

*In the opinion of Katten Muchin Rosenman LLP, Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Bonds will be excluded from gross income for Federal income tax purposes except as described under "TAX EXEMPTION" herein. Such interest is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from Illinois income taxes.*



**VILLAGE OF NORTHBROOK, ILLINOIS  
\$13,470,000 General Obligation Bonds, Series 2015B**

**Dated:** Date of Delivery

**Due:** December 1, as shown below

The \$13,470,000 General Obligation Bonds, Series 2015B (the "Series 2015B Bonds" or the "Bonds") of the Village of Northbrook, Illinois (the "Village") will be fully registered and will be in the denomination of \$5,000 or any integral multiple thereof. Principal of and semi-annual interest on the Bonds is payable by Amalgamated Bank of Chicago N.A., Chicago Illinois, as Bond Registrar and Paying Agent (the "Bond Registrar" and "Paying Agent"). Interest will be payable on June 1, 2016 and semiannually on each December 1 and June 1 thereafter. The Bonds will be in global book entry form, without coupons, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only. Purchasers will not receive certificates representing their interests in the Bonds unless the book-entry system is terminated. See "Book-Entry System" in Appendix B of this Official Statement.

The Series 2015B Bonds are subject to redemption prior to their maturity as described in this Official Statement.

The Bonds are general obligations of the Village of Northbrook. The full faith and credit of the Village are pledged to the payment of principal of and interest on the Bonds, and they will be payable from ad valorem taxes to be levied upon all taxable property in the Village, in addition to all other taxes, without limitation as to rate or amount.

**Maturities, Principal Amounts, Interest Rates and Yields**

INTEREST				INTEREST			
<u>DECEMBER 1</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>YIELD</u>	<u>DECEMBER 1</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>YIELD</u>
2022	\$775,000	3%	2.08%	2029	\$ 970,000	3%	3.08%
2023	800,000	4%	2.27%	2030	1,000,000	3½%	3.22%
2024	825,000	4%	2.47%	2031	1,035,000	3¼%	3.29%
2025	855,000	4%	2.60%	2032	1,065,000	3¼%	3.35%
2026	880,000	4%	2.75%*	2033	1,100,000	3¾%	3.40%
2027	910,000	3%	2.90%*	2034	1,140,000	3¾%	3.45%
2028	940,000	3%	3.00%	2035	1,175,000	3½%	3.50%

*The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. It is expected that the Bonds in definitive form will be available for delivery through the facilities of The Depository Trust Company on or about December 1, 2015.*

*The date of this Official Statement is November 10, 2015*

\* Priced at the stated yield to the December 1, 2025 call date.

No dealer, broker, salesman or other person has been authorized by the Village, the Village's Financial Advisor, or the Underwriter(s) to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the Village, the Village's Financial Advisor, the Underwriter(s), or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the Village is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the Village or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein, and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Village's beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or expected.

The Underwriter(s) has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter(s) does not guarantee the accuracy or completeness of such information.

**IN CONNECTION WITH THE OFFERING, THE UNDERWRITER(S) MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

## SUMMARY STATEMENT

The following presents summary information regarding the terms of the Bonds. The information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement and the authorizing documents relating to the Bonds. Summary information should be read together with those more detailed descriptions.

*The Series 2015B Bonds.* \$13,470,000 principal amount of General Obligation Bonds, Series 2015B.

*The Village.* The Village was incorporated in 1901. It is a “home rule unit” pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois.

*Form of Bonds.* Bonds will be issued in book-entry only form. The Bonds will be registered in the name of Cede & Co., as nominee of Depository Trust Company, New York, New York. Beneficial owners of the Bonds will not receive a certificate representing ownership interest.

*Delivery Date and Date of Bonds:* Expected to be December 1, 2015

*Interest on the Bonds.* The Bonds will pay interest semiannually on each June 1 and December 1, with the first interest payment date being June 1, 2016. Interest will be paid to DTC or its nominee as registered owner of the Bonds by Amalgamated Bank of Chicago, Bond Registrar and Paying Agent for the Bonds. Payments to participants of DTC and other nominees of beneficial owners of the Bonds will be made pursuant to DTC procedures.

*Record Date.* The 15th day of the calendar month next preceding an interest payment date.

*Optional Redemption Provisions.* The Series 2015B Bonds due on or after December 1, 2026, are subject to redemption prior to their maturity at a price of par on or after December 1, 2025.

*Security for the Bonds.* The Bonds are general obligations of the Village. The full faith and credit of the Village are pledged to the payment of the principal of and interest on the Bonds.

*Tax Levy.* The Ordinance authorizing the Bonds levies a tax upon all taxable property in the Village, in addition to all other taxes, in an amount sufficient to pay the principal of and interest on the Bonds. The Village may abate such tax to the extent that other funds are lawfully available to pay principal of and interest on the Bonds.

*Purposes.* The Series 2015B Bonds are being issued to finance certain capital improvements and infrastructure projects, described herein, and to pay the costs of issuance in connection with the issuance of the Series 2015B Bonds.

**VILLAGE OF NORTHBROOK**  
Cook County, Illinois  
1225 Cedar Lane  
Northbrook, Illinois 60062

**VILLAGE PRESIDENT**

Sandra E. Frum

**VILLAGE BOARD OF TRUSTEES**

James A. Karagianis  
A. C. Buehler, III  
Michael W. Scolaro

Todd A. Heller  
Kathryn L. Ciesla  
Robert P. Israel

**ADMINISTRATION**

Village Manager  
Village Clerk  
Deputy Village Manager/Chief Financial Officer  
Assistant Director of Finance  
Accounting Manager

Richard A. Nahrstadt  
Debra J. Ford  
Jeffrey L. Rowitz  
Elizabeth M. Garibaldi  
Iwona Petryszak

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Chicago, Illinois

Village Attorney  
Holland & Knight  
Chicago, Illinois

Financial Advisor  
William Blair & Company, LLC  
Chicago, Illinois



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APPENDIX B Book-Entry System

APPENDIX C Comprehensive Annual Financial Report, Fiscal Year 2015

Inside Back Cover - CUSIP Numbers

**OFFICIAL STATEMENT  
VILLAGE OF NORTHBROOK (ILLINOIS)  
\$13,470,000 GENERAL OBLIGATION BONDS, SERIES 2015B**

**INTRODUCTION**

This Official Statement is furnished by the Village of Northbrook, Illinois, in connection with the offering of \$13,470,000 aggregate principal amount of its General Obligation Bonds, Series 2015B.

The Bonds are issued pursuant to and in accordance with the authority granted to home rule units of local government by Article VII, Section 6 of the 1970 Constitution of the State of Illinois and ordinance of the Village adopted by the President and Board of Trustees of the Village on November 10, 2015 (the "Ordinance").

The Bonds are general obligations of the Village, secured by a pledge of its full faith and credit. Pursuant to the Ordinance, the Village has levied a direct annual tax, in addition to all other taxes, upon all taxable property in the Village sufficient to pay and discharge the principal of the Bonds at maturity and to pay interest on the Bonds as it comes due.

This Official Statement, which includes its cover page, Summary Statement and Appendices, provides information concerning the Village and the Bonds. All references to agreements and documents are qualified in their entirety by their definitive forms, and all references to the Bonds are further qualified by the information with respect to them contained in the Bond Ordinance. Any statements or information indicating matters of opinion or estimates are represented as opinions or estimates in good faith, but no assurance can be given that the facts will materialize as so opined or estimated. This Official Statement should be read in its entirety by any prospective purchaser of the Bonds.

**PURPOSE OF THE ISSUE**

The Bonds are being issued to finance water system improvements, sanitary sewer system improvements, storm water system improvements, street maintenance, public works facilities improvements, multiple fire station improvements, police station improvements, snow removal equipment replacement, tractor replacement, mobile video recording equipment; and to pay costs of issuance in connection with the issuance of the Bonds. See "The Projects," on page 3 of this Official Statement.

## SOURCES AND USES OF FUNDS

The proceeds of the Bonds will be applied as follows:

### Sources of Funds

Par Amount of Bonds	\$13,470,000.00
Net Premium	402,096.05
Total Sources	<u>\$13,872,096.05</u>

### Uses of Funds

Project Costs	\$13,632,955.05
Costs of Issuance (Including Underwriter's Discount)	239,141.00
Total Uses	<u>\$13,872,096.05</u>

## SECURITY FOR THE BONDS

The Bonds are general obligations of the Village. The full faith and credit of the Village are pledged to the payment of principal of and interest on the Bonds.

The Bonds, together with interest on them, will be payable from ad valorem taxes levied on all taxable property in the Village, in addition to all other taxes, without limitation as to rate or amount which levy and taxes are pledged to the punctual payment when due, of the principal of and interest on the Bonds. The Ordinance provides for the levy of a direct annual tax upon all of the taxable property within the Village in an amount that will be sufficient to pay principal of and interest on the Bonds when due. The Village expects that revenues from sources other than property taxes may be available to pay the Bonds, and will reserve the right to abate taxes to the extent such funds are available.

## DESCRIPTION OF THE BONDS

The Bonds will be issued in the principal amount of \$13,470,000. The Bonds will be dated and will bear interest from their delivery date, which is expected to be December 1, 2015. The Bonds will mature on the dates and will bear interest at the respective interest rates per annum shown on the front cover of this Official Statement. Interest on the Bonds is payable on June 1 and December 1 in each year, with the first interest payment date being June 1, 2016. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable by Amalgamated Bank of Chicago, Chicago, Illinois acting as Bond Registrar and Paying Agent for the Bonds.

The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, which has been appointed as Bond Registrar and Paying Agent for the Bonds. Interest on the Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the Village for such purpose at the principal corporate trust office of the Bond Registrar, as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date. Interest on the Bonds shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books or by wire transfer pursuant to an agreement by and between the Village and the registered owner.

## REDEMPTION PROVISIONS

*Optional Redemption:* The Bonds due on or after December 1, 2026 are subject to redemption prior to their maturity, at the option of the Village and from such maturities as the Village shall determine, at a price of par on or after December 1, 2025.

*Partial Redemption of Bonds.* In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

*Redemption Notice.* 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. If there shall be drawn for redemption less than all of a Bond, the Village shall execute and the bond registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of \$5,000 or any integral multiple thereof.

The Bond Registrar shall not be required to transfer or exchange any Bond after notice of the redemption of all or a portion thereof has been mailed. The Bond Registrar shall not be required to transfer or exchange any Bond during a period of 15 days next preceding the mailing of a notice of redemption that could designate for redemption all or a portion of such Bonds.

## THE PROJECTS

The proceeds of the Series 2015B Bonds will be used to finance \$13,632,955.05 in various capital improvement and equipment replacement expenditures, as follows:

Building Improvements	\$1,015,019.00
Capital Equipment Replacement	361,640.00
Water System Capital Improvements	6,353,025.00
Sanitary Sewer System Capital Improvements	901,840.00
Storm Water System Capital Improvements	3,039,500.00
Street Maintenance	1,865,000.00
Other	96,931.05
<b>Total Series 2015B Projects</b>	<b>\$13,632,955.05</b>

## THE VILLAGE OF NORTHBROOK

### GENERAL INFORMATION

The Village of Northbrook is located approximately 26 miles north of downtown Chicago at the border of Cook and Lake Counties. Northbrook 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 pleasure. 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. 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 43 municipalities 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.

**Elizabeth M. Garibaldi, Assistant Director of Finance.** Ms. Garibaldi was hired as the Assistant Director of Finance of Northbrook in 1994. Previously, she was a supervisor with the regional public accounting firm of Friedman, Eisenstein, Raemer & Schwartz. Ms. Garibaldi is a Certified Public Accountant.

**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 264 full time positions, and 8.3 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 4/30/2016), covering sworn police officers and dispatchers; Combined Counties Police Association (contract expires 4/30/2016) covering police sergeants; Local 1894 of the International Association of Professional Fire Fighters (contract expired 4/30/2015); and Local 150 of the International Union of Operating Engineers (contract expired 4/30/15), covering all Public Works employees. The Local 1894 of the International Association of Professional Fire Fighters and the Local 150 of the International Union of Operating Engineers contracts are both under negotiation with the Village as of the date of this Official Statement.

#### PENSION FUND OBLIGATIONS

The Village participates in three defined benefit pension plans, which cover substantially all employees. Retirement benefits are provided for employees who meet certain age and service requirements. Payments are generally correlated with the employee's length of service and earnings. Legal requirements of the plans (including contributions, vesting, benefit and fund deficit provisions) are governed by Illinois Compiled Statutes. The plans are funded by employee and employer contributions and interest earnings, with all administration costs borne by the Village. The Village's total payroll for all employees was \$28,209,413 for the fiscal year ended April 30, 2015, an increase of 4.4% over fiscal year 2014.

All employees, other than police officers, fire fighters and those working fewer than 1,000 hours per year, are covered by the Illinois Municipal Retirement Fund (the "IMRF"), which is a statewide multi-employer plan governed by a state board of trustees.

The IMRF determines the contribution rate for the Village to provide for full funding of prior service costs. Participating members contribute 4.50% of their salary; the Village's rate for calendar 2014 was 13.53%. The Village rate for 2015 is 12.41%. The unfunded balance of the future IMRF pension benefits (including the Northbrook Public Library and Regional Emergency Dispatch "RED" Center) at December 31, 2014 was \$12,308,704. The following tables summarize the funding status of the IMRF for the last eight years and employer contributions.

**IMRF  
Funding Progress**

Actuarial Valuation Dated Dec. 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2007	\$33,625,225	\$37,850,331	88.84%	\$4,225,106	\$13,251,399	31.88%
2008	28,975,981	39,615,937	73.14%	10,639,956	13,899,639	76.55%
2009	30,357,563	42,324,209	71.73%	11,966,646	14,364,213	83.31%
2010	28,284,609	41,333,468	68.43%	13,048,859	14,277,184	91.40%
2011	30,691,548	44,389,093	69.14%	13,697,545	14,213,247	96.37%
2012	31,795,961	45,408,913	70.02%	13,612,952	14,822,876	91.84%
2013	36,006,667	46,907,979	76.76%	10,901,312	15,020,765	72.57%
2014	37,339,289	49,647,993	75.21%	12,308,704	15,516,066	79.33%

Source: Village of Northbrook Comprehensive Annual Financial Reports

**IMRF Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$1,347,667	\$1,347,667	100.00%
2009	1,367,724	1,367,724	100.00%
2010	1,473,768	1,473,768	100.00%
2011	1,732,692	1,782,915	97.18%
2012	1,818,669	1,852,110	98.19%
2013	2,005,220	2,005,220	100.00%
2014	2,082,680	2,082,680	100.00%
2015	2,110,360	2,110,360	100.00%

Source: Village of Northbrook Comprehensive Annual Financial Reports

Current unfunded balances in the Police and Fire Pension Funds as of April 30, 2015 were \$25,139,175 (police) and \$20,461,442 (fire), or 64.58% and 69.87% funded, respectively. The following tables summarize the funding status of the Police and Firefighters' Pension Funds for the last eight years and employer contribution.



**Police Pension Fund**  
**Funding Progress**

Actuarial Valuation Dated April 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	\$38,322,368	\$45,147,284	84.88%	\$6,824,916	\$5,160,200	132.26%
2009*	N/A	N/A	N/A	N/A	N/A	N/A
2010	36,604,856	50,843,163	72.00%	14,238,307	5,608,148	253.89%
2011	38,864,186	54,144,315	71.78%	15,280,129	5,901,198	258.93%
2012	39,510,125	57,854,494	68.29%	18,344,369	6,165,086	297.60%
2013	41,261,603	60,721,093	68.0%	19,459,490	6,133,161	317.3%
2014	44,306,698	63,845,656	69.40%	19,538,958	6,187,656	315.77%
2015	45,840,986	70,980,161	64.58%	25,139,175	6,259,278	401.63%

\*The Village did not have a full actuarial valuation performed at 4/30/09  
Source: Village of Northbrook Comprehensive Annual Financial Reports

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$188,186	\$266,963	70.49%
2009	231,193	287,596	80.39%
2010	643,310	628,285	102.39%
2011*	1,055,379	1,179,355	89.49%
2012*	1,103,535	1,142,913	96.55%
2013*	1,256,351	1,272,552	98.73%
2014*	1,377,428	1,256,351	109.64%
2015*	1,349,585	1,385,236	97.43%

\*Calculated in these years in conformity with GASB requirements  
Source: Village of Northbrook Comprehensive Annual Financial Reports

**Firefighters' Pension Fund**  
**Funding Progress**

Actuarial Valuation Dated April 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	\$38,707,476	\$43,447,480	89.09%	\$4,740,004	\$5,430,306	87.29%
2009*	N/A	N/A	N/A	N/A	N/A	N/A
2010	37,599,988	48,507,323	77.51%	10,907,335	5,957,410	183.09%
2011	39,916,590	51,731,002	77.16%	11,814,412	6,124,287	192.91%
2012	40,214,988	54,866,359	73.30%	14,651,371	6,366,498	230.1%
2013	42,320,252	58,629,624	72.20%	16,309,372	6,217,586	262.3%
2014	45,660,246	61,387,861	74.38%	15,727,615	6,505,691	241.75%
2015	47,453,180	67,914,622	69.87%	20,461,442	6,514,303	314.10%

\*The Village did not have a full actuarial valuation performed at 4/30/09  
Source: Village of Northbrook Comprehensive Annual Financial Reports

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$499,513	\$530,457	94.17%
2009	514,134	545,510	94.25%
2010	788,819	802,799	98.26%
2011*	1,029,159	1,292,090	79.65%
2012*	1,046,064	1,262,624	82.85%
2013*	1,220,753	1,368,237	89.22%
2014*	1,319,964	1,220,753	108.13%
2015*	1,332,783	1,556,492	85.63%

\*Calculated in these years in conformity with GASB requirements  
Source: Village of Northbrook Comprehensive Annual Financial Reports

**VILLAGE FINANCES**

**BUDGET PROCESS**

The Village's budgetary operations are governed by the annual Village budget, formally approved by the Village Board of Trustees and administered by the Chief Financial Officer. The Village annually appropriates amounts needed to pay for the expenditures identified in the annual budget plus additional specifically identified contingent items. Unused appropriations lapse at year's end.

The Chief Financial Officer may, with the approval of the Village Manager, transfer funds within the approved annual budget upon submission of a proper request from the head of any Village department, board or commission and subject to the following conditions: 1) transfers may not be made between or among funds; 2) transfers may not be made between or among departments, boards or commissions; 3) transfers may be made only between or among accounts of a like kind or nature; 4) transfers shall not exceed the Village Manager's purchasing limit as established in the Northbrook

Municipal Code; 5) transfers to or from a particular account shall not exceed a reasonable number in each fiscal year, as determined by the Chief Financial Officer and the Village Manager; and 6) transfers may be made from one account to one or more other accounts only if, at the time of the transfer, sufficient uncommitted and unspent funds are in the account from which the funds are to be transferred. The budget may be amended at the Board's discretion by a vote of two-thirds of the Board of Trustees.

#### INDEPENDENT AUDIT

Since and including fiscal year 2000, audits have been performed by Lauterbach & Amen, LLP, Warrenville, Illinois. Lauterbach & Amen have neither reviewed nor approved this Official Statement.

The Village's financial statement of governmental funds is prepared on a modified accrual basis of accounting. The Government Finance Officers Association ("GFOA") has awarded Northbrook a Certificate of Achievement for Excellence in Financial Reporting in every year since fiscal year 1991. The Village's Comprehensive Annual Financial Report is presented in Appendix C.

#### FINANCIAL ACCOUNTING AND CONTROL PROCEDURES

Village expenditures are monitored on a regular basis by the Chief Financial Officer. The Village reports financial results based on generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounts of the Village are divided into separate self-balancing funds comprising its assets, liabilities, fund equity, revenues and expenditures, as appropriate.

Government resources are allocated to and accounted for in four Governmental Fund type groups (General, Debt Service, Capital Projects, and Non-Major Funds), five enterprise funds, (Water Fund, Storm Water Fund, Sanitary Sewer Fund, Parking Revenue, and Senior Housing Fund), one internal service fund (Self-Insurance), and two fiduciary fund type groups (Pension Trust and Agency). The General Fund is the general operating fund of the Village. During fiscal 2015, approximately 83% of the Village's governmental purpose revenues and 77% of the Village's governmental purpose expenditures were accounted for in the General Fund.

*Revenues.* The principal sources of Village revenue for all funds, fund groups, and accounts are: sales taxes; property taxes; licenses, permits and fees; intergovernmental revenue; and utility charges. The primary sources of General Fund revenues are sales tax, property tax, intergovernmental receipts and utility charges.

*Home Rule Sales Tax.* In September 2001, the Village adopted a "home rule sales tax" of ½ of 1% on retail sales in the Village, effective January 1, 2002. The tax applied to all sales within the Village except automobiles, food and medicine. This tax was increased effective January 1, 2007 to ¾ of 1%. This "home rule sales tax," along with the State established sales tax of 6 ¼%, and taxes imposed by Cook County and the Regional Transportation Authority, total 8 ¾% in the Village. In July 2015, the Cook County Board approved a 1% increase in the County's sales tax, effective on January 1, 2016, which will result in a total increase to 9 ¾% sales tax in the Village.

