New Issue

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

Final Official Statement

The delivery of the Series 2018A 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 Series 2018A 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 Series 2018A Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Series 2018A Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. See ***"TAX EXEMPTION – SERIES 2018A BONDS"*** *herein. Interest on the Series 2018A Bonds is not exempt from present Illinois income taxes.*

Interest on the Taxable Series 2018B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Taxable Series 2018B Bonds is not exempt from present State of Illinois income taxes. See ***"TAX TREATMENT - TAXABLE SERIES 2018B BONDS"*** *herein for a more complete discussion.*

VILLAGE OF NORTHBROOK
Cook County, Illinois
$17,655,000 General Obligation Bonds, Series 2018A
$8,425,000 General Obligation Bonds, Taxable Series 2018B

Dated Date of Delivery | **Book-Entry** | **Due Serially As Described Herein**

The $17,655,000 General Obligation Bonds, Series 2018A (the "Series 2018A Bonds") and the $8,425,000 General Obligation Bonds, Taxable Series 2018B (the "Taxable Series 2018B Bonds" and together with the Series 2018A Bonds, the "Bonds") are being issued by the Village of Northbrook, Illinois (the "Village"). Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the years and amounts as detailed herein.

OPTIONAL REDEMPTION

The Series 2018A Bonds due December 1, 2018-2025, inclusive, are non-callable. The Series 2018A Bonds due December 1, 2026-2037, inclusive, are callable in whole or in part on any date on or after December 1, 2025, at a price of par and accrued interest. If less than all the Series 2018A 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 - Series 2018A Bonds"** herein.

The Taxable Series 2018B Bonds due December 1, 2018-2020, inclusive, are non-callable. The Taxable Series 2018B Bonds due December 1, 2021-2037, inclusive, are callable in whole or in part on any date on or after June 1, 2021, at a price of par and accrued interest. If less than all the Taxable Series 2018B 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 - Taxable Series 2018B Bonds"** herein.

PURPOSE, LEGALITY AND SECURITY

The Series 2018A Bond proceeds will be used to (i) finance certain capital improvements of the Village, and (ii) to pay the costs of issuance of the Series 2018A Bonds. See **"THE PROJECTS – Series 2018A Bonds"** herein.

The Taxable Series 2018B Bond proceeds will be used to (i) finance the costs of land acquisition, and (ii) to pay the costs of issuance of the Taxable Series 2018B Bonds. See **"THE PROJECTS – Taxable Series 2018B Bonds"** herein.

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

This Final Official Statement is dated January 23, 2018, and has been prepared under the authority of the Village. An electronic copy of this Final Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Official Statements Sales Calendar/Competitive". Additional copies may be obtained from Jeffrey L. Rowitz, Deputy Village Manager/Chief Financial Officer, Village of Northbrook, 1225 Cedar Lane, Northbrook, Illinois 60062 or from the Municipal Advisor to the Village:

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

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. The following descriptions apply equally to the Series 2018A Bonds and the Taxable Series 2018B Bonds. Other terms specific to each series are provided separately herein.

Issuer: Village of Northbrook, Illinois.

Dated Date: Date of delivery, which is expected to be on or about February 13, 2018.

Authorization: Pursuant to the home rule powers of the Village and a bond ordinance expected to be adopted by the President and Board of Trustees of the Village on the 23rd day of January, 2018.

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

Credit Rating: The Bonds have received a rating of "Aaa" (Negative Outlook) from Moody's Investors Service and "AAA" (Stable Outlook) from S&P Global Ratings, a Division of the McGraw-Hill Companies, respectively.

No Bank Qualification: The Bonds **are not** "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bond Registrar/Paying Agent: Amalgamated Bank of Chicago, Chicago, Illinois.

Delivery: The Bonds are expected to be delivered on or about February 13, 2018.

Book-Entry Form: The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.

Denomination: $5,000 or integral multiples thereof.

Municipal Advisor: Speer Financial, Inc., Chicago, Illinois.

SERIES 2018A BONDS

Issue: $17,655,000 General Obligation Bonds, Series 2018A.

Interest Due: Each June 1 and December 1, commencing December 1, 2018.

Principal Due: Serially each December 1, commencing December 1, 2018 through 2037, as detailed below.

Optional Redemption: Series 2018A Bonds maturing on or after December 1, 2026, are callable at the option of the Village on any date on or after December 1, 2025, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION – Series 2018A Bonds"** herein.

Purpose: The Series 2018A Bond proceeds will be used to (i) finance certain capital improvements of the Village, and (ii) to pay the costs of issuance of the Series 2018A Bonds. See **"THE PROJECTS – Series 2018A Bonds"** herein.

Tax Exemption: Katten Muchin Rosenman LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Series 2018A Bonds as discussed under **"TAX EXEMPTION – SERIES 2018A BONDS"** in this Final Official Statement. Interest on the Series 2018A Bonds is not exempt from present State of Illinois income taxes.

Underwriter: UBS Financial Services, New York, New York.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS(1)

Principal Amount	Due Dec. 1	Interest Rate	Yield	CUSIP Number(1)	Principal Amount	Due Dec. 1	Interest Rate	Yield	CUSIP Number(1)
$215,000.......	2018	4.000%	1.350%	663821 XK7	$ 970,000	2028	3.000%	2.700%	663821 XV3
190,000.......	2019	4.000%	1.610%	663821 XL5	1,050,000	2029	3.000%	2.800%	663821 XW1
395,000.......	2020	4.000%	1.670%	663821 XM3	1,080,000	2030	3.000%	2.850%	663821 XX9
410,000.......	2021	4.000%	1.750%	663821 XN1	1,115,000	2031	3.000%	2.950%	663821 XY7
730,000.......	2022	4.000%	1.850%	663821 XP6	1,150,000	2032	3.000%	3.050%	663821 XZ4
755,000.......	2023	4.000%	2.000%	663821 XQ4	1,175,000	2033	3.000%	3.100%	663821 YA8
785,000.......	2024	4.000%	2.100%	663821 XR2	1,215,000	2034	3.000%	3.150%	663821 YB6
820,000.......	2025	4.000%	2.250%	663821 XS0	1,255,000	2035	3.000%	3.200%	663821 YC4
850,000.......	2026	3.000%	2.500%	663821 XT8	1,290,000	2036	3.125%	3.250%	663821 YD2
875,000.......	2027	3.000%	2.600%	663821 XU5	1,330,000	2037	3.125%	3.280%	663821 YE0

(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 Capital IQ, a part of McGraw Hill Financial Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Series 2018A Bonds or as set forth on page 2 of this Final Official Statement.

TAXABLE SERIES 2018B BONDS

Issue: $8,425,000 General Obligation Bonds, Taxable Series 2018B.

Interest Due: Each June 1 and December 1, commencing December 1, 2018.

Principal Due: Serially each December 1, commencing December 1, 2018 through 2037, as detailed below.

Optional Redemption: The Taxable Series 2018B Bonds maturing on or after December 1, 2021, are callable at the option of the Village on any date on or after June 1, 2021, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION – Taxable Series 2018B Bonds"** herein.

Purpose: The Taxable Series 2018B Bond proceeds will be used to (i) finance the costs of land acquisition, and (ii) to pay the costs of issuance of the Taxable Series 2018B Bonds. See **"THE PROJECTS – Taxable Series 2018B Bonds"** herein.

No Tax Exemption: Interest on the Taxable Series 2018B Bonds is includible in gross income of the owners thereof for federal income tax purposes. See **"TAX TREATMENT - TAXABLE SERIES 2018B BONDS"** herein. Interest on the Taxable Series 2018B Bonds is not exempt from present State of Illinois income taxes.

Underwriter: Bernardi Securities, Inc., Chicago, Illinois.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS(1)

Principal Amount	Due Dec. 1	Interest Rate	Yield	CUSIP Number (1)	Principal Amount	Due Dec. 1	Interest Rate	Yield	CUSIP Number (1)
$ 75,000.......	2018	2.000%	2.000%	663821 YF7	$460,000	2027	3.100%	3.100%	663821 YQ3
75,000.......	2019	2.100%	2.100%	663821 YG5	475,000	2028	3.150%	3.150%	663821 YR1
75,000.......	2020	2.250%	2.250%	663821 YH3	490,000	2029	3.200%	3.200%	663821 YS9
75,000.......	2021	2.500%	2.500%	663821 YJ9	510,000	2030	3.250%	3.250%	663821 YT7
400,000.......	2022	2.700%	2.700%	663821 YK6	525,000	2031	3.300%	3.300%	663821 YU4
410,000.......	2023	2.800%	2.800%	663821 YL4	540,000	2032	3.350%	3.350%	663821 YV2
425,000.......	2024	2.900%	2.900%	663821 YM2	************	************	************	************	************
435,000.......	2025	3.000%	3.000%	663821 YN0	645,000	2037	3.900%	3.900%	663821 ZA7
450,000.......	2026	3.050%	3.050%	663821 YP5					

$1,140,000 3.500% Term Bonds due Dec. 1, 2034; Yield 3.500% CUSIP Number 663821 YX8 (1)
$1,220,000 3.750% Term Bonds due Dec. 1, 2036; Yield 3.750% CUSIP Number 663821 YZ3 (1)

For further details see **"MANDATORY REDEMPTION – TAXABLE SERIES 2018B BONDS"** herein

(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 Capital IQ, a part of McGraw Hill Financial Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Series 2018A Bonds or as set forth on page 3 of this Final Official Statement.

VILLAGE OF NORTHBROOK
Cook County, Illinois

Sandra E. Frum
Village President

Village Board of Trustees

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

Officials

Richard A. Nahrstadt *Village Manager*	Debra J. Ford *Village Clerk*	Jeffrey L. Rowitz *Deputy Village Manager/Chief Financial Officer*
	Iwona Petryszak *Accounting Manager*	
Katten Muchin Rosenman LLP *Bond Counsel*	Speer Financial, Inc. *Municipal Advisor*	Holland & Knight *Village Attorney*

AUTHORIZATION, PURPOSE AND SECURITY

The General Obligation Bonds, Series 2018A (the "Series 2018A Bonds") and the General Obligation Bonds, Taxable Series 2018B (the "Taxable Series 2018B Bonds" and together with the Series 2018A Bonds, the "Bonds"), are being issued pursuant to the home rule powers of the Village of Northbrook, Illinois (the "Village"), under Section 6 of Article VII of the 1970 Constitution of the State of Illinois, and pursuant to a bond ordinance expected to be adopted by the President and Board of Trustees of the Village on the 23rd day of January, 2018 (the "Bond Ordinance"). The Series 2018A Bond proceeds will be used to (i) finance certain capital improvements of the Village, and (ii) to pay the costs of issuance of the Series 2018A Bonds. See **"THE PROJECTS – Series 2018A Bonds"** herein. The Taxable Series 2018B Bond proceeds will be used to (i) finance the costs of land acquisition, and (ii) to pay the costs of issuance of the Taxable Series 2018B Bonds. See **"THE PROJECTS – Taxable Series 2018B Bonds"** herein. The Bonds constitute valid and legally binding full faith and credit general obligations of the Village, and are payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Village in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of Cook County, and will serve as authorization to said County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

RISK FACTORS

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

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. The State operated without a fully enacted budget for fiscal years ending June 30, 2016 and June 30, 2017. In July of 2017, the General Assembly met in a special session and enacted a budget for the fiscal year ended June 30, 2018 ("State Fiscal Year 2018"). Nonetheless, legislators have partially addressed a substantial backlog of unpaid bills by issuing $6 billion of general obligation debt in October, 2017, but have yet to address significant pension liabilities. There may continue to be delays in payments of bills and the State's backlog of unpaid bills may continue to grow.

State Actions

As part of the State's budget process, legislation was passed which made changes in the Local Government Distributive Fund ("LGDF"). There will be a 10% reduction in LGDF payments in State Fiscal Year 2018. Also beginning in State Fiscal Year 2018, 2% of home rule sales tax collections will be retained as an administrative fee by the Illinois Department of Revenue (the "Department"). Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Past and future actions of the State may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes. For example, Illinois legislators have introduced proposals to modify the Property Tax Extension Limitation Law, including freezing property taxes (the "Property Tax Freeze Proposal"). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may freeze the Village's local property tax revenue. The Village cannot predict whether, or in what form, any such change may be enacted into law, nor can the Village predict the effect of any such change on the Village's finances.

Local Economy

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

Loss or Change of Bond Rating

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

Secondary Market for the Bonds

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

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

Continuing Disclosure

A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "**CONTINUING DISCLOSURE**". The Village must report any failure to comply with the Undertaking 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 "1934 Act"). Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this 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.

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 various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE VILLAGE

General Information

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

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

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

Government of the Village

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

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

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

Sandra E. Frum, Village President. Ms. Frum has been a member of the Northbrook Village Board since 1987, and was elected Village President in 2009 and reelected in 2013 and 2017. Prior to her election as Village President, Ms. Frum served as the chair of the Administration and Finance Committee. She has been a Northbrook resident for over 35 years. She also served as the President of the Northwest Municipal Conference, a regional governmental council representing 44 municipalities and one township in Cook, DuPage, Kane, Lake, and McHenry County in Illinois.

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

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

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

Village Employees

The Village is staffed by 268 full time positions and 10.8 permanent part-time positions and 16.1 seasonal part-time positions. The Village is party to four collective bargaining agreements: an agreement with the Northbrook Police Association (contract expires 4/30/2019), covering sworn police officers and dispatchers; Combined Counties Police Association (contract expires 4/30/2019) covering police sergeants; Local 1894 of the International Association of Professional Fire Fighters (contract expires 4/30/2018); and Local 150 of the International Union of Operating Engineers (contract expires 4/30/2022), covering all Public Works employees.

Village Economy

The Village of Northbrook maintains a strong local economy with unusual 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, Macy's, Lord & Taylor and Crate & Barrel, and features over 100 specialty shops like the Apple Store, H&M, XXI Forever, Coach, Louis Vuitton, and True Religion. The Village is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters' Laboratories, Inc. and Wiss, Janney, Elstner Associates, as well as serves as the Northern Illinois distribution center for the United Parcel Service.

Economic Development and Initiatives

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

Despite the many changes taking place in the world of retailing, the Village's retail market maintained a low 5.6% vacancy rate as of October, 2017. The Village's varied shopping areas provide area residents with a combination of luxury, convenience, and discount shopping experiences. The approval of two large luxury apartment complexes along the Skokie Boulevard corridor, the 347-unit Northshore 770 building (which opened in 2016) and the 304-unit 1000 Skokie apartment building (under construction) will only increase the demand for shopping and dining experiences in the community and surrounding area for years to come.

In addition, Lifetime Fitness is building a 90,000 square foot facility at the intersection of Skokie Boulevard and Sunset Ridge Road and Ultimo Motors will be opening a luxury used car dealership in an existing 90,000 square foot building on Holste Road, in the southern part of the Village.

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, is under construction. The Village Board recently approved final plans for a 68-unit townhome development also along Shermer Road.

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

SOCIOECONOMIC INFORMATION

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

Major Village Employers*(1)*

Name	Product/Service	Approximate Employees
Underwriters Laboratories	Corporate Headquarters; Product Testing and Certification	2,000
Northbrook Court	Shopping Mall	1,000
Glenbrook High School District 225	Education	849
Crate and Barrel	Retail Store	500
Euromarket Designs, Inc.	Corporate Headquarters (Crate & Barrel)	500
Hilco Merchant Resources, LLC	Management Consulting	400
W.W. Grainger, Inc.	Industrial Equipment & Supplies Sales Office	350 (2)
Hilton-Chicago Northbrook	Hotel	250

Note: (1) Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory, the Village's 2016 CAFR and a selective telephone survey.

(2) In August of 2017, W.W. Grainger, Inc. announced that it plans to move the functions of its facility within the Village by July of 2018. With the move, the W.W. Grainger expects to move all of its employees from the Village location to either Lake Forest, Illinois or Janesville, Wisconsin.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Unincorporated Cook County	The Allstate Corporation	Corporate Headquarters; Insurance	8,750
Deerfield	Walgreen Co.	Company Headquarters; Pharmacy & Drugstore	2,500
Deerfield	Baxter Healthcare Corp.	Corporate Headquarters; Pharmaceutical Products	2,500
Glenview	Northshore Glenbrook Hospital	General Hospital	2,000
Glenview	CVS Caremark	Drug Store Chain	1,400
Highland Park	Highland Park Hospital	General Hospital	1,200
Glenview	Abt Electronics, Inc.	Consumer Electronics & Appliances	1,200
Glenview	Astellas Pharma US, Inc.	Corporate Headquarters; Pharmaceutical Research Laboratories	1,150
Glenview	Kraft Heinz Foods Company	Food Products	1,000
Glenview	Anixter, Inc.	Corporate Headquarters; Telecommunications Products	1,000
Glenview	Glenbrook Hospital	General Hospital	1,000
Northfield	Medline Industries, Inc.	Corporate Headquarters; Surgical and Medical Instruments	900
Glenview	Glenbrook High School District 225	Secondary Education	849
Deerfield	Takeda Pharmaceuticals U.S.A., Inc.	Corporate Headquarters; Pharmaceutical Products	800
Deerfield	Essendant	Company Headquarters; Office Equipment	800
Northfield	College of American Pathologists	Pathologists' Membership Association	600
Glenview	Midwest Industrial Packaging	Packaging Equipment	600
Glenview	Illinois Tool Works, Inc.	Corporate Headquarters; Industrial Equipment	550
Deerfield	Trinity International University	University	500

Note: (1) Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory, and a selective telephone survey.

The following tables show employment by industry and by occupation for the Village, the County and the State as reported by the U.S. Census Bureau 2012-2016 American Community Survey 5-year estimated values.

Employment By Industry*(1)*

	The Village		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	25	0.2%	4,463	0.2%	65,146	1.1%
Construction	490	3.3%	113,572	4.6%	317,245	5.2%
Manufacturing	1,217	8.3%	251,563	10.1%	763,429	12.4%
Wholesale Trade	636	4.3%	71,593	2.9%	187,477	3.1%
Retail Trade	1,432	9.7%	249,733	10.0%	670,576	10.9%
Transportation and Warehousing, and Utilities	308	2.1%	167,651	6.7%	370,802	6.0%
Information	293	2.0%	55,958	2.2%	121,338	2.0%
Finance and Insurance, and Real Estate and Rental and Leasing	2,219	15.1%	201,282	8.1%	448,924	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services	2,617	17.8%	352,728	14.2%	709,106	11.6%
Educational Services and Health Care and Social Assistance	3,715	25.2%	565,793	22.7%	1,404,905	22.9%
Arts, Entertainment and Recreation and Accommodation and Food Services	833	5.7%	245,231	9.8%	556,087	9.1%
Other Services, Except Public Administration	534	3.6%	123,776	5.0%	291,022	4.7%
Public Administration	395	2.7%	88,745	3.6%	228,064	3.7%
Total	14,714	100.0%	2,492,088	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Employment By Occupation*(1)*

	The Village		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	9,139	62.1%	964,778	38.7%	2,280,198	37.2%
Service	1,074	7.3%	449,653	18.0%	1,062,499	17.3%
Sales and Office	3,568	24.2%	600,333	24.1%	1,489,090	24.3%
Natural Resources, Construction, and Maintenance	412	2.8%	149,016	6.0%	443,197	7.2%
Production, Transportation, and Material Moving	521	3.5%	328,308	13.2%	859,137	14.0%
Total	14,714	100.0%	2,492,088	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Unemployment Rates

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

Annual Average Unemployment Rates*(1)*

Calendar Year	The Village	The County	The State
2008.............	4.1%	6.5%	6.5%
2009.............	6.6%	10.3%	10.1%
2010.............	13.5%	10.5%	10.3%
2011.............	12.8%	10.4%	9.8%
2012.............	10.8%	9.3%	8.9%
2013.............	10.9%	9.6%	9.2%
2014.............	9.0%	7.4%	7.1%
2015.............	4.4%	6.1%	5.9%
2016.............	4.6%	6.2%	5.9%
2017(2)..........	3.7%	5.0%	4.6%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for the month of September 2017.

Building Permits

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

	Village of Northbrook				
	Commercial Construction		Residential Construction		
Fiscal Year	Number of Units	Value	Number of Units	Value	Total Value
2008	148	$66,239,160	325	$68,570,349	$134,809,509
2009	114	33,398,198	214	27,919,365	61,317,563
2010	101	19,529,700	149	20,867,515	40,397,215
2011	92	31,229,275	129	22,721,872	53,951,147
2012	141	40,699,670	114	19,127,670	59,827,340
2013	97	14,040,942	161	58,508,801	72,549,743
2014	101	24,444,648	166	49,712,921	74,157,569
2015	134	49,429,250	197	103,715,966	153,145,216
2016	121	29,264,757	132	34,324,665	63,589,422
2017	102	36,857,715	180	24,306,914	61,164,629

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

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was $519,300. This compares to $219,800 for the County and $174,800 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 2012-2016 American Community Survey.

Home Values*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $50,000	331	3.0%	48,490	4.4%	236,380	7.5%
$50,000 to $99,999	149	1.3%	108,826	9.8%	514,549	16.2%
$100,000 to $149,999	337	3.0%	156,383	14.2%	527,244	16.6%
$150,000 to $199,999	368	3.3%	183,827	16.6%	520,909	16.4%
$200,000 to $299,999	934	8.4%	254,928	23.1%	643,217	20.3%
$300,000 to $499,999	3,135	28.1%	221,456	20.0%	479,792	15.1%
$500,000 to $999,999	5,251	47.1%	102,937	9.3%	196,189	6.2%
$1,000,000 or more	635	5.7%	28,321	2.6%	48,801	1.5%
Total	11,140	100.0%	1,105,168	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Mortgage Status*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	6,706	60.2%	745,882	67.5%	2,071,942	65.4%
Housing Units without a Mortgage	4,434	39.8%	359,286	32.5%	1,095,139	34.6%
Total	11,140	100.0%	1,105,168	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Income

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of $142,887. This compares to $70,076 for the County and $73,714 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 2012-2016 American Community Survey.

Family Income*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $10,000	102	1.1%	62,287	5.3%	132,725	4.3%
$10,000 to $14,999	43	0.4%	37,386	3.2%	80,194	2.6%
$15,000 to $24,999	178	1.8%	93,812	7.9%	209,560	6.7%
$25,000 to $34,999	294	3.0%	99,786	8.4%	238,239	7.6%
$35,000 to $49,999	435	4.5%	138,836	11.7%	366,398	11.7%
$50,000 to $74,999	1,108	11.4%	196,283	16.6%	559,852	17.9%
$75,000 to $99,999	899	9.3%	156,381	13.2%	458,296	14.7%
$100,000 to $149,999	2,037	21.0%	197,131	16.6%	568,779	18.2%
$150,000 to $199,999	1,610	16.6%	92,719	7.8%	248,870	8.0%
$200,000 or more	2,997	30.9%	110,984	9.4%	259,684	8.3%
Total	9,703	100.0%	1,185,605	100.0%	3,122,597	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$115,243. This compares to \$56,902 for the County and \$59,196 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 2012-2016 American Community Survey.

Household Income*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $10,000	334	2.6%	166,238	8.5%	341,280	7.1%
$10,000 to $14,999	208	1.6%	93,497	4.8%	212,171	4.4%
$15,000 to $24,999	663	5.2%	196,340	10.1%	463,092	9.6%
$25,000 to $34,999	712	5.5%	177,670	9.1%	439,726	9.2%
$35,000 to $49,999	781	6.1%	237,299	12.2%	605,086	12.6%
$50,000 to $74,999	1,552	12.1%	325,112	16.7%	842,052	17.5%
$75,000 to $99,999	1,186	9.2%	233,500	12.0%	612,265	12.7%
$100,000 to $149,999	2,538	19.8%	269,196	13.8%	698,513	14.5%
$150,000 to $199,999	1,705	13.3%	116,722	6.0%	289,346	6.0%
$200,000 or more	3,161	24.6%	136,032	7.0%	298,593	6.2%
Total	12,840	100.0%	1,951,606	100.0%	4,802,124	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Retail Activity

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

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

State Fiscal Year Ending 6/30	Municipal Tax(2)	Percent Change + (-)	Home Rule Sales Tax(3)	Percent Change + (-)	Total	Percent Change + (-)
2008	$9,353,088	14.04%	$5,240,018	54.45%	$14,593,106	25.87%
2009	8,690,750	(7.08%)	4,784,191	(8.70%)	13,474,941	(7.66%)
2010	8,125,650	(6.50%)	4,440,529	(7.18%)	12,566,178	(6.74%)
2011	8,489,447	4.48%	4,670,469	5.18%	13,159,916	4.72%
2012	9,005,606	6.08%	4,999,524	7.05%	14,005,130	6.42%
2013	9,414,267	4.54%	5,203,659	4.08%	14,617,926	4.38%
2014	9,207,725	(2.19%)	4,977,122	(4.35%)	14,184,847	(2.96%)
2015	9,433,127	2.45%	5,097,023	2.41%	14,530,150	2.43%
2016	9,471,381	0.41%	5,194,193	1.91%	14,665,573	0.93%
2017	9,784,586	3.31%	5,595,568	7.73%	15,380,154	4.87%
Growth from 2008 to 2017		4.61%		6.79%		5.39%

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

THE PROJECTS

Series 2018A Bonds

The Series 2018A Bond proceeds will be used to (i) finance certain capital improvements of the Village, and (ii) to pay the costs of issuance of the Series 2018A Bonds.

Taxable Series 2018B Bonds

The Taxable Series 2018B Bond proceeds will be used to (i) finance the costs of land acquisition, and (ii) to pay the costs of issuance of the Taxable Series 2018B Bonds.

DEFAULT RECORD

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

SHORT-TERM BORROWING

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

DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding $128,155,000 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.

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

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

Calendar Year	Series 2010	Series 2011	Series 2012A	Series 2012B	Series 2013A	Series 2013B(2)	Series 2014A	Series 2015A	Series 2015B	Series 2016	Series 2018A	Taxable Series 2018B	Total Principal All GO Bonds	Cumulative Retirement Amount	Cumulative Retirement Percent
2018......	$ 190,000	$ 130,000	$2,220,000	$ 435,000	$ 325,000	$ 185,000	$ 1,710,000	$ 0	$ 0	$ 725,000	$ 215,000	$ 75,000	$ 6,210,000	$ 6,210,000	4.85%
2019......	200,000	130,000	2,245,000	450,000	335,000	190,000	1,775,000	0	0	740,000	190,000	75,000	6,330,000	12,540,000	9.79%
2020......	205,000	135,000	2,275,000	455,000	345,000	195,000	1,870,000	0	0	945,000	395,000	75,000	6,895,000	19,435,000	15.17%
2021......	210,000	140,000	2,315,000	465,000	355,000	205,000	1,965,000	0	0	965,000	410,000	75,000	7,105,000	26,540,000	20.71%
2022......	215,000	140,000	0	120,000	365,000	285,000	2,050,000	360,000	775,000	1,420,000	730,000	400,000	6,860,000	33,400,000	26.06%
2023......	225,000	145,000	0	125,000	375,000	295,000	2,155,000	365,000	800,000	1,460,000	755,000	410,000	7,110,000	40,510,000	31.61%
2024......	230,000	150,000	0	125,000	385,000	305,000	2,265,000	1,035,000	825,000	770,000	785,000	425,000	7,300,000	47,810,000	37.31%
2025......	235,000	155,000	0	130,000	400,000	320,000	2,390,000	1,070,000	855,000	785,000	820,000	435,000	7,595,000	55,405,000	43.23%
2026......	245,000	160,000	0	130,000	410,000	330,000	2,485,000	1,105,000	880,000	825,000	850,000	450,000	7,870,000	63,275,000	49.37%
2027......	255,000	170,000	0	135,000	425,000	345,000	2,595,000	1,145,000	910,000	850,000	875,000	460,000	8,165,000	71,440,000	55.74%
2028......	265,000	175,000	0	0	445,000	360,000	1,740,000	1,185,000	940,000	970,000	970,000	475,000	7,525,000	78,965,000	61.62%
2029......	275,000	180,000	0	0	460,000	375,000	0	1,230,000	970,000	1,000,000	1,050,000	490,000	6,030,000	84,995,000	66.32%
2030......	0	185,000	0	0	480,000	390,000	0	1,280,000	1,000,000	1,065,000	1,080,000	510,000	5,990,000	90,985,000	71.00%
2031......	0	195,000	0	0	500,000	405,000	0	1,330,000	1,035,000	1,100,000	1,115,000	525,000	6,205,000	97,190,000	75.84%
2032......	0	205,000	0	0	520,000	425,000	0	1,390,000	1,065,000	1,135,000	1,150,000	540,000	6,430,000	103,620,000	80.86%
2033......	0	0	0	0	540,000	445,000	0	1,350,000	1,100,000	1,165,000	1,175,000	560,000	6,335,000	109,955,000	85.80%
2034......	0	0	0	0	565,000	460,000	0	1,405,000	1,140,000	1,200,000	1,215,000	580,000	6,565,000	116,520,000	90.92%
2035......	0	0	0	0	590,000	485,000	0	0	1,175,000	1,235,000	1,255,000	600,000	5,340,000	121,860,000	95.09%
2036......	0	0	0	0	620,000	505,000	0	0	0	1,285,000	1,290,000	620,000	4,320,000	126,180,000	98.46%
2037......	0	0	0	0	0	0	0	0	0	0	1,330,000	645,000	1,975,000	128,155,000	100.00%
Total.....	$2,750,000	$2,395,000	$9,055,000	$2,570,000	$8,440,000	$6,505,000	$23,000,000	$14,250,000	$13,470,000	$19,640,000	$17,655,000	$8,425,000	$128,155,000		

Notes: (1) Source: the Village.
(2) Public Library Bonds.

