|-----------------------------------|--------------|------|--------------|----------------------|
|                                   | Projected in |      | Proposed     |                      |
|                                   | Previous     | Year | Budget       | 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 %  |
| FY 2019/20                        |              |      | \$43,966,229 | \$44,195,775 0.52 %  |
| FY 2020/21                        |              |      | \$45,181,713 | \$44,887,110 (0.65)% |

Comparison of Second Year Estimates in Previous Year to Proposed Budget  
Operating and Capital - Previous Three Years

|           | Projected in FY |                 | Projected in FY |                 | Projected in FY |                 |
|-----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|           | FY 18/19        | FY 18/19 Budget | FY 19/20        | FY 19/20 Budget | FY 20/21        | FY 20/21 Budget |
| Operating | 41,562,819      | 41,216,401      | 42,006,27       | 41,831,775      | 42,617,363      | 42,336,610      |
| Capital   | 2,773,195       | 3,271,835       | 1,959,955       | 2,329,000       | 2,564,350       | 2,550,500       |
| Total     | 44,336,014      | 44,488,236      | 43,966,22       | 44,160,775      | 45,181,713      | 44,887,110      |
|           |                 |                 | (0.83)%         | (0.42)%         | (0.66)%         | (0.66)%         |
|           |                 |                 | 17.98 %         | 18.83 %         | (0.54)%         | (0.54)%         |
|           |                 |                 | 0.34 %          | 0.44 %          | (0.65)%         | (0.65)%         |



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. Our financial house is in order. The focus of this budget is rightfully on maintaining high quality public infrastructure and services.

Highlights of FY 2019/20 included:

- Implemented a local adjudication program with monthly hearings to prosecute local ordinance and non-moving violations.
- Evaluated and implemented various security systems and policies with the intent of mitigating risks associated with cybersecurity incidents. Included was the implementation of next generation end-point protection and firewalls.
- Began leading sustainability efforts on behalf of the community, including staffing the Village's Environmental Quality Commission, managing the Village's Greenest Region Corps Sustainability Fellow, and coordinating efforts with external groups focused on sustainability.
- Initiated work on a consultant study to perform a baseline assessment of Northbrook's environmental characteristics, vulnerability study, and climate action plan.
- Completed a study of business opportunities and impediments in Downtown Northbrook.
- Completed work with a consultant on how to make accommodations for more public events and generally beautify the Meadow Road corridor and Village Green Park in the downtown area.
- Continued the implementation of the Master Bicycle and Pedestrian Plan for the Village of Northbrook.
- Prepared a series of planning studies concerning the best use of the Grainger Property, 1657 Shermer Road, which is owned by the Village.
- Completed implementation and training of a shared, geo-diverse 9-1-1 call system while complying with 13 standards for the Illinois First Net implementation.
- Conducted a full-scale, active threat exercise with Village Departments, local schools, hospitals, and neighboring public safety agencies.
- Implemented a tactical emergency casualty care program by purchasing and issuing emergency care equipment, and training sworn staff of the equipment's use.
- Finished a technology upgrade of the Emergency Operations Center (EOC).
- Continued working with state and regional associations to analyze financial impacts of proposed legislation.

## 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 Board. 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, 2020 decreased by 2.9% from the unassigned fund balance at May 1, 2019 due to lower than anticipated revenues partially offset by lower than expected expenditures. The unassigned fund balance is the equivalent of 51% of General Fund revenues and operating transfers in, and 49% of General Fund expenditures and transfers out. 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, 2020, the Village had a number of general obligation debt issues outstanding which totaled \$116,413,975. 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 reaffirmed in October, 2019.

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, 2020, the Village's net general obligation bonded debt for governmental funds was \$69,930,906 and debt per capita equaled \$3,736.44. 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 and 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, 2019. 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 and 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 A. Kowitz  
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, 2019

  
Christopher P. Morrell  
Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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www.lauterbachamen.com

## INDEPENDENT AUDITORS' REPORT

October 7, 2020

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, 2020, 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, a discretely component unit. 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, a discretely component unit, 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.

Village of Northbrook, Illinois  
October 7, 2020  
Page 2

### 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, 2020, 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, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information 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 other supplementary information 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, 2020**

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, 2020. Please read it in conjunction with the transmittal letter on page 3 - 8 and the Village's financial statements, which begin on page 32.

**FINANCIAL HIGHLIGHTS**

- The Village's net position decreased from \$9.2 million to \$2.2 million as a result of GASB Statement No. 68 increased long-term pensions liabilities. FY 2019/20 expenses were \$6.1 million higher than the \$56.1 million generated in tax and other revenues for governmental programs. This variance is due to incorporation of GASB Statement No. 68. Charges for Services and other revenues for business-type activities were \$12.2 million while expenses were \$13.1 million, generating a decrease in net position of \$980,964.
- The General Fund reported a surplus for the year of \$1.2 million. This is primarily due to the issuance of \$2.2 million in bonds for planned capital projects in FY 2020/21. Revenues were \$1.5 million, or 3.5%, less than budgeted, mainly due to timing of significant retail and residential development permits. Expenditures were \$1.4 million, or 3.0% under the amended budget. This difference is mostly attributed to personnel costs from temporary vacancies and 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 32 - 35) 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 36. 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 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 32 - 35 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,

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2020**

**USING THIS ANNUAL REPORT – Continued**

**Government-Wide Financial Statements – Continued**

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, information services, 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.

**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.

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis**  
**April 30, 2020**

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**USING THIS ANNUAL REPORT - Continued**

**Governmental Funds - Continued**

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, Debt Service Fund, Pension Contribution Fund, and Infrastructure Capital Projects 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 non-major 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 36 - 42 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.

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 44 - 49 of this report.

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis**  
**April 30, 2020**

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**USING THIS ANNUAL REPORT - Continued**

**Proprietary Funds - Continued**

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 50- 51 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 52 - 108 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 110 - 122 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 127 - 152 of this report.

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2020**

**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 \$2.2 million.

|                                    | Net Position (in Millions) |         |                          |        |         |
|------------------------------------|----------------------------|---------|--------------------------|--------|---------|
|                                    | Governmental Activities    |         | Business-type Activities |        | Total   |
|                                    | 2020                       | 2019    | 2020                     | 2019   | 2020    |
| Current Assets                     | \$ 67.5                    | 58.8    | 24.2                     | 24.0   | 91.8    |
| Capital Assets                     | 100.2                      | 101.2   | 71.7                     | 70.0   | 171.2   |
| Total Assets                       | 167.8                      | 160.0   | 95.9                     | 94.0   | 263.7   |
| Deferred Outflows                  | 16.4                       | 20.0    | 0.6                      | 1.4    | 17.0    |
| Total Assets/Deferred Outflows     | 184.2                      | 180.0   | 96.6                     | 95.4   | 280.8   |
| Long-Term Debt Outstanding         | (183.3)                    | (183.2) | (50.2)                   | (48.7) | (233.5) |
| Other Liabilities                  | (16.0)                     | (9.0)   | (3.7)                    | (3.6)  | (19.8)  |
| Total Liabilities                  | (199.4)                    | (192.2) | (53.9)                   | (52.3) | (253.3) |
| Deferred Inflows                   | (24.5)                     | (21.3)  | (0.8)                    | (0.3)  | (25.3)  |
| Total Liabilities/Deferred Inflows | (223.9)                    | (213.5) | (54.7)                   | (52.6) | (278.6) |
| Net Position                       | 49.4                       | 48.5    | 29.5                     | 30.3   | 78.9    |
| Net Investment in Capital Assets   | 3.5                        | 2.3     | —                        | —      | 3.5     |
| Restricted                         | (92.6)                     | (84.4)  | 12.4                     | 12.5   | (80.2)  |
| Unrestricted (Deficit)             | (39.7)                     | (33.6)  | 41.9                     | 42.8   | 2.2     |
| Total Net Position                 |                            |         |                          |        | 9.2     |

Net position was \$2.2 million in FY 2019/20, a decrease of \$7.0 million. Of the Village's net position, \$78.9 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 \$3.5 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 \$80.2 million. The negative net position is due to incorporation of GASB Statement No. 68, which includes about \$105 million of net pension liability and GASB Statement No. 75, causing \$8.4 million of OPEB liability in the financial statements.

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

|                                     | Changes in Net Position (in millions) |        |                          |       |       |
|-------------------------------------|---------------------------------------|--------|--------------------------|-------|-------|
|                                     | Governmental Activities               |        | Business-type Activities |       | Total |
|                                     | 2020                                  | 2019   | 2020                     | 2019  | 2020  |
| Revenues                            |                                       |        |                          |       |       |
| Program Revenues                    |                                       |        |                          |       |       |
| Charges for Services                | \$ 8.7                                | 9.1    | 11.7                     | 12.5  | 20.5  |
| Capital Grants/Contributions        | —                                     | —      | —                        | —     | —     |
| Operating Grants/Contributions      | 1.5                                   | 1.0    | 0.2                      | 0.1   | 1.7   |
| General Revenues                    |                                       |        |                          |       |       |
| Property Taxes                      | 21.1                                  | 19.8   | —                        | —     | 21.1  |
| Sales Taxes                         | 15.0                                  | 15.3   | —                        | —     | 15.0  |
| State Income Taxes                  | 3.3                                   | 3.4    | —                        | —     | 3.3   |
| Utility Taxes                       | 0.9                                   | 1.0    | —                        | —     | 0.9   |
| Other Taxes                         | 4.3                                   | 4.4    | —                        | —     | 4.3   |
| Other General Revenues              | 1.2                                   | 1.4    | 0.3                      | 0.4   | 1.4   |
| Total Revenues                      | 56.1                                  | 55.4   | 12.2                     | 13.0  | 68.2  |
| Expenses                            |                                       |        |                          |       |       |
| General Government                  | 6.3                                   | 6.0    | —                        | —     | 6.3   |
| Public Safety                       | 43.0                                  | 42.8   | —                        | —     | 43.0  |
| Public Works                        | 10.4                                  | 10.8   | —                        | —     | 10.4  |
| Interest on Long-Term Debt          | 2.4                                   | 2.5    | —                        | —     | 2.4   |
| Water                               | —                                     | —      | 7.7                      | 8.2   | 7.7   |
| Sewer                               | —                                     | —      | 2.0                      | 1.7   | 2.0   |
| Storm Water                         | —                                     | —      | 2.4                      | 2.3   | 2.4   |
| Senior Housing                      | —                                     | —      | 0.8                      | 0.8   | 0.8   |
| Parking Facilities                  | —                                     | —      | 0.2                      | 0.2   | 0.2   |
| Total Expenses                      | 62.1                                  | 62.1   | 13.1                     | 13.2  | 75.2  |
| Increase (Decrease) in Net Position | (6.1)                                 | (6.7)  | (0.9)                    | (0.2) | (7.0) |
| Net Position-Beginning              | (33.6)                                | (26.9) | 42.8                     | 43.0  | 9.2   |
| Net Position-Ending                 | (39.7)                                | (33.6) | 41.9                     | 42.8  | 2.2   |



VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis  
April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities decreased by \$6.1 million (negative \$39.7 million compared to negative \$33.6 million) and unrestricted net position of the Village's governmental activities was negative \$92.6 million. The negative net position is entirely attributable to the incorporation of GASB Statement No. 68 and GASB Statement No. 75. The General Fund reported an operating deficit of \$1.1 million for the fiscal year ending April 30, 2020 mainly due to timing of significant retail and residential development permits.

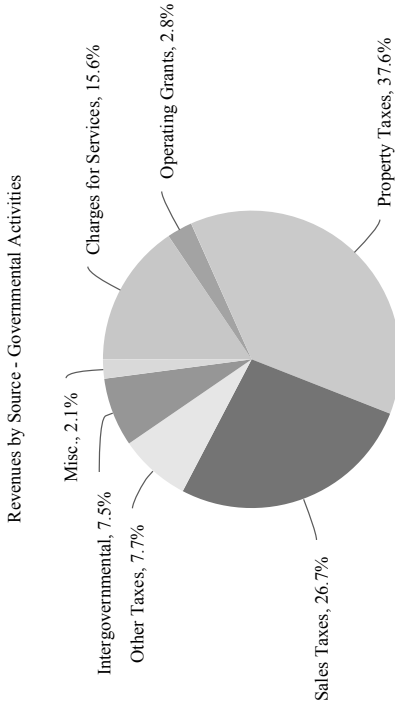
Net position of business-type activities decreased 2.1% from the prior year (\$41.9 million compared to \$42.8 million). The Village generally can only use this net position to finance the continuing operations of the waterworks, sewerage, storm water, senior housing and parking operations.

Total revenues and cost of all programs and services were flat as compared to prior fiscal year.

Governmental Activities

Revenues for governmental activities were \$56.1 million, while total expenses were \$62.1 million.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance not only on property taxes but also on sales taxes to fund governmental activities. It also clearly identifies the minor percentage the Village receives from other governments.

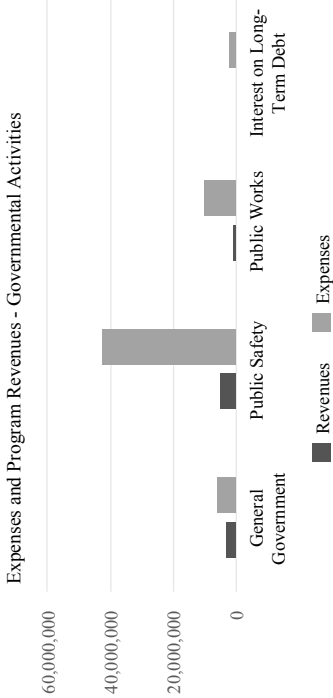


VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis  
April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

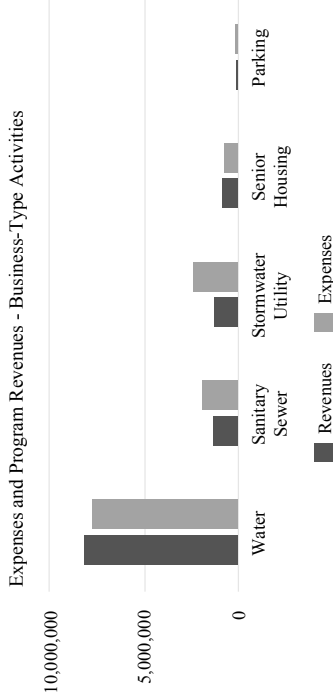
Governmental Activities – Continued



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

Expenses from business type activities were flat and revenues decreased by 6.9%. This decrease is attributable to lower water usage.



**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis**  
**April 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Business-Type Activities – Continued**

The previous graph compares program revenues to expenses for the Village's enterprise operations. The FY 2019/20 budget projected deficits for the Sanitary Sewer and Stormwater Utility Funds. User fees for services were under budget for both funds due to lower than expected usage.

**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 \$35.1 million, which is 3.7% higher than last year's total of \$33.9 million. This increase is due to a bond sale near the end of the fiscal year, which was reported as restricted fund balance on April 30, 2020. The unspent bond proceeds will be used in FY 2020/21 for planned capital projects.

Unassigned General Fund Balance experienced a decrease of \$644,862, or 2.9%.

Revenues were \$1.5 million, or 3.5% less than expected, attributable to timing of significant residential and retail development permits. Expenditures were \$1.4 million, or 3.0% under amended budget. This difference is mostly attributed to personnel costs due to temporary vacancies and timing of capital expenditures.

The Debt Service fund reported a modest decrease of \$23,218 for the year.

The Infrastructure Fund reported a modest increase in fund balance of \$26,016.

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Management's Discussion and Analysis**  
**April 30, 2020**

**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.

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 major maintenance expenditures and water consumption. Customers are billed at a rate of \$5.88 per thousand gallons of water used. The current fiscal year experienced a surplus of \$650,171.

The Sanitary Sewer Fund accounts for all operations of the Village's sanitary sewer system. Customers are billed at a rate of \$1.26 per thousand gallons of water used. This fund experienced a deficit of \$328,284 before depreciation expense.

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. Customers are billed at a rate of \$1.00 per thousand gallons of water used. This fund experienced a deficit of \$306,111 before depreciation expense.

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 surplus of \$105,692 for the current year.

**Management's Discussion and Analysis**  
**April 30, 2020**

## Capital Assets

Capital Assets - Net of Depreciation (in Millions)

|                          | Departmental Expenditure in the Department (in lakhs of rupees) |       |       |                          |      |       |       |
|--------------------------|---|-------|-------|--------------------------|------|-------|-------|
|                          | Governmental Activities   |       |       | Business-type Activities |      |       | Total |
|                          | 2020  | 2019  | 2018  | 2020                     | 2019 | 2018  |       |
| Land                     | \$  | 40.1  | 40.1  | 1.7                      | 1.7  | 41.8  | 41.8  |
| Construction in Progress |   | —     | —     | 3.1                      | 1.1  | 3.1   | 1.1   |
| Land Improvements        |   | —     | —     | 1.2                      | 1.3  | 1.2   | 1.3   |
| Buildings                |   | 9.4   | 9.8   | 8.1                      | 8.1  | 17.5  | 17.9  |
| Equipment & Vehicles     |   | 4.2   | 3.4   | 4.9                      | 5.1  | 9.0   | 8.5   |
| Infrastructure           |   | 46.6  | 47.9  | 52.7                     | 52.5 | 99.3  | 100.4 |
| Total                    |   | 100.2 | 101.2 | 71.7                     | 69.7 | 172.0 | 170.9 |

At year-end, the Village had total outstanding bonded debt of \$116.4 million as compared to \$115.4 million the previous year. The following is a comparative statement of outstanding debt:

| General Obligation Bonds (in Millions) |    |                         |      |                          |      |       |
|--|----|-------------------------|------|--------------------------|------|-------|
|  |    | Governmental Activities |      | Business-type Activities |      | Total |
|  |    | 2020                    | 2019 | 2020                     | 2019 |       |
|  |    |                         |      |                          |      |       |
| General Obligation Bonds               | \$ | 67.6                    | 69.1 | 48.8                     | 46.3 | 116.4 |
|  |    |                         |      |                          |      | 115.4 |

**Management's Discussion and Analysis**  
**April 30, 2020**

## Debt Administration - Continued

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2020/21 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 2020/21 of \$45.18 million, with total operating expenses of \$42.6 million. As shown in the table below, our current projection for General Fund expenses is 0.05% lower, with total operating expenses 0.66% lower than our projections at the same time last year.

| Total Variance - Last Eight Years |                                  |                    |          |
|-----------------------------------|----------------------------------|--------------------|----------|
|                                   | Projected in<br>Previous<br>Year | Proposed<br>Budget | Variance |
|                                   |                                  | Following Year     |          |
| 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 %   |
| FY 2019/20                        | \$43,966,229                     | \$ 44,195,775      | 0.52 %   |
| FY 2020/21                        | \$45,181,713                     | \$ 44,887,110      | (0.65)%  |

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis  
April 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued

Comparison of Second Year Estimates in Previous Year to Proposed Budget  
Operating and Capital - Previous Three Years

|           | Projected in FY 17/18 for FY 18/19 |                    | Projected in FY 18/19 for FY 19/20 |                    | Projected in FY 19/20 for FY 20/21 |                    |
|-----------|------------------------------------|--------------------|------------------------------------|--------------------|------------------------------------|--------------------|
|           | FY 18/19 Budget                    | Variance           | FY 18/19 Budget                    | Variance           | FY 19/20 Budget                    | Variance           |
| Operating | 41,562,819                         | 41,216,401 (0.83)% | 42,006,274                         | 41,831,775 (0.42)% | 42,617,363                         | 42,336,610 (0.66)% |
| Capital   | 2,773,195                          | 3,271,835 17.98 %  | 1,959,955                          | 2,329,000 18.83 %  | 2,564,350                          | 2,550,500 (0.54)%  |
| Total     | 44,336,014                         | 44,488,236 0.34 %  | 43,966,229                         | 44,160,775 0.44 %  | 45,181,713                         | 44,887,110 (0.65)% |

We project a General Fund deficit of \$1,768,615 for the FY 2020/21 and estimate General Fund reserves of \$2.1 million above our 40% policy at April 30, 2021. With the global crisis related to COVID-19, we have been working to assess the severity of the local economic damage. We reviewed our major revenue sources and made reductions to sales tax, income tax, hotel tax, admissions tax, utility tax and interest income. We also reduced/deferred some operating expenditures without materially reducing the core critical services. We added \$250,000 to support local businesses and help them re-open when allowed by the state and \$100,000 for additional contributions to mental health and domestic violence organizations. While we have not encountered something like this pandemic before, we are well positioned to address it. We've worked hard over the years to maintain ample reserves in order to deal with unforeseen emergencies so that we can sustain a crisis in the short-term and make informed decisions when we have better information.

Even with the additional expenses listed above, our operating expenditures have remained stable. FY 2020/21 General Fund operating expenditures are budgeted to be only 2.9% higher than the FY 2019/20 and only 8% higher than six years ago (FY2014/15).

Our general revenue assumptions are conservative. Total revenues for the General Fund in FY 2020/21, net of bond proceeds, are projected to be 1.9% lower than actual for FY 2019/20. FY 2020/21 retail sales taxes are budgeted to be about 19.4% below FY 2019/20 and income taxes 14.7% below FY 2019/20. Permit fees are budgeted to be about \$1.5 million higher than FY 2019/20 due primarily to the timing of the significant retail and residential development permits.

The approved budget provides revenue stability for operations and a funding plan to address both future capital needs and unfunded pension liabilities.

Effective May 1 2018, the Board increased the ambulance transport fee and applied the additional revenue annually to pay down the unfunded liabilities in our Police and Fire pension funds. We anticipate the increased ambulance transport fees will generate an additional \$425,000 for FY 2020/21, which will be split evenly between the Police and Fire pension funds.

VILLAGE OF NORTHBROOK, ILLINOIS

Management's Discussion and Analysis  
April 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued

The FY 2020/21 capital budget includes projects totaling \$8.4 million. This total includes \$2.8 million for water system improvements, \$471,690 for street and parking lot improvements, \$1.7 million for storm water improvements, \$392,200 for sewer improvements, \$457,100 for Senior Housing and \$2.6 for other general fund projects. Additional information on the Village's capital assets can be found in note 3 on of this report.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position  
April 30, 2020

**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.

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position  
April 30, 2020

|                                 | Primary Government      |                          | Component Unit |
|---------------------------------|-------------------------|--------------------------|----------------|
|                                 | Governmental Activities | Business-Type Activities | Public Library |
| <b>ASSETS</b>                   |                         |                          |                |
| Current Assets                  |                         |                          |                |
| Cash and Cash Equivalents       | \$ 46,953,834           | 22,215,425               | 15,785,717     |
| Receivables - Net of Allowances | 15,787,448              | 2,050,098                | 4,090,528      |
| Due from Other Governments      | 1,432,446               | —                        | —              |
| Internal Balances               | 57,928                  | (57,928)                 | —              |
| Prepays                         | 3,312,962               | —                        | 144,885        |
| Total Current Assets            | 67,544,618              | 24,207,595               | 20,021,130     |
| Noncurrent Assets               |                         |                          |                |
| Capital Assets                  |                         |                          |                |
| Land                            | 40,087,223              | 4,803,185                | 35,000         |
| Construction in Progress        | —                       | —                        | 390,844        |
| Artwork                         | —                       | —                        | 3,200          |
| Depreciable Capital Assets      | 137,955,340             | 157,748,665              | 31,588,873     |
| Depreciation                    | (77,804,165)            | (90,813,350)             | (15,938,706)   |
| Total Noncurrent Assets         | 100,238,398             | 71,738,500               | 16,079,211     |
| Total Assets                    | 167,783,016             | 95,946,095               | 36,100,341     |

DEFERRED OUTFLOWS OF RESOURCES

|   |             |            |             |            |
|---|-------------|------------|-------------|------------|
| Deferred Items - IMRF                           | 2,306,599   | 574,235    | 2,880,834   | 812,551    |
| Deferred Items - Police Pension                 | 6,037,386   | —          | 6,037,386   | —          |
| Deferred Items - Firefighters' Pension          | 5,907,852   | —          | 5,907,852   | —          |
| Deferred Items - RBP                            | 631,489     | 74,277     | 705,766     | 7,638      |
| Loss on Refunding                               | 1,511,851   | —          | 1,511,851   | —          |
| Total Deferred Outflows of Resources            | 16,395,177  | 648,512    | 17,043,689  | 820,189    |
| Total Assets and Deferred Outflows of Resources | 184,178,193 | 96,594,607 | 280,772,800 | 36,920,530 |

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

|   | Primary Government      |                          | Component Unit |
|---|-------------------------|--------------------------|----------------|
|   | Governmental Activities | Business-Type Activities | Public Library |
| <b>LIABILITIES</b>                                  |                         |                          |                |
| Current Liabilities                                 |                         |                          |                |
| Accounts Payable                                    | \$ 1,239,954            | 641,537                  | 1,881,491      |
| Retainage Payable                                   | —                       | 90,151                   | 520,514        |
| Accrued Payroll and Related                         | 994,932                 | 8,311                    | 1,003,243      |
| Accrued Interest Payable                            | 958,384                 | 713,608                  | 1,671,992      |
| Deposits Payable                                    | 6,656,007               | 60,045                   | 6,716,052      |
| Due to Other Governments                            | 1,089,972               | —                        | 1,089,972      |
| Current Portion of Long-Term Debt                   | 5,095,738               | 2,216,252                | 7,311,990      |
| Total Current Liabilities                           | 16,034,987              | 3,729,904                | 19,764,891     |
| Noncurrent Liabilities                              |                         |                          |                |
| Compensated Absences Payable                        | 1,286,282               | 141,459                  | 1,427,741      |
| Net Pension Liability - IMRF                        | 3,965,117               | 987,129                  | 4,952,246      |
| Net Pension Liability - Police Pension              | 50,842,827              | —                        | 50,842,827     |
| Net Pension Liability - Firefighters' Pension       | 49,933,828              | —                        | 49,933,828     |
| Total OPEB Liability - RBP                          | 8,397,547               | 987,733                  | 9,385,280      |
| TIF Note Payable                                    | 3,746,511               | —                        | 3,746,511      |
| General Obligation Bonds Payable - Net              | 65,156,738              | 48,079,469               | 113,236,207    |
| Total Noncurrent Liabilities                        | 183,328,850             | 50,195,790               | 233,524,640    |
| Total Liabilities                                   | 199,363,837             | 53,925,694               | 253,289,531    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                         |                          |                |
| Property Taxes                                      | 17,642,691              | —                        | 17,642,691     |
| Deferred Items - IMRF                               | 3,172,322               | 789,759                  | 3,962,081      |
| Deferred Items - Police Pension                     | 2,734,594               | —                        | 2,734,594      |
| Deferred Items - Firefighters' Pension              | 965,449                 | —                        | 965,449        |
| Deferred Items - RBP                                | —                       | —                        | —              |
| Total Deferred Inflows of Resources                 | 24,515,056              | 789,759                  | 25,304,815     |
| Total Liabilities and Deferred Inflows of Resources | 223,878,893             | 54,715,453               | 278,594,346    |
| <b>NET POSITION</b>                                 |                         |                          |                |
| Net Investment in Capital Assets                    | 49,423,846              | 29,463,391               | 78,887,237     |
| Restricted  |                         |                          |                |
| Public Safety                                       | 1,170,835               | —                        | 1,170,835      |
| Tax Increment Financing                             | 561,963                 | —                        | 561,963        |
| Perpetual Care - Nonexpendable                      | 386,515                 | —                        | 386,515        |
| Pension Contribution                                | 23                      | —                        | 23             |
| Capital Projects                                    | 1,338,022               | —                        | 1,338,022      |
| Public Library                                      | —                       | —                        | —              |
| Unrestricted (Deficit)                              | (92,581,904)            | 12,415,763               | (80,166,141)   |
| Total Net Position                                  | (39,700,700)            | 41,879,154               | 2,178,454      |

The 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, 2020

|                                 | Program Revenues |                      |   |
|---------------------------------|------------------|----------------------|---|
|                                 | Expenses         | Charges for Services | Operating Grants/Contributions Capital Grants/Contributions |
| Governmental Activities         |                  |                      |   |
| General Government              | \$ 6,265,531     | 3,495,563            | —   |
| Public Safety                   | 43,018,281       | 5,230,586            | —   |
| Highways and Streets            | 10,438,201       | —                    | —   |
| Interest on Long-Term Debt      | 2,418,422        | —                    | —   |
| Total Governmental Activities   | 62,140,435       | 8,726,149            | 1,545,847   |
| Business-Type Activities        |                  |                      |   |
| Water                           | 7,763,117        | 8,100,203            | —   |
| Sanitary Sewer                  | 1,958,603        | 1,324,162            | 23,230  |
| Senior Housing                  | 783,641          | 886,933              | —   |
| Stormwater Utility              | 2,424,426        | 1,276,535            | —   |
| Parking                         | 213,158          | 161,768              | —   |
| Total Business-Type Activities  | 13,142,945       | 11,749,601           | 158,916   |
| Total Primary Government        | 75,283,380       | 20,475,750           | 1,704,763   |
| Component Unit - Public Library | 8,227,149        | 52,635               | 16,933  |

|                                  |  |
|----------------------------------|--|
| General Revenues                 |  |
| Taxes                            |  |
| Property Taxes                   |  |
| Use Taxes                        |  |
| Auto Rental Taxes                |  |
| Utility Taxes                    |  |
| Telecommunication Taxes          |  |
| Other Taxes                      |  |
| Intergovernmental - Unrestricted |  |
| Sales Taxes                      |  |
| State Income Taxes               |  |
| Interest                         |  |
| Miscellaneous                    |  |
| Total General Revenues           |  |
| Change in Net Position           |  |
| Net Position - Beginning         |  |
| Net Position - Ending            |  |

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

|  | Net (Expenses)/Revenues |   |                               |
|--|-------------------------|---|-------------------------------|
|  | Governmental Activities | Primary Government Business-Type Activities | Component Unit Public Library |
|  |                         | Totals                                      |                               |
|  | (2,769,968)             | —   | (2,769,968)                   |
|  | (37,465,876)            | —   | (37,465,876)                  |
|  | (9,214,173)             | —   | (9,214,173)                   |
|  | (2,418,422)             | —   | (2,418,422)                   |
|  | (51,868,439)            | —   | (51,868,439)                  |
|  | —                       | 472,772                                     | 472,772                       |
|  | —                       | (611,211)                                   | (611,211)                     |
|  | —                       | 103,292                                     | 103,292                       |
|  | —                       | (1,147,891)                                 | (1,147,891)                   |
|  | —                       | (51,390)                                    | (51,390)                      |
|  | —                       | (1,234,428)                                 | (1,234,428)                   |
|  | (51,868,439)            | (1,234,428)                                 | (53,102,867)                  |
|  | —                       | —   | (8,157,581)                   |

|              |            |             |            |
|--------------|------------|-------------|------------|
| 21,093,599   | —          | 21,093,599  | 8,511,289  |
| 1,160,716    | —          | 1,160,716   | —          |
| 4,972        | —          | 4,972       | —          |
| 941,529      | —          | 941,529     | —          |
| 1,817,816    | —          | 1,817,816   | —          |
| 1,358,490    | —          | 1,358,490   | 159,814    |
| 14,986,207   | —          | 14,986,207  | —          |
| 3,262,554    | —          | 3,262,554   | —          |
| 775,778      | 253,464    | 1,029,242   | 194,802    |
| 384,458      | —          | 384,458     | 156,381    |
| 45,786,119   | 253,464    | 46,039,583  | 9,022,286  |
| (6,082,320)  | (980,964)  | (7,063,284) | 864,705    |
| (33,618,380) | 42,860,118 | 9,241,738   | 13,124,182 |
| (39,700,700) | 41,879,154 | 2,178,454   | 13,988,887 |

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

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2020**

|  | General       |
|--|---------------|
| <b>ASSETS</b>  |               |
| Cash and Investments   | \$ 33,011,399 |
| Receivables - Net of Allowances                                    |               |
| Property Taxes   | 4,739,152     |
| Other Taxes  | 2,477,091     |
| Accounts   | 919,154       |
| Due from Other Governments   | 1,292,159     |
| Due from Other Funds   | 57,928        |
| Total Assets   | 42,496,883    |
| <b>LIABILITIES</b>   |               |
| Accounts Payable   | 881,787       |
| Accrued Payroll  | 994,932       |
| Deposits Payable   | 6,378,105     |
| Due to Other Governments   | 117,857       |
| Total Liabilities  | 8,372,681     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |               |
| Property Taxes   | 8,874,061     |
| Total Liabilities and Deferred Inflows of Resources                | 17,246,742    |
| <b>FUND BALANCES</b>   |               |
| Restricted   | 3,635,017     |
| Committed  | —             |
| Assigned   | —             |
| Unassigned   | 21,615,124    |
| Total Fund Balances  | 25,250,141    |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 42,496,883    |

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

| Special Revenue | Debt Service | Capital Projects | Nonmajor  | Totals     |
|-----------------|--------------|------------------|-----------|------------|
| Contribution    |              | Infrastructure   |           |            |
| 23              | 2,281,705    | 8,823,840        | 1,328,361 | 45,445,328 |
| 4,869,955       | 2,591,361    | —                | —         | 12,200,468 |
| —               | —            | 190,735          | —         | 2,667,826  |
| —               | —            | —                | —         | 919,154    |
| —               | —            | 98,378           | —         | 1,390,537  |
| —               | —            | —                | —         | 57,928     |
| 4,869,978       | 4,873,066    | 9,112,953        | 1,328,361 | 62,681,241 |
|                 |              |                  |           |            |
| —               | —            | 313,774          | 1,275     | 1,196,836  |
| —               | —            | —                | —         | 994,932    |
| —               | —            | —                | 277,902   | 6,656,007  |
| 972,115         | —            | —                | —         | 1,089,972  |
| 972,115         | —            | 313,774          | 279,177   | 9,937,747  |
|                 |              |                  |           |            |
| 3,897,840       | 4,870,790    | —                | —         | 17,642,691 |
| 4,869,955       | 4,870,790    | 313,774          | 279,177   | 27,580,438 |
|                 |              |                  |           |            |
| 23              | 2,276        | 2,228,343        | 948,478   | 6,814,137  |
| —               | —            | —                | 100,706   | 100,706    |
| —               | —            | 6,570,836        | —         | 6,570,836  |
| —               | —            | —                | —         | 21,615,124 |
| 23              | 2,276        | 8,799,179        | 1,049,184 | 35,100,803 |
|                 |              |                  |           |            |
| 4,869,978       | 4,873,066    | 9,112,953        | 1,328,361 | 62,681,241 |

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



VILLAGE OF NORTHBROOK, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities  
April 30, 2020

Total Governmental Fund Balances \$ 35,100,803

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.