*Expenditures.* The principal Village expenditures for all funds and account groups are for public safety, water and sewer service, capital projects, public works and general administrative services. The Village's General Fund accounts for most of the basic services provided for by the Village.

The following table provides a comparative summary of the Village's General Fund balance sheet for the past five fiscal years. A summary of General Fund revenues and expenditures for the five most

recent fiscal years follows on the following page. The third table following is a summary of fund balances from all Governmental and Proprietary and Fiduciary Funds.

**VILLAGE OF NORTHBROOK**  
**COMPARATIVE GENERAL FUND BALANCE SHEET**  
**FISCAL YEARS ENDED APRIL 30**

						Δ
ASSETS	2011	2012	2013	2014	2015	2014-2015
Cash and investments	\$17,664,579	\$15,759,206	\$17,960,295	\$21,178,671	\$24,889,953	18%
Receivables						
Property Taxes	3,640,724	4,579,235	4,393,882	4,066,283	4,175,920	3%
Accrued interest	48,889	-	-	-	-	0%
Other taxes	3,042,489	3,579,353	3,170,496	3,014,204	3,315,252	10%
Other	550,484	485,829	765,290	732,901	752,147	3%
Inventory	26,153	37,684	42,325	42,446	-	-100%
Due from other governments	1,149,335	1,167,078	1,184,063	1,362,603	1,129,270	-17%
Due from other funds	526,891	1,374,141	479,374	559,333	521,979	-7%
<b>TOTAL ASSETS</b>	<b>\$26,649,544</b>	<b>\$26,982,526</b>	<b>\$27,995,725</b>	<b>\$30,956,441</b>	<b>\$34,784,521</b>	<b>12%</b>
<b>LIABILITIES</b>						
Accounts payable	\$1,011,988	\$910,860	\$582,179	\$860,437	\$1,499,041	74%
Accrued payroll	311,388	778,881	333,907	563,429	733,778	30%
Deferred revenues	7,777,945	8,261,064	8,286,340	8,301,177	8,308,036	0%
Deposits payable	135,347	170,234	251,992	342,198	307,405	-10%
Due to Other Governments	134,103	134,428	137,415	102,357	207,509	103%
Due to other funds	-	-	2,138	-	-	0%
<b>TOTAL LIABILITIES</b>	<b>\$9,370,771</b>	<b>\$10,255,467</b>	<b>\$9,593,971</b>	<b>\$10,169,598</b>	<b>\$11,055,769</b>	<b>9%</b>
<b>FUND BALANCE</b>						
Reserved for inventory	\$26,153	\$37,684	\$42,325	\$42,446	\$0	-100%
Reserved for special revenues	183,828	296,057	301,817	1,062,020	1,668,232	57%
Unreserved	17,068,792	16,393,318	18,057,612	19,682,377	22,060,520	12%
<b>TOTAL FUND BALANCE</b>	<b>\$17,278,773</b>	<b>\$16,727,059</b>	<b>\$18,401,754</b>	<b>\$20,786,843</b>	<b>\$23,728,752</b>	<b>14%</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$26,649,544</b>	<b>\$26,982,526</b>	<b>\$27,995,725</b>	<b>\$30,956,441</b>	<b>\$34,784,521</b>	<b>12%</b>

Source: Village of Northbrook Comprehensive Annual Financial Reports, 2011 – 2015.

**VILLAGE OF NORTHBROOK**  
**GENERAL FUND STATEMENT OF REVENUES AND CHANGES IN FUND BALANCE**  
**FISCAL YEARS ENDED APRIL 30**

	2011	2012	2013	2014	2015	Budget 2016
<b>REVENUES</b>						
Property Tax	\$7,836,484	\$7,165,982	\$7,685,720	\$7,595,622	\$7,714,519	\$7,820,750
Sales Tax	11,828,600	11,835,236	12,344,249	12,018,089	12,330,590	12,775,000
Other Tax	5,996,020	6,433,656	7,546,728	10,428,792	10,366,519	9,390,830
Licenses, Permits and Fees	4,042,149	4,381,210	5,009,552	4,836,627	5,890,656	6,098,000
Intergovernmental Revenue	7,040	309,134	21,689	97,924	-	-
Charges for Services	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747	5,810,160
Interest Earned	249,956	75,579	46,796	50,082	49,630	51,500
Miscellaneous & Other	283,051	319,461	331,269	555,405	274,795	757,850
<b>TOTAL REVENUES</b>	<b>\$36,106,924</b>	<b>\$36,076,628</b>	<b>\$38,360,549</b>	<b>\$41,765,416</b>	<b>\$42,381,456</b>	<b>\$42,704,090</b>
<b>EXPENDITURES</b>						
General Government	\$6,507,796	\$6,889,931	\$6,496,294	\$6,646,691	\$7,332,962	\$8,395,550
Police	12,525,657	13,110,279	13,354,953	13,848,359	14,142,528	14,213,030
Fire	10,014,868	10,229,313	10,839,400	11,100,282	12,261,352	11,671,035
Highway and Streets	7,086,643	6,898,819	6,420,207	7,795,144	7,927,706	10,133,010
<b>TOTAL EXPENDITURES</b>	<b>\$36,134,964</b>	<b>\$37,128,342</b>	<b>\$37,110,854</b>	<b>\$39,390,476</b>	<b>\$41,664,548</b>	<b>\$44,412,625</b>
Excess (Deficiency) before other Financing Sources (Uses)	(\$28,040)	(\$1,051,714)	\$1,249,695	\$2,374,940	\$716,908	(\$1,708,535)
<b>BEGINNING FUND BALANCE</b>	<b>\$17,971,813</b>	<b>\$17,278,773</b>	<b>\$16,727,059</b>	<b>\$18,401,754</b>	<b>\$20,786,843</b>	<b>\$23,728,752</b>
Transfers/Adjustments	(\$665,000)	\$500,000	\$425,000	\$10,149	\$2,225,001	\$1,702,505
<b>ENDING FUND BALANCE</b>	<b>\$17,278,773</b>	<b>\$16,727,059</b>	<b>\$18,401,754</b>	<b>\$20,786,843</b>	<b>\$23,728,752</b>	<b>\$23,722,722</b>

Source: Village of Northbrook Comprehensive Annual Financial Reports, 2011 – 2015; Annual Budget, FY 2016.

**VILLAGE OF NORTHBROOK**  
**Combined Statement – Fund Balances - All Governmental Funds**  
**Past Four Years - Years Ended April 30**

				Fiscal Year Ended April 30, 2015			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	Revenue	Expenditure	Balance	Cash & Investments
GOVERNMENTAL							
General Fund	\$16,727,059	\$18,401,754	\$20,786,843	\$42,381,456	\$41,664,548	\$23,728,752	\$24,889,953
Other Funds	390,338	338,545	313,697	3,398,886	3,398,297	(907,580)	571,407
Capital Projects	9,758,935	5,192,854	8,375,394	3,312,975	3,084,846	7,181,510	6,960,201
Debt Service	<u>17,151</u>	<u>73,448</u>	<u>16,784</u>	<u>2,409,318</u>	<u>4,518,787</u>	<u>107,211</u>	<u>1,381,911</u>
Total Governmental Fund Types	\$26,893,483	\$24,006,601	\$29,492,718	\$51,502,635	\$52,666,478	\$30,109,893	\$33,803,472
PROPRIETARY & FIDUCIARY							
Enterprise Funds <sup>(1)</sup>	\$34,281,368	\$46,194,633	\$45,592,859	\$10,676,571	\$11,160,828	\$44,877,715	\$10,056,016
Internal Service	3,948,732	3,905,390	4,005,132	7,719,312	7,297,311	4,746,845	3,088,856
Pension Trust Funds <sup>(2)</sup>	<u>19,725,113</u>	<u>83,581,856</u>	<u>89,966,943</u>	<u>10,090,541</u>	<u>6,763,325</u>	<u>93,924,159</u>	<u>5,455,823</u>
Total Proprietary & Fiduciary	\$117,955,213	\$133,681,879	\$139,564,934	\$28,486,424	\$25,221,464	\$143,548,719	\$18,600,695
TOTAL ALL FUNDS	\$144,848,696	\$157,688,480	\$169,057,652	\$79,989,059	\$77,887,942	\$173,658,612	\$52,404,167

Sources: Village of Northbrook Comprehensive Annual Financial Reports, 2012 – 2015

(1) Includes Water, Sanitary Sewer, Revenue Parking and Senior Housing Funds.

(2) Includes Police Pension Fund, Firefighter's Pension Fund. Pension includes extraordinary contributions.

**FISCAL YEAR 2015 PERFORMANCE**

The following discussion and analysis of the Village of Northbrook's FY15 financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2015.

**FINANCIAL HIGHLIGHTS**

- The Village's net position increased by 2.0% as a result of this year's operations. Net position of business-type activities decreased by about \$700,000, or 1.5%. Net position of governmental activities increased by \$3.1 million, or 3.8%.
- During the year, expenses were \$3.0 million less than the \$48.9 million generated in tax and other revenues for governmental programs.
- During the year, revenues for business-type activities were \$11.0 million while expenses were \$11.6 million, generating a decrease in net position before transfers of about \$600,000.

- The General Fund reported a surplus this year of \$2.9 million. Revenues were \$848,396 higher than anticipated. Most notably, building permit revenue was \$818,980 higher than projected as the Village continued to experience new business investment in our local economy. Expenditures were \$2.0 million less than the amended budget. This savings is mostly attributed to personnel costs from temporary vacancies and timing of capital expenditures.

#### 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 exceeded liabilities by \$129.7 million.

#### Net Position (in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets and Deferred Outflows	\$70.4	\$64.1	\$11.7	\$10.1	\$82.1	\$74.2
Capital Assets	95.8	95.1	52.2	51.0	148.0	146.1
Total Assets/Deferred Outflows	\$166.2	\$159.2	\$63.9	\$61.1	\$230.1	\$220.3
Long-Term Debt Outstanding	(\$60.4)	(\$59.2)	(\$17.0)	(\$13.5)	(\$77.4)	(\$72.7)
Other Liabilities/Deferred Inflows	(21.0)	(5.9)	(2.0)	(1.9)	(23.0)	(7.8)
Total Liabilities/Deferred Inflows	(\$81.4)	(\$65.1)	(\$19.0)	(\$15.4)	(\$100.4)	(\$80.5)
Net Assets						
Invested in Capital Assets Net of debt	\$54.0	\$54.8	\$36.2	\$36.9	\$90.2	\$91.7
Restricted	7.1	6.5	-	-	7.1	6.5
Unrestricted (Deficit)	23.7	20.4	8.7	8.7	32.4	29.1
Total Net Assets	\$84.8	\$81.7	\$44.9	\$45.6	\$129.7	\$127.3

Source: The Village of Northbrook Comprehensive Annual Financial Report, April 30, 2015

By far the largest portion of the Village's net position, which is 69.5%, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. 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 portion, or 5.5%, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 25.0%, or \$32.4 million, represents unrestricted net position and may be used to meet the Village's ongoing obligations to citizens and creditors.

Net position of business-type activities decreased 1.5% from the prior year (\$45.6 million compared to \$44.9 million). The Village generally can only use this net position to finance the continuing operations of the waterworks, sewerage, storm water, senior housing, and parking operations.

## Changes in Net Position (in millions)

	Changes in Net Assets (in Millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$9.4	\$9.0	\$10.7	\$10.2	\$20.1	\$19.2
Capital Grants/Contributions	-	-	0.3	-	0.3	-
Operating Grants/Contributions	1.1	1.0	-	0.1	1.1	1.1
General Revenues						
Property Taxes	13.2	12.7	-	-	13.2	12.7
Sales Taxes	14.5	14.2	-	-	14.5	14.2
State Income Taxes	3.4	3.2	-	-	3.4	3.2
Utility Taxes	1.1	1.2	-	-	1.1	1.2
Other Taxes	5.4	5.6	-	-	5.4	5.6
Other General Revenues	0.8	1.0	-	0.8	0.8	1.8
Total Revenues	\$48.9	\$47.9	\$11.0	\$11.1	\$59.9	\$59.0
Expenses						
General Government	\$5.1	\$4.2	-	-	\$5.1	\$4.2
Public Safety	29.8	27.9	-	-	29.8	27.9
Public Works	9.4	10.0	-	-	9.4	10.0
Interest on Long-Term Debt	1.6	2.1	-	-	1.6	2.1
Water	-	-	7.3	7.6	7.3	7.6
Sewer	-	-	1.5	1.8	1.5	1.8
Storm Water	-	-	1.7	1.7	1.7	1.7
Senior Housing	-	-	0.9	0.9	0.9	0.9
Parking Facilities	-	-	0.2	0.2	0.2	0.2
Total Expenses	\$45.9	\$44.2	\$11.6	\$12.2	\$57.5	\$56.4
Change in Net Assets Before Transfers	\$3.0	\$3.7	(\$0.6)	(\$1.1)	\$2.4	\$2.6
Transfers	0.1	(0.5)	(0.1)	0.5	-	-
Increase (Decrease) in Net Assets	\$3.1	\$3.2	(\$0.7)	(\$0.6)	\$2.4	\$2.6
Net Assets--Beginning	\$81.7	\$78.5	\$45.6	\$46.2	\$127.3	\$124.7
Net Assets--Ending	\$84.7	\$81.7	\$44.9	\$45.6	\$129.7	\$127.3

Source: The Village of Northbrook Comprehensive Annual Financial Report, April 30, 2015

### GOVERNMENTAL ACTIVITIES

Revenues for governmental activities (excluding special items) were \$48.9 million, while total expenses were \$45.9 million.

### BUSINESS-TYPE ACTIVITIES

Revenues from business type activities decreased by 0.9% (\$11.0 million compared to \$11.1 million) and expenses decreased by 4.9%.



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The discussion that follows is in the context of fiscal year 2015.

### **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, unreserved 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 \$30.1 million, which is 6.5% higher than last year's total of \$28.3 million.

The General Fund experienced an increase of \$2.9 million which was significantly better than the original budget anticipated. Revenues were \$848,396 higher than expected. Most notably, building permit revenue was \$818,980 higher than projected as the Village continued to experience new business investment in our local economy. Sales taxes were on target, coming in \$30,000 (0.25%) over budget. Expenditures were \$2.0 million less than the amended budget. Expenditures were \$2.0 million less than the amended budget. This savings is mostly attributed to personnel costs from temporary vacancies and timing of capital expenditures.

The Infrastructure Fund reported an increase in fund balance of approximately \$228,000 due to timing of capital expenditures.

### **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 \$186,318.

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 \$229,818 for the year, which includes depreciation and amortization expense of \$232,444.

The Stormwater Utility Fund is used to account for the maintenance and construction of the Village's storm water management system. All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service. This fund experienced a deficit of \$398,015 for the year due primarily to the use of prior year bond proceeds for planned capital expenditures.

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 deficit of \$47,710 for the current year.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Village Board revised the budget several times. The Board made minor budgetary changes mainly to increase contributions to community organizations and to accommodate additional salt purchases that were not anticipated at the time the budget was adopted.

Even with these adjustments, actual expenditures were \$2.0 million below the final budget amounts. This savings is mostly attributed to personnel costs from temporary vacancies and timing of capital expenditures.

Revenues were better than projected, ending the year \$848,396 above budget as the Village continued to see evidence of sustained investment in our local economy.

### **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, 2015 was \$148.1 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.

The fiscal year 2016 capital budget includes projects totaling \$15.75 million. This total includes \$5.1 million for water system improvements, \$3.0 million for street improvements, \$4.2 million for storm water improvements, and \$3.0 million for other general fund projects.

	<b>Capital Assets - Net of Depreciation (in Millions)</b>					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$32.0	\$31.9	\$3.1	\$3.1	\$35.1	\$35.0
Buildings	10.0	10.4	9.3	9.6	19.3	20.0
Equipment & Vehicles	2.9	2.6	4.0	4.2	6.9	6.8
Infrastructure	50.9	50.2	35.8	34.0	86.7	84.2
<b>Total</b>	<b>\$95.8</b>	<b>\$95.1</b>	<b>\$52.2</b>	<b>\$50.9</b>	<b>\$148.0</b>	<b>\$146.0</b>

Source: The Village of Northbrook Comprehensive Annual Financial Report, April 30, 2015

## DEBT ADMINISTRATION

At the end of fiscal year 2015, the Village had total outstanding bonded debt of \$75.6 million as compared to \$73.6 million the previous year. The following is a comparative statement of outstanding debt:

<b>General Obligation Bonds (in Millions)</b>						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$58.6	\$59.3	\$17.0	\$14.3	\$75.6	\$73.6

Source: The Village of Northbrook Comprehensive Annual Financial Report, April 30, 2015

## ECONOMIC FACTORS AND FY16 BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal year 2016 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. The fiscal year 2016 budget projected total General Fund expenses for FY 2015/16 of \$44.1 million, with total operating expenses of \$39.8 million. Current projections for total General Fund expenditures is 1.9% lower, and total operating expenditures are within 0.13% of projections at this time last year. The approved budget estimates a \$216,505 surplus for FY 2015/16 and reserves of \$3.8 million above the policy of 40% of unrestricted revenues at April 30, 2016.

FY 2015/16 General Fund revenues are projected to be \$400,570 more than FY 2014/15 budget. The sales tax projections only include anticipated revenue from new retail already under construction, and modest growth from the existing tax base.

Planned expenditures in the General Fund will be \$1.3 million more than the FY 2014/15 estimated actual. The majority of this increase is attributed to the timing of capital improvements planned to be completed in FY2015/16.

## CAPITAL IMPROVEMENT PLAN (CIP)

The Village Board utilizes a five-year timeline to consider capital projects and has instituted a minimum capital threshold of \$50,000. Any capital purchases, with the exception of those in the Village's fleet replacement program, that do not meet or exceed this threshold are not included in the CIP.

The purpose of the CIP is to provide a tool that: 1) identifies the present and future service needs that require capital infrastructure or equipment; 2) determines the financial costs of acquiring and maintaining capital assets as well as any non-financial costs (e.g. environmental) on the community; 3) prioritizes capital projects based on Board policies and initiatives, public input, legal requirements, budget impacts, etc.; and 4) develops financing strategies to fund projects of greater cost including alternative funding mechanisms such as grants and bond issuances.

The following table sets forth the Village's anticipated capital improvements, their costs and sources of funding over the next five fiscal years.

**Five Year Capital Improvement Plan Detail  
Fiscal 2015-2020 Summary by Fund Source**

<b>Funding Source</b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>FY 2019-20</u></b>	<b><u>Total</u></b>
Infrastructure Capital Proj Fund	\$3,016,825	\$2,903,154	\$2,252,629	\$2,465,625	\$1,615,720	\$12,253,953
Water Fund	5,085,620	3,749,520	5,255,070	1,399,340	1,180,660	\$16,670,210
Sanitary Sewer Fund	388,440	344,418	525,694	325,917	335,695	\$1,920,164
General Fund	3,020,570	3,376,760	1,803,358	2,946,621	1,537,915	\$12,685,224
Storm Water Fund	4,243,505	13,077,800	901,205	1,399,230	581,700	\$20,203,440
<b>Total Capital Expenses</b>	<b>\$15,754,960</b>	<b>\$23,451,652</b>	<b>\$10,737,956</b>	<b>\$8,536,733</b>	<b>\$5,251,690</b>	<b>\$63,732,991</b>

**Planned Financing**

<b>Funding Source</b>	<b><u>FY 2015-16</u></b>	<b><u>FY 2016-17</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>FY 2019-20</u></b>	<b><u>Total</u></b>
Bond Proceeds	\$10,872,405	\$18,803,268	\$6,642,634	\$5,659,696	\$2,655,590	\$44,633,593
Designated Revenues	2,814,700	3,329,389	2,655,994	1,880,555	1,936,790	\$12,617,428
Undesignated Revenues	2,067,855	1,318,995	1,439,328	996,482	659,310	\$6,481,970
<b>Total Proceeds</b>	<b>\$15,754,960</b>	<b>\$23,451,652</b>	<b>\$10,737,956</b>	<b>\$8,536,733</b>	<b>\$5,251,690</b>	<b>\$63,732,991</b>

Source: The Village of Northbrook Capital Improvement Plan (2015-2020)

**INDEBTEDNESS**

As a home rule unit, the Village may issue an unlimited dollar amount of general obligation debt. The outstanding portion of all general obligation bonds prior to issuance of the Series 2015B Bonds totals \$84,520,000 in principal amount, including the public library debt component. The Village has always paid principal and interest on a timely basis on all of its general obligation and revenue bonds.

Of the principal amount of the Village's direct outstanding general obligation debt, approximately \$10.6 million is payable from the Village water fund, \$2.6 million from the Sanitary Sewer Fund, and \$2.6 million from the Storm Water Fund. Approximately \$2.2 million is supported by the Village's annual property tax levy but is payable by the Northbrook Public Library. Set forth in the following three tables are: the outstanding and current debt service from prior bonds and projections for the Series 2015B Bonds, the current direct and overlapping general obligation debt, and the Village's debt per capita and debt ratios.