Detailed Overlapping Bonded Debt*(1)*
(As of November 28, 2017)

	Outstanding Debt(2)	Applicable to Village Percent(3)	Applicable to Village Amount
Schools:			
School District Number 21	$ 33,950,000	1.49%	$ 506,524
School District Number 27	0	89.25%	0
School District Number 28	0	88.98%	0
School District Number 29	323,110	15.10%	48,800
School District Number 30	34,800,000	67.59%	23,522,420
School District Number 31	3,360,000	15.02%	504,515
High School District Number 203	92,310,000	1.30%	1,196,582
High School District Number 214	48,870,000	0.31%	153,066
High School District Number 225	73,009,614	45.31%	33,081,649
Community College District Number 512	126,895,000	0.14%	179,526
Community College District Number 535	30,895,000	11.02%	3,404,897
Total Schools			$ 62,597,979
Others:			
Cook County	$3,213,141,750	1.73%	$ 55,606,384
Cook County Forest Preserve District	157,510,000	1.73%	2,725,856
Metropolitan Water Reclamation District of Greater Chicago	2,583,922,748	1.76%	45,584,828
Northfield Park District	0	15.22%	0
Northbrook Park District	6,110,000	93.61%	5,719,651
Total Others			$109,636,720
Total Schools and Others Overlapping Bonded Debt			$172,234,698

Notes: (1) Source: Cook County Clerk.
(2) Includes original principal amounts of capital appreciation bonds.
(3) Percentages are based on 2016 Equalized Assessed Valuations, the most recent available.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio To Equalized Assessed	Ratio To Estimated Actual	Per Capita (2010 Census Pop. 33,170)
Assessed Valuation of Taxable Property, 2016	$2,483,856,521	100.00%	33.33%	$ 74,882.62
Estimated Actual Value, 2016	$7,451,569,563	300.00%	100.00%	$224,647.86
Village Direct Bonded Debt(2)	$ 128,155,000	5.16%	1.72%	$ 3,863.58
Overlapping Debt:(3)				
Schools	$ 62,597,979	2.52%	0.84%	$ 1,887.19
All Others	109,636,720	4.41%	1.47%	3,305.30
Total Overlapping Bonded Debt	$ 172,234,699	6.93%	2.31%	$ 5,192.48
Total Net Direct & Overlapping Debt(2)(3)	$ 300,389,699	12.09%	4.03%	$ 9,056.07

Notes: (1) Source: The Village.
(2) Includes the Bonds.
(3) As of November 28, 2017.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2016 levy year, the Village's EAV was comprised of 69.70% residential, 8.53% industrial, 21.75% commercial, and less than 1% of farm and railroad property valuations.

Village Equalized Assessed Valuation*(1)*

	Levy Years				
Property Class	2012	2013(2)	2014	2015	2016(3)
Residential	$1,592,730,144	$1,395,727,711	$1,426,205,616	$1,389,618,675	$1,731,210,975
Farm	1,992	1,922	1,922	1,992	1,992
Commercial	526,759,510	483,582,152	578,433,197	492,412,415	540,146,612
Industrial	291,406,647	265,514,616	178,797,415	193,245,905	211,751,867
Railroad	473,145	584,690	609,714	732,251	745,075
Total	$2,411,371,438	$2,145,411,161	$2,184,047,934	$2,076,011,238	$2,483,856,521
Percent change +(-)	(6.98%)	(11.03%)	1.80%	(4.95%)	19.65%

Notes: (1) Source: Cook County Clerk.
(2) Triennial assessment year.
(3) Percent change based on 2011 EAV of $2,592,235,389.

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

	Levy Years				
	2012	2013(2)	2014	2015	2016(2)
Village Rates:					
Corporate Fund	$0.3243	$0.3645	$0.3581	$0.3767	$0.3243
Bonds and Interest	0.0965	0.1123	0.1172	0.1282	0.1294
Police Pension	0.0521	0.0651	0.0640	0.0869	0.0884
Fire Pension	0.0506	0.0662	0.0650	0.0842	0.0830
Library	0.3000	0.3590	0.3570	0.3850	0.3290
Total Village Rate	$0.8240	$0.9680	$0.9620	$1.0610	$0.9541
Cook County	0.5310	0.5600	0.5680	0.5520	0.5330
Cook County Forest Preserve District	0.0630	0.0690	0.0690	0.0690	0.0630
Consolidated Elections	0.0000	0.0310	0.0000	0.0340	0.0000
Northfield Township (3)	0.0790	0.0920	0.0930	0.0920	0.0790
North Shore Mosquito Abatement Dist.	0.0100	0.0070	0.0110	0.0120	0.0100
Metropolitan Water Reclamation Dist.	0.3700	0.4170	0.4300	0.4260	0.4060
Northbrook Park District	0.4710	0.5360	0.5370	0.5690	0.4230
School District Number 28	2.6040	2.9620	3.0090	3.2990	2.8480
Township High School District No. 225	2.0280	2.3410	2.3670	2.4930	2.1060
Community College District Number 535	0.2190	0.2560	0.2580	0.2710	0.2310
Total(4)	$7.1990	$8.2390	$8.3040	$8.8780	$7.6531

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 2016 EAV; the latest data available.

Village Tax Extensions and Collections*(1)*

Levy Year	Collection Year	Tax Extensions	Taxes Collected	Percent of Collections to Tax Levy
2010	2011	$10,224,675	$10,096,547	98.75%
2011	2012	12,394,649	12,147,254	98.00%
2012	2013	12,635,586	12,540,219	99.25%
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	15,548,942	7,117,444	45.84% (2)

Note: (1) Source: The Village.
(2) Total collections through April 30, 2017

Principal Village Taxpayers*(1)*

Taxpayer	Business/Service	2016 EAV(2)
Westcoast Estates	Northbrook Court Shopping Center	$ 57,651,215
Jones Lang LaSalle	Commercial Office Buildings	48,134,571
Willow Festival Regency	Shopping Center	26,826,948
Underwriters Laboratory, Inc.	Equipment Testing	24,409,523
GK Edens Corp. CTR LLC	Real Property	14,645,411
Lake Cook Road & Mid America	Portion of Village Square Shopping Center	14,340,473
Korman Lederer	Commercial and Industrial Property	14,144,951
Village Square of Northbrook	Portion of Village Square Shopping Center	14,027,973
Northbrook ND Invest	Real Property	12,690,686
Menards Inc.	Retail Store	11,537,899
Total		$238,409,650
10 Largest Taxpayers as Percent of Total		9.60%

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 2016 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 certain interest on the Bonds will be levied on all taxable real property within the Village. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Real Property Assessment

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

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

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

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

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

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

Equalization

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

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

TAX LEVY YEAR	EQUALIZATION FACTOR
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032

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 $6,000 for tax year 2012 and thereafter.

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

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is $5,000.

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

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

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

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

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

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

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

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The Cook County Clerk uses the prior year's EAV to compute the taxing district's maximum allowable levy. The maximum levy that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year, EAV for all property currently in the district. The prior year's EAV includes the prior year's EAV plus 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 Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the Village, are exempt from the limitations contained in the Limitation Law. See **"DESCRIPTION OF THE BONDS"** herein.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. In particular, the House passed Senate Bill 851 ("Senate Bill 851") on November 8, 2017. Senate Bill 851 provides that for levy years 2017 and 2018, for taxing districts (including home rule units) with a majority of EAV in Cook and the collar counties (Lake, McHenry, Kane, DuPage and Will Counties), other than qualified school districts, the extension limitation under the Limitation Law will be 0% or the rate of increase approved by voters. In addition, Senate Bill 851 allows county boards for counties other than Cook and the collar counties, to submit to their voters at the general primary or general election in 2018, the question of whether to subject all taxing districts (including home rule units) with a majority of EAV in their county, other than qualified school districts, to the provisions of the Limitation Law and an extension limitation under the Limitation Law of 0% or the rate of increase approved by voters for levy years 2018 and 2019. Senate Bill 851 is subject to a vote of concurrence by the Senate and approval from the Governor prior to being enacted into law. If Senate Bill 851 or similar legislation were to become law, such reform may have a material impact on the finances of the Village. The Village cannot predict whether, or in what form, any change to the Limitation Law, including Senate Bill 851, may be enacted into law, nor can the Village predict the effect of any such change on the Village's finances.

Extensions

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

Collections

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

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017

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

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

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

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

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

Truth in Taxation Law

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

FINANCIAL INFORMATION

Financial Reports

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

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

No Consent or Updated Information Requested of the Auditor

The tables contained in this "**FINANCIAL INFORMATION**" section (the "Excerpted Financial Information") are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended April 30, 2017 (the "2017 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 2017 Audit; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information or the 2017 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 2017 Audit has not been updated since the date of the 2017 Audit. The inclusion of the Excerpted Financial Information and 2017 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 2017 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2017 Audit should be directed to the Village.

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 2017 Audit.

Statement of Net Position
Governmental Activities

	Audited As of April 30				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments	$ 27,325,633	$ 33,476,699	$ 36,892,328	$ 44,531,391	$ 41,824,062
Receivables, net	11,277,731	10,780,664	11,186,553	11,834,868	13,253,475
Due from Other Governments	1,286,783	1,471,892	1,532,755	2,175,300	1,170,732
Internal Balances	755,776	426,938	405,991	300,512	306,101
Inventory/Prepaids	1,156,871	1,475,064	1,630,863	1,771,571	2,122,430
Unamortized Bond Issuance Costs	0	0	0	0	0
Net Pension Asset	15,628,420	16,419,256	16,299,856	0	0
Capital Assets Not Being Depreciated	31,967,683	31,963,013	32,124,708	31,963,013	31,963,013
Capital Assets Being Depreciated, Net of Depreciation	62,025,012	63,180,841	63,719,627	62,397,293	62,890,005
Total Assets	$151,423,909	$159,194,367	$163,792,681	$154,973,948	$153,529,818
DEFERRED OUTFLOWS OF RESOURCES:					
Unamortized loss on refunding	$ 930,834	$ 864,346	$ 2,425,644	$ 2,242,885	$ 2,060,127
Deferred Items - IMRF	0	0	0	5,131,843	3,637,988
Deferred Items - Police Pension	0	0	0	11,415,068	9,079,627
Deferred Items - Firefighters' Pension	0	0	0	10,781,360	7,880,924
Total Deferred Outflows or Resources(1)	930,834	864,346	2,425,644	29,571,156	22,658,666
Total Assets and Deferred Outflows of Resources(1)	$152,354,743	$160,058,713	$166,218,325	$184,545,104	$176,188,484
LIABILITIES:					
Accounts Payable	$ 701,317	$ 879,967	$ 1,309,643	$ 1,525,018	$ 2,302,361
Accrued Payroll	333,907	563,429	733,778	770,413	640,273
Accrued Interest Payable	815,887	884,863	559,834	780,701	1,067,160
Deposits Payable	461,547	551,624	580,933	627,720	679,650
Other Payables	0	0	400,000	0	0
Due to Other Governments	514,240	102,357	207,509	281,864	664,628
Compensated Absences Payable	1,689,984	1,478,332	1,543,170	1,497,748	1,433,320
Net OPEB Payable	485,087	583,974	779,176	1,032,649	1,358,146
Net Pension Obligation	106,542	108,821	111,149	0	0
Net Pension Liability - IMRF	0	0	0	8,375,080	7,212,103
Net Pension Liability - Police Pension	0	0	0	46,178,166	46,035,224
Net Pension Liability - Firefighter's Pension	0	0	0	39,914,304	41,522,404
TIF Note Payable	0	0	0	0	4,900,000
General Obligation Bonds Payable					
Due Within One Year	2,961,571	2,917,174	3,672,669	3,663,819	3,759,869
Due In More Than One Year	53,003,394	57,042,938	57,942,128	64,607,648	61,003,062
Total Liabilities(1)	$ 61,073,476	$ 65,113,479	$ 67,839,989	$169,255,130	$172,578,200
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes	$ 12,800,650	$ 13,257,896	$ 13,559,889	$ 14,005,719	$ 13,668,027
Deferred Items - IMRF	0	0	0	17,084	527,317
Deferred Items - Police Pension	0	0	0		1,912,887
Deferred Items - Firefighters' Pension	0	0	0	420,673	0
Total Deferred Inflows or Resources	12,800,650	13,257,896	13,559,889	14,443,476	16,108,231
Total Liabilities and Deferred Inflows of Resources(1)	$ 73,874,126	$ 78,371,375	$ 81,399,878	$183,698,606	$188,686,431
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	$ 54,761,060	$ 54,811,717	$ 53,968,132	$ 51,908,848	$ 52,296,658
Restricted	6,780,111	6,465,042	7,122,879	735,777	910,914
Unrestricted	16,939,446	20,410,579	23,727,436	(51,798,127) (1)	(65,705,520)
Total Net Position	$ 78,480,617	$ 81,687,338	$ 84,818,447	$ 846,498	$(12,497,948)

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

Statement of Activities
Governmental Activities
Net (Expense) Revenue and Changes in Net Assets*(1)*

	Audited Year Ended April 30				
	2013	2014	2015	2016	2017
PRIMARY GOVERNMENT:					
Government Activities(1):					
General Government	$ (904,965)	$ 470,447	$ 66,603	$ (2,424,657)	$ (6,770,620)
Public Safety	(23,081,407)	(23,465,940)	(25,607,062)	(35,234,107)	(34,180,241)
Highways and Streets	(7,934,521)	(9,033,908)	(8,340,217)	(8,959,207)	(10,184,560)
Interest	(2,429,312)	(2,133,562)	(1,564,952)	(2,047,508)	(2,453,769)
Total Governmental Activities	$(34,350,205)	$(34,162,963)	$(35,445,628)	$(48,665,479)	$(53,589,190)
General Revenues:					
Taxes					
Property	$ 12,035,727	$ 12,728,095	$ 13,224,376	$ 13,434,887	$ 14,802,772
Income	3,111,609	3,162,141	3,401,924	3,362,196	3,141,181
State Sales	14,533,553	14,184,846	14,530,151	14,665,574	15,380,154
Use	525,915	580,828	670,183	765,696	817,854
Auto Rental	11,946	11,007	13,620	6,605	5,795
Telecommunications	1,041,003	3,688,219	3,217,022	3,210,141	2,554,292
Utility	1,124,312	1,182,658	1,144,255	995,457	1,012,559
Other	1,275,016	1,361,907	1,462,155	1,450,427	1,586,811
Investment Income	829,229	744,529	777,991	123,245	253,606
Miscellaneous	55,152	220,641	37,420	109,125	689,720
Transfers In (Out)	(9,207,320)	(495,187)	97,640	(3,000,000)	0
Total	$ 25,336,142	$ 37,369,684	$ 38,576,737	$ 35,123,353	$ 40,244,744
Change in Net Position	$ (9,014,063)	$ 3,206,721	$ 3,131,109	$(13,542,126)	$(13,344,446)
Net Position, May 1	$ 87,494,680	$ 78,480,617	$ 81,687,338	$ 14,388,624(2)	$ 846,498
Net Position, April 30	$ 78,480,617	$ 81,687,338	$ 84,818,447	$ 846,498	$(12,497,948)

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

General Fund
Balance Sheet

	Audited As of April 30				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments......................	$17,960,295	$21,178,671	$24,889,953	$26,552,460	$24,801,018
Receivables:					
Property Taxes...........................	4,393,882	4,066,283	4,175,920	4,079,562	4,519,341
Other Taxes..............................	3,170,496	3,014,204	3,315,252	3,142,123	3,308,915
Other....................................	765,290	732,901	752,147	937,019	989,819
Inventory................................	42,325	42,446	0	0	26,661
Due from Other Funds......................	479,374	559,333	521,979	300,512	306,101
Due from Other Governments................	1,184,063	1,362,603	1,129,270	1,072,615	1,059,438
Total Assets............................	$27,995,725	$30,956,441	$34,784,521	$36,084,291	$35,011,293
LIABILITIES:					
Accounts Payable..........................	$ 582,179	$ 860,437	$ 1,099,041	$ 1,438,504	$ 1,688,771
Deposits Payable..........................	251,992	342,198	307,405	354,192	406,122
Accrued Payroll...........................	333,907	563,429	733,778	770,413	640,273
Due to Other Governments..................	137,415	102,357	207,509	107,234	195,880
Due to Other Funds........................	2,138	0	0	0	0
Other Payables............................	0	0	400,000	0	0
Total Liabilities.......................	$ 1,307,631	$ 1,868,421	$ 2,747,733	$ 2,670,343	$ 2,931,046
DEFERRED INFLOWS OF RESOURCES					
Property Taxes............................	$ 8,286,340	$ 8,301,177	$ 8,308,036	$ 8,320,728	$ 8,570,784
Total deferred inflows of resources.....	8,286,340	8,301,177	8,308,036	8,320,728	8,570,784
Total liabilities and deferred inflows of resources...........................	$ 9,593,971	$10,169,598	$11,055,769	$10,991,071	$11,501,830
FUND BALANCE:					
Restricted................................	$ 301,817	$ 1,062,020	$ 1,668,232	$ 3,843,709	$ 1,359,625
Nonspendable.............................	42,325	42,446	0	0	26,661
Unassigned...............................	18,057,612	19,682,377	22,060,520	21,249,511	22,123,177
Total Fund Balance......................	$18,401,754	$20,786,843	$23,728,752	$25,093,220	$23,509,463
Total Liabilities, Deferred Inflows and Fund Balance...........................	$27,995,725	$30,956,441	$34,784,521	$36,084,291	$35,011,293

General Fund
Revenues and Expenditures

	Audited Year Ended April 30				
	2013	2014	2015	2016	2017
REVENUES:					
Taxes	$27,576,697	$30,042,503	$30,411,628	$13,744,885	$13,272,799
Licenses, Permits and Fees	5,009,552	4,836,627	5,890,656	6,055,848	5,265,165
Intergovernmental	21,689	97,924	0	16,601,063	17,019,424
Charges for Services	5,374,546	6,182,875	5,754,747	5,543,956	5,783,009
Fines and Forfeits	288,406	341,735	242,091	168,080	134,095
Interest	46,796	50,082	49,630	102,543	208,655
Miscellaneous	42,863	213,670	32,704	91,877	683,191
Total Revenues	$38,360,549	$41,765,416	$42,381,456	$42,308,252	$42,366,338
EXPENDITURES:					
General Government	$ 6,496,294	$6,646,691	$ 7,332,962	$ 7,965,568	$ 7,774,497
Public Safety	24,194,353	24,948,641	26,403,880	26,069,987	27,383,064
Debt Service	0	0	0	25,701	0
Highways and Streets	6,420,207	7,795,144	7,927,706	7,889,975	8,792,534
Total Expenditures	$37,110,854	$39,390,476	$41,664,548	$41,951,231	$43,950,095
Excess (Deficiency) of Revenues Over Expenditures	$ 1,249,695	$ 2,374,940	$ 716,908	$ 357,021	$(1,583,757)
Other Financing Sources (Uses):					
Debt Issuance	$ 275,000	$ 1,210,149	$ 1,984,476	$ 4,106,560	$ 0
Premium on Debt Issuance	0	0	240,525	200,894	0
Transfers In (Out), net	150,000	(1,200,000)	0	(3,300,007)	0
Total Other Financing Sources (uses)	$ 425,000	$ 10,149	$ 2,225,001	$ 1,007,447	$ 0
Net Change in Fund Balance	$ 1,674,695	$ 2,385,089	$ 2,941,909	$ 1,364,468	$(1,583,757)
Beginning Fund Balance	16,727,059	18,401,754	20,786,843	23,728,752	25,093,220
Ending Fund Balance	$18,401,754	$20,786,843	$23,728,752	$25,093,220	$23,509,463

General Fund*(1)*
Interim and Budget Financial Information

	Budgeted Twelve Months Ending 4/30/18	Interim Six Months Ending 10/31/2017
REVENUES:		
Property Tax	$ 8,055,370	$ 3,966,003
Township R&B Tax	465,000	176,204
Replacement Taxes	282,000	185,060
Sales Tax	13,301,200	6,862,198
Income Taxes	3,350,170	2,062,125
Other Taxes	5,310,000	2,086,984
Permits	1,805,000	1,805,545
Licenses	954,000	578,903
Interest Income	150,000	151,761
Fees	3,557,000	535,177
Rental Income	165,000	69,803
Fines	1,519,750	648,702
Charges for Service	877,475	441,444
Miscellaneous	0	6,524
Bond Proceeds	870,140	0
Total Revenues	$40,662,105	$19,576,432
Operating Transfers In	$ 2,607,690	$ 1,303,845
Total Revenues and Transfers In	$43,269,795	$20,880,277
EXPENDITURES:		
Personal Services	$26,059,810	$12,716,902
Fringe Benefits	5,520,780	2,686,469
Contractual Services	7,436,091	3,654,843
Commodities	1,707,895	600,082
Capital Outlay	2,684,690	462,655
Total Expenditures	$43,409,266	$20,120,951
Operating Transfer Out	1,508,429	0
Total Expenditures and Transfers Out	$44,917,695	$20,120,951
Revenues over (Under) Expenditures and Transfers	$(1,647,900)	$ 759,327

Note: (1) Source: The Village.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

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

REGISTRATION, TRANSFER AND EXCHANGE

Registration

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

Transfers and Exchanges

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

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

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

TAX EXEMPTION – SERIES 2018A BONDS

Summary of Bond Counsel Opinion

Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that under existing law, interest on the Series 2018A 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 Series 2018A 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 Series 2018A Bonds are not “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, interest on the Series 2018A Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Series 2018A 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 Series 2018A Bonds. These requirements relate to the use and investment of the proceeds of the Series 2018A Bonds, the payment of certain amounts to the United States, the security and source of payment of the Series 2018A Bonds and the use of property financed with the proceeds of the Series 2018A Bonds. The Village has covenanted in the Bond Ordinance to comply with these requirements.

Series 2018A 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 Series 2018A Bonds is sold to the public (the “Offering Price”) and the principal amount payable at maturity of such Series 2018A Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Series 2018A Bond, the difference between the two is known as “bond premium”; if the Offering Price is lower than the maturity value of a Series 2018A 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 Series 2018A 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 Series 2018A 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 Series 2018A 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 Series 2018A Bond. A Series 2018A 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 Series 2018A Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Series 2018A Bond).

Owners of Series 2018A Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Series 2018A Bonds. It is possible that under the applicable provisions governing the determination of state or local income taxes, accrued interest on the Series 2018A 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 Series 2018A Bonds. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of Series 2018A 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 Series 2018A 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 Series 2018A Bonds.

Rebate of Arbitrage Profit. Unless the Village qualifies for one of several exemptions, earnings from the investment of the "gross proceeds" of the Series 2018A 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 Series 2018A 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 Series 2018A Bonds, amounts received as a result of investing such proceeds, and amounts to be used to pay debt service on the Series 2018A 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 Series 2018A Bonds.

Risks of Non-Compliance

In the event that the Village fails to comply with the requirements of the Code, interest on the Series 2018A 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 Series 2018A Bonds nor payment of any additional interest or penalties to the owners of the Series 2018A Bonds.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Series 2018A 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 Series 2018A 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 SERIES 2018A BONDS.

See **APPENDIX C** for the proposed form of Bond Counsel opinion for the Series 2018A Bonds.

TAX TREATMENT - TAXABLE SERIES 2018B BONDS

Interest on the Taxable Series 2018B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Taxable Series 2018B Bonds may result in other federal income tax consequences to certain taxpayers. Taxable Series 2018B Bondholders should consult their tax advisors with respect to the inclusion of interest on the Taxable Series 2018B Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the Taxable Series 2018B Bonds is not exempt from present State of Illinois income taxes. Ownership of the Taxable Series 2018B Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Taxable Series 2018B Bonds. Prospective purchasers of the Taxable Series 2018B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

See **APPENDIX C** for the proposed form of Bond Counsel opinion for the Taxable Series 2018B 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, 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 the 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 and Interim 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 disclosure on EMMA. Such notices will be provided within 10 business days after the occurrence of the event. 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. Debt calls, if material
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Tender offers
13. Bankruptcy, insolvency, receivership or similar event of the Village*
14. 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
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

OPTIONAL REDEMPTION

Series 2018A Bonds

The Series 2018A Bonds due December 1, 2018-2025, inclusive, are non-callable. The Series 2018A Bonds due December 1, 2026-2037, inclusive, are callable in whole or in part on any date on or after December 1, 2025, at a price of par and accrued interest. If less than all the Series 2018A 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.

Taxable Series 2018B Bonds

The Taxable Series 2018B Bonds due December 1, 2018-2020, inclusive, are non-callable. The Taxable Series 2018B Bonds due December 1, 2021-2037, inclusive, are callable in whole or in part on any date on or after June 1, 2021, at a price of par and accrued interest. If less than all the Taxable Series 2018B Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

NOTICE OF REDEMPTION

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

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

MANDATORY REDEMPTION – TAXABLE SERIES 2018B BONDS

The Series 2018B Bonds maturing on December 1, 2034, and 2036 are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as set forth below:

Year	Principal Amount
2033	$560,000

The final principal amount of the Series 2018B Bonds maturing on December 1, 2034, is $580,000.

Year	Principal Amount
2035	$600,000

The final principal amount of the Series 2018B Bonds maturing on December 1, 2036, is $620,000.

All of the Series 2018B Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The Bond Registrar is authorized and directed to mail notice of mandatory sinking fund redemption of the Series 2018B Bonds in the manner provided in the Bond Ordinance.

The principal amounts of Series 2018B Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Series 2018B Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Village shall, purchase Series 2018B Bonds required to be retired on such mandatory redemption date. Any such Series 2018B Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

The Bond Registrar will give notice of redemption, identifying the Series 2018B Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series 2018B Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mail to any registered owner of the Series 2018B Bonds (or portion thereof) or any defect therein shall not affect the validity of any proceedings for the redemption of other Series 2018B Bonds (or portions thereof). All Series 2018B Bonds (or portions thereof) so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

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"**, **"TAX EXEMPTION - SERIES 2018A BONDS"** and **"TAX TREATMENT - TAXABLE SERIES 2018B BONDS"** and is of the opinion that the statements contained under such headings are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown. Except for the foregoing, however, Bond Counsel has not independently verified the accuracy or completeness of statements and information contained in the 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 Village has been rated "Aaa" (Negative Outlook) by Moody's Investors Service and "AAA" (Stable Outlook) by S&P Global Ratings. The Village has supplied certain information and material concerning the Bonds and the Village to the rating services shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for investment ratings on the Bonds. Ratings reflect only the views of the rating agencies assigning such ratings and an explanation of the significance of such ratings may be obtained from such rating agencies. Generally, such rating services base their ratings on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such ratings will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating services if, in their judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment ratings may be obtained from the rating agencies: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. S&P Global Ratings Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The Village will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

DEFEASANCE AND PAYMENT OF BONDS

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

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

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

UNDERWRITING

Series 2018A Bonds

The Series 2018A Bonds were offered for sale by the Village at a public, competitive sale on January 23, 2018. The best bid submitted at the sale was submitted by UBS Financial Services, New York, New York (the "Series 2018A Underwriter"). The Village awarded the contract for sale of the Series 2018A Bonds to the Series 2018A Underwriter at a price of $17,784,587.80. The Series 2018A Underwriter has represented to the Village that the Series 2018A Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Final Official Statement.