100,238,398

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Deferred Items - IMRF (865,723)  
Deferred Items - Police Pension 3,302,792  
Deferred Items - Firefighters' Pension 4,942,403  
Deferred Items - RBP 631,489

Internal Service Funds are used by the City to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

4,820,259

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences Payable (1,607,852)  
Net Pension Liability - IMRF (3,965,117)  
Net Pension Liability - Police Pension (50,842,827)  
Net Pension Liability - Firefighters' Pension (49,933,828)  
Total OPEB Liability - RBP (8,397,547)  
General Obligation Bonds Payable - Net (68,419,055)  
TIF Note Payable (3,746,511)  
Accrued Interest Payable (958,384)

Net Position of Governmental Activities

(39,700,700)

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, 2020

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2020

|   | General       |
|---|---------------|
| Revenues  |               |
| Taxes   | \$ 12,510,236 |
| Intergovernmental   | 17,680,360    |
| Licenses and Permits                                      | 5,519,845     |
| Charges for Services                                      | 5,507,335     |
| Fines and Forfeitures                                     | 286,254       |
| Interest  | 471,874       |
| Miscellaneous   | 371,903       |
| Total Revenues  | 42,347,807    |
| Expenditures  |               |
| Current   |               |
| General Government  | 8,404,603     |
| Public Safety   | 27,074,842    |
| Highways and Streets                                      | 7,980,421     |
| Debt Service  | —             |
| Principal Retirement                                      | —             |
| Interest and Fiscal Charges                               | —             |
| Total Expenditures  | 43,459,866    |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,112,059)   |
| Other Financing Sources (Uses)                            |               |
| Debt Issuance   | 2,496,000     |
| Premium on Debt Issuance                                  | 264,394       |
| Payment to Escrow Agent                                   | —             |
| Transfers In  | —             |
| Transfers Out   | (425,000)     |
|   | 2,335,394     |
| Net Change in Fund Balances                               | 1,223,335     |
| Fund Balances - Beginning                                 | 24,026,806    |
| Fund Balances - Ending                                    | 25,250,141    |

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

| Special Revenue Pension Contribution | Debt Service | Capital Projects Infrastructure | Nonmajor  | Totals      |
|--------------------------------------|--------------|---------------------------------|-----------|-------------|
| 7,922,836                            | 4,040,339    | 2,057,927                       | 736,004   | 27,267,342  |
| —                                    | —            | 1,224,028                       | —         | 18,904,388  |
| —                                    | —            | —                               | —         | 5,519,845   |
| —                                    | —            | —                               | —         | 5,507,335   |
| —                                    | —            | —                               | —         | 286,254     |
| —                                    | 95,605       | 160,557                         | 18,726    | 746,762     |
| —                                    | —            | 175                             | 12,380    | 384,458     |
| 7,922,836                            | 4,135,944    | 3,442,687                       | 767,110   | 58,616,384  |
| —                                    | —            | —                               | 27,963    | 8,432,566   |
| 8,347,836                            | —            | —                               | —         | 35,422,678  |
| —                                    | —            | 1,400,713                       | —         | 9,381,134   |
| —                                    | 4,032,106    | —                               | 528,253   | 4,560,359   |
| —                                    | 2,309,491    | —                               | 192,364   | 2,501,855   |
| 8,347,836                            | 6,341,597    | 1,400,713                       | 748,580   | 60,298,592  |
| (425,000)                            | (2,205,653)  | 2,041,974                       | 18,530    | (1,682,208) |
| —                                    | 605,000      | 174,000                         | —         | 3,275,000   |
| —                                    | 78,373       | —                               | —         | 342,767     |
| —                                    | (690,896)    | —                               | —         | (690,896)   |
| 425,000                              | 2,189,958    | —                               | —         | 2,614,958   |
| —                                    | —            | (2,189,958)                     | —         | (2,614,958) |
| 425,000                              | 2,182,435    | (2,015,958)                     | —         | 2,926,871   |
| —                                    | (23,218)     | 26,016                          | 18,530    | 1,244,663   |
| 23                                   | 25,494       | 8,773,163                       | 1,030,654 | 33,856,140  |
| 23                                   | 2,276        | 8,799,179                       | 1,049,184 | 35,100,803  |

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 of the  
Governmental Funds to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended April 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 1,244,663

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                      | 2,996,621   |
| Depreciation Expense                 | (3,944,171) |
| Disposals - Cost                     | (114,094)   |
| Disposals - Accumulated Depreciation | 114,094     |

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

|  |             |
|--|-------------|
| Change in Deferred Items - IMRF                  | (5,427,161) |
| Change in Deferred Items - Police Pension        | 529,707     |
| Change in Deferred Items - Firefighters' Pension | (662,225)   |
| Change in Deferred Items - RBP                   | 533,165     |

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.

|   |             |
|---|-------------|
| Change in Compensated Absences Payable                  | 258,231     |
| Change in Net Pension Liability - IMRF                  | 5,447,628   |
| Change in Net Pension Liability - Police Pension        | (3,602,456) |
| Change in Net Pension Liability - Firefighters' Pension | (3,712,716) |
| Change in Total OPEB Liability - RBP                    | (1,032,604) |
| Retirement of Debt                                      | 4,560,359   |
| Debt Issuance   | (3,275,000) |
| Issuance of Premium on Debt                             | (342,767)   |
| Payment to Escrow Agent                                 | 676,376     |
| Amortization of Debt Related Items                      | 43,936      |
| Change in Accrued Interest Payable                      | 54,017      |

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.

|   |                    |
|---|--------------------|
|   | (427,923)          |
| <b>Changes in Net Position of Governmental Activities</b> | <b>(6,082,320)</b> |

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, 2020

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds  
April 30, 2020

|   | ASSETS        |                |
|---|---------------|----------------|
|   | Water         | Sanitary Sewer |
| Current Assets                                      |               |                |
| Cash and Investments                                | \$ 12,300,559 | 1,214,937      |
| Receivables - Net of Allowances                     |               |                |
| Accounts  | 1,560,640     | 254,373        |
| Due from Other Governments                          | —             | —              |
| Prepays   | —             | —              |
| Total Current Assets                                | 13,861,199    | 1,469,310      |
| Noncurrent Assets                                   |               |                |
| Capital Assets                                      |               |                |
| Nondepreciable Capital Assets                       | 3,580,934     | 104,099        |
| Depreciable Capital Assets                          | 82,511,581    | 18,557,552     |
| Accumulated Depreciation                            | (47,726,965)  | (12,852,248)   |
| Total Noncurrent Assets                             | 38,365,550    | 5,809,403      |
| Total Assets  | 52,226,749    | 7,278,713      |
| DEFERRED OUTFLOWS OF RESOURCES                      |               |                |
| Deferred Items - IMRF                               | 380,167       | 86,958         |
| Deferred Items - RBP                                | 56,330        | 9,687          |
| Total Deferred Outflows of Resources                | 436,497       | 96,645         |
| Total Assets and Deferred Outflows of Resources     | 52,663,246    | 7,375,358      |
| LIABILITIES   |               |                |
| Current Liabilities                                 |               |                |
| Accounts Payable                                    | 482,136       | 60,181         |
| Retainage Payable                                   | 88,050        | —              |
| Accrued Payroll                                     | 4,289         | 4,022          |
| Interest Payable                                    | 360,097       | 64,498         |
| Deposits Payable                                    | —             | —              |
| Due to Other Funds                                  | —             | —              |
| Compensated Absences Payable                        | 24,430        | 4,178          |
| General Obligation Bonds Payable                    | 1,088,477     | 205,603        |
| Total Current Liabilities                           | 2,047,479     | 338,482        |
| Noncurrent Liabilities                              |               |                |
| Compensated Absences Payable                        | 97,716        | 16,714         |
| Net Pension Liability - IMRF                        | 653,520       | 149,483        |
| Total OPEB Liability - RBP                          | 749,079       | 128,819        |
| General Obligation Bonds Payable                    | 22,756,497    | 4,146,451      |
| Total Noncurrent Liabilities                        | 24,256,812    | 4,441,467      |
| Total Liabilities                                   | 26,304,291    | 4,779,949      |
| DEFERRED INFLOWS OF RESOURCES                       |               |                |
| Deferred Items - IMRF                               | 522,853       | 119,595        |
| Total Liabilities and Deferred Inflows of Resources | 26,827,144    | 4,899,544      |
| NET POSITION  |               |                |
| Net Investment in Capital Assets                    |               |                |
| Unrestricted  | 19,081,637    | 2,014,307      |
| Total Net Position                                  | 25,836,102    | 2,475,814      |

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

| Business-Type Activities - Enterprise Funds |                       |                                |              |                     | Governmental<br>Activities |
|---|-----------------------|--------------------------------|--------------|---------------------|----------------------------|
| Senior<br>Housing                           | Stormwater<br>Utility | Nonmajor<br>Revenue<br>Parking | Totals       | Internal<br>Service |                            |
| 1,602,267                                   | 7,088,863             | 8,799                          | 22,215,425   | 1,508,506           |                            |
| —   | 235,085               | —                              | 2,050,098    | —                   |                            |
| —   | —                     | —                              | —            | 41,909              |                            |
| 1,602,267                                   | 7,323,948             | 8,799                          | 24,265,523   | 3,312,962           |                            |
| 308,732                                     | 40,000                | 769,420                        | 4,803,185    | —                   |                            |
| 5,913,955                                   | 49,148,905            | 1,616,672                      | 157,748,665  | —                   |                            |
| (4,020,358)                                 | (24,924,134)          | (1,289,645)                    | (90,813,350) | —                   |                            |
| 2,202,329                                   | 24,264,771            | 1,096,447                      | 71,738,500   | —                   |                            |
| 3,804,596                                   | 31,588,719            | 1,105,246                      | 96,004,023   | 4,863,377           |                            |
| —   | 107,110               | —                              | 574,235      | —                   |                            |
| —   | 8,260                 | —                              | 74,277       | —                   |                            |
| —   | 115,370               | —                              | 648,512      | —                   |                            |
| 3,804,596                                   | 31,704,089            | 1,105,246                      | 96,652,535   | 4,863,377           |                            |
| 46,776                                      | 51,118                | 1,326                          | 641,537      | 43,118              |                            |
| —   | 2,101                 | —                              | 90,151       | —                   |                            |
| —   | —                     | —                              | 8,311        | —                   |                            |
| —   | 289,013               | —                              | 713,608      | —                   |                            |
| 60,045                                      | —                     | —                              | 60,045       | —                   |                            |
| 57,928                                      | —                     | —                              | 57,928       | —                   |                            |
| —   | 6,757                 | —                              | 35,365       | —                   |                            |
| —   | 886,807               | —                              | 2,180,887    | —                   |                            |
| 164,749                                     | 1,235,796             | 1,326                          | 3,787,832    | 43,118              |                            |
| —   | 27,029                | —                              | 141,459      | —                   |                            |
| —   | 184,126               | —                              | 987,129      | —                   |                            |
| —   | 109,835               | —                              | 987,733      | —                   |                            |
| —   | 21,176,521            | —                              | 48,079,469   | —                   |                            |
| —   | 21,497,511            | —                              | 50,195,790   | —                   |                            |
| 164,749                                     | 22,733,307            | 1,326                          | 53,983,622   | 43,118              |                            |
| —   | 147,311               | —                              | 789,759      | —                   |                            |
| 164,749                                     | 22,880,618            | 1,326                          | 54,773,381   | 43,118              |                            |
| 2,202,329                                   | 5,068,671             | 1,096,447                      | 29,463,391   | —                   |                            |
| 1,437,518                                   | 3,754,800             | 7,473                          | 12,415,763   | 4,820,259           |                            |
| 3,639,847                                   | 8,823,471             | 1,103,920                      | 41,879,154   | 4,820,259           |                            |

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, 2020

|                                   | Water        | Sanitary<br>Sewer |
|-----------------------------------|--------------|-------------------|
| Operating Revenues                |              |                   |
| Charges for Services              | \$ 8,100,203 | 1,324,162         |
| Miscellaneous                     | —            | —                 |
| Interfund Services                | —            | —                 |
| Total Operating Revenues          | 8,100,203    | 1,324,162         |
| Operating Expenses                |              |                   |
| Administration                    | 1,938,090    | 583,775           |
| Operations                        | 3,513,957    | 952,893           |
| Depreciation and Amortization     | 1,490,856    | 264,465           |
| Total Operating Expenses          | 6,942,903    | 1,801,133         |
| Operating Income (Loss)           | 1,157,300    | (476,971)         |
| Nonoperating Revenues (Expenses)  |              |                   |
| Interest Income                   | 177,399      | 18,462            |
| Permits/Connection/Recapture Fees | 135,686      | 23,230            |
| Other Income                      | —            | —                 |
| Disposal of Capital Assets        | (7,291)      | —                 |
| Interest Expense                  | (812,923)    | (157,470)         |
|                                   | (507,129)    | (115,778)         |
| Change in Net Position            | 650,171      | (592,749)         |
| Net Position - Beginning          | 25,185,931   | 3,068,563         |
| Net Position - Ending             | 25,836,102   | 2,475,814         |

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

|  | Business-Type Activities - Enterprise Funds |                       |                                | Governmental Activities |                     |
|--|---|-----------------------|--------------------------------|-------------------------|---------------------|
|  | Senior<br>Housing                           | Stormwater<br>Utility | Nonmajor<br>Revenue<br>Parking | Totals                  | Internal<br>Service |
|  | 886,933                                     | 1,276,535             | 152,431                        | 11,740,264              | 1,531,731           |
|  | —   | —                     | 9,337                          | 9,337                   | —                   |
|  | —   | —                     | —                              | —                       | 5,052,145           |
|  | 886,933                                     | 1,276,535             | 161,768                        | 11,749,601              | 6,583,876           |
|  | 144,300                                     | 122,460               | 91,620                         | 2,880,245               | 12,349              |
|  | 521,888                                     | 861,061               | 73,579                         | 5,923,378               | 7,746,237           |
|  | 117,453                                     | 786,786               | 47,959                         | 2,707,519               | —                   |
|  | 783,641                                     | 1,770,307             | 213,158                        | 11,511,142              | 7,758,586           |
|  | 103,292                                     | (493,772)             | (51,390)                       | 238,459                 | (1,174,710)         |
|  | 2,400                                       | 54,994                | 209                            | 253,464                 | 29,016              |
|  | —   | —                     | —                              | 158,916                 | —                   |
|  | —   | —                     | —                              | —                       | 717,771             |
|  | —   | —                     | —                              | (7,291)                 | —                   |
|  | —   | (654,119)             | —                              | (1,624,512)             | —                   |
|  | 2,400                                       | (599,125)             | 209                            | (1,219,423)             | 746,787             |
|  | 105,692                                     | (1,092,897)           | (51,181)                       | (980,964)               | (427,923)           |
|  | 3,534,155                                   | 9,916,368             | 1,155,101                      | 42,860,118              | 5,248,182           |
|  | 3,639,847                                   | 8,823,471             | 1,103,920                      | 41,879,154              | 4,820,259           |

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

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended April 30, 2020**

|   | Water        | Sanitary<br>Sewer |
|---|--------------|-------------------|
| Cash Flows from Operating Activities  |              |                   |
| Receipts from Customers and Users   | \$ 8,294,804 | 1,403,672         |
| Receipts from Interfund Services  | —            | —                 |
| Payments to Employees   | (1,570,025)  | (371,613)         |
| Payments to Suppliers   | (3,695,843)  | (1,119,391)       |
|   | 3,028,936    | (87,332)          |
| Cash Flows from Capital and Related<br>Financing Activities   |              |                   |
| Purchase of Capital Assets  | (3,777,599)  | —                 |
| Disposal of Capital Assets  | (7,291)      | —                 |
| Issuance of Capital Debt  | 4,421,715    | 151,311           |
| Principal Paid on General Obligation Bonds  | (2,899,165)  | (180,142)         |
| Interest Paid on General Obligation Bonds   | (812,923)    | (157,470)         |
|   | (3,075,263)  | (186,301)         |
| Cash Flows from Investing Activities  |              |                   |
| Interest Received   | 177,399      | 18,462            |
| Net Change in Cash and Cash Equivalents   | 131,072      | (255,171)         |
| Cash and Cash Equivalents - Beginning   | 12,169,487   | 1,470,108         |
| Cash and Cash Equivalents - Ending  | 12,300,559   | 1,214,937         |
| Reconciliation of Operating Income to Net Cash<br>Provided (Used) by Operating Activities               |              |                   |
| Operating Income (Loss)   | 1,157,300    | (476,971)         |
| Adjustments to Reconcile Operating Income<br>to Net Cash Provided by<br>(Used in) Operating Activities: |              |                   |
| Other Nonoperating Revenues   | 135,686      | 23,230            |
| Depreciation and Amortization Expense   | 1,490,856    | 264,465           |
| Other Expenses - IMRF and RBP   | 60,083       | 233               |
| (Increase) Decrease in Current Assets   | 58,915       | 56,280            |
| Increase (Decrease) in Current Liabilities  | 126,096      | 45,431            |
| Net Cash Provided by Operating Activities   | 3,028,936    | (87,332)          |

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

| Business-Type Activities - Enterprise Funds | Nonmajor          |                       | Totals             | Governmental<br>Activities<br>Internal<br>Service |
|---|-------------------|-----------------------|--------------------|---|
|   | Senior<br>Housing | Stormwater<br>Utility | Revenue<br>Parking |   |
| 886,933                                     | 1,308,087         | 161,768               | 12,055,264         | —   |
| —   | —                 | —                     | —                  | 6,531,406   |
| (792,261)                                   | (479,778)         | —                     | (2,421,416)        | —   |
| 94,672                                      | (574,609)         | (164,801)             | (6,346,905)        | (7,753,667)                                       |
|   | 253,700           | (3,033)               | 3,286,943          | (1,222,261)                                       |
| —   | (1,130,555)       | —                     | (4,908,154)        | —   |
| —   | —                 | —                     | (7,291)            | —   |
| —   | 2,093,394         | —                     | 6,666,420          | —   |
| —   | (643,240)         | —                     | (3,722,547)        | —   |
| —   | (654,119)         | —                     | (1,624,512)        | —   |
| —   | (334,520)         | —                     | (3,596,084)        | —   |
| 2,400                                       | 54,994            | 209                   | 253,464            | 29,016  |
| 97,072                                      | (25,826)          | (2,824)               | (55,677)           | (1,193,245)                                       |
| 1,505,195                                   | 7,114,689         | 11,623                | 22,271,102         | 2,701,751   |
| 1,602,267                                   | 7,088,863         | 8,799                 | 22,215,425         | 1,508,506   |
| 103,292                                     | (493,772)         | (51,390)              | 238,459            | (1,174,710)                                       |
| —   | —                 | —                     | 158,916            | 717,771   |
| 117,453                                     | 786,786           | 47,959                | 2,707,519          | —   |
| —   | 43,356            | —                     | 103,672            | —   |
| —   | 31,552            | —                     | 146,747            | (770,241)   |
| (126,073)                                   | (114,222)         | 398                   | (68,370)           | 4,919   |
| 94,672                                      | 253,700           | (3,033)               | 3,286,943          | (1,222,261)                                       |

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Fiduciary Net Position  
April 30, 2020

|                                      | Pension<br>Trust |
|--------------------------------------|------------------|
| <b>ASSETS</b>                        |                  |
| Cash and Cash Equivalents            | \$ 4,607,049     |
| Investments                          |                  |
| U.S. Treasury Securities             | 1,771,484        |
| U.S. Agency Securities               | 166,401          |
| Corporate Bonds                      | 32,982,314       |
| Mutual Funds                         | 29,070,775       |
| Common Stock                         | 34,792,301       |
| Illinois Funds                       | 2,663,933        |
| Receivables                          |                  |
| Accrued Interest                     | 275,443          |
| Due from Other Governments           | 1,092,752        |
| Total Assets                         | 107,422,452      |
| <b>LIABILITIES</b>                   |                  |
| Accounts Payable                     | 391              |
| Due to Other Governments             | 41,909           |
| Total Liabilities                    | 42,300           |
| Net Position Restricted for Pensions | 107,380,152      |

**NET POSITION**

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, 2020

|                                      | Pension<br>Trust |
|--------------------------------------|------------------|
| <b>ADDITIONS</b>                     |                  |
| Contributions - Employer             | \$ 8,347,836     |
| Contributions - Plan Members         | 1,470,749        |
| Total Contributions                  | 9,818,585        |
| Investment Income                    |                  |
| Interest Earned                      | 3,044,833        |
| Net Change in Fair Value             | (1,537,720)      |
|                                      | 1,507,113        |
| Less Investment Expenses             | (115,473)        |
| Net Investment Income                | 1,391,640        |
| Miscellaneous Income                 | 783              |
| Total Additions                      | 11,211,008       |
| <b>DEDUCTIONS</b>                    |                  |
| Administration                       | 136,097          |
| Benefits and Refunds                 | 9,582,511        |
| Total Deductions                     | 9,718,608        |
| Change in Fiduciary Net Position     | 1,492,400        |
| Net Position Restricted for Pensions |                  |
| Beginning                            | 105,887,752      |
| Ending                               | 107,380,152      |

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

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020 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.



VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020

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 residents 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 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust). 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

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 and pension trust 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.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued  
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.

Prepays/Inventories

Prepays/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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued  
ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

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 |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020

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.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

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     |
|-----------------------|------------|
| Police Pension        | \$ 216,108 |
| Firefighters' Pension | 142,073    |

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 - Illinois Statutes authorizes 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, Illinois Funds.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Illinois Statutes authorizes the Pension Fund 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 \$40,747,104 and the bank balances totaled \$42,211,325. In addition, the Village had \$28,422,155 invested in the Illinois Funds at year-end, are measured at the net asset value per share determined by the pool.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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 AA-Am 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 or 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, 2020

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:

- No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of U.S. government securities held in safekeeping.
- Funds deposited in financial institutions shall not exceed 25% of the deposits of that institution.
- 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 \$2,540,686 and the bank balances totaled \$2,540,686.

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

| Investment Type          | Fair Value | Investment Maturities (in Years) |           |         |              |         |
|--------------------------|------------|----------------------------------|-----------|---------|--------------|---------|
|                          |            | Less Than 1                      | 1-5       | 6-10    | More Than 10 |         |
| U.S. Treasury Securities | \$ 885,742 | —                                | —         | —       | —            | 885,742 |
| U.S. Agency Securities   | 8,568      | —                                | —         | —       | —            | 8,568   |
| Corporate Bonds          | 16,406,037 | 12,465,845                       | 3,643,384 | 296,808 | —            | —       |
| Illinois Funds           | 654,958    | 654,958                          | —         | —       | —            | —       |
|                          | 17,955,305 | 13,120,803                       | 3,643,384 | 296,808 | —            | 894,310 |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

*Investments - Continued.* The Fund has the following recurring fair value measurements as of April 30, 2020:

|   | Fair Value Measurements Using  |   |  |       |   |
|---|--|---|--|-------|---|
|   | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Inputs<br>Observable<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |       |   |
|   |  |   |  | Total |   |
| Investments by Fair Value Level                   |  |   |  |       |   |
| Debt Securities                                   |  |   |  |       |   |
| U.S. Treasury Securities                          | \$ 885,742   | 885,742   | —  | —     | — |
| U.S. Agency Securities                            | 8,568  | —   | 8,568  | —     | — |
| Corporate Bonds                                   | 16,406,037   | —   | 16,406,037   | —     | — |
| Equity Securities                                 |  |   |  |       |   |
| Mutual Funds                                      | 17,398,583   | 17,398,583  | —  | —     | — |
| Common Stock                                      | 15,505,303   | 15,505,303  | —  | —     | — |
| Total Investments Measured at Fair Value          | 50,204,233   | 33,789,628  | 16,414,605   | —     | — |
| Investments Measured at the Net Asset Value (NAV) |  |   |  |       |   |
| Illinois Funds                                    | 654,958  |   |  |       |   |
| Total Investments Measured at Fair Value          | 50,859,191   |   |  |       |   |

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

*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 not rated, corporate bonds were rated A1 to Baa3 by Standard & Poor's, and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

*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 \$17,398,583 invested in mutual funds and \$15,505,303 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).



**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

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

| Asset Class               | Target | Long-Term<br>Expected Real<br>Return |
|---------------------------|--------|--------------------------------------|
| Fixed Income              | 44.00% | 2.50%                                |
| Equities                  | 55.00% | 10.50%                               |
| Cash and Cash Equivalents | 0%     | 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.

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 2020 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, 2020 are listed in the table above.

**Rate of Return**

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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**

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$2,066,363 and the bank balances totaled \$2,066,363.

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

| Investment Type          | Fair<br>Value | Investment Maturities (in Years) |           |         |                 |         |
|--------------------------|---------------|----------------------------------|-----------|---------|-----------------|---------|
|                          |               | Less Than<br>1                   | 1-5       | 6-10    | More Than<br>10 |         |
| U.S. Treasury Securities | \$ 885,742    | —                                | —         | —       | —               | 885,742 |
| U.S. Agency Securities   | 157,833       | —                                | —         | —       | —               | 157,833 |
| Corporate Bonds          | 16,576,277    | 12,983,820                       | 3,295,649 | 296,808 | —               | —       |
| Illinois Funds           | 2,008,975     | 2,008,975                        | —         | —       | —               | —       |
| Totals                   | 19,628,827    | 14,992,795                       | 3,295,649 | 296,808 | 1,043,575       | —       |

The Fund has the following recurring fair value measurements as of April 30, 2020:

| Investments by Fair Value Level                   | Fair Value Measurements Using                                       |                                |                                     |                        |           |
|---|---|--------------------------------|-------------------------------------|------------------------|-----------|
|   | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets | Significant<br>Other<br>Inputs | Significant<br>Observable<br>Inputs | Unobservable<br>Inputs | (Level 3) |
| Debt Securities                                   |   |                                |                                     |                        |           |
| U.S. Treasury Securities                          | \$ 885,742  | 885,742                        | —                                   | —                      | —         |
| U.S. Agency Securities                            | 157,833   | —                              | 157,833                             | —                      | —         |
| Corporate Bonds                                   | 16,576,277  | —                              | 16,576,277                          | —                      | —         |
| Equity Securities                                 |   |                                |                                     |                        |           |
| Common Stock                                      | 19,286,998  | 19,286,998                     | —                                   | —                      | —         |
| Mutual Funds                                      | 11,672,192  | 11,672,192                     | —                                   | —                      | —         |
| Total Investments Measured at Fair Value          | 48,579,042  | 31,844,932                     | 16,734,110                          | —                      | —         |
| Investments Measured at the Net Asset Value (NAV) |   |                                |                                     |                        |           |
| Illinois Funds                                    | 2,008,975   |                                |                                     |                        |           |
| Total Investments Measured at Fair Value          | 50,588,017  |                                |                                     |                        |           |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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.* 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 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. agency securities were not available.

*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 \$11,672,192 invested in mutual funds and \$19,286,998 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).

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

| Asset Class               | Target | Long-Term<br>Expected Real<br>Return |
|---------------------------|--------|--------------------------------------|
| Fixed Income              | 44%    | 2.5%                                 |
| Equities                  | 55.00% | 10.50%                               |
| Cash and Cash Equivalents | 3.00%  | 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.

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 2020 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, 2020 are listed in the table above.

**Rate of Return**

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.27%. 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 2019 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.