**Village of Northbrook**  
*General Obligation Bonds Outstanding*

Aggregate - All Bonds Outstanding				New Issue Series 2015B			Total General Obligation Debt Outstanding			
Bond Year Ended	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Cumulative Principal Retired
12/01/15	\$5,135,000	\$2,824,364	\$7,959,364	\$0	\$0	\$0	\$5,135,000	\$2,824,364	\$7,959,364	
12/01/16	5,190,000	2,701,270	7,891,270	-	458,475	458,475	5,190,000	3,159,745	8,349,745	
12/01/17	5,230,000	2,569,018	7,799,018	-	458,475	458,475	5,230,000	3,027,493	8,257,493	
12/01/18	5,195,000	2,426,558	7,621,558	-	458,475	458,475	5,195,000	2,885,033	8,080,033	
12/01/19	5,325,000	2,296,808	7,621,808	-	458,475	458,475	5,325,000	2,755,283	8,080,283	26.6%
12/01/20	5,480,000	2,139,733	7,619,733	-	458,475	458,475	5,480,000	2,598,208	8,078,208	
12/01/21	5,655,000	1,968,970	7,623,970	-	458,475	458,475	5,655,000	2,427,445	8,082,445	
12/01/22	3,535,000	1,805,420	5,340,420	775,000	458,475	1,233,475	4,310,000	2,263,895	6,573,895	
12/01/23	3,685,000	1,658,880	5,343,880	800,000	435,225	1,235,225	4,485,000	2,094,105	6,579,105	
12/01/24	4,495,000	1,504,891	5,999,891	825,000	403,225	1,228,225	5,320,000	1,908,116	7,228,116	52.4%
12/01/25	4,700,000	1,324,915	6,024,915	855,000	370,225	1,225,225	5,555,000	1,695,140	7,250,140	
12/01/26	4,865,000	1,157,323	6,022,323	880,000	336,025	1,216,025	5,745,000	1,493,348	7,238,348	
12/01/27	5,070,000	980,768	6,050,768	910,000	300,825	1,210,825	5,980,000	1,281,593	7,261,593	
12/01/28	4,170,000	818,645	4,988,645	940,000	273,525	1,213,525	5,110,000	1,092,170	6,202,170	
12/01/29	2,520,000	678,415	3,198,415	970,000	245,325	1,215,525	3,490,000	923,740	4,413,740	78.8%
12/01/30	2,335,000	585,100	2,920,100	1,000,000	216,225	1,216,225	3,335,000	801,325	4,136,325	
12/01/31	2,430,000	496,585	2,926,585	1,035,000	184,975	1,219,975	3,465,000	681,560	4,146,560	
12/01/32	2,540,000	399,298	2,939,298	1,065,000	151,338	1,216,338	3,605,000	550,635	4,155,635	
12/01/33	2,335,000	296,220	2,631,220	1,100,000	116,725	1,216,725	3,435,000	412,945	3,847,945	
12/01/34	2,430,000	199,920	2,629,920	1,140,000	79,600	1,219,600	3,570,000	279,520	3,849,520	96.6%
12/01/35	1,075,000	99,000	1,174,000	1,175,000	41,125	1,216,125	2,250,000	140,125	2,390,125	
12/01/36	1,125,000	50,625	1,175,625	-	-	-	1,125,000	50,625	1,175,625	100%
Total	\$84,520,000	\$28,982,726	\$113,502,726	\$13,470,000	\$6,363,688	\$19,833,688	\$97,990,000	\$35,346,411	\$133,336,411	

**Village of Northbrook**  
**Direct and Overlapping General Obligation Debt**  
**(As of July 15, 2015)**

	Outstanding Bonds		Applicable to Village Percent	Amount
<u>DIRECT DEBT (as of this issue)</u>				
Bonds Outstanding	\$84,520,000		100.000%	\$84,520,000
This Issue	13,470,000		100.000%	13,470,000
Total Direct Debt				\$97,990,000
<u>OVERLAPPING DEBT (as of July 15, 2015)</u>				
Cook County	3,466,976,750		1.707%	\$59,181,293
Cook County Forest Preserve	118,610,000 (3)		1.707%	2,024,673
Metropolitan Water Reclamation District	2,708,109,695 (1)		1.741%	47,148,190
Northbrook Park District	5,160,000		93.402%	4,819,543
School Districts:				
Elementary Districts:				
#21	44,265,000		1.386%	613,513
#29	599,500 (2)		14.871%	89,152
#31	345,500		11.268%	51,553
High School Districts:				
#203	101,480,000 (3)		1.332%	1,351,714
#214	42,800,000 (4)		0.293%	125,404
#225	78,862,746 (2)		46.256%	36,395,491
Community Colleges:				
Community College 512	170,935,000		0.132%	225,634
Community College 535	35,370,000 (4)		11.268%	3,985,492
Total Overlapping Bonded Debt				\$156,011,652
Total Direct and Overlapping Bonded Debt				\$254,001,652

Sources: Offices of the Cook County Clerk, Comptroller, and Treasurer of the Metropolitan Water Reclamation District of Chicago.

(1) Includes IEPA Revolving Loan Fund Bonds.

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

(4) Excludes Debt Certificates.

**Village of Northbrook  
Debt Ratios and Per Capita Debt**

Population (2010 Census)	33,170
Estimated True Value of Property 2014	\$6,552,143,802
Equalized Assessed Value of Property 2014	\$2,184,047,934
True Value Per Capita	\$197,532
Equalized Assessed Value Per Capita	\$65,844
Direct Debt Per Capita	\$2,954
Direct and Overlapping Debt Per Capita	\$7,658
Direct Debt/True Value	1.49%
Direct and Overlapping Debt/True Value	3.87%
Direct Debt/Equalized Assessed Value	4.48%
Direct and Overlapping Debt/Equalized Assessed Value	11.62%

**ASSESSED VALUATION OF REAL PROPERTY**

Between tax levy years 1999 and 2014, the Village's EAV grew over 48%, rising from \$1,472,939,867 in 1999 to \$2,184,047,934 in 2014. In 2014, the Village's EAV was down 30.2% from its peak in 2009.

**Equalized Assessed Valuations by Classification of Property**

Type	2010	2011	2012	2013	2014
Residential	\$1,888,236,408	\$1,716,072,032	\$1,592,730,144	\$1,395,727,711	\$1,426,205,616
Commercial	643,440,675	564,327,892	526,759,510	483,582,152	578,433,197
Industrial	353,825,268	311,415,316	291,406,647	265,514,616	178,797,415
Farm	1,992	1,992	1,992	1,922	1,922
Railroad	393,474	418,157	473,145	584,690	609,714
Total EAV	\$2,885,897,817	\$2,592,235,389	\$2,411,371,438	\$2,145,411,161	\$2,184,047,934

Source: Cook County Clerk's Office. 2014

The following table presents typical tax rates over the past five tax levy years of governmental units with taxing authority over the major portion of the Village.

**Village of Northbrook**  
**Tax Rates per \$100 Equalized Assessed Valuation**

(Levy Years)

<b>Taxing Authorities within the Village</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Village of Northbrook Corporate Rate (Including Village Library Fund).....	\$0.572	\$0.727	\$0.824	\$0.968	\$0.962
Cook County .....	0.423	0.462	0.531	0.560	0.568
Cook County Forest Preserve .....	0.051	0.058	0.063	0.069	0.069
Consolidated Elections .....	--	0.025	--	0.031	--
Northfield Township.....	0.011	0.020	0.024	0.031	0.032
Northfield Township Road and Bridge .....	0.036	0.041	0.046	0.053	0.054
Northfield Township General Assistance .....	0.011	0.008	0.009	0.008	0.007
Met. Water Reclamation Dist. of Chicago .....	0.274	0.320	0.370	0.417	0.430
North Shore Mosquito Abatement .....	0.009	0.010	0.010	0.007	0.011
North Suburban Mass Transit District .....	--	--	--	--	--
Northbrook Park District .....	0.375	0.424	0.471	0.536	0.537
School District Number 28 .....	2.072	2.339	2.604	2.962	3.009
Northfield Twp. High School District Number 225 .....	1.609	1.819	2.028	2.341	2.367
Oakton Community College District #535 .....	0.160	0.196	0.219	0.256	0.258
<b>Total Representative Tax .....</b>	<b>\$5.605</b>	<b>\$6.449</b>	<b>\$7.199</b>	<b>\$8.239</b>	<b>\$8.304</b>
 Village Share of Total Levy .....	 10.21%	 11.27%	 11.45%	 11.75%	 11.58%

Source: Cook County Clerk's Office.

Note: Tax rates are expressed in dollars per one hundred dollars of equalized assessed valuation.

### 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.

### TAX BASE

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 the United Parcel Service.



Major corporate entities adjacent to Northbrook include the corporate headquarters for Allstate Insurance Company, Kraft Foods, and Baxter Laboratories, as well as the North American headquarters for Takeda Pharmaceutical Company and Astellas Pharma.

#### PRINCIPAL TAXPAYERS

##### Principal Taxpayers in Northbrook

Name	Type of Business or Property	2014 EAV	Percent of Village's Total 2014 EAV
Westcoast Estates	Northbrook Court Shopping Center	\$109,747,965	5.02%
Jones Lang LaSalle	Commercial office buildings	43,529,375	1.99%
Willow Festival Regency	Shopping Center, Commercial parcels	24,218,749	1.11%
Underwriters Laboratory, Inc.	Equipment testing	20,950,719	0.96%
Korman Lederer	Commercial and industrial property	14,904,894	0.68%
400 Skokie Blvd, LLC	Commercial office buildings	13,318,236	0.61%
Lake Cook Road & Mid America	Portion of Village Square Shopping Cntr	13,235,899	0.61%
Village Square of Northbrook	Portion of Village Square Shopping Cntr	12,623,017	0.58%
Euromarket Designs	Office building, Shopping Center, Vacant	11,918,963	0.55%
Div Edens Property LLC	Commercial office buildings over 3 Stories	11,275,768	0.52%
		<b>\$275,723,585</b>	<b>12.62%</b>

Source: Cook County Clerk and Northfield Township Assessor's Offices.

Note: Includes only those parcels of property with a 2014 equalized assessed valuation of approximately \$100,000 and over.

#### TAX COLLECTIONS

The following table illustrates the Village's strong record of property tax collections.

##### Schedule of Taxes Extended and Collected

Tax Levy Year	Collection Year	Taxes Extended	Taxes Collected	Percent Collected
2005	2006	\$8,759,212	\$8,470,627	96.71%
2006	2007	9,242,716	9,100,257	98.46%
2007	2008	10,152,848	10,006,443	98.56%
2008	2009	9,291,513	8,877,016	95.54%
2009	2010	9,837,183	9,572,390	97.31%
2010	2011	10,224,675	9,585,463	93.75%
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	7,037,678	53.26%*

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

Source: Cook County Treasurer as of 4/30/2015.

\* Collections still in progress.

#### RETAIL TRADE

The variety of retail activity encompassed by the Village's commercial sector is highlighted in the table below. With the 2007 adoption of the  $\frac{3}{4}$  of 1% Village sales tax, tax rates in Northbrook have become comparable to sales tax rates in neighboring communities. The following chart shows state sales tax receipts by month as budgeted and for the past three fiscal years.

**Village of Northbrook**  
**Comparative Sales Tax Collections**  
**Fiscal Year 2015/16**  
**GAAP Basis**

Liability	Collection	Disbursement						Budgeted
<u>Month</u>	<u>Month</u>	<u>Month</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Amount</u>
Feb	Mar	May	\$993,014	\$1,012,201	\$928,186	\$994,219	-	\$1,061,555
Mar	Apr	Jun	1,179,767	1,179,072	1,129,720	1,167,090	-	1,237,435
Apr	May	July	1,082,343	1,122,109	1,097,293	1,113,585	\$1,102,803	1,133,000
May	Jun	Aug	1,193,929	1,204,629	1,266,803	1,232,939	1,253,620	1,254,435
Jun	Jul	Sep	1,258,768	1,333,790	1,251,288	1,294,922	1,329,821	1,317,500
Jul	Aug	Oct	1,022,824	1,059,683	1,120,681	1,133,312	-	1,153,070
Aug	Sep	Nov	1,147,063	1,189,263	1,193,600	1,227,244	-	1,248,640
Sep	Oct	Dec	1,183,982	1,304,942	1,203,212	1,267,160	-	1,289,250
Oct	Nov	Jan	1,081,807	1,178,118	1,159,309	1,203,408	-	1,264,390
Nov	Dec	Feb	1,183,531	1,307,382	1,203,020	1,258,529	-	1,330,470
Dec	Jan	Mar	1,702,654	1,707,000	1,655,408	1,604,207	-	1,682,675
Jan	Feb	Apr	975,448	1,019,737	976,328	1,033,535	-	1,101,555
			\$14,005,130	\$14,617,926	\$14,184,847	\$14,530,151	\$3,686,244	\$15,073,975

2015/16 Budgeted Sales Tax Revenue	\$15,073,975
Percent Collected	24.45%
2015/16 Projection Based Upon Recent Trends	\$14,997,929
Over (Under) Budget	(\$76,046)
Percentage Over (Under) Budget	(0.50) %

Source: The Village of Northbrook.

#### VILLAGE INFRASTRUCTURE AND SERVICES

The Village has been supplied with Lake Michigan water for over 50 years with service since 1963 provided by a Village-owned Lake Michigan water intake (and a second intake built in 1993), a three-mile transmission main and a second transmission main constructed in 1993, a 20 million gallon per day (MGD) capacity treatment plant and 162 miles of distribution mains. Average daily pumping is approximately 5.25 million gallons. The Village has an I.S.O. rating of "2". Sewage collection is a Village responsibility with treatment provided by the Metropolitan Water Reclamation District of Greater Chicago.

Expressways surround the Village on three sides. In addition, commuter rail service to downtown Chicago is provided by the Regional Transportation Authority over tracks of the Milwaukee Railroad. The Public Safety Building was constructed in 1973-74 at a cost of approximately \$1.7 million. In 1997, a \$3 million renovation and expansion to the Public Safety Building was undertaken. In 1979, the Village purchased the 56,000 square foot Northbrook Racquet Club for \$1.25 million and expended \$500,000 to remodel the structure to serve as the Public Works Center. In 2008, the Village spent \$1.3 million to remodel and update this facility and to provide additional and more functional office space.

The Northbrook Public Library, constructed in 1967-68 at a cost of approximately \$1,050,000 (a \$1.1 million addition was constructed in 1973-74), has a 200-seat auditorium and a 150,000-volume collection, which are supplemented by over 15 million volumes through membership in the North Suburban Library System. In December 1997, the Village borrowed \$9.7 million to renovate and expand the Library. In July 2013, the Village borrowed an additional \$6.5 million to remodel and expand the Library.

## SCHOOLS

The Village is served by six elementary school districts. Northfield Township High School District No. 225 has two high schools. One serves primarily Northbrook students (Glenbrook North) and the other serves primarily Glenview students. Glenbrook North (2014-15 enrollment of 2,038) is situated upon a 72 acre campus and features a 1,500 seat Center for the Performing Arts, one main and four instructional gymnasiums, technology and wireless equipped classrooms, and a lighted football field. In 2012, 98% of all graduating students matriculated to institutions of higher learning.

## WEALTH

The following tables show Illinois' ten wealthiest communities with a population of 25,000 or more as of the 2009-13 American Community Survey Estimate. The Village ranked second in median household income (note that median household income figures are estimated as of 2009 – 2013).

Rank	Municipality	Population				Median Household Income <sup>1</sup>		Below Poverty	Unemployment <sup>2</sup>
		2013	2010	2000	Change from 2000 to 2013	Amount	% of U.S. Median		
1	Wilmette	27,268	27,087	27,651	-1.39%	\$129,551	244.22%	3.00%	3.90%
2	<b>Northbrook</b>	<b>33,283</b>	<b>33,170</b>	<b>33,435</b>	<b>-0.45%</b>	<b>112,943</b>	<b>212.92%</b>	<b>4.10%</b>	<b>4.30%</b>
3	Highland Park	29,864	29,763	31,365	-4.79%	111,271	209.76%	7.50%	3.60%
4	Plainfield	39,952	39,581	13,038	206.43%	108,928	205.35%	4.30%	5.30%
5	Naperville	143,223	141,853	128,358	11.58%	108,302	204.17%	4.10%	4.50%
6	Algonquin	30,078	30,046	23,276	29.22%	103,442	195.00%	3.60%	4.60%
7	Oswego	31,036	30,355	13,326	132.90%	95,032	179.15%	4.40%	4.60%
8	Elmhurst	44,745	44,121	42,762	4.64%	94,956	179.01%	3.50%	4.20%
9	Buffalo Grove	41,663	41,496	42,909	-2.90%	94,391	177.94%	4.60%	4.20%
10	Bartlett	41,297	41,208	36,706	12.51%	93,250	175.79%	5.00%	4.50%
	State of IL	12,880,580		12,830,632		56,797		14.10%	5.60%
	United States	318,857,056		308,745,538		53,046		15.40%	5.20%

<sup>1</sup> 2013 economic data consists of 5-year estimates, 2009 – 2013, provided by American Community Survey Source: U.S. Bureau of the Census.

<sup>2</sup> Unemployment data is as of August 2015. Source: Illinois Department of Employment Security

According to the U.S. Bureau of the Census, per capita money income of Northbrook residents rose 13.5% between 2000 and the 2010 Census from \$50,765 to \$57,619.

**Northeastern Illinois  
Per Capita Income**

	1980 Census	1990 Census	2000 Census	2010 Census
Northbrook	\$15,412	\$38,100	\$50,765	\$57,619
% Change	177.0%	147.2%	33.2%	13.5%
Cook County	\$8,229	\$15,697	\$23,227	\$27,782
% Change	117.0%	90.8%	48.0%	19.6%
Lake County	\$16,929	\$21,765	\$32,102	\$38,120
% Change	28.7%	28.6%	47.5%	18.7%
McHenry County	\$8,641	\$17,271	\$26,476	\$31,838
% Change	139.7%	99.9%	53.3%	20.3%
Illinois	\$8,064	\$15,201	\$23,104	\$28,782
% Change	130.1%	88.5%	52.0%	24.6%
United States	\$7,298	\$14,420	\$21,690	\$27,334
% Change	134.0%	97.6%	50.4%	26.0%

Source: U.S. Bureau of the Census.

The following table shows the distribution of household income in the Village by income bracket. The table shows that a significant percentage of the Village's population has a higher income than the population in either Cook County or Illinois.

**Northbrook, Cook County, and Illinois  
Distribution of Household Income**

	<i>Northbrook</i>		<i>Cook County</i>		<i>Illinois</i>	
\$0 - 9,999	421	3.4%	164,182	8.5%	337,875	7.1%
10,000 - 14,999	223	1.8%	94,737	4.9%	219,468	4.6%
15,000 - 24,999	707	5.8%	202,394	10.5%	484,449	10.2%
25,000 - 34,999	687	5.6%	188,026	9.7%	462,771	9.7%
35,000 - 49,999	868	7.1%	246,880	12.8%	618,005	12.9%
50,000 - 74,999	1,425	11.6%	332,109	17.2%	856,630	17.9%
75,000 - 99,999	1,135	9.2%	232,994	12.1%	615,943	12.9%
100,00 - 149,999	2,323	18.9%	253,214	13.1%	667,146	14.0%
150,000 - 199,999	1,641	13.4%	103,691	5.4%	255,728	5.4%
200,000 or More	2,844	23.2%	115,108	6.0%	254,708	5.3%
<b>Total</b>	<b>12,274</b>	<b>-</b>	<b>1,933,335</b>	<b>-</b>	<b>4,772,723</b>	<b>-</b>

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2009-2013

## HOUSING

The 2009-13 American Community Survey estimates revealed that the Village's housing stock continues to be predominantly single family, owner occupied with 88.6% of the units so categorized. Cook County reported 58.3% single-family housing units and the State 67.5%. The Village's 2009 – 2013 estimated Median Home Value of \$511,600 was 180.6% greater than the Statewide Median of \$182,300. The following table compares the Median Home Value by the value groupings in the 2009 - 2013 Census estimates of the Village of Northbrook, Cook County and the total State.

**Northbrook, Cook County, and Illinois  
Median Home Values**

	<i>Northbrook</i>		<i>Cook County</i>		<i>Illinois</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Less \$50,000	180	1.7%	42,873	3.8%	235,268	7.3%
\$50,000 to \$99,999	149	1.4%	88,787	7.9%	493,044	15.3%
\$100,000 to \$149,999	296	2.7%	141,643	12.6%	504,066	15.7%
\$150,000 to \$199,999	408	3.8%	191,498	17.0%	538,003	16.7%
\$200,000 to \$299,999	1,168	10.7%	289,740	25.7%	692,499	21.5%
\$300,000 to \$499,999	3,053	28.1%	243,231	21.6%	513,968	16.0%
\$500,000 to \$999,999	4,994	45.9%	103,942	9.2%	196,905	6.1%
\$1,000,000 or more	623	5.7%	26,223	2.3%	46,285	1.4%
<b>Total</b>	<b>10,871</b>	<b>-</b>	<b>1,127,937</b>	<b>-</b>	<b>3,220,038</b>	<b>-</b>

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2009-2013

**BUILDING ACTIVITY**

Reflecting population increases and continued industrial and commercial development over the past decade, the Village has experienced substantial and relatively constant building activity. The average construction value of a residential building permit rose from \$167,787 in 2012 to \$299,475 in 2014, an increase of 78%.