Taxable Series 2018B Bonds

The Taxable Series 2018B Bonds were offered for sale by the Village at a public, competitive sale on January 23, 2018. The best bid submitted at the sale was submitted by Bernardi Securities, Inc., Chicago, Illinois (the "Taxable Series 2018B Underwriter"). The Village awarded the contract for sale of the Taxable Series 2018B Bonds to the Taxable Series 2018B Underwriter at a price of $8,349,175. The Taxable Series 2018B Underwriter has represented to the Village that the Taxable Series 2018B Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this 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 the 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 January 23, 2018, for the $17,655,000 General Obligation Bonds, Series 2018A and the $8,425,000 General Obligation Bonds, Taxable Series 2018B, 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 the light of the circumstances under which they were made, not misleading.

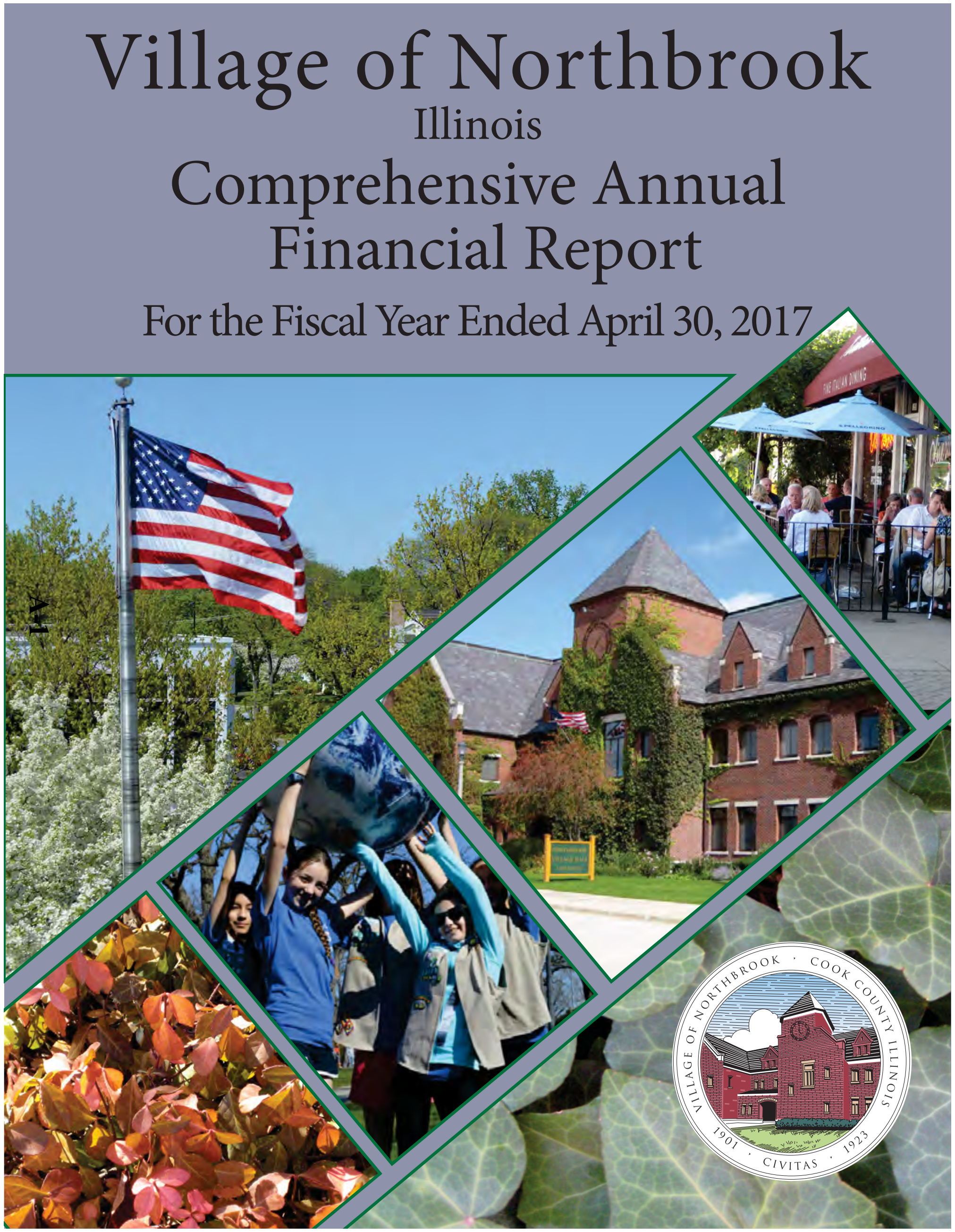
/s/ **SANDRA E. FRUM**
Village President
Village of Northbrook
Cook County, Illinois

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

APPENDIX A

VILLAGE OF NORTHBROOK, COOK COUNTY, ILLINOIS

FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS



VILLAGE OF NORTHBROOK, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2017

Prepared by:
Finance Department

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

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES – Continued

SUPPLEMENTAL SCHEDULES

VILLAGE OF NORTHBROOK, ILLINOIS

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STATISTICAL SECTION (Unaudited)

INTRODUCTORY SECTION

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

VILLAGE OF NORTHBROOK, ILLINOIS

List of Principal Officials
April 30, 2017

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sandra E. Frum, President

James A. Karagianis	Todd A. Heller
Albert C. Buehler, III	Kathryn L. Ciesla
Michael W. Scolaro	Robert P. Israel

Debra J. Ford, Village Clerk

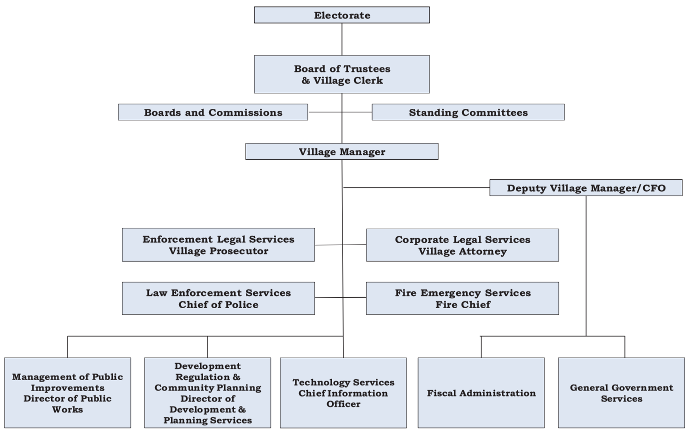
ADMINISTRATIVE

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

FINANCE DEPARTMENT

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

Village of Northbrook
Organization Chart



Boards And Commissions	Standing Committees
Architectural Control	Administration & Finance
Arts Commission	Communications & Legislation
Community Relations	Planning & Zoning
Economic Development	Public Safety
Electrical	Public Works
Emergency Telephone System	Community & Sustainability
Environmental Quality	
Fire & Police Commissioners	
Firefighters' Pension	
Foreign Fire Insurance	
Industrial & Commercial Development	
Local Improvements	
Plan	
Police Pension	
Senior Services	
Stormwater Management	
Youth	
Zoning Board of Appeals	

Village of Northbrook
1225 Cedar Lane Northbrook, Illinois 60062 847.272.5050 Fax 847.272.9760 www.northbrook.il.us

August 8, 2017

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

The Comprehensive Annual Financial Report of the Village of Northbrook for the fiscal year ended April 30, 2017, 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 fiscal year ended April 30, 2017 was the first year of implementation for GASB statement 68.

The Village provides a full range of services. These services include police and fire protection; water and sanitary sewer services; the construction and maintenance of highways, streets, and infrastructure; and cultural events. For financial reporting purposes, in conformity with the Governmental Accounting Standards Board Statement No. 14, this report includes all the funds, 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.

The Village's geographic location, east of the Tri-State Tollway, west and south of Interstate 94 and on the Milwaukee Road railroad (40 minutes from downtown Chicago), has made it a prime area for high value residential development. A substantial land area has also permitted development of important corporate offices and commercial shopping centers. Northbrook Court includes, for example, such stores as Neiman Marcus, Macy's, Lord & Taylor and Crate & Barrel and features over 100 specialty shops like the Apple Store, H&M, XXI Forever, Coach, Louis Vuitton and True Religion. Northbrook is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters' Laboratories, Inc., and Wiss, Janney, Elstner Associates, as well as serves as the Northern Illinois distribution center for United Parcel Service. Major corporate entities adjacent to Northbrook include the corporate headquarters for Allstate Insurance Company, and Baxter; as well as North American headquarters for Takeda Pharmaceutical Company and Astellas Pharma. The careful planning and development of Northbrook should ensure an economically stable community for the foreseeable future. The wise development of the remaining property within the Village will further that stability.

MAJOR INITIATIVES

Accomplishments in Fiscal Year 2016/17

Fiscal Year 2016/17 continued to exemplify careful planning, thoughtful Village governance and leadership, and a deep, abiding respect for Northbrook citizens and businesses. Together, the Village Board and staff have responded to the economic challenges of the last several years with policies and processes that have focused our efforts to meaningfully and appropriately address the short- and long-term financial health of our Village government. Our quarterly budget reviews have transformed the way we manage the Village's finances and enhanced our ability to navigate new challenges as they arise. We have continued to refine the five-year Capital Improvement Plan to make it into a valuable planning tool that allows us to look forward and better address the Village's long-term capital and infrastructure needs.

Five 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 2017/18 of $44.1 million, with total operating expenses of $41.8 million. As shown in the table below, our current projection for total General Fund expenses is 1.97% lower, with total operating expenses 2.93% lower than our projections at this time last year.

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

	Projected in FY 14/15 for FY 15/16	FY 15/16 Budget	Variance	Projected in FY 15/16 for FY 16/17	FY 16/17 Budget	Variance	Projected in FY 16/17 for FY 17/18	FY 17/18 Budget	Variance
Operating	41,062,192	41,007,420	-0.13%	41,374,640	40,823,265	-1.33%	41,850,306	40,622,576	-2.93%
Capital	3,046,870	2,255,205	-25.98%	3,604,260	3,650,940	1.30%	2,246,450	2,604,690	15.95%
Total	44,109,062	43,262,625	-1.92%	44,978,900	44,474,205	-1.12%	44,096,756	43,227,266	-1.97%

It is clear that the business community continues to see Northbrook as an attractive place to grow and expand. The retail sector remains healthy; anchored by the 1 million square foot high-end Northbrook Court mall, the 417,000-square foot Willow Festival shopping center, and the 335,000-square foot Village Square shopping center.

The Village of Northbrook overall retail market remains quite strong, with a low 5.6% vacancy rate, despite the many changes taking place in the world of retailing. Northbrook's varied shopping areas provide North Shore residents with a combination of luxury, convenience, and discount shopping experiences. The approval of two large luxury apartment complexes along the Skokie Boulevard corridor, the 347-unit Northshore 770 building (which opened in 2016) and the 304-unit 1000 Skokie apartment building (under construction) will only increase the demand for shopping and dining experiences in the community and surrounding area for years to come.

The five-year Capital Improvement Plan and the Village's expanded two-year operating budget provide the basis for meaningful planning and the capacity to adjust our resource allocations as necessary in order to meet the changing service needs of the community. Northbrook is one of only five communities in Illinois to carry triple-A ratings from both Standard and Poor's and Moody's. Our financial house is in order. The focus of this budget is rightfully on maintaining high quality public infrastructure and services.

Highlights of FY 2016/17 included:

- Prepared amendments to the Northbrook Municipal Code associated with the National Electrical Code, as recommended by the Electrical Commission.
- Prepared a series of amendments to the Village Green Overlay (VGO) District for the downtown area.
- Completed comprehensive review and revision of Human Resources Standard Operating Procedures and distributed to all employees.
- Continued working with state and regional associations to analyze financial impacts of proposed legislation.
- All sworn police personnel were equipped with Naloxone for field interventions in cases of apparent opioid overdose.
- The Starcom21 radio network, a P25 compliant communications system, was implemented. This system includes updated infrastructure and technology to keep pace with emergent developments for the life of the contract.
- Updated the Hazard Mitigation Annex portion of the Northbrook Emergency Preparedness Plan on file with Cook County Department of Homeland Security and Emergency Management in accordance with established guidelines.
- Began the comprehensive review of all building systems as well as operations and maintenance activities (Facility Plan) by conducting site visits to the Village's buildings with members of the Ad Hoc Facilities Committee and other Trustees. Supported the committee in the initial phases of the development of a long-term Facility Plan.
- Continued the review and update the existing Bike Plan along with Northbrook Park District, so that the initiatives and projects are current and meet the needs of the community. This effort will be a multiyear effort that will involve the Bike Task Force and other stakeholders within the community.
- Implemented the seventh year of the Emerald Ash Borer (EAB) Management Plan including the replanting of 611 trees and completed the removal of all non-treated Ash trees (170 trees).

- Completed building improvements including the installation of a new roof and HVAC system at the Police Department, installation of replacement windows at Fire Station 11, and renovations to the Public Works Center.

FINANCIAL INFORMATION

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the general fund, debt service fund, capital projects funds, 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, 2017 increased by 4.1% from the unassigned fund balance at May 1, 2016. The unassigned fund balance is the equivalent of 52% of General Fund revenues and operating transfers in, and 50% of General Fund expenditures. This exceeds the fund balance policy previously established by the Village Board of Trustees which calls for an unrestricted fund balance equal to 40% of revenues.

Debt Administration. At April 30, 2017, the Village had a number of general obligation debt issues outstanding which totaled $100,506,860. Moody's Investors Service, in April of 1994, upgraded the Village's bond rating from Aa1 to Aaa. In November 2000, the Village also sought a rating from Standard & Poor's. Standard & Poor's also conveyed their highest rating (AAA) to the Village. Both of these ratings were re-affirmed in January, 2017.

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, 2017, the Village's net general obligation bonded debt for governmental funds was $61,816,358 and debt per capita equaled $1,863.62. 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, 2016. 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 L. Rowitz
Deputy Village Manager/
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Northbrook
Illinois

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

April 30, 2016

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
668 N. RIVER ROAD • NAPERVILLE, IL 60563
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

INDEPENDENT AUDITORS' REPORT

August 8, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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, 2017. Please read it in conjunction with the transmittal letter on page iii - vii and the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased by 30.3% as a result of this year's operations. Net position of business-type activities decreased by about $1.0 million and net position of governmental activities decreased by $13.3 million. In FY 16/17 the Village implemented GASB Statement No. 68 related to the reporting of the net pension liabilities and related items for the Illinois Municipal Retirement Fund, the Police Pension Fund, and the Firefighters' Pension Fund. GASB 68 requires pension liabilities previously included in footnotes to the financial statements to be moved into the statements themselves and calculated in the funds' net positions with the recording of additional expenses. This change requires inclusion of $96.5 million in net pension liability. It is important to note that this is only a change in financial reporting procedure, and does not change the Village's actual financial resources.

- During the year, expenses were approximately $13.3 million higher than the $49.6 million generated in tax and other revenues for governmental programs. This variance is attributed to the planned expenditure of bond proceeds issued at the end of the previous fiscal year and recording of a TIF note for the North Shore 770 development. This is a reimbursement note for certain public improvements completed by the developer. Fiscal Year 16/17 was the first year there was sufficient tax increment to begin payment on the note.

- During the year, revenues for business-type activities were $12.0 million while expenses were $13.0 million, generating a decrease in net position of about $1.0 million.

- The General Fund reported a deficit for the year of $1.58 million. This is due to the expenditure of $2,558,028 from bond proceeds issued at the end of the previous fiscal year. Revenues were $153,008, or 0.4%, more than expected. Expenditures were $1,864,445 under 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 3 - 6) provide information about the activities of the Village of Northbrook as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide statements

USING THIS ANNUAL REPORT - Continued

by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's roads, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, finance, public safety, highways and streets, community planning, development and engineering. The business-type activities of the Village include waterworks, sewerage, storm water management, parking operations and senior housing.

The Village includes one separate legal entity in its report, the Northbrook Public Library. Although legally separate, this "component unit" is important because the Village is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

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

Fund Financial Statements - Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

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

The Village maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 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 7 - 12 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.

Proprietary Funds – Continued

The Village uses an internal service fund to account for its insurance program. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sanitary Sewer Fund, Stormwater Utility Fund, and Senior Housing Fund, all of which are considered to be major funds of the Village. The Revenue Parking Fund is reported as a non-major fund.

The basic proprietary fund financial statements can be found on pages 13 - 18 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 19 - 20 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 21 - 75 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 76 - 86 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 87 - 110 of this report.

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 $32.7 million.

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current Assets	$ 58.7	60.6	23.7	33.2	82.4	93.8
Capital Assets	94.8	94.3	64.7	58.5	159.5	152.8
Total Assets	153.5	154.9	88.4	91.7	241.9	246.6
Deferred Outflows	22.7	29.6	1.0	0.8	23.7	30.4
Total Assets/Deferred Outflows	176.2	184.5	89.4	92.5	265.6	277.0
Long-Term Debt Outstanding	(163.4)	(161.6)	(40.2)	(41.7)	(203.6)	(203.3)
Other Liabilities	(9.1)	(7.6)	(3.8)	(4.6)	(12.9)	(12.2)
Total Liabilties	(172.5)	(169.2)	(44.0)	(46.3)	(216.5)	(215.5)
Deferred Inflows	(16.1)	(14.4)	(0.1)	-	(0.1)	(14.4)
Total Liabilities/Deferred Inflows	(188.6)	(183.6)	(44.1)	(46.3)	(216.6)	(229.9)
Net Position						
Net Investment in Capital Assets	52.3	51.9	32.8	32.9	85.1	84.8
Restricted	0.9	0.7	-	-	0.9	0.7
Unrestricted	(65.7)	(51.8)	12.4	13.3	(53.3)	(38.5)
Total Net Position	(12.5)	0.8	45.2	46.2	32.7	47.0

Net position was $32.7 million in fiscal 2017, a decrease of $14.3 million. Of the Village's net position, $85.1 million was net investment in capital assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional $910,914 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 $53.3 million. The net position decrease is due to incorporation of GASB Statement 68 which includes $96.5 million of net pension liability in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	$ 8.6	9.1	11.1	10.8	19.7	19.9
Capital Grants/Contributions	-	-	0.1	0.1	0.1	0.1
Operating Grants/Contributions	0.9	0.8	-	-	0.9	0.8
General Revenues						
Property Taxes	14.8	13.4	-	-	14.8	13.4
Sales Taxes	15.4	14.7	-	-	15.4	14.7
State Income Taxes	3.1	3.3	-	-	3.1	3.3
Utility Taxes	1.0	1.0	-	-	1.0	1.0
Other Taxes	4.9	5.4	-	-	4.9	5.4
Other General Revenues	0.9	0.3	0.8	0.8	1.7	1.1
Total Revenues	49.6	48.0	12.0	11.7	61.6	59.7
Expenses						
General Government	10.9	7.3	-	-	10.9	7.3
Public Safety	38.6	39.5	-	-	38.6	39.5
Public Works	11.0	9.8	-	-	11.0	9.8
Interest on Long-Term Debt	2.4	2.0	-	-	2.4	2.0
Water	-	-	7.9	7.6	7.9	7.6
Sewer	-	-	1.9	2.0	1.9	2.0
Storm Water	-	-	2.2	2.4	2.2	2.4
Senior Housing	-	-	0.8	0.9	0.8	0.9
Parking Facilities	-	-	0.2	0.2	0.2	0.2
Total Expenses	62.9	58.6	13.0	13.1	75.9	71.7
Change in Net Position Before Transfers	(13.3)	(10.6)	(1.0)	(1.4)	(14.3)	(12.0)
Transfers	-	(3.0)	-	3.0	-	-
Increase (Decrease) in Net Position	(13.3)	(13.6)	(1.0)	1.6	(14.3)	(12.0)
Net Position-Beginning	0.8	14.4	46.2	44.6	47.0	59.0
Net Position-Ending	(12.5)	0.8	45.2	46.2	32.7	47.0

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities decreased by $13.3 million ($0.8 million compared to negative $12.5 million) and unrestricted net position of the Village's governmental activities was negative $65.7 million. The negative net position is entirely attributable to the implementation of GASB Statement 68. The General Fund reported an operating deficit of $1.58 million for the fiscal year ending April 30, 2017. The operating deficit was due to the expenditure of bond proceeds received at the end of the previous fiscal year.

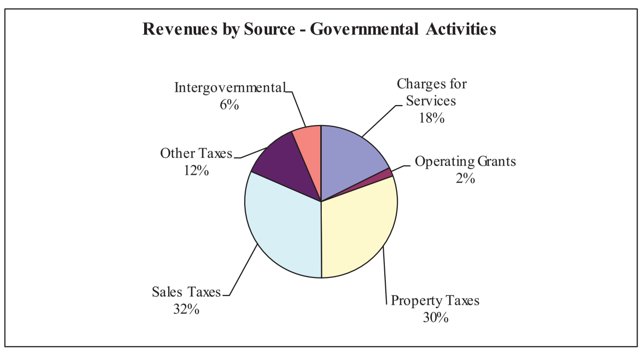
Net position of business-type activities decreased 2.1% from the prior year ($46.2 million compared to $45.2 million). The Village generally can only use this net position to finance the continuing operations of the waterworks, sewerage, storm water, senior housing and parking operations.

Total revenues increased by 3.2% ($61.6 million compared to $59.7 million). Property taxes and sales taxes accounted for the majority of this increase. The total cost of all programs and services increased by 5.9%, or $4.2 million. This increase is attributed to the recording of a TIF note for the North Shore 770 development. This is a reimbursement note for certain public improvements completed by the developer. Fiscal Year 16/17 was the first year there was sufficient tax increment to begin payment on the note.

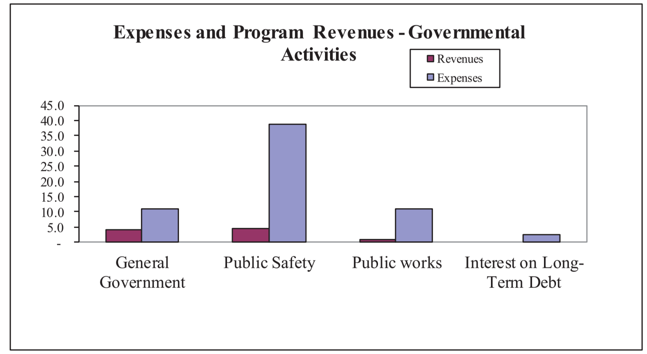
Governmental Activities

Revenues for governmental activities (excluding special items) were $49.6 million, while total expenses were $62.9 million.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on sales taxes to fund governmental activities. It also clearly identifies the minor percentage the Village receives from other governments.



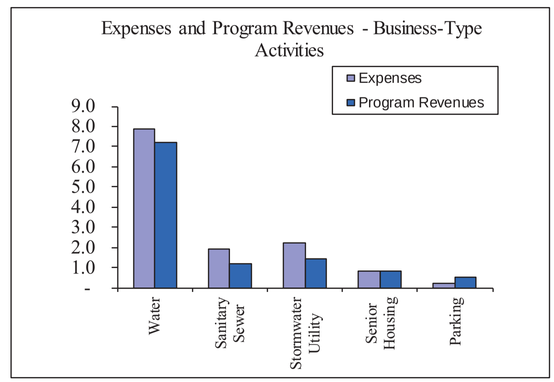
Governmental Activities – Continued



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. Clearly public safety and public works expenses far exceed any directly allocated revenues.

Business-Type Activities

Revenues from business type activities increased by 2.6% ($12.0 million compared to $11.7 million) and expenses were relatively flat, decreasing by $100,000.



Business-Type Activities – Continued

The previous graph compares program revenues to expenses for the Village's enterprise operations. The deficits in the Water, Sanitary Sewer, and Stormwater Utility Funds are due to the use of prior year bond proceeds for planned capital expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of $34.7 million, which is 8.2% lower than last year's total of $37.8 million. This decrease is due to the expenditure of bond proceeds issued at the end of the previous fiscal year, which were reported as restricted fund balance on April 30, 2016. Unassigned fund balance of the governmental funds increased by $873,666, or 4.1%.

The General Fund experienced a decrease of $1.58 million which was due to the expenditure of $2,558,028 from bond proceeds issued at the end of the previous fiscal year. Revenues were $153,008, or 0.4%, more than expected. Expenditures were $1,864,445 under budget. This difference is mostly attributed to personnel costs from temporary vacancies and timing of capital expenditures.

The Debt Service fund reported a modest increase of $1,514 for the year.

The Infrastructure Fund reported an increase in fund balance prior to transfers out of approximately $1.1 million due to timing of capital expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Village reports the Water, Sanitary Sewer, Stormwater Utility, and Senior Housing Funds as major proprietary funds.

The Water Fund accounts for all of the operations of the municipal water system. The Village is the only municipality in Illinois that is not on the lakefront but pumps its' own water directly from Lake Michigan. Many years ago, the Village constructed a pipeline directly to the lake by purchasing various rights- of- way. Water was sold to all municipal customers at a rate of $4.90 per thousand gallons.

The Village intends to run the Water Fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects and water consumption. The current fiscal year experienced a deficit of $634,442 due to the timing of capital expenses.

The Sanitary Sewer Fund accounts for all operations of the Village's sanitary sewer system. Customers are billed at a rate of $1.05 per thousand gallons of water used. This fund experienced a deficit of $662,180 for the year due to the timing of capital expenses.

The Stormwater Utility Fund is used to account for the maintenance and construction of the Village's storm water management system. All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service. This fund experienced a modest surplus of $34,396 for the year.

The Senior Housing Fund accounts for all operations of Crestwood Place, a senior housing apartment complex owned by the Village. Day-to-day operations are handled by a management company. Since the Village owns the buildings, we have been able to keep rents low and still allow this fund to entirely cover its' cost of operations. This fund experienced a modest surplus of $33,460 for the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2017 was $159.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, roads, sidewalks, storm sewers, and bridges.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities 2017	Governmental Activities 2016	Business-type Activities 2017	Business-type Activities 2016	Total 2017	Total 2016
Land	$ 32.0	32.0	3.0	3.0	35.0	35.0
Buildings	10.3	9.6	8.8	8.9	19.1	18.5
Equipment & Vehicles	4.0	3.4	3.3	3.6	7.3	7.0
Infrastructure	48.5	49.4	49.7	42.9	98.2	92.3
Total	94.8	94.4	64.8	58.4	159.6	152.8

The fiscal year 2018 capital budget includes projects totaling $22.8 million. This total includes $8.2 million for water system improvements, $7.7 million for street improvements, $3.1 million for storm water improvements, and $3.8 million for other general fund projects. Additional information on the Village's capital assets can be found in note 3 on pages 43 - 44 of this report.

Debt Administration

At year-end, the Village had total outstanding bonded debt of $100.5 million as compared to $105.0 million the previous year. The following is a comparative statement of outstanding debt:

General Obligation Bonds (in Millions)

	Governmental Activities 2017	Governmental Activities 2016	Business-type Activities 2017	Business-type Activities 2016	Total 2017	Total 2016
General Obligation Bonds	$ 61.8	65.1	38.7	39.9	100.5	105.0

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration - Continued

The Village maintains an AAA rating from Standard & Poor's and an Aaa rating from Moody's for general obligation debt. The rating from Moody's has not changed in twenty-two years. The Village first sought a rating from Standard & Poor's in November 2000 and was awarded the AAA rating at that time. As a home-rule unit, no legal limit exists on the amount of debt that can be outstanding. Additional information on the Village's long-term debt can be found in Note 3 on pages 46-52 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2018 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 2017/18 of $44.1 million, with total operating expenses of $41.8 million. As shown in the table below, our current projection for total General Fund expenses is 1.97% lower, with total operating expenses 2.93% lower than our projections at this time last year.