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

|                                      | Beginning<br>Balances | Increases | Decreases | Ending<br>Balances |
|--------------------------------------|-----------------------|-----------|-----------|--------------------|
| Nondepreciable Capital Assets        |                       |           |           |                    |
| Land                                 | \$ 40,087,223         | —         | —         | 40,087,223         |
| Depreciable Capital Assets           |                       |           |           |                    |
| Buildings                            | 20,039,294            | —         | —         | 20,039,294         |
| Equipment and Vehicles               | 12,204,595            | 1,562,758 | 114,094   | 13,653,259         |
| Infrastructure                       | 102,828,924           | 1,433,863 | —         | 104,262,787        |
|                                      | 135,072,813           | 2,996,621 | 114,094   | 137,955,340        |
| Less Accumulated Depreciation        |                       |           |           |                    |
| Buildings                            | 10,210,118            | 434,756   | —         | 10,644,874         |
| Equipment and Vehicles               | 8,800,942             | 786,909   | 114,094   | 9,473,757          |
| Infrastructure                       | 54,963,028            | 2,722,506 | —         | 57,685,534         |
|                                      | 73,974,088            | 3,944,171 | 114,094   | 77,804,165         |
| Total Net Depreciable Capital Assets | 61,098,725            | (947,550) | —         | 60,151,175         |
| Total Net Capital Assets             | 101,185,948           | (947,550) | —         | 100,238,398        |

Depreciation expense was charged to governmental activities as follows:

|                      |                  |
|----------------------|------------------|
| General Government   | \$ 126,399       |
| Public Safety        | 568,973          |
| Highways and Streets | 3,248,799        |
|                      | <u>3,944,171</u> |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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<br>Balances | Increases | Decreases | Ending<br>Balances |
|---------------------------------------|-----------------------|-----------|-----------|--------------------|
| Nondepreciable Capital Assets         |                       |           |           |                    |
| Land                                  | \$ 1,674,404          | —         | —         | 1,674,404          |
| Construction in Progress              | 1,061,281             | 2,067,500 | —         | 3,128,781          |
|                                       | 2,735,685             | 2,067,500 | —         | 4,803,185          |
| Depreciable Capital Assets            |                       |           |           |                    |
| Land Improvements                     | 2,801,513             | —         | —         | 2,801,513          |
| Buildings                             | 21,381,573            | 395,678   | —         | 21,777,251         |
| Equipment and Vehicles                | 17,498,359            | —         | —         | 17,498,359         |
| System Mains, Lines and Appurtenances | 113,314,051           | 2,444,976 | 87,487    | 115,671,540        |
|                                       | 154,995,496           | 2,840,654 | 87,487    | 157,748,663        |
| Less Accumulated Depreciation         |                       |           |           |                    |
| Land Improvements                     | 1,541,059             | 31,236    | —         | 1,572,295          |
| Buildings                             | 13,275,650            | 367,655   | —         | 13,643,305         |
| Equipment and Vehicles                | 12,367,399            | 268,158   | —         | 12,635,557         |
| System Mains, Lines and Appurtenances | 60,827,490            | 2,222,188 | 87,487    | 62,962,191         |
|                                       | 88,011,598            | 2,889,237 | 87,487    | 90,813,348         |
| Total Other Capital Assets            | 66,983,898            | (48,583)  | —         | 66,935,315         |
| Total Capital Assets                  | 69,719,583            | 2,018,917 | —         | 71,738,500         |

Depreciation expense was charged to business-type activities as follows:

|                    |                  |
|--------------------|------------------|
| Water              | \$ 1,602,688     |
| Sanitary Sewer     | 287,341          |
| Senior Housing     | 117,453          |
| Stormwater Utility | 833,797          |
| Revenue Parking    | 47,958           |
|                    | <u>2,889,237</u> |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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<br>Balances | Increases | Decreases | Ending<br>Balances |
|-----------------------------------|-----------------------|-----------|-----------|--------------------|
| Nondepreciable Capital Assets     |                       |           |           |                    |
| Land                              | \$ 35,000             | —         | —         | 35,000             |
| Construction in Progress          | 305,932               | 366,778   | 281,866   | 390,844            |
| Artwork                           | 3,200                 | —         | —         | 3,200              |
|                                   | 344,132               | 366,778   | 281,866   | 429,044            |
| Depreciable Capital Assets        |                       |           |           |                    |
| Buildings and Improvements        | 23,620,497            | 346,558   | —         | 23,967,055         |
| Land Improvements                 | 57,007                | 212,398   | 28,243    | 241,162            |
| Computer Equipment                | 532,423               | 39,734    | 20,270    | 551,887            |
| Office and Other Equipment        | 574,600               | 66,517    | 30,899    | 610,218            |
| Furniture and Shelving            | 1,247,866             | 57,778    | 509       | 1,305,135          |
| Books and Other Library Materials | 5,271,774             | 727,569   | 1,085,927 | 4,913,416          |
|                                   | 31,304,167            | 1,450,554 | 1,165,848 | 31,588,873         |
| Less Accumulated Depreciation     |                       |           |           |                    |
| Buildings and Improvements        | 10,699,298            | 634,612   | —         | 11,333,910         |
| Land Improvements                 | 49,097                | 4,978     | 28,243    | 25,832             |
| Computer Equipment                | 434,021               | 74,340    | 20,270    | 488,091            |
| Office and Other Equipment        | 370,456               | 35,218    | 30,899    | 374,775            |
| Furniture and Shelving            | 893,550               | 37,052    | 509       | 930,093            |
| Books and Other Library Materials | 3,264,371             | 607,561   | 1,085,927 | 2,786,005          |
|                                   | 15,710,793            | 1,393,761 | 1,165,848 | 15,938,706         |
| Total Other Capital Assets        | 15,593,374            | 56,793    | —         | 15,650,167         |
| Total Capital Assets              | 15,937,506            | 423,571   | 281,866   | 16,079,211         |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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 | \$ 57,928 |

Interfund balances are advances in anticipation of receipts.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

| Transfer In           | Transfer Out   | Amount           |
|-----------------------|----------------|------------------|
| Debt Service          | Infrastructure | \$ 2,189,958 (1) |
| Pension Contributions | General        | 425,000 (2)      |
|                       |                | <u>2,614,958</u> |

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<br>Retired by | Beginning<br>Balances | Issuances | Retirement  | Ending<br>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            | \$ 733,696            | —         | 676,376 *   | —                  |
|  | Water                   | 1,826,304             | —         | 1,683,624 * | —                  |
|  |                         |                       |           | 142,680     |                    |

\*- Refunded

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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  | \$ 2,265,000  | —                     | 130,000   | 2,135,000   |
| 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 Water Stormwater Utility                               | 7,521,871<br>743,073<br>495,060                           | —<br>—<br>—           | 1,990,396<br>584,573<br>51,060                  | 5,531,475<br>158,500<br>444,000                           |
| 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 Debt Service Water Sanitary Sewer Stormwater Utility | 4,608,722<br>1,049,744<br>1,095,658<br>521,741<br>839,135 | —<br>—<br>—<br>—<br>— | 190,255<br>43,335<br>45,230<br>21,538<br>34,642 | 4,418,467<br>1,006,409<br>1,050,428<br>500,203<br>804,493 |
| 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 Water Sanitary Sewer Stormwater Utility                | 14,903,000<br>3,832,200<br>1,703,200<br>851,600           | —<br>—<br>—<br>—      | 1,242,500<br>319,500<br>142,000<br>71,000       | 13,660,500<br>3,512,700<br>1,561,200<br>780,600           |
| General Obligation Refunding Bonds of 2015A (\$15,395,000), due in annual installments of \$360,000 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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VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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 Water Sanitary Sewer Stormwater Utility | \$ 3,219,330<br>6,317,430<br>902,490<br>3,030,750 | —<br>—<br>—<br>—                               | —<br>—<br>—<br>—                      | 3,219,330<br>6,317,430<br>902,490<br>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 Water Sanitary Sewer Stormwater Utility | 6,060,800<br>1,166,460<br>181,224<br>11,506,516   | —<br>—<br>—<br>—                               | 236,800<br>45,658<br>7,104<br>450,438 | 5,824,000<br>1,120,802<br>174,120<br>11,056,078 |
| 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 Water Sanitary Sewer Stormwater Utility | 6,104,000<br>7,150,400<br>872,000<br>3,313,600    | —<br>—<br>—<br>—                               | 66,500<br>77,900<br>9,500<br>36,100   | 6,037,500<br>7,072,500<br>862,500<br>3,277,500  |
| 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   | 8,350,000   | —  | 75,000                                | 8,275,000                                       |
| General Obligation Bonds of 2019 (\$9,430,000), due in annual installments of \$300,000 to \$680,000 plus interest at 3.00% to 5.00% through December 1, 2038.     | Debt Service Water Sanitary Sewer Stormwater Utility | —<br>—<br>—<br>—                                  | 3,275,000<br>4,055,000<br>140,000<br>1,960,000 | —<br>—<br>—<br>—                      | 3,275,000<br>4,055,000<br>140,000<br>1,960,000  |
| Plus/Less Unamortized Items:   |  |   |  |                                       |   |
| Premium on General Obligation Bonds - Governmental Activities  |  | 115,415,004                                       | 9,430,000                                      | 8,431,029                             | 116,413,975                                     |
| Premium on General Obligation Bonds - Business-Type Activities   |  |   |  |                                       | 2,298,225                                       |
|  |  |   |  |                                       | 1,479,062                                       |
|  |  |   |  |                                       | 120,191,262                                     |

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VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

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 | Financing            | \$ 4,274,764       | —         | 528,253     | 3,746,511       |

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                       | \$ 1,866,083       | 258,231    | 516,462    | 1,607,852       | 321,570                     |
| Net Pension Liability                      |                    |            |            |                 |                             |
| IMRF                                       | 9,412,745          | —          | 5,447,628  | 3,965,117       | —                           |
| Police Pension                             | 47,240,371         | 3,602,456  | —          | 50,842,827      | —                           |
| Firefighters' Pension                      | 46,221,112         | 3,712,716  | —          | 49,933,828      | —                           |
| Total OPEB Liability - RBP                 | 7,364,943          | 1,032,604  | —          | 8,397,547       | —                           |
| TIF Note Payable                           | 4,274,764          | —          | 528,253    | 3,746,511       | —                           |
| General Obligation Bonds                   | 69,066,163         | 3,275,000  | 4,708,482  | 67,632,681      | 4,774,168                   |
| Plus: Unamortized Premium on Debt Issuance | 2,182,153          | 342,767    | 226,695    | 2,298,225       | —                           |
|  | 187,628,334        | 12,223,774 | 11,427,520 | 188,424,588     | 5,095,738                   |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity - Continued

| Type of Debt                               | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--|--------------------|-----------|------------|-----------------|-----------------------------|
| Business-Type Activities                   |                    |           |            |                 |                             |
| Compensated Absences                       | \$ 157,090         | 39,467    | 19,733     | 176,824         | 35,365                      |
| Net Pension Liability                      |                    |           |            |                 |                             |
| IMRF                                       | 2,195,678          | —         | 1,208,549  | 987,129         | —                           |
| Total OPEB Liability - RBP                 | 892,709            | 95,024    | —          | 987,733         | —                           |
| General Obligation Bonds                   | 46,348,841         | 6,155,000 | 3,722,547  | 48,781,294      | 2,180,887                   |
| Plus: Unamortized Premium on Debt Issuance | 1,142,074          | 511,420   | 174,432    | 1,479,062       | —                           |
|  | 50,736,392         | 6,800,911 | 5,125,261  | 52,412,042      | 2,216,252                   |

|  |            |           |           |            |         |
|--|------------|-----------|-----------|------------|---------|
| Component Unit - Public Library            |            |           |           |            |         |
| Compensated Absences                       | 173,678    | 61,220    | 30,610    | 204,288    | 40,858  |
| Net Pension Liability - IMRF               | 3,203,384  | —         | 1,806,583 | 1,396,801  | —       |
| IMRF                                       | 497,083    | —         | 37,900    | 459,183    | —       |
| Total OPEB Liability - RBP                 | 6,529,993  | 3,825,000 | 258,971   | 10,096,022 | 354,945 |
| General Obligation Bonds                   |            |           |           |            |         |
| Plus: Unamortized Premium on Debt Issuance | 121,877    | 250,418   | 16,238    | 356,057    | —       |
|  | 10,526,015 | 4,136,638 | 2,150,302 | 12,512,351 | 395,803 |

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, and Stormwater Utility 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 OPEB 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 \$2,298,225 and \$1,511,851 for the deferred premium and loss, respectively. The business-type activities are amortizing \$1,479,062 for the deferred premium. These deferred items are being amortized over the remaining life of the bonds.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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:

| Fiscal<br>Year | Governmental Activities     |            | Business-Type Activities    |            | Component Unit Public Library |           |
|----------------|-----------------------------|------------|-----------------------------|------------|-------------------------------|-----------|
|                | General Obligation<br>Bonds |            | General Obligation<br>Bonds |            | General Obligation<br>Bonds   |           |
|                | Principal                   | Interest   | Principal                   | Interest   | Principal                     | Interest  |
| 2021           | \$ 4,774,168                | 2,340,613  | 2,180,887                   | 1,692,346  | 354,945                       | 405,034   |
| 2022           | 4,917,519                   | 2,194,111  | 2,256,400                   | 1,594,459  | 376,077                       | 382,172   |
| 2023           | 3,906,355                   | 2,060,072  | 3,028,645                   | 1,515,543  | 390,000                       | 367,550   |
| 2024           | 4,034,105                   | 1,908,558  | 3,140,895                   | 1,403,768  | 410,000                       | 350,900   |
| 2025           | 4,464,807                   | 1,748,778  | 2,840,193                   | 1,281,660  | 425,000                       | 333,350   |
| 2026           | 4,646,739                   | 1,578,110  | 2,958,261                   | 1,165,204  | 445,000                       | 315,150   |
| 2027           | 4,819,487                   | 1,413,632  | 3,075,513                   | 1,050,676  | 465,000                       | 296,100   |
| 2028           | 4,998,644                   | 1,243,437  | 3,191,357                   | 936,917    | 480,000                       | 276,150   |
| 2029           | 4,497,852                   | 1,083,608  | 3,062,148                   | 832,787    | 505,000                       | 255,600   |
| 2030           | 3,405,081                   | 940,427    | 2,654,919                   | 739,576    | 520,000                       | 236,850   |
| 2031           | 3,462,496                   | 827,472    | 2,577,504                   | 658,535    | 540,000                       | 217,500   |
| 2032           | 3,588,257                   | 709,886    | 2,661,743                   | 578,807    | 560,000                       | 196,425   |
| 2033           | 3,727,822                   | 583,815    | 2,747,178                   | 494,901    | 585,000                       | 173,550   |
| 2034           | 3,548,484                   | 451,115    | 2,821,516                   | 408,297    | 610,000                       | 149,625   |
| 2035           | 3,680,676                   | 322,615    | 2,919,324                   | 316,285    | 635,000                       | 124,650   |
| 2036           | 2,126,673                   | 188,756    | 3,008,327                   | 220,849    | 660,000                       | 58,700    |
| 2037           | 1,923,016                   | 110,907    | 2,181,984                   | 119,248    | 685,000                       | 71,624    |
| 2038           | 1,110,500                   | 39,702     | 1,164,500                   | 45,316     | 715,000                       | 43,500    |
| 2039           | —                           | —          | 310,000                     | 9,300      | 735,000                       | 22,050    |
| Totals         | 67,632,681                  | 19,745,614 | 48,781,294                  | 15,064,474 | 10,096,022                    | 4,276,480 |

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.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Defeased Debt

On November 6, 2019, the Village issued \$9,430,000 par value General Obligation Bond, Series of 2019 to partial refund \$2,360,000 of the General Obligation Bonds of 2010. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfers of the escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by \$216,160 and obtained an economic gain of \$194,583.

NET POSITION - NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2020:

|   |                |
|---|----------------|
| Governmental Activities                                     |                |
| Capital Assets - Net of Accumulated Depreciation            | \$ 100,238,398 |
| Plus:   |                |
| Unspent Bond Proceeds                                       | 3,354,503      |
| Less Capital Related Debt:                                  |                |
| General Obligation Bonds of 2011                            | (2,135,000)    |
| Taxable General Obligation Refunding Bonds of 2012A & 2012B | (5,531,475)    |
| General Obligation Bonds of 2013A                           | (5,424,876)    |
| General Obligation Bonds of 2014A                           | (13,660,500)   |
| General Obligation Bonds of 2015B                           | (3,219,330)    |
| General Obligation Bonds of 2016A                           | (5,824,000)    |
| General Obligation Bonds of 2018A                           | (6,037,500)    |
| General Obligation Bonds of 2018B                           | (8,275,000)    |
| General Obligation Bonds of 2019                            | (3,275,000)    |
| Premium on Debt Issuance                                    | (2,298,225)    |
| Loss on Advanced Refunding                                  | 1,511,851      |
| Net Investment in Capital Assets                            | 49,423,846     |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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            | \$ 71,738,500     |
| Plus: Unspent Bond Proceeds                                 | 7,985,247         |
| Less Capital Related Debt:                                  |                   |
| Taxable General Obligation Refunding Bonds of 2012A & 2012B | (602,500)         |
| General Obligation Bonds of 2013A                           | (2,355,124)       |
| General Obligation Bonds of 2014A                           | (5,854,500)       |
| General Obligation Bonds of 2015B                           | (10,250,670)      |
| General Obligation Bonds of 2016A                           | (12,351,000)      |
| General Obligation Bonds of 2018A                           | (11,212,500)      |
| General Obligation Bonds of 2019                            | (6,155,000)       |
| Premium on Debt Issuance                                    | (1,479,062)       |
| Net Investment in Capital Assets                            | <u>29,463,391</u> |

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, 2020

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<br>Revenue<br>Pension<br>Contribution | Debt<br>Service | Capital<br>Projects |                  | Totals            |
|-------------------------|-------------------|---|-----------------|---------------------|------------------|-------------------|
|                         |                   |   |                 | Infrastructure      | Nonmajor         |                   |
| Fund Balances           |                   |   |                 |                     |                  |                   |
| Restricted              |                   |   |                 |                     |                  |                   |
| Public Safety           | \$ 1,170,835      | —   | —               | —                   | —                | 1,170,835         |
| Capital Projects        | 2,464,182         | —   | —               | 2,228,343           | —                | 4,692,525         |
| Tax Increment Financing | —                 | —   | —               | —                   | 561,963          | 561,963           |
| Perpetual Care Cemetery | —                 | —   | —               | —                   | 386,515          | 386,515           |
| Pension Contribution    | —                 | 23  | —               | —                   | —                | 23                |
| Debt Service            | —                 | —   | 2,276           | —                   | —                | 2,276             |
|                         | <u>3,635,017</u>  | <u>23</u>                                     | <u>2,276</u>    | <u>2,228,343</u>    | <u>948,478</u>   | <u>6,814,137</u>  |
| Committed               |                   |   |                 |                     |                  |                   |
| Traffic Impact          | —                 | —   | —               | —                   | 100,706          | 100,706           |
| Assigned                |                   |   |                 |                     |                  |                   |
| Capital Projects        | —                 | —   | —               | 6,570,836           | —                | 6,570,836         |
| Unassigned              | <u>21,615,124</u> | <u>—</u>                                      | <u>—</u>        | <u>—</u>            | <u>—</u>         | <u>21,615,124</u> |
| Total Fund Balances     | <u>25,250,141</u> | <u>23</u>                                     | <u>2,276</u>    | <u>8,799,179</u>    | <u>1,049,184</u> | <u>35,100,803</u> |



**VILLAGE OF NORTHBROOK, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2020**

**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, 2020**

**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.

**Financial Impact from COVID-19**

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

**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, 2020, the Village will rebate \$96,786 of sales tax to this business. Cumulative payments through April 30, 2020 are \$163,819.

# VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 4 – OTHER INFORMATION – Continued

### 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](http://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 amounts recognized for the pension plans is:

|                       | Pension Expenses  | Net Pension Liabilities | Deferred Outflows | Deferred Inflows |
|-----------------------|-------------------|-------------------------|-------------------|------------------|
| IMRF                  |                   |                         |                   |                  |
| Village               | \$ 1,289,073      | 4,952,246               | 2,880,834         | 3,962,081        |
| Library               | 400,088           | 1,396,801               | 812,551           | 1,117,521        |
| Police Pension        | 7,150,238         | 50,842,827              | 6,037,386         | 2,734,594        |
| Firefighters' Pension | 8,645,288         | 49,933,828              | 5,907,852         | 965,449          |
|                       | <u>17,484,687</u> | <u>107,125,702</u>      | <u>15,638,623</u> | <u>8,779,645</u> |

### 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).

# VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

## NOTE 4 – OTHER INFORMATION - Continued

### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

#### Illinois Municipal Retirement Fund (IMRF) - Continued

#### Plan Descriptions - Continued

*Benefits Provided - Continued.* 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. 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, 2019, the measurement date, the following employees were covered by the benefit terms:

|  |              |
|--|--------------|
| Inactive Plan Members Currently Receiving Benefits               | 224          |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 115          |
| Active Plan Members  | <u>228</u>   |
| Total  | <u>567 *</u> |

\*The employees in the above table include the Northbrook Public Library.

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2020, the Village's contribution was 10.29% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2019. 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, 2019, using the following actuarial methods and assumptions:

|  |                     |  |
|--|---------------------|--|
| Actuarial Cost Method                  | Entry Age<br>Normal |  |
| Asset Valuation Method                 | Market              |  |
| Actuarial Assumptions<br>Interest Rate | 7.25%               |  |
| Salary Increases                       | 3.35% to 14.25%     |  |
| Cost of Living Adjustments             | 2.50%               |  |
| Inflation                              | 2.50%               |  |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Actuarial Assumptions - Continued.* For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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% | 3.25%         |                |
| Domestic Equities         | 37.00% | 5.75%         |                |
| International Equities    | 18.00% | 6.50%         |                |
| Real Estate               | 9.00%  | 5.20%         |                |
| Blended                   | 7.00%  | 3.60% - 7.60% |                |
| Cash and Cash Equivalents | 1.00%  | 1.85%         |                |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, 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<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Village                       | \$ 14,479,803          | 4,952,246                           | (2,926,377)            |
| Library                       | 4,084,088              | 1,396,801                           | (825,396)              |
| Net Pension Liability/(Asset) | 18,563,891             | 6,349,047                           | (3,751,773)            |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Changes in the Net Pension Liability**

|   | Village      | Library     | Totals      |
|---|--------------|-------------|-------------|
| Total Pension Liability                                     |              |             |             |
| Service Cost  | \$ 1,164,403 | 328,425     | 1,492,828   |
| Interest  | 5,397,298    | 1,593,150   | 6,990,448   |
| Differences Between Expected and Actual Experience          | 723,298      | 204,009     | 927,307     |
| Change of Assumptions                                       | —            | —           | —           |
| Benefit Payments, Including Refunds of Member Contributions | (3,718,121)  | (1,048,711) | (4,766,832) |
| Net Change in Total Pension Liability                       | 3,566,878    | 1,076,873   | 4,643,751   |
| Total Pension Liability - Beginning                         | 75,743,973   | 19,403,481  | 95,147,454  |
| Total Pension Liability - Ending                            | 79,310,851   | 20,480,354  | 99,791,205  |

|   |             |             |             |
|---|-------------|-------------|-------------|
| Plan Fiduciary Net Position                                 |             |             |             |
| Contributions - Employer                                    | 1,146,002   | 323,235     | 1,469,237   |
| Contributions - Members                                     | 536,686     | 151,375     | 688,061     |
| Net Investment Income                                       | 11,840,625  | 3,339,697   | 15,180,322  |
| Benefit Payments, Including Refunds of Member Contributions | (3,718,121) | (1,048,711) | (4,766,832) |
| Other (Net Transfer)  | 417,863     | 117,860     | 535,723     |
| Net Change in Plan Fiduciary Net Position                   | 10,223,055  | 2,883,456   | 13,106,511  |
| Plan Net Position - Beginning                               | 64,135,550  | 16,200,097  | 80,335,647  |
| Plan Net Position - Ending                                  | 74,358,605  | 19,083,553  | 93,442,158  |
| Employer's Net Pension Liability                            | 4,952,246   | 1,396,801   | 6,349,047   |

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

For the fiscal year ended April 30, 2020, the Village recognized pension expense of \$1,289,073 and the Northbrook Public Library recognized pension expense of \$400,088.

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

|   | Village                        |                               | Library                        |                               | Totals      |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |             |
| Difference Between Expected and Actual Experience Change in Assumptions | \$ 1,297,922                   | (68,648)                      | 366,084                        | (19,362)                      | 1,575,996   |
| Net Difference Between Projected and Actual                             | 1,099,141                      | (835,080)                     | 310,017                        | (235,538)                     | 338,540     |
| Total Pension Expense to be Recognized in Future Periods                | —                              | (3,058,353)                   | —                              | (862,621)                     | (3,920,974) |
| Pension Contributions Made Subsequent to the Measurement Date           | 2,397,063                      | (3,962,081)                   | 676,101                        | (1,117,521)                   | (2,006,438) |
| Total Deferred Amounts Related to IMRF                                  | 483,771                        | —                             | 136,450                        | —                             | 620,221     |
|   | 2,880,834                      | (3,962,081)                   | 812,551                        | (1,117,521)                   | (1,386,217) |

\$620,221 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, 2021.

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 |           |             |
|-------------|--|-----------|-------------|
|             | Village                                      | Library   | Totals      |
| 2021        | \$ (502,175)                                 | (141,641) | (643,816)   |
| 2022        | (316,702)                                    | (89,327)  | (406,029)   |
| 2023        | 669,002                                      | 188,695   | 857,697     |
| 2024        | (1,415,143)                                  | (399,147) | (1,814,290) |
| 2025        | —  | —         | —           |
| Thereafter  | —  | —         | —           |
| Totals      | (1,565,018)                                  | (441,420) | (2,006,438) |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**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, 2020, 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  | 68  |
| Total  | 137 |

*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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police 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 police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding 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, 2020, the Village's contribution was 57.04% 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, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2020, 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 |
| Adjustments                         | 3.00%                         |
| Inflation                           | 3.00%                         |

Mortality rates were based on the RP-2014 base rates with blue collar adjustment projected from 2013 with scale MP2019 fully generationally.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between 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, 2020

**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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability \$ | 65,484,457             | 50,842,827                          | 38,933,703             |

**Changes in the Net Pension Liability**

|  | Total<br>Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|--|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2019   | \$ 100,107,156                       | 52,866,785                            | 47,240,371                            |
| Changes for the Year:  |                                      |                                       |                                       |
| Service Cost   | 1,811,753                            | —                                     | 1,811,753                             |
| Interest on the Total Pension Liability  | 6,784,816                            | —                                     | 6,784,816                             |
| Changes of Benefit Terms   | 96,993                               | —                                     | 96,993                                |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 1,344,265                            | —                                     | 1,344,265                             |
| Changes of Assumptions   | (310,335)                            | —                                     | (310,335)                             |
| Contributions - Employer   | —                                    | 4,077,489                             | (4,077,489)                           |
| Contributions - Employees  | —                                    | 741,450                               | (741,450)                             |
| Contributions - Others   | —                                    | 129                                   | (129)                                 |
| Net Investment Income  | —                                    | 1,338,989                             | (1,338,989)                           |
| Benefit Payments, Including Refunds of Employee Contributions                    | (5,002,170)                          | (5,002,170)                           | —                                     |
| Other (Net Transfer)   | —                                    | (33,021)                              | 33,021                                |
| Net Changes  | 4,725,322                            | 1,122,866                             | 3,602,456                             |
| Balances at April 30, 2020   | 104,832,478                          | 53,989,651                            | 50,842,827                            |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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, 2020, the Village recognized pension expense of \$7,150,238. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals      |
|--|--------------------------------------|-------------------------------------|-------------|
| Difference Between Expected and Actual Experience                                | \$ 4,552,171                         | (549,338)                           | 4,002,833   |
| Change in Assumptions  | 139,725                              | (2,185,256)                         | (2,045,531) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,345,490                            | —                                   | 1,345,490   |
| Total Deferred Amounts Related to Police Pension                                 | 6,037,386                            | (2,734,594)                         | 3,302,792   |

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<br>Year | Net Deferred<br>Outflows<br>of Resources |
|----------------|--|
| 2021           | \$ 458,460                               |
| 2022           | 757,278                                  |
| 2023           | 1,084,833                                |
| 2024           | 904,671                                  |
| 2025           | 97,550                                   |
| Thereafter     | —  |
| Total          | 3,302,792                                |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020, the measurement date, membership consisted of the following:

|  |     |
|--|-----|
| Inactive Plan Members Currently Receiving Benefits               | 64  |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 7   |
| Active Plan Members  | 70  |
| Total  | 141 |

*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 3percent compounded annually thereafter.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding 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, 2020, the Village's contribution was 57.30% of covered payroll.

*Concentrations.* At year end, the Pension Plan does not have any investments over 5 percent of 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, 2020

**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, 2020, 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 MP2019 fully generationally.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year. 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, 2020

**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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 64,231,849          | 49,933,828                          | 38,244,109             |

**Changes in the Net Pension Liability**

|  | Total<br>Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|--|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2019   | \$ 99,242,079                        | 53,020,967                            | 46,221,112                            |
| Changes for the Year:  |                                      |                                       |                                       |
| Service Cost   | 2,399,593                            | —                                     | 2,399,593                             |
| Interest on the Total Pension Liability  | 6,773,274                            | —                                     | 6,773,274                             |
| Changes of Benefit Terms   | 59,470                               | —                                     | 59,470                                |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 256,928                              | —                                     | 256,928                               |
| Changes of Assumptions   | (723,598)                            | —                                     | (723,598)                             |
| Contributions - Employer   | —                                    | 4,270,347                             | (4,270,347)                           |
| Contributions - Employees  | —                                    | 729,299                               | (729,299)                             |
| Contributions - Other  | —                                    | 654                                   | (654)                                 |
| Net Investment Income  | —                                    | 52,651                                | (52,651)                              |
| Benefit Payments, Including Refunds of Employee Contributions                    | (4,683,417)                          | (4,580,341)                           | (103,076)                             |
| Other (Net Transfer)   | —                                    | (103,076)                             | 103,076                               |
| Net Changes  | 4,082,250                            | 369,534                               | 3,712,716                             |
| Balances at April 30, 2020   | 103,324,329                          | 53,390,501                            | 49,933,828                            |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020, the Village recognized pension expense of \$8,645,288. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals    |
|---|--------------------------------------|-------------------------------------|-----------|
| Difference Between Expected and Actual Experience                                   | \$ 2,059,398                         | (10,257)                            | 2,049,141 |
| Change in Assumptions   | 436,981                              | (955,192)                           | (518,211) |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | 3,411,473                            | —                                   | 3,411,473 |
| Total Deferred Amounts Related to Firefighters' Pension                             | 5,907,852                            | (965,449)                           | 4,942,403 |

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<br>Year | Net Deferred<br>Outflows/<br>(Inflows)<br>of Resources |
|----------------|--|
| 2021           | \$ 1,434,837   |
| 2022           | 1,395,407  |
| 2023           | 1,366,375  |
| 2024           | 796,152  |
| 2025           | (50,368)   |
| Thereafter     | —  |
| Total          | 4,942,403  |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

|  |     |
|--|-----|
| Inactive Plan Members Currently Receiving Benefits               | 64  |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | —   |
| Active Plan Members  | 211 |
| Total  | 275 |

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of April 30, 2019.