**Village of Northbrook  
Construction and Property Value Last Ten Fiscal Years**

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Property Value	Number of Units	Property Value
2005	101	\$22,276,484	318	\$74,478,122
2006	152	38,572,296	322	76,517,576
2007	155	73,764,434	220	61,836,451
2008	148	66,239,160	325	68,570,349
2009	114	33,398,198	214	27,919,365
2010	101	19,529,700	149	20,867,515
2011	92	31,229,275	129	22,721,872
2012	141	40,699,670	114	19,127,670
2013	97	14,040,942	161	58,508,801
2014	101	24,444,648	166	49,712,921
2015	134	49,429,250	197	103,715,966

Source: Based on building permits issued by Village's Development Department. Property values are estimated construction costs.

As detailed in the following two tables, the diversity of Northbrook's economic base has fostered a wide variety of employers and employment opportunities within the Village and adjacent areas.

## UNEMPLOYMENT RATE

### Unemployment Statistics Calendar Years 2012-2014; and August 2015

	August 2015	2014	2013	2012
Village of Northbrook	4.3%	5.1%	6.5%	6.2%
Cook County	6.0%	7.4%	9.6%	9.3%
State of Illinois	5.6%	7.1%	9.2%	8.9%

Source: Illinois Department of Employee Security; U.S. Bureau of Labor Statistics. August 2015 rates not seasonally adjusted.

## MAJOR EMPLOYERS

### Regional Employment

Name	Product/Service	Estimated Employment
Allstate Insurance Company	Insurance	8,750 <sup>(2)</sup>
Kraft Heinz Company*†	Corporate Headquarters; Food Products Mfg.	3,300 <sup>(1)</sup>
Astellas US LLC	Corporate HQ; Pharmaceutical Research Laboratories	3,000 <sup>(5)</sup>
Walgreen Co.*	Corporate HQ; Pharmacies & Drugstores	2,500 <sup>(2)</sup>
Baxter Healthcare Corp.*	Corp HQ; Pharmaceutical & Health Care Products	2,450 <sup>(1)</sup>
Underwriters Laboratories	Corporate Headquarters; Product Testing & Certification	2,000 <sup>(2)</sup>
CVS Caremark	Corporate Headquarters; Drug Store Chain	1,400 <sup>(2)</sup>
Anixter, Inc.*	Corporate Headquarters; Telecommunications products	1,000 <sup>(2)</sup>
Glenbrook High School Dist #225	Public High Schools	849 <sup>(5)</sup>
Midwest Industrial Packaging*	Industrial Packaging Tools and Dispensers	600 <sup>(1)</sup>
Illinois Tool Works*	Corporate Headquarters; Engineered Components	550 <sup>(1)</sup>
Euromarket Designs, Inc.	Corporate Headquarters (Crate & Barrel)	500 <sup>(2)</sup>
Highland Baking	Bakery Distribution	500 <sup>(4)</sup>
Pearson Education	Educational Materials	430 <sup>(1)</sup>
W.W. Grainger, Inc.	Industrial Equipment & Supplies Sales Office	350 <sup>(2)</sup>

#### Sources

<sup>(1)</sup> 2015 Illinois Manufacturers Directory

<sup>(2)</sup> 2015 Illinois Services Directory

<sup>(3)</sup> Phone canvass of employers

<sup>(4)</sup> ReferenceUSA.com

<sup>(5)</sup> Company/Organization Website

\*Located in immediate adjacent community

†Kraft Heinz Company is departing its current location in early 2016

## OCCUPATIONS

The occupational concentrations of Northbrook's employed work force parallel the Village's high education and income levels. According to the U.S. Bureau of the Census' American Community Survey 2009-2013 estimates, 60.3% of the Village's employed work force was engaged in managerial and professional occupations, versus 37.8% in Cook County and 36.4% statewide.

### Select Occupation Categories

<b>Sector</b>	<b><i>Employed</i></b>	<b><i>%</i></b>
Agriculture & Forestry	35	0.2%
Construction	507	3.4%
Manufacturing	1,359	9.1%
Wholesale Trade	545	3.6%
Retail Trade	1,445	9.6%
Transportation & Utilities	257	1.7%
Information	227	1.5%
Finance, Insurance & Real Estate	2,447	16.3%
Professional, Scientific, Management	2,701	18.0%
Educational, Health, Social Service	3,744	24.9%
Arts, Entertainment, Recreation	852	5.7%
Other Services	550	3.7%
Public Administration	339	2.3%
<b>Total</b>	<b>15,008</b>	<b>-</b>

Source: U.S. Department of Commerce, Bureau of Census, ACS, 2009-2013

### ECONOMIC DEVELOPMENT AND INITIATIVES

Northbrook continues to be a highly attractive place to live and conduct business.

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 overall community retail vacancy rate of around 5% should continue to remain low with the recent opening of the following national chains T.J. Maxx (26,500 sf), DSW (23,800 sf), Party City (15,000 sf), Old Navy (16,300 sf), Arhaus furniture (17,000 sf), and Advanced Auto Parts (14,000 sf).

The NorthShore 770 mixed use development project located on the northwest corner of Dundee Road and Skokie Boulevard is nearly completed. The development consists of a 100,000 square foot shopping center anchored by a 71,300 sf Mariano's grocery store and a 347-unit luxury apartment building. Other commercial tenants include Panera Bread, Chipotle, Hair Cuttery, Sleepy's, Kriser's, Zengeler Cleaners, Fuddruckers, PNC Bank, Roti Mediterranean Grill.

Construction is nearly completed on the first three buildings of the 52,500-square foot Meadow Park Office development at the northwest corner of Founder Drive and Techny Road. The Ann & Robert H. Lurie Children's Hospital has opened a 17,500 square feet as an outpatient facility, and Bright Horizon will soon open a 160-child day care facility.

Residential development continues to be strong. In response to the aging of the overall population, a number of senior housing projects are under development. Covenant Village at 2625 Techny Road recently completed construction on a new 56-unit, three-story independent senior living apartment building as part of its existing continuum of care community. The third phase of The Lodge on Founder Drive is nearly completed with additional phases planned for a total of 147 units. And a 69-bed memory care facility by Koelsch Senior Communities is under construction at 99 Pointe Drive.

Interest in construction of single family homes continues. Kogen Zivin Friedman recently received final plan approval for a 21-unit detached single family home development on a 6.8 acre site located in the 3800 block of Dundee Road. Edward R. James is currently going through the entitlement process seeking approval of a 36-unit detached single family home development located on a 15.9 acre site on the northeast corner of Waukegan and Voltz road. Also, redevelopment of existing single family home sites for newer, larger homes continues in Northbrook.

Life Time Fitness and the Finger Companies are currently seeking Village approval of a proposed mixed use development along Skokie Boulevard, just south of the intersection of Skokie Boulevard and Sunset Ridge Road. The development would include a 93,000-square foot high-end fitness center, a 43,000-square foot child day care facility, and 5-story, 338-unit luxury rental apartment complex.

Northbrook continues to be an attractive for both international corporations as well as small local manufacturing and research and development facilities. Barilla has recently relocated its 150-employee North America headquarters to 885 Sunset Ridge Road. Bell Flavors and Fragrances is planning a building addition, which would allow it to increase its employment by 25-30, bringing its total employment to over 200.

Interest in redevelopment continues in downtown Northbrook. The Village recently approved 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. Jacobs Homes is currently proposing a 76-unit townhome development along Shermer Road.

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION**

The following is a summary of general property tax assessment, levy and collection procedures in Cook County, Illinois.

### **REAL PROPERTY ASSESSMENT**

The County Assessor (the "County 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"). Taxable real property within the Village was last assessed in 2013. Real property in the County is separated into classifications 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.

Among others, 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 the PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The 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 the PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the “Assessment Base”). For tax year 2014, the Equalization Factor for Cook County was 2.7253.

## EXEMPTIONS

Public Act 95-644, effective October 17, 2007 and Public Act 098-0007 effective April 23, 2013, made changes to a number of property tax exemptions taken by residential property owners. These changes 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 \$5,000 for assessment years 2004 through assessment year 2007. Additionally, the reduction may be \$5,500 for assessment year 2008 and \$6,000 for assessment years 2009 through 2011. For taxable years 2012 and thereafter, the maximum reduction is \$7,000 in counties with 3,000,000 or more inhabitants and \$6,000 in all other counties (the “General Homestead Exemption”).

The Alternative General Homestead Exemption (the “Alternative General Homestead Exemption”) caps EAV increases for homeowners (who also reside on the property as their principal place of residence) at 7% a year, up to a certain maximum each year as defined by the statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property’s taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

The Base Year for purposes of calculation of the Alternative General Homestead Exemption is 2003 for properties located in the North Tri such as the Village. The Homestead Value is the EAV of the homestead property minus the General Homestead Exemption for that year: \$5,000 for 2006 and 2007; \$5,500 for 2008 and \$6,000 for the year 2009 and thereafter.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$33,000 for assessment year 2006 (except as noted below), \$26,000 for assessment year 2007, \$20,000 for assessment year 2008 and \$6,000 thereafter. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2006, \$33,000 for assessment year 2007, \$26,000 for assessment year 2008, \$20,000 for assessment year 2009 and \$6,000 thereafter. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2006 and 2007, \$33,000 for assessment year 2008, \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and \$6,000 thereafter.

Furthermore, only in the City Tri and only for assessment year 2006, the maximum exemption amount may be increased to: (i) \$40,000, provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount equal to or greater than 100%, or (ii) \$35,000 provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount greater than 80% but not more than 100%.

Finally, the Long-Time Occupant Homestead Exemption applies to those counties subject to the Alternative General Homestead Exemption, including Cook County. Beginning with assessment year 2007 and thereafter, the EAV of homestead property of a taxpayer who has owned the property for at least 10 years (or 5 years if purchased with certain government assistance) and who has a household income of \$100,000 or less ("Qualified Homestead Property") may increase by no more than 10% per year. If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties. Individuals applying for this exemption must comply with the following guidelines: (i) continuously occupy their property for 10 years, as of January 1st of the assessment year, and occupy such property as their principal residence or, (ii) continuously occupy their property as their principal place of residence for 5 years, as of January 1st of the assessment year, provided that the property was purchased with certain government assistance.

In addition, the Homestead Improvement Exemption ("Homestead Improvement Exemption") applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event. The exemption was limited to \$75,000 per year beginning January 1, 2004, and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding. Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the hereinafter defined Disabled Veterans' Standard Homestead Exemption cannot claim the aforementioned exemption.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home by \$3,500 in all counties. In addition, for assessment year 2008 through 2011, the maximum reduction is \$4,000 for all counties. For taxable year 2012, the maximum reduction is \$5,000 in counties with 3,000,000 or more inhabitants and \$4,000 in all other counties. For taxable years 2013 and thereafter, the maximum reduction is \$5,000 in all counties. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a prorata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners who are 65 and older,

reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$50,000 for assessment years 2006 and 2007; for assessment years 2008 and after, the maximum income limitation is \$55,000. In general, the exemption grants qualifying senior citizens an exemption based upon a “freeze” of their home’s Assessed Valuation.

Another exemption, available to disabled veterans, may be applied annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons’ Homestead Exemption (“Disabled Persons’ Homestead Exemption”) or the hereinafter defined Disabled Veterans’ Standard Homestead Exemption cannot claim the aforementioned exemption.

Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons’ Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans’ Standard Homestead Exemption cannot claim the Disabled Persons’ Homestead Exemption.

In addition, the Disabled Veterans’ Standard Homestead Exemption (“Disabled Veterans’ Standard Homestead Exemption”) provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50%, are granted an exemption of \$2,500. Furthermore, the veteran’s surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse’s new residence, provided that it is the spouse’s primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming an exemption under the Disabled Persons’ Homestead Exemption cannot claim the aforementioned exemption.

Also, beginning with assessment year 2007, the Returning Veterans’ Homestead Exemption (“Returning Veterans’ Homestead Exemption”) is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

#### 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 they determine 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 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 EAV includes the prior year 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 Property Tax Extension Limitation Law ("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 EAV. The Village is a home rule unit and is not subject to the provisions of the Limitation Law.

## EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current tax 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 8 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 2, 2008
2008	December 2, 2009
2009	December 13, 2010
2010	November 2, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015

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 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 Issuer 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. 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 scheduled to be 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 one-half years depending upon the type and occupancy of the property.

#### **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 to provide notices of the occurrence of certain enumerated events in a timely manner not in excess of 10 business days after the occurrence of the event. The Annual Report will be filed by the Village with the Municipal Securities Rulemaking Board (the “MSRB”) for disclosure on its Electronic Municipal Market Access (“EMMA”) system. The information to be contained in the Annual Report will consist of the Comprehensive Annual Financial Report containing the audited financial statement of the Village, as well as additional financial and statistical information on the Village. 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. 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-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of Bondholders;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, 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; and
15. Appointment of a successor or additional trustee or the change of name of a trustee if material.

The event identified in clause (13) 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 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 (b) in the opinion of nationally recognized bond counsel selected by the Village, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

The Village previously entered into a Continuing Disclosure Agreement in connection with the issuance by the Village of its General Obligation Bonds, Series 2000, Series 2001, Series 2002, Series 2003, Series 2004, Series 2005, Series 2006, Series 2007, Series 2008, Series 2010, Series 2011, Series 2012A, Series 2012B and Series 2014A for the benefit of holders of those bonds to provide annual financial information and event notices pursuant to SEC Rule 15c2-12(b)(5). As of the date of this Official Statement, all required information has been submitted to the NRMSIRs or EMMA. Previously entered into Continuing Disclosure Agreements with respect to the Village’s General Obligation Bonds, Series 2007 and Series 2008 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 2010 fiscal year on October 28, 2010 and the Village filed the Annual Report for the 2013 fiscal year on October 29, 2013. This resulted in filings made during these years to be less than six months, but more than 180 days after the close of the Village's fiscal year.

## **LEGAL MATTERS**

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

## **TAX MATTERS**

Katten Muchin Rosenman LLP, Bond Counsel, is 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 applicable requirements of the Internal Revenue Code of 1986 (the "Code"), Bond Counsel is of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is further of the opinion that the Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for tax purposes of the corporate alternative minimum tax. Interest on the Bonds is not exempt from State of Illinois income taxes.

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

## **SERIES 2015B BONDS PURCHASED AT A PREMIUM OR A DISCOUNT**

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

Bond premium and original issue discount are amortized over the term of a Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period and is



subtracted from the owner's tax basis in the Bond. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Bond for Federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the Bond. A Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon disposition of the Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bond).

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

#### EXCLUSION FROM GROSS INCOME REQUIREMENTS

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

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

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

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

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

#### RISKS OF NON-COMPLIANCE

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

#### FEDERAL INCOME TAX CONSEQUENCES

Pursuant to Section 103 of the Code, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Bonds which may affect the taxation of certain types of owners, depending on their particular tax situations. PROSPECTIVE PURCHASERS SHOULD

CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE BONDS.

#### **ABSENCE OF LITIGATION**

The Village is not a party to, nor has it been threatened with, any litigation concerning the Bonds or the Ordinance. At the time of delivery of the Bonds, the Village will certify that there is no litigation or other proceedings pending or, to the knowledge of the Village threatened, in any court, (either state or federal) restraining or enjoining the issuance, sale or delivery of the Bonds, or in any way questioning or affecting (i) the proceedings under which the Bonds are to be issued, (ii) the validity of any provision of the Bonds or the Ordinance, (iii) the levy or collection of the taxes levied and pledged to the payment of the principal of and interest on the Bonds, or (iv) the title to office of the present officials of the Village.

#### **RATINGS**

Moody's Investors Service, Inc. ("Moody's"), 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, and Standard & Poor's Rating Group ("S&P"), 55 Water Street, New York, New York 10041, have assigned to the Bonds the ratings set forth on the front cover of this Official Statement. The Village supplied certain information to the rating agencies to be considered in evaluating the Bonds. These ratings express only the view of the rating agencies and an explanation of its significance may be obtained only from each respective rating service. There is no assurance that such ratings will continue for any period of time or that they will not be revised or withdrawn. A revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

#### **UNDERWRITING**

The Bonds were offered for sale by the Village at a public competitive sale on November 10, 2015. The best bid submitted at the sale was by UBS Financial Services (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of \$13,745,478.05 (reflecting an underwriting discount of \$126,618.00).

#### **CLOSING CERTIFICATE**

The Village will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that the Official Statement, together with any supplements to it, at the time of acceptance of the Underwriter's bid and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

This Official Statement has been duly approved, executed and delivered by the Village.

## APPENDIX A

### FORM OF OPINION OF BOND COUNSEL

December 1, 2015

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 \$13,470,000 principal amount of General Obligation Bonds, Series 2015B (the “Bonds”), of the Village of Northbrook, a municipal corporation and a home rule unit of the State of Illinois situate in the County of Cook. 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 November 10, 2015 and entitled: “Ordinance Authorizing the Issuance of General Obligation Bonds, Series 2015B, 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 December 1, 2015. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on June 1, 2016 and semiannually thereafter on each June 1 and December 1, at the respective rate of interest per annum set forth opposite such year:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$ 775,000	3.000%
2023	800,000	4.000
2024	825,000	4.000
2025	855,000	4.000
2026	880,000	4.000
2027	910,000	3.000
2028	940,000	3.000
2029	970,000	3.000
2030	1,000,000	3.125
2031	1,035,000	3.250
2032	1,065,000	3.250
2033	1,100,000	3.375
2034	1,140,000	3.375
2035	1,175,000	3.500

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 individual or corporate alternative minimum taxable income. However, interest on the Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

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,

LG:be

## APPENDIX B

### BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 Bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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, as amended (the "*1934 Act*"). 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 (the "*Commission*"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 detailed information from the Village or Registrar, 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 bonds 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 Registrar, 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 Registrar, 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.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Village takes no responsibility for the accuracy thereof.

The Village will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal

amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

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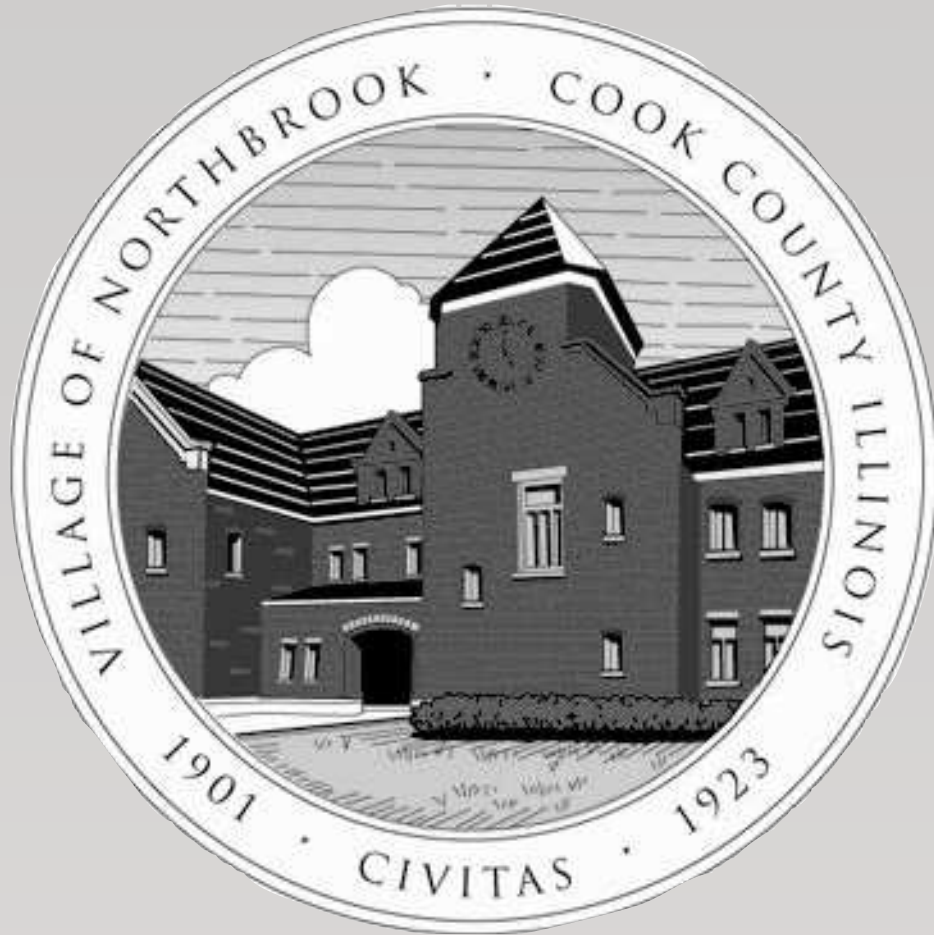