Total Variance - Last Five Years

	Projected in Previous Year	Proposed Budget Following Year	Variance
FY 2013/14	$ 41,809,295	$ 40,921,500	-2.12%
FY 2014/15	$ 42,599,490	$ 43,106,630	1.19%
FY 2015/16	$ 44,109,062	$ 43,262,625	-1.92%
FY 2016/17	$ 44,978,900	$ 44,474,205	-1.12%
FY 2017/18	$ 44,096,756	$ 43,227,266	-1.97%

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

	Projected in FY 14/15 for FY 15/16	FY 15/16 Budget	Variance	Projected in FY 15/16 for FY 16/17	FY 16/17 Budget	Variance	Projected in FY 16/17 for FY 17/18	FY 17/18 Budget	Variance
Operating	41,062,192	41,007,420	-0.13%	41,374,640	40,823,265	-1.33%	41,850,306	40,622,576	-2.93%
Capital	3,046,870	2,255,205	-25.98%	3,604,260	3,650,940	1.30%	2,246,450	2,604,690	15.95%
Total	44,109,062	43,262,625	-1.92%	44,978,900	44,474,205	-1.12%	44,096,756	43,227,266	-1.97%

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

The FY 2017/18 budget (before equity transfers) is balanced and estimates General Fund reserves of $3.5 million above our 40% policy at April 30, 2018. Total unrestricted General Fund expenditures (before equity transfers) are $2,384,953 less than the approved FY 16/17 budget. The operating budget remains focused on maintaining our public infrastructure and quality essential services. We will continue our practice of adjusting our existing organizational resources, as well as relying on overtime and contractual assistance (where cost effective), to provide greater flexibility in meeting our changing service demands.

Our revenue assumptions are conservative. Total unrestricted revenues for the General Fund in FY 17/18, net of bond proceeds, are projected to be virtually flat. Though we anticipate new sales taxes from Ultimo Motors during FY 17/18, we have projected total sales tax revenue to be flat. We also have only included permit fees for normal building activity and projects which have already been approved by the Village Board.

When the 2016 property tax levy was approved in December, the Board decided to use $1 million from General Fund surplus reserves to reduce the taxes required for our mandated contributions to the police and fire pension funds. At that time, there was consensus to try and further reduce the levy through the budget process. The draft budget presented to the Board in March projected a General Fund surplus of $508,429 for FY 2017/18. At the March 21, 2017 budget workshop, the Board decided to further abate the tax levy by committing this projected surplus to the police and fire pension funds.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Northbrook's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Chief Financial Officer, Village of Northbrook, 1225 Cedar Lane, Northbrook, IL 60062.

BASIC FINANCIAL STATEMENTS

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

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position
April 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Public Library
ASSETS				
Current Assets				
Cash and Investments	$ 41,824,062	21,884,270	63,708,332	9,556,112
Receivables - Net	13,253,475	2,131,744	15,385,219	3,900,262
Due from Other Governments	1,170,732	-	1,170,732	-
Internal Balances	306,101	(306,101)	-	-
Inventory/Prepaids	2,122,430	-	2,122,430	111,024
Total Current Assets	58,676,800	23,709,913	82,386,713	13,567,398
Noncurrent Assets				
Capital Assets				
Land	31,963,013	1,674,404	33,637,417	612,577
Artwork	-	-	-	3,200
Depreciable Capital Assets	129,363,669	145,859,805	275,223,474	30,477,573
Depreciation	(66,473,664)	(82,746,467)	(149,220,131)	(14,572,249)
Total Noncurrent Assets	94,853,018	64,787,742	159,640,760	16,521,101
Total Assets	153,529,818	88,497,655	242,027,473	30,088,499
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding	2,060,127	-	2,060,127	-
Deferred Items - IMRF	3,637,988	882,981	4,520,969	1,204,198
Deferred Items - Police Pension	9,079,627	-	9,079,627	-
Deferred Items - Firefighters' Pension	7,880,924	-	7,880,924	-
Total Deferred Outflows of Resources	22,658,666	882,981	23,541,647	1,204,198
Total Assets and Deferred Outflows of Resources	176,188,484	89,380,636	265,569,120	31,292,697

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 2,302,361	1,257,787	3,560,148	267,874
Retainage Payable	-	55,307	55,307	41,726
Accrued Payroll and Related	640,273	6,382	646,655	-
Accrued Interest Payable	1,067,160	547,342	1,614,502	120,448
Deposits Payable	679,650	68,081	747,731	-
Due to Other Governments	664,628	-	664,628	-
Current Portion of Long-Term Debt	3,759,869	1,853,929	5,613,798	774,107
Total Current Liabilities	9,113,941	3,788,828	12,902,769	1,204,155
Noncurrent Liabilities				
Compensated Absences Payable	1,433,320	166,140	1,599,460	127,205
Net Pension Liability - IMRF	7,212,103	1,750,458	8,962,561	2,387,252
Net Pension Liability - Police Pension	46,035,224	-	46,035,224	-
Net Pension Liability - Firefighters' Pension	41,522,404	-	41,522,404	-
Net Other Post-Employment Benefit Payable	1,358,146	-	1,358,146	19,369
TIF Note Payable	4,900,000	-	4,900,000	-
General Obligation Bonds Payable - Net	61,003,062	38,302,055	99,305,117	6,920,184
Total Noncurrent Liabilities	163,464,259	40,218,653	203,682,912	9,454,010
Total Liabilities	172,578,200	44,007,481	216,585,681	10,658,165
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	527,317	127,986	655,303	174,546
Deferred Items - Police Pension	1,912,887	-	1,912,887	-
Property Taxes	13,668,028	-	13,668,028	8,008,989
Total Deferred Inflows of Resources	16,108,232	127,986	16,236,218	8,183,535
Total Liabilities/Deferred Inflows of Resources	188,686,432	44,135,467	232,821,899	18,841,700
NET POSITION				
Net Investment in Capital Assets	52,296,658	32,805,023	85,101,681	8,858,611
Restricted				
Public Safety	612,744	-	612,744	-
Tax Increment Financing	110,851	-	110,851	-
Perpetual Care - Nonexpendable	179,589	-	179,589	-
Debt Service	7,730	-	7,730	-
Public Library	-	-	-	199,471
Unrestricted	(65,705,520)	12,440,146	(53,265,374)	3,392,915
Total Net Position	(12,497,948)	45,245,169	32,747,221	12,450,997

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Activities
For the Fiscal Year Ended April 30, 2017

		Program Revenues			Net (Expenses)/Revenues			
					Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-Type Activities	Totals	Public Library
Governmental Activities								
General Government	$ 10,932,097	4,161,477	-	-	(6,770,620)	-	(6,770,620)	-
Public Safety	38,637,952	4,414,152	43,559	-	(34,180,241)	-	(34,180,241)	-
Highways and Streets	11,025,303	-	840,743	-	(10,184,560)	-	(10,184,560)	-
Interest on Long-Term Debt	2,453,769	-	-	-	(2,453,769)	-	(2,453,769)	-
Total Governmental Activities	63,049,121	8,575,629	884,302	-	(53,589,190)	-	(53,589,190)	-
Business-Type Activities								
Water	7,895,063	7,130,783	83,637	-	-	(680,643)	(680,643)	-
Sanitary Sewer	1,894,162	1,224,701	-	-	-	(669,461)	(669,461)	-
Senior Housing	813,997	846,534	-	-	-	32,537	32,537	-
Stormwater Utility	2,137,821	1,389,220	-	-	-	(748,601)	(748,601)	
Parking	219,643	485,193	-	-	-	265,550	265,550	-
Total Business-Type Activities	12,960,686	11,076,431	83,637	-	-	(1,800,618)	(1,800,618)	-
Total Primary Government	76,009,807	19,652,060	967,939	-	(53,589,190)	(1,800,618)	(55,389,808)	-
Component Unit - Public Library	8,004,093	139,072	102,450	-	-	-	-	(7,762,571)
			General Revenues					
			Taxes					
			Property Taxes		14,802,772	-	14,802,772	7,678,582
			Use Taxes		817,854	-	817,854	-
			Auto Rental Taxes		5,795	-	5,795	-
			Utility Taxes		1,012,559	-	1,012,559	-
			Telecommunication Taxes		2,554,292	-	2,554,292	-
			Other Taxes		1,586,811	-	1,586,811	144,298
			Intergovernmental - Unrestricted					
			Sales Taxes		15,380,154	-	15,380,154	-
			State Income Taxes		3,141,181	-	3,141,181	-
			Interest		253,606	90,600	344,206	24,338
			Miscellaneous		689,720	747,017	1,436,737	49,581
					40,244,744	837,617	41,082,361	7,896,799
			Change in Net Position		(13,344,446)	(963,001)	(14,307,447)	134,228
			Net Position - Beginning		846,498	46,208,170	47,054,668	12,316,769
			Net Position - Ending		(12,497,948)	45,245,169	32,747,221	12,450,997

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2017

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
ASSETS						
Cash and Investments	$ 24,801,018	-	1,515,889	10,932,658	652,131	37,901,696
Receivables - Net of Allowances						
Property Taxes	4,519,341	2,383,186	1,674,647	-	-	8,577,174
Other Taxes	3,308,915	-	-	374,183	-	3,683,098
Other	989,819	-	-	3,384	-	993,203
Due from Other Governments	1,059,438	-	-	72,625	-	1,132,063
Due from Other Funds	306,101	-	-	-	-	306,101
Inventories	26,661	-	-	-	-	26,661
Total Assets	35,011,293	2,383,186	3,190,536	11,382,850	652,131	52,619,996
LIABILITIES						
Accounts Payable	1,688,771	-	-	601,191	-	2,289,962
Accrued Payroll	640,273	-	-	-	-	640,273
Deposits Payable	406,122	-	-	-	273,528	679,650
Due to Other Governments	195,880	468,748	-	-	-	664,628
Total Liabilities	2,931,046	468,748	-	601,191	273,528	4,274,513
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	8,570,784	1,914,438	3,182,806	-	-	13,668,028
Total Liabilities and Deferred Inflows of Resources	11,501,830	2,383,186	3,182,806	601,191	273,528	17,942,541
FUND BALANCES						
Nonspendable	26,661	-	-	-	-	26,661
Restricted	1,359,625	-	7,730	4,436,233	290,440	6,094,028
Committed	-	-	-	-	88,163	88,163
Assigned	-	-	-	6,345,426	-	6,345,426
Unassigned	22,123,177	-	-	-	-	22,123,177
Total Fund Balances	23,509,463	-	7,730	10,781,659	378,603	34,677,455
Total Liabilities, Deferred Inflows of Resources and Fund Balances	35,011,293	2,383,186	3,190,536	11,382,850	652,131	52,619,996

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

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

April 30, 2017

Total Governmental Fund Balances	$ 34,677,455
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	94,853,018
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	6,044,405
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	3,110,671
Deferred Items - Police Pension	7,166,740
Deferred Items - Firefighters' Pension	7,880,924
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,791,650)
Net Pension Liability - IMRF	(7,212,103)
Net Pension Liability - Police Pension	(46,035,224)
Net Pension Liability - Firefighters' Pension	(41,522,404)
Net Other Post-Employment Benefit Obligation Payable	(1,358,146)
TIF Note Payable	(4,900,000)
General Obligation Bonds Payable - Net of Unamortized Items	(62,344,474)
Accrued Interest Payable	(1,067,160)
Net Position of Governmental Activities	(12,497,948)

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2017

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, 2017

	General	Special Revenue Pension Contribution	Debt Service	Capital Projects Infrastructure	Nonmajor	Totals
Revenues						
Taxes	$ 13,272,799	3,846,752	2,557,725	2,363,324	284,953	22,325,553
Intergovernmental	17,019,424	-	-	840,743	-	17,860,167
Licenses, Permits and Fees	5,265,165	-	-	-	-	5,265,165
Charges for Services	5,783,009	-	-	-	-	5,783,009
Fines and Forfeits	134,095	-	-	-	-	134,095
Interest	208,655	-	13,059	26,626	1,475	249,815
Miscellaneous	683,191	-	-	529	6,000	689,720
Total Revenues	42,366,338	3,846,752	2,570,784	3,231,222	292,428	52,307,524
Expenditures						
Current						
General Government	7,774,497	-	-	-	4,921,438	12,695,935
Public Safety	27,383,064	3,846,752	-	-	-	31,229,816
Highways and Streets	8,792,534	-	-	2,176,611	-	10,969,145
Debt Service						
Principal Retirement	-	-	3,289,383	-	-	3,289,383
Interest and Fiscal Charges	-	-	2,011,259	-	176,339	2,187,598
Total Expenditures	43,950,095	3,846,752	5,300,642	2,176,611	5,097,777	60,371,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,583,757)	-	(2,729,858)	1,054,611	(4,805,349)	(8,064,353)
Other Financing Sources (Uses)						
Debt Issuance	-	-	-	-	4,900,000	4,900,000
Transfers In	-	-	2,731,372	-	-	2,731,372
Transfers Out	-	-	-	(2,731,372)	-	(2,731,372)
	-	-	2,731,372	(2,731,372)	4,900,000	4,900,000
Net Change in Fund Balances	(1,583,757)	-	1,514	(1,676,761)	94,651	(3,164,353)
Fund Balances - Beginning as Restated	25,093,220	-	6,216	12,458,420	283,952	37,841,808
Fund Balances - Ending	23,509,463	-	7,730	10,781,659	378,603	34,677,455

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

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

For the Fiscal Year Ended April 30, 2017

Net Change in Fund Balances - Total Governmental Funds	$ (3,164,353)
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	4,331,824
Depreciation Expense	(3,839,112)
Disposals - Cost	(431,005)
Disposals - Accumulated Depreciation	431,005
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.	483,305
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(2,004,088)
Change in Deferred Items - Police Pension	(4,248,328)
Change in Deferred Items - Firefighters' Pension	(2,479,763)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Deductions to Compensated Absences Payable	80,535
Deductions to Net Pension Liability - IMRF	1,162,977
Deductions to Net Pension Liability - Police Pension	142,942
Additions to Net Pension Liability - Firefighters' Pinion	(1,608,100)
Additions to Net Other Post-Employment Benefit Obligation Payable	(325,497)
Issuance of Debt	(4,900,000)
Retirement of Debt	3,289,383
Amortization of Debt Related Items	20,288
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(286,459)
Changes in Net Position of Governmental Activities	(13,344,446)

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, 2017

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2017

	Business-Type Activities						Governmental Activities
					Nonmajor		
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Revenue Parking	Totals	Internal Service
ASSETS							
Current Assets							
Cash and Investments	$ 11,255,062	1,614,296	1,282,373	7,732,539	-	21,884,270	3,922,366
Receivables - Net of Allowances							
Accounts	1,305,912	247,871	-	267,129	310,832	2,131,744	-
Due from Other Governments	-	-	-	-	-	-	38,669
Prepaids	-	-	-	-	-	-	2,095,769
Total Current Assets	12,560,974	1,862,167	1,282,373	7,999,668	310,832	24,016,014	6,056,804
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	556,252	-	308,732	40,000	769,420	1,674,404	-
Depreciable Capital Assets	74,683,268	18,437,090	5,913,955	45,208,822	1,616,670	145,859,805	-
Accumulated Depreciation	(43,406,994)	(12,001,735)	(3,667,988)	(22,528,565)	(1,141,185)	(82,746,467)	-
Total Noncurrent Assets	31,832,526	6,435,355	2,554,699	22,720,257	1,244,905	64,787,742	-
Total Assets	44,393,500	8,297,522	3,837,072	30,719,925	1,555,737	88,803,756	6,056,804
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Items - IMRF	589,992	142,405	-	150,584	-	882,981	-
Total Assets and Deferred Outflows of Resources	44,983,492	8,439,927	3,837,072	30,870,509	1,555,737	89,686,737	6,056,804
LIABILITIES							
Current Liabilities							
Accounts Payable	608,362	207,799	52,279	126,869	262,478	1,257,787	12,399
Retainage Payable	55,307	-	-	-	-	55,307	-
Accrued Payroll	4,642	1,740	-	-	-	6,382	-
Interest Payable	258,842	59,387	-	229,113	-	547,342	-
Deposits Payable	-	-	68,081	-	-	68,081	-
Due to Other Funds	-	-	269,492	-	36,609	306,101	-
Compensated Absences Payable	38,762	2,774	-	-	-	41,536	-
General Obligation Bonds Payable	1,075,535	157,868	-	578,990	-	1,812,393	-
Total Current Liabilities	2,041,450	429,568	389,852	934,972	299,087	4,094,929	12,399
Noncurrent Liabilities							
Compensated Absences Payable	155,047	11,093	-	-	-	166,140	-
Net Pension Liability - IMRF	1,169,625	282,310	-	298,523	-	1,750,458	-
General Obligation Bonds Payable - Net	16,539,375	3,741,038	-	18,021,642	-	38,302,055	-
Total Noncurrent Liabilities	17,864,047	4,034,441	-	18,320,165	-	40,218,653	-
Total Liabilities	19,905,497	4,464,009	389,852	19,255,137	299,087	44,313,582	12,399
DEFERRED INFLOWS OF RESOURCES							
Deferred Items - IMRF	85,518	20,641	-	21,827	-	127,986	-
Total Liabilities and Deferred Inflows of Resources	19,991,015	4,484,650	389,852	19,276,964	299,087	44,441,568	12,399
NET POSITION							
Net Investment in Capital Assets	20,384,190	2,589,230	2,554,699	6,031,999	1,244,905	32,805,023	-
Unrestricted	4,608,287	1,366,047	892,521	5,561,546	11,745	12,440,146	6,044,405
Total Net Position	24,992,477	3,955,277	3,447,220	11,593,545	1,256,650	45,245,169	6,044,405

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2017

	Business-Type Activities - Enterprise Funds						Governmental Activities
					Nonmajor		
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Revenue Parking	Totals	Internal Service
Operating Revenues							
Charges for Services	$ 7,130,783	1,224,701	846,534	1,389,220	167,357	10,758,595	1,471,769
Miscellaneous	-	-	-	-	317,836	317,836	-
Interfund Services	-	-	-	-	-	-	5,924,506
Total Operating Revenues	7,130,783	1,224,701	846,534	1,389,220	485,193	11,076,431	7,396,275
Operating Expenses							
Administration	2,004,575	554,490	135,700	121,510	108,045	2,924,320	9,090
Operations	3,959,772	913,280	560,833	756,979	61,349	6,252,213	7,312,452
Depreciation and Amortization	1,286,041	282,960	117,464	704,112	50,249	2,440,826	-
Total Operating Expenses	7,250,388	1,750,730	813,997	1,582,601	219,643	11,617,359	7,321,542
Operating Income (Loss)	(119,605)	(526,029)	32,537	(193,381)	265,550	(540,928)	74,733
Nonoperating Revenues (Expenses)							
Interest Income	46,201	7,281	923	35,980	215	90,600	3,791
Permits/Connection/Recapture Fees	83,637	-	-	-	-	83,637	-
Other Income	-	-	-	747,017	-	747,017	404,781
Interest Expense	(644,675)	(143,432)	-	(555,220)	-	(1,343,327)	-
	(514,837)	(136,151)	923	227,777	215	(422,073)	408,572
Change in Net Position	(634,442)	(662,180)	33,460	34,396	265,765	(963,001)	483,305
Net Position - Beginning as Restated	25,626,919	4,617,457	3,413,760	11,559,149	990,885	46,208,170	5,561,100
Net Position - Ending	24,992,477	3,955,277	3,447,220	11,593,545	1,256,650	45,245,169	6,044,405

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

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VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2017

			Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sanitary Sewer	Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
Cash Flows from Operating Activities							
Receipts from Customers and Users	$ 7,206,443	1,301,219	846,534	2,231,684	174,361	11,760,241	-
Receipts from Interfund Services	-	-	-	-	-	-	7,478,973
Payments to Employees	(1,520,264)	(365,380)	-	(360,471)	-	(2,246,115)	-
Payments to Suppliers	(3,619,080)	(988,056)	(761,921)	(2,503,416)	127,965	(7,744,508)	(7,322,196)
	2,067,099	(52,217)	84,613	(632,203)	302,326	1,769,618	156,777
Cash Flows from Capital and Related Financing Activities							
Purchase of Capital Assets	(1,380,920)	-	-	(7,235,086)	(310,911)	(8,926,917)	-
Principal Paid on General Obligation Bonds	(1,051,439)	(48,010)	-	(94,579)	-	(1,194,028)	-
Interest Paid on General Obligation Bonds	(644,675)	(143,432)	-	(555,220)	-	(1,343,327)	-
	(3,077,034)	(191,442)	-	(7,884,885)	(310,911)	(11,464,272)	-
Cash Flows from Investing Activities							
Interest Received	46,201	7,281	923	35,980	215	90,600	3,791
Net Change in Cash and Cash Equivalents	(963,734)	(236,378)	85,536	(8,481,108)	(8,370)	(9,604,054)	160,568
Cash and Cash Equivalents - Beginning	12,218,796	1,850,674	1,196,837	16,213,647	8,370	31,488,324	3,761,798
Cash and Cash Equivalents - Ending	11,255,062	1,614,296	1,282,373	7,732,539	-	21,884,270	3,922,366
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	(119,605)	(526,029)	32,537	(193,381)	265,550	(540,928)	74,733
Adjustments to Reconcile Operating Income to Net Income to Net Cash							
Provided by (Used in) Operating Activities:							
Other Nonoperating Revenues	83,637	-	-	747,017	-	830,654	404,781
Depreciation and Amortization Expense	1,286,041	282,960	117,464	704,112	50,249	2,440,826	-
(Increase) Decrease in Current Assets	(7,977)	76,518	-	95,447	(310,832)	(146,844)	(322,083)
Increase (Decrease) in Current Liabilities	825,003	114,334	(65,388)	(1,985,398)	297,359	(814,090)	(654)
Net Cash Provided by Operating Activities	2,067,099	(52,217)	84,613	(632,203)	302,326	1,769,618	156,777

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Statement of Fiduciary Net Position
April 30, 2017

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	$ 7,765,590	6,700,050
Investments		
U.S. Government and Agency Securities	10,690,101	-
State and Local Securities	5,274,987	-
Corporate Bonds	12,234,013	-
Mutual Funds	27,060,028	-
Common Stock	27,105,004	-
Illinois Funds	2,146,841	-
Receivables		
Accrued Interest	246,812	-
Due from Other Governments	579,409	22,630
Total Assets	93,102,785	6,722,680
LIABILITIES		
Accounts Payable	140	5,927
Deposits Payable	-	6,716,753
Due to Other Governments	38,669	-
Total Liabilities	38,809	6,722,680
NET POSITION		
Net Position Restricted for Pensions	93,063,976	

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, 2017

	Pension Trust
Additions	
Contributions - Employer	$ 3,846,752
Contributions - Plan Members	1,396,425
Total Contributions	5,243,177
Investment Income	
Interest Earned	2,060,558
Net Change in Fair Value	6,677,909
	8,738,467
Less Investment Expenses	(101,297)
	8,637,170
Miscellaneous Income	470,114
Total Additions	14,350,461
Deductions	
Administration	75,225
Benefits and Refunds	7,472,401
Total Deductions	7,547,626
Change in Fiduciary Net Position	6,802,835
Net Position Restricted for Pensions	
Beginning	86,261,141
Ending	93,063,976

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

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

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Unit

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

Northbrook Public Library

The Northbrook Public Library (Library) operates and maintains the Village's public library facilities. The Library's Board is elected by the voters of the Village. The Library may not issue bonded debt, and its annual budget and property tax levy are subject to the Village Board's approval. A financial benefit/burden relationship exists between the Village and the Library. Separate audited financial statements as of April 30, 2017 are available from the Library's administrative office at 1201 Cedar Lane, Northbrook, Illinois 60062.

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Financial Statements – Continued

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

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

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

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

Governmental Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

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

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

Proprietary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

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

Fiduciary Funds

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

Basis of Accounting

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

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

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

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Investments

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interfund Receivables, Payables and Activity

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

Receivables

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Prepaids/Inventories

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

Capital Assets

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences

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

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position

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

> Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.
>
> Unrestricted – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

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

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses over budget for the fiscal year.

Fund	Excess
Debt Service	$ 114,077
Cemetery	1,538
Police Pension	79,217
Firefighters' Pension	77,079

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled $21,000,575 and the bank balances totaled $23,667,982. In addition, the Village had $42,707,757 invested in the Illinois Funds at year-end, are measured at the net asset value per share determined by the pool.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $3,680,761 and the bank balances totaled $3,680,761.

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 2,769,045	-	849,569	567,083	1,352,393
U.S. Agency Securities	2,113,417	1,249,625	589,449	274,343	-
State and Local Securities	2,751,156	1,969,164	781,992	-	-
Corporate Bonds	6,197,872	4,741,809	747,827	263,464	444,772
Illinois Funds	1,322,296	1,322,296	-	-	-
	15,153,786	9,282,894	2,968,837	1,104,890	1,797,165

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2017:

		Fair Value Measurements Using		
Investments by Fair Value Level	April 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 2,769,045	2,769,045	-	-
U.S. Agencies	2,113,417	-	2,113,417	-
State and Local Obligations	2,751,156	-	2,751,156	-
Corporate Bonds	6,197,872	-	6,197,872	-
Equity Securities				
Mutual Funds	15,559,469	15,559,469		
Common Stock	11,190,015	11,190,015	-	-
Total Investments by Fair Value Level	40,580,974	29,518,529	11,062,445	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,322,296			
Total Investments Measured at Fair Value	41,903,270			

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, state and local securities, corporate bonds, and foreign securities ratings were not available and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Concentration Risk. The Fund's investment policy states that no financial institution shall hold more than 50% of the Fund's portfolio at the current time of investment placement, exclusive of securities held in safekeeping with the Trust Department of the financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $15,559,469 invested in mutual funds and $11,190,015 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	12.50%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 50%. Securities in any one company should not exceed 5% of the total fund.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 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, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $4,084,829 and the bank balances totaled $3,733,971.