*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:

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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                            | 2.91%  |
| Healthcare Cost Trend Rates              | 7.75% for 2020, 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**

|   |                            |
|---|----------------------------|
| Balance at April 30, 2019                         | Total<br>OPEB<br>Liability |
| Changes for the Year:                             |                            |
| Service Cost                                      | 490,868                    |
| Interest on the Total OPEB Liability              | 306,550                    |
| Changes of Benefit Terms                          | —                          |
| Difference Between Expected and Actual Experience | —                          |
| Changes of Assumptions or Other Inputs            | 668,744                    |
| Benefit Payments                                  | (338,534)                  |
| Net Changes                                       | 1,127,628                  |
| Balance at April 30, 2020                         | 9,385,280                  |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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 2.91%, 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<br>(1.91%) | Current<br>Discount Rate<br>(2.91%) | 1% Increase<br>(3.91%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 10,184,169          | 9,385,280                           | 8,644,283              |

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

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, 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:

|                      | 1% Decrease<br>(Varies) | Healthcare<br>Cost Trend<br>Rates<br>(Varies) | 1% Increase<br>(Varies) |
|----------------------|-------------------------|---|-------------------------|
| Total OPEB Liability | \$ 8,374,194            | 9,385,280                                     | 10,567,560              |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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**

For the year ended April 30, 2020, the Village recognized OPEB expense of \$870,637. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals  |
|---|--------------------------------------|-------------------------------------|---------|
| Difference Between Expected<br>and Actual Experience    | \$ —                                 | —                                   | —       |
| Change in Assumptions                                   | 705,766                              | —                                   | 705,766 |
| Net Difference Between<br>Projected and Actual Earnings | —                                    | —                                   | —       |
| Total Deferred Amounts Related to OPEB                  | 705,766                              | —                                   | 705,766 |

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

| Fiscal<br>Year | Net Deferred<br>Outflows/<br>(Inflows) of<br>Resources |
|----------------|--|
| 2021           | \$ 73,219  |
| 2022           | 73,219   |
| 2023           | 73,219   |
| 2024           | 73,219   |
| 2025           | 73,219   |
| Thereafter     | 339,671  |
| Totals         | 705,766  |

**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 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 Benefit Plan
- Budgetary Comparison Schedules
  - 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

Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
April 30, 2020

| Calendar Year |                 | Contributions in Relation to the Actuarially Determined Contribution |                      |                 | Contributions as a Percentage of Covered Payroll |
|---------------|-----------------|--|----------------------|-----------------|--|
|               |                 | Actuarially Determined Contribution                                  | Excess/ (Deficiency) | Covered Payroll |  |
| 2016          | Totals          | \$ 1,742,464   | \$ —                 | \$ 14,040,804   | 12.41%   |
| 2017          | Totals          | 1,736,714  | 5,086                | 14,005,761      | 12.44%   |
| 2018          | Totals          | 1,722,897  | (3,047)              | 14,501,806      | 11.86%   |
| 2019          | Totals          | 1,512,977  | 1,500                | 13,808,244      | 10.97%   |
| 2020          | Village Library | 1,238,532  | —                    | 12,034,457      | 10.29%   |
|               |                 | 349,333  | —                    | 3,394,368       | 10.29%   |
|               | Totals          | 1,587,865  | 1,587,865            | 15,428,825      | 10.29%   |

Notes to the Required Supplementary Information:

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level % Pay (Closed)  |
| Remaining Amortization Period | 24 Years  |
| Asset Valuation Method        | 5-Year Smoothed Market  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.35% - 14.25%  |
| 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-2017 (base year 2015). |

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  
Schedule of Employer Contributions  
April 30, 2020

| Fiscal Year |  | Contributions in Relation to the Actuarially Determined Contribution |                      |                 | Contributions as a Percentage of Covered Payroll |
|-------------|--|--|----------------------|-----------------|--|
|             |  | Actuarially Determined Contribution                                  | Excess/ (Deficiency) | Covered Payroll |  |
| 2015        |  | \$ 1,397,406   | \$ 1,349,585         | \$ 6,259,278    | 21.56%   |
| 2016        |  | 1,545,370  | 1,591,260            | 6,501,228       | 24.48%   |
| 2017        |  | 1,803,482  | 1,965,874            | 6,689,389       | 29.39%   |
| 2018        |  | 2,949,665  | 3,338,429            | 6,906,794       | 48.34%   |
| 2019        |  | 2,998,526  | 3,496,247            | 6,983,385       | 50.07%   |
| 2020        |  | 3,441,988  | 4,077,489            | 7,147,985       | 57.04%   |

Notes to the Required Supplementary Information:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Projected Unit Cost  |
| Amortization Method           | Level % Pay (Closed)   |
| Remaining Amortization Period | 21 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 MP2019 fully generationally |

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

Schedule of Employer Contributions

April 30, 2020

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution |                 | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------|--|
|             |                                     | Contribution Excess/ (Deficiency)                                    | Covered Payroll |  |
| 2015        | \$ 1,419,399                        | \$ 1,332,783   | \$ 6,514,303    | 20.46%   |
| 2016        | 1,571,442                           | 1,565,117  | 6,790,390       | 23.05%   |
| 2017        | 1,748,845                           | 1,880,878  | 7,038,056       | 26.72%   |
| 2018        | 2,814,963                           | 3,492,984  | 8,454,642       | 41.31%   |
| 2019        | 3,387,070                           | 3,707,866  | 7,319,853       | 50.65%   |
| 2020        | 3,802,059                           | 4,270,347  | 7,452,829       | 57.30%   |

Notes to the Required Supplementary Information:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Projected Unit Cost  |
| Amortization Method           | Level % Pay (Closed)   |
| Remaining Amortization Period | 21 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 MP2019 fully generationally |

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

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2020

|  | 12/31/2015    |
|--|---------------|
| Total  |               |
| Total Pension Liability  |               |
| Service Cost   | \$ 1,517,115  |
| Interest   | 5,921,589     |
| Changes in Benefit Terms   |               |
| Differences Between Expected and Actual Experience                         | (31,568)      |
| Change of Assumptions  | 203,074       |
| Benefit Payments, Including Refunds  |               |
| of Member Contributions  | (3,558,811)   |
| Net Change in Total Pension Liability                                      | 4,051,399     |
| Total Pension Liability - Beginning  | 80,080,770    |
| Total Pension Liability - Ending   | 84,132,169    |
| Plan Fiduciary Net Position  |               |
| Contributions - Employer   | \$ 1,742,464  |
| Contributions - Members  | 635,947       |
| Net Investment Income  | 360,389       |
| Benefit Payments, Including Refunds  |               |
| of Member Contributions  | (3,558,811)   |
| Other (Net Transfer)   | 134,664       |
| Net Change in Plan Fiduciary Net Position                                  | (685,347)     |
| Plan Net Position - Beginning  | 72,668,014    |
| Plan Net Position - Ending   | 71,982,667    |
| Employer's Net Pension Liability   | \$ 12,149,502 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 85.56%        |
| Covered Payroll  | \$ 14,040,805 |
| 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.

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2020

| 12/31/2016  | 12/31/2017  | 12/31/2018  | 12/31/2019             | 2015          |
|-------------|-------------|-------------|------------------------|---------------|
| Total       | Total       | Total       | Village Library Totals |               |
| 1,465,389   | 1,471,957   | 1,365,108   | 328,425                | \$ 859,722    |
| 6,145,718   | 6,367,217   | 6,403,605   | 1,593,150              | 4,969,863     |
| (730,264)   | 341,985     | 1,521,338   | 204,009                | —             |
| (310,687)   | (2,883,906) | 2,586,175   | —                      | (176,001)     |
| (3,922,991) | (4,168,350) | (4,637,009) | (1,048,711)            | 10,847,753    |
| 2,647,165   | 1,128,903   | 7,239,217   | 1,076,873              | (3,444,739)   |
| 84,132,169  | 86,779,334  | 87,908,237  | 19,403,481             | 13,056,598    |
| 86,779,334  | 87,908,237  | 95,147,454  | 20,480,354             | 63,845,656    |
|             |             |             |                        | 76,902,254    |
| 1,741,800   | 1,728,897   | 1,718,698   | 323,235                | \$ 1,349,585  |
| 643,263     | 648,391     | 661,091     | 151,375                | 698,545       |
| 4,947,272   | 13,173,257  | (4,571,306) | 3,339,697              | 8,270         |
| (3,922,991) | (4,168,350) | (4,637,009) | (1,048,711)            | 2,950,989     |
| 37,510      | (1,525,729) | 1,878,186   | 117,860                | (3,444,739)   |
| 3,446,854   | 9,856,466   | (4,950,340) | 2,883,456              | (28,367)      |
| 71,982,667  | 75,429,521  | 85,285,987  | 16,200,097             | 1,534,283     |
| 75,429,521  | 85,285,987  | 80,335,647  | 19,083,553             | 44,306,698    |
| 11,349,813  | 2,622,250   | 14,811,807  | 1,396,801              | 45,840,981    |
| 86.92 %     | 97.02 %     | 84.43 %     | 93.76 %                | \$ 31,061,273 |
| 14,005,761  | 14,136,095  | 14,692,892  | 3,360,028              | 59.61%        |
| 81.04 %     | 18.55 %     | 100.81 %    | 41.57 %                | \$ 6,259,278  |
|             |             |             |                        | 496.24%       |

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  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2020

|  | 2016        | 2017        | 2018        | 2019        | 2020        |
|--|-------------|-------------|-------------|-------------|-------------|
| Total Pension Liability  | 1,181,410   | 1,231,694   | 1,317,913   | 1,458,847   | 1,811,753   |
| Service Cost   | 5,439,935   | 6,258,782   | 6,293,068   | 6,403,976   | 6,784,816   |
| Interest   | —           | —           | —           | —           | 96,993      |
| Changes in Benefit Terms   | 1,722,362   | (1,269,954) | (717,081)   | 5,443,091   | 1,344,265   |
| Differences Between Expected and Actual Experience                         | 7,385,822   | 838,321     | (668,120)   | (2,549,363) | (310,335)   |
| Change of Assumptions  | (3,737,336) | (3,933,840) | (4,236,937) | (4,657,688) | (5,002,170) |
| Benefit Payments, Including Refunds of Member Contributions                | 11,992,193  | 3,125,003   | 1,988,843   | 6,098,863   | 4,725,322   |
| Net Change in Total Pension Liability                                      | 76,902,254  | 88,894,447  | 92,019,450  | 94,008,293  | 100,107,156 |
| Total Pension Liability - Beginning  | 88,894,447  | 92,019,450  | 94,008,293  | 100,107,156 | 104,832,478 |
| Total Pension Liability - Ending   | 1,591,260   | 1,965,874   | 3,338,429   | 3,496,247   | 4,077,489   |
| Plan Fiduciary Net Position  | 752,378     | 705,161     | 701,436     | 716,482     | 741,450     |
| Contributions - Employer   | 7,225       | 254,817     | —           | —           | 129         |
| Contributions - Others   | (1,695,870) | 4,302,920   | 4,445,111   | 3,141,841   | 1,338,989   |
| Net Investment Income  | (3,737,336) | (3,933,840) | (4,236,937) | (4,657,688) | (5,002,170) |
| Benefit Payments, Including Refunds of Member Contributions                | (42,357)    | (26,987)    | (43,618)    | (18,744)    | (33,021)    |
| Administrative Expenses  | (3,124,700) | 3,267,945   | 4,204,421   | 2,678,138   | 1,122,866   |
| Net Change in Plan Fiduciary Net Position                                  | 45,840,981  | 42,716,281  | 45,984,226  | 50,188,647  | 52,866,785  |
| Plan Net Position - Beginning  | 42,716,281  | 45,984,226  | 50,188,647  | 52,866,785  | 53,989,651  |
| Plan Net Position - Ending   | 46,178,166  | 46,035,224  | 43,819,646  | 47,240,371  | 50,842,827  |
| Employer's Net Pension Liability   | 48.05%      | 49.97%      | 53.39%      | 52.81%      | 51.50%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 6,501,228   | 6,689,389   | 6,906,794   | 6,983,385   | 7,147,985   |
| Covered Payroll  | 710.30%     | 688.18%     | 634.44%     | 676.47%     | 711.29%     |
| Employer's Net Pension Liability as a Percentage of Covered Payroll        |             |             |             |             |             |

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

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



VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund  
Schedule of Investment Returns  
April 30, 2020

| 2016        | 2017        | 2018        | 2019        | 2020        |
|-------------|-------------|-------------|-------------|-------------|
| 1,499,447   | 1,605,351   | 1,717,726   | 2,113,585   | 2,399,593   |
| 5,225,638   | 5,906,179   | 6,070,520   | 6,207,719   | 6,773,274   |
| —           | —           | —           | —           | 59,470      |
| (523,277)   | 397,050     | 2,393,822   | 806,935     | 256,928     |
| 7,060,087   | 772,971     | (704,211)   | 152,524     | (723,598)   |
| (3,364,422) | (3,538,561) | (3,760,880) | (4,357,815) | (4,683,417) |
| 9,897,473   | 5,142,990   | 5,716,977   | 4,922,948   | 4,082,250   |
| 73,561,691  | 83,459,164  | 88,602,154  | 94,319,131  | 99,242,079  |
| 83,459,164  | 88,602,154  | 94,319,131  | 99,242,079  | 103,324,329 |
| 1,565,117   | 1,880,878   | 3,492,984   | 3,707,866   | 4,270,347   |
| 631,544     | 691,264     | 719,854     | 694,131     | 729,299     |
| —           | 215,297     | 374         | 231         | 654         |
| (2,700,867) | 4,334,250   | 3,594,542   | 2,152,779   | 52,651      |
| (3,364,422) | (3,538,561) | (3,760,880) | (4,357,815) | (4,580,341) |
| (39,690)    | (48,238)    | (133,327)   | (169,522)   | (103,076)   |
| (3,908,318) | 3,534,890   | 3,913,547   | 2,027,670   | 369,534     |
| 47,453,178  | 43,544,860  | 47,079,750  | 50,993,297  | 53,020,967  |
| 43,544,860  | 47,079,750  | 50,993,297  | 53,020,967  | 53,390,501  |
| 39,914,304  | 41,522,404  | 43,325,834  | 46,221,112  | 49,933,828  |
| 52.18%      | 53.14%      | 54.06%      | 53.43%      | 51.67%      |
| 6,790,390   | 7,038,056   | 8,454,642   | 7,319,853   | 7,452,829   |
| 587.81%     | 589.97%     | 512.45%     | 631.45%     | 670.00%     |

| 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%   |
| 2020        | 6.44%   |

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  
Schedule of Investment Returns  
April 30, 2020

| 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%   |
| 2020        | 5.27%   |

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

Retiree Benefit Plan  
Schedule of Changes in the Employer's Total OPEB Liability  
April 30, 2020

|   | 2019       | 2020       |
|---|------------|------------|
| Total OPEB Liability                                    |            |            |
| Service Cost  | \$ 457,714 | 490,868    |
| Interest  | 299,236    | 306,550    |
| Changes in Benefit Terms                                | —          | —          |
| Differences Between Expected and Actual Experience      | —          | —          |
| Change of Assumptions or Other Inputs                   | 121,498    | 668,744    |
| Benefit Payments  | (316,463)  | (338,534)  |
| Net Change in Total OPEB Liability                      | 561,985    | 1,127,628  |
| Total OPEB Liability - Beginning                        | 7,695,667  | 8,257,652  |
| Total OPEB Liability - Ending                           | 8,257,652  | 9,385,280  |
| Covered Payroll   | 20,980,536 | 20,572,727 |
| Total OPEB Liability as a Percentage of Covered Payroll | 39.36%     | 45.62%     |

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 and 2020.

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, 2020

|   | Budget        |            | Actual      |
|---|---------------|------------|-------------|
|   | Original      | Final      |             |
| Revenues  |               |            |             |
| Taxes   | \$ 12,927,870 | 12,927,870 | 12,510,236  |
| Intergovernmental   | 17,412,600    | 17,412,600 | 17,680,360  |
| Licenses and Permits                                      | 6,523,500     | 6,523,500  | 5,519,845   |
| Charges for Services                                      | 5,665,910     | 5,665,910  | 5,507,335   |
| Fines and Forfeitures                                     | 290,500       | 290,500    | 286,254     |
| Interest  | 405,000       | 405,000    | 471,874     |
| Miscellaneous   | 674,000       | 674,000    | 371,903     |
| Total Revenues  | 43,899,380    | 43,899,380 | 42,347,807  |
| Expenditures  |               |            |             |
| General Government  | 8,296,747     | 8,441,644  | 8,404,603   |
| Public Safety   | 27,801,685    | 27,881,985 | 27,074,842  |
| Highways and Streets                                      | 8,281,343     | 8,495,981  | 7,980,421   |
| Total Expenditures  | 44,379,775    | 44,819,610 | 43,459,866  |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (480,395)     | (920,230)  | (1,112,059) |
| Other Financing Sources (Uses)                            |               |            |             |
| Debt Issuance   | 1,037,000     | 1,037,000  | 2,496,000   |
| Premium on Debt Issuance                                  | —             | —          | 264,394     |
| Transfers Out   | (550,605)     | (550,605)  | (425,000)   |
|   | 486,395       | 486,395    | 2,335,394   |
| Net Change In Fund Balance                                | 6,000         | (433,835)  | 1,223,335   |
| Fund Balance - Beginning                                  |               |            | 24,026,806  |
| Fund Balance - Ending                                     |               |            | 25,250,141  |

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
- Consolidated Year-End Financial Report

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**INDIVIDUAL FUND DESCRIPTIONS**

**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.

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**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.

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**CAPITAL PROJECTS FUND**

The Capital Projects Funds are used to 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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**INDIVIDUAL FUND DESCRIPTIONS**

**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.

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**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.

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

|                                  | Budget       |            | Actual     |
|----------------------------------|--------------|------------|------------|
|                                  | Original     | Final      |            |
| <b>Taxes</b>                     |              |            |            |
| Property Taxes                   | \$ 8,055,370 | 8,055,370  | 7,831,606  |
| Township Road and Bridge Taxes   | 480,000      | 480,000    | 562,814    |
| Replacement Taxes                | 342,000      | 342,000    | 493,856    |
| Utility Tax                      | 1,000,000    | 1,000,000  | 941,529    |
| Telecommunication Tax            | 2,000,000    | 2,000,000  | 1,817,816  |
| Admissions and Entertainment Tax | 120,000      | 120,000    | 95,680     |
| Hotel Occupancy Tax              | 925,000      | 925,000    | 761,963    |
| Municipal Auto Rental Tax        | 5,500        | 5,500      | 4,972      |
|                                  | 12,927,870   | 12,927,870 | 12,510,236 |
| <b>Intergovernmental</b>         |              |            |            |
| Sales Taxes                      | 12,925,600   | 12,925,600 | 12,928,280 |
| Cannabis Sales Tax               | —            | —          | 6,991      |
| State Use Tax                    | 1,050,000    | 1,050,000  | 1,160,716  |
| State Income Tax                 | 3,340,000    | 3,340,000  | 3,262,554  |
| Grants                           | 97,000       | 97,000     | 321,819    |
|                                  | 17,412,600   | 17,412,600 | 17,680,360 |
| <b>Licenses and Permits</b>      |              |            |            |
| Licenses                         |              |            |            |
| Animal                           | 22,500       | 22,500     | 22,862     |
| Business/Liquor                  | 350,000      | 350,000    | 305,408    |
| Vehicle                          | 560,000      | 560,000    | 542,581    |
| Permits                          |              |            |            |
| Building                         | 2,225,000    | 2,225,000  | 1,319,765  |
| Retail Sales                     | 1,000        | 1,000      | 720        |
| Alarm                            | 75,000       | 75,000     | 75,912     |
| Fees                             |              |            |            |
| Franchise                        | 800,000      | 800,000    | 755,653    |
| Emergency 911 Surcharge          | 575,000      | 575,000    | 574,110    |
| Foreign Fire Insurance           | 125,000      | 125,000    | 133,851    |
| Ambulance Transportation         | 1,625,000    | 1,625,000  | 1,626,020  |
| Elevator Inspection              | 40,000       | 40,000     | 47,035     |
| Alarm Service                    | 125,000      | 125,000    | 115,578    |
| Warrant Fees                     | —            | —          | 350        |
|                                  | 6,523,500    | 6,523,500  | 5,519,845  |

INDIVIDUAL FUND DESCRIPTIONS

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.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund  
Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2020

|                                       | Budget       |            | Actual<br>Amounts |
|---------------------------------------|--------------|------------|-------------------|
|                                       | Original     | Final      |                   |
| Charges for Services                  |              |            |                   |
| Administrative Services               | \$ 2,587,285 | 2,587,285  | 2,587,285         |
| Plan Commission Fees                  | 30,000       | 30,000     | 35,347            |
| Overtime Reimbursements               | 65,000       | 65,000     | 71,396            |
| State Route Maintenance Reimbursement | 20,000       | 20,000     | 35,318            |
| Reforestation Program                 | 7,000        | 7,000      | 925               |
| Toll Road Emergency Responses         | 1,750        | 1,750      | 2,150             |
| Police Services                       | 131,000      | 131,000    | 153,397           |
| Annexation Fees                       | —            | —          | 750               |
| Antenna Lease Fee                     | 171,000      | 171,000    | 191,105           |
| Miscellaneous                         | 6,375        | 6,375      | 1,820             |
| Red Center                            | 20,000       | 20,000     | 20,000            |
| Northbrook Fire Protection District   | 2,626,500    | 2,626,500  | 2,407,842         |
|                                       | 5,665,910    | 5,665,910  | 5,507,335         |
| Fines and Forfeitures                 |              |            |                   |
| Court Fines                           | 100,000      | 100,000    | 79,004            |
| Drug Forfeitures                      | 20,000       | 20,000     | 57,239            |
| Ordinance Violations                  | 170,500      | 170,500    | 150,011           |
|                                       | 290,500      | 290,500    | 286,254           |
| Interest                              |              |            |                   |
|                                       | 405,000      | 405,000    | 471,874           |
| Miscellaneous                         |              |            |                   |
| Sale of Property                      | 80,000       | 80,000     | 6,486             |
| Miscellaneous                         | 594,000      | 594,000    | 365,417           |
|                                       | 674,000      | 674,000    | 371,903           |
| Total Revenues                        | 43,899,380   | 43,899,380 | 42,347,807        |

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund  
Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

|   | Budget       |           | Actual    |
|---|--------------|-----------|-----------|
|   | Original     | Final     |           |
| General Government                          |              |           |           |
| General Government Department               |              |           |           |
| Personal Services                           | \$ 1,611,729 | 1,611,729 | 1,687,778 |
| Contractual Services                        | 1,305,140    | 1,318,400 | 1,515,789 |
| Commodities                                 | 2,500        | 2,500     | 1,981     |
|   | 2,919,369    | 2,932,629 | 3,205,548 |
| Finance Department                          |              |           |           |
| Personal Services                           | 986,360      | 986,360   | 932,907   |
| Contractual Services                        | 208,923      | 208,923   | 185,517   |
| Commodities                                 | 17,000       | 17,000    | 11,294    |
| Capital Outlay                              | 2,500        | 2,500     | —         |
|   | 1,214,783    | 1,214,783 | 1,129,718 |
| Information Services Department             |              |           |           |
| Personal Services                           | 623,195      | 623,195   | 587,269   |
| Contractual Services                        | 1,045,575    | 1,045,575 | 894,283   |
| Commodities                                 | 500          | 500       | 667       |
| Capital Outlay                              | 285,000      | 386,637   | 388,545   |
|   | 1,954,270    | 2,055,907 | 1,870,764 |
| Development and Planning Service Department |              |           |           |
| Personal Services                           | 1,732,565    | 1,732,565 | 1,770,698 |
| Contractual Services                        | 471,140      | 501,140   | 424,517   |
| Commodities                                 | 3,620        | 3,620     | 1,995     |
| Capital Outlay                              | 1,000        | 1,000     | 1,363     |
|   | 2,208,325    | 2,238,325 | 2,198,573 |
| Total General Government                    | 8,296,747    | 8,441,644 | 8,404,603 |

VILLAGE OF NORTHBROOK, ILLINOIS

**General Fund**  
**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2020**

|                         | Budget            |                   | Actual            |
|-------------------------|-------------------|-------------------|-------------------|
|                         | Original          | Final             |                   |
| Public Safety           |                   |                   |                   |
| Police                  |                   |                   |                   |
| Personal Services       | \$ 12,620,365     | 12,620,365        | 12,736,660        |
| Contractual Services    | 1,495,075         | 1,495,075         | 1,402,142         |
| Commodities             | 496,935           | 496,935           | 370,021           |
| Capital Outlay          | 180,500           | 240,300           | 147,304           |
|                         | <u>14,792,875</u> | <u>14,852,675</u> | <u>14,656,127</u> |
| Fire                    |                   |                   |                   |
| Personal Services       | 10,210,330        | 10,210,330        | 9,895,805         |
| Contractual Services    | 1,360,055         | 1,372,555         | 1,319,599         |
| Commodities             | 518,425           | 526,425           | 458,342           |
| Capital Outlay          | 920,000           | 920,000           | 744,969           |
|                         | <u>13,008,810</u> | <u>13,029,310</u> | <u>12,418,715</u> |
| Total Public Safety     | <u>27,801,685</u> | <u>27,881,985</u> | <u>27,074,842</u> |
| Highways and Streets    |                   |                   |                   |
| Public Works Department |                   |                   |                   |
| Personal Services       | 4,639,340         | 4,639,340         | 4,696,150         |
| Contractual Services    | 1,820,873         | 1,820,873         | 1,629,386         |
| Commodities             | 801,130           | 885,910           | 666,242           |
| Capital Outlay          | 1,020,000         | 1,149,858         | 988,643           |
|                         | <u>8,281,343</u>  | <u>8,495,981</u>  | <u>7,980,421</u>  |
| Total Expenditures      | <u>44,379,775</u> | <u>44,819,610</u> | <u>43,459,866</u> |

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, 2020**

|   | Budget             |                    | Amounts             |
|---|--------------------|--------------------|---------------------|
|   | Original           | Final              |                     |
| Revenues  |                    |                    |                     |
| Taxes   |                    |                    |                     |
| Property Taxes  | \$ 4,157,000       | 4,157,000          | 4,040,339           |
| Interest  | 60,000             | 60,000             | 95,605              |
| Total Revenues  | <u>4,217,000</u>   | <u>4,217,000</u>   | <u>4,135,944</u>    |
| Expenditures  |                    |                    |                     |
| Debt Service  |                    |                    |                     |
| Principal Retirement                                      | 4,032,107          | 4,032,107          | 4,032,106           |
| Interest and Fiscal Charges                               | 2,314,339          | 2,314,339          | 2,309,491           |
| Total Expenditures  | <u>6,346,446</u>   | <u>6,346,446</u>   | <u>6,341,597</u>    |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,129,446)</u> | <u>(2,129,446)</u> | <u>(2,205,653)</u>  |
| Other Financing Sources (Uses)                            |                    |                    |                     |
| Debt Issuance   | —                  | —                  | 605,000             |
| Premium on Debt Issuance                                  | —                  | —                  | 78,373              |
| Payment to Escrow Agent                                   | —                  | —                  | (690,896)           |
| Transfers In  | 2,189,958          | 2,189,958          | 2,189,958           |
|   | <u>2,189,958</u>   | <u>2,189,958</u>   | <u>2,182,435</u>    |
| Net Change in Fund Balance                                | <u>60,512</u>      | <u>60,512</u>      | <u>(23,218)</u>     |
| Fund Balance - Beginning                                  |                    |                    | <u>25,494</u>       |
| Fund Balance - Ending                                     |                    |                    | <u><u>2,276</u></u> |

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, 2020

|   | Budget       |             | Amounts     |
|---|--------------|-------------|-------------|
|   | Original     | Final       |             |
| Revenues  |              |             |             |
| Taxes   |              |             |             |
| Sales Tax   | \$ 2,035,000 | 2,035,000   | 2,057,927   |
| Intergovernmental   |              |             |             |
| Motor Fuel Tax Allotment                                  | 860,000      | 860,000     | 1,224,028   |
| Interest  | 177,000      | 177,000     | 160,557     |
| Miscellaneous   | —            | —           | 175         |
| Total Revenues  | 3,072,000    | 3,072,000   | 3,442,687   |
| Expenditures  |              |             |             |
| Highways and Streets                                      |              |             |             |
| Capital Outlay  | 60,000       | 60,000      | 37,195      |
| Engineering Services                                      | 1,946,500    | 1,996,500   | 1,363,518   |
| Street Improvements                                       | 2,006,500    | 2,056,500   | 1,400,713   |
| Total Expenditures  |              |             |             |
|   | 1,065,500    | 1,015,500   | 2,041,974   |
| Excess (Deficiency) of Revenues Over (Under) Expenditures |              |             |             |
|   |              |             |             |
| Other Financing Sources (Uses)                            |              |             |             |
| Debt Issuance   | 996,500      | 996,500     | 174,000     |
| Transfers In  | 125,605      | 125,605     | —           |
| Transfers Out   | (2,189,958)  | (2,189,958) | (2,189,958) |
|   | (1,067,853)  | (1,067,853) | (2,015,958) |
| Net Change in Fund Balance                                | (2,353)      | (52,353)    | 26,016      |
| Fund Balance - Beginning                                  |              |             | 8,773,163   |
| Fund Balance - Ending                                     |              |             | 8,799,179   |

VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds  
Combining Balance Sheet  
April 30, 2020

|                                     | Special Revenue |                     |                    |  | Totals    |
|-------------------------------------|-----------------|---------------------|--------------------|--|-----------|
|                                     | Traffic Impact  | Increment Financing | Permanent Cemetery |  |           |
| ASSETS                              |                 |                     |                    |  |           |
| Cash and Investments                | \$ 378,608      | 561,963             | 387,790            |  | 1,328,361 |
| LIABILITIES AND FUND BALANCES       |                 |                     |                    |  |           |
| Liabilities                         |                 |                     |                    |  |           |
| Accounts Payable                    | —               | —                   | 1,275              |  | 1,275     |
| Deposits Payable                    | 277,902         | —                   | —                  |  | 277,902   |
| Total Liabilities                   | 277,902         | —                   | 1,275              |  | 279,177   |
| Fund Balances                       |                 |                     |                    |  |           |
| Restricted                          | —               | 561,963             | 386,515            |  | 948,478   |
| Committed                           | 100,706         | —                   | —                  |  | 100,706   |
| Total Fund Balances                 | 100,706         | 561,963             | 386,515            |  | 1,049,184 |
| Total Liabilities and Fund Balances | 378,608         | 561,963             | 387,790            |  | 1,328,361 |



VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2020

|                             | Special Revenue   |                               |          | Permanent<br>Cemetery | Totals    |
|-----------------------------|-------------------|-------------------------------|----------|-----------------------|-----------|
|                             | Traffic<br>Impact | Tax<br>Increment<br>Financing |          |                       |           |
| Revenues                    |                   |                               |          |                       |           |
| Property Tax                | —                 | 736,004                       | —        | —                     | 736,004   |
| Interest                    | 4,670             | 12,098                        | 1,958    | 18,726                | 18,726    |
| Miscellaneous               | —                 | —                             | 12,380   | 12,380                | 12,380    |
| Total Revenues              | 4,670             | 748,102                       | 14,338   | 767,110               | 767,110   |
| Expenditures                |                   |                               |          |                       |           |
| General Government          | —                 | 908                           | 27,055   | 27,963                | 27,963    |
| Debt Service                |                   |                               |          |                       |           |
| Principal Retirement        | —                 | 528,253                       | —        | 528,253               | 528,253   |
| Interest and Fiscal Charges | —                 | 192,364                       | —        | 192,364               | 192,364   |
| Total Expenditures          | —                 | 721,525                       | 27,055   | 748,580               | 748,580   |
| Net Change in Fund Balances | 4,670             | 26,577                        | (12,717) | 18,530                | 18,530    |
| Fund Balances - Beginning   | 96,036            | 535,386                       | 399,232  | 1,030,654             | 1,030,654 |
| Fund Balances - Ending      | 100,706           | 561,963                       | 386,515  | 1,049,184             | 1,049,184 |

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, 2020

|                            | Budget   |          | Actual   |
|----------------------------|----------|----------|----------|
|                            | Original | Final    |          |
| Revenues                   |          |          |          |
| Interest                   | \$ 1,000 | 1,000    | 1,958    |
| Miscellaneous              | 5,000    | 5,000    | 12,380   |
| Total Revenues             | 6,000    | 6,000    | 14,338   |
| Expenditures               |          |          |          |
| General Government         | 27,055   | 27,055   | 27,055   |
| Net Change in Fund Balance | (21,055) | (21,055) | (12,717) |
| Fund Balance - Beginning   |          |          | 399,232  |
| Fund Balance - Ending      |          |          | 386,515  |

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, 2020

|                                   | Budget       |           | Actual     |
|-----------------------------------|--------------|-----------|------------|
|                                   | Original     | Final     |            |
| Operating Revenues                |              |           |            |
| Charges for Services              |              |           |            |
| Water Sales                       | \$ 8,880,000 | 8,880,000 | 8,100,203  |
| Operating Expenses                |              |           |            |
| Administration                    | 1,938,090    | 1,938,090 | 1,938,090  |
| Operations                        | 7,031,788    | 7,041,788 | 3,513,957  |
| Depreciation and Amortization     | —            | —         | 1,490,856  |
| Total Operating Expenses          | 8,969,878    | 8,979,878 | 6,942,903  |
| Operating Income (Loss)           | (89,878)     | (99,878)  | 1,157,300  |
| Nonoperating Revenues (Expenses)  |              |           |            |
| Interest Income                   | 250,000      | 250,000   | 177,399    |
| Permits/Connection/Recapture Fees | 50,000       | 50,000    | 135,686    |
| Other Income                      | 5,000        | 5,000     | —          |
| Disposal of Capital Assets        | —            | —         | (7,291)    |
| Interest Expense                  | (784,938)    | (784,938) | (812,923)  |
|                                   | (479,938)    | (479,938) | (507,129)  |
| Change in Net Position            | (569,816)    | (579,816) | 650,171    |
| Net Position - Beginning          |              |           | 25,185,931 |
| Net Position - Ending             |              |           | 25,836,102 |

VILLAGE OF NORTHBROOK, ILLINOIS

Water - Enterprise Fund  
Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

|                                 | Budget       |             | Actual      |
|---------------------------------|--------------|-------------|-------------|
|                                 | Original     | Final       |             |
| Administration                  |              |             |             |
| Salaries and Wages              | \$ 1,761,590 | 1,761,590   | 1,761,590   |
| Benefits                        | 176,500      | 176,500     | 176,500     |
| Total Administration            | 1,938,090    | 1,938,090   | 1,938,090   |
| Operations                      |              |             |             |
| Personal Services               | 2,372,160    | 2,325,160   | 2,338,558   |
| Contractual Services            | 1,061,785    | 1,118,785   | 931,971     |
| Commodities                     | 204,160      | 204,160     | 133,245     |
| Capital Outlay                  | 7,171,282    | 7,171,282   | 3,887,782   |
|                                 | 10,809,387   | 10,819,387  | 7,291,556   |
| Less Capital Assets Capitalized | (3,777,599)  | (3,777,599) | (3,777,599) |
| Total Operations                | 7,031,788    | 7,041,788   | 3,513,957   |
| Depreciation and Amortization   | —            | —           | 1,490,856   |
| Debt Service                    |              |             |             |
| Principal Retirement            | 1,215,541    | 1,215,541   | 1,215,541   |
| Interest Expense                | 784,938      | 784,938     | 812,923     |
|                                 | 2,000,479    | 2,000,479   | 2,028,464   |
| Less Nonoperating Items         |              |             |             |
| Debt Service                    | (2,000,479)  | (2,000,479) | (2,028,464) |
| Total Debt Service              | —            | —           | —           |
| Total Operating Expenses        | 8,969,878    | 8,979,878   | 6,942,903   |

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, 2020

|                                   | Budget       |           | Actual    |
|-----------------------------------|--------------|-----------|-----------|
|                                   | Original     | Final     |           |
| Operating Revenues                |              |           |           |
| Charges for Services              |              |           |           |
| Sanitary Sewer User Fees          | \$ 1,484,000 | 1,484,000 | 1,324,162 |
| Operating Expenses                |              |           |           |
| Administration                    | 583,775      | 583,775   | 583,775   |
| Operations                        | 1,121,570    | 1,121,570 | 952,893   |
| Depreciation and Amortization     | —            | —         | 264,465   |
| Total Operating Expenses          | 1,705,345    | 1,705,345 | 1,801,133 |
| Operating (Loss)                  | (221,345)    | (221,345) | (476,971) |
| Nonoperating Revenues (Expenses)  |              |           |           |
| Interest Income                   | 30,000       | 30,000    | 18,462    |
| Permits/Connection/Recapture Fees | —            | —         | 23,230    |
| Interest Expense                  | (157,373)    | (157,373) | (157,470) |
|                                   | (127,373)    | (127,373) | (115,778) |
| Change in Net Position            | (348,718)    | (348,718) | (592,749) |
| Net Position - Beginning          |              |           | 3,068,563 |
| Net Position - Ending             |              |           | 2,475,814 |

VILLAGE OF NORTHBROOK, ILLINOIS

Sanitary Sewer - Enterprise Fund  
Scheduling of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

|                               | Budget     |           | Actual    |
|-------------------------------|------------|-----------|-----------|
|                               | Original   | Final     |           |
| Administration                |            |           |           |
| Administrative Services       | \$ 557,000 | 557,000   | 557,000   |
| Charges for Services          | 26,775     | 26,775    | 26,775    |
| Total Administration          | 583,775    | 583,775   | 583,775   |
| Operations                    |            |           |           |
| Personal Services             | 485,575    | 485,575   | 501,031   |
| Contractual Services          | 157,725    | 157,725   | 172,911   |
| Commodities                   | 76,170     | 76,170    | 71,817    |
| Capital Outlay                | 402,100    | 402,100   | 207,134   |
| Total Operations              | 1,121,570  | 1,121,570 | 952,893   |
| Depreciation and Amortization | —          | —         | 264,465   |
| Debt Service                  |            |           |           |
| Principal Retirement          | 180,142    | 180,142   | 180,142   |
| Interest Expense              | 157,373    | 157,373   | 157,470   |
|                               | 337,515    | 337,515   | 337,612   |
| Less Nonoperating Items       |            |           |           |
| Debt Service                  | (337,515)  | (337,515) | (337,612) |
| Total Debt Service            | —          | —         | —         |
| Total Operating Expenses      | 1,705,345  | 1,705,345 | 1,801,133 |

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, 2020

|                               | Budget     |           | Actual    |
|-------------------------------|------------|-----------|-----------|
|                               | Original   | Final     |           |
| Operating Revenues            |            |           |           |
| Charges for Services          |            |           |           |
| Rents                         | \$ 901,860 | 901,860   | 886,933   |
| Operating Expenses            |            |           |           |
| Administration                | 144,300    | 144,300   | 144,300   |
| Operations                    | 900,085    | 900,085   | 521,888   |
| Depreciation and Amortization | —          | —         | 117,453   |
| Total Operating Expenses      | 1,044,385  | 1,044,385 | 783,641   |
| Operating Income (Loss)       | (142,525)  | (142,525) | 103,292   |
| Nonoperating Revenue          |            |           |           |
| Interest Income               | 2,400      | 2,400     | 2,400     |
| Change in Net Position        | (140,125)  | (140,125) | 105,692   |
| Net Position - Beginning      |            |           | 3,534,155 |
| Net Position - Ending         |            |           | 3,639,847 |

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, 2020

|                                  | Budget       |             | Actual      |
|----------------------------------|--------------|-------------|-------------|
|                                  | Original     | Final       |             |
| Operating Revenues               |              |             |             |
| Charges for Services             |              |             |             |
| Stormwater Utility Fees          | \$ 1,420,000 | 1,420,000   | 1,276,535   |
| Operating Expenses               |              |             |             |
| Administration                   | 122,460      | 122,460     | 122,460     |
| Operations                       | 1,786,425    | 1,811,425   | 861,061     |
| Depreciation and Amortization    | —            | —           | 786,786     |
| Total Operating Expenses         | 1,908,885    | 1,933,885   | 1,770,307   |
| Operating (Loss)                 | (488,885)    | (513,885)   | (493,772)   |
| Nonoperating Revenues (Expenses) |              |             |             |
| Interest Income                  | 90,000       | 90,000      | 54,994      |
| Interest Expense                 | (630,204)    | (630,204)   | (654,119)   |
|                                  | (540,204)    | (540,204)   | (599,125)   |
| Change in Net Position           | (1,029,089)  | (1,054,089) | (1,092,897) |
| Net Position - Beginning         |              |             | 9,916,368   |
| Net Position - Ending            |              |             | 8,823,471   |

VILLAGE OF NORTHBROOK, ILLINOIS

Stormwater Utility - Enterprise Fund  
Scheduling of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

|                                 | Budget      |             | Actual      |
|---------------------------------|-------------|-------------|-------------|
|                                 | Original    | Final       |             |
| Administration                  |             |             |             |
| Administrative Services         |             |             |             |
| Charges for Services            | \$ 86,100   | 86,100      | 86,100      |
|                                 | 36,360      | 36,360      | 36,360      |
| Total Administration            | 122,460     | 122,460     | 122,460     |
| Operations                      |             |             |             |
| Personal Services               | 483,480     | 483,480     | 645,335     |
| Contractual Services            | 261,100     | 286,100     | 246,186     |
| Commodities                     | 26,400      | 26,400      | 29,829      |
| Capital Outlay                  | 2,146,000   | 2,146,000   | 1,070,266   |
|                                 | 2,916,980   | 2,941,980   | 1,991,616   |
| Less Capital Assets Capitalized | (1,130,555) | (1,130,555) | (1,130,555) |
| Total Operations                | 1,786,425   | 1,811,425   | 861,061     |
| Depreciation and Amortization   | —           | —           | 786,786     |
| Debt Service                    |             |             |             |
| Principal Retirement            | 643,239     | 643,239     | 643,240     |
| Interest Expense                | 630,204     | 630,204     | 654,119     |
|                                 | 1,273,443   | 1,273,443   | 1,297,359   |
| Less Nonoperating Items         |             |             |             |
| Debt Service                    | (1,273,443) | (1,273,443) | (1,297,359) |
| Total Debt Service              | —           | —           | —           |
| Total Operating Expenses        | 1,908,885   | 1,933,885   | 1,770,307   |

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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, 2020

|                               | Budget     |         | Actual    |
|-------------------------------|------------|---------|-----------|
|                               | Original   | Final   |           |
| Operating Revenues            |            |         |           |
| Charges for Services          | \$ 168,100 | 168,100 | 152,431   |
| Parking Fees                  | 7,640      | 7,640   | 9,337     |
| Miscellaneous                 | 175,740    | 175,740 | 161,768   |
| Total Operating Revenues      |            |         |           |
| Operating Expenses            |            |         |           |
| Administration                | 91,620     | 91,620  | 91,620    |
| Operations                    | 83,420     | 83,420  | 73,579    |
| Depreciation and Amortization | —          | —       | 47,959    |
| Total Operating Expenses      | 175,040    | 175,040 | 213,158   |
| Operating Income (Loss)       | 700        | 700     | (51,390)  |
| Nonoperating Revenue          |            |         |           |
| Interest Income               | 100        | 100     | 209       |
| Change in Net Position        | 800        | 800     | (51,181)  |
| Net Position - Beginning      |            |         | 1,155,101 |
| Net Position - Ending         |            |         | 1,103,920 |

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VILLAGE OF NORTHBROOK, ILLINOIS

Revenue Parking - Enterprise Fund  
Scheduling of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2020

|                          | Budget    |         | Actual  |
|--------------------------|-----------|---------|---------|
|                          | Original  | Final   |         |
| Administration           |           |         |         |
| Administrative Services  |           |         |         |
| Charges for Services     | \$ 88,575 | 88,575  | 88,575  |
|                          | 3,045     | 3,045   | 3,045   |
| Total Administration     | 91,620    | 91,620  | 91,620  |
| Operations               |           |         |         |
| Contractual Services     | 81,370    | 81,370  | 71,161  |
| Commodities              | 2,050     | 2,050   | 2,418   |
| Total Operations         | 83,420    | 83,420  | 73,579  |
| Depreciation             | —         | —       | 47,959  |
| Total Operating Expenses | 175,040   | 175,040 | 213,158 |

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, 2020

|                            | Budget       |             | Actual      |
|----------------------------|--------------|-------------|-------------|
|                            | Original     | Final       |             |
| Operating Revenues         |              |             |             |
| Charges for Services       | \$ 5,055,445 | 5,055,445   | 5,052,145   |
| Billing                    | 1,430,000    | 1,430,000   | 1,531,731   |
| Member Contributions       |              |             |             |
| Total Operating Revenues   | 6,485,445    | 6,485,445   | 6,583,876   |
| Operating Expenses         |              |             |             |
| Administration             |              |             |             |
| Claims Administration Fees | 25,000       | 25,000      | 12,349      |
| Operations                 |              |             |             |
| Insurance                  | 8,085,000    | 8,085,000   | 7,716,772   |
| Claims                     | 80,000       | 80,000      | 29,465      |
| Total Operating Expenses   | 8,190,000    | 8,190,000   | 7,758,586   |
| Operating (Loss)           | (1,704,555)  | (1,704,555) | (1,174,710) |
| Nonoperating Revenues      |              |             |             |
| Interest Income            | 30,000       | 30,000      | 29,016      |
| Other Income               | 85,000       | 85,000      | 717,771     |
|                            | 115,000      | 115,000     | 746,787     |
| Change in Net Position     | (1,589,555)  | (1,589,555) | (427,923)   |
| Net Position - Beginning   |              |             | 5,248,182   |
| Net Position - Ending      |              |             | 4,820,259   |

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds  
Combining Statement of Fiduciary Net Position  
April 30, 2020

|                                      | Police<br>Pension | Firefighters'<br>Pension | Totals      |
|--------------------------------------|-------------------|--------------------------|-------------|
| <b>ASSETS</b>                        |                   |                          |             |
| Cash and Cash Equivalents            | \$ 2,540,686      | 2,066,363                | 4,607,049   |
| Investments                          |                   |                          |             |
| U.S. Treasury Securities             | 885,742           | 885,742                  | 1,771,484   |
| U.S. Agency Securities               | 8,568             | 157,833                  | 166,401     |
| Corporate Bonds                      | 16,406,037        | 16,576,277               | 32,982,314  |
| Mutual Funds                         | 17,398,583        | 11,672,192               | 29,070,775  |
| Common Stock                         | 15,505,303        | 19,286,998               | 34,792,301  |
| Illinois Funds                       | 654,958           | 2,008,975                | 2,663,933   |
| Receivables                          |                   |                          |             |
| Accrued Interest                     | 136,785           | 138,658                  | 275,443     |
| Due from Other Governments           | 471,436           | 621,316                  | 1,092,752   |
| Total Assets                         | 54,008,098        | 53,414,354               | 107,422,452 |
| <b>LIABILITIES</b>                   |                   |                          |             |
| Accounts Payable                     | —                 | 391                      | 391         |
| Due to Other Governments             | 18,447            | 23,462                   | 41,909      |
| Total Liabilities                    | 18,447            | 23,853                   | 42,300      |
| <b>NET POSITION</b>                  |                   |                          |             |
| Net Position Restricted for Pensions | 53,989,651        | 53,390,501               | 107,380,152 |

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

|                                      | Police<br>Pension | Firefighters'<br>Pension | Totals      |
|--------------------------------------|-------------------|--------------------------|-------------|
| <b>Additions</b>                     |                   |                          |             |
| Contributions - Employer             | \$ 4,077,489      | 4,270,347                | 8,347,836   |
| Contributions - Plan Members         | 741,450           | 729,299                  | 1,470,749   |
| Total Contributions                  | 4,818,939         | 4,999,646                | 9,818,585   |
| Investment Earnings                  |                   |                          |             |
| Interest Earned                      | 1,416,244         | 1,628,589                | 3,044,833   |
| Net Change in Fair Value             | (25,538)          | (1,512,182)              | (1,537,720) |
| Less Investment Expenses             | 1,390,706         | 116,407                  | 1,507,113   |
| Net Investment Income                | (51,717)          | (63,756,00)              | (115,473)   |
|                                      | 1,338,989         | 52,651                   | 1,391,640   |
| Miscellaneous Income                 | 129               | 654                      | 783         |
| Total Additions                      | 6,158,057         | 5,052,951                | 11,211,008  |
| <b>Deductions</b>                    |                   |                          |             |
| Administration                       | 33,021            | 103,076                  | 136,097     |
| Benefits and Refunds                 | 5,002,170         | 4,580,341                | 9,582,511   |
| Total Deductions                     | 5,035,191         | 4,683,417                | 9,718,608   |
| Change in Fiduciary Net Position     | 1,122,866         | 369,534                  | 1,492,400   |
| Net Position Restricted for Pensions |                   |                          |             |
| Beginning                            | 52,866,785        | 53,020,967               | 105,887,752 |
| Ending                               | 53,989,651        | 53,390,501               | 107,380,152 |

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

|                                      | Budget       |           | Actual     |
|--------------------------------------|--------------|-----------|------------|
|                                      | Original     | Final     |            |
| Additions                            |              |           |            |
| Contributions - Employer             | \$ 3,851,442 | 3,851,442 | 4,077,489  |
| Contributions - Plan Members         | 740,000      | 740,000   | 741,450    |
| Total Contributions                  | 4,591,442    | 4,591,442 | 4,818,939  |
| Investment Earnings                  |              |           |            |
| Interest Earned                      | 2,000,000    | 2,000,000 | 1,416,244  |
| Net Change in Fair Value             | —            | —         | (25,538)   |
| Less Investment Expenses             | 2,000,000    | 2,000,000 | 1,390,706  |
| Net Investment Income                | —            | —         | (51,717)   |
| Miscellaneous Income                 | —            | —         | 1,338,989  |
| Total Additions                      | 6,591,442    | 6,591,442 | 6,158,057  |
| Deductions                           |              |           |            |
| Administration                       | 78,800       | 78,800    | 33,021     |
| Benefits and Refunds                 | 4,792,000    | 4,792,000 | 5,002,170  |
| Total Deductions                     | 4,870,800    | 4,870,800 | 5,035,191  |
| Change in Fiduciary Net Position     | 1,720,642    | 1,720,642 | 1,122,866  |
| Net Position Restricted for Pensions |              |           |            |
| Beginning                            |              |           | 52,866,785 |
| Ending                               |              |           | 53,989,651 |

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

|                                      | Budget       |           | Actual      |
|--------------------------------------|--------------|-----------|-------------|
|                                      | Original     | Final     |             |
| Additions                            |              |           |             |
| Contributions - Employer             | \$ 3,916,940 | 3,916,940 | 4,270,347   |
| Contributions - Plan Members         | 740,000      | 740,000   | 729,299     |
| Total Contributions                  | 4,656,940    | 4,656,940 | 4,999,646   |
| Investment Earnings                  |              |           |             |
| Interest Earned                      | 2,000,000    | 2,000,000 | 1,628,589   |
| Net Change in Fair Value             | —            | —         | (1,512,182) |
| Less Investment Expenses             | 2,000,000    | 2,000,000 | 116,407     |
| Net Investment Income                | —            | —         | (63,756)    |
| Miscellaneous Income                 | 2,000,000    | 2,000,000 | 52,651      |
| Total Additions                      | 6,656,940    | 6,656,940 | 5,052,951   |
| Deductions                           |              |           |             |
| Administration                       | 258,000      | 258,000   | 103,076     |
| Benefits and Refunds                 | 4,347,100    | 4,347,100 | 4,580,341   |
| Total Deductions                     | 4,605,100    | 4,605,100 | 4,683,417   |
| Change in Fiduciary Net Position     | 2,051,840    | 2,051,840 | 369,534     |
| Net Position Restricted for Pensions |              |           |             |
| Beginning                            |              |           | 53,020,967  |
| Ending                               |              |           | 53,390,501  |





**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**

October 7, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 7, 2020. Our report includes a reference to other auditors who audited the financial statements of Northbrook Public Library, a discretely component unit or the Police Pension Trust Fund, as described in our report on the Village's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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.

| CSFA #      | Program Name                        | State      | Federal | Other      | Total      |
|-------------|-------------------------------------|------------|---------|------------|------------|
| 493-60-1652 | NG9-1-1 Expenses Grant Program      | \$ 193,941 | —       | —          | 193,941    |
| 494-00-1488 | Motor Fuel Tax Program              | 778,494    | —       | —          | 778,494    |
|             | State and Community Highway Safety/ |            |         |            |            |
| 494-10-0343 | National Priority Safety Program    | 58,432     | —       | —          | 58,432     |
|             | Other Grant Programs and Activities | —          | 54,995  | 9,750      | 64,745     |
|             | All Other Costs Not Allocated       | —          | —       | 74,187,768 | 74,187,768 |
|             |                                     | 1,030,867  | 54,995  | 74,197,518 | 75,283,380 |

**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*  
LAUTERBACH & AMEN, LLP

**SUPPLEMENTAL SCHEDULES**

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Long-Term Debt Requirements  
General Obligation Bonds of 2011  
April 30, 2020**

|                         |                             |
|-------------------------|-----------------------------|
| Date of Issue           | November 22, 2011           |
| Date of Maturity        | December 1, 2032            |
| Authorized Issue        | \$3,000,000                 |
| Denomination of Bonds   | \$5,000                     |
| Interest Rate           | 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           |
|-------------|------------------|------------------------|------------------|
| 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          |
|             | <u>2,135,000</u> | <u>559,157</u>         | <u>2,694,157</u> |
|             | <u>2,135,000</u> | General Long-Term Debt |                  |

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Long-Term Debt Requirements  
Taxable General Obligation Refunding Bonds of 2012A and 2012B  
April 30, 2020**

|                         |                             |
|-------------------------|-----------------------------|
| 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           |
|-------------|------------------|-------------------------|------------------|
| 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          |
| 2028        | 135,001          | 2,700                   | 137,701          |
|             | <u>6,133,975</u> | <u>241,060</u>          | <u>6,375,035</u> |
|             | 5,531,475        | General Long-Term Debt  |                  |
|             | 158,500          | Water Fund              |                  |
|             | <u>444,000</u>   | Stormwater Utility Fund |                  |
|             | <u>6,133,975</u> |                         |                  |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Bonds of 2013A  
April 30, 2020

|                         |                             |
|-------------------------|-----------------------------|
| 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            |
|-------------|------------------|-------------------------|-------------------|
| 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           |
|             | <u>7,780,000</u> | <u>3,211,981</u>        | <u>10,991,981</u> |
|             | 5,424,876        | General Long-Term Debt  |                   |
|             | 1,050,428        | Water Fund              |                   |
|             | 500,203          | Sanitary Sewer Fund     |                   |
|             | 804,493          | Stormwater Utility Fund |                   |
|             | <u>7,780,000</u> |                         |                   |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Bonds of 2014A  
April 30, 2020

|                         |                             |
|-------------------------|-----------------------------|
| 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            |
|-------------|-------------------|-------------------------|-------------------|
| 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         |
|             | <u>19,515,000</u> | <u>3,917,450</u>        | <u>23,432,450</u> |
|             | 13,660,500        | General Long-Term Debt  |                   |
|             | 3,512,700         | Water Fund              |                   |
|             | 1,561,200         | Sanitary Sewer Fund     |                   |
|             | 780,600           | Stormwater Utility Fund |                   |
|             | <u>19,515,000</u> |                         |                   |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Refunding Bonds of 2015A  
April 30, 2020

|                         |                             |
|-------------------------|-----------------------------|
| Date of Issue           | January 13, 2015            |
| Date of Maturity        | December 1, 2034            |
| Authorized Issue        | \$15,395,000                |
| Denomination of Bonds   | \$5,000                     |
| Interest Rate           | 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     |
|-------------|------------|------------------------|------------|
| 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 | 5,042,832              | 19,292,832 |
|             | 14,250,000 | General Long-Term Debt |            |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Bonds of 2015B  
April 30, 2020

|                         |                             |
|-------------------------|-----------------------------|
| 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     |
|-------------|------------|-------------------------|------------|
| 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 | 4,529,787               | 17,999,787 |
|             | 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, 2020

|                         |                             |
|-------------------------|-----------------------------|
| 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     |
|-------------|------------|-------------------------|------------|
| 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  |
|             | 18,175,000 | 5,317,799               | 23,492,799 |
|             | 5,824,000  | General Long-Term Debt  |            |
|             | 1,120,802  | Water Fund              |            |
|             | 174,120    | Sanitary Sewer Fund     |            |
|             | 11,056,078 | Stormwater Utility Fund |            |
|             | 18,175,000 |                         |            |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Bonds of 2018A  
April 30, 2020

|                         |                             |
|-------------------------|-----------------------------|
| 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     |
|-------------|------------|-------------------------|------------|
| 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  |
|             | 17,250,000 | 5,858,588               | 23,108,588 |
|             | 6,037,500  | General Long-Term Debt  |            |
|             | 7,072,500  | Water Fund              |            |
|             | 862,500    | Sanitary Sewer Fund     |            |
|             | 3,277,500  | Stormwater Utility Fund |            |
|             | 17,250,000 |                         |            |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Bonds of 2018B  
April 30, 2020

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest               | Totals     |
|-------------|-----------|------------------------|------------|
| 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    |
|             | 8,275,000 | 3,137,635              | 11,412,635 |
|             | 8,275,000 | General Long-Term Debt |            |

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements  
General Obligation Bonds of 2019  
April 30, 2020

|                                    |   |
|------------------------------------|---|
| Date of Issue                      | November 6, 2019                          |
| Date of Maturity                   | December 1, 2038                          |
| Authorized Issue                   | \$9,430,000                               |
| Denomination of Bonds              | \$5,000                                   |
| Interest Rate                      | 3.00% - 5.00%                             |
| Interest Dates                     | June 1 and December 1                     |
| Principal Maturity Date Payable at | December 1<br>Amalgamated Bank of Chicago |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal  | Interest                | Totals     |
|-------------|------------|-------------------------|------------|
| 2021        | \$ 530,000 | 400,399                 | 930,399    |
| 2022        | 555,000    | 347,900                 | 902,900    |
| 2023        | 575,000    | 320,150                 | 895,150    |
| 2024        | 585,000    | 291,400                 | 876,400    |
| 2025        | 540,000    | 262,150                 | 802,150    |
| 2026        | 565,000    | 235,150                 | 800,150    |
| 2027        | 600,000    | 206,900                 | 806,900    |
| 2028        | 625,000    | 176,900                 | 801,900    |
| 2029        | 660,000    | 145,650                 | 805,650    |
| 2030        | 680,000    | 125,850                 | 805,850    |
| 2031        | 440,000    | 105,450                 | 545,450    |
| 2032        | 450,000    | 92,250                  | 542,250    |
| 2033        | 470,000    | 78,750                  | 548,750    |
| 2034        | 480,000    | 64,650                  | 544,650    |
| 2035        | 495,000    | 50,250                  | 545,250    |
| 2036        | 280,000    | 35,400                  | 315,400    |
| 2037        | 290,000    | 27,000                  | 317,000    |
| 2038        | 300,000    | 18,300                  | 318,300    |
| 2039        | 310,000    | 9,300                   | 319,300    |
|             | 9,430,000  | 2,993,799               | 12,423,799 |
|             | 3,275,000  | General Long-Term Debt  |            |
|             | 4,055,000  | Water Fund              |            |
|             | 140,000    | Sanitary Sewer Fund     |            |
|             | 1,960,000  | Stormwater Utility Fund |            |
|             | 9,430,000  |                         |            |

**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 government'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.