**APPENDIX C**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED APRIL 30, 2015**

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# Village of Northbrook

Illinois



## Comprehensive Annual Financial Report

For the Fiscal Year Ended April 30, 2015

**VILLAGE OF NORTHBROOK, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED APRIL 30, 2015**

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

# VILLAGE OF NORTHBROOK, ILLINOIS

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## **INTRODUCTORY SECTION**

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

# **VILLAGE OF NORTHBROOK, ILLINOIS**

**List of Principal Officials  
April 30, 2015**

---

## **LEGISLATIVE**

### **VILLAGE BOARD OF TRUSTEES**

Sandra E. Frum, President

James A. Karagianis  
Albert C. Buehler, III  
Michael W. Scolaro

Todd A. Heller  
Kathryn L. Ciesla  
Robert P. Israel

Debra J. Ford, Village Clerk

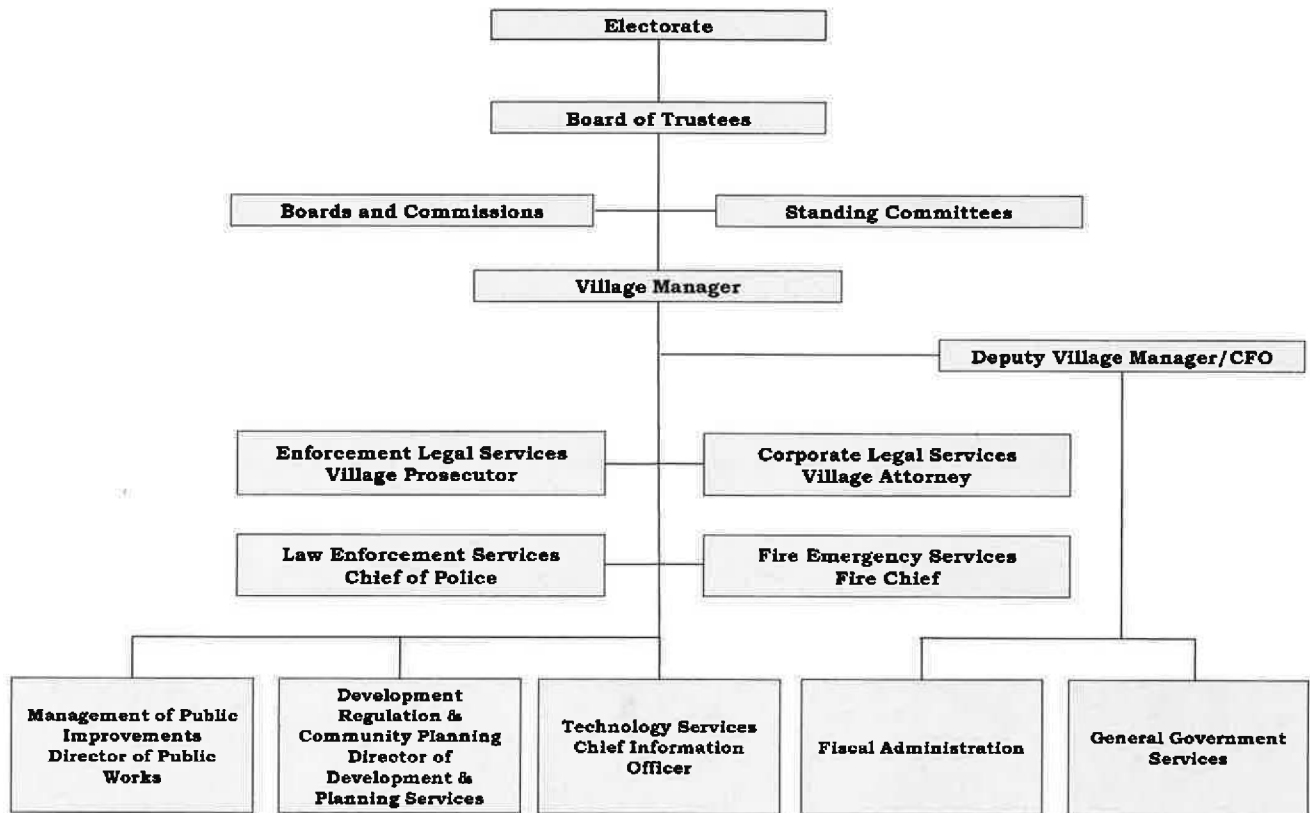
## **ADMINISTRATIVE**

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

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

## Standing Committees

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



# Village of Northbrook

1225 Cedar Lane Northbrook, Illinois 60062 847.272.5050 Fax 847.272.9760 [www.northbrook.il.us](http://www.northbrook.il.us)

August 6, 2015

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, 2015, 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, 2004 was the first year of implementation for GASB statement 34.

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.

PRESIDENT  
Sandra E. Frum

James A. Karagianis  
Todd A. Heller

BOARD OF TRUSTEES  
A.C. Buehler III  
Kathryn L. Ciesla

iii

Michael W. Scolaro  
Robert P. Israel

VILLAGE CLERK  
Debra J. Ford

VILLAGE MANAGER  
Richard A. Nahrstadt

The Village's geographic location, east of the Tri-State Tollway, west and south of Interstate 94 and on the Milwaukee Road railroad (40 minutes from downtown Chicago), has made it a prime area for high value residential development. A substantial land area has also permitted development of important corporate offices and commercial shopping centers. Northbrook Court includes, for example, such stores as Neiman Marcus, Macy's, Lord & Taylor and Crate & Barrel and features over 100 specialty shops like the Apple Store, H&M, XXI Forever, Coach, Louis Vuitton and True Religion. Northbrook is home to corporate headquarters for international and national companies such as Crate & Barrel, Underwriters' Laboratories, Inc., and Wiss, Janney, Elstner Associates, as well as serves as the Northern Illinois distribution center for United Parcel Service. Major corporate entities adjacent to Northbrook include the corporate headquarters for Allstate Insurance Company, Kraft Foods, 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 2014/15

Fiscal Year 2014/15 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.

Three 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. Last year, we projected total General Fund expenditures for FY 2015/16 of \$44.1 million, with total operating expenditures of \$39.8 million. As shown in the table below, our current projection for total General Fund expenditures is 1.9% lower, and total operating expenditures are within 0.13% of our projections at this time last year.

	Projected in FY 12/13 for FY 13/14			Projected in FY 13/14 for FY 14/15			Projected in FY 14/15 for FY 15/16		
	FY 13/14	budget	Variance	FY 14/15	budget	Variance	15/16 budget	draft budget	Variance
Operating	\$38,302,165	\$38,502,380	0.52%	\$39,756,345	\$39,965,205	0.53%	\$41,062,192	\$41,007,420	-0.13%
Capital	3,507,130	2,419,120	-31.02%	2,843,145	3,141,425	10.49%	3,046,870	2,255,205	-25.98%
Total	\$41,809,295	\$40,921,500	-2.12%	\$42,599,490	\$43,106,630	1.19%	\$44,109,062	\$43,262,625	-1.92%

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 overall community retail vacancy rate of around 5% should continue to remain low with the recent opening of the following national chains T.J. Maxx (26,500 sf), DSW (23,800 sf), Party City (15,000 sf), Old Navy (16,300 sf), Arhaus furniture (17,000 sf), and Advanced Auto Parts (14,000 sf).

The NorthShore 770 mixed use development project located on the northwest corner of Dundee Road and Skokie Boulevard is nearly completed. The development consists of a 100,000 square foot shopping center anchored by a 71,300 sf Mariano's grocery store and a 347-unit luxury apartment building. Other commercial tenants include Panera Bread, Chipotle, Hair Cuttery, Sleepy's, Kriser's, Zengeler Cleaners, Fuddruckers, PNC Bank, Roti Mediterranean Grill.

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.

Through this careful planning and analysis, the Village Board has demonstrated a commitment to maintaining and improving the Village's significant infrastructure. The Village maintains 270 lane miles of asphalt and concrete streets, 170 miles of water mains, 127 miles of sanitary sewers, and 123 miles of storm sewers. Proactive annual maintenance is required in order to protect our significant investment and avoid costly failures in the future.

Highlights of FY 2014/15 included:

- Evaluated Enterprise Resource Program (ERP) vendor proposals, conducted detailed product demos, selected and negotiated contract with preferred vendor. Completed first phase of implementation.
- Reviewed and approved building permits for a number of major projects, including the Northshore 770 mixed-use development (including over 300 apartments, Mariano's grocery store and a number of retailers), Lurie's Children facility, additional phases of the Lodge senior living facility, the continued improvements to Covenant Village.
- Reviewed and revised as necessary all personnel Standard Operating Procedures and distributed to employees.
- Continued working with state and regional associations to analyze financial impacts of proposed legislation.
- Refunded \$35 million of outstanding bonds and achieved savings of \$6 million without extending the term.
- Resubmitted the Village of Northbrook's Emergency Operation Plan (EOP) to Cook County Department of Homeland Security and Emergency Management for re-certification.
- Worked with GIS Consortium to convert and link existing data in the GIS system including the conversion of Oracle based utility information and linking digitized documents in Laserfiche to layers within the system. Expanded the use of the GIS system in developing the Capital Improvement Plan and tracking of water main break data.

- Prepared and presented local amendments to the Northbrook Municipal Code concerning the adoption of the building-related regulations to the Architectural Control Commission and Board of Trustees. The following codes were adopted by the Village and became effective on May 1, 2015: 2012 International Residential Code, 2012 International Building Code, 2012 International Mechanical Code, 2012 International Fuel Gas Code, and 2012 International Fire Code.

## FINANCIAL INFORMATION

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

**Budgeting Controls.** The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the general fund, debt service fund, capital projects 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, 2015 increased by 12% from the unassigned fund balance at May 1, 2014. The unassigned fund balance is the equivalent of 52% of General Fund revenues and operating transfers in, and 53% 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, 2015, the Village had a number of general obligation debt issues outstanding which totaled \$75,615,027. 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 2015. In 2006, Standard & Poor's introduced a Financial Management Assessment (FMA) to their rating process. Northbrook's financial management received their highest rating of "strong". Only 10% of the government agencies rated by Standard & Poor's have received this top rating.

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, 2015 the Village's net general obligation bonded debt for governmental funds was \$58,651,841 and debt per capita equaled \$1,768.22. 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, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

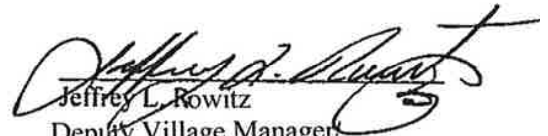
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable 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, 2014**



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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

August 6, 2015

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, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northbrook Public Library. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Northbrook Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Northbrook, Illinois, as of April 30, 2015, 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', financial statements as a whole. 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.

Village of Northbrook, Illinois  
August 6, 2015  
Page 3

**Other Matters – Continued**

*Other Information – Continued*

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

*Lauterbach + Amen LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

---

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, 2015. Please read it in conjunction with the transmittal letter on page iii - vii and the Village's financial statements, which begin on page 4.

#### **FINANCIAL HIGHLIGHTS**

- The Village's net position increased by 2.0% as a result of this year's operations. Net position of business-type activities decreased by about \$700,000, or 1.5%. Net position of governmental activities increased by \$3.1 million, or 3.8%.
- During the year, expenses were \$3.0 million less than the \$48.9 million generated in tax and other revenues for governmental programs.
- During the year, revenues for business-type activities were \$11.0 million while expenses were \$11.6 million, generating a decrease in net position before transfers of about \$600,000.
- The General Fund reported a surplus this year of \$2.9 million. Revenues were \$848,396 higher than anticipated. Most notably, building permit revenue was \$818,980 higher than projected as the Village continued to experience new business investment in our local economy. Expenditures were \$2.0 million less than the amended budget. This savings 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 4 – 7) provide information about the activities of the Village of Northbrook as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide statements 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.



## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

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#### **USING THIS ANNUAL REPORT - Continued**

##### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 4 - 7 of this report.

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

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

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

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

##### **Fund Financial Statements**

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

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#### **USING THIS ANNUAL REPORT - Continued**

#### **Fund Financial Statements - Continued**

##### **Governmental Funds**

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

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

The Village maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 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 8 – 13 of this report.

##### **Proprietary Funds**

The Village maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its waterworks and sewerage, storm water management, senior housing and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions.

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

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#### **USING THIS ANNUAL REPORT - Continued**

#### **Fund Financial Statements - Continued**

#### **Proprietary Funds – Continued**

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

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

The basic proprietary fund financial statements can be found on pages 14 – 19 of this report.

#### **Fiduciary Funds**

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

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 - 71 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 72 - 82 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 83 - 106 of this report.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

#### 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 exceeded liabilities by \$129.7 million.

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current, Other Assets and Deferred Outflows	\$ 70.4	64.1	11.7	10.1	82.1	74.2
Capital Assets	95.8	95.1	52.2	51.0	148.0	146.1
Total Assets/Deferred Outflows	166.2	159.2	63.9	61.1	230.1	220.3
Long-Term Debt Outstanding	(60.4)	(59.2)	(17.0)	(13.5)	(77.4)	(72.7)
Other Liabilities/Deferred Inflows	(21.0)	(5.9)	(2.0)	(1.9)	(23.0)	(7.8)
Total Liabilities/Deferred Inflows	(81.4)	(65.1)	(19.0)	(15.4)	(100.4)	(80.5)
Net Position						
Net Investment in Capital Assets	54.0	54.8	36.2	36.9	90.2	91.7
Restricted	7.1	6.5	-	-	7.1	6.5
Unrestricted	23.7	20.4	8.7	8.7	32.4	29.1
Total Net Position	84.8	81.7	44.9	45.6	129.7	127.3

By far the largest portion of the Village's net position, which is 69.5 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. 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 portion, or 5.5 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 25.0 percent, or \$32.4 million, represents unrestricted net position and may be used to meet the Village's ongoing obligations to citizens and creditors.

# VILLAGE OF NORTHBROOK, ILLINOIS

## Management's Discussion and Analysis April 30, 2015

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position (in millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 9.4	9.0	10.7	10.2	20.1	19.2
Capital Grants/Contributions	-	-	0.3	-	0.3	-
Operating Grants/Contributions	1.1	1.0	-	0.1	1.1	1.1
General Revenues						
Property Taxes	13.2	12.7	-	-	13.2	12.7
Sales Taxes	14.5	14.2	-	-	14.5	14.2
State Income Taxes	3.4	3.2	-	-	3.4	3.2
Utility Taxes	1.1	1.2	-	-	1.1	1.2
Other Taxes	5.4	5.6	-	-	5.4	5.6
Other General Revenues	0.8	1.0	-	0.8	0.8	1.8
Total Revenues	48.9	47.9	11.0	11.1	59.9	59.0
<b>Expenses</b>						
General Government	5.1	4.2	-	-	5.1	4.2
Public Safety	29.8	27.9	-	-	29.8	27.9
Public Works	9.4	10.0	-	-	9.4	10.0
Interest on Long-Term Debt	1.6	2.1	-	-	1.6	2.1
Water	-	-	7.3	7.6	7.3	7.6
Sewer	-	-	1.5	1.8	1.5	1.8
Storm Water	-	-	1.7	1.7	1.7	1.7
Senior Housing	-	-	0.9	0.9	0.9	0.9
Parking Facilities	-	-	0.2	0.2	0.2	0.2
Total Expenses	45.9	44.2	11.6	12.2	57.5	56.4
Change in Net Position Before Transfers	3.0	3.7	(0.6)	(1.1)	2.4	2.6
Transfers	0.1	(0.5)	(0.1)	0.5	-	-
Increase (Decrease) in Net Position	3.1	3.2	(0.7)	(0.6)	2.4	2.6
Net Position-Beginning	81.7	78.5	45.6	46.2	127.3	124.7
Net Position-Ending	84.8	81.7	44.9	45.6	129.7	127.3

## VILLAGE OF NORTHBROOK, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

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#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by \$3.1 million (\$81.7 million compared to \$84.8 million). Unrestricted net position of the Village's governmental activities, the part of net position that can be used to finance day-to-day operations without constraints, increased 16.2% from \$20.4 million the previous fiscal year to \$23.7 million at the end of this year.

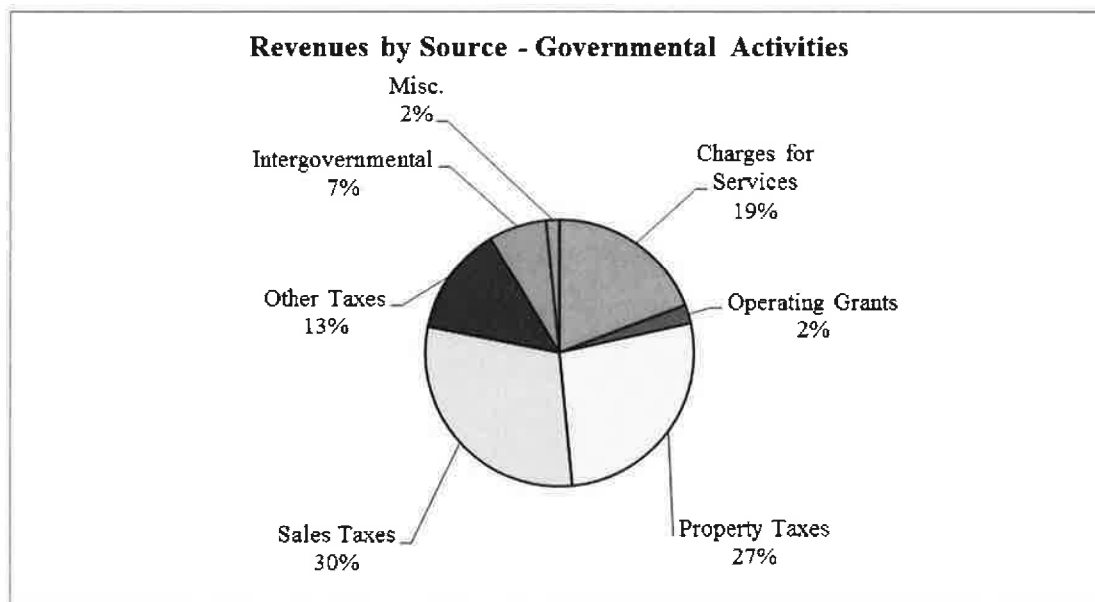
Net position of business-type activities decreased 1.5% from the prior year (\$45.6 million compared to \$44.9 million). The Village generally can only use this net position to finance the continuing operations of the waterworks, sewerage, storm water, senior housing and parking operations.

Total revenues increased by 1.5% percent, or \$.9 million. The total cost of all programs and services increased by 2.0%, or \$1.1 million.

#### Governmental Activities

Revenues for governmental activities (excluding special items) were \$48.9 million, while total expenses were \$45.9 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.

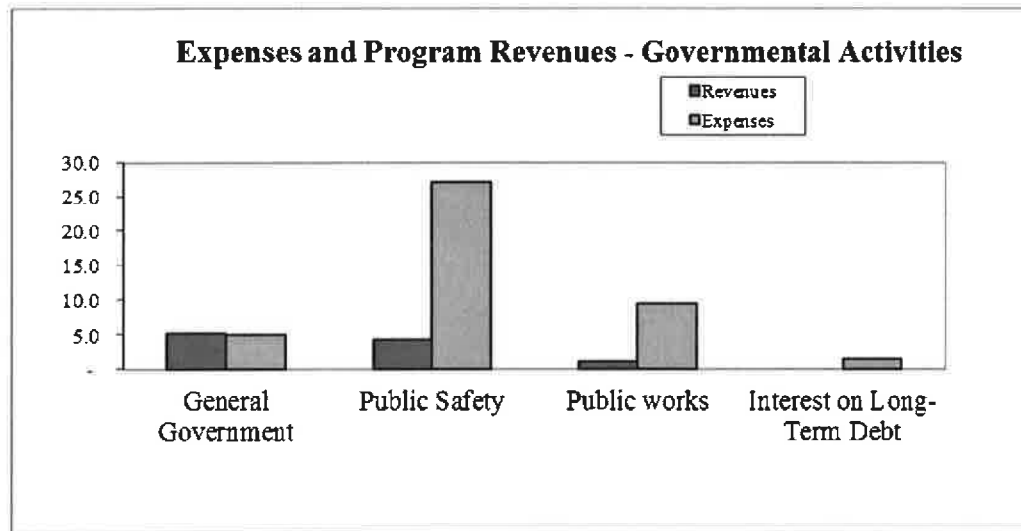


## VILLAGE OF NORTHBROOK, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

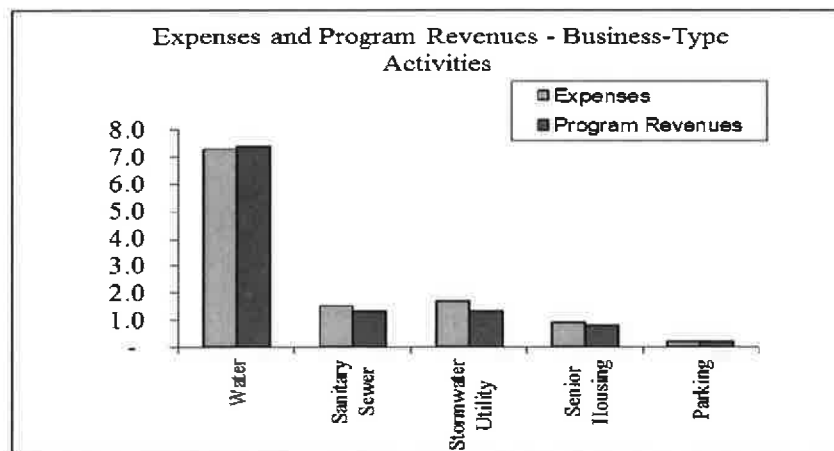
##### Governmental Activities – Continued



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

##### Business-Type Activities

Revenues from business type activities decreased by .9% (\$11.0 million compared to \$11.1 million) and expenses decreased by 4.9%.



## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

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#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

##### **Business-Type Activities – Continued**

The previous graph compares program revenues to expenses for the Village's enterprise operations. The deficits in the 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 \$30.1 million, which is 6.5% higher than last year's total of \$28.3 million.

The General Fund experienced an increase of \$2.9 million which was significantly better than the original budget anticipated. Revenues were \$848,396 higher than expected. Most notably, building permit revenue was \$818,980 higher than projected as the Village continued to experience new business investment in our local economy. Sales taxes were on target, coming in \$30,000 (0.25%) over budget. This savings is mostly attributed to personnel costs from temporary vacancies and timing of capital expenditures.

The Debt Service fund reported an increase of \$90,427 for the year due primarily new debt issuances and transfers in from the Infrastructure and Stormwater Utility Funds being greater than principal and interest expenditures.

The Pension Contribution Fund reported a small increase of \$16,407 due to an increase in interest income from the prior year.

The Infrastructure Fund reported an increase in fund balance prior to transfers out of approximately \$228,000 due to timing of capital expenditures.



## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

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#### **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 \$186,318.

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 \$229,818 for the year, which includes depreciation and amortization expense of \$232,444.

The Stormwater Utility Fund is used to account for the maintenance and construction of the Village's storm water management system. All activities necessary to provide these services are accounted for in this fund, including, but not limited to, operation, maintenance and repair, construction, and related debt service. This fund experienced a deficit of \$398,015 for the year due primarily to the use of prior year bond proceeds for planned capital expenditures.

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 deficit of \$47,710 for the current year.

##### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Village Board revised the budget several times. The Board made minor budgetary changes mainly to increase contributions to community organizations and to accommodate additional salt purchases that were not anticipated at the time the budget was adopted.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

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#### GENERAL FUND BUDGETARY HIGHLIGHTS - Continued

Even with these adjustments, actual expenditures were \$2.0 million below the final budget amounts. This savings is mostly attributed to personnel costs from temporary vacancies and timing of capital expenditures.

Revenues were better than projected, ending the year \$848,396 above budget as the Village continued to see evidence of sustained investment in our local economy.

#### 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, 2015 was \$148.0 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		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 32.0	31.9	3.1	3.1	35.1	35.0
Buildings	10.0	10.4	9.3	9.6	19.3	20.0
Equipment & Vehicles	2.9	2.6	4.0	4.2	6.9	6.8
Infrastructure	50.9	50.2	35.8	34.0	86.7	84.2
Total	95.8	95.1	52.2	50.9	148.0	146.0

The fiscal year 2016 capital budget includes projects totaling \$15.75 million. This total includes \$5.1 million for water system improvements, \$3.0 million for street improvements, \$4.2 million for storm water improvements, and \$3.0 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 \$75.6 million as compared to \$73.6 million the previous year. The following is a comparative statement of outstanding debt:

## VILLAGE OF NORTHBROOK, ILLINOIS

### Management's Discussion and Analysis April 30, 2015

#### CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

##### Debt Administration - Continued

	General Obligation Bonds (in Millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 58.6	59.3	17.0	14.3	75.6	73.6

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 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 2016 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. Last year, we projected total General Fund expenditures for FY 2015/16 of \$44.1 million, with total operating expenditures of \$39.8 million. As shown in the table below, our current projection for total General Fund expenditures is 1.9% lower, and total operating expenditures are within 0.13% of our projections at this time last year.

	Projected in FY 12/13 for FY 13/14			Projected in FY 13/14 for FY 14/15			Projected in FY 14/15 for FY 15/16		
	FY 13/14	budget	Variance	FY 14/15	budget	Variance	15/16 budget	draft budget	Variance
Operating	\$38,302,165	\$38,502,380	0.52%	\$39,756,345	\$39,965,205	0.53%	\$41,062,192	\$41,007,420	-0.13%
Capital	3,507,130	2,419,120	-31.02%	2,843,145	3,141,425	10.49%	3,046,870	2,255,205	-25.98%
Total	\$41,809,295	\$40,921,500	-2.12%	\$42,599,490	\$43,106,630	1.19%	\$44,109,062	\$43,262,625	-1.92%

The approved budget estimates a \$216,505 surplus for FY 2015/16 and reserves of \$3.8 million above our 40% policy at April 30, 2016.

FY 2015/16 General Fund revenues are projected to be \$400,570 more than FY 2014/15 budget. We have anticipated modest growth in general sales taxes plus the anticipated receipts from the new retail development already under construction. Revenues also include \$1.5 million in bond proceeds for planned capital improvements compared to \$2.3 million in the previous fiscal year.

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2015**

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

Planned expenditures in the General Fund will be \$1.3 million more than the FY 2014/15 amended budget before equity transfer. The majority of this increase is attributed to timing of capital improvements planned to be completed in FY 2015/16.

#### **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.

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**VILLAGE OF NORTHBROOK, ILLINOIS**

**Statement of Net Position**

**April 30, 2015**

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**See Following Page**

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Statement of Net Position**

**April 30, 2015**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Public Library
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 36,892,328	10,056,016	46,948,344	9,847,041
Receivables - Net	11,186,553	2,048,361	13,234,914	3,685,013
Due from Other Governments	1,532,755	-	1,532,755	-
Internal Balances	405,991	(405,991)	-	-
Inventory/Prepays	1,630,863	-	1,630,863	65,021
Total Current Assets	51,648,490	11,698,386	63,346,876	13,597,075
Noncurrent Assets				
Capital Assets				
Land	32,124,708	2,882,606	35,007,314	35,000
Artwork	-	-	-	3,200
Depreciable Capital Assets	123,808,161	127,414,152	251,222,313	30,213,180
Depreciation	(60,088,534)	(78,076,395)	(138,164,929)	(13,441,528)
	95,844,335	52,220,363	148,064,698	16,809,852
Other Assets				
Net Pension Asset	16,299,856	-	16,299,856	-
Total Noncurrent Assets	112,144,191	52,220,363	164,364,554	16,809,852
Total Assets	163,792,681	63,918,749	227,711,430	30,406,927
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Refunding	2,425,644	-	2,425,644	-
Total Assets/Deferred Outflows of Resources	166,218,325	63,918,749	230,137,074	30,406,927

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



	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Public Library
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 1,309,643	304,132	1,613,775	929,682
Retainage Payable	-	119,598	119,598	-
Accrued Payroll and Related	733,778	5,270	739,048	43,292
Accrued Interest Payable	559,834	276,141	835,975	131,873
Deposits Payable	580,933	72,822	653,755	-
Other Payables	400,000	-	400,000	-
Due to Other Governments	207,509	-	207,509	-
Current Portion of Long-Term Debt	3,672,669	1,197,751	4,870,420	732,327
Total Current Liabilities	7,464,366	1,975,714	9,440,080	1,837,174
Noncurrent Liabilities				
Compensated Absences Payable	1,543,170	159,501	1,702,671	103,370
Net Pension Obligation	111,149	-	111,149	42,689
Net Other Post-Employment Benefit Payable	779,176	-	779,176	13,512
General Obligation Bonds Payable - Net	57,942,128	16,905,819	74,847,947	8,385,317
Total Noncurrent Liabilities	60,375,623	17,065,320	77,440,943	8,544,888
Total Liabilities	67,839,989	19,041,034	86,881,023	10,382,062
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	13,559,889	-	13,559,889	7,621,677
Total Liabilities/Deferred Inflows of Resources	81,399,878	19,041,034	100,440,912	18,003,739
<b>NET POSITION</b>				
Net Investment in Capital Assets	53,968,132	36,238,159	90,206,291	7,718,050
Restricted				
Public Safety	522,269	-	522,269	-
Perpetual Care - Nonexpendable	205,809	-	205,809	-
Tax Increment Financing	5,022	-	5,022	-
Debt Service	90,427	-	90,427	-
Capital Projects	6,299,352	-	6,299,352	-
Public Library	-	-	-	289,608
Unrestricted	23,727,436	8,639,556	32,366,992	4,395,530
Total Net Position	84,818,447	44,877,715	129,696,162	12,403,188

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, 2015**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 5,079,347	5,145,950	-	-
Public Safety	29,843,204	4,236,142	-	-
Highways and Streets	9,452,061	-	1,111,844	-
Interest on Long-Term Debt	1,564,952	-	-	-
Total Governmental Activities	45,939,564	9,382,092	1,111,844	-
Business-Type Activities				
Water	7,296,563	7,059,498	31,210	300,750
Sanitary Sewer	1,535,487	1,302,248	-	-
Senior Housing	883,213	835,097	-	-
Stormwater Utility	1,713,381	1,313,492	-	-
Parking	222,881	166,236	-	-
Total Business-Type Activities	11,651,525	10,676,571	31,210	300,750
Total Primary Government	57,591,089	20,058,663	1,143,054	300,750
Component Unit - Public Library	6,814,890	137,759	94,321	-

**General Revenues**

**Taxes**

Property Taxes

Use Taxes

Auto Rental Taxes

Utility Taxes

Telecommunication Taxes

Other Taxes

Intergovernmental - Unrestricted

Sales Taxes

State Income Taxes

Interest

Miscellaneous

Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Totals	Public Library
66,603	-	66,603	-
(25,607,062)	-	(25,607,062)	-
(8,340,217)	-	(8,340,217)	-
(1,564,952)	-	(1,564,952)	-
(35,445,628)	-	(35,445,628)	-
-	94,895	94,895	-
-	(233,239)	(233,239)	-
-	(48,116)	(48,116)	-
-	(399,889)	(399,889)	-
-	(56,645)	(56,645)	-
-	(642,994)	(642,994)	-
(35,445,628)	(642,994)	(36,088,622)	-
-	-	-	(6,582,810)
13,224,376	-	13,224,376	7,551,634
670,183	-	670,183	-
13,620	-	13,620	-
1,144,255	-	1,144,255	-
3,217,022	-	3,217,022	-
1,462,155	-	1,462,155	135,611
14,530,151	-	14,530,151	-
3,401,924	-	3,401,924	-
777,991	16,883	794,874	(102,343)
37,420	8,607	46,027	55,788
97,640	(97,640)	-	-
38,576,737	(72,150)	38,504,587	7,640,690
3,131,109	(715,144)	2,415,965	1,057,880
81,687,338	45,592,859	127,280,197	11,345,308
84,818,447	44,877,715	129,696,162	12,403,188

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

# VILLAGE OF NORTHBROOK, ILLINOIS

## Balance Sheet - Governmental Funds

April 30, 2015

	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 24,889,953
Receivables - Net of Allowances	
Property Taxes	4,175,920
Other Taxes	3,315,252
Other	752,147
Due from Other Governments	1,129,270
Due from Other Funds	<u>521,979</u>
Total Assets	<u><u>34,784,521</u></u>
<b>LIABILITIES</b>	
Accounts Payable	1,099,041
Accrued Payroll	733,778
Deposits Payable	307,405
Other Payables	400,000
Due to Other Governments	207,509
Due to Other Funds	-
Total Liabilities	<u>2,747,733</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>8,308,036</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>11,055,769</u></u>
<b>FUND BALANCES</b>	
Restricted	1,668,232
Committed	-
Assigned	-
Unassigned	<u>22,060,520</u>
Total Fund Balances	<u><u>23,728,752</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>34,784,521</u></u>

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

Debt Service	Special Revenue Pension Contribution	Capital Projects Infrastructure	Nonmajor	Totals
1,381,911	-	6,960,201	571,407	33,803,472
1,259,291	1,337,774	-	-	6,772,985
-	-	346,169	-	3,661,421
-	-	-	-	752,147
-	290,617	77,147	-	1,497,034
-	-	-	-	521,979
2,641,202	1,628,391	7,383,517	571,407	47,009,038
-	-	202,007	-	1,301,048
-	-	-	-	733,778
-	-	-	273,528	580,933
-	-	-	-	400,000
-	-	-	-	207,509
-	115,988	-	-	115,988
-	115,988	202,007	273,528	3,339,256
2,533,991	2,717,862	-	-	13,559,889
2,533,991	2,833,850	202,007	273,528	16,899,145
107,211	-	1,536,651	210,831	3,522,925
-	-	-	87,048	87,048
-	-	5,644,859	-	5,644,859
-	(1,205,459)	-	-	20,855,061
107,211	(1,205,459)	7,181,510	297,879	30,109,893
2,641,202	1,628,391	7,383,517	571,407	47,009,038

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, 2015

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<b>Total Governmental Fund Balances</b>	<b>\$ 30,109,893</b>
 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.	95,844,335
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	16,299,856
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.	4,746,845
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,928,962)
Net Pension Obligation Payable	(111,149)
Net Other Post-Employment Benefit Obligation Payable	(779,176)
General Obligation Bonds Payable - Net of Unamortized Items	(58,803,361)
Accrued Interest Payable	<u>(559,834)</u>
 <b>Net Position of Governmental Activities</b>	 <b><u>84,818,447</u></b>

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, 2015**

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**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, 2015**

	<u>General</u>
Revenues	
Taxes	\$ 30,411,628
Intergovernmental	-
Licenses, Permits and Fees	5,890,656
Charges for Services	5,754,747
Fines and Forfeits	242,091
Interest	49,630
Miscellaneous	32,704
Total Revenues	<u>42,381,456</u>
Expenditures	
Current	
General Government	7,332,962
Public Safety	26,403,880
Highways and Streets	7,927,706
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>41,664,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>716,908</u>
Other Financing Sources (Uses)	
Debt Issuance	1,984,476
Premium on Debt Issuance	240,525
Payment to Escrow Agent	-
Transfers In	-
Transfers Out	-
	<u>2,225,001</u>
Net Change in Fund Balances	2,941,909
Fund Balances - Beginning	<u>20,786,843</u>
Fund Balances - Ending	<u><u>23,728,752</u></u>

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



Debt Service	Special Revenue Pension Contribution	Capital Projects Infrastructure	Nonmajor	Totals
2,370,128	2,682,369	2,199,561	-	37,663,686
-	-	1,111,844	-	1,111,844
29,603	-	-	-	5,920,259
-	-	-	-	5,754,747
-	-	-	-	242,091
9,587	711,741	1,570	60	772,588
-	-	-	4,716	37,420
2,409,318	3,394,110	3,312,975	4,776	51,502,635
-	-	-	20,594	7,353,556
-	3,377,703	-	-	29,781,583
-	-	2,885,586	-	10,813,292
2,547,591	-	-	-	2,547,591
1,971,196	-	199,260	-	2,170,456
4,518,787	3,377,703	3,084,846	20,594	52,666,478
(2,109,469)	16,407	228,129	(15,818)	(1,163,843)
30,571,300	-	559,724	-	33,115,500
2,450,447	-	70,276	-	2,761,248
(32,971,504)	-	-	-	(32,971,504)
2,149,653	-	-	-	2,149,653
-	-	(2,052,013)	-	(2,052,013)
2,199,896	-	(1,422,013)	-	3,002,884
90,427	16,407	(1,193,884)	(15,818)	1,839,041
16,784	(1,221,866)	8,375,394	313,697	28,270,852
107,211	(1,205,459)	7,181,510	297,879	30,109,893

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, 2015

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,839,041</b>
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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	3,821,817
Depreciation Expense	(3,121,336)

A decrease in a net pension asset is not considered to be a decrease in a financial assets in the governmental funds.	(119,400)
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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.	741,713
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The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Additions to Compensated Absences Payable	(81,047)
Additions to Net Other Post-Employment Benefit Obligation Payable	(195,202)
Additions to Net Pension Obligation Payable	(2,328)
Issuance of Debt	(33,115,500)
Retirement of Debt	2,547,591
Payment to Escrow Agent	31,198,400
Debt Items Related to Refunding	(988,144)
Amortization of Debt Related Items	280,475

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.	325,029
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<b>Changes in Net Position of Governmental Activities</b>	<b>3,131,109</b>
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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, 2015**

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**See Following Page**

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2015**

	Water	Sanitary Sewer
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 2,296,499	1,677,394
Receivables - Net of Allowances		
Accounts	1,447,694	322,874
Due from Other Governments	-	-
Prepays	-	-
Total Current Assets	3,744,193	2,000,268
Noncurrent Assets		
Capital Assets		
Nondepreciable Capital Assets	556,252	1,208,202
Depreciable Capital Assets	72,826,132	16,099,570
Accumulated Depreciation	(40,764,382)	(11,429,006)
Total Noncurrent Assets	32,618,002	5,878,766
Total Assets	36,362,195	7,879,034
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	159,566	9,525
Retainage Payable	-	119,598
Accrued Payroll	4,418	852
Interest Payable	187,673	48,198
Deposits Payable	-	-
Due to Other Funds	-	-
Compensated Absences Payable	38,379	1,496
General Obligation Bonds Payable	1,022,784	44,967
Total Current Liabilities	1,412,820	224,636
Noncurrent Liabilities		
Compensated Absences Payable	153,515	5,986
General Obligation Bonds Payable - Net	11,251,940	2,894,047
Total Noncurrent Liabilities	11,405,455	2,900,033
Total Liabilities	12,818,275	3,124,669
<b>NET POSITION</b>		
Net Investment in Capital Assets	20,343,278	4,201,149
Unrestricted	3,200,642	553,216
Total Net Position	23,543,920	4,754,365

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

Business-Type Activities				Governmental
Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Activities Internal Service
1,215,466	4,826,127	40,530	10,056,016	3,088,856
-	277,793	-	2,048,361	-
-	-	-	-	35,721
-	-	-	-	1,630,863
1,215,466	5,103,920	40,530	12,104,377	4,755,440
308,732	40,000	769,420	2,882,606	-
5,913,955	31,268,736	1,305,759	127,414,152	-
(3,433,060)	(21,390,712)	(1,059,235)	(78,076,395)	-
2,789,627	9,918,024	1,015,944	52,220,363	-
4,005,093	15,021,944	1,056,474	64,324,740	4,755,440
43,354	77,402	14,285	304,132	8,595
-	-	-	119,598	-
-	-	-	5,270	-
-	40,270	-	276,141	-
72,822	-	-	72,822	-
405,991	-	-	405,991	-
-	-	-	39,875	-
-	90,125	-	1,157,876	-
522,167	207,797	14,285	2,381,705	8,595
-	-	-	159,501	-
-	2,759,832	-	16,905,819	-
-	2,759,832	-	17,065,320	-
522,167	2,967,629	14,285	19,447,025	8,595
2,789,627	7,888,161	1,015,944	36,238,159	-
693,299	4,166,154	26,245	8,639,556	4,746,845
3,482,926	12,054,315	1,042,189	44,877,715	4,746,845

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, 2015

	Water	Sanitary Sewer
Operating Revenues		
Charges for Services	\$ 7,059,498	1,302,248
Interfund Services	-	-
Total Operating Revenues	7,059,498	1,302,248
Operating Expenses		
Administration	1,970,660	518,460
Operations	3,672,309	723,227
Depreciation and Amortization	1,294,285	232,444
Total Operating Expenses	6,937,254	1,474,131
Operating Income (Loss)	122,244	(171,883)
Nonoperating Revenues (Expenses)		
Interest Income	13,250	1,101
Permits/Connection/Recapture Fees	31,210	-
Other Income	6,287	2,320
Interest Expense	(359,309)	(61,356)
	(308,562)	(57,935)
Income (Loss) Before Contributions and Transfers	(186,318)	(229,818)
Capital Contributions	300,750	-
Transfers Out	-	-
Change in Net Position	114,432	(229,818)
Net Position - Beginning	23,429,488	4,984,183
Net Position - Ending	23,543,920	4,754,365

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
835,097	1,313,492	166,236	10,676,571	1,434,674
-	-	-	-	6,284,638
835,097	1,313,492	166,236	10,676,571	7,719,312
130,000	114,565	144,244	2,877,929	6,743
633,910	1,130,273	46,935	6,206,654	7,290,568
119,303	398,511	31,702	2,076,245	-
883,213	1,643,349	222,881	11,160,828	7,297,311
(48,116)	(329,857)	(56,645)	(484,257)	422,001
406	1,874	252	16,883	5,403
-	-	-	31,210	-
-	-	-	8,607	314,309
-	(70,032)	-	(490,697)	-
406	(68,158)	252	(433,997)	319,712
(47,710)	(398,015)	(56,393)	(918,254)	741,713
-	-	-	300,750	-
-	(97,640)	-	(97,640)	-
(47,710)	(495,655)	(56,393)	(715,144)	741,713
3,530,636	12,549,970	1,098,582	45,592,859	4,005,132
3,482,926	12,054,315	1,042,189	44,877,715	4,746,845