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 3,517,492	-	1,598,016	567,083	1,352,393
U.S. Agency Securities	2,290,147	1,249,625	490,875	549,647	-
State and Local Securities	2,523,831	1,919,205	604,626	-	-
Corporate Bonds	6,036,141	4,241,658	1,045,746	263,464	485,273
Illinois Funds	824,545	824,545	-	-	-
	15,192,156	8,235,033	3,739,263	1,380,194	1,837,666

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2017:

		Fair Value Measurements Using		
Investments by Fair Value Level	April 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 3,517,491	3,517,491	-	-
U.S. Agencies	2,290,147	-	2,290,147	-
State and Local Obligations	2,523,831	-	2,523,831	-
Corporate Bonds	6,036,141	-	6,036,141	-
Equity Securities				
Mutual Funds	11,500,559	11,500,559	-	-
Common Stock	15,914,989	15,914,989	-	-
Total Investments by Fair Value Level	41,783,158	30,933,039	10,850,119	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	824,545			
Total Investments Measured at Fair Value	42,607,703			

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Concentration Risk. The Fund's investment policy states that no more than 50% of the assets of the Fund shall be concentrated in a single instrument or class of instruments other than U.S. Treasury Obligations. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $11,500,559 invested in mutual funds and $15,914,989 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	12.50%
Cash and Cash Equivalents	0.00%	0.00%

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 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, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.95%. 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 2016 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 31,963,013	-	-	31,963,013
Depreciable Capital Assets				
Buildings	18,487,210	1,210,602	-	19,697,812
Equipment and Vehicles	10,438,972	1,494,340	431,005	11,502,307
Infrastructure	96,536,668	1,626,882	-	98,163,550
	125,462,850	4,331,824	431,005	129,363,669
Less Accumulated Depreciation				
Buildings	8,920,242	426,295	-	9,346,537
Equipment and Vehicles	7,070,480	813,409	431,005	7,452,884
Infrastructure	47,074,835	2,599,408	-	49,674,243
	63,065,557	3,839,112	431,005	66,473,664
Total Net Depreciable Capital Assets	62,397,293	492,712	-	62,890,005
Total Net Capital Assets	94,360,306	492,712	-	94,853,018

Depreciation expense was charged to governmental activities as follows:

General Government	$ 123,032
Public Safety	553,818
Highways and Streets	3,162,262
	3,839,112

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 1,674,404	-	-	1,674,404
Construction in Progress	6,100,000	-	6,100,000	-
	7,774,404	-	6,100,000	1,674,404
Depreciable Capital Assets				
Land Improvements	2,801,513	-	-	2,801,513
Buildings	21,070,662	310,911	-	21,381,573
Equipment and Vehicles	15,099,976	-	-	15,099,976
System Mains, Lines and Appurtenances	91,910,835	14,716,006	50,098	106,576,743
	130,882,986	15,026,917	50,098	145,859,805
Less Accumulated Depreciation				
Land Improvements	1,440,474	21,150	-	1,461,624
Buildings	12,169,209	381,926	-	12,551,135
Equipment and Vehicles	11,467,706	381,715	-	11,849,421
System Mains, Lines and Appurtenances	55,137,410	1,796,971	50,094	56,884,287
	80,214,799	2,581,762	50,094	82,746,467
Total Net Depreciable Capital Assets	50,668,187	12,445,155	4	63,113,338
Total Net Capital Assets	58,442,591	12,445,155	6,100,004	64,787,742

Depreciation expense was charged to business-type as follows:

Water	$ 1,364,326
Sanitary Sewer	305,271
Senior Housing	117,464
Stormwater Utility	744,452
Revenue Parking	50,249
	2,581,762

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Component Unit – Public Library

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 35,000	-	-	35,000
Construction in Progress	66,198	572,577	61,198	577,577
Artwork	3,200	-	-	3,200
	104,398	572,577	61,198	615,777
Depreciable Capital Assets				
Buildings and Improvements	22,531,633	-	-	22,531,633
Land Improvements	57,007	-	-	57,007
Computer Equipment	335,074	253,152	94,708	493,518
Office and Other Equipment	549,253	9,406	8,093	550,566
Furniture and Shelving	1,262,536	4,709	60,997	1,206,248
Books and Other Library Materials	5,828,329	579,339	769,067	5,638,601
	30,563,832	846,606	932,865	30,477,573
Less Accumulated Depreciation				
Buildings and Improvements	8,878,803	595,215	-	9,474,018
Land Improvements	42,108	3,221	-	45,329
Computer Equipment	259,018	79,343	94,492	243,869
Office and Other Equipment	311,400	33,767	8,093	337,074
Furniture and Shelving	875,468	42,120	60,814	856,774
Books and Other Library Materials	3,801,861	582,393	769,069	3,615,185
	14,168,658	1,336,059	932,468	14,572,249
Total Net Depreciable Capital Assets	16,395,174	(489,453)	397	15,905,324
Total Net Capital Assets	16,499,572	83,124	61,595	16,521,101

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Senior Housing	$ 269,492
General	Revenue Parking	36,609
		306,101

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Debt Service	Infrastructure	$ 2,731,372

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2007 ($13,070,000), due in annual installments of $480,000 to $975,000 plus interest at 4.000% to 4.375% through December 1, 2027.	Debt Service	$ 334,800	-	334,800	-
	Water	285,200	-	285,200	-

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 2008 ($16,370,000), due in annual installments of $520,000 to $1,220,000 plus interest at 3.125% to 4.375% through December 1, 2028.	Infrastructure	705,000	-	705,000	-
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	1,357,761	-	516,590	841,171
	Water	2,222,239	-	128,410	2,093,829
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	2,645,000	-	125,000	2,520,000
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	11,558,450	-	796,822	10,761,628
	Water	2,413,021	-	532,749	1,880,272
	Stormwater Utility	643,800	-	48,840	594,960
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	$ 5,145,412	-	173,217	4,972,195
	Debt Service	1,171,988	-	39,454	1,132,534
	Water	1,223,248	-	41,180	1,182,068
	Sanitary Sewer	582,498	-	19,610	562,888
	Stormwater Utility	936,854	-	31,539	905,315

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 2014A ($25,315,000), due in annual installments of $325,000 to $2,595,000 plus interest at 3.00% to 5.00% through December 1, 2028.	Debt Service	17,493,000	-	248,500	17,244,500
	Water	4,498,200	-	63,900	4,434,300
	Sanitary Sewer	1,999,200	-	28,400	1,970,800
	Stormwater Utility	999,600	-	14,200	985,400
General Obligation Refunding Bonds of 2015A ($15,395,000), due in annual installments of $350,000 to $1,405,000 plus interest at 0.45% to 3.90% through December 1, 2034.	Debt Service	14,955,000	-	350,000	14,605,000
General Obligation Bonds of 2015B ($13,470,000), due in annual installments of $775,000 to $1,175,000 plus interest at 3.00% to 4.00% through December 1, 2035.	Debt Service	3,219,330	-	-	3,219,330
	Water	6,317,430	-	-	6,317,430
	Sanitary Sewer	902,490	-	-	902,490
	Stormwater Utility	3,030,750	-	-	3,030,750
General Obligation Bonds of 2016A ($20,350,000), due in annual installments of $710,000 to $1,285,000 plus interest at 2.00% to 3.50% through December 1, 2036.	Debt Service	$ 6,520,000	-	-	6,520,000
	Water	1,255,000	-	-	1,255,000
	Sanitary Sewer	195,000	-	-	195,000
	Stormwater Utility	12,380,000	-	-	12,380,000
		104,990,271	-	4,483,411	100,506,860
Plus/Less Unamortized Items:					
Premium on General Obligation Bonds - Governmental Activities					2,588,243
Premium on General Obligation Bonds - Business-Type Activities					1,423,946
					104,519,049

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

TIF Notes Payable

Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2017	Tax Increment Financing	$ -	4,900,000	-	4,900,000

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	$ 1,872,185	80,535	161,070	1,791,650	358,330
Net Pension Liabilty					
IMRF	8,375,080	-	1,162,977	7,212,103	-
Police Pension	46,178,166	-	142,942	46,035,224	-
Firefighters' Pension	39,914,304	1,608,100	-	41,522,404	-
Net Other Post-Employment Benefit Obligation	1,032,649	325,497	-	1,358,146	-
TIF Note Payable	-	4,900,000	-	4,900,000	-
General Obligation Bonds	65,105,741	-	3,289,383	61,816,358	3,401,539
Plus: Unamortized Premium on Debt Issuance	2,791,289	-	203,046	2,588,243	-
	165,269,414	6,914,132	4,959,418	167,224,128	3,759,869

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	$ 188,175	39,002	19,501	207,676	41,536
Net Pension Liabilty					
IMRF	1,328,007	422,451	-	1,750,458	-
General Obligation Bonds	39,884,530	-	1,194,028	38,690,502	1,812,393
Plus: Unamortized Premium on Debt Issuance	1,564,883	-	140,937	1,423,946	-
	42,965,595	461,453	1,354,466	42,072,582	1,853,929
Component Unit - Public Library					
Compensated Absences	148,258	21,496	10,748	159,006	31,801
Net Pension Liabilty					
IMRF	2,446,415	-	59,163	2,387,252	-
Net Other Post-Employment Benefit Obligation	16,332	7,015	3,978	19,369	-
General Obligation Bonds	8,214,726	-	706,589	7,508,137	726,068
Plus: Unamortized Premium on Debt Issuance	170,591	-	16,238	154,353	16,238
	10,996,322	28,511	796,716	10,228,117	774,107

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

The Village has deferred the accounting gains/losses and premiums/discounts from the advance refundings. The governmental activities are amortizing $2,588,243 and $2,060,127 for the deferred premium and loss, respectively. The business-type activities are amortizing $1,423,946 for the deferred premium. These deferred items are being amortized over the remaining life of the bonds.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

	Governmental Activities		Business-Type Activities		Component Unit Public Library	
	General Obligation Bonds		General Obligation Bonds		General Obligation Bonds	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 3,401,539	2,015,641	1,812,393	1,313,623	726,068	290,352
2019	3,802,655	1,937,091	1,865,269	1,249,907	252,076	276,061
2020	3,890,607	1,845,840	1,915,421	1,203,752	258,971	269,433
2021	4,574,673	1,757,066	1,585,382	1,126,948	264,945	262,531
2022	4,709,203	1,629,283	1,634,716	1,076,708	276,077	253,422
2023	2,957,474	1,502,665	2,487,526	1,028,497	285,000	243,800
2024	3,072,366	1,388,486	2,580,660	942,097	295,000	232,400
2025	3,617,950	1,266,804	2,164,023	846,104	305,000	220,600
2026	3,772,088	1,127,926	2,247,911	761,228	320,000	208,400
2027	3,907,202	997,460	2,332,798	679,820	330,000	195,600
2028	4,065,480	859,456	2,419,521	594,766	345,000	182,400
2029	3,499,302	733,714	2,220,698	520,583	360,000	168,600
2030	2,361,392	620,726	1,753,608	450,722	375,000	154,200
2031	2,379,497	531,426	1,630,504	394,761	390,000	139,200
2032	2,473,007	447,605	1,686,993	343,443	405,000	122,625
2033	2,575,323	356,566	1,739,678	288,780	425,000	104,400
2034	2,362,234	260,331	1,792,766	232,401	445,000	85,275
2035	2,455,426	170,219	1,854,574	171,251	460,000	65,250
2036	1,087,423	76,017	1,912,577	107,758	485,000	44,550
2037	851,517	33,846	1,053,484	39,029	505,000	22,725
	61,816,358	19,558,168	38,690,502	13,372,178	7,508,137	3,541,823

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 94,853,018
Plus Unspent Bond Proceeds	5,183,114
Less Capital Related Debt:	
General Obligation Bonds of 2010	(841,171)
General Obligation Bonds of 2011	(2,520,000)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(10,761,628)
General Obligation Bonds of 2013A	(6,104,729)
General Obligation Bonds of 2014A	(17,244,500)
General Obligation Bonds of 2015B	(3,219,330)
General Obligation Bonds of 2016A	(6,520,000)
Premium on Debt Issuance	(2,588,243)
Loss on Advanced Refunding	2,060,127
Net Investment in Capital Assets	52,296,658

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	$ 64,787,742
Plus Unspent Bond Proceeds	8,131,729
Less Capital Related Debt:	
General Obligation Bonds of 2010	(2,093,829)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(2,475,232)
General Obligation Bonds of 2013A	(2,650,271)
General Obligation Bonds of 2014A	(7,390,500)
General Obligation Bonds of 2015B	(10,250,670)
General Obligation Bonds of 2016A	(13,830,000)
Premium on Debt Issuance	(1,423,946)
Net Investment in Capital Assets	32,805,023

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.

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.

Nonspendable. 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. 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 constitution or enabling legislation.

Committed. Consists of resources contracted (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Board; 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.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Assigned. Amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by; a) the Board itself or b) a body or official to which the Board 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, who is authorized to assign amounts to a specific purpose.

Unassigned. Consists of the residual net resources of the General Fund that have not been restricted, committed, or assigned, as well as deficit fund balances of any other governmental fund.

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

		Special Revenue		Capital Projects		
	General	Pension Contribution	Debt Service	Infrastructure	Nonmajor	Totals
Fund Balances						
Nonspendable						
Inventory	$ 26,661	-	-	-	-	26,661
Restricted						
Public Safety	612,744	-	-	-	-	612,744
Capital Projects	746,881	-	-	4,436,233	-	5,183,114
Tax Increment Financing	-	-	-	-	110,851	110,851
Perpetual Care Cemetery	-	-	-	-	179,589	179,589
Debt Service	-	-	7,730	-	-	7,730
	1,359,625	-	7,730	4,436,233	290,440	6,094,028
Committed						
Traffic Impact	-	-	-	-	88,163	88,163
Assigned						
Capital Projects	-	-	-	6,345,426	-	6,345,426
Unassigned	22,123,177	-	-	-	-	22,123,177
Total Fund Balances	23,509,463	-	7,730	10,781,659	378,603	34,677,455

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.

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

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

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 1225 Cedar Lane, Northbrook, IL 60062-4582. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	202
Inactive Plan Members Entitled to but not yet Receiving Benefits	89
Active Plan Members	222
Total	513 *

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

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 was 12.44% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2016. 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, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% - 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and the prior valuation used a discount rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$		
Village	17,782,802	8,962,561	1,698,620
RED Center	3,168,868	1,597,115	302,691
Library	4,736,596	2,387,252	452,442
Totals	25,688,266	12,946,928	2,453,753

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	$ 95,725,481	81,901,793	13,823,688
Changes for the Year:			
Service Cost	1,671,595	-	1,671,595
Interest on the Total Pension Liability	7,045,985	-	7,045,985
Difference Between Expected and Actual Experience of the Total Pension Liability	(833,025)	-	(833,025)
Changes of Assumptions	(354,406)	-	(354,406)
Contributions - Employer	-	1,986,901	(1,986,901)
Contributions - Employees	-	733,781	(733,781)
Net Investment Income	-	5,643,439	(5,643,439)
Benefit Payments, including Refunds of Employee Contributions	(4,475,023)	(4,475,023)	-
Other (Net Transfer)	-	42,788	(42,788)
Net Changes	3,055,126	3,931,886	(876,760)
Balances at December 31, 2016	98,780,607	85,833,679	12,946,928
Net Pension Liability			
Village	69,170,223	60,207,662	8,962,561
Library	17,609,111	15,221,859	2,387,252
RED Center	12,001,273	10,404,158	1,597,115
Totals	98,780,607	85,833,679	12,946,928

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

For the fiscal year ended April 30, 2017, the Village recognized pension expense of $2,681,080, the Northbrook Public Library recognized pension expense of $767,880, and the RED Center recognized pension expense of $499,132.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 278,125	(670,201)	(392,076)
Change in Assumptions	1,351,523	(276,422)	1,075,101
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,240,220	-	4,240,220
Pension Expense to be Recognized in Future Periods	5,869,868	(946,623)	4,923,245
Pension Contributions Made Subsequent to the Measurement Date	660,929	-	660,929
Total Deferred Amounts Related to IMRF	6,530,797	(946,623)	5,584,174
Total Deferred Amounts Related to IMRF			
Village	4,520,969	(655,303)	3,865,666
RED Center	805,630	(116,774)	688,856
Library	1,204,198	(174,546)	1,029,652
Totals	6,530,797	(946,623)	5,584,174

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

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

Fiscal	Net Deferred Outflows (Inflows) of Resources			
Year	Village	Library	RED Center	Totals
2018	$ 1,446,031	385,162	257,681	2,088,874
2019	1,306,498	347,997	232,816	1,887,311
2020	693,881	184,821	123,649	1,002,351
2021	(38,275)	(10,195)	(6,821)	(55,291)
2022	-	-	-	-
Thereafter	-	-	-	-
Totals	3,408,135	907,785	607,325	4,923,245

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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	66
Total	127

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

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

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 29.39% of covered payroll.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.00%
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate

A Single Discount Rate of 6.83% was used to measure the total pension liability and 7.20% was used in the prior year valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.82%, and the resulting single discount rate is 6.83%.

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 (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Net Pension Liability	$ 57,776,706	46,035,224	36,329,933

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	$ 88,894,447	42,716,281	46,178,166
Changes for the Year:			
Service Cost	1,231,694	-	1,231,694
Interest on the Total Pension Liability	6,258,782	-	6,258,782
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,269,954)	-	(1,269,954)
Changes of Assumptions	838,321	-	838,321
Contributions - Employer	-	1,965,874	(1,965,874)
Contributions - Employees	-	705,161	(705,161)
Contributions - Other	-	254,817	(254,817)
Net Investment Income	-	4,302,920	(4,302,920)
Benefit Payments, including Refunds of Employee Contributions	(3,933,840)	(3,933,840)	-
Administrative Expenses	-	(26,987)	26,987
Net Changes	3,125,003	3,267,945	(142,942)
Balances at April 30, 2017	92,019,450	45,984,226	46,035,224

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, 2017, the Village recognized pension expense of $6,071,260. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 989,442	(1,005,380)	(15,938)
Change in Assumptions	4,906,588	-	4,906,588
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,183,597	(907,507)	2,276,090
Total Deferred Amounts Related to Police Pension	9,079,627	(1,912,887)	7,166,740

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/(Infows) of Resources
2018	$ 2,682,311
2019	2,682,311
2020	2,100,935
2021	(298,817)
2022	-
Thereafter	-
Total	7,166,740

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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	69
Total	124

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

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 26.72% of covered payroll.

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.00%
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

A Single Discount Rate of 6.86% was used to measure the total pension liability and 7.23% was used in the prior year valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.82%, and the resulting single discount rate is 6.86%.

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 (5.86%)	Current Discount Rate (6.86%)	1% Increase (7.86%)
Net Pension Liability	$ 52,880,999	41,522,404	32,062,459

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	$ 83,459,164	43,544,860	39,914,304
Changes for the Year:			
Service Cost	1,605,351	-	1,605,351
Interest on the Total Pension Liability	5,906,179	-	5,906,179
Difference Between Expected and Actual Experience of the Total Pension Liability	397,050	-	397,050
Changes of Assumptions	772,971	-	772,971
Contributions - Employer	-	1,880,878	(1,880,878)
Contributions - Employees	-	691,264	(691,264)
Contributions - Other	-	215,297	(215,297)
Net Investment Income	-	4,334,250	(4,334,250)
Benefit Payments, including Refunds of Employee Contributions	(3,538,561)	(3,538,561)	-
Administrative Expenses	-	(48,238)	48,238
Net Changes	5,142,990	3,534,890	1,608,100
Balances at April 30, 2017	88,602,154	47,079,750	41,522,404

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, 2017, the Village recognized pension expense of $5,968,741. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 5,453	-	5,453
Change in Assumptions	4,921,253	-	4,921,253
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,954,218	-	2,954,218
Total Deferred Amounts Related to Firefighters' Pension	7,880,924	-	7,880,924

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

Fiscal Year	Net Deferred Outflows of Resources
2018	$ 2,556,054
2019	2,556,054
2020	2,556,050
2021	126,100
2022	86,666
Thereafter	-
Total	7,880,924

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2017, retirees contributed $694,793. Active employees do not contribute to the post-employment benefit plan until retirement.

At April 30, 2017, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	57
Active Employees	254
Total	311
Participating Employers	1

The Village does not currently have a funding policy.

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2017, was calculated as follows:

Annual Required Contribution	$ 643,827
Interest on the NOPEBO	41,306
Adjustment to the ARC	(34,421)
Annual OPEB Cost	650,712
Actual Contribution	325,215
Increase in the NOPEBO	325,497
NOPEBO - Beginning	1,032,649
NOPEBO - Ending	1,358,146

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	$ 511,428	$ 316,226	61.83%	$ 779,176
2016	533,031	279,588	52.45%	1,032,349
2017	650,712	325,215	49.98%	1,358,146

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2017 was as follows:

Actuarial Accrued Liability (AAL)	$	9,049,968
Actuarial Value of Plan Assets	$	-
Unfunded Actuarial Accrued Liability (UAAL)	$	9,049,968
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Covered Payroll (Active Plan Members)	$	N/A
UAAL as a Percentage of Covered Payroll		N/A

N/A - Not Available

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

Actuarial Methods and Assumptions

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

In the April 30, 2017 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, including a 4.0% inflation assumption, and an initial annual healthcare cost trend rate of 6.5%, with an ultimate rate of 5.5%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
  - Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
- Budgetary Comparison Schedule
  - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF NORTHBROOK, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2017

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2012	$ N/A	$ N/A	N/A	$ N/A	$ N/A	N/A
2013	-	4,509,667	0.00%	4,509,667	26,423,856	17.07%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	7,050,005	0.00%	7,050,005	27,802,808	25.36%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	-	9,049,968	0.00%	9,049,968	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2012	$ 78,091	$ 334,615	23.34%
2013	243,526	334,615	72.78%
2014	278,716	374,368	74.45%
2015	316,226	507,535	62.31%
2016	279,558	527,836	52.96%
2017	325,215	643,827	50.51%

The Village is required to have an actuarial valuation performed biennially.

N/A - Not Available

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	Total	$ 1,982,573	$ 1,982,573	$ -	$ 15,975,610	12.41%
2017	Village	1,371,424	1,375,440	4,016	11,059,872	12.44%
	Library	365,290	366,360	1,070	2,945,889	12.44%
	RED Center	244,386	245,101	715	1,970,852	12.44%
	Totals	1,981,100	1,986,901	5,801	15,976,613	12.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.0%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	$ 1,397,406	$ 1,349,585	$ (47,821)	$ 6,259,278	21.56%
2016	1,545,370	1,591,260	45,890	6,501,228	24.48%
2017	1,803,482	1,965,874	162,392	6,689,389	29.39%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016

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

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	$ 1,419,399	$ 1,332,783	$ (86,616)	$ 6,514,303	20.46%
2016	1,571,442	1,565,117	(6,325)	6,790,390	23.05%
2017	1,748,845	1,880,878	132,033	7,038,056	26.72%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016

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

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	12/31/2015	12/31/2016			
	Total	Village	Library	RED Center	Totals
Total Pension Liability					
Service Cost	$ 1,726,172	1,157,168	308,221	206,206	1,671,595
Interest	6,737,576	4,744,025	1,401,693	900,267	7,045,985
Differences Between Expected and Actual Experience	(35,918)	(576,665)	(153,599)	(102,761)	(833,025)
Change of Assumptions	231,057	(245,339)	(65,348)	(43,719)	(354,406)
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(3,097,852)	(825,139)	(552,032)	(4,475,023)
Net Change in Total Pension Liability	4,609,676	1,981,337	665,828	407,961	3,055,126
Total Pension Liability - Beginning	91,115,805	67,188,886	16,943,283	11,593,312	95,725,481
Total Pension Liability - Ending	95,725,481	69,170,223	17,609,111	12,001,273	98,780,607
Plan Fiduciary Net Position					
Contributions - Employer	1,982,573	1,375,440	366,360	245,101	1,986,901
Contributions - Members	723,580	507,963	135,300	90,518	733,781
Net Investment Income	410,050	3,906,692	1,040,580	696,167	5,643,439
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(3,097,852)	(825,139)	(552,032)	(4,475,023)
Other (Net Transfer)	153,221	29,620	7,890	5,278	42,788
Net Change in Plan Fiduciary Net Position	(779,787)	2,721,863	724,991	485,032	3,931,886
Plan Net Position - Beginning	82,681,580	57,485,799	14,496,868	9,919,126	81,901,793
Plan Net Position - Ending	81,901,793	60,207,662	15,221,859	10,404,158	85,833,679
Employer's Net Pension Liability	$ 13,823,688	8,962,561	2,387,252	1,597,115	12,946,928
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.56%	87.04%	86.44%	86.69%	86.89%
Covered-Employee Payroll	$ 15,975,610	11,059,872	2,945,889	1,970,852	15,976,613
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	86.53%	81.04%	81.04%	81.04%	81.04%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	$ 859,722	1,181,410	1,231,694
Interest	4,969,863	5,439,935	6,258,782
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(176,001)	1,722,362	(1,269,954)
Change of Assumptions	10,847,753	7,385,822	838,321
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)
Net Change in Total Pension Liability	13,056,598	11,992,193	3,125,003
Total Pension Liability - Beginning	63,845,656	76,902,254	88,894,447
Total Pension Liability - Ending	76,902,254	88,894,447	92,019,450
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,349,585	1,591,260	1,965,874
Contributions - Members	698,545	752,378	705,161
Contributions - Other	8,270	7,225	254,817
Net Investment Income	2,950,989	(1,695,870)	4,302,920
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)
Administrative Expense	(28,367)	(42,357)	(26,987)
Net Change in Plan Fiduciary Net Position	1,534,283	(3,124,700)	3,267,945
Plan Net Position - Beginning	44,306,698	45,840,981	42,716,281
Plan Net Position - Ending	45,840,981	42,716,281	45,984,226
Employer's Net Pension Liability	$ 31,061,273	46,178,166	46,035,224
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.61%	48.05%	49.97%
Covered-Employee Payroll	$ 6,259,278	6,501,228	6,689,389
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	496.24%	710.30%	688.18%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	$ 1,309,525	1,499,447	1,605,351
Interest	4,781,977	5,225,638	5,906,179
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	599,853	(523,277)	397,050
Change of Assumptions	8,708,762	7,060,087	772,971
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)
Net Change in Total Pension Liability	12,173,830	9,897,473	5,142,990
Total Pension Liability - Beginning	61,387,861	73,561,691	83,459,164
Total Pension Liability - Ending	73,561,691	83,459,164	88,602,154
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,332,783	1,565,117	1,880,878
Contributions - Members	704,152	631,544	691,264
Contributions - Other	-	-	215,297
Net Investment Income	3,046,217	(2,700,867)	4,334,250
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)
Administrative Expense	(63,932)	(39,690)	(48,238)
Net Change in Plan Fiduciary Net Position	1,792,933	(3,908,318)	3,534,890
Plan Net Position - Beginning	45,660,245	47,453,178	43,544,860
Plan Net Position - Ending	47,453,178	43,544,860	47,079,750
Employer's Net Pension Liability	$ 26,108,513	39,914,304	41,522,404
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.51%	52.18%	53.14%
Covered-Employee Payroll	$ 6,514,303	6,790,390	7,038,056
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	400.79%	587.81%	589.97%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2017

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2017

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Revenues			
Taxes	$ 14,102,250	14,102,250	13,272,799
Intergovernmental	16,612,840	16,612,840	17,019,424
Licenses, Permits and Fees	5,031,000	5,031,000	5,265,165
Charges for Services	5,816,640	5,816,640	5,783,009
Fines and Forfeitures	180,500	180,500	134,095
Interest	60,100	60,100	208,655
Miscellaneous	410,000	410,000	683,191
Total Revenues	42,213,330	42,213,330	42,366,338
Expenditures			
General Government	7,775,799	7,888,119	7,774,497
Public Safety	27,677,181	27,850,871	27,383,064
Highways and Streets	9,472,725	10,075,550	8,792,534
Total Expenditures	44,925,705	45,814,540	43,950,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,712,375)	(3,601,210)	(1,583,757)
Other Financing Sources (Uses)			
Debt Issuance	2,796,000	2,796,000	-
Change in Fund Balance	83,625	(805,210)	(1,583,757)
Fund Balance - Beginning			25,093,220
Fund Balance - Ending			23,509,463

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, a major fund, accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

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

Pension Contribution Fund

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

Traffic Impact Fund

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

Tax Increment Financing (TIF) Fund

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

Infrastructure Project Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

PERMANENT FUND

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

Cemetery Fund

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

ENTERPRISE FUNDS

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

Water Fund

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

Sanitary Sewer Fund

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

Senior Housing Fund

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

Stormwater Utility Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS - Continued

Revenue Parking Fund

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

INTERNAL SERVICE FUND

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

Insurance Fund

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

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

AGENCY FUND

Escrow Fund

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

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Taxes			
Property Taxes	$ 7,820,750	7,820,750	7,583,585
Township Road and Bridge Taxes	460,000	460,000	529,757
Replacement Taxes	349,500	349,500	512,100
Utility Tax	1,100,000	1,100,000	1,012,559
Telecommunication Tax	3,200,000	3,200,000	2,554,292
Admissions and Entertainment Tax	110,000	110,000	101,905
Hotel Occupancy Tax	1,050,000	1,050,000	972,806
Municipal Auto Rental Tax	12,000	12,000	5,795
	14,102,250	14,102,250	13,272,799
Intergovernmental			
Sales Taxes	12,450,000	12,450,000	13,016,830
State Use Tax	779,500	779,500	817,854
State Income Tax	3,383,340	3,383,340	3,141,181
Grants	-	-	43,559
	16,612,840	16,612,840	17,019,424
Licenses, Permits and Fees			
Licenses			
Animal	24,000	24,000	22,089
Business/Liquor	350,000	350,000	306,861
Vehicle	580,000	580,000	556,806
Permits			
Building	1,600,000	1,600,000	1,803,827
Retail Sales	2,000	2,000	910
Fire Protection	-	-	53,386
Alarm	79,000	79,000	74,732
Fees			
Franchise	775,000	775,000	772,873
Emergency 911 Surcharge	275,000	275,000	271,025
Foreign Fire Insurance	120,000	120,000	120,654
Ambulance Transportation	1,050,000	1,050,000	1,153,399
Elevator Inspection	36,000	36,000	14,030
Alarm Service	140,000	140,000	114,573
	5,031,000	5,031,000	5,265,165

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
Charges for Services			
Administrative Services	$ 2,606,640	2,606,640	2,606,640
Plan Commission Fees	20,000	20,000	19,961
Overtime Reimbursements	63,000	63,000	53,418
State Route Maintenance Reimbursement	20,000	20,000	19,121
Reforestation Program	15,000	15,000	3,065
Toll Road Emergency Responses	1,750	1,750	2,300
Police Services	127,000	127,000	297,592
Annexation Fees	25,000	25,000	136,957
Antenna Lease Fee	206,875	206,875	193,473
Miscellaneous	11,375	11,375	21,044
Red Center	20,000	20,000	20,000
Northbrook Fire Protection District	2,700,000	2,700,000	2,409,438
	5,816,640	5,816,640	5,783,009
Fines and Forfeitures			
Court Fines	120,000	120,000	83,571
Drug Forfeitures	15,000	15,000	24,278
Ordinance Violations	45,500	45,500	26,246
	180,500	180,500	134,095
Interest			
Investment Income	60,100	60,100	208,655
Miscellaneous			
Sale of Property	60,000	60,000	102,008
Miscellaneous	350,000	350,000	581,183
	410,000	410,000	683,191
Total Revenues	42,213,330	42,213,330	42,366,338