**See Following Page**



VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years\*  
April 30, 2020 (Unaudited)

|   | 2011          | 2012        | 2013        |
|---|---------------|-------------|-------------|
| Governmental Activities                     |               |             |             |
| Net Investment in Capital Assets            | \$ 62,098,299 | 60,405,834  | 54,761,060  |
| Restricted                                  | 8,632,065     | 10,308,453  | 6,780,111   |
| Unrestricted                                | 20,589,595    | 16,780,393  | 16,939,446  |
| Total Governmental Activities Net Position  | 91,319,959    | 87,494,680  | 78,480,617  |
| Business-Type Activities                    |               |             |             |
| Net Investment in Capital Assets            | 28,366,798    | 29,833,970  | 39,969,558  |
| Unrestricted                                | 6,512,590     | 4,447,398   | 6,225,075   |
| Total Business-Type Activities Net Position | 34,879,388    | 34,281,368  | 46,194,633  |
| Primary Government                          |               |             |             |
| Net Investment in Capital Assets            | 90,465,097    | 90,239,804  | 94,730,618  |
| Restricted                                  | 8,632,065     | 10,308,453  | 6,780,111   |
| Unrestricted                                | 27,102,185    | 21,227,791  | 23,164,521  |
| Total Primary Government Net Position       | 126,199,347   | 121,776,048 | 124,675,250 |

\* Accrual Basis of Accounting

Data Source: Village Records

|   | 2014        | 2015        | 2016         | 2017         | 2018         | 2019         | 2020         |
|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Governmental Activities                     |             |             |              |              |              |              |              |
| Net Investment in Capital Assets            | 54,811,717  | 53,968,132  | 51,908,848   | 52,296,658   | 49,228,665   | 48,427,345   | 49,423,846   |
| Restricted                                  | 6,465,042   | 7,122,879   | 735,777      | 910,914      | 1,661,902    | 2,331,081    | 3,457,358    |
| Unrestricted                                | 20,410,579  | 23,727,436  | (51,798,127) | (65,705,520) | (72,615,522) | (84,376,806) | (92,581,904) |
| Total Governmental Activities Net Position  | 81,687,338  | 84,818,447  | 846,498      | (12,497,948) | (21,724,955) | (33,618,380) | (39,700,700) |
| Business-Type Activities                    |             |             |              |              |              |              |              |
| Net Investment in Capital Assets            | 36,875,367  | 36,238,159  | 32,904,654   | 32,805,023   | 30,850,258   | 30,313,161   | 29,562,637   |
| Unrestricted                                | 8,717,492   | 8,639,556   | 13,303,516   | 12,440,146   | 13,038,918   | 12,546,957   | 12,316,517   |
| Total Business-Type Activities Net Position | 45,592,859  | 44,877,715  | 46,208,170   | 45,245,169   | 43,889,176   | 42,860,118   | 41,879,154   |
| Primary Government                          |             |             |              |              |              |              |              |
| Net Investment in Capital Assets            | 91,687,084  | 90,206,291  | 84,813,502   | 85,101,681   | 80,078,923   | 78,740,506   | 78,887,237   |
| Restricted                                  | 6,465,042   | 7,122,879   | 735,777      | 910,914      | 1,661,902    | 2,331,081    | 3,457,358    |
| Unrestricted                                | 29,128,071  | 32,366,992  | (38,494,611) | (53,265,374) | (59,576,604) | (71,829,849) | (80,166,141) |
| Total Primary Government Net Position       | 127,280,197 | 129,696,162 | 47,054,668   | 32,747,221   | 22,164,221   | 9,241,738    | 2,178,454    |

Changes in Net Position - Last Ten Fiscal Years\*

April 30, 2020 (Unaudited)

|  | 2011            | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Expenses   |                 |              |              |              |              |              |              |              |              |              |
| Governmental Activities                            | \$ 4,570,679    | 5,213,800    | 4,772,121    | 4,157,836    | 5,079,347    | 7,344,065    | 10,932,097   | 6,387,947    | 5,942,301    | 6,265,531    |
| General Government                                 | 26,243,715      | 27,254,854   | 27,652,937   | 27,911,733   | 29,843,204   | 39,448,782   | 40,077,276   | 42,831,331   | 43,018,281   | 43,018,281   |
| Public Safety                                      | 9,845,883       | 9,246,750    | 8,873,854    | 10,002,273   | 9,452,061    | 9,867,959    | 11,025,303   | 12,465,791   | 10,793,499   | 10,438,201   |
| Highways and Streets                               | 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    | 2,418,422    |
| Interest on Long-Term Debt                         | 42,429,071      | 43,918,770   | 43,728,224   | 44,205,404   | 45,939,564   | 58,648,014   | 63,049,121   | 69,429,664   | 62,135,709   | 62,140,435   |
| Total Governmental Activities Expenses             | 42,429,071      | 43,918,770   | 43,728,224   | 44,205,404   | 45,939,564   | 58,648,014   | 63,049,121   | 69,429,664   | 62,135,709   | 62,140,435   |
| Business-Type Activities                           |                 |              |              |              |              |              |              |              |              |              |
| Water  | 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    | 7,763,117    |
| Sanitary Sewer                                     | 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    | 1,938,603    |
| Senior Housing                                     | 794,509         | 864,944      | 927,308      | 828,192      | 911,890      | 883,213      | 813,997      | 878,383      | 789,393      | 783,641      |
| Stormwater Utility                                 | —               | —            | 1,660,222    | 1,697,785    | 1,713,381    | 2,439,184    | 2,137,821    | 2,489,484    | 2,700,065    | 2,424,426    |
| Parking  | 253,324         | 165,928      | 150,021      | 196,073      | 222,881      | 216,759      | 219,643      | 234,534      | 228,788      | 213,158      |
| Total Business-Type Activities Expenses            | 9,920,738       | 9,655,346    | 11,441,069   | 12,117,243   | 11,651,525   | 13,185,549   | 12,960,686   | 13,385,284   | 13,260,453   | 13,142,945   |
| Total Primary Government Expenses                  | 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   | 75,283,380   |
| Program Revenues                                   |                 |              |              |              |              |              |              |              |              |              |
| Governmental Activities                            |                 |              |              |              |              |              |              |              |              |              |
| Charges for Services                               | 3,865,001       | 3,485,549    | 3,867,156    | 4,347,869    | 5,145,950    | 4,919,408    | 4,161,477    | 4,529,242    | 3,742,538    | 3,495,563    |
| General Government                                 | 4,334,116       | 4,568,948    | 4,549,841    | 4,347,869    | 4,236,142    | 4,213,875    | 4,414,152    | 4,555,075    | 5,389,734    | 5,230,586    |
| Public Safety                                      | 1,027,250       | 1,132,907    | 961,022      | 1,066,289    | 1,111,844    | 849,252      | 884,302      | 870,837      | 977,571      | 1,545,847    |
| Operating Grants/Contributions                     | 9,226,367       | 9,187,404    | 9,378,019    | 10,042,441   | 9,982,535    | 9,982,535    | 9,459,931    | 9,855,154    | 10,109,843   | 10,271,996   |
| Business-Type Activities                           |                 |              |              |              |              |              |              |              |              |              |
| Charges for Services                               | 5,949,938       | 6,695,973    | 7,565,670    | 6,572,146    | 7,059,498    | 7,139,477    | 7,130,783    | 7,652,106    | 8,485,487    | 8,100,203    |
| Water  | 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    | 1,324,162    |
| Sanitary Sewer                                     | 820,172         | 830,129      | 845,504      | 833,622      | 835,097      | 842,163      | 846,534      | 847,203      | 866,114      | 886,933      |
| Stormwater Utility                                 | —               | —            | 1,685,913    | 1,474,031    | 1,313,492    | 1,383,078    | 1,389,220    | 1,475,491    | 1,358,291    | 1,276,535    |
| Parking  | 153,254         | 156,458      | 152,923      | 163,556      | 166,236      | 165,211      | 485,193      | 175,161      | 188,363      | 161,768      |
| Operating Grants/Contributions                     | 94,071          | 99,894       | 288,311      | 87,293       | 31,210       | 77,995       | 83,637       | 10,476       | 128,537      | 158,916      |
| Total Business-Type Activities Program Revenues    | 8,120,344       | 8,835,973    | 11,706,143   | 10,268,815   | 11,008,531   | 10,821,375   | 11,160,068   | 11,450,339   | 12,660,712   | 11,908,517   |
| Total Primary Government Program Revenues          | 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   | 22,180,513   |
| Net (Expense) Revenue                              |                 |              |              |              |              |              |              |              |              |              |
| Governmental Activities                            | \$ (34,731,366) | (34,350,205) | (34,162,963) | (35,445,628) | (35,445,628) | (48,665,479) | (53,589,190) | (51,394,510) | (52,025,866) | (51,868,439) |
| Business-Type Activities                           | (819,373)       | 265,070      | (1,848,438)  | (642,994)    | (642,994)    | (1,800,618)  | (1,934,945)  | (599,741)    | (1,234,428)  | (1,234,428)  |
| Total Primary Government Net Revenue (Expense)     | (35,550,739)    | (34,085,131) | (36,011,391) | (36,088,622) | (36,088,622) | (50,466,097) | (55,524,135) | (51,994,251) | (53,260,294) | (53,102,867) |
| General Revenues and Other Changes in Net Position |                 |              |              |              |              |              |              |              |              |              |
| Taxes  | 10,514,887      | 10,017,255   | 12,035,727   | 12,728,095   | 13,224,376   | 14,434,887   | 14,802,772   | 17,620,255   | 19,771,153   | 21,093,599   |
| Utility  | 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    | 941,529      |
| Other  | 2,158,207       | 2,078,884    | 2,853,880    | 5,641,961    | 5,362,980    | 4,964,752    | 4,399,701    | 4,387,791    | 4,341,994    | 4,341,994    |
| Interest   | 60,918          | 21,353       | 27,927       | 14,307       | 16,883       | 21,049       | 90,600       | 174,656      | 402,637      | 253,464      |
| Miscellaneous                                      | 1,456,000       | 200,000      | 2,412,944    | 741,830      | 8,607        | 873,832      | 747,017      | 404,296      | —            | —            |
| Transfers  | —               | —            | 11,648,191   | 1,246,654    | (72,150)     | 3,894,881    | 837,617      | —            | 402,637      | 253,464      |
| Total Business-Type Activities                     | 15,169,181      | 221,353      | 11,648,191   | 1,246,654    | (72,150)     | 3,894,881    | 837,617      | 578,952      | 402,637      | 253,464      |
| Total Primary Government                           | 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   | 46,039,583   |
| Changes in Net Position                            |                 |              |              |              |              |              |              |              |              |              |
| Governmental Activities                            | (5,397,771)     | (3,444,118)  | (8,286,821)  | 1,924,056    | 3,131,109    | (13,542,126) | (13,344,446) | (9,227,007)  | (6,747,084)  | (6,082,320)  |
| Business-Type Activities                           | 697,545         | 486,427      | 9,299,763    | 603,660      | (715,144)    | 1,557,707    | (963,001)    | (1,355,993)  | (197,104)    | (980,964)    |
| Total Primary Government                           | (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)  | (7,063,284)  |
| * Accrual Basis of Accounting                      |                 |              |              |              |              |              |              |              |              |              |
| Data Source: Village Records                       |                 |              |              |              |              |              |              |              |              |              |

VILLAGE OF NORTHBROOK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
April 30, 2020 (Unaudited)

|                                    | 2011       | 2012       | 2013       |
|------------------------------------|------------|------------|------------|
| General Fund                       |            |            |            |
| Reserved                           | \$ 209,981 | —          | —          |
| Unreserved                         | 17,068,792 | —          | —          |
| Nonspendable                       | —          | 37,684     | 42,325     |
| Restricted                         | —          | 296,057    | 301,817    |
| Unassigned                         | —          | 16,393,318 | 18,057,612 |
| Total General Fund                 | 17,278,773 | 16,727,059 | 18,401,754 |
| All Other Governmental Funds       |            |            |            |
| Reserved                           | 9,123,847  | —          | —          |
| Unreserved, Reported in:           |            |            |            |
| Capital Projects Funds             | 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 | 9,973,842  | 9,664,486  | 4,683,989  |
| Total Governmental Funds           | 27,252,615 | 26,391,545 | 23,085,743 |

\* Modified Accrual Basis of Accounting

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

|                                    | 2014        | 2015        | 2016       | 2017       | 2018       | 2019       | 2020       |
|------------------------------------|-------------|-------------|------------|------------|------------|------------|------------|
| General Fund                       |             |             |            |            |            |            |            |
| Reserved                           | —           | —           | —          | —          | —          | —          | —          |
| Unreserved                         | —           | —           | —          | —          | —          | —          | —          |
| Nonspendable                       | 42,446      | —           | —          | 26,661     | 119,736    | 53,620     | —          |
| Restricted                         | 1,062,020   | 1,668,232   | 3,843,709  | 1,359,625  | 11,517,298 | 1,713,200  | 3,635,017  |
| Unassigned                         | 19,682,377  | 22,060,520  | 21,249,511 | 22,123,177 | 21,242,468 | 22,259,986 | 21,615,124 |
| Total General Fund                 | 20,786,843  | 23,728,752  | 25,093,220 | 23,509,463 | 32,879,502 | 24,026,806 | 25,250,141 |
| All Other Governmental Funds       |             |             |            |            |            |            |            |
| Reserved                           | —           | —           | —          | —          | —          | —          | —          |
| Unreserved, Reported in:           |             |             |            |            |            |            |            |
| Capital Projects Funds             | —           | —           | —          | —          | —          | —          | —          |
| Restricted                         | 2,792,504   | 1,854,693   | 5,145,971  | 4,734,403  | 4,932,510  | 3,188,478  | 3,179,120  |
| Committed                          | 87,023      | 87,048      | 87,121     | 88,163     | 90,751     | 96,036     | 100,706    |
| Assigned                           | 5,826,348   | 5,644,859   | 7,515,496  | 6,345,426  | 6,370,030  | 6,544,820  | 6,570,836  |
| Unassigned                         | (1,221,866) | (1,205,459) | —          | —          | —          | —          | —          |
| Total All Other Governmental Funds | 7,484,009   | 6,381,141   | 12,748,588 | 11,167,992 | 11,393,291 | 9,829,334  | 9,850,662  |
| Total Governmental Funds           | 28,270,852  | 30,109,893  | 37,841,808 | 34,677,455 | 44,272,793 | 33,856,140 | 35,100,803 |

VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Revenues by Source - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)

| Source                     | 2011          | 2012       | 2013       | 2014       |
|----------------------------|---------------|------------|------------|------------|
| Taxes                      | \$ 29,671,392 | 30,029,926 | 33,659,081 | 36,899,701 |
| Intergovernmental          | 1,027,250     | 1,132,907  | 961,022    | 1,066,289  |
| Licenses, Permits and Fees | 4,449,883     | 4,458,665  | 5,097,795  | 4,889,027  |
| Charges for Services       | 5,863,624     | 5,556,370  | 5,374,546  | 6,182,875  |
| Fines and Forfeits         | 221,135       | 288,064    | 288,406    | 341,735    |
| Interest                   | 1,034,540     | 834,831    | 822,154    | 740,276    |
| Miscellaneous              | 61,916        | 31,397     | 55,152     | 220,641    |
|                            | 42,329,740    | 42,332,160 | 46,258,156 | 50,340,544 |

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

|  | 2015       | 2016*      | 2017       | 2018       | 2019       | 2020       |
|--|------------|------------|------------|------------|------------|------------|
|  | 37,663,686 | 21,290,720 | 22,325,553 | 24,393,756 | 25,737,867 | 27,267,342 |
|  | 1,111,844  | 17,449,515 | 17,860,167 | 17,347,988 | 19,152,322 | 18,904,388 |
|  | 5,920,259  | 6,057,697  | 5,265,165  | 5,976,991  | 5,587,902  | 5,519,845  |
|  | 5,754,747  | 5,543,956  | 5,783,009  | 5,434,918  | 5,798,302  | 5,507,335  |
|  | 242,091    | 168,080    | 134,095    | 170,098    | 270,908    | 286,254    |
|  | 772,588    | 114,671    | 249,815    | 487,625    | 760,552    | 746,762    |
|  | 37,420     | 109,125    | 689,720    | 789,168    | 575,823    | 384,458    |
|  | 51,502,635 | 50,733,764 | 52,307,524 | 54,600,544 | 57,883,676 | 58,616,384 |

VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)

| Function                    | 2011         | 2012       | 2013       | 2014       |
|-----------------------------|--------------|------------|------------|------------|
| General Government          | \$ 6,557,849 | 6,902,454  | 6,598,887  | 6,681,223  |
| Public Safety               | 25,291,476   | 26,206,664 | 27,389,925 | 28,350,834 |
| Highways and Streets        | 9,458,425    | 8,838,987  | 9,700,086  | 11,682,823 |
| Debt Service                |              |            |            |            |
| Principal                   | 2,017,300    | 2,283,224  | 1,863,056  | 2,453,025  |
| Interest and Fiscal Charges | 1,882,761    | 1,975,091  | 2,504,775  | 2,020,112  |
| Totals                      | 45,207,811   | 46,206,420 | 48,056,729 | 51,188,017 |

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

Data Source: Village Records

|  | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       |
|--|------------|------------|------------|------------|------------|------------|
|  | 7,353,556  | 7,979,601  | 12,695,935 | 8,001,934  | 15,701,069 | 8,432,566  |
|  | 29,781,583 | 29,224,364 | 31,229,816 | 33,582,859 | 35,589,332 | 35,422,678 |
|  | 10,813,292 | 9,027,487  | 10,969,145 | 12,039,858 | 10,029,492 | 9,381,134  |
|  | 2,547,591  | 3,285,430  | 3,289,383  | 3,535,239  | 4,444,442  | 4,560,359  |
|  | 2,170,456  | 1,912,766  | 2,187,598  | 2,417,293  | 2,535,994  | 2,501,855  |
|  | 52,666,478 | 51,429,648 | 60,371,877 | 59,577,183 | 68,300,329 | 60,298,592 |

VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)

|  | 2011               | 2012               | 2013               |
|--|--------------------|--------------------|--------------------|
| <b>Revenues</b>  |                    |                    |                    |
| Taxes  | \$ 29,671,392      | 30,029,926         | 33,659,081         |
| Intergovernmental  | 1,027,250          | 1,132,907          | 961,022            |
| Licenses and Permits   | 4,449,883          | 4,458,665          | 5,097,795          |
| Charges for Services   | 5,863,624          | 5,556,370          | 5,374,546          |
| Fines and Forfeitures  | 221,135            | 288,064            | 288,406            |
| Interest   | 1,034,540          | 834,831            | 822,154            |
| Miscellaneous  | 61,916             | 31,397             | 55,152             |
| <b>Total Revenues</b>  | <b>42,329,740</b>  | <b>42,332,160</b>  | <b>46,258,156</b>  |
| <b>Expenditures</b>  |                    |                    |                    |
| General Government   | 6,557,849          | 6,902,454          | 6,598,887          |
| Public Safety  | 25,291,476         | 26,206,664         | 27,389,925         |
| Highways and Streets   | 9,458,425          | 8,838,987          | 9,700,086          |
| Debt Service   |                    |                    |                    |
| Principal  | 2,017,300          | 2,283,224          | 1,863,056          |
| Interest and Fiscal Charges                                    | 1,882,761          | 1,975,091          | 2,504,775          |
| <b>Total Expenditures</b>                                      | <b>45,207,811</b>  | <b>46,206,420</b>  | <b>48,056,729</b>  |
| <b>Excess of Revenues Over (Under) Expenditures</b>            | <b>(2,878,071)</b> | <b>(3,874,260)</b> | <b>(1,798,573)</b> |
| <b>Other Financing Sources (Uses)</b>                          |                    |                    |                    |
| Proceeds from Bonds  | 4,334,905          | 3,000,000          | 12,790,278         |
| Payment to Escrow Agent  | (3,325,000)        | —                  | (11,670,347)       |
| Transfer In  | 2,800,462          | 3,003,696          | 2,538,912          |
| Transfer Out   | (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)        |
| <b>Net Change in Fund Balances</b>                             | <b>(3,230,680)</b> | <b>(861,070)</b>   | <b>(3,305,802)</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | <b>9.13%</b>       | <b>9.73%</b>       | <b>9.75%</b>       |

Data Source: Village Records

\* In 2016, sales and income taxes were reclassified from the "Taxes" category to the "Intergovernmental" category.

|  | 2014        | 2015         | 2016*       | 2017        | 2018        | 2019         | 2020        |
|--|-------------|--------------|-------------|-------------|-------------|--------------|-------------|
|  | 36,899,701  | 37,663,686   | 21,290,720  | 22,325,553  | 24,393,756  | 25,737,867   | 27,267,342  |
|  | 1,066,289   | 1,111,844    | 17,449,515  | 17,860,167  | 17,347,988  | 19,152,322   | 18,904,388  |
|  | 4,889,027   | 5,920,259    | 6,057,697   | 5,265,165   | 5,976,991   | 5,587,902    | 5,519,845   |
|  | 6,182,875   | 5,754,747    | 5,543,956   | 5,783,009   | 5,434,918   | 5,798,302    | 5,507,335   |
|  | 341,735     | 242,091      | 168,080     | 134,095     | 170,098     | 270,908      | 286,254     |
|  | 740,276     | 772,588      | 114,671     | 249,815     | 487,625     | 760,552      | 746,762     |
|  | 220,641     | 37,420       | 109,125     | 689,720     | 789,168     | 575,823      | 384,458     |
|  | 50,340,544  | 51,502,635   | 50,733,764  | 52,307,524  | 54,600,544  | 57,883,676   | 58,616,384  |
|  | 6,681,223   | 7,353,556    | 7,979,601   | 12,695,935  | 8,001,934   | 15,701,069   | 8,432,566   |
|  | 28,350,834  | 29,781,583   | 29,224,364  | 31,229,816  | 33,582,859  | 35,589,332   | 35,422,678  |
|  | 11,682,823  | 10,813,292   | 9,027,487   | 10,969,145  | 12,039,858  | 10,029,492   | 9,381,134   |
|  | 2,453,025   | 2,547,591    | 3,285,430   | 3,289,383   | 3,535,239   | 4,444,442    | 4,560,359   |
|  | 2,020,112   | 2,170,456    | 1,912,766   | 2,187,598   | 2,417,293   | 2,535,994    | 2,501,855   |
|  | 51,188,017  | 52,666,478   | 51,429,648  | 60,371,877  | 59,577,183  | 68,300,329   | 60,298,592  |
|  | (847,473)   | (1,163,843)  | (695,884)   | (8,064,353) | (4,976,639) | (10,416,653) | (1,682,208) |
|  | 6,523,099   | 33,115,500   | 9,739,330   | 4,900,000   | 14,604,250  | —            | 3,275,000   |
|  | —           | (32,971,504) | —           | —           | —           | —            | (690,896)   |
|  | 3,289,840   | 2,149,653    | 2,818,830   | 2,731,372   | 3,781,692   | 2,870,547    | 2,614,958   |
|  | (3,780,357) | (2,052,013)  | (5,818,830) | (2,731,372) | (3,781,692) | (2,870,547)  | (2,614,958) |
|  | —           | —            | —           | —           | (32,273)    | —            | 342,767     |
|  | —           | 2,761,248    | 483,009     | —           | —           | —            | —           |
|  | 6,032,582   | 3,002,884    | 7,222,339   | 4,900,000   | 14,571,977  | —            | 2,926,871   |
|  | 5,185,109   | 1,839,041    | 6,526,455   | (3,164,353) | 9,595,338   | (10,416,653) | 1,244,663   |
|  | 9.49 %      | 9.66 %       | 10.48 %     | 9.77 %      | 10.52 %     | 12.19 %      | 12.32 %     |

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type -  
Last Two Fiscal Years  
April 30, 2020 (Unaudited)

|                           | Police Pension Fund |           | Firefighters' Pension Fund |           |
|---------------------------|---------------------|-----------|----------------------------|-----------|
|                           | 4/30/2019           | 4/30/2020 | 4/30/2019                  | 4/30/2020 |
| Investment Rate of Return | 7.34%               | 6.44%     | 6.65%                      | 5.27%     |
| Pension Expenses by Type  |                     |           |                            |           |
| Retirement Pensions       | \$ 4,027,142        | 4,353,792 | 3,213,176                  | 3,500,014 |
| Disability Pensions       | 159,381             | 160,335   | 872,150                    | 767,141   |
| Survivor's Pensions       | 471,165             | 476,925   | 272,489                    | 313,186   |
| Contribution Refunds      | —                   | 11,118    | —                          | —         |
| Totals                    | 4,657,688           | 5,002,170 | 4,357,815                  | 4,580,341 |
| Increase (Decrease) in    |                     |           |                            |           |
| Total Pension Expenses    | \$ 420,751          | 344,482   | 596,935                    | 222,526   |
| % Increase (Decrease) in  | 9.93%               | 7.40%     | 15.87%                     | 5.11%     |
| Total Pension Expenses    |                     |           |                            |           |

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)

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

Data Source: Village and State Records

|                                | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Merchandise            | 127,825,137 | 81,580,151  | 60,508,854  | 47,427,079  | 45,644,277  | 40,854,348  | 35,094,133  |
| Food                           | 137,959,342 | 126,490,686 | 138,521,900 | 137,082,802 | 143,073,321 | 136,429,616 | 138,954,641 |
| Drinking and Eating Places     | 89,199,356  | 93,794,294  | 101,769,299 | 107,078,241 | 111,299,659 | 111,973,788 | 101,212,110 |
| Apparel                        | 101,275,237 | 92,148,952  | 90,977,220  | 87,173,163  | 84,855,041  | 81,797,768  | 71,461,829  |
| Furniture and H.H. and Radio   | 87,668,232  | 94,625,854  | 96,876,544  | 93,982,758  | 98,395,377  | 99,294,611  | 92,410,225  |
| Lumber, Building, Hardware     | 33,880,995  | 36,949,690  | 37,371,799  | 37,099,085  | 37,134,401  | 36,923,862  | 36,522,579  |
| Automobile and Filing Stations | 131,092,322 | 139,160,036 | 121,347,791 | 107,242,052 | 107,873,146 | 122,093,209 | 117,089,550 |
| Drugs and Misc. Retail         | 100,928,405 | 192,252,070 | 175,597,124 | 187,354,622 | 188,358,246 | 181,316,221 | 185,791,179 |
| Agriculture and All Others     | 97,851,920  | 71,462,289  | 109,429,626 | 161,694,997 | 129,175,615 | 98,520,199  | 94,017,357  |
| Manufacturers                  | 12,206,576  | 14,630,868  | 14,563,052  | 12,092,821  | 8,562,022   | 8,111,096   | 7,013,671   |
| Totals                         | 919,887,522 | 943,094,890 | 946,963,209 | 978,227,620 | 954,371,105 | 917,314,718 | 879,567,274 |
| Total Number of Taxpayers      | 1,197       | 1,171       | 1,001       | 986         | 996         | 954         | 958         |
| Village Direct Rate            | 1.75%       | 1.75%       | 1.75%       | 1.75%       | 1.75%       | 2.00%       | 2.00%       |



**VILLAGE OF NORTHBROOK, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)**

| Fiscal Year | State Rate | RTA Rate | County Home Rule Rate | Village Home Rule Rate* | Total Sales Tax Rate | % Distributed to Village |
|-------------|------------|----------|-----------------------|-------------------------|----------------------|--------------------------|
| 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%                    |
| 2020        | 6.25%      | 1.00%    | 1.75%                 | 1.00%                   | 10.00%               | 2.00%                    |

Data Source: Village and State Records

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
April 30, 2020 (Unaudited)**

|                    |  |  |  |  |  |  |
|--------------------|--|--|--|--|--|--|
| See Following Page |  |  |  |  |  |  |
|--------------------|--|--|--|--|--|--|

VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
April 30, 2020 (Unaudited)

| Tax<br>Levy<br>Year | Residential<br>Property |               | Farm | Commercial<br>Property |    | Industrial<br>Property |    | Total       | Railroad | Total<br>Assessed<br>Value | Estimated<br>Actual<br>Taxable<br>Value | Total<br>Direct Tax<br>Rate |    |               |    |               |       |
|---------------------|-------------------------|---------------|------|------------------------|----|------------------------|----|-------------|----------|----------------------------|---|-----------------------------|----|---------------|----|---------------|-------|
|                     |                         |               |      |                        |    |                        |    |             |          |                            |   |                             |    |               |    |               |       |
| 2010                | \$                      | 1,888,236,408 | \$   | 1,992                  | \$ | 643,440,675            | \$ | 353,825,268 | \$       | 393,474                    | \$                                      | 2,885,504,343               | \$ | 2,885,897,817 | \$ | 8,656,513,029 | 0.341 |
| 2011                |                         | 1,716,072,032 |      | 1,992                  |    | 564,327,892            |    | 311,415,316 |          | 418,157                    |   | 2,591,817,232               |    | 2,592,235,389 |    | 7,775,451,696 | 0.458 |
| 2012                |                         | 1,592,730,144 |      | 1,992                  |    | 526,759,510            |    | 291,406,647 |          | 473,145                    |   | 2,410,898,293               |    | 2,411,371,438 |    | 7,232,694,879 | 0.524 |
| 2013                |                         | 1,395,727,711 |      | 1,992                  |    | 483,582,152            |    | 265,514,616 |          | 584,690                    |   | 2,144,826,471               |    | 2,145,411,161 |    | 6,434,479,413 | 0.609 |
| 2014                |                         | 1,426,205,616 |      | 1,992                  |    | 578,433,197            |    | 178,797,415 |          | 609,714                    |   | 2,183,438,220               |    | 2,184,047,934 |    | 6,550,314,660 | 0.605 |
| 2015                |                         | 1,389,618,675 |      | 1,992                  |    | 492,412,415            |    | 193,245,905 |          | 732,251                    |   | 2,075,278,987               |    | 2,076,011,238 |    | 6,225,836,961 | 0.676 |
| 2016                |                         | 1,731,210,975 |      | 1,992                  |    | 540,146,612            |    | 211,751,867 |          | 745,075                    |   | 2,483,111,446               |    | 2,483,856,521 |    | 7,449,334,338 | 0.625 |
| 2017                |                         | 1,778,794,337 |      | —                      |    | 587,929,200            |    | 222,683,268 |          | 760,178                    |   | 2,589,406,805               |    | 2,590,166,983 |    | 7,768,220,415 | 0.715 |
| 2018                |                         | 1,739,304,863 |      | —                      |    | 570,456,101            |    | 223,662,278 |          | —                          |   | 2,533,423,242               |    | 2,533,423,242 |    | 7,600,269,726 | 0.672 |
| 2019                |                         | 1,891,846,774 |      | —                      |    | 704,555,966            |    | 270,441,524 |          | —                          |   | 2,866,844,264               |    | 2,866,844,264 |    | 8,600,532,792 | 0.763 |

Data Source: Office of the Cook County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2020 (Unaudited)

|   | 2010   | 2011   | 2012   | 2013   |
|---|--------|--------|--------|--------|
| Village of Northbrook                   |        |        |        |        |
| General Corporate rate                  | 0.255  | 0.302  | 0.324  | 0.365  |
| Debt Service Rate                       | 0.035  | 0.073  | 0.097  | 0.112  |
| Police Pension                          | 0.015  | 0.043  | 0.052  | 0.065  |
| Fire Pension                            | 0.036  | 0.040  | 0.051  | 0.066  |
| IMRF                                    | 0.000  | 0.000  | 0.000  | 0.000  |
| Total Direct Tax Rate                   | 0.341  | 0.458  | 0.524  | 0.609  |
| Overlapping Rates                       |        |        |        |        |
| Cook County                             | 0.423  | 0.462  | 0.531  | 0.560  |
| Cook County Forest Preserve District    | 0.051  | 0.058  | 0.063  | 0.069  |
| Suburban TB Sanitarium                  | 0.000  | 0.025  | 0.000  | 0.000  |
| Cook County Consolidated Election Board | 0.000  | 0.000  | 0.000  | 0.031  |
| Northfield Township                     | 0.011  | 0.020  | 0.024  | 0.031  |
| Northfield Road and Bridge              | 0.036  | 0.041  | 0.046  | 0.053  |
| Northfield General Assistance           | 0.011  | 0.008  | 0.009  | 0.008  |
| Metropolitan Water Reclamation District | 0.274  | 0.320  | 0.370  | 0.417  |
| North Shore Mosquito Abatement District | 0.009  | 0.010  | 0.010  | 0.007  |
| High School District #225               | 1.609  | 0.182  | 0.028  | 2.341  |
| Community College District #535         | 0.160  | 0.196  | 0.219  | 0.256  |
| Northbrook Park District                | 0.375  | 0.424  | 0.471  | 0.536  |
| School District #28                     | 2.072  | 2.339  | 2.604  | 2.962  |
| School District #30                     | 2.327  | 2.641  | 2.999  | 3.381  |
| Northwest Mosquito Abatement District   | 0.009  | 0.010  | 0.011  | 0.013  |
| Glenbrook Sanitary District             | 0.026  | 0.030  | 0.034  | 0.037  |
| High School District #203               | 1.474  | 1.674  | 1.864  | 2.111  |
| School District #29                     | 2.173  | 2.450  | 2.701  | 3.077  |
| School District #27                     | 2.334  | 2.667  | 2.957  | 3.412  |
| Mission Brook Sanitary District         | 0.142  | 0.164  | 0.184  | 0.215  |
| School District #31                     | 1.730  | 2.018  | 2.525  | 2.946  |
| Wheeling Township                       | 0.043  | 0.048  | 0.052  | 0.056  |
| Wheeling Road and Bridge                | 0.014  | 0.015  | 0.016  | 0.019  |
| Wheeling General Assistance             | 0.005  | 0.009  | 0.009  | 0.010  |
| High School District #214               | 1.839  | 2.067  | 2.324  | 2.768  |
| Community College District #512         | 0.295  | 0.334  | 0.373  | 0.444  |
| Consolidated School District #21        | 3.658  | 4.164  | 4.556  | 4.841  |
| Northbrook Public Library               | 0.231  | 0.269  | 0.300  | 0.359  |
| Northfield Park District                | 0.189  | 0.209  | 0.227  | 0.254  |
| Total Direct and Overlapping Tax Rate   | 21.861 | 23.312 | 28.031 | 31.823 |