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

# VILLAGE OF NORTHBROOK, ILLINOIS

## Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended April 30, 2015

	Water	Sanitary Sewer
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 6,919,541	1,188,738
Receipts from Interfund Services	-	-
Payments to Employees	(1,563,053)	(347,887)
Payments to Suppliers	(3,727,574)	(439,668)
	1,628,914	401,183
Cash Flows from Noncapital Financing Activities		
Transfers In	-	-
Transfers Out	-	-
	-	-
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,914,803)	(1,208,202)
Issuance of Capital Debt	4,556,700	2,025,200
Principal Paid on General Obligation Bonds	(4,864,792)	-
Interest Paid on General Obligation Bonds	(359,309)	(61,356)
	(2,582,204)	755,642
Cash Flows from Investing Activities		
Interest Received	13,250	1,101
Net Change in Cash and Cash Equivalents	(940,040)	1,157,926
Cash and Cash Equivalents - Beginning	3,236,539	519,468
Cash and Cash Equivalents - Ending	2,296,499	1,677,394
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	122,244	(171,883)
Adjustments to Reconcile Operating Income to Net Income to Net Cash		
Provided by (Used in) Operating Activities:		
Other Nonoperating Revenues	37,497	2,320
Depreciation and Amortization Expense	1,294,285	232,444
(Increase) Decrease in Current Assets	(177,454)	(115,830)
Increase (Decrease) in Current Liabilities	352,342	454,132
Net Cash Provided by Operating Activities	1,628,914	401,183
Noncash Capital and Related Financing Activities		
Capital Contributions	300,750	-

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



Business-Type Activities - Enterprise Funds				Governmental Activities
Senior Housing	Stormwater Utility	Nonmajor Revenue Parking	Totals	Internal Service
835,097	1,319,743	166,236	10,429,355	-
-	-	-	-	7,847,794
-	(425,723)	-	(2,336,663)	-
(832,430)	(581,688)	(178,486)	(5,759,846)	(7,308,150)
2,667	312,332	(12,250)	2,332,846	539,644
-	-	-	-	-
-	(97,640)	-	(97,640)	-
-	(97,640)	-	(97,640)	-
-	-	-	(3,123,005)	-
-	1,012,600	-	7,594,500	-
-	(46,620)	-	(4,911,412)	-
-	(70,032)	-	(490,697)	-
-	895,948	-	(930,614)	-
406	1,874	252	16,883	5,403
3,073	1,112,514	(11,998)	1,321,475	545,047
1,212,393	3,713,613	52,528	8,734,541	2,543,809
1,215,466	4,826,127	40,530	10,056,016	3,088,856
(48,116)	(329,857)	(56,645)	(484,257)	422,001
-	-	-	39,817	314,309
119,303	398,511	31,702	2,076,245	-
-	6,251	-	(287,033)	(185,827)
(68,520)	237,427	12,693	988,074	(10,839)
2,667	312,332	(12,250)	2,332,846	539,644
-	-	-	300,750	-

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

**VILLAGE OF NORTHBROOK, ILLINOIS****Statement of Fiduciary Net Position****April 30, 2015**

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,455,823	3,543,151
Investments		
U.S. Government and Agency Securities	4,673,245	-
State and Local Securities	11,585,665	-
Corporate Bonds	19,363,130	-
Mutual Funds	23,083,784	-
Common Stock	28,768,936	-
Receivables		
Accrued Interest	484,923	-
Other	632	-
Due from Other Governments	204,359	3,150
Total Assets	93,620,497	3,546,301
<b>LIABILITIES</b>		
Accounts Payable	-	13,767
Deposits Payable	-	3,532,534
Due to Other Governments	326,338	-
Total Liabilities	326,338	3,546,301
<b>NET POSITION</b>		
Net Position Held in Trust for Pension Benefits	93,294,159	-

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, 2015

	Pension Trust
Additions	
Contributions - Employer	\$ 2,682,368
Contributions - Plan Members	<u>1,402,697</u>
Total Contributions	<u>4,085,065</u>
Investment Income	
Interest Earned	6,646,934
Net Change in Fair Value	<u>(570,668)</u>
	6,076,266
Less Investment Expenses	<u>(79,060)</u>
	<u>5,997,206</u>
Miscellaneous Income	<u>8,270</u>
Total Additions	<u>10,090,541</u>
Deductions	
Administration	92,299
Benefits and Refunds	<u>6,671,026</u>
Total Deductions	<u>6,763,325</u>
Change in Net Position	3,327,216
Net Position Held in Trust for Pension Benefits	
Beginning	<u>89,966,943</u>
Ending	<u><u>93,294,159</u></u>

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

#### **REPORTING ENTITY**

The Village's financial reporting entity comprises the following:

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

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

#### **Police Pension Employees Retirement System**

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **REPORTING ENTITY – Continued**

###### **Firefighters' Pension Employees Retirement System**

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

###### **Discretely Presented Component Unit**

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

###### **Northbrook Public Library**

The Northbrook Public Library (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, 2015 are available from the Library's administrative office at 1201 Cedar Lane, Northbrook, Illinois 60062.

#### **BASIS OF PRESENTATION**

##### **Government-Wide Financial Statements**

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Government-Wide Financial Statements – Continued**

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

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

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

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

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

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

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

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

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

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

##### Governmental Funds

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

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

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- Continued

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

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

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

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

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

##### Proprietary Funds

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



## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Proprietary Funds – Continued

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

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

##### Fiduciary Funds

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

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – Continued**

##### **Fiduciary Funds – Continued**

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

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

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

##### **Measurement Focus**

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

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

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **Measurement Focus – Continued**

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.

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.

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **Basis of Accounting – Continued**

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

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

##### **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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

###### **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.

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2015**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

##### **Prepays/Inventories**

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

##### **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.

##### **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.

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Notes to the Financial Statements April 30, 2015**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

##### **Capital Assets – Continued**

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

##### **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.

##### **Long-Term Obligations**

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

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

##### **Net Position**

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **BUDGETARY INFORMATION**

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

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

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

##### BUDGETARY INFORMATION – Continued

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

##### EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Police Pension	\$ 141,141
Firefighters' Pension	267,989
Revenue Parking	2,159

##### DEFICIT FUND EQUITY

The following fund had deficit fund equity as of the date of this report:

Fund	Deficit
Pension Contribution	\$ 1,205,459

#### 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, Illinois Funds and the Illinois Metropolitan Investment Fund.

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



## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements

April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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.

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.

##### **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 \$13,455,936 and the bank balances totaled \$18,083,573. In addition, the Village had \$33,492,408 invested in the Illinois Funds at year-end.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### **Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk -- Continued**

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

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states that investments shall be limited to the safest types of securities. At year-end, the Village's investment in U.S. agencies are all rated AAA by Standard & Poor's, and 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 or higher. Pledged collateral will be held in safekeeping by a depository designated by the Village and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of pledged assets without the approval of the Village. At year-end, the entire amount of the bank balance of deposits was covered by 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 investments in U.S. agencies are all insured or registered with the Village or its agent in the Village's name and the Village's investment in the Illinois Fund are noncategorizable.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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

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

- a. No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of U.S. government securities held in safekeeping.
- b. Funds deposited in financial institutions shall not exceed 25% of the deposits of that institution.
- c. Commercial paper shall not exceed 33% of the Village's investment portfolio.

At year-end, the Village's investment in the Illinois Fund represents more than 5 percent of the total cash and investment portfolio.

##### **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 \$12,555 and the bank balances totaled \$12,510.

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

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 837,036	-	-	837,036	-
U.S. Agencies	979,564	-	800,088	179,476	-
State and Local Securities	6,370,345	3,562,704	2,807,641	-	-
Corporate Bonds	9,637,326	7,394,049	1,761,548	194,504	287,225
Illinois Funds	2,797,962	2,797,962	-	-	-
	<u>20,622,233</u>	<u>13,754,715</u>	<u>5,369,277</u>	<u>1,211,016</u>	<u>287,225</u>

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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

*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 Federal Home Loan Bank Securities, Federal National Mortgage Securities, Government National Mortgage Securities and State and Local Bonds ratings were not available.

*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 noncategorizable.

*Concentration Risk.* The Fund's investment policy states that no financial institution has 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 \$13,721,316 invested in mutual funds and \$11,345,031 invested in common stock. At year-end, the Fund has over 5 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in the Illinois Funds (\$2,612,517) and in Vanguard Total Stock Index (\$7,417,631).

# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

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

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.

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 2015 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, 2015 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$10,100 and the bank balances totaled \$10,100.

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

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,562,473	-	-	1,562,473	-
U.S. Agencies	1,294,172	-	800,088	-	494,084
State and Local Securities	5,215,320	2,608,346	2,606,974	-	-
Corporate Bonds	9,725,804	7,491,196	1,557,314	291,756	385,538
Illinois Funds	2,635,206	2,635,206	-	-	-
	20,432,975	12,734,748	4,964,376	1,854,229	879,622

*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 U.S. Treasury Notes and Strips, Federal Home Loan Bank and Mortgage Securities, Government National Mortgage Securities, Federal Farm Credit Bureau Securities and State and Local Bonds ratings were not available.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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

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

*Concentration Risk.* The Fund's investment policy states that no more than 40% 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 \$9,362,468 invested in mutual funds and \$17,423,905 invested in common stock. At year-end, the Fund has over 5 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) in State and Local Bonds and Illinois Funds.

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.

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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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**

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 2015 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, 2015 are listed in the table above.

##### **Rate of Return**

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.84%. 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 2014 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.



# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 31,963,013	-	-	31,963,013
Construction in Progress	-	161,695	-	161,695
	<u>31,963,013</u>	<u>161,695</u>	<u>-</u>	<u>32,124,708</u>
Depreciable Capital Assets				
Buildings	18,487,210	-	-	18,487,210
Equipment and Vehicles	8,939,403	834,497	147,113	9,626,787
Infrastructure	92,868,539	2,825,625	-	95,694,164
	<u>120,295,152</u>	<u>3,660,122</u>	<u>147,113</u>	<u>123,808,161</u>
Less Accumulated Depreciation				
Buildings	8,121,186	401,954	-	8,523,140
Equipment and Vehicles	6,320,591	528,180	147,113	6,701,658
Infrastructure	42,672,534	2,191,202	-	44,863,736
	<u>57,114,311</u>	<u>3,121,336</u>	<u>147,113</u>	<u>60,088,534</u>
Total Net Depreciable Capital Assets	<u>63,180,841</u>	<u>538,786</u>	<u>-</u>	<u>63,719,627</u>
Total Net Capital Assets	<u>95,143,854</u>	<u>700,481</u>	<u>-</u>	<u>95,844,335</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 100,030
Public Safety	450,274
Highways and Streets	<u>2,571,032</u>
	<u>3,121,336</u>

**VILLAGE OF NORTHBROOK, ILLINOIS****Notes to the Financial Statements  
April 30, 2015****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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,674,404	-	-	1,674,404
Construction in Progress	-	1,208,202	-	1,208,202
	<u>1,674,404</u>	<u>1,208,202</u>	<u>-</u>	<u>2,882,606</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	2,801,513	-	-	2,801,513
Buildings	21,070,662	-	-	21,070,662
Equipment and Vehicles	15,040,377	-	-	15,040,377
System Mains, Lines and Appurtenances	86,286,047	2,215,553	-	88,501,600
	<u>125,198,599</u>	<u>2,215,553</u>	<u>-</u>	<u>127,414,152</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	1,363,722	53,424	-	1,417,146
Buildings	11,443,883	364,126	-	11,808,009
Equipment and Vehicles	10,805,798	263,841	-	11,069,639
System Mains, Lines and Appurtenances	52,273,326	1,508,275	-	53,781,601
	<u>75,886,729</u>	<u>2,189,666</u>	<u>-</u>	<u>78,076,395</u>
<b>Total Net Depreciable Capital Assets</b>	<u>49,311,870</u>	<u>25,887</u>	<u>-</u>	<u>49,337,757</u>
<b>Total Net Capital Assets</b>	<u>50,986,274</u>	<u>1,234,089</u>	<u>-</u>	<u>52,220,363</u>

Depreciation expense was charged to business-type as follows:

Water	\$ 1,372,570
Sanitary Sewer	254,754
Senior Housing	119,303
Stormwater Management	411,338
Revenue Parking	<u>31,701</u>
	<u>2,189,666</u>

**VILLAGE OF NORTHBROOK, ILLINOIS****Notes to the Financial Statements  
April 30, 2015****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
Artwork	3,200	-	-	3,200
	<u>38,200</u>	<u>-</u>	<u>-</u>	<u>38,200</u>
Depreciable Capital Assets				
Buildings and Improvements	16,871,277	5,859,368	142,079	22,588,566
Computer and Other Equipment	754,850	34,327	139,446	649,731
Furniture and Shelving	1,225,066	42,827	44,387	1,223,506
Library Materials	5,889,559	600,158	738,340	5,751,377
	<u>24,740,752</u>	<u>6,536,680</u>	<u>1,064,252</u>	<u>30,213,180</u>
Less Accumulated Depreciation				
Buildings and Improvements	8,130,190	457,785	241,808	8,346,167
Computer and Other Equipment	579,208	39,862	39,717	579,353
Furniture and Shelving	843,312	39,374	44,387	838,299
Library Materials	3,844,888	571,161	738,340	3,677,709
	<u>13,397,598</u>	<u>1,108,182</u>	<u>1,064,252</u>	<u>13,441,528</u>
Total Net Depreciable Capital Assets	<u>11,343,154</u>	<u>5,428,498</u>	<u>-</u>	<u>16,771,652</u>
Total Net Capital Assets	<u>11,381,354</u>	<u>5,428,498</u>	<u>-</u>	<u>16,809,852</u>

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

##### Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Pension Contribution	\$ 115,988
General	Senior Housing	<u>405,991</u>
		<u>521,979</u>

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	\$ 2,052,013
Debt Service	Stormwater Utility	<u>97,640</u>
		<u>2,149,653</u>

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 except the 2004A, 2004B, and 2015A series which were issued for pension-related purposes – see Note 4 – Related Party Transaction. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

### 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 2004A (\$9,395,000), due in annual installments of \$65,000 to \$4,980,000 plus interest at 4.80% through December 1, 2034.	Debt Service	\$ 8,605,000	-	8,495,000 * 110,000	-
General Obligation Bonds of 2004B (\$7,195,000), due in annual installments of \$50,000 to \$3,810,000 plus interest at 4.80% through December 1, 2034.	Debt Service	6,590,000	-	6,505,000 * 85,000	-
General Obligation Refunding Bonds of 2006 (\$14,395,000), due in annual installments of \$54,131 to \$2,391,282 plus interest at 3.75% to 4.25% through December 1, 2021.	Debt Service	432,817	-	432,817	-
	Water	325,035	-	325,035	-
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	5,729,500	-	4,703,400 * 370,000	656,100
	Water	4,765,500	-	4,006,600 * 200,000	558,900
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	13,525,000	-	11,495,000 * 650,000	1,380,000

\*Refunded

# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

### 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 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	\$ 2,341,636	-	483,720	1,857,916
	Water	2,468,364	-	121,280	2,347,084
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	2,885,000	-	120,000	2,765,000
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, 2027.	Debt Service	12,650,280	-	296,054	12,354,226
	Water	3,152,258	-	211,877	2,940,381
	Stormwater Utility	737,040	-	46,620	690,420
	Motor Fuel Tax	5,312,950	-	-	5,312,950
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.	Debt Service	1,210,149	-	-	1,210,149
	Water Sanitary Sewer	1,263,078	-	-	1,263,078
	Stormwater Utility	601,465	-	-	601,465
		967,358	-	-	967,358

# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

### 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	\$ -	17,720,500	-	17,720,500
	Water	-	4,556,700	-	4,556,700
	Sanitary Sewer	-	2,025,200	-	2,025,200
	Stormwater Utility	-	1,012,600	-	1,012,600
General Obligation Refunding Bonds of 2015A (\$15,395,000), due in annual installments of \$350,000 to \$1,405,000 plus interest at 0.45% to 3.90% through December 1, 2034.	Debt Service	-	15,395,000	-	15,395,000
		73,562,430	40,710,000	38,657,403	75,615,027
Plus/Less Unamortized Items:					
Premium on General Obligation Bonds - Governmental Activities					2,577,164
Loss on Advanced Refunding of General Obligation Bonds - Governmental Activities					(2,425,644)
Premium on General Obligation Bonds - Business-Type Activities					1,100,509
					<u>76,867,056</u>

#### 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	\$ 1,847,915	162,094	81,047	1,928,962	385,792
Net Pension Obligation	108,821	2,328	-	111,149	-
Net Other Post-Employment Benefit Obligation	583,974	195,202	-	779,176	-
General Obligation Bonds	59,282,332	33,115,500	33,745,991	58,651,841	3,286,877
Plus: Unamortized Premium on Debt Issuance	308,197	2,761,247	492,280	2,577,164	-
	<u>62,131,239</u>	<u>36,236,371</u>	<u>34,319,318</u>	<u>64,048,292</u>	<u>3,672,669</u>

**VILLAGE OF NORTHBROOK, ILLINOIS****Notes to the Financial Statements  
April 30, 2015****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	\$ 191,497	15,758	7,879	199,376	39,875
General Obligation Bonds	14,280,098	7,594,500	4,911,412	16,963,186	1,157,876
Plus: Unamortized Premium on Debt Issuance	426,480	787,452	113,423	1,100,509	-
	<u>14,898,075</u>	<u>8,397,710</u>	<u>5,032,714</u>	<u>18,263,071</u>	<u>1,197,751</u>
Component Unit - Public Library					
Compensated Absences	40,716	176,992	88,496	129,212	25,842
Net Pension Obligation	41,795	894	-	42,689	-
Net Other Post-Employment Benefit Obligation	11,057	2,455	-	13,512	-
General Obligation Bonds	9,592,605	-	687,632	8,904,973	690,247
Plus: Unamortized Premium on Debt Issuance	203,067	-	16,238	186,829	16,238
	<u>9,889,240</u>	<u>180,341</u>	<u>792,366</u>	<u>9,277,215</u>	<u>732,327</u>

For governmental activities, the compensated absences, the net pension obligation, 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. For business-type activities, compensated absences are being liquidated by the Water and Sanitary Sewer Funds. The Water, Sewer and Stormwater Utility Funds make payments on the general obligation bonds. The Northbrook Public Library discretely presented component unit makes payments on the library general obligation bonds.

The Village has deferred the accounting gains/losses and premiums/discounts from the advance refundings. The governmental activities are amortizing \$2,577,164 and \$2,425,644 for the deferred premium and loss, respectively. The business-type activities are amortizing \$1,100,509 for the deferred premium. These deferred items are being amortized over the remaining life of the bonds.



# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities		Component Unit Public Library	
	General		General		General	
	Obligation Bonds		Obligation Bonds		Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,286,877	1,845,409	1,157,876	488,464	690,247	317,894
2017	3,289,382	1,787,606	1,194,028	464,998	706,589	304,302
2018	3,174,339	1,717,853	1,329,592	419,750	726,068	290,352
2019	3,570,655	1,643,847	1,372,269	377,704	252,076	276,061
2020	3,653,807	1,557,236	1,412,222	348,830	258,971	269,433
2021	4,272,273	1,473,198	942,781	295,227	264,945	262,531
2022	4,400,403	915,803	978,519	271,810	276,077	253,422
2023	2,317,849	1,231,021	932,151	277,520	285,000	243,800
2024	2,413,966	1,136,031	979,060	286,545	295,000	232,400
2025	3,174,375	1,036,013	1,012,598	296,267	305,000	220,600
2026	3,316,543	912,414	1,063,456	306,268	320,000	208,400
2027	3,432,882	797,658	1,102,118	316,606	330,000	195,600
2028	3,574,544	675,987	1,150,460	326,840	345,000	182,400
2029	2,964,242	564,930	845,758	77,020	360,000	168,600
2030	1,809,562	467,993	335,438	64,067	375,000	154,200
2031	1,799,697	395,248	145,304	50,652	390,000	139,200
2032	1,873,642	329,120	151,358	44,840	405,000	122,625
2033	1,957,588	256,680	157,413	38,218	425,000	104,400
2034	1,726,534	179,614	163,466	31,331	445,000	85,275
2035	1,798,966	110,491	171,034	24,179	460,000	65,250
2036	411,398	37,968	178,602	16,483	485,000	44,550
2037	432,317	19,454	187,683	8,447	505,000	22,725
	58,651,841	19,091,574	16,963,186	4,832,066	8,904,973	4,164,019

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

##### **LONG-TERM DEBT – Continued**

###### **Defeased Debt**

On October 14, 2014, the Village issued \$25,315,000 par value General Obligation Bonds of 2014A to refund \$8,710,000 of the General Obligation Bonds of 2007 and \$11,495,000 of the General Obligation Bonds of 2008. Also, on January 13, 2015 the Village issued \$15,395,000 par value General Obligation Refunding Bonds of 2015A to refund \$8,495,000 of the General Obligation Bonds of 2004A and \$6,505,000 of the General Obligation Bonds of 2004B. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. The proceeds of the General Obligation Refunding Bonds of 2015A bond issue were not placed in trust to defease the General Obligation Bonds 2004A and 2004B, instead the proceeds were sent directly to the bond holder at the Village of Highland Park and the bond was canceled. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by \$6,055,338 and obtained an economic gain of \$3,887,817.