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
General Government			
General Government Department			
Personal Services	$ 1,470,515	1,470,515	1,485,915
Contractual Services	1,122,745	1,134,495	1,157,267
Commodities	3,500	3,500	1,904
	2,596,760	2,608,510	2,645,086
Finance Department			
Personal Services	952,005	952,005	923,201
Contractual Services	219,664	219,664	194,578
Commodities	18,000	18,000	15,198
Capital Outlay	2,500	2,500	4,670
	1,192,169	1,192,169	1,137,647
Information Services Department			
Personal Services	550,760	550,760	518,167
Contractual Services	912,945	938,766	908,037
Commodities	1,000	1,000	3,292
Capital Outlay	322,500	397,249	397,046
	1,787,205	1,887,775	1,826,542
Development and Planning Service Department			
Personal Services	1,745,415	1,745,415	1,707,858
Contractual Services	449,650	449,650	452,693
Commodities	3,600	3,600	3,665
Capital Outlay	1,000	1,000	1,006
	2,199,665	2,199,665	2,165,222
Total General Government	7,775,799	7,888,119	7,774,497

VILLAGE OF NORTHBROOK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Public Safety			
Police			
Personal Services	$ 12,149,585	12,149,585	12,092,652
Contractual Services	1,616,671	1,616,671	1,629,619
Commodities	684,185	684,185	511,288
Capital Outlay	297,500	471,190	437,962
	14,747,941	14,921,631	14,671,521
Fire			
Personal Services	9,850,565	9,850,565	9,789,249
Contractual Services	1,320,685	1,320,685	1,291,442
Commodities	507,990	507,990	461,832
Capital Outlay	1,250,000	1,250,000	1,169,020
	12,929,240	12,929,240	12,711,543
Total Public Safety	27,677,181	27,850,871	27,383,064
Highways and Streets			
Public Works Department			
Personal Services	4,840,120	4,840,120	4,543,996
Contractual Services	2,039,790	2,039,790	1,803,669
Commodities	725,375	725,375	581,535
Capital Outlay	1,867,440	2,470,265	1,863,334
Total Highways and Streets	9,472,725	10,075,550	8,792,534
Total Expenditures	44,925,705	45,814,540	43,950,095

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, 2017

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	$ 2,686,925	2,686,925	2,557,725
Licenses, Permits and Fees			
Impervious Surface Fees	50,000	50,000	-
Interest	5,000	5,000	13,059
Total Revenues	2,741,925	2,741,925	2,570,784
Expenditures			
Debt Service			
Principal Retirement	3,289,383	3,289,383	3,289,383
Interest and Fiscal Charges	1,897,182	1,897,182	2,011,259
Total Expenditures	5,186,565	5,186,565	5,300,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,444,640)	(2,444,640)	(2,729,858)
Other Financing Sources			
Transfers In	2,521,372	2,521,372	2,731,372
Change in Fund Balance	76,732	76,732	1,514
Fund Balance - Beginning			6,216
Fund Balance - Ending			7,730

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, 2017

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Sales Tax	$ 2,265,000	2,265,000	2,363,324
Intergovernmental			
Motor Fuel Tax Allotment	789,500	789,500	840,743
Interest	5,200	5,200	26,626
Miscellaneous	-	-	529
Total Revenues	3,059,700	3,059,700	3,231,222
Expenditures			
Highways and Streets			
Capital Outlay			
Engineering Services	38,000	38,000	17,530
Street Maintenance/Improvements	4,931,260	4,931,260	2,159,081
Total Expenditures	4,969,260	4,969,260	2,176,611
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,909,560)	(1,909,560)	1,054,611
Other Financing Sources (Uses)			
Debt Issuance	3,992,100	3,992,100	-
Transfers Out	(2,521,372)	(2,521,372)	(2,731,372)
	1,470,728	1,470,728	(2,731,372)
Change in Fund Balance	(438,832)	(438,832)	(1,676,761)
Fund Balance - Beginning			12,458,420
Fund Balance - Ending			10,781,659

VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
April 30, 2017

	Special Revenue			
	Traffic Impact	Tax Increment Financing	Permanent Cemetery	Totals
ASSETS				
Cash and Investments	$ 361,691	110,851	179,589	652,131
LIABILITIES AND FUND BALANCES				
Liabilities				
Deposits Payable	273,528	-	-	273,528
Fund Balances				
Restricted	-	110,851	179,589	290,440
Committed	88,163	-	-	88,163
Total Fund Balances	88,163	110,851	179,589	378,603
Total Liabilities and Fund Balances	361,691	110,851	179,589	652,131

VILLAGE OF NORTHBROOK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2017

	Special Revenue		Permanent	
	Traffic Impact	Tax Increment Financing	Cemetery	Totals
Revenues				
Property Tax	$ -	284,953	-	284,953
Interest	1,042	284	149	1,475
Miscellaneous	-	-	6,000	6,000
Total Revenues	1,042	285,237	6,149	292,428
Expenditures				
General Government	-	4,902,145	19,293	4,921,438
Debt Service				
Interest and Fiscal Charges	-	176,339	-	176,339
Total Expenditures	-	5,078,484	19,293	5,097,777
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,042	(4,793,247)	(13,144)	(4,805,349)
Other Financing Sources				
Debt Issuance	-	4,900,000	-	4,900,000
Change in Fund Balances	1,042	106,753	(13,144)	94,651
Fund Balances - Beginning	87,121	4,098	192,733	283,952
Fund Balances - Ending	88,163	110,851	179,589	378,603

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, 2017

	Budget		
	Original	Final	Actual
Revenues			
Interest	$ 100	100	149
Miscellaneous	3,000	3,000	6,000
Total Revenues	3,100	3,100	6,149
Expenditures			
General Government	17,755	17,755	19,293
Change in Fund Balance	(14,655)	(14,655)	(13,144)
Fund Balance - Beginning			192,733
Fund Balance - Ending			179,589

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, 2017

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales	$ 6,950,000	6,950,000	7,130,783
Operating Expenses			
Administration	2,004,575	2,004,575	2,004,575
Operations	7,089,645	7,089,645	3,959,772
Depreciation and Amortization	-	-	1,286,041
Total Operating Expenses	9,094,220	9,094,220	7,250,388
Operating Income (Loss)	(2,144,220)	(2,144,220)	(119,605)
Nonoperating Revenues (Expenses)			
Debt Issuance	1,308,100	1,308,100	-
Interest Income	10,000	10,000	46,201
Permits/Connection/Recapture Fees	55,500	55,500	83,637
Other Income	5,000	5,000	-
Interest Expense	(626,588)	(626,588)	(644,675)
	752,012	752,012	(514,837)
Income (Loss) Before Transfers	(1,392,208)	(1,392,208)	(634,442)
Transfers In	-	-	-
Change in Net Position	(1,392,208)	(1,392,208)	(634,442)
Net Position - Beginning as Restated			25,626,919
Net Position - Ending			24,992,477

VILLAGE OF NORTHBROOK, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Administration			
Administrative Services	$ 1,808,470	1,808,470	1,808,470
Charges for Services	196,105	196,105	196,105
Total Administration	2,004,575	2,004,575	2,004,575
Operations			
Personal Services	2,382,410	2,382,410	2,607,850
Contractual Services	4,311,705	4,311,705	891,008
Commodities	395,530	395,530	290,275
Capital Outlay	7,169,525	7,169,525	1,551,559
	14,259,170	14,259,170	5,340,692
Less Capital Assets Capitalized	(7,169,525)	(7,169,525)	(1,380,920)
Total Operations	7,089,645	7,089,645	3,959,772
Depreciation and Amortization	-	-	1,286,041
Debt Service			
Principal Retirement	1,051,439	1,051,439	1,051,439
Interest Expense	626,588	626,588	644,675
	1,678,027	1,678,027	1,696,114
Less Nonoperating Items			
Debt Service	(1,678,027)	(1,678,027)	(1,696,114)
Total Debt Service	-	-	-
Total Operating Expenses	9,094,220	9,094,220	7,250,388

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, 2017

	Budget Original	Budget Final	Actual
Operating Revenues			
Charges for Services			
Sanitary Sewer User Fees	$ 1,275,000	1,275,000	1,224,701
Operating Expenses			
Administration	554,490	554,490	554,490
Operations	935,455	935,455	913,280
Depreciation	-	-	282,960
Total Operating Expenses	1,489,945	1,489,945	1,750,730
Operating Income (Loss)	(214,945)	(214,945)	(526,029)
Nonoperating Revenues (Expenses)			
Debt Issuance	200,000	200,000	-
Interest Income	1,200	1,200	7,281
Other Income	2,500	2,500	-
Interest Expense	(138,323)	(138,323)	(143,432)
	65,377	65,377	(136,151)
Change in Net Position	(149,568)	(149,568)	(662,180)
Net Position - Beginning as Restated			4,617,457
Net Position - Ending			3,955,277

VILLAGE OF NORTHBROOK, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
Administration			
Administrative Services	$ 524,740	524,740	524,740
Charges for Services	29,750	29,750	29,750
Total Administration	554,490	554,490	554,490
Operations			
Personal Services	500,400	500,400	547,518
Contractual Services	188,260	188,260	126,962
Commodities	46,795	46,795	39,140
Capital Outlay	200,000	200,000	199,660
Total Operations	935,455	935,455	913,280
Depreciation and Amortization	-	-	282,960
Debt Service			
Principal Retirement	48,010	48,010	48,010
Interest Expense	138,323	138,323	143,432
	186,333	186,333	191,442
Less Nonoperating Items			
Debt Service	(186,333)	(186,333)	(191,442)
Total Debt Service	-	-	-
Total Operating Expenses	1,489,945	1,489,945	1,750,730

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, 2017

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Rents	$ 855,920	855,920	846,534
Operating Expenses			
Administration	135,700	135,700	135,700
Operations	833,886	833,886	560,833
Depreciation	-	-	117,464
Total Operating Expenses	969,586	969,586	813,997
Operating Income (Loss)	(113,666)	(113,666)	32,537
Nonoperating Revenues			
Interest Income	400	400	923
Change in Net Position	(113,266)	(113,266)	33,460
Net Position - Beginning			3,413,760
Net Position - Ending			3,447,220

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, 2017

	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Stormwater Utility Fees	$ 1,285,000	1,285,000	1,389,220
Operating Expenses			
Administration	121,510	121,510	121,510
Operations	847,345	847,345	756,979
Depreciation	-	-	704,112
Total Operating Expenses	968,855	968,855	1,582,601
Operating Income (Loss)	316,145	316,145	(193,381)
Nonoperating Revenues (Expenses)			
Debt Issuance	12,927,000	12,927,000	-
Interest Income	2,000	2,000	35,980
Other Income	475,000	475,000	747,017
Interest Expense	(194,205)	(194,205)	(555,220)
	13,209,795	13,209,795	227,777
Change in Net Position	13,525,940	13,525,940	34,396
Net Position - Beginning			11,559,149
Net Position - Ending			11,593,545

VILLAGE OF NORTHBROOK, ILLINOIS

Stormwater Utility - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
Administration			
Administrative Services	$ 81,110	81,110	81,110
Charges for Services	40,400	40,400	40,400
Total Administration	121,510	121,510	121,510
Operations			
Personal Services	591,135	591,135	506,400
Contractual Services	232,260	232,260	235,392
Commodities	23,950	23,950	15,187
Capital Outlay	12,927,000	12,927,000	7,235,086
	13,774,345	13,774,345	7,992,065
Less Capital Assets Capitalized	(12,927,000)	(12,927,000)	(7,235,086)
Total Operations	847,345	847,345	756,979
Depreciation and Amortization	-	-	704,112
Debt Service			
Principal Retirement	94,579	94,579	94,579
Interest Expense	194,205	194,205	555,220
	288,784	288,784	649,799
Less Nonoperating Items			
Debt Service	(288,784)	(288,784)	(649,799)
Total Debt Service	-	-	-
Total Operating Expenses	968,855	968,855	1,582,601

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, 2017

	Budget Original	Budget Final	Actual
Operating Revenues			
Charges for Services			
Parking Fees	$ 170,125	170,125	167,357
Miscellaneous	332,470	332,470	317,836
Total Operating Revenues	502,595	502,595	485,193
Operating Expenses			
Administration	108,045	108,045	108,045
Operations	400,255	400,255	61,349
Depreciation	-	-	50,249
Total Operating Expenses	508,300	508,300	219,643
Operating Income (Loss)	(5,705)	(5,705)	265,550
Nonoperating Revenues			
Interest Income	500	500	215
Change in Net Position	(5,205)	(5,205)	265,765
Net Position - Beginning			990,885
Net Position - Ending			1,256,650

VILLAGE OF NORTHBROOK, ILLINOIS

Revenue Parking - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
Administration			
Administrative Services	$ 105,000	105,000	105,000
Charges for Services	3,045	3,045	3,045
Total Administration	108,045	108,045	108,045
Operations			
Contractual Services	73,125	73,125	60,504
Commodities	327,130	327,130	845
Total Operations	400,255	400,255	61,349
Depreciation	-	-	50,249
Total Operating Expenses	508,300	508,300	219,643

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, 2017

	Budget Original	Budget Final	Actual
Operating Revenues			
Charges for Services			
Billings	$ 5,981,945	5,981,945	5,924,506
Member Contributions	1,585,000	1,585,000	1,471,769
Total Operating Revenues	7,566,945	7,566,945	7,396,275
Operating Expenses			
Administration			
Claims Administration Fees	28,000	28,000	9,090
Operations			
Insurance	7,708,300	7,708,300	7,269,789
Claims	50,000	50,000	42,663
Total Operating Expenses	7,786,300	7,786,300	7,321,542
Operating Income (Loss)	(219,355)	(219,355)	74,733
Nonoperating Revenues			
Interest Income	6,000	6,000	3,791
Other Income	67,000	67,000	404,781
	73,000	73,000	408,572
Change in Net Position	(146,355)	(146,355)	483,305
Net Position - Beginning			5,561,100
Net Position - Ending			6,044,405

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
April 30, 2017

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	$ 3,680,761	4,084,829	7,765,590
Investments			
U.S. Treasury and Agency Securities	4,882,462	5,807,639	10,690,101
State and Local Securities	2,751,156	2,523,831	5,274,987
Corporate Bonds	6,197,872	6,036,141	12,234,013
Mutual Funds	15,559,469	11,500,559	27,060,028
Common Stock	11,190,015	15,914,989	27,105,004
Illinois Funds	1,322,296	824,545	2,146,841
Receivables			
Accrued Interest	104,218	142,594	246,812
Due from Other Governments	313,689	265,720	579,409
Total Assets	46,001,938	47,100,847	93,102,785
LIABILITIES			
Accounts Payable	-	140	140
Due to Other Governments	17,712	20,957	38,669
Total Liabilities	17,712	21,097	38,809
NET POSITION			
Net Position Restricted for Pensions	45,984,226	47,079,750	93,063,976

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2017

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	$ 1,965,874	1,880,878	3,846,752
Contributions - Plan Members	705,161	691,264	1,396,425
Total Contributions	2,671,035	2,572,142	5,243,177
Investment Income			
Interest	947,920	1,112,638	2,060,558
Net Change in Fair Value	3,399,975	3,277,934	6,677,909
	4,347,895	4,390,572	8,738,467
Less Investment Expenses	(44,975)	(56,322)	(101,297)
Net Investment Income	4,302,920	4,334,250	8,637,170
Miscellaneous Income	254,817	215,297	470,114
Total Additions	7,228,772	7,121,689	14,350,461
Deductions			
Administration	26,987	48,238	75,225
Benefits and Refunds	3,933,840	3,538,561	7,472,401
Total Deductions	3,960,827	3,586,799	7,547,626
Change in Fiduciary Net Position	3,267,945	3,534,890	6,802,835
Net Position Restricted for Pensions			
Beginning	42,716,281	43,544,860	86,261,141
Ending	45,984,226	47,079,750	93,063,976

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes of Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
Additions			
Contributions - Employer	$ 1,803,482	1,803,482	1,965,874
Contributions - Plan Members	640,000	640,000	705,161
Total Contributions	2,443,482	2,443,482	2,671,035
Investment income			
Interest	2,000,000	2,000,000	947,920
Net Change in Fair Value	-	-	3,399,975
	2,000,000	2,000,000	4,347,895
Less Investment Expenses	(40,000)	(40,000)	(44,975)
Net Investment Income	1,960,000	1,960,000	4,302,920
Miscellaneous Income	2,000	2,000	254,817
Total Additions	4,405,482	4,405,482	7,228,772
Deductions			
Administration	33,000	33,000	26,987
Benefits and Refunds	3,848,610	3,848,610	3,933,840
Total Deductions	3,881,610	3,881,610	3,960,827
Change in Fiduciary Net Position	523,872	523,872	3,267,945
Net Position Restricted for Pensions			
Beginning			42,716,281
Ending			45,984,226

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget Original	Budget Final	Actual
Additions			
Contributions - Employer	$ 1,748,485	1,748,485	1,880,878
Contributions - Plan Members	647,725	647,725	691,264
Total Contributions	2,396,210	2,396,210	2,572,142
Investment income			
Interest	2,000,000	2,000,000	1,112,638
Net Change in Fair Value	-	-	3,277,934
	2,000,000	2,000,000	4,390,572
Less Investment Expenses	(50,000)	(50,000)	(56,322)
Net Investment Income	1,950,000	1,950,000	4,334,250
Miscellaneous Income	-	-	215,297
Total Additions	4,346,210	4,346,210	7,121,689
Deductions			
Administration	71,500	71,500	48,238
Benefits and Refunds	3,438,220	3,438,220	3,538,561
Total Deductions	3,509,720	3,509,720	3,586,799
Change in Fiduciary Net Position	836,490	836,490	3,534,890
Net Position Restricted for Pensions			
Beginning			43,544,860
Ending			47,079,750

VILLAGE OF NORTHBROOK, ILLINOIS

Escrow - Agency Fund

Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2017

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	$ 4,943,397	3,951,483	2,194,830	6,700,050
Due from Other Governments	8,478	68,370	54,218	22,630
Total Assets	4,951,875	4,019,853	2,249,048	6,722,680
LIABILITIES				
Accounts Payable	38,463	1,766,109	1,798,645	5,927
Deposits Payable	4,913,412	4,116,863	2,313,522	6,716,753
Total Liabilities	4,951,875	5,882,972	4,112,167	6,722,680

SUPPLEMENTAL SCHEDULES

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2010
April 30, 2017

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	$ 185,000	101,354	286,354
2019	190,000	95,909	285,909
2020	200,000	90,424	290,424
2021	205,000	83,819	288,819
2022	210,000	80,199	290,199
2023	215,000	72,299	287,299
2024	225,000	66,259	291,259
2025	230,000	59,542	289,542
2026	235,000	52,188	287,188
2027	245,000	45,220	290,220
2028	255,000	36,890	291,890
2029	265,000	29,165	294,165
2030	275,000	18,845	293,845
	2,935,000	832,113	3,767,113
	841,171	General Long-Term Debt	
	2,093,829	Water Fund	
	2,935,000		

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2011
April 30, 2017

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	$ 125,000	83,210	208,210
2019	130,000	79,460	209,460
2020	130,000	75,560	205,560
2021	135,000	71,660	206,660
2022	140,000	67,610	207,610
2023	140,000	63,410	203,410
2024	145,000	59,210	204,210
2025	150,000	54,860	204,860
2026	155,000	50,285	205,285
2027	160,000	45,325	205,325
2028	170,000	40,045	210,045
2029	175,000	34,265	209,265
2030	180,000	28,140	208,140
2031	185,000	21,660	206,660
2032	195,000	15,000	210,000
2033	205,000	7,687	212,687
	2,520,000	797,387	3,317,387
	2,520,000	General Long-Term Debt	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Refunding Bonds of 2012A and 2012B
April 30, 2017

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
2018	$ 1,888,932	217,336	2,106,268
2019	2,587,924	193,926	2,781,850
2020	2,626,029	158,554	2,784,583
2021	2,660,055	117,082	2,777,137
2022	2,708,919	69,478	2,778,397
2023	120,000	15,300	135,300
2024	125,000	12,900	137,900
2025	125,000	10,400	135,400
2026	130,000	7,900	137,900
2027	130,000	5,300	135,300
2022	135,001	2,700	137,701
	13,236,860	810,876	14,047,736

10,761,628	General Long-Term Debt
1,880,272	Water Fund
594,960	Stormwater Utility Fund
13,236,860	

VILLAGE OF NORTHBROOK, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013A
April 30, 2017

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
2018	$ 315,000	332,856	647,856
2019	325,000	323,406	648,406
2020	335,000	313,656	648,656
2021	345,000	303,606	648,606
2022	355,000	293,256	648,256
2023	365,000	282,606	647,606
2024	375,000	271,656	646,656
2025	385,000	260,406	645,406
2026	400,000	248,375	648,375
2027	410,000	234,875	644,875
2028	425,000	220,526	645,526
2029	445,000	203,525	648,525
2030	460,000	185,725	645,725
2031	480,000	167,325	647,325
2032	500,000	148,125	648,125
2033	520,000	126,250	646,250
2034	540,000	103,500	643,500
2035	565,000	79,875	644,875
2036	590,000	54,450	644,450
2037	620,000	27,900	647,900
	8,755,000	4,181,899	12,936,899

6,104,729	General Long-Term Debt
1,182,068	Water Fund
562,888	Sanitary Sewer Fund
905,315	Stormwater Utility Fund
8,755,000	

Long-Term Debt Requirements

General Obligation Bonds of 2014A
April 30, 2017

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
2018	$ 1,635,000	1,059,550	2,694,550
2019	1,710,000	977,800	2,687,800
2020	1,775,000	909,400	2,684,400
2021	1,870,000	820,650	2,690,650
2022	1,965,000	727,150	2,692,150
2023	2,050,000	648,550	2,698,550
2024	2,155,000	546,050	2,701,050
2025	2,265,000	438,300	2,703,300
2026	2,390,000	325,050	2,715,050
2027	2,485,000	229,450	2,714,450
2028	2,595,000	130,050	2,725,050
2029	1,740,000	52,200	1,792,200
	24,635,000	6,864,200	31,499,200

17,244,500	General Long-Term Debt
4,434,300	Water Fund
1,970,800	Sanitary Sewer Fund
985,400	Stormwater Utility Fund
24,635,000	

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2015A
April 30, 2017

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	$ 355,000	488,320	843,320
2019	-	484,060	484,060
2020	-	484,060	484,060
2021	-	484,060	484,060
2022	-	484,060	484,060
2023	360,000	484,060	844,060
2024	365,000	475,420	840,420
2025	1,035,000	466,113	1,501,113
2026	1,070,000	438,168	1,508,168
2027	1,105,000	407,673	1,512,673
2028	1,145,000	374,523	1,519,523
2029	1,185,000	338,455	1,523,455
2030	1,230,000	299,350	1,529,350
2031	1,280,000	256,915	1,536,915
2032	1,330,000	210,835	1,540,835
2033	1,390,000	160,960	1,550,960
2034	1,350,000	107,445	1,457,445
2035	1,405,000	54,795	1,459,795
	14,605,000	6,499,272	18,187,032

14,605,000	General Long-Term Debt

Long-Term Debt Requirements

General Obligation Bonds of 2015B
April 30, 2017

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
2018	$ -	458,475	458,475
2019	-	458,475	458,475
2020	-	458,475	458,475
2021	-	458,475	458,475
2022	-	458,475	458,475
2023	775,000	458,475	1,233,475
2024	800,000	435,225	1,235,225
2025	825,000	403,225	1,228,225
2026	855,000	370,225	1,225,225
2027	880,000	336,025	1,216,025
2028	910,000	300,825	1,210,825
2029	940,000	273,525	1,213,525
2030	970,000	245,325	1,215,325
2031	1,000,000	216,225	1,216,225
2032	1,035,000	184,975	1,219,975
2033	1,065,000	151,337	1,216,337
2034	1,100,000	116,725	1,216,725
2035	1,140,000	79,600	1,219,600
2036	1,175,000	41,125	1,216,125
	13,470,000	5,905,212	19,375,212

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	

Long-Term Debt Requirements

General Obligation Bonds of 2016A
April 30, 2017

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
2018	$ 710,000	588,163	1,298,163
2019	725,000	573,962	1,298,962
2020	740,000	559,463	1,299,463
2021	945,000	544,662	1,489,662
2022	965,000	525,763	1,490,763
2023	1,420,000	506,462	1,926,462
2024	1,460,000	463,863	1,923,863
2025	770,000	420,062	1,190,062
2026	785,000	396,963	1,181,963
2027	825,000	373,412	1,198,412
2028	850,000	348,663	1,198,663
2029	970,000	323,162	1,293,162
2030	1,000,000	294,063	1,294,063
2031	1,065,000	264,062	1,329,062
2032	1,100,000	232,113	1,332,113
2033	1,135,000	199,112	1,334,112
2034	1,165,000	165,062	1,330,062
2035	1,200,000	127,200	1,327,200
2036	1,235,000	88,200	1,323,200
2037	1,285,000	44,975	1,329,975
	20,350,000	7,039,387	27,389,387

6,520,000	General Long-Term Debt
1,255,000	Water Fund
195,000	Sanitary Sewer Fund
12,380,000	Stormwater Utility Fund
20,350,000	

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 Village's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	$ 58,773,256	58,646,126	62,198,793	62,098,299	60,405,834	54,761,060	54,811,717	53,968,132	51,908,848	52,296,658
Restricted	10,069,801	14,094,595	9,538,439	8,632,065	10,308,453	6,780,111	6,465,042	7,122,879	735,777	910,914
Unrestricted	21,832,283	22,934,488	23,544,765	20,589,595	16,780,393	16,939,446	20,410,579	23,727,436	(51,798,127)	(65,705,520)
Total Governmental Activities Net Position	90,675,340	95,675,209	95,281,997	91,319,959	87,494,680	78,480,617	81,687,338	84,818,447	846,498	(12,497,948)
Business-Type Activities										
Net Investment in Capital Assets	28,451,012	28,247,579	29,812,537	28,366,798	29,833,970	39,969,558	36,875,367	36,238,159	32,904,654	32,805,023
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,372,474	7,548,997	5,350,127	6,512,590	4,447,398	6,225,075	8,717,492	8,639,556	13,303,516	12,440,146
Total Business-Type Activities Net Position	36,823,486	35,796,576	35,162,664	34,879,388	34,281,368	46,194,633	45,592,859	44,877,715	46,208,170	45,245,169
Primary Government										
Net Investment in Capital Assets	87,224,268	86,893,705	92,011,330	90,465,097	90,239,804	94,730,618	91,687,084	90,206,291	84,813,502	85,101,681
Restricted	10,069,801	14,094,595	9,538,439	8,632,065	10,308,453	6,780,111	6,465,042	7,122,879	735,777	910,914
Unrestricted	30,204,757	30,483,485	28,894,892	27,102,185	21,227,791	23,164,521	29,128,071	32,366,992	(38,494,611)	(53,265,374)
Total Primary Government Net Position	127,498,826	131,471,785	130,444,661	126,199,347	121,776,048	124,675,250	127,280,197	129,696,162	47,054,668	32,747,221