Data Source: Office of the County Clerk

|   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|---|--------|--------|--------|--------|--------|--------|
| Village of Northbrook                   |        |        |        |        |        |        |
| General Corporate rate                  | 0.358  | 0.377  | 0.324  | 0.265  | 0.171  | 0.247  |
| Debt Service Rate                       | 0.117  | 0.128  | 0.129  | 0.157  | 0.164  | 0.172  |
| Police Pension                          | 0.064  | 0.087  | 0.088  | 0.116  | 0.144  | 0.145  |
| Fire Pension                            | 0.066  | 0.084  | 0.083  | 0.131  | 0.146  | 0.157  |
| IMRF                                    | 0.000  | 0.000  | 0.000  | 0.046  | 0.047  | 0.043  |
| Total Direct Tax Rate                   | 0.605  | 0.676  | 0.625  | 0.715  | 0.672  | 0.763  |
| Overlapping Rates                       |        |        |        |        |        |        |
| Cook County                             | 0.568  | 0.552  | 0.533  | 0.496  | 0.489  | 0.454  |
| Cook County Forest Preserve District    | 0.069  | 0.069  | 0.063  | 0.062  | 0.060  | 0.060  |
| Suburban TB Sanitarium                  | 0.000  | 0.000  | 0.000  | 0.000  | 0.000  | 0.000  |
| Cook County Consolidated Election Board | 0.000  | 0.034  | 0.000  | 0.031  | 0.000  | 0.030  |
| Northfield Township                     | 0.032  | 0.028  | 0.024  | 0.023  | 0.024  | 0.021  |
| Northfield Road and Bridge              | 0.054  | 0.057  | 0.049  | 0.049  | 0.052  | 0.047  |
| Northfield General Assistance           | 0.007  | 0.007  | 0.006  | 0.006  | 0.007  | 0.007  |
| Metropolitan Water Reclamation District | 0.430  | 0.426  | 0.406  | 0.402  | 0.396  | 0.389  |
| North Shore Mosquito Abatement District | 0.011  | 0.012  | 0.010  | 0.010  | 0.010  | 0.009  |
| High School District #225               | 2.367  | 2.493  | 2.106  | 2.102  | 2.216  | 2.006  |
| Community College District #535         | 0.258  | 0.271  | 0.231  | 0.232  | 0.246  | 0.221  |
| Northbrook Park District                | 0.537  | 0.569  | 0.423  | 0.419  | 0.456  | 0.416  |
| School District #28                     | 3.009  | 3.299  | 2.848  | 2.824  | 2.970  | 2.681  |
| School District #30                     | 3.272  | 3.394  | 2.866  | 3.193  | 3.310  | 2.987  |
| Northwest Mosquito Abatement District   | 0.013  | 0.011  | 0.010  | 0.010  | 0.011  | 0.010  |
| Glenbrook Sanitary District             | 0.037  | 0.052  | 0.046  | 0.046  | 0.047  | 0.046  |
| High School District #203               | 2.268  | 2.380  | 1.974  | 1.993  | 2.111  | 2.028  |
| School District #29                     | 3.068  | 3.197  | 2.762  | 2.727  | 2.906  | 2.718  |
| School District #27                     | 3.443  | 3.569  | 3.031  | 3.031  | 3.204  | 2.861  |
| Mission Brook Sanitary District         | 0.215  | 0.221  | 0.175  | 0.177  | 0.181  | 0.169  |
| School District #31                     | 2.911  | 3.107  | 2.699  | 2.700  | 2.842  | 2.577  |
| Wheeling Township                       | 0.052  | 0.055  | 0.041  | 0.043  | 0.043  | 0.038  |
| Wheeling Road and Bridge                | 0.019  | 0.020  | 0.014  | 0.015  | 0.016  | 0.014  |
| Wheeling General Assistance             | 0.010  | 0.010  | 0.008  | 0.009  | 0.009  | 0.008  |
| High School District #214               | 2.776  | 2.881  | 2.527  | 2.563  | 2.669  | 2.356  |
| Community College District #512         | 0.451  | 0.466  | 0.416  | 0.425  | 0.443  | 0.403  |
| Consolidated School District #21        | 5.430  | 5.642  | 4.966  | 5.022  | 5.276  | 4.691  |
| Northbrook Public Library               | 0.357  | 0.385  | 0.329  | 0.329  | 0.347  | 0.314  |
| Northfield Park District                | 0.254  | 0.264  | 0.229  | 0.232  | 0.246  | 0.230  |
| Total Direct and Overlapping Tax Rate   | 32.523 | 34.147 | 29.417 | 29.886 | 31.259 | 28.554 |

VILLAGE OF NORTHBROOK, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2020 (Unaudited)

| Taxpayer                     | 2020                   |      |  | 2011                   |      |  |
|------------------------------|------------------------|------|--|------------------------|------|--|
|                              | 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       | \$ 73,534,150          | 1    | 2.55 %   | \$ 84,489,246          | 1    | 2.70 %   |
| Jones Lang LaSalle           | 50,505,137             | 2    | 1.75 %   | 76,054,843             | 2    | 2.43 %   |
| Willow Festival Registry     | 34,208,998             | 3    | 1.19 %   |                        |      |  |
| Underwriters Laboratory Inc. | 27,830,657             | 4    | 0.96 %   | 29,917,116             | 3    | 0.96 %   |
| Lake Cook Road & Mid America | 20,050,311             | 5    | 0.69 %   | 22,002,712             | 7    | 0.70 %   |
| TGM Northshore LLC           | 19,849,183             | 6    | 0.69 %   |                        |      | 0.00 %   |
| Euromarket Designs           | 19,844,785             | 7    | 0.69 %   |                        |      |  |
| Village Square of Northbrook | 19,483,951             | 8    | 0.68 %   | 22,347,194             | 5    | 0.71 %   |
| LTF Real Estate Company      | 18,114,559             | 9    | 0.63 %   |                        |      |  |
| Korman Lederer               | 18,063,932             | 10   | 0.63 %   | 22,224,741             | 6    | 0.01 %   |
| HP Willow, LLC               |                        |      |  | 28,054,465             | 4    | 0.90 %   |
| 400 Skokie Blvd, LLC         |                        |      |  | 17,049,868             | 8    | 0.54 %   |
| Gregory Realty Group         |                        |      |  | 16,758,958             | 9    | 0.54 %   |
| Macy's Tax Department        |                        |      |  | 14,491,423             | 10   | 0.46 %   |
| Totals                       | 301,485,663            |      | 10.46 %  | 333,390,566            |      | 5.81 %   |

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2020 (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 |
| 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                       | 19,067,172                                   | 97.50%             | —                               | 19,067,172                | 97.50%             |
| 2020        | 2019          | 21,882,760                       | 9,832,555                                    | 44.93%             | —                               | 9,832,555                 | 44.93%             |

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, 2020 (Unaudited)

| Fiscal Year | Governmental Activities      |                  | Business-Type Activities                    |               | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|------------------------------|------------------|---|---------------|--------------------------|-----------------------------------|----------------|
|             | Net General Obligation Bonds | TIF Note Payable | Net Water, Sewer and Sanitary Revenue Bonds |               |                          |                                   |                |
| 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                          |                |
| 2020        | 69,930,906                   | 3,746,511        | 50,260,356                                  | 123,937,773   | 3.31%                    | 3,736.44                          |                |

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, 2020 (Unaudited)

| Fiscal Year | General Obligation Bonds | Less: Amounts Available for Debt Service |            | Total         | Percentage of Total Taxable Assessed Value of Property (1) | Per Capita (2) |
|-------------|--------------------------|--|------------|---------------|--|----------------|
|             |                          |  |            |               |  |                |
| 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       |
| 2020        | 123,937,773              | —  | —          | 123,937,773   | 4.89%  | 3,736.44       |

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 Governmental Activities Debt  
April 30, 2020 (Unaudited)

| Governmental Unit                       | Gross Debt    | Percentage of Debt Applicable to Village (1) | Village's Share of Debt |
|---|---------------|--|-------------------------|
| Village Direct Debt                     | \$ 73,677,417 | 100.00%                                      | \$ 73,677,417           |
| Overlapping Debt                        |               |  |                         |
| Cook County                             | 2,902,954,329 | 1.60%  | 46,447,269              |
| Forest Preserve District                | 142,360,000   | 1.60%  | 2,277,760               |
| Metropolitan Water Reclamation District | 2,828,057,000 | 1.63%  | 46,097,329              |
| Northbrook Park District                | 7,535,000     | 93.75%                                       | 7,064,063               |
| School District 21                      | 69,085,000    | 1.47%  | 1,015,550               |
| School District 29                      | 22,696,827    | 14.81%                                       | 3,361,400               |
| School District 30                      | 35,625,000    | 68.31%                                       | 24,335,438              |
| School District 31                      | 12,360,936    | 14.64%                                       | 1,809,641               |
| High School District 203                | 93,170,000    | 1.29%  | 1,201,893               |
| High School District 214                | 35,285,000    | 0.31%  | 109,384                 |
| High School District 225                | 76,378,648    | 45.83%                                       | 35,004,334              |
| Community College District 512          | 117,785,000   | 0.14%  | 164,899                 |
| Community College District 535          | 30,000,000    |  |                         |
| Total Overlapping Debt                  | 6,343,292,740 | 11.24%                                       | 168,888,960             |
| Total Direct and Overlapping Debt       | 6,416,970,157 |  | 242,566,377             |

Data Source: Cook County Tax Extension Department

\* 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.

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Legal Debt Margin  
April 30, 2020 (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, 2020 (Unaudited)

| Fiscal Year | (1)<br>Population | (4)<br>Personal Income<br>(in Thousands) | (1)<br>Per Capita<br>Personal Income | (5)<br>Median Age | (2)<br>School Enrollment | (3)<br>Unemployment Rate |
|-------------|-------------------|--|--------------------------------------|-------------------|--------------------------|--------------------------|
| 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              | 6,815                    | 4.1                      |
| 2020        | 33,170            | 112,827                                  | 57,763                               | 48.0              | N/A                      | 12.6                     |

Data source:

(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 Seven Fiscal Years Ago  
April 30, 2020 (Unaudited)

| Employer                         | 2019      |      |  | 2012      |      |  |
|----------------------------------|-----------|------|--|-----------|------|--|
|                                  | Employees | Rank | Percentage of Total Village Employment | Employees | Rank | Percentage of Total Village Employment |
| Allstate Insurance Company       | 8,750     | 1    | N/A                                    | 5,000     | 1    | N/A                                    |
| Walgreens Company                | 2,500     | 2    | N/A                                    | 1,700     | 4    | N/A                                    |
| Baxter Healthcare Corp           | 2,500     | 3    | N/A                                    | 1,850     | 3    | N/A                                    |
| Underwriters Laboratories        | 2,000     | 4    | N/A                                    | 1,600     | 5    | N/A                                    |
| Northshore Glenbrook Hospital    | 2,000     | 5    | N/A                                    | 820       | 9    | N/A                                    |
| Abt Electronics, Inc.            | 1,500     | 6    | N/A                                    | 1,300     | 6    | N/A                                    |
| CVS/Caremark International       | 1,400     | 7    | N/A                                    | 1,300     | 6    | N/A                                    |
| Astellas Pharma US Inc.          | 1,150     | 8    | N/A                                    | 3,068     | 2    | N/A                                    |
| Kraft Heinz Foods Company        | 1,000     | 9    | N/A                                    | 1,250     | 7    | N/A                                    |
| Anixter, Inc.                    | 1,000     | 10   | N/A                                    | 833       | 8    | N/A                                    |
| Northbrook Court                 |           |      |  | 800       | 10   | N/A                                    |
| Northfield Township District 225 |           |      |  |           |      |  |
| United Parcel Service            |           |      |  |           |      |  |
|                                  | 23,800    |      | N/A                                    | 18,221    |      | N/A                                    |

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

N/A - Not Available

VILLAGE OF NORTHBROOK, ILLINOIS

Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2020 (Unaudited)

| Function/Program               | 2011 | 2012 | 2013 |
|--------------------------------|------|------|------|
| General Government             |      |      |      |
| Administration                 | 13   | 13   | 13   |
| Finance                        | 8    | 8    | 8    |
| Public Works                   | 38   | 35   | 35   |
| Police                         | 93   | 93   | 93   |
| Fire                           | 74   | 74   | 74   |
| Development/ Planning Services | 12   | 11   | 11   |
| Water and Sewer                | 22   | 26   | 26   |
| Totals                         | 260  | 260  | 260  |

Data Source: Village Records

|        | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------|------|------|------|------|------|------|------|
|        | 12   | 13   | 12   | 12   | 13   | 13   | 13   |
|        | 8    | 8    | 7    | 7    | 8    | 8    | 8    |
|        | 36   | 37   | 37   | 37   | 37   | 37   | 37   |
|        | 93   | 93   | 94   | 94   | 94   | 93   | 93   |
|        | 75   | 75   | 75   | 77   | 76   | 76   | 74   |
|        | 11   | 12   | 13   | 13   | 13   | 13   | 13   |
|        | 26   | 27   | 27   | 27   | 27   | 27   | 27   |
| Totals | 261  | 265  | 265  | 267  | 268  | 267  | 265  |



VILLAGE OF NORTHBROOK, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years  
April 30, 2020 (Unaudited)

| Function/Program                           | 2010      | 2011      | 2012      |
|--|-----------|-----------|-----------|
| Public Works                               |           |           |           |
| Forestry                                   |           |           |           |
| Number of Parkway Trees Planted            | 225       | 524       | 429       |
| Number of Parkway Trees Trimmed            | 2,479     | 1,588     | 1,863     |
| Fleet Services                             |           |           |           |
| Number of Vehicles Maintained              | N/A       | N/A       | N/A       |
| Public Safety                              |           |           |           |
| Fire                                       |           |           |           |
| Number of Fire Calls                       | 2,469     | 2,692     | 2,632     |
| Number of EMS Calls                        | 3,007     | 2,945     | 3,220     |
| ISO Rating                                 | 2         | 2         | 2         |
| Police                                     |           |           |           |
| Calls for Service                          | 22,510    | 21,588    | 21,429    |
| Traffic Citations Issued                   | 4,033     | 3,475     | 2,841     |
| Parking Citations Issued                   | 1,843     | 1,910     | 1,582     |
| Community Development                      |           |           |           |
| Number of Building Permits Issued          | 253       | 255       | 258       |
| Number of Building Inspections             | 4,648     | 5,543     | 5,846     |
| Highways and Streets                       |           |           |           |
| Sidewalk Replaced (Sq. Ft.)                | 61,827    | 34,250    | 33,502    |
| Annual Resurfacing Program (\$)            | 1,874,928 | 888,139   | 1,112,023 |
| Water and Sewer                            |           |           |           |
| Water Main Breaks                          | 91        | 69        | 219       |
| Hydrants Flushed                           | 2,844     | 2,748     | 700       |
| Water Meters Read                          | 12,210    | 12,400    | 12,400    |
| Water Meter Service Requests               | 1,058     | 1,169     | 1,487     |
| Total Distribution Pumpage (1,000 Gallons) | 2,094,526 | 2,000,073 | 2,197,297 |
| Average Daily Pumpage (1,000 Gallons)      | 5,738     | 5,472     | 5,999     |
| Sanitary Sewer Televising (Feet)           | 70,749    | 38,605    | 60,584    |
| Sanitary Sewer Repairs                     | —         | 3         | 3         |

N/A - Not Available

Data Source: Village Records

| Function/Program                           | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Public Works                               |           |           |           |           |           |           |           |
| Forestry                                   |           |           |           |           |           |           |           |
| Number of Parkway Trees Planted            | 510       | 602       | 831       | 715       | 517       | 289       | 309       |
| Number of Parkway Trees Trimmed            | 3,711     | 3,446     | 1,973     | 2,265     | 2,035     | 1,433     | 1,721     |
| Fleet Services                             |           |           |           |           |           |           |           |
| Number of Vehicles Maintained              | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |
| Public Safety                              |           |           |           |           |           |           |           |
| Fire                                       |           |           |           |           |           |           |           |
| Number of Fire Calls                       | 2,736     | 2,684     | 2,714     | 2,780     | 2,878     | 2,920     | 2,803     |
| Number of EMS Calls                        | 3,160     | 3,427     | 3,350     | 3,654     | 3,674     | 3,718     | 3,854     |
| ISO Rating                                 | 2         | 2         | 2         | 1         | 1         | 1         | 1         |
| Police                                     |           |           |           |           |           |           |           |
| Calls for Service                          | 22,489    | 23,109    | 24,740    | 24,573    | 24,814    | 24,792    | 24,631    |
| Traffic Citations Issued                   | 2,902     | 2,796     | 2,515     | 2,667     | 3,004     | 2,443     | 2,117     |
| Parking Citations Issued                   | 3,045     | 2,992     | 1,309     | 1,207     | 1,144     | 1,520     | 2,286     |
| Community Development                      |           |           |           |           |           |           |           |
| Number of Building Permits Issued          | 267       | 251       | 324       | 355       | 305       | 375       | 334       |
| Number of Building Inspections             | 7,777     | 6,687     | 9,254     | 13,434    | 7,938     | 10,005    | 14,652    |
| Highways and Streets                       |           |           |           |           |           |           |           |
| Sidewalk Replaced (Sq. Ft.)                | 41,283    | 28,510    | 28,403    | 32,554    | 29,291    | 33,630    | 34,000    |
| Annual Resurfacing Program (\$)            | 2,979,982 | 2,583,303 | 696,116   | 555,545   | 794,120   | 718,229   | 594,217   |
| Water and Sewer                            |           |           |           |           |           |           |           |
| Water Main Breaks                          | 101       | 66        | 45        | 93        | 110       | 90        | 69        |
| Hydrants Flushed                           | 778       | 2,700     | 987       | 1,054     | 733       | 589       | 11        |
| Water Meters Read                          | 12,449    | 12,398    | 12,989    | 12,409    | 12,416    | 12,430    | 12,446    |
| Water Meter Service Requests               | 972       | 769       | 752       | 1,869     | 852       | 1,130     | 1,119     |
| Total Distribution Pumpage (1,000 Gallons) | 1,892,779 | 1,222,948 | 1,727,180 | 1,795,621 | 1,833,926 | 1,766,182 | 1,721,852 |
| Average Daily Pumpage (1,000 Gallons)      | 5,186     | 5,731     | 4,732     | 4,911     | 5,024     | 4,833     | 4,715     |
| Sanitary Sewer Televising (Feet)           | 37,150    | 24,049    | 36,938    | 37,472    | 35,297    | 34,935    | 46,873    |
| Sanitary Sewer Repairs                     | 5         | 3         | 13        | 1         | 2         | 4         | 2         |

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Calendar Years  
April 30, 2020 (Unaudited)**

| Function/Program        | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 272.66 | 272.66 | 272.66 | 272.66 | 272.66 | 272.66 | 272.66 | 272.66 |
| Streetlights            | 1,779  | 1,399  | 1,399  | 1,399  | 1,399  | 1,399  | 1,399  | 1,399  | 1,399  | 1,399  |
| Water and Sewer         |        |        |        |        |        |        |        |        |        |        |
| Water Mains (Miles)     | 171.30 | 179.80 | 183.00 | 183.00 | 183.00 | 183.00 | 183.00 | 183.00 | 205.00 | 205.00 |
| Fire Hydrants           | 2,748  | 2,747  | 2,751  | 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 | 133.00 | 133.00 |

N/A - Not Available

Data Source: Village Records

## **APPENDIX B**

### **DESCRIBING BOOK-ENTRY ONLY ISSUANCE**

The Depository Trust Company, New York, New York (“DTC”), 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.

1. 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 an S&P Global Ratings 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](http://www.dtcc.com).

2. 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.

3. 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 affect 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.

4. 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 bond registrar and request that copies of notices be provided directly to them.

5. 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.

6. 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).

7. 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.

8. 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.

9. 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.

10. 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.

11. 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

September 14, 2021

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 \$10,270,000 principal amount of General Obligation Bonds, Series 2021 (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 August 24, 2021 and entitled: “Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2021, 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 September 14, 2021. 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, 2022 and semiannually thereafter on each June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
| 2022        | \$330,000               | 5.00%                |
| 2023        | 430,000                 | 5.00                 |
| 2024        | 170,000                 | 5.00                 |
| 2025        | 180,000                 | 5.00                 |
| 2026        | 190,000                 | 5.00                 |
| 2027        | 195,000                 | 5.00                 |
| 2028        | 555,000                 | 5.00                 |
| 2029        | 580,000                 | 5.00                 |
| 2030        | 610,000                 | 5.00                 |
| 2031        | 640,000                 | 2.00                 |
| 2032        | 650,000                 | 2.00                 |
| 2033        | 670,000                 | 2.00                 |
| 2034        | 685,000                 | 2.00                 |
| 2035        | 695,000                 | 2.00                 |
| 2036        | 710,000                 | 2.00                 |
| 2037        | 725,000                 | 2.00                 |
| 2038        | 735,000                 | 2.00                 |
| 2039        | 750,000                 | 2.00                 |
| 2040        | 770,000                 | 3.00                 |

The Bonds maturing on or after December 1, 2031 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, 2030 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 FISCAL YEAR 2020 AUDITED FINANCIAL STATEMENTS  
RELATING TO THE VILLAGE'S PENSION PLANS**

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020 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.



VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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:

- No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of U.S. government securities held in safekeeping.
- Funds deposited in financial institutions shall not exceed 25% of the deposits of that institution.
- 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 \$2,540,686 and the bank balances totaled \$2,540,686.

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

| Investment Type          | Fair Value | Investment Maturities (in Years) |            |           |              |
|--------------------------|------------|----------------------------------|------------|-----------|--------------|
|                          |            | Less Than 1                      | 1-5        | 6-10      | More Than 10 |
| U.S. Treasury Securities | \$ 885,742 | —                                | —          | —         | 885,742      |
| U.S. Agency Securities   | 8,568      | —                                | —          | —         | 8,568        |
| Corporate Bonds          | 16,406,037 | 12,465,845                       | 3,643,384  | 296,808   | —            |
| Illinois Funds           | 654,958    | 654,958                          | —          | —         | —            |
|                          |            | 17,955,305                       | 13,120,803 | 3,643,384 | 296,808      |
|                          |            |                                  |            |           | 894,310      |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

*Investments - Continued.* The Fund has the following recurring fair value measurements as of April 30, 2020:

|  | Total      | Fair Value Measurements Using                                  |   |   |   |
|--|------------|--|---|---|---|
|  |            | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |   |
| Investments by Fair Value Level          |            |  |   |   |   |
| Debt Securities                          |            |  |   |   |   |
| U.S. Treasury Securities                 | \$ 885,742 | 885,742  | —   | —   | — |
| U.S. Agency Securities                   | 8,568      | —  | 8,568   | —   | — |
| Corporate Bonds                          | 16,406,037 | —  | 16,406,037                                    | —   | — |
| Equity Securities                        |            |  |   |   |   |
| Mutual Funds                             | 17,398,583 | 17,398,583   | —   | —   | — |
| Common Stock                             | 15,505,303 | 15,505,303   | —   | —   | — |
| Total Investments Measured at Fair Value | 50,204,233 | 33,789,628   | 16,414,605                                    | —   | — |

Investments Measured at the Net Asset Value (NAV)

|  |            |
|--|------------|
| Illinois Funds                           | 654,958    |
| Total Investments Measured at Fair Value | 50,859,191 |

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

*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 not rated, corporate bonds were rated A1 to Baa3 by Standard & Poor's, and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

*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 \$17,398,583 invested in mutual funds and \$15,505,303 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).

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

| Asset Class               | Target | Long-Term<br>Expected Real<br>Return |
|---------------------------|--------|--------------------------------------|
| Fixed Income              | 44.00% | 2.50%                                |
| Equities                  | 55.00% | 10.50%                               |
| Cash and Cash Equivalents | 0%     | 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.

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 2020 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, 2020 are listed in the table above.

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$2,066,363 and the bank balances totaled \$2,066,363.

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

| Investment Type          | Fair Value | Investment Maturities (in Years) |           |         |              |
|--------------------------|------------|----------------------------------|-----------|---------|--------------|
|                          |            | Less Than 1                      | 1-5       | 6-10    | More Than 10 |
| U.S. Treasury Securities | \$ 885,742 | —                                | —         | —       | 885,742      |
| U.S. Agency Securities   | 157,833    | —                                | —         | —       | 157,833      |
| Corporate Bonds          | 16,576,277 | 12,983,820                       | 3,295,649 | 296,808 | —            |
| Illinois Funds           | 2,008,975  | 2,008,975                        | —         | —       | —            |
| Totals                   | 19,628,827 | 14,992,795                       | 3,295,649 | 296,808 | 1,043,575    |

The Fund has the following recurring fair value measurements as of April 30, 2020:

|   | Fair Value Measurements Using                                  |                                    |   |   |   |
|---|--|------------------------------------|---|---|---|
|   | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |   |   |
| Investments by Fair Value Level                   |  |                                    |   |   |   |
| Debt Securities                                   |  |                                    |   |   |   |
| U.S. Treasury Securities                          | \$ 885,742   | 885,742                            | —   | — | — |
| U.S. Agency Securities                            | 157,833  | —                                  | 157,833                                   | — | — |
| Corporate Bonds                                   | 16,576,277   | —                                  | 16,576,277                                | — | — |
| Equity Securities                                 |  |                                    |   |   |   |
| Common Stock                                      | 19,286,998   | 19,286,998                         | —   | — | — |
| Mutual Funds                                      | 11,672,192   | 11,672,192                         | —   | — | — |
| Total Investments Measured at Fair Value          | 48,579,042   | 31,844,932                         | 16,734,110                                | — | — |
| Investments Measured at the Net Asset Value (NAV) |  |                                    |   |   |   |
| Illinois Funds                                    | 2,008,975  |                                    |   |   |   |
| Total Investments Measured at Fair Value          | 50,588,017   |                                    |   |   |   |

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VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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.* 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 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. agency securities were not available.

*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 \$11,672,192 invested in mutual funds and \$19,286,998 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).

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VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

| Asset Class               | Target | Long-Term<br>Expected Real<br>Return |
|---------------------------|--------|--------------------------------------|
| Fixed Income              | 44%    | 2.5%                                 |
| Equities                  | 55.00% | 10.50%                               |
| Cash and Cash Equivalents | 3.00%  | 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.

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 2020 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, 2020 are listed in the table above.

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.27%. 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 2019 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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

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](http://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 amounts recognized for the pension plans is:

|                       | Pension<br>Expenses | Net Pension<br>Liabilities | Deferred<br>Outflows | Deferred<br>Inflows |
|-----------------------|---------------------|----------------------------|----------------------|---------------------|
| IMRF                  |                     |                            |                      |                     |
| Village               | \$ 1,289,073        | 4,952,246                  | 2,880,834            | 3,962,081           |
| Library               | 400,088             | 1,396,801                  | 812,551              | 1,117,521           |
| Police Pension        | 7,150,238           | 50,842,827                 | 6,037,386            | 2,734,594           |
| Firefighters' Pension | 8,645,288           | 49,933,828                 | 5,907,852            | 965,449             |
|                       | 17,484,687          | 107,125,702                | 15,638,623           | 8,779,645           |

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).

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*Benefits Provided - Continued.* 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. 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, 2019, the measurement date, the following employees were covered by the benefit terms:

|  |              |
|--|--------------|
| Inactive Plan Members Currently Receiving Benefits               | 224          |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 115          |
| Active Plan Members  | 228          |
| Total  | <u>567 *</u> |

\*The employees in the above table include the Northbrook Public Library.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2020, the Village's contribution was 10.29% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2019. 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, 2019, using the following actuarial methods and assumptions:

|  |                     |
|--|---------------------|
| Actuarial Cost Method                  | Entry Age<br>Normal |
| Asset Valuation Method                 | Market              |
| Actuarial Assumptions<br>Interest Rate | 7.25%               |
| Salary Increases                       | 3.35% to 14.25%     |
| Cost of Living Adjustments             | 2.50%               |
| Inflation                              | 2.50%               |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Actuarial Assumptions - Continued.* For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuity 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). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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% |               | 3.25%          |
| Domestic Equities         | 37.00% |               | 5.75%          |
| International Equities    | 18.00% |               | 6.50%          |
| Real Estate               | 9.00%  |               | 5.20%          |
| Blended                   | 7.00%  |               | 3.60% - 7.60%  |
| Cash and Cash Equivalents | 1.00%  |               | 1.85%          |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, 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<br>(6.25%) | Current                  |             | 1% Increase<br>(8.25%) |
|-------------------------------|------------------------|--------------------------|-------------|------------------------|
|                               |                        | Discount Rate<br>(7.25%) |             |                        |
| Village                       | \$ 14,479,803          | 4,952,246                | (2,926,377) |                        |
| Library                       | 4,084,088              | 1,396,801                | (825,396)   |                        |
| Net Pension Liability/(Asset) | 18,563,891             | 6,349,047                | (3,751,773) |                        |

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Changes in the Net Pension Liability**

|   | Village      | Library     | Totals      |
|---|--------------|-------------|-------------|
| Total Pension Liability                                     |              |             |             |
| Service Cost  | \$ 1,164,403 | 328,425     | 1,492,828   |
| Interest  | 5,397,298    | 1,593,150   | 6,990,448   |
| Differences Between Expected and Actual Experience          | 723,298      | 204,009     | 927,307     |
| Change of Assumptions                                       | —            | —           | —           |
| Benefit Payments, Including Refunds of Member Contributions | (3,718,121)  | (1,048,711) | (4,766,832) |
| Net Change in Total Pension Liability                       | 3,566,878    | 1,076,873   | 4,643,751   |
| Total Pension Liability - Beginning                         | 75,743,973   | 19,403,481  | 95,147,454  |
| Total Pension Liability - Ending                            | 79,310,851   | 20,480,354  | 99,791,205  |
| Plan Fiduciary Net Position                                 |              |             |             |
| Contributions - Employer                                    | 1,146,002    | 323,235     | 1,469,237   |
| Contributions - Members                                     | 536,686      | 151,375     | 688,061     |
| Net Investment Income                                       | 11,840,625   | 3,339,697   | 15,180,322  |
| Benefit Payments, Including Refunds of Member Contributions | (3,718,121)  | (1,048,711) | (4,766,832) |
| Other (Net Transfer)  | 417,863      | 117,860     | 535,723     |
| Net Change in Plan Fiduciary Net Position                   | 10,223,055   | 2,883,456   | 13,106,511  |
| Plan Net Position - Beginning                               | 64,135,550   | 16,200,097  | 80,335,647  |
| Plan Net Position - Ending                                  | 74,358,605   | 19,083,553  | 93,442,158  |
| Employer's Net Pension Liability                            | 4,952,246    | 1,396,801   | 6,349,047   |

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

For the fiscal year ended April 30, 2020, the Village recognized pension expense of \$1,289,073 and the Northbrook Public Library recognized pension expense of \$400,088.