Data Source: Village Records

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VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government	$ 5,864,570	5,152,883	4,608,518	4,570,679	5,213,800	4,772,121	4,157,836	5,079,347	7,344,065	10,932,097
Public Safety	24,098,930	24,779,673	24,841,399	26,243,715	27,254,854	27,652,937	27,911,733	29,843,204	39,448,782	38,637,952
Highways and Streets	7,453,415	6,451,398	8,733,088	9,845,883	9,246,750	8,873,854	10,002,273	9,452,061	9,807,659	11,025,303
Interest on Long-Term Debt	1,543,677	1,969,816	1,988,379	1,768,794	2,203,366	2,429,312	2,133,562	1,564,952	2,047,508	2,453,769
Total Governmental Activities Expenses	38,960,592	38,353,770	40,171,384	42,429,071	43,918,770	43,728,224	44,205,404	45,939,564	58,648,014	63,049,121
Business-Type Activities										
Water	7,202,323	7,742,720	6,479,015	7,293,177	7,049,582	7,125,972	7,533,497	7,296,563	7,626,212	7,895,063
Sanitary Sewer	1,168,166	1,582,256	1,316,857	1,579,728	1,574,892	1,667,662	1,762,580	1,535,487	1,964,504	1,894,162
Senior Housing	820,395	735,174	837,878	794,509	864,944	828,192	927,308	883,213	911,890	813,997
Stormwater Utility	-	-	-	-	-	1,660,222	1,697,785	1,713,381	2,439,184	2,137,821
Parking	275,354	260,163	247,032	253,324	165,928	159,021	196,073	222,881	216,759	219,643
Total Business-Type Activities Net Position	9,466,238	10,320,313	8,880,782	9,920,738	9,655,346	11,441,069	12,117,243	11,651,525	13,158,549	12,960,686
Total Primary Government Expenses	48,426,830	48,674,083	49,052,166	52,349,809	53,574,116	55,169,293	56,322,647	57,591,089	71,806,563	76,009,807
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	5,874,883	5,385,993	3,663,775	3,865,001	3,485,549	3,867,156	4,628,283	5,145,950	4,919,408	4,161,477
Public Safety	3,908,659	4,222,244	4,260,563	4,334,116	4,568,948	4,549,841	4,347,869	4,236,142	4,213,875	4,414,152
Operating Grants/Contributions	1,051,295	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	849,252	884,302
Total Governmental Activities Program Revenues	10,834,837	10,615,102	8,847,136	9,226,367	9,187,404	9,378,019	10,042,441	10,493,936	9,982,535	9,459,931
Business-Type Activities										
Charges for Services										
Water	6,223,699	5,989,496	5,800,001	5,949,938	6,695,973	7,565,670	6,572,146	7,059,498	7,139,477	7,130,783
Sanitary Sewer	1,224,627	1,119,243	1,067,556	1,103,109	1,053,519	1,167,822	1,138,167	1,302,248	1,213,451	1,224,701
Senior Housing	799,248	800,514	816,614	820,172	830,129	845,504	833,622	835,097	842,163	846,534
Stormwater Utility						1,685,913	1,474,031	1,313,492	1,383,078	1,389,220
Parking	160,942	161,029	157,096	153,254	156,458	152,923	163,556	166,236	165,211	485,193
Operating Grants/Contributions	184,732	308,985	127,842	94,071	99,894	288,311	87,293	31,210	77,995	83,637
Capital Grants/Contributions	-	681,000	150,000	-	-	-	-	300,750	-	-
Total Business-Type Activities Program Revenues	8,593,248	9,060,267	8,119,109	8,120,544	8,835,973	11,706,143	10,268,815	11,008,531	10,821,375	11,160,068
Total Primary Government Program Revenues	19,428,085	19,675,369	16,966,245	17,346,911	18,023,377	21,084,162	20,311,256	21,502,467	20,803,910	20,619,999

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Revenue (Expenses)										
Governmental Activities	$ (27,738,668)	(31,324,248)	(33,202,704)	(34,731,366)	(34,350,205)	(34,162,963)	(35,445,628)	(35,445,628)	(48,665,479)	(53,589,190)
Business-Type Activities	(1,260,046)	(761,673)	(1,800,194)	(819,373)	265,074	(1,848,428)	(642,994)	(642,994)	(2,337,174)	(1,800,618)
Total Primary Government Net Revenue (Expense)	(28,998,714)	(32,085,921)	(35,002,898)	(35,550,739)	(34,085,131)	(36,011,391)	(36,088,622)	(36,088,622)	(51,002,653)	(55,389,808)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	9,257,262	10,465,992	9,360,963	10,514,887	10,017,255	12,035,727	12,728,095	13,224,376	13,434,887	14,802,772
Utility	1,343,327	1,303,397	1,145,038	1,157,167	1,102,266	1,124,312	1,182,658	1,144,255	995,457	1,012,559
Other	1,205,520	1,596,568	1,970,520	2,158,207	2,078,884	2,853,880	5,641,961	5,362,980	5,432,869	4,964,752
Intergovernmental - Unrestricted										
Sales	15,036,506	13,552,946	12,559,042	13,160,916	14,000,067	14,533,553	14,184,846	14,530,151	14,665,574	15,380,154
State Income	3,235,745	2,974,820	2,612,166	2,680,215	2,831,454	3,111,609	3,162,141	3,401,924	3,362,196	3,141,181
Interest	2,472,759	894,812	481,109	1,050,287	844,764	829,229	744,529	777,991	123,245	253,606
Miscellaneous	343,803	1,950,002	2,802,198	(1,388,084)	31,397	55,152	220,641	37,420	109,125	689,720
Transfers	-	-	-	-	-	(9,207,320)	(495,187)	97,640	(3,000,000)	-
Total Governmental Activities	32,894,922	32,738,537	30,931,036	29,333,595	30,906,087	25,336,142	37,369,684	38,576,737	35,123,353	40,244,744
Business-Type Activities										
Interest	494,128	233,125	104,653	60,918	21,353	27,927	14,307	16,883	21,049	90,600
Miscellaneous	1,410	11	23,108	1,456,000	200,000	2,412,944	741,830	8,607	873,832	747,017
Transfers	-	-	-	-	-	9,207,320	490,517	(97,640)	3,000,000	-
Total Business-Type Activities	495,538	233,136	127,761	1,516,918	221,353	11,648,191	1,246,654	(72,150)	3,894,881	837,617
Total Primary Government	33,390,460	32,971,673	31,058,797	30,850,513	31,127,440	36,984,333	38,616,338	38,504,587	39,018,234	41,082,361
Changes in Net Position										
Governmental Activities	5,156,254	1,414,289	(2,271,668)	(5,397,771)	(3,444,118)	(8,826,821)	1,924,056	3,131,109	(13,542,126)	(13,344,446)
Business-Type Activities	(764,508)	(528,537)	(1,672,433)	697,545	486,427	9,799,763	603,660	(715,144)	1,557,707	(963,001)
Total Primary Government	4,391,746	885,752	(3,944,101)	(4,700,226)	(2,957,691)	972,942	2,527,716	2,415,965	(11,984,419)	(14,307,447)

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	$ 1,171,130	616,059	203,829	209,981	-	-	-	-	-	-
Unreserved	18,097,473	18,468,003	17,860,913	17,068,792	-	-	-	-	-	-
Nonspendable	-	-	-	-	37,684	42,325	42,446	-	-	26,661
Restricted	-	-	-	-	296,057	301,817	1,062,020	1,668,232	3,843,709	1,359,625
Unassigned	-	-	-	-	16,393,318	18,057,612	19,682,377	22,060,520	21,249,511	22,123,177
Total General Fund	19,268,603	19,084,062	18,064,742	17,278,773	16,727,059	18,401,754	20,786,843	23,728,752	25,093,220	23,509,463
All Other Governmental Funds										
Reserved	27,523,217	15,889,619	11,155,949	9,123,847	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenues Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	2,615,225	1,795,549	1,355,533	849,995	-	-	-	-	-	-
Restricted	-	-	-	-	847,119	501,494	2,792,504	1,854,693	5,145,971	4,734,403
Committed	-	-	-	-	86,941	87,003	87,023	87,048	87,121	88,163
Assigned	-	-	-	-	9,215,213	5,016,350	5,826,348	5,644,859	7,515,496	6,345,426
Unassigned	-	-	-	-	(484,787)	(920,858)	(1,221,866)	(1,205,459)	-	-
Total All Other Governmental Funds	30,138,442	17,685,168	12,511,482	9,973,842	9,664,486	4,683,989	7,484,009	6,381,141	12,748,588	11,167,992
Total Governmental Funds	49,407,045	36,769,230	30,576,224	27,252,615	26,391,545	23,085,743	28,270,852	30,109,893	37,841,808	34,677,455

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Revenues by Source - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Source	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
Taxes	$ 30,078,360	29,893,723	27,647,729	29,671,392	30,029,926	33,659,081	36,899,701	37,663,686	21,290,720	22,325,553
Intergovernmental	1,051,295	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	17,449,515	17,860,167
Licenses, Permits and Fees	5,820,384	5,542,350	4,285,636	4,449,883	4,458,665	5,097,795	4,889,027	5,920,259	6,057,697	5,265,165
Charges for Services	5,788,879	5,962,772	5,621,768	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747	5,543,956	5,783,009
Fines and Forfeits	144,679	191,750	230,904	221,135	288,064	288,406	341,735	242,091	168,080	134,095
Interest	2,402,552	868,056	459,333	1,034,540	834,831	822,154	740,276	772,588	114,671	249,815
Miscellaneous	343,803	1,950,002	1,081,534	61,916	31,397	55,152	220,641	37,420	109,125	689,720
Totals	45,629,952	45,415,518	40,249,702	42,329,740	42,332,160	46,258,156	50,340,544	51,502,635	50,733,764	52,307,524

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

VILLAGE OF NORTHBROOK, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	$ 7,808,549	7,137,250	6,806,457	6,557,849	6,902,454	6,598,887	6,681,223	7,353,556	7,979,601	12,695,935
Public Safety	24,315,396	25,323,090	24,338,610	25,291,476	26,206,664	27,389,925	28,350,834	29,781,583	29,224,364	31,229,816
Highways and Streets	14,077,137	22,683,220	11,431,732	9,458,425	8,838,987	9,700,086	11,682,823	10,813,292	9,027,487	10,969,145
Debt Service										
Principal	1,499,845	1,020,345	1,864,200	2,017,300	2,283,224	1,863,056	2,453,025	2,547,591	3,285,430	3,289,383
Interest and Fiscal Charges	1,279,766	1,889,428	2,001,709	1,882,761	1,975,091	2,504,775	2,020,112	2,170,456	1,912,766	2,187,598
Totals	48,980,693	58,053,333	46,442,708	45,207,811	46,206,420	48,056,729	51,188,017	52,666,478	51,429,648	60,371,877

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

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
Revenues										
Taxes	$ 30,078,360	29,893,723	27,647,729	29,671,392	30,029,926	33,659,081	36,899,701	37,663,686	21,290,720	22,325,553
Intergovernmental	1,051,295	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844	17,449,515	17,860,167
Licenses, Permits and Fees	5,820,384	5,542,350	4,285,636	4,449,883	4,458,665	5,097,795	4,889,027	5,920,259	6,057,697	5,265,165
Charges for Services	5,788,879	5,962,772	5,621,768	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747	5,543,956	5,783,009
Fines and Forfeits	144,679	191,750	230,904	221,135	288,064	288,406	341,735	242,091	168,080	134,095
Interest	2,402,552	868,056	459,333	1,034,540	834,831	822,154	740,276	772,588	114,671	249,815
Miscellaneous	343,803	1,950,002	1,081,534	61,916	31,397	55,152	220,641	37,420	109,125	689,720
Total Revenues	45,629,952	45,415,518	40,249,702	42,329,740	42,332,160	46,258,156	50,340,544	51,502,635	50,733,764	52,307,524
Expenditures										
General Government	7,808,549	7,137,250	6,806,457	6,557,849	6,902,454	6,598,887	6,681,223	7,353,556	7,979,601	12,695,935
Public Safety	24,315,396	25,323,090	24,338,610	25,291,476	26,206,664	27,389,925	28,350,834	29,781,583	29,224,364	31,229,816
Highways and Streets	14,077,137	22,683,220	11,431,732	9,458,425	8,838,987	9,700,086	11,682,823	10,813,292	9,027,487	10,969,145
Debt Service										
Principal	1,499,845	1,020,345	1,864,200	2,017,300	2,283,224	1,863,056	2,453,025	2,547,591	3,285,430	3,289,383
Interest and Fiscal Charges	1,279,766	1,889,428	2,001,709	1,882,761	1,975,091	2,504,775	2,020,112	2,170,456	1,912,766	2,187,598
Total Expenditures	48,980,693	58,053,333	46,442,708	45,207,811	46,206,420	48,056,729	51,188,017	52,666,478	51,429,648	60,371,877
Excess (Defiance) of Revenues Over (Under) Expenditures	(3,350,741)	(12,637,815)	(6,193,006)	(2,878,071)	(3,874,260)	(1,798,573)	(847,473)	(1,163,843)	(695,884)	(8,064,353)
Other Financing Sources (Uses)										
Proceeds from Bonds	16,370,000	-	-	4,334,905	3,000,000	12,790,278	6,523,099	33,115,500	9,739,330	4,900,000
Payment to Escrow Agent	-	-	-	(3,325,000)	-	(11,670,347)	-	(32,971,504)	-	-
Transfer In	1,967,406	2,623,317	3,427,480	2,800,462	3,003,696	2,538,912	3,289,840	2,149,653	2,818,830	2,731,372
Transfer Out	(1,967,406)	(2,623,317)	(3,427,480)	(4,250,462)	(3,003,696)	(5,166,072)	(3,780,357)	(2,052,013)	(5,818,830)	(2,731,372)
Premium on Debt Issuance	440,281	-	-	87,486	13,190	-	-	2,761,248	483,009	-
	16,810,281	-	-	(352,609)	3,013,190	(1,507,229)	6,032,582	3,002,884	7,222,339	4,900,000
Net Change in Fund Balances	13,459,540	(12,637,815)	(6,193,006)	(3,230,680)	(861,070)	(3,305,802)	5,185,109	1,839,041	6,526,455	(3,164,353)
Debt Service as a Percentage of Noncapital Expenditures	6.95%	7.36%	9.49%	9.13%	9.73%	9.75%	9.49%	9.66%	10.48%	9.77%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type
Last Two Fiscal Years
April 30, 2017 (Unaudited)

	Police Pension Fund		Firefighters' Pension Fund	
	4/30/2016	4/30/2017	4/30/2016	4/30/2017
Investment Rate of Return	-3.76%	10.07%	-5.84%	9.95%
Pension Expenses by Type				
Retirement Pensions	$ 3,242,112	3,310,581	2,471,210	2,636,239
Disability Pensions	111,612	157,473	620,723	629,833
Survivor's Pensions	383,612	465,786	272,489	272,489
Totals	3,737,336	3,933,840	3,364,422	3,538,561
Increase (Decrease) in Total Pension Expenses	$ 292,597	196,504	138,135	174,139
% Increase (Decrease) in Total Pension Expenses	8.49%	5.26%	4.28%	5.18%

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Taxable Sales by Category - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	$ 159,375,800	145,003,300	123,671,015	128,467,649	130,626,700	133,120,916	127,825,137	81,580,151	60,508,854	47,427,079
Food	92,819,600	121,225,700	121,444,358	123,347,693	134,829,685	142,511,250	137,959,342	126,490,686	138,521,900	137,082,802
Drinking and Eating Places	75,480,800	76,877,600	77,418,564	85,536,308	85,026,415	88,324,011	89,199,356	93,794,294	101,769,299	107,078,241
Apparel	101,450,600	102,199,100	93,590,380	93,855,671	102,155,490	106,696,854	101,275,237	92,148,952	90,977,220	87,173,163
Furniture and H.H. and Radio	99,058,500	96,946,900	85,454,134	81,687,982	88,258,868	89,565,642	87,668,232	94,625,854	96,876,544	93,982,758
Lumber, Building, Hardware	26,805,300	36,637,800	30,233,297	30,105,368	32,414,643	31,456,490	33,880,995	36,949,690	37,371,799	37,099,085
Automobile and Filling Stations	126,351,300	115,816,400	103,588,415	121,864,971	106,706,870	113,469,555	131,092,322	139,160,036	121,347,791	107,242,052
Drugs and Misc. Retail	95,285,800	104,414,900	97,601,427	94,453,449	128,037,569	142,177,257	100,928,405	192,252,070	175,597,124	187,354,622
Agriculture and All Others	107,580,000	100,518,700	72,248,120	77,660,851	77,809,765	81,060,130	97,851,920	71,462,289	109,429,626	161,694,997
Manufacturers	15,381,000	11,207,300	9,236,638	11,566,543	14,439,509	12,647,121	12,206,576	14,630,868	14,563,052	12,092,821
Totals	899,588,700	910,847,700	814,486,348	848,546,485	900,305,514	941,029,226	919,887,522	943,094,890	946,963,209	978,227,620
Total Number of Taxpayers	1,490	1,218	1,140	1,165	1,222	1,195	1,197	1,171	1,001	986
Village Direct Rate	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

Data Source: Village and State Records

VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Fiscal Year	State Rate	RTA Rate	County Home Rule Rate	Village Home Rule Rate*	Total Sales Tax Rate	% Distributed to Village
2008	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2009	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2010	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2011	6.25%	1.00%	1.25%	0.75%	9.25%	1.75%
2012	6.25%	1.00%	1.00%	0.75%	9.00%	1.75%
2013	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2014	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2015	6.25%	1.00%	0.75%	0.75%	8.75%	1.75%
2016	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%
2017	6.25%	1.00%	1.75%	0.75%	9.75%	1.75%

Data Source: Village and State Records

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

VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2017 (Unaudited)

See Following Page

VILLAGE OF NORTHBROOK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2017 (Unaudited)

Tax Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
2007	$ 1,530,248,322	$ 3,188	$ 541,731,517	$ 335,716,243	$ 2,407,699,270	$ 151,614	$ 2,407,850,884	0.357
2008	1,847,982,098	3,188	649,131,288	386,256,850	2,883,373,424	238,683	2,883,612,107	0.299
2009	1,993,265,844	3,188	709,300,258	406,775,119	3,109,344,409	261,022	3,109,605,431	0.314
2010	2,139,565,115	1,992	628,565,693	362,682,781	3,130,815,581	314,544	3,131,130,125	0.341
2011	1,888,236,408	1,992	643,440,675	353,825,268	2,885,504,343	393,474	2,885,897,817	0.458
2012	1,716,072,032	1,992	564,327,892	311,415,316	2,591,817,232	418,157	2,592,235,389	0.524
2013	1,592,730,144	1,992	526,759,510	291,406,647	2,410,898,293	473,145	2,411,371,438	0.609
2014	1,395,727,711	1,992	483,582,152	265,514,616	2,144,826,471	584,690	2,145,411,161	0.605
2015	1,426,205,616	1,992	578,433,197	178,797,415	2,183,438,220	609,714	2,184,047,934	0.676
2016	1,389,618,675	1,992	492,412,415	193,245,905	2,075,278,987	732,251	2,076,011,238	0.625

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2017 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village of Northbrook										
General Corporate rate	0.287	0.251	0.254	0.255	0.302	0.324	0.365	0.358	0.377	0.324
Debt Service Rate	0.045	0.024	0.035	0.035	0.073	0.097	0.112	0.117	0.128	0.129
Police Pension	0.007	0.007	0.007	0.015	0.043	0.052	0.065	0.064	0.087	0.088
Fire Pension	0.018	0.017	0.018	0.036	0.040	0.051	0.066	0.066	0.084	0.083
Total Direct Tax Rate	0.357	0.299	0.314	0.341	0.458	0.524	0.609	0.605	0.676	0.625
Overlapping Rates										
Cook County	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533
Cook County Forest Preserve District	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063
Suburban TB Sanitarium	0.000	0.000	0.000	0.000	0.025	0.000	0.000	0.000	0.000	0.000
Cook County Consolidated Election Board	0.012	0.000	0.021	0.000	0.000	0.000	0.031	0.000	0.034	0.000
Northfield Township	0.010	0.009	0.011	0.011	0.020	0.024	0.031	0.032	0.028	0.024
Northfield Road and Bridge	0.030	0.030	0.031	0.036	0.041	0.046	0.053	0.054	0.057	0.049
Northfield General Assistance	0.008	0.009	0.010	0.011	0.008	0.009	0.008	0.007	0.007	0.006
Metropolitan Water Reclamation District	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
North Shore Mosquito Abatement District	0.008	0.008	0.008	0.009	0.010	0.010	0.007	0.011	0.012	0.010
High School District #225	1.403	1.383	1.395	1.609	0.182	2.028	2.341	2.367	2.493	2.106
Community College District #535	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271	0.231
Northbrook Park District	0.342	0.332	0.334	0.375	0.424	0.471	0.536	0.537	0.569	0.423
School District #28	1.843	1.816	1.888	2.072	2.339	2.604	2.962	3.009	3.299	2.848
School District #30	2.138	2.089	2.327	2.327	2.641	2.999	3.381	3.272	3.394	2.866
Northwest Mosquito Abatement District	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010
Glenbrook Sanitary District	0.023	0.023	0.027	0.026	0.030	0.034	0.037	0.037	0.052	0.046
High School District #203	1.299	1.290	1.237	1.474	1.674	1.864	2.111	2.268	2.380	1.974
School District #29	1.838	1.809	1.844	2.173	2.450	2.701	3.077	3.068	3.197	2.762
School District #27	2.051	2.019	1.698	2.334	2.667	2.957	3.412	3.443	3.569	3.031
Mission Brook Sanitary District	0.130	0.127	0.120	0.142	0.164	0.184	0.215	0.215	0.221	0.175
School District #31	1.405	1.402	1.494	1.730	2.018	2.525	2.946	2.911	3.107	2.699
Wheeling Township	0.038	0.038	0.039	0.043	0.048	0.052	0.056	0.052	0.055	0.041
Wheeling Road and Bridge	0.012	0.012	0.012	0.014	0.015	0.016	0.019	0.019	0.020	0.014
Wheeling General Assistance	0.009	0.009	0.009	0.005	0.009	0.009	0.010	0.010	0.010	0.008
High School District #214	1.621	1.587	1.636	1.839	2.067	2.324	2.768	2.776	2.881	2.527
Community College District #512	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416
Consolidated School District #21	3.154	3.161	3.209	3.658	4.164	4.556	4.841	5.430	5.642	4.966
Northbrook Public Library	0.200	0.332	0.207	0.231	0.269	0.300	0.359	0.357	0.385	0.329
Northfield Park District	0.157	0.161	0.166	0.189	0.209	0.227	0.254	0.254	0.264	0.229
Total Direct and Overlapping Tax Rate	19.259	19.067	19.147	21.861	23.312	28.031	31.823	32.523	34.147	29.417

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Eight Fiscal Years Ago
April 30, 2017 (Unaudited)

	2017			2009		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Westcoast Estates	$ 57,515,313	1	2.77%	$ 98,663,655	1	4.10%
Jones Lang LaSalle	37,787,102	2	1.82%	47,350,536	2	1.97%
Willow Festival Regency	26,913,528	3	1.30%			
Underwriters Laboratory Inc.	24,420,632	4	1.18%	26,167,015	5	1.09%
GK Edens Corp Center, LLC	14,645,411	5	0.71%			
Korman Lederer	14,346,796	6	0.69%			
Lake Cook Road & Mid America	14,340,473	7	0.69%			
Village Square of Northbrook	14,067,625	8	0.68%	23,189,595	3	0.96%
Euromarket Designs	13,232,147	9	0.64%	16,301,033	10	0.68%
400 Skokie Blvd, LLC	10,253,663	10	0.49%			
Lake Cood Road 3200				22,999,827	4	0.96%
The May Department Store				20,036,235	6	0.83%
Korman Lederer				18,848,075	7	0.78%
North Suburban Dev Corp				17,181,325	8	0.71%
Hi Chicago North Shore, LLC				16,976,647	9	0.71%
	227,522,690		10.96%	307,713,943		12.78%

Data Source: Office of the County Clerk

VILLAGE OF NORTHBROOK, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

			Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2008	2007	$ 10,152,848	$ 10,006,443	98.56%	$ -	$ 10,006,443	98.56%
2009	2008	9,291,513	8,877,016	95.54%	-	8,877,016	95.54%
2010	2009	9,837,183	9,572,390	97.31%	-	9,572,390	97.31%
2011	2010	10,224,675	10,096,547	98.75%	-	10,096,547	98.75%
2012	2011	12,394,649	12,147,254	98.00%	-	12,147,254	98.00%
2013	2012	12,635,586	12,540,219	99.25%	-	12,540,219	99.25%
2014	2013	13,065,554	13,065,132	100.00%	-	13,065,132	100.00%
2015	2014	13,213,490	12,869,537	97.40%	-	12,869,537	97.40%
2016	2015	14,033,836	13,393,634	95.44%	-	13,393,634	95.44%
2017	2016	15,526,527	7,117,444	45.84%	-	7,117,444	45.84%

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, 2017 (Unaudited)

Fiscal Year	Governmental Activities: Net General Obligation Bonds	Business-Type Activities: Net Water, Sewer and Sanitary Sewer Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita (1)
2008	$ 58,713,457	$ 11,988,964	$ 70,702,421	2.15%	$ 2,054.17
2009	57,660,495	11,690,367	69,350,862	2.11%	2,014.90
2010	55,763,678	11,182,698	66,946,376	2.03%	1,945.04
2011	54,723,666	13,519,963	68,243,629	1.82%	2,057.39
2012	55,407,825	13,093,536	68,501,361	1.83%	2,065.16
2013	54,611,635	12,838,340	67,449,975	1.80%	2,033.46
2014	59,590,529	14,706,578	74,297,107	1.99%	2,239.89
2015	61,229,005	18,063,695	79,292,700	2.12%	2,390.49
2016	67,897,030	41,449,413	109,346,443	2.92%	3,296.55
2017	64,404,601	40,114,448	104,519,049	2.79%	3,151.01

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, 2017 (Unaudited)

Fiscal Year	Net General Obligation Bonds	Less: Amounts Available in Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2008	$ 70,702,421	$ 2,276,136	$ 68,426,285	2.84%	$ 2,054.17
2009	69,350,862	2,145,733	67,205,129	2.33%	2,014.90
2010	66,946,376	1,198,781	65,747,595	2.11%	1,945.04
2011	68,243,629	511,899	67,731,730	2.16%	2,057.39
2012	68,501,361	17,151	68,484,210	2.37%	2,065.16
2013	67,449,975	-	67,449,975	2.60%	2,033.46
2014	74,297,107	-	74,297,107	3.08%	2,239.89
2015	79,292,700	90,427	79,202,273	3.69%	2,390.49
2016	109,346,443	-	109,346,443	5.01%	3,296.55
2017	104,519,049	-	104,519,049	5.03%	3,151.01

Data Source: Village's Records

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
April 30, 2017 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village *	Village's Share of Debt
Direct			
Village of Northbrook	$ 64,404,601	100.00%	$ 64,404,601
Overlapping			
Cook County	3,397,806,079	1.71%	58,034,528
Forest Preserve District	168,670,000	1.71%	2,880,884
Metropolitan Water Reclamation District	2,926,998,000	1.74%	50,988,305
Northbrook Park District	7,675,000	93.40%	7,168,450
School District 21	37,265,000	1.39%	516,493
School District 29	25,631,780	14.87%	3,811,446
School District 30	-	66.14%	-
School District 31	4,005,000	14.74%	590,217
High School District 203	104,640,000	1.33%	1,388,573
High School District 214	41,305,000	0.29%	121,024
High School District 225	92,453,995	46.03%	42,554,725
Community College District 512	158,810,000	0.13%	208,041
Community College District 535	30,895,000	11.27%	3,481,867
Total Overlapping	6,996,154,854		171,744,551
Total Direct and Overlapping	7,060,559,455		236,149,152

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

Data Source: Cook County Tax Extension Department

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Legal Debt Margin
April 30, 2017 (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, 2017 (Unaudited)

Fiscal Year	(1) Population	(2) Personal Income (in Thousands)	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2008	34,419	$ 95,665	$ 50,765	44.1	8,278	3.0
2009	34,419	95,665	50,765	44.1	8,278	6.3
2010	34,419	95,665	50,765	44.1	8,278	7.4
2011	33,170	112,827	57,763	48.0	N/A	7.4
2012	33,170	112,827	57,763	48.0	N/A	5.7
2013	33,170	112,827	57,763	48.0	N/A	7.4
2014	33,170	112,827	57,763	48.0	N/A	5.0
2015	33,170	112,827	57,763	48.0	N/A	3.9
2016	33,170	112,827	57,763	48.0	7,259	4.1
2017	33,170	112,827	57,763	48.0	N/A	4.6

Data Sources:

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

(2) Bureau of Economic Research

(3) Annual School Census by Board of Education

(4) Illinois Department of Employment Security

N/A - Not Available

VILLAGE OF NORTHBROOK, ILLINOIS

Principal Employers - Current Fiscal Year and Eight Fiscal Years Ago
April 30, 2017 (Unaudited)

	2017			2009		
Employer	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
Underwriters Laboratories	2,000	2	N/A	1,600	5	N/A
Northshore Glenbrook Hospital	2,000	3	N/A			
CVS/Caremark International	1,400	4	N/A			
Astellas Pharma US Inc.	1,150	5	N/A			
Northbrook Court	1,000	6	N/A	1,500	3	N/A
Glenbrook High School District 225	849	7	N/A			
Euromarket Designs, Inc (Crate & Barrel	500	8	N/A			
Hilco Merchant Resources, LLC	400	9	N/A			
W.W. Grainger, Inc.	350	10	N/A			
Walgreens Company				2,500	2	N/A
Baxter International				1,500	4	N/A
Kraft				1,300	6	N/A
Caremark International				750	7	N/A
Culligan International				550	8	N/A
Glenbrook Hospital				600	9	N/A
Crate & Barrel				500	10	N/A
	18,399		N/A	15,800		N/A

N/A - Not Available

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

VILLAGE OF NORTHBROOK, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administration	12	11	13	13	13	13	12	13	12	12
Finance	8	8	9	8	8	8	8	8	7	7
Public Works	43	44	40	38	35	35	36	37	37	37
Police	94	95	93	93	93	93	93	93	94	94
Fire	76	76	74	74	74	74	75	75	75	77
Development/ Planning Services	21	21	12	12	11	11	11	12	13	13
Water and Sewer	21	21	21	22	26	26	26	27	27	27
Totals	275	276	262	260	260	260	261	264	265	267

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years
April 30, 2017 (Unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Works										
Forestry										
Number of Parkway Trees Planted	312	333	369	225	524	429	510	602	831	715
Number of Parkway Trees Trimmed	1,902	2,717	1,830	2,479	1,588	1,863	3,711	3,446	1,973	2,265
Fleet Services										
Number of Vehicles Maintained	157	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety										
Fire										
Number of Fire Calls	2,734	2,731	2,727	2,469	2,692	2,632	2,736	2,684	2,714	2,780
Number of EMS Calls	2,868	3,086	2,923	3,007	2,945	3,220	3,160	3,427	3,350	3,654
ISO Rating	2	2	2	2	2	2	2	2	2	1
Police										
Calls for Service	23,884	24,458	23,923	22,510	21,588	21,429	22,489	23,109	24,740	24,573
Traffic Citations Issued	3,157	3,594	3,951	4,033	3,475	2,841	2,902	2,796	2,515	2,667
Parking Citations Issued	1,873	3,254	2,395	1,843	1,910	1,582	3,045	2,992	1,309	1,207
Community Development										
Number of Building Permits Issued	423	487	268	253	255	258	267	251	324	355
Number of Building Inspections	7,946	7,884	6,456	4,648	5,543	5,846	7,777	6,687	9,254	13,434
Highways and Streets										
Sidewalk Replaced (Sq. Ft.)	112,962	106,786	74,066	61,827	34,250	33,502	41,283	28,510	28,403	32,554
Annual Resurfacing Program ($)	694,902	1,429,317	105,570	1,874,928	888,139	1,112,023	2,979,982	2,583,303	696,116	555,545
Water and Sewer										
Water Main Breaks	77	52	70	91	69	219	101	66	45	93
Hydrants Flushed	2,480	2,735	2,835	2,844	2,748	700	778	2,700	987	1,054
Water Meters Read	12,058	12,130	N/A	12,210	12,400	12,400	12,449	12,398	12,989	12,409
Water Meter Service Requests	604	717	791	1,058	1,169	1,487	972	769	752	1,869
Total Distribution Pumpage (1,000 Gallons)	1,993,933	1,970,679	1,919,256	2,094,526	2,000,073	2,197,297	1,892,779	1,222,948	1,727,180	1,795,621
Average Daily Pumpage (1,000 Gallons)	5,458	5,379	5,250	5,738	5,472	5,999	5,186	5,731	4,732	4,911
Sanitary Sewer Televising (Feet)	40,423	77,636	61,380	70,749	38,605	60,584	37,150	24,049	36,938	37,472
Sanitary Sewer Repairs	1	-	-	-	3	3	5	3	13	1

N/A - Not Available

Data Source: Village Records

VILLAGE OF NORTHBROOK, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years
April 30, 2017 (Unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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)	267.50	269.18	270.26	270.26	270.26	272.66	272.66	272.66	272.66	272.66
Streetlights	1,712	1,712	1,776	1,779	1,399	1,399	1,399	1,399	1,399	1,399
Water and Sewer										
Water Mains (Miles)	166.25	171.20	N/A	171.30	179.80	183.00	183.00	183.00	183.00	183.00
Fire Hydrants	2,535	2,735	2,835	2,748	2,747	2,751	2,751	2,751	2,751	2,751
Sanitary Sewers (Miles)	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75	124.75

N/A - Not Available

Data Source: Village Records

APPENDIX B
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX C
PROPOSED FORMS OF OPINIONS OF BOND COUNSEL
SERIES 2018A BONDS

February 13, 2018

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 $17,655,000 principal amount of General Obligation Bonds, Series 2018A (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 January 23, 2018 and entitled: "Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2018A and Taxable Series 2018B, 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 February 13, 2018. 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 December 1, 2018 and semiannually thereafter on each June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2018	$ 215,000	4.000%
2019	190,000	4.000
2020	395,000	4.000
2021	410,000	4.000
2022	730,000	4.000
2023	755,000	4.000
2024	785,000	4.000
2025	820,000	4.000
2026	850,000	3.000
2027	875,000	3.000
2028	970,000	3.000
2029	1,050,000	3.000
2030	1,080,000	3.000
2031	1,115,000	3.000
2032	1,150,000	3.000
2033	1,175,000	3.000
2034	1,215,000	3.000
2035	1,255,000	3.000
2036	1,290,000	3.125
2037	1,330,000	3.125

The Bonds maturing on or after December 1, 2026 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, 2025 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,

TAXABLE SERIES 2018B BONDS

February 13, 2018

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 $8,425,000 principal amount of General Obligation Bonds, Taxable Series 2018B (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 January 23, 2018 and entitled: "Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2018A and Taxable Series 2018B, 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 February 13, 2018. 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 December 1, 2018 and semiannually thereafter on each June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2018	$ 75,000	2.00%
2019	75,000	2.10
2020	75,000	2.25
2021	75,000	2.50
2022	400,000	2.70
2023	410,000	2.80
2024	425,000	2.90
2025	435,000	3.00
2026	450,000	3.05
2027	460,000	3.10
2028	475,000	3.15
2029	490,000	3.20
2030	510,000	3.25
2031	525,000	3.30
2032	540,000	3.35
2034	1,140,000	3.50
2036	1,220,000	3.75
2037	645,000	3.90

The Bonds maturing on or after December 1, 2021 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 June 1, 2021 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds maturing on December 1, 2034 are subject to mandatory redemption, in part and by lot, on December 1, 2033 in the principal amount of $560,000, by the application of a sinking fund installment, at a redemption price equal to the principal amount thereof.

The Bonds maturing on December 1, 2036 are subject to mandatory redemption, in part and by lot, on December 1, 2035 in the principal amount of $600,000, by the application of a sinking fund installment, 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.

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

Very truly yours,

APPENDIX D

VILLAGE OF NORTHBROOK, COOK COUNTY, ILLINOIS

EXCERPTS OF FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS RELATING TO THE VILLAGE'S PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

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

Fiduciary Funds

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

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

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

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $3,680,761 and the bank balances totaled $3,680,761.

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

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 2,769,045	-	849,569	567,083	1,352,393
U.S. Agency Securities	2,113,417	1,249,625	589,449	274,343	-
State and Local Securities	2,751,156	1,969,164	781,992	-	-
Corporate Bonds	6,197,872	4,741,809	747,827	263,464	444,772
Illinois Funds	1,322,296	1,322,296	-	-	-
	15,153,786	9,282,894	2,968,837	1,104,890	1,797,165

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2017:

		Fair Value Measurements Using		
Investments by Fair Value Level	April 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 2,769,045	2,769,045	-	-
U.S. Agencies	2,113,417	-	2,113,417	-
State and Local Obligations	2,751,156	-	2,751,156	-
Corporate Bonds	6,197,872	-	6,197,872	-
Equity Securities				
Mutual Funds	15,559,469	15,559,469		
Common Stock	11,190,015	11,190,015	-	-
Total Investments by Fair Value Level	40,580,974	29,518,529	11,062,445	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	1,322,296			
Total Investments Measured at Fair Value	41,903,270			

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, state and local securities, corporate bonds, and foreign securities ratings were not available and the investment in the Illinois Funds was rated AAAm by Standard & Poor's.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Concentration Risk. The Fund's investment policy states that no financial institution shall hold more than 50% of the Fund's portfolio at the current time of investment placement, exclusive of securities held in safekeeping with the Trust Department of the financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $15,559,469 invested in mutual funds and $11,190,015 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	12.50%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 50%. Securities in any one company should not exceed 5% of the total fund.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration Risk – Continued. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 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, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled $4,084,829 and the bank balances totaled $3,733,971.

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	$ 3,517,492	-	1,598,016	567,083	1,352,393
U.S. Agency Securities	2,290,147	1,249,625	490,875	549,647	-
State and Local Securities	2,523,831	1,919,205	604,626	-	-
Corporate Bonds	6,036,141	4,241,658	1,045,746	263,464	485,273
Illinois Funds	824,545	824,545	-	-	-
	15,192,156	8,235,033	3,739,263	1,380,194	1,837,666

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2017:

		Fair Value Measurements Using		
Investments by Fair Value Level	April 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	$ 3,517,491	3,517,491	-	-
U.S. Agencies	2,290,147	-	2,290,147	-
State and Local Obligations	2,523,831	-	2,523,831	-
Corporate Bonds	6,036,141	-	6,036,141	-
Equity Securities				
Mutual Funds	11,500,559	11,500,559	-	-
Common Stock	15,914,989	15,914,989	-	-
Total Investments by Fair Value Level	41,783,158	30,933,039	10,850,119	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	824,545			
Total Investments Measured at Fair Value	42,607,703			

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

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Concentration Risk. The Fund's investment policy states that no more than 50% of the assets of the Fund shall be concentrated in a single instrument or class of instruments other than U.S. Treasury Obligations. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has $11,500,559 invested in mutual funds and $15,914,989 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	44.00%	2.50%
Equities	55.00%	12.50%
Cash and Cash Equivalents	0.00%	0.00%

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 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, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.95%. 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 2016 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Deferred Compensation Plan

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

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 1225 Cedar Lane, Northbrook, IL 60062-4582. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	202
Inactive Plan Members Entitled to but not yet Receiving Benefits	89
Active Plan Members	222
Total	513 *

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

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 was 12.44% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2016. 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, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% - 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and the prior valuation used a discount rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$		
Village	17,782,802	8,962,561	1,698,620
RED Center	3,168,868	1,597,115	302,691
Library	4,736,596	2,387,252	452,442
Totals	25,688,266	12,946,928	2,453,753

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	$ 95,725,481	81,901,793	13,823,688
Changes for the Year:			
Service Cost	1,671,595	-	1,671,595
Interest on the Total Pension Liability	7,045,985	-	7,045,985
Difference Between Expected and Actual Experience of the Total Pension Liability	(833,025)	-	(833,025)
Changes of Assumptions	(354,406)	-	(354,406)
Contributions - Employer	-	1,986,901	(1,986,901)
Contributions - Employees	-	733,781	(733,781)
Net Investment Income	-	5,643,439	(5,643,439)
Benefit Payments, including Refunds of Employee Contributions	(4,475,023)	(4,475,023)	-
Other (Net Transfer)	-	42,788	(42,788)
Net Changes	3,055,126	3,931,886	(876,760)
Balances at December 31, 2016	98,780,607	85,833,679	12,946,928
Net Pension Liability			
Village	69,170,223	60,207,662	8,962,561
Library	17,609,111	15,221,859	2,387,252
RED Center	12,001,273	10,404,158	1,597,115
Totals	98,780,607	85,833,679	12,946,928

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

For the fiscal year ended April 30, 2017, the Village recognized pension expense of $2,681,080, the Northbrook Public Library recognized pension expense of $767,880, and the RED Center recognized pension expense of $499,132.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 278,125	(670,201)	(392,076)
Change in Assumptions	1,351,523	(276,422)	1,075,101
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,240,220	-	4,240,220
Pension Expense to be Recognized in Future Periods	5,869,868	(946,623)	4,923,245
Pension Contributions Made Subsequent to the Measurement Date	660,929	-	660,929
Total Deferred Amounts Related to IMRF	6,530,797	(946,623)	5,584,174
Total Deferred Amounts Related to IMRF			
Village	4,520,969	(655,303)	3,865,666
RED Center	805,630	(116,774)	688,856
Library	1,204,198	(174,546)	1,029,652
Totals	6,530,797	(946,623)	5,584,174

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

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

Fiscal	Net Deferred Outflows (Inflows) of Resources			
Year	Village	Library	RED Center	Totals
2018	$ 1,446,031	385,162	257,681	2,088,874
2019	1,306,498	347,997	232,816	1,887,311
2020	693,881	184,821	123,649	1,002,351
2021	(38,275)	(10,195)	(6,821)	(55,291)
2022	-	-	-	-
Thereafter	-	-	-	-
Totals	3,408,135	907,785	607,325	4,923,245

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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	61
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	66
Total	127

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

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

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 29.39% of covered payroll.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.00%
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate

A Single Discount Rate of 6.83% was used to measure the total pension liability and 7.20% was used in the prior year valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.82%, and the resulting single discount rate is 6.83%.

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 (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Net Pension Liability	$ 57,776,706	46,035,224	36,329,933

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	$ 88,894,447	42,716,281	46,178,166
Changes for the Year:			
Service Cost	1,231,694	-	1,231,694
Interest on the Total Pension Liability	6,258,782	-	6,258,782
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,269,954)	-	(1,269,954)
Changes of Assumptions	838,321	-	838,321
Contributions - Employer	-	1,965,874	(1,965,874)
Contributions - Employees	-	705,161	(705,161)
Contributions - Other	-	254,817	(254,817)
Net Investment Income	-	4,302,920	(4,302,920)
Benefit Payments, including Refunds of Employee Contributions	(3,933,840)	(3,933,840)	-
Administrative Expenses	-	(26,987)	26,987
Net Changes	3,125,003	3,267,945	(142,942)
Balances at April 30, 2017	92,019,450	45,984,226	46,035,224

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2017

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, 2017, the Village recognized pension expense of $6,071,260. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 989,442	(1,005,380)	(15,938)
Change in Assumptions	4,906,588	-	4,906,588
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,183,597	(907,507)	2,276,090
Total Deferred Amounts Related to Police Pension	9,079,627	(1,912,887)	7,166,740

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/(Infows) of Resources
2018	$ 2,682,311
2019	2,682,311
2020	2,100,935
2021	(298,817)
2022	-
Thereafter	-
Total	7,166,740

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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	69
Total	124

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 26.72% of covered payroll.

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.00%
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

A Single Discount Rate of 6.86% was used to measure the total pension liability and 7.23% was used in the prior year valuation. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.82%, and the resulting single discount rate is 6.86%.

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 (5.86%)	Current Discount Rate (6.86%)	1% Increase (7.86%)
Net Pension Liability	$ 52,880,999	41,522,404	32,062,459

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	$ 83,459,164	43,544,860	39,914,304
Changes for the Year:			
Service Cost	1,605,351	-	1,605,351
Interest on the Total Pension Liability	5,906,179	-	5,906,179
Difference Between Expected and Actual Experience of the Total Pension Liability	397,050	-	397,050
Changes of Assumptions	772,971	-	772,971
Contributions - Employer	-	1,880,878	(1,880,878)
Contributions - Employees	-	691,264	(691,264)
Contributions - Other	-	215,297	(215,297)
Net Investment Income	-	4,334,250	(4,334,250)
Benefit Payments, including Refunds of Employee Contributions	(3,538,561)	(3,538,561)	-
Administrative Expenses	-	(48,238)	48,238
Net Changes	5,142,990	3,534,890	1,608,100
Balances at April 30, 2017	88,602,154	47,079,750	41,522,404

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, 2017, the Village recognized pension expense of $5,968,741. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	$ 5,453	-	5,453
Change in Assumptions	4,921,253	-	4,921,253
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,954,218	-	2,954,218
Total Deferred Amounts Related to Firefighters' Pension	7,880,924	-	7,880,924

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

Fiscal Year	Net Deferred Outflows of Resources
2018	$ 2,556,054
2019	2,556,054
2020	2,556,050
2021	126,100
2022	86,666
Thereafter	-
Total	7,880,924

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2017, retirees contributed $694,793. Active employees do not contribute to the post-employment benefit plan until retirement.

At April 30, 2017, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	57
Active Employees	254
Total	311
Participating Employers	1

The Village does not currently have a funding policy.

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2017, was calculated as follows:

Annual Required Contribution	$ 643,827
Interest on the NOPEBO	41,306
Adjustment to the ARC	(34,421)
Annual OPEB Cost	650,712
Actual Contribution	325,215
Increase in the NOPEBO	325,497
NOPEBO - Beginning	1,032,649
NOPEBO - Ending	1,358,146

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	$ 511,428	$ 316,226	61.83%	$ 779,176
2016	533,031	279,588	52.45%	1,032,349
2017	650,712	325,215	49.98%	1,358,146

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2017 was as follows:

Actuarial Accrued Liability (AAL)	$ 9,049,968
Actuarial Value of Plan Assets	$ -
Unfunded Actuarial Accrued Liability (UAAL)	$ 9,049,968
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	$ N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

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

Actuarial Methods and Assumptions

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

In the April 30, 2017 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, including a 4.0% inflation assumption, and an initial annual healthcare cost trend rate of 6.5%, with an ultimate rate of 5.5%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017 was 30 years.

VILLAGE OF NORTHBROOK, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2017

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2012	$ N/A	$ N/A	N/A	$ N/A	$ N/A	N/A
2013	-	4,509,667	0.00%	4,509,667	26,423,856	17.07%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	7,050,005	0.00%	7,050,005	27,802,808	25.36%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	-	9,049,968	0.00%	9,049,968	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2012	$ 78,091	$ 334,615	23.34%
2013	243,526	334,615	72.78%
2014	278,716	374,368	74.45%
2015	316,226	507,535	62.31%
2016	279,558	527,836	52.96%
2017	325,215	643,827	50.51%

The Village is required to have an actuarial valuation performed biennially.

N/A - Not Available

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	Total	$ 1,982,573	$ 1,982,573	$ -	$ 15,975,610	12.41%
2017	Village	1,371,424	1,375,440	4,016	11,059,872	12.44%
	Library	365,290	366,360	1,070	2,945,889	12.44%
	RED Center	244,386	245,101	715	1,970,852	12.44%
	Totals	1,981,100	1,986,901	5,801	15,976,613	12.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.0%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	$ 1,397,406	$ 1,349,585	$ (47,821)	$ 6,259,278	21.56%
2016	1,545,370	1,591,260	45,890	6,501,228	24.48%
2017	1,803,482	1,965,874	162,392	6,689,389	29.39%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016

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

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	$ 1,419,399	$ 1,332,783	$ (86,616)	$ 6,514,303	20.46%
2016	1,571,442	1,565,117	(6,325)	6,790,390	23.05%
2017	1,748,845	1,880,878	132,033	7,038,056	26.72%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016

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

VILLAGE OF NORTHBROOK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	12/31/2015	12/31/2016			
	Total	Village	Library	RED Center	Totals
Total Pension Liability					
Service Cost	$ 1,726,172	1,157,168	308,221	206,206	1,671,595
Interest	6,737,576	4,744,025	1,401,693	900,267	7,045,985
Differences Between Expected and Actual Experience	(35,918)	(576,665)	(153,599)	(102,761)	(833,025)
Change of Assumptions	231,057	(245,339)	(65,348)	(43,719)	(354,406)
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(3,097,852)	(825,139)	(552,032)	(4,475,023)
Net Change in Total Pension Liability	4,609,676	1,981,337	665,828	407,961	3,055,126
Total Pension Liability - Beginning	91,115,805	67,188,886	16,943,283	11,593,312	95,725,481
Total Pension Liability - Ending	95,725,481	69,170,223	17,609,111	12,001,273	98,780,607
Plan Fiduciary Net Position					
Contributions - Employer	1,982,573	1,375,440	366,360	245,101	1,986,901
Contributions - Members	723,580	507,963	135,300	90,518	733,781
Net Investment Income	410,050	3,906,692	1,040,580	696,167	5,643,439
Benefit Payments, Including Refunds of Member Contributions	(4,049,211)	(3,097,852)	(825,139)	(552,032)	(4,475,023)
Other (Net Transfer)	153,221	29,620	7,890	5,278	42,788
Net Change in Plan Fiduciary Net Position	(779,787)	2,721,863	724,991	485,032	3,931,886
Plan Net Position - Beginning	82,681,580	57,485,799	14,496,868	9,919,126	81,901,793
Plan Net Position - Ending	81,901,793	60,207,662	15,221,859	10,404,158	85,833,679
Employer's Net Pension Liability	$ 13,823,688	8,962,561	2,387,252	1,597,115	12,946,928
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.56%	87.04%	86.44%	86.69%	86.89%
Covered-Employee Payroll	$ 15,975,610	11,059,872	2,945,889	1,970,852	15,976,613
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	86.53%	81.04%	81.04%	81.04%	81.04%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	$ 859,722	1,181,410	1,231,694
Interest	4,969,863	5,439,935	6,258,782
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(176,001)	1,722,362	(1,269,954)
Change of Assumptions	10,847,753	7,385,822	838,321
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)
Net Change in Total Pension Liability	13,056,598	11,992,193	3,125,003
Total Pension Liability - Beginning	63,845,656	76,902,254	88,894,447
Total Pension Liability - Ending	76,902,254	88,894,447	92,019,450
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,349,585	1,591,260	1,965,874
Contributions - Members	698,545	752,378	705,161
Contributions - Other	8,270	7,225	254,817
Net Investment Income	2,950,989	(1,695,870)	4,302,920
Benefit Payments, Including Refunds of Member Contributions	(3,444,739)	(3,737,336)	(3,933,840)
Administrative Expense	(28,367)	(42,357)	(26,987)
Net Change in Plan Fiduciary Net Position	1,534,283	(3,124,700)	3,267,945
Plan Net Position - Beginning	44,306,698	45,840,981	42,716,281
Plan Net Position - Ending	45,840,981	42,716,281	45,984,226
Employer's Net Pension Liability	$ 31,061,273	46,178,166	46,035,224
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.61%	48.05%	49.97%
Covered-Employee Payroll	$ 6,259,278	6,501,228	6,689,389
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	496.24%	710.30%	688.18%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	$ 1,309,525	1,499,447	1,605,351
Interest	4,781,977	5,225,638	5,906,179
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	599,853	(523,277)	397,050
Change of Assumptions	8,708,762	7,060,087	772,971
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)
Net Change in Total Pension Liability	12,173,830	9,897,473	5,142,990
Total Pension Liability - Beginning	61,387,861	73,561,691	83,459,164
Total Pension Liability - Ending	73,561,691	83,459,164	88,602,154
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,332,783	1,565,117	1,880,878
Contributions - Members	704,152	631,544	691,264
Contributions - Other	-	-	215,297
Net Investment Income	3,046,217	(2,700,867)	4,334,250
Benefit Payments, Including Refunds of Member Contributions	(3,226,287)	(3,364,422)	(3,538,561)
Administrative Expense	(63,932)	(39,690)	(48,238)
Net Change in Plan Fiduciary Net Position	1,792,933	(3,908,318)	3,534,890
Plan Net Position - Beginning	45,660,245	47,453,178	43,544,860
Plan Net Position - Ending	47,453,178	43,544,860	47,079,750
Employer's Net Pension Liability	$ 26,108,513	39,914,304	41,522,404
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.51%	52.18%	53.14%
Covered-Employee Payroll	$ 6,514,303	6,790,390	7,038,056
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	400.79%	587.81%	589.97%

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

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2017

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

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

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Investment Returns
April 30, 2017

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, a major fund, accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

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

Pension Contribution Fund

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

Traffic Impact Fund

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

Tax Increment Financing (TIF) Fund

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

Infrastructure Project Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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

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

Insurance Fund

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

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

AGENCY FUND

Escrow Fund

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

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
April 30, 2017

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	$ 3,680,761	4,084,829	7,765,590
Investments			
U.S. Treasury and Agency Securities	4,882,462	5,807,639	10,690,101
State and Local Securities	2,751,156	2,523,831	5,274,987
Corporate Bonds	6,197,872	6,036,141	12,234,013
Mutual Funds	15,559,469	11,500,559	27,060,028
Common Stock	11,190,015	15,914,989	27,105,004
Illinois Funds	1,322,296	824,545	2,146,841
Receivables			
Accrued Interest	104,218	142,594	246,812
Due from Other Governments	313,689	265,720	579,409
Total Assets	46,001,938	47,100,847	93,102,785
LIABILITIES			
Accounts Payable	-	140	140
Due to Other Governments	17,712	20,957	38,669
Total Liabilities	17,712	21,097	38,809
NET POSITION			
Net Position Restricted for Pensions	45,984,226	47,079,750	93,063,976

VILLAGE OF NORTHBROOK, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2017

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	$ 1,965,874	1,880,878	3,846,752
Contributions - Plan Members	705,161	691,264	1,396,425
Total Contributions	2,671,035	2,572,142	5,243,177
Investment Income			
Interest	947,920	1,112,638	2,060,558
Net Change in Fair Value	3,399,975	3,277,934	6,677,909
	4,347,895	4,390,572	8,738,467
Less Investment Expenses	(44,975)	(56,322)	(101,297)
Net Investment Income	4,302,920	4,334,250	8,637,170
Miscellaneous Income	254,817	215,297	470,114
Total Additions	7,228,772	7,121,689	14,350,461
Deductions			
Administration	26,987	48,238	75,225
Benefits and Refunds	3,933,840	3,538,561	7,472,401
Total Deductions	3,960,827	3,586,799	7,547,626
Change in Fiduciary Net Position	3,267,945	3,534,890	6,802,835
Net Position Restricted for Pensions			
Beginning	42,716,281	43,544,860	86,261,141
Ending	45,984,226	47,079,750	93,063,976

VILLAGE OF NORTHBROOK, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes of Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 1,803,482	1,803,482	1,965,874
Contributions - Plan Members	640,000	640,000	705,161
Total Contributions	2,443,482	2,443,482	2,671,035
Investment income			
Interest	2,000,000	2,000,000	947,920
Net Change in Fair Value	-	-	3,399,975
	2,000,000	2,000,000	4,347,895
Less Investment Expenses	(40,000)	(40,000)	(44,975)
Net Investment Income	1,960,000	1,960,000	4,302,920
Miscellaneous Income	2,000	2,000	254,817
Total Additions	4,405,482	4,405,482	7,228,772
Deductions			
Administration	33,000	33,000	26,987
Benefits and Refunds	3,848,610	3,848,610	3,933,840
Total Deductions	3,881,610	3,881,610	3,960,827
Change in Fiduciary Net Position	523,872	523,872	3,267,945
Net Position Restricted for Pensions			
Beginning			42,716,281
Ending			45,984,226

VILLAGE OF NORTHBROOK, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		
	Original	Final	Actual
Additions			
Contributions - Employer	$ 1,748,485	1,748,485	1,880,878
Contributions - Plan Members	647,725	647,725	691,264
Total Contributions	2,396,210	2,396,210	2,572,142
Investment income			
Interest	2,000,000	2,000,000	1,112,638
Net Change in Fair Value	-	-	3,277,934
	2,000,000	2,000,000	4,390,572
Less Investment Expenses	(50,000)	(50,000)	(56,322)
Net Investment Income	1,950,000	1,950,000	4,334,250
Miscellaneous Income	-	-	215,297
Total Additions	4,346,210	4,346,210	7,121,689
Deductions			
Administration	71,500	71,500	48,238
Benefits and Refunds	3,438,220	3,438,220	3,538,561
Total Deductions	3,509,720	3,509,720	3,586,799
Change in Fiduciary Net Position	836,490	836,490	3,534,890
Net Position Restricted for Pensions			
Beginning			43,544,860
Ending			47,079,750

VILLAGE OF NORTHBROOK, ILLINOIS

Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type
Last Two Fiscal Years
April 30, 2017 (Unaudited)

	Police Pension Fund		Firefighters' Pension Fund	
	4/30/2016	4/30/2017	4/30/2016	4/30/2017
Investment Rate of Return	-3.76%	10.07%	-5.84%	9.95%
Pension Expenses by Type				
Retirement Pensions	$ 3,242,112	3,310,581	2,471,210	2,636,239
Disability Pensions	111,612	157,473	620,723	629,833
Survivor's Pensions	383,612	465,786	272,489	272,489
Totals	3,737,336	3,933,840	3,364,422	3,538,561
Increase (Decrease) in Total Pension Expenses	$ 292,597	196,504	138,135	174,139
% Increase (Decrease) in Total Pension Expenses	8.49%	5.26%	4.28%	5.18%

Data Source: Village Records