**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

|  | Village                        |                               | Library                        |                               |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|  | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
|  |                                |                               |                                | Totals                        |
| Difference Between Expected and Actual Experience  | \$ 1,297,922                   | (68,648)                      | 366,084                        | 1,575,996                     |
| Change in Assumptions  | 1,099,141                      | (835,080)                     | 310,017                        | 338,540                       |
| Net Difference Between Projected and Actual Total Pension Expense to be Recognized in Future Periods | —                              | (3,058,353)                   | —                              | (862,621)                     |
| Pension Contributions Made Subsequent to the Measurement Date  | 483,771                        | —                             | 136,450                        | 620,221                       |
| Total Deferred Amounts Related to IMRF   | 2,880,834                      | (3,962,081)                   | 812,551                        | (1,386,217)                   |

\$620,221 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, 2021.

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 |           |
|-------------|--|-----------|
|             | Village                                      | Library   |
|             |  | Totals    |
| 2021        | \$ (502,175)                                 | (141,641) |
| 2022        | (316,702)                                    | (89,327)  |
| 2023        | 669,002                                      | 188,695   |
| 2024        | (1,415,143)                                  | (399,147) |
| 2025        | —  | —         |
| Thereafter  | —  | —         |
| Totals      | (1,565,018)                                  | (441,420) |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

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, 2020, 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  | <u>68</u>  |
| Total  | <u>137</u> |

*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  $\frac{1}{2}$  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.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police 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 police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  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.,  $\frac{1}{2}$  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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of  $\frac{1}{2}$  of the change in the Consumer Price Index for the preceding 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, 2020, the Village's contribution was 57.04% 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, 2020

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Police Pension Plan - Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2020, 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 |
| Adjustments                         | 3.00%                         |
| Inflation                           | 3.00%                         |

Mortality rates were based on the RP-2014 base rates with blue collar adjustment projected from 2013 with scale MP2019 fully generationally.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between 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, 2020

**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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability \$ | 65,484,457             | 50,842,827                          | 38,933,703             |

**Changes in the Net Pension Liability**

|  | Total<br>Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|--|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2019   | \$ 100,107,156                       | 52,866,785                            | 47,240,371                            |
| Changes for the Year:  |                                      |                                       |                                       |
| Service Cost   | 1,811,753                            | —                                     | 1,811,753                             |
| Interest on the Total Pension Liability  | 6,784,816                            | —                                     | 6,784,816                             |
| Changes of Benefit Terms   | 96,993                               | —                                     | 96,993                                |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 1,344,265                            | —                                     | 1,344,265                             |
| Changes of Assumptions   | (310,335)                            | —                                     | (310,335)                             |
| Contributions - Employer   | —                                    | 4,077,489                             | (4,077,489)                           |
| Contributions - Employees  | —                                    | 741,450                               | (741,450)                             |
| Contributions - Others   | —                                    | 129                                   | (129)                                 |
| Net Investment Income  | —                                    | 1,338,989                             | (1,338,989)                           |
| Benefit Payments, Including Refunds of Employee Contributions                    | (5,002,170)                          | (5,002,170)                           | —                                     |
| Other (Net Transfer)   | —                                    | (33,021)                              | 33,021                                |
| Net Changes  | 4,725,322                            | 1,122,866                             | 3,602,456                             |
| Balances at April 30, 2020   | 104,832,478                          | 53,989,651                            | 50,842,827                            |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020, the Village recognized pension expense of \$7,150,238. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals      |
|---|--------------------------------------|-------------------------------------|-------------|
| Difference Between Expected and Actual Experience                                   | \$ 4,552,171                         | (549,338)                           | 4,002,833   |
| Change in Assumptions   | 139,725                              | (2,185,256)                         | (2,045,531) |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | 1,345,490                            | —                                   | 1,345,490   |
| Total Deferred Amounts Related to Police Pension                                    | 6,037,386                            | (2,734,594)                         | 3,302,792   |

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<br>Year | Net Deferred<br>Outflows<br>of Resources |
|----------------|--|
| 2021           | \$ 458,460                               |
| 2022           | 757,278                                  |
| 2023           | 1,084,833                                |
| 2024           | 904,671                                  |
| 2025           | 97,550                                   |
| Thereafter     | —  |
| Total          | 3,302,792                                |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020, the measurement date, membership consisted of the following:

|  |     |
|--|-----|
| Inactive Plan Members Currently Receiving Benefits               | 64  |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 7   |
| Active Plan Members  | 70  |
| Total  | 141 |

*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 3percent compounded annually thereafter.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding 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, 2020, the Village's contribution was 57.30% of covered payroll.

*Concentrations.* At year end, the Pension Plan does not have any investments over 5 percent of 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, 2020

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, 2020, 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 MP2019 fully generationally.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior year. 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, 2020

**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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--|------------------------|-------------------------------------|------------------------|
| Net Pension Liability  | \$ 64,231,849          | 49,933,828                          | 38,244,109             |
| <b>Changes in the Net Pension Liability</b>                                      |                        |                                     |                        |
| Balances at April 30, 2019   | \$ 99,242,079          | 53,020,967                          | 46,221,112             |
| Changes for the Year:  |                        |                                     |                        |
| Service Cost   | 2,399,593              | —                                   | 2,399,593              |
| Interest on the Total Pension Liability  | 6,773,274              | —                                   | 6,773,274              |
| Changes of Benefit Terms   | 59,470                 | —                                   | 59,470                 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 256,928                | —                                   | 256,928                |
| Changes of Assumptions   | (723,598)              | —                                   | (723,598)              |
| Contributions - Employer   | —                      | 4,270,347                           | (4,270,347)            |
| Contributions - Employees  | —                      | 729,299                             | (729,299)              |
| Contributions - Other  | —                      | 654                                 | (654)                  |
| Net Investment Income  | —                      | 52,651                              | (52,651)               |
| Benefit Payments, Including Refunds of Employee Contributions                    | (4,683,417)            | (4,580,341)                         | (103,076)              |
| Other (Net Transfer)   | —                      | (103,076)                           | 103,076                |
| Net Changes  | 4,082,250              | 369,534                             | 3,712,716              |
| Balances at April 30, 2020   | 103,324,329            | 53,390,501                          | 49,933,828             |

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**VILLAGE OF NORTHBROOK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2020

**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, 2020, the Village recognized pension expense of \$8,645,288. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals    |
|--|--------------------------------------|-------------------------------------|-----------|
| Difference Between Expected and Actual Experience                                | \$ 2,059,398                         | (10,257)                            | 2,049,141 |
| Change in Assumptions  | 436,981                              | (955,192)                           | (518,211) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 3,411,473                            | —                                   | 3,411,473 |
| Total Deferred Amounts Related to Firefighters' Pension                          | 5,907,852                            | (965,449)                           | 4,942,403 |

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<br>Year | Net Deferred<br>Outflows/<br>(Inflows)<br>of Resources |
|----------------|--|
| 2021           | \$ 1,434,837   |
| 2022           | 1,395,407  |
| 2023           | 1,366,375  |
| 2024           | 796,152  |
| 2025           | (50,368)   |
| Thereafter     | —  |
| Total          | 4,942,403  |

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VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

|  |            |
|--|------------|
| Inactive Plan Members Currently Receiving Benefits               | 64         |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | —          |
| Active Plan Members  | 211        |
| Total  | <u>275</u> |

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of April 30, 2019.

*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:

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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                            | 2.91%  |
| Healthcare Cost Trend Rates              | 7.75% for 2020, 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<br>OPEB<br>Liability |
|---|----------------------------|
| Balance at April 30, 2019                         | 8,257,652                  |
| Changes for the Year:                             |                            |
| Service Cost                                      | 490,868                    |
| Interest on the Total OPEB Liability              | 306,550                    |
| Changes of Benefit Terms                          | —                          |
| Difference Between Expected and Actual Experience | —                          |
| Changes of Assumptions or Other Inputs            | 668,744                    |
| Benefit Payments                                  | (338,534)                  |
| Net Changes                                       | <u>1,127,628</u>           |
| Balance at April 30, 2020                         | <u>9,385,280</u>           |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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 2.91%, 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:

|                      | Current                |                          |                        |
|----------------------|------------------------|--------------------------|------------------------|
|                      | 1% Decrease<br>(1.91%) | Discount Rate<br>(2.91%) | 1% Increase<br>(3.91%) |
| Total OPEB Liability | \$ 10,184,169          | 9,385,280                | 8,644,283              |

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

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, 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:

|                      | Healthcare<br>Cost Trend |                   |                         |
|----------------------|--------------------------|-------------------|-------------------------|
|                      | 1% Decrease<br>(Varies)  | Rates<br>(Varies) | 1% Increase<br>(Varies) |
| Total OPEB Liability | \$ 8,374,194             | 9,385,280         | 10,567,560              |

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements  
April 30, 2020

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$870,637. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals  |
|---|--------------------------------------|-------------------------------------|---------|
| Difference Between Expected<br>and Actual Experience    | \$ —                                 | —                                   | —       |
| Change in Assumptions                                   | 705,766                              | —                                   | 705,766 |
| Net Difference Between<br>Projected and Actual Earnings | —                                    | —                                   | —       |
| Total Deferred Amounts Related to OPEB                  | 705,766                              | —                                   | 705,766 |

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

| Fiscal<br>Year | Net Deferred<br>Outflows/<br>(Inflows) of<br>Resources |
|----------------|--|
| 2021           | \$ 73,219  |
| 2022           | 73,219   |
| 2023           | 73,219   |
| 2024           | 73,219   |
| 2025           | 73,219   |
| Thereafter     | 339,671  |
| Totals         | 705,766  |

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
April 30, 2020

| Calendar Year |                 | Contributions in Relation to the Actuarially Determined Contribution |                      |                 | Contributions as a Percentage of Covered Payroll |
|---------------|-----------------|--|----------------------|-----------------|--|
|               |                 | Actuarially Determined Contribution                                  | Excess/ (Deficiency) | Covered Payroll |  |
| 2016          | Totals          | \$ 1,742,464   | \$ —                 | \$ 14,040,804   | 12.41%   |
| 2017          | Totals          | 1,736,714  | 5,086                | 14,005,761      | 12.44%   |
| 2018          | Totals          | 1,722,897  | (3,047)              | 14,501,806      | 11.86%   |
| 2019          | Totals          | 1,512,977  | 1,500                | 13,808,244      | 10.97%   |
| 2020          | Village Library | 1,238,532  | —                    | 12,034,457      | 10.29%   |
|               |                 | 349,333  | —                    | 3,394,368       | 10.29%   |
|               | Totals          | 1,587,865  | 1,587,865            | 15,428,825      | 10.29%   |

Notes to the Required Supplementary Information:

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level % Pay (Closed)  |
| Remaining Amortization Period | 24 Years  |
| Asset Valuation Method        | 5-Year Smoothed Market  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.35% - 14.25%  |
| 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-2017 (base year 2015). |

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  
Schedule of Employer Contributions  
April 30, 2020

| Fiscal Year |  | Contributions in Relation to the Actuarially Determined Contribution |                      |                 | Contributions as a Percentage of Covered Payroll |
|-------------|--|--|----------------------|-----------------|--|
|             |  | Actuarially Determined Contribution                                  | Excess/ (Deficiency) | Covered Payroll |  |
| 2015        |  | \$ 1,397,406   | \$ 1,349,585         | \$ (47,821)     | 21.56%   |
| 2016        |  | 1,545,370  | 1,591,260            | 45,890          | 24.48%   |
| 2017        |  | 1,803,482  | 1,965,874            | 162,392         | 29.39%   |
| 2018        |  | 2,949,665  | 3,338,429            | 388,764         | 48.34%   |
| 2019        |  | 2,998,526  | 3,496,247            | 497,721         | 50.07%   |
| 2020        |  | 3,441,988  | 4,077,489            | 635,501         | 57.04%   |

Notes to the Required Supplementary Information:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Projected Unit Cost  |
| Amortization Method           | Level % Pay (Closed)   |
| Remaining Amortization Period | 21 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 MP2019 fully generationally |

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**  
**Schedule of Employer Contributions**  
**April 30, 2020**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution |                      | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|----------------------|--|
|             |                                     | Contributions  | Excess/ (Deficiency) |  |
| 2015        | \$ 1,419,399                        | \$ 1,332,783   | \$ (86,616)          | 20.46%   |
| 2016        | 1,571,442                           | 1,565,117  | (6,325)              | 23.05%   |
| 2017        | 1,748,845                           | 1,880,878  | 132,033              | 26.72%   |
| 2018        | 2,814,963                           | 3,492,984  | 678,021              | 41.31%   |
| 2019        | 3,387,070                           | 3,707,866  | 320,796              | 50.65%   |
| 2020        | 3,802,059                           | 4,270,347  | 468,288              | 57.30%   |

Notes to the Required Supplementary Information:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Projected Unit Cost  |
| Amortization Method           | Level % Pay (Closed)   |
| Remaining Amortization Period | 21 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 MP2019 fully generationally |

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**  
**Schedule of Changes in the Employer's Net Pension Liability**  
**April 30, 2020**

|  | 12/31/2015    |
|--|---------------|
|  | Total         |
| Total Pension Liability  |               |
| Service Cost   | \$ 1,517,115  |
| Interest   | 5,921,589     |
| Changes in Benefit Terms   |               |
| Differences Between Expected and Actual Experience                         | (31,568)      |
| Change of Assumptions  | 203,074       |
| Benefit Payments, Including Refunds  |               |
| of Member Contributions  | (3,558,811)   |
| Net Change in Total Pension Liability                                      | 4,051,399     |
| Total Pension Liability - Beginning  | 80,080,770    |
| Total Pension Liability - Ending   | 84,132,169    |
| Plan Fiduciary Net Position  |               |
| Contributions - Employer   | \$ 1,742,464  |
| Contributions - Members  | 635,947       |
| Net Investment Income  | 360,389       |
| Benefit Payments, Including Refunds  |               |
| of Member Contributions  | (3,558,811)   |
| Other (Net Transfer)   | 134,664       |
| Net Change in Plan Fiduciary Net Position                                  | (685,347)     |
| Plan Net Position - Beginning  | 72,668,014    |
| Plan Net Position - Ending   | 71,982,667    |
| Employer's Net Pension Liability   | \$ 12,149,502 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 85.56%        |
| Covered Payroll  | \$ 14,040,805 |
| 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.



VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2020

| 12/31/2016  | 12/31/2017  | 12/31/2018  | 12/31/2019      | Totals      |
|-------------|-------------|-------------|-----------------|-------------|
| Total       | Total       | Total       | Village Library | Totals      |
| 1,465,389   | 1,471,957   | 1,365,108   | 1,164,403       | 1,492,828   |
| 6,145,718   | 6,367,217   | 6,403,605   | 5,397,298       | 6,990,448   |
| (730,264)   | 341,985     | 1,521,338   | 723,298         | 927,307     |
| (310,687)   | (2,883,906) | 2,586,175   | —               | —           |
| (3,922,991) | (4,168,350) | (4,637,009) | (3,718,121)     | (4,766,832) |
| 2,647,165   | 1,128,903   | 7,239,217   | 3,566,878       | 4,643,751   |
| 84,132,169  | 86,779,334  | 87,908,237  | 75,743,973      | 95,147,454  |
| 86,779,334  | 87,908,237  | 95,147,454  | 79,310,851      | 99,791,205  |
| 1,741,800   | 1,728,897   | 1,718,698   | 1,146,002       | 1,469,237   |
| 643,263     | 648,391     | 661,091     | 536,686         | 688,061     |
| 4,947,272   | 13,173,257  | (4,571,306) | 11,840,625      | 15,180,322  |
| (3,922,991) | (4,168,350) | (4,637,009) | (3,718,121)     | (4,766,832) |
| 37,510      | (1,525,729) | 1,878,186   | 417,863         | 535,723     |
| 3,446,854   | 9,856,466   | (4,950,340) | 10,223,055      | 13,106,511  |
| 71,982,667  | 75,429,521  | 85,285,987  | 64,135,550      | 80,335,647  |
| 75,429,521  | 85,285,987  | 80,335,647  | 74,358,605      | 93,442,158  |
| 11,349,813  | 2,622,250   | 14,811,807  | 4,952,246       | 6,349,047   |
| 86.92 %     | 97.02 %     | 84.43 %     | 93.76 %         | 93.64 %     |
| 14,005,761  | 14,136,095  | 14,692,892  | 11,912,708      | 15,272,736  |
| 81.04 %     | 18.55 %     | 100.81 %    | 41.57 %         | 41.57 %     |

|  | 2015          |
|--|---------------|
| Total Pension Liability  |               |
| Service Cost   | \$ 859,722    |
| Interest   | 4,969,863     |
| Changes in Benefit Terms   | —             |
| 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 Expenses  | (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.

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2020

|  | 2016        | 2017        | 2018        | 2019        | 2020        |
|--|-------------|-------------|-------------|-------------|-------------|
| Total Pension Liability  | 1,181,410   | 1,231,694   | 1,317,913   | 1,458,847   | 1,811,753   |
| Service Cost   | 5,439,935   | 6,258,782   | 6,293,068   | 6,403,976   | 6,784,816   |
| Interest   | —           | —           | —           | —           | 96,993      |
| Changes in Benefit Terms   | 1,722,362   | (1,269,954) | (717,081)   | 5,443,091   | 1,344,265   |
| Differences Between Expected and Actual Experience                         | 7,385,822   | 838,321     | (668,120)   | (2,549,363) | (310,335)   |
| Change of Assumptions  | (3,737,336) | (3,933,840) | (4,236,937) | (4,657,688) | (5,002,170) |
| Benefit Payments, Including Refunds of Member Contributions                | 11,992,193  | 3,125,003   | 1,988,843   | 6,098,863   | 4,725,322   |
| Net Change in Total Pension Liability                                      | 76,902,254  | 88,894,447  | 92,019,450  | 94,008,293  | 100,107,156 |
| Total Pension Liability - Beginning  | 88,894,447  | 92,019,450  | 94,008,293  | 100,107,156 | 104,832,478 |
| Total Pension Liability - Ending   | 1,591,260   | 1,965,874   | 3,338,429   | 3,496,247   | 4,077,489   |
| Plan Fiduciary Net Position  | 752,378     | 705,161     | 701,436     | 716,482     | 741,450     |
| Contributions - Employer   | 7,225       | 254,817     | —           | —           | 129         |
| Contributions - Others   | (1,695,870) | 4,302,920   | 4,445,111   | 3,141,841   | 1,338,989   |
| Net Investment Income  | (3,737,336) | (3,933,840) | (4,236,937) | (4,657,688) | (5,002,170) |
| Benefit Payments, Including Refunds of Member Contributions                | (42,357)    | (26,987)    | (43,618)    | (18,744)    | (33,021)    |
| Administrative Expenses  | (3,124,700) | 3,267,945   | 4,204,421   | 2,678,138   | 1,122,866   |
| Net Change in Plan Fiduciary Net Position                                  | 45,840,981  | 42,716,281  | 45,984,226  | 50,188,647  | 52,866,785  |
| Plan Net Position - Beginning  | 42,716,281  | 45,984,226  | 50,188,647  | 52,866,785  | 53,989,651  |
| Plan Net Position - Ending   | 46,178,166  | 46,035,224  | 43,819,646  | 47,240,371  | 50,842,827  |
| Employer's Net Pension Liability   | 48.05%      | 49.97%      | 53.39%      | 52.81%      | 51.50%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 6,501,228   | 6,689,389   | 6,906,794   | 6,983,385   | 7,147,985   |
| Covered Payroll  | 710.30%     | 688.18%     | 634.44%     | 676.47%     | 711.29%     |
| Employer's Net Pension Liability as a Percentage of Covered Payroll        |             |             |             |             |             |

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund  
Schedule of Investment Returns  
April 30, 2020

| 2016        | 2017        | 2018        | 2019        | 2020        |
|-------------|-------------|-------------|-------------|-------------|
| 1,499,447   | 1,605,351   | 1,717,726   | 2,113,585   | 2,399,593   |
| 5,225,638   | 5,906,179   | 6,070,520   | 6,207,719   | 6,773,274   |
| —           | —           | —           | —           | 59,470      |
| (523,277)   | 397,050     | 2,393,822   | 806,935     | 256,928     |
| 7,060,087   | 772,971     | (704,211)   | 152,524     | (723,598)   |
| (3,364,422) | (3,538,561) | (3,760,880) | (4,357,815) | (4,683,417) |
| 9,897,473   | 5,142,990   | 5,716,977   | 4,922,948   | 4,082,250   |
| 73,561,691  | 83,459,164  | 88,602,154  | 94,319,131  | 99,242,079  |
| 83,459,164  | 88,602,154  | 94,319,131  | 99,242,079  | 103,324,329 |
| 1,565,117   | 1,880,878   | 3,492,984   | 3,707,866   | 4,270,347   |
| 631,544     | 691,264     | 719,854     | 694,131     | 729,299     |
| —           | 215,297     | 374         | 231         | 654         |
| (2,700,867) | 4,334,250   | 3,594,542   | 2,152,779   | 52,651      |
| (3,364,422) | (3,538,561) | (3,760,880) | (4,357,815) | (4,580,341) |
| (39,690)    | (48,238)    | (133,327)   | (169,522)   | (103,076)   |
| (3,908,318) | 3,534,890   | 3,913,547   | 2,027,670   | 369,534     |
| 47,453,178  | 43,544,860  | 47,079,750  | 50,993,297  | 53,020,967  |
| 43,544,860  | 47,079,750  | 50,993,297  | 53,020,967  | 53,390,501  |
| 39,914,304  | 41,522,404  | 43,325,834  | 46,221,112  | 49,933,828  |
| 52.18%      | 53.14%      | 54.06%      | 53.43%      | 51.67%      |
| 6,790,390   | 7,038,056   | 8,454,642   | 7,319,853   | 7,452,829   |
| 587.81%     | 589.97%     | 512.45%     | 631.45%     | 670.00%     |

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  
Schedule of Investment Returns  
April 30, 2020

| 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%   |
| 2020        | 5.27%   |

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

Retiree Benefit Plan  
Schedule of Changes in the Employer's Total OPEB Liability  
April 30, 2020

|   | 2019       | 2020       |
|---|------------|------------|
| Total OPEB Liability                                    |            |            |
| Service Cost  | \$ 457,714 | 490,868    |
| Interest  | 299,236    | 306,550    |
| Changes in Benefit Terms                                | —          | —          |
| Differences Between Expected and Actual Experience      | —          | —          |
| Change of Assumptions or Other Inputs                   | 121,498    | 668,744    |
| Benefit Payments  | (316,463)  | (338,534)  |
| Net Change in Total OPEB Liability                      | 561,985    | 1,127,628  |
| Total OPEB Liability - Beginning                        | 7,695,667  | 8,257,652  |
| Total OPEB Liability - Ending                           | 8,257,652  | 9,385,280  |
| Covered Payroll   | 20,980,536 | 20,572,727 |
| Total OPEB Liability as a Percentage of Covered Payroll | 39.36%     | 45.62%     |

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 and 2020.

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds  
Combining Statement of Fiduciary Net Position  
April 30, 2020

|                                      | Police<br>Pension | Firefighters'<br>Pension | Totals      |
|--------------------------------------|-------------------|--------------------------|-------------|
| <b>ASSETS</b>                        |                   |                          |             |
| Cash and Cash Equivalents            | \$ 2,540,686      | 2,066,363                | 4,607,049   |
| Investments                          |                   |                          |             |
| U.S. Treasury Securities             | 885,742           | 885,742                  | 1,771,484   |
| U.S. Agency Securities               | 8,568             | 157,833                  | 166,401     |
| Corporate Bonds                      | 16,406,037        | 16,576,277               | 32,982,314  |
| Mutual Funds                         | 17,398,583        | 11,672,192               | 29,070,775  |
| Common Stock                         | 15,505,303        | 19,286,998               | 34,792,301  |
| Illinois Funds                       | 654,958           | 2,008,975                | 2,663,933   |
| Receivables                          |                   |                          |             |
| Accrued Interest                     | 136,785           | 138,658                  | 275,443     |
| Due from Other Governments           | 471,436           | 621,316                  | 1,092,752   |
| Total Assets                         | 54,008,098        | 53,414,354               | 107,422,452 |
| <b>LIABILITIES</b>                   |                   |                          |             |
| Accounts Payable                     | —                 | 391                      | 391         |
| Due to Other Governments             | 18,447            | 23,462                   | 41,909      |
| Total Liabilities                    | 18,447            | 23,853                   | 42,300      |
| <b>NET POSITION</b>                  |                   |                          |             |
| Net Position Restricted for Pensions | 53,989,651        | 53,390,501               | 107,380,152 |

INDIVIDUAL FUND DESCRIPTIONS

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.

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.

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

|                                      | Police<br>Pension | Firefighters'<br>Pension | Totals      |
|--------------------------------------|-------------------|--------------------------|-------------|
| Additions                            |                   |                          |             |
| Contributions - Employer             | \$ 4,077,489      | 4,270,347                | 8,347,836   |
| Contributions - Plan Members         | 741,450           | 729,299                  | 1,470,749   |
| Total Contributions                  | 4,818,939         | 4,999,646                | 9,818,585   |
| Investment Earnings                  |                   |                          |             |
| Interest Earned                      | 1,416,244         | 1,628,589                | 3,044,833   |
| Net Change in Fair Value             | (25,538)          | (1,512,182)              | (1,537,720) |
|                                      | 1,390,706         | 116,407                  | 1,507,113   |
| Less Investment Expenses             | (51,717)          | (63,756.00)              | (115,473)   |
| Net Investment Income                | 1,338,989         | 52,651                   | 1,391,640   |
| Miscellaneous Income                 | 129               | 654                      | 783         |
| Total Additions                      | 6,158,057         | 5,052,951                | 11,211,008  |
| Deductions                           |                   |                          |             |
| Administration                       | 33,021            | 103,076                  | 136,097     |
| Benefits and Refunds                 | 5,002,170         | 4,580,341                | 9,582,511   |
| Total Deductions                     | 5,035,191         | 4,683,417                | 9,718,608   |
| Change in Fiduciary Net Position     | 1,122,866         | 369,534                  | 1,492,400   |
| Net Position Restricted for Pensions |                   |                          |             |
| Beginning                            | 52,866,785        | 53,020,967               | 105,887,752 |
| Ending                               | 53,989,651        | 53,390,501               | 107,380,152 |

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

|                                      | Budget       |           | Actual     |
|--------------------------------------|--------------|-----------|------------|
|                                      | Original     | Final     |            |
| Additions                            |              |           |            |
| Contributions - Employer             | \$ 3,851,442 | 3,851,442 | 4,077,489  |
| Contributions - Plan Members         | 740,000      | 740,000   | 741,450    |
| Total Contributions                  | 4,591,442    | 4,591,442 | 4,818,939  |
| Investment Earnings                  |              |           |            |
| Interest Earned                      | 2,000,000    | 2,000,000 | 1,416,244  |
| Net Change in Fair Value             | —            | —         | (25,538)   |
|                                      | 2,000,000    | 2,000,000 | 1,390,706  |
| Less Investment Expenses             | —            | —         | (51,717)   |
| Net Investment Income                | 2,000,000    | 2,000,000 | 1,338,989  |
| Miscellaneous Income                 | —            | —         | 129        |
| Total Additions                      | 6,591,442    | 6,591,442 | 6,158,057  |
| Deductions                           |              |           |            |
| Administration                       | 78,800       | 78,800    | 33,021     |
| Benefits and Refunds                 | 4,792,000    | 4,792,000 | 5,002,170  |
| Total Deductions                     | 4,870,800    | 4,870,800 | 5,035,191  |
| Change in Fiduciary Net Position     | 1,720,642    | 1,720,642 | 1,122,866  |
| Net Position Restricted for Pensions |              |           |            |
| Beginning                            |              |           | 52,866,785 |
| Ending                               |              |           | 53,989,651 |

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2020

|                                      | Budget       |           | Actual      |
|--------------------------------------|--------------|-----------|-------------|
|                                      | Original     | Final     |             |
| Additions                            |              |           |             |
| Contributions - Employer             | \$ 3,916,940 | 3,916,940 | 4,270,347   |
| Contributions - Plan Members         | 740,000      | 740,000   | 729,299     |
| Total Contributions                  | 4,656,940    | 4,656,940 | 4,999,646   |
| Investment Earnings                  |              |           |             |
| Interest Earned                      | 2,000,000    | 2,000,000 | 1,628,589   |
| Net Change in Fair Value             | —            | —         | (1,512,182) |
|                                      | 2,000,000    | 2,000,000 | 116,407     |
| Less Investment Expenses             | —            | —         | (63,756)    |
| Net Investment Income                | 2,000,000    | 2,000,000 | 52,651      |
| Miscellaneous Income                 | —            | —         | 654         |
| Total Additions                      | 6,656,940    | 6,656,940 | 5,052,951   |
| Deductions                           |              |           |             |
| Administration                       | 258,000      | 258,000   | 103,076     |
| Benefits and Refunds                 | 4,347,100    | 4,347,100 | 4,580,341   |
| Total Deductions                     | 4,605,100    | 4,605,100 | 4,683,417   |
| Change in Fiduciary Net Position     | 2,051,840    | 2,051,840 | 369,534     |
| Net Position Restricted for Pensions |              |           |             |
| Beginning                            |              |           | 53,020,967  |
| Ending                               |              |           | 53,390,501  |

**APPENDIX E**

**VILLAGE OF NORTHBROOK  
COOK COUNTY, ILLINOIS**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**



Continuing Disclosure. For the benefit of the beneficial owners of the 2021 Bonds, the Village covenants and agrees to provide to the Municipal Securities Rulemaking Board (the “MSRB”) for disclosure on the Electronic Municipal Market Access (“EMMA”) system, in an electronic format as prescribed by the MSRB, (i) an annual report containing certain financial information and operating data relating to the Village and (ii) timely notices of the occurrence of certain enumerated events. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

The annual report shall be provided to the MSRB for disclosure on EMMA within 210 days after the close of the Village’s fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the Village and such additional information as noted in the Official Statement under the caption “Continuing Disclosure.” 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 shall be included in the annual report and the audited financial statement shall be provided promptly after it becomes available.

The Village, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the Village to provide any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the 2021 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-exempt status of the 2021 Bonds, or other events affecting the tax-exempt status of the 2021 Bonds; (7) modifications to rights of bondholders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2021 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event 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. For the purposes of the event identified in clause (12), the 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 or 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. As used in clauses (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”).

It is found and determined that the Village has agreed to the undertakings contained in this Section in order to assist participating underwriters of the 2021 Bonds and brokers, dealers and municipal securities dealers in complying with paragraph (b)(5) of the Rule. The Chief Financial Officer of the Village is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the Village, each and every thing necessary to accomplish the undertakings of the Village contained in this Section for so long as paragraph (b)(5) of the Rule is applicable to the 2021 Bonds and the Village remains an “obligated person” under the Rule with respect to the 2021 Bonds.

The undertakings contained in this Section may be amended by the Village upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) 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 2021 Bonds.