###### **Legal Debt Margin**

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

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS -- Continued

#### NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of April 30, 2015:

##### Governmental Activities

Capital Assets - Net of Accumulated Depreciation	\$ 95,844,335
Plus Unspent Bond Proceeds	1,532,158
Less Capital Related Debt:	
General Obligation Bonds of 2007	(656,100)
General Obligation Bonds of 2008	(1,380,000)
General Obligation Bonds of 2010	(1,857,916)
General Obligation Bonds of 2011	(2,765,000)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(12,354,226)
General Obligation Bonds of 2013A	(6,523,099)
General Obligation Bonds of 2014A	(17,720,500)
Premium on Debt Issuance	(2,577,164)
Loss on Advanced Refunding	<u>2,425,644</u>
Net Investment in Capital Assets	<u>53,968,132</u>

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION – NET INVESTMENT IN CAPITAL ASSETS – Continued

##### Business-Type Activities

Capital Assets - Net of Accumulated Depreciation	\$ 52,220,363
Plus Unspent Bond Proceeds	2,081,491
Less Capital Related Debt:	
General Obligation Bonds of 2007	(558,900)
General Obligation Bonds of 2010	(2,347,084)
Taxable General Obligation Refunding Bonds of 2012A & 2012B	(3,630,801)
General Obligation Bonds of 2013A	(2,831,901)
General Obligation Bonds of 2014A	(7,594,500)
Premium on Debt Issuance	<u>(1,100,509)</u>
Net Investment in Capital Assets	<u>36,238,159</u>

#### FUND BALANCE CLASSIFICATIONS

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

# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### FUND BALANCE CLASSIFICATIONS – Continued

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

	General	Debt Service	Special Revenue Pension Contribution	Capital Projects Infrastructure	Nonmajor	Totals
<b>Fund Balances</b>						
Restricted						
Public Safety	\$ 522,269	-	-	-	-	522,269
Debt Service	-	107,211	-	-	-	107,211
Capital Projects	1,145,963	-	-	1,536,651	-	2,682,614
Tax Increment Financing	-	-	-	-	5,022	5,022
Perpetual Care Cemetery	-	-	-	-	205,809	205,809
	<u>1,668,232</u>	<u>107,211</u>	<u>-</u>	<u>1,536,651</u>	<u>210,831</u>	<u>3,522,925</u>
Committed						
Traffic Impact	-	-	-	-	87,048	87,048
Assigned						
Capital Projects	-	-	-	5,644,859	-	5,644,859
Unassigned	<u>22,060,520</u>	<u>-</u>	<u>(1,205,459)</u>	<u>-</u>	<u>-</u>	<u>20,855,061</u>
Total Fund Balances	<u>23,728,752</u>	<u>107,211</u>	<u>(1,205,459)</u>	<u>7,181,510</u>	<u>297,879</u>	<u>30,109,893</u>

**Committed Fund Balance.** The Village reports committed fund balance in the Traffic Impact Fund, a nonmajor fund. The Village Board, through formal action as established by ordinance (budget ordinance), has committed these funds to infrastructure cost mitigation for specific property owners. Board ordinance is required to establish, modify and/or rescind a fund balance commitment.

**Assigned Fund Balance.** The Village reports assigned fund balance in the Infrastructure Fund, a major fund. The Village's Chief Financial Officer, under authorization granted by the Board in the Village's fund balance policy, has assigned these funds to future improvements and capital asset acquisitions.

**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.

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **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 Cooperations 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 about that level.

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

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

## **VILLAGE OF NORTHBROOK, ILLINOIS**

### **Notes to the Financial Statements April 30, 2015**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **CONTINGENT LIABILITIES**

###### **Deferred Compensation Plan**

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

###### **Litigation**

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

###### **Grants**

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

##### **RELATED PARTY TRANSACTION**

On November 29, 2004 the Village issued \$16,590,000 general obligation pension funding bonds. The bonds were issued to acquire bonds of the City of Highland Park, a neighboring community, in the amount of \$9,395,000 to meet contribution requirements in the Police Pension Fund and \$7,195,000 to meet contribution requirements in the Firefighters' Pension Fund. The Village's bonds have terms and provisions identical to the City of Highland Park's bonds and were issued via private purchase memorandum in exchange for the City of Highland Park bonds. The bonds are subject to redemption prior to maturity at the option of the Village. Both communities maintained a triple A rating by Moody's and Standard and Poor's at the time of the issuance of the bonds. To further secure the liabilities between the communities each party has agreed to purchase municipal bond insurance to guarantee the payment of principal and interest on the bonds during any period that the rating of said community is lower than triple A. During the fiscal year ended April 30, 2015, each Village called the other's bonds. The Village completed the call with the General Obligation Refunding Bonds of 2015A. No outstanding balance remains at year-end with the City of Highland Park.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

##### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

##### Plan Descriptions

###### Illinois Municipal Retirement System (IMRF)

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution rate for calendar year 2014 was 13.53 percent of annual covered payroll.

###### Police Pension Plan

*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.



## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements

April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Plan Descriptions – Continued

##### Police Pension Plan -- Continued

*Plan Membership.* At April 30, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Employees	
Vested	46
Nonvested	19
	<hr/>
Total	122
	<hr/>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

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

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS -- Continued

##### Plan Descriptions -- Continued

##### Police Pension Plan – Continued

Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of  $\frac{1}{2}$  of the change in the Consumer Price Index for the 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, 2015, the Village's contribution was 21.56% of covered payroll.

##### Firefighters' Pension Plan

*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, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Employees	
Vested	50
Nonvested	17
	<hr/>
Total	121
	<hr/>

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Plan Descriptions – Continued

*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  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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.

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

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Plan Descriptions – Continued

##### Firefighters' Pension Plan – Continued

*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, 2015, the Village's contribution was 20.46% of covered payroll.

##### Summary of Significant Accounting Policies and Plan Asset Matters

*Basis of Accounting.* The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

*Significant Investments.* The Police Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in Illinois Funds (\$2,612,517) and Vanguard Total Stock Index (\$7,417,631) that represent 5 percent or more of net position available for benefits. The Firefighters' Pension Plan has investments (other than U.S. Government and U.S. Government - guaranteed obligations) in Illinois Funds and state and local bonds that represent 5 percent or more of net position available for benefits. Information for IMRF is not available.

*Related Party Transactions.* There are no securities of the employer or any other related parties included in plan assets.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2015, using the following actuarial methods and assumptions:

	Police Pension	Firefighters' Pension
Actuarial Valuation Date	4/30/2015	4/30/2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market	Market
Actuarial Assumptions		
Interest Rate	8.00%	8.00%
Salary Increases	4.00%	4.00%
Cost of Living Adjustments	3.00%	3.00%
Inflation	2.50%	2.50%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

##### Discount Rate

The discount rate used to measure the total pension liability for the police pension was 7.25% and for the firefighters' pension was 7.27%. The discount rate in the prior valuation was 8.00% for both the police and firefighters' pension plan. 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 not projected to be available to make all project future benefit payments of current plan members. 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 8.00%, the municipal bond rate is 3.62%, and the resulting single discount rate is 7.25% for the police pension and 7.27% for the firefighters' pension.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – 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 liabilities calculated using the discount rate as well as what the net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Police Pension			
Net Pension Liability	\$ 40,323,129	31,061,273	23,332,298
Firefighters' Pension	1% Decrease (6.27%)	Current Discount Rate (7.27%)	1% Increase (8.27%)
Net Pension Liability	\$ 35,125,744	26,108,513	18,545,755

##### Net Pension Liability

The components of the net pension liability of the Village's Plans as of April 30, 2015, calculated in accordance with GASB Statement No. 67, were as follows:

	Police Pension	Firefighters' Pension	Totals
Total Pension Liability	\$ 76,902,254	73,561,691	150,463,945
Plan Fiduciary Net Position	45,840,981	47,453,178	93,294,159
Village's Net Pension Liability	31,061,273	26,108,513	57,169,786
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.61%	64.51%	62.00%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

Northbrook Rural Fire Protection District's portion of the Firefighters' Pension Net Pension Liability is 15% of the total liability.

**VILLAGE OF NORTHBROOK, ILLINOIS****Notes to the Financial Statements  
April 30, 2015****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Annual Pension Cost and Net Pension Obligation/(Asset)**

The actuarial assumptions for the current year and related information for each plan is as follows:

	IMRF	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	13.53%	21.56%	20.46%
Employee	4.50%	9.91%	9.46%
Actuarial Valuation Date	12/31/2014	4/30/2015	4/30/2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	29 Years	26 Years	26 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	8.00% Compounded Annually	8.00% Compounded Annually
Projected Salary Increases	.4 to 10.0%	4.00%	4.00%
Inflation Rate Included	4.00%	2.50%	2.50%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Annual Pension Cost and Net Pension Obligation/(Asset) – Continued

The pension liability as determined in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” The pension obligation/(asset) for the IMRF, Police and Firefighters’ Pension Plans is as follows:

	IMRF	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 2,110,360	1,385,236	1,556,492
Interest on the NPO/(NPA)	8,162	(833,086)	(465,914)
Adjustment to the ARC	(5,834)	654,474	504,566
Annual Pension Cost	2,112,688	1,206,624	1,595,144
Actual Contribution	(2,110,360)	(1,349,585)	(1,332,783)
Change in the NPO/(NPA)	2,328	(142,961)	262,361
NPO/(NPA) - Beginning	108,821	(10,441,289)	(5,977,967)
NPO/(NPA) - Ending	111,149	(10,584,250)	(5,715,606)

Note: The Annual Required Contributions above for the Police Pension and Firefighters’ Pension Plans are calculated in conformity with GASB requirements. Actual contributions for Police Pension of \$1,349,585 and for Firefighters’ Pension of \$1,332,783 represent 100% of the Annual Required Contribution as calculated under current State Statutes.



# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements

April 30, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation/asset (NPO/NPA) are as follows. The NPO/NPA is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	IMRF	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2013	\$ 2,007,451	\$ 1,045,537	\$ 1,236,500
	2014	2,084,959	913,028	993,528
	2015	2,112,688	1,206,624	1,595,144
Actual Contributions	2013	2,005,220	1,256,351	1,220,753
	2014	2,082,680	1,377,428	1,319,964
	2015	2,110,360	1,349,585	1,332,783
Percentage of APC Contributed	2013	99.89%	120.16%	98.73%
	2014	99.89%	150.86%	132.86%
	2015	99.89%	111.85%	83.55%
Net Pension Obligation/ (Asset)	2013	106,542	(9,976,889)	(5,651,531)
	2014	108,821	(10,441,289)	(5,977,967)
	2015	111,149	(10,584,250)	(5,715,606)

# VILLAGE OF NORTHBROOK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Funded Status and Funding Progress

The Village's funded status for the current year and related information for each plan is as follows:

	IMRF	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/14	4/30/15	4/30/15
Percent Funded	75.21%	64.58%	69.87%
Actuarial Accrued Liability for Benefits	\$49,647,993	\$70,980,161	\$67,914,622
Actuarial Value of Assets	\$37,339,289	\$45,840,986	\$47,453,180
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$12,308,704)	(\$25,139,175)	(\$20,461,442)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$15,516,066	\$6,259,278	\$6,514,303
Ratio of UAAL to Covered Payroll	79.33%	401.63%	314.10%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### 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, 2015, retirees contributed \$579,831. Active employees do not contribute to the post-employment benefit plan until retirement.

At April 30, 2015, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	57
Active Employees	<u>259</u>
Total	<u>316</u>
Participating Employers	1

The Village does not currently have a funding policy.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### 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, 2015, was calculated as follows:

Annual Required Contribution	\$ 507,535
Interest on the NOPEBO	23,359
Adjustment to the ARC	<u>(19,466)</u>
Annual OPEB Cost	511,428
Actual Contribution	<u>316,226</u>
Increase in the NOPEBO	195,202
NOPEBO - Beginning	<u>583,974</u>
NOPEBO - Ending	<u><u>779,176</u></u>

#### 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
2013	\$ 337,225	\$ 243,526	72.21%	\$ 485,087
2014	377,603	278,716	73.81%	583,974
2015	511,428	316,226	61.83%	779,176

## VILLAGE OF NORTHBROOK, ILLINOIS

### Notes to the Financial Statements April 30, 2015

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#### 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, 2015, the date of the most recent actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 7,050,005
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,050,005
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 27,802,808
UAAL as a Percentage of Covered Payroll	25.36%

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, 2015 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 7.0%, 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, 2015, 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
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
  - Police Pension Fund
  - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
  - 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**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Funding Progress and Employer Contributions**

**April 30, 2015**

**Funding Progress**

Actuarial Valuation Date Dec. 31	(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)
2009	\$ 30,357,563	\$ 42,324,209	71.73%	\$ 11,966,646	\$ 14,364,213	83.31%
2010	28,284,609	41,333,468	68.43%	13,048,859	14,277,184	91.40%
2011	30,691,548	44,389,093	69.14%	13,697,545	14,213,247	96.37%
2012	31,795,961	45,408,913	70.02%	13,612,952	14,822,876	91.84%
2013	36,006,667	46,907,979	76.76%	10,901,312	15,020,765	72.57%
2014	37,339,289	49,647,993	75.21%	12,308,704	15,516,066	79.33%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 1,473,768	\$ 1,473,768	100.00%
2011	1,732,692	1,782,915	97.18%
2012	1,818,669	1,852,110	98.19%
2013	2,005,220	2,005,220	100.00%
2014	2,082,680	2,082,680	100.00%
2015	2,110,360	2,110,360	100.00%

# VILLAGE OF NORTHBROOK, ILLINOIS

## Police Pension Fund

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2015

#### 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)
2010	\$ 36,604,586	\$ 50,843,163	72.00%	\$ 14,238,577	\$ 5,608,148	253.89%
2011	38,864,186	54,144,315	71.78%	15,280,129	5,901,198	258.93%
2012	39,510,125	57,854,494	68.29%	18,344,369	6,165,086	297.55%
2013	41,261,603	60,721,093	67.95%	19,459,490	6,133,161	317.28%
2014	44,306,698	63,845,656	69.40%	19,538,958	6,187,656	315.77%
2015	45,840,986	70,980,161	64.58%	25,139,175	6,259,278	401.63%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 643,310	\$ 628,285	102.39%
2011*	1,055,379	1,179,355	89.49%
2012*	1,103,535	1,142,913	96.55%
2013*	1,256,351	1,272,552	98.73%
2014*	1,377,428	1,256,351	109.64%
2015*	1,349,585	1,385,236	97.43%

\*Note: For the year ended April 30, 2011, 2012, 2013, 2014 and 2015, the Annual Required Contribution was calculated in conformity with GASB requirements. Actual contributions represent 100% of the Annual Required Contribution as calculated under current State Statutes.



# VILLAGE OF NORTHBROOK, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2015

#### 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)
2010	\$ 37,599,988	\$ 48,507,323	77.51%	\$ 10,907,335	\$ 5,957,410	183.09%
2011	39,916,590	51,731,002	77.16%	11,814,412	6,124,287	192.91%
2012	40,214,988	54,866,359	73.30%	14,651,371	6,366,498	230.13%
2013	42,320,252	58,629,624	72.18%	16,309,372	6,217,586	262.31%
2014	45,660,246	61,387,861	74.38%	15,727,615	6,505,691	241.75%
2015	47,453,180	67,914,622	69.87%	20,461,442	6,514,303	314.10%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 788,819	\$ 802,799	98.26%
2011*	1,029,159	1,292,090	79.65%
2012*	1,046,064	1,262,624	82.85%
2013*	1,220,753	1,368,237	89.22%
2014*	1,319,964	1,220,753	108.13%
2015*	1,332,783	1,556,492	85.63%

\*Note: For the year ended April 30, 2011, 2012, 2013, 2014 and 2015, the Annual Required Contribution was calculated in conformity with GASB requirements. Actual contributions represent 100% of the Annual Required Contribution as calculated under current State Statutes.

# VILLAGE OF NORTHBROOK, ILLINOIS

## Other Post-Employment Benefit Plan

### Required Supplementary Information Schedule of Funding Progress and Employer Contributions April 30, 2015

#### 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)
2010	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2011	-	4,194,010	0.00%	4,194,010	26,302,669	15.95%
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%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 137,944	\$ 139,976	98.55%
2011	78,091	139,976	55.79%
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%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available. The Village is required to have an actuarial valuation performed biennially.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information Schedule of Employer Contributions April 30, 2015

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%

#### Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2015
Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	8.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

# VILLAGE OF NORTHBROOK, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Employer Contributions April 30, 2015

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%

#### Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2015
Actuarial Cost Method	Projected Unit Cost
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	8.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2015

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

# VILLAGE OF NORTHBROOK, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2015

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

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2015**

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<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expense</b>
<b>2015</b>	<b>6.86%</b>

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2015**

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<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expense</b>
2015	6.84%



# 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, 2015

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 30,149,585	30,149,585	30,411,628
Licenses, Permits and Fees	4,923,500	4,923,500	5,890,656
Charges for Services	6,079,975	6,079,975	5,754,747
Fines and Forfeitures	271,000	271,000	242,091
Interest	52,000	52,000	49,630
Miscellaneous	57,000	57,000	32,704
Total Revenues	41,533,060	41,533,060	42,381,456
<b>Expenditures</b>			
General Government	7,819,125	7,842,095	7,332,962
Public Safety	27,132,995	27,132,995	26,403,880
Highways and Streets	8,588,980	8,702,405	7,927,706
Total Expenditures	43,541,100	43,677,495	41,664,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,008,040)	(2,144,435)	716,908
<b>Other Financing Sources</b>			
Debt Issuance	2,272,000	2,272,000	1,984,476
Premium on Debt Issuance	-	-	240,525
	2,272,000	2,272,000	2,225,001
Change in Fund Balance	263,960	127,565	2,941,909
Fund Balance - Beginning			20,786,843
Fund Balance - Ending			23,728,752

## **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 Schedule – Nonmajor Governmental Fund
- 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 accounts for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUNDS**

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

### **Pension Contribution Fund**

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

### **Traffic Impact Fund**

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

### **Tax Increment Financing (TIF) Fund**

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

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## **DEBT SERVICE FUND**

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

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **CAPITAL PROJECTS FUNDS**

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 Fund**

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

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## **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.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **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.

### **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.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **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.

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

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

#### **Firefighters' Pension Fund**

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

### **AGENCY FUND**

#### **Escrow Fund**

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

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# VILLAGE OF NORTHBROOK, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 7,820,750	7,820,750	7,714,519
Township Road and Bridge Taxes	425,000	425,000	457,360
Replacement Taxes	358,500	358,500	419,218
Sales Taxes	12,300,000	12,300,000	12,330,590
State Use Tax	582,135	582,135	670,183
State Income Tax	3,141,200	3,141,200	3,401,924
Utility Tax	1,100,000	1,100,000	1,144,255
Telecommunication Tax	3,500,000	3,500,000	3,217,022
Admissions and Entertainment Tax	110,000	110,000	100,549
Hotel Occupancy Tax	800,000	800,000	942,388
Municipal Auto Rental Tax	12,000	12,000	13,620
	<u>30,149,585</u>	<u>30,149,585</u>	<u>30,411,628</u>
<b>Licenses, Permits and Fees</b>			
<b>Licenses</b>			
Animal	22,500	22,500	24,227
Business/Liquor	335,000	335,000	314,739
Vehicle	575,000	575,000	561,340
<b>Permits</b>			
Building	1,800,000	1,800,000	2,618,985
Retail Sales	10,000	10,000	740
Alarm	78,000	78,000	73,520
<b>Fees</b>			
Franchise	650,000	650,000	716,851
Emergency 911 Surcharge	250,000	250,000	273,150
Foreign Fire Insurance	115,000	115,000	109,442
Ambulance Transportation	900,000	900,000	1,030,957
Elevator Inspection	52,500	52,500	30,685
Alarm Service	135,500	135,500	136,020
	<u>4,923,500</u>	<u>4,923,500</u>	<u>5,890,656</u>

# VILLAGE OF NORTHBROOK, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Charges for Services			
Administrative Services	\$ 2,535,005	2,535,005	2,535,005
Plan Commission Fees	20,000	20,000	36,426
Frontage Deposit Fees	500	500	-
Overtime Reimbursements	60,000	60,000	82,663
State Route Maintenance Reimbursement	20,000	20,000	24,502
Reforestation Program	15,000	15,000	13,300
Toll Road Emergency Responses	3,500	3,500	850
Police Services	116,000	116,000	124,542
Annexation Fees	97,000	97,000	35,601
Antenna Lease Fee	240,630	240,630	214,808
Miscellaneous	361,700	361,700	288,353
Red Center	20,000	20,000	20,000
Northbrook Fire Protection District	2,590,640	2,590,640	2,378,697
	6,079,975	6,079,975	5,754,747
Fines and Forfeitures			
Court Fines	160,000	160,000	119,088
Drug Forfeitures	50,000	50,000	77,905
Ordinance Violations	61,000	61,000	45,098
	271,000	271,000	242,091
Interest			
Investment Income	52,000	52,000	49,630
Miscellaneous			
Rental Income	7,000	7,000	7,641
Sale of Property	50,000	50,000	25,063
	57,000	57,000	32,704
Total Revenues	41,533,060	41,533,060	42,381,456



**VILLAGE OF NORTHBROOK, ILLINOIS****General Fund****Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
General Government			
General Government Department			
Personal Services	\$ 1,468,035	1,468,035	1,420,455
Contractual Services	1,185,320	1,208,290	1,049,485
Commodities	3,500	3,500	2,227
	<u>2,656,855</u>	<u>2,679,825</u>	<u>2,472,167</u>
Finance Department			
Personal Services	961,810	961,810	910,991
Contractual Services	214,840	214,840	208,279
Commodities	22,100	22,100	17,884
Capital Outlay	2,500	2,500	-
	<u>1,201,250</u>	<u>1,201,250</u>	<u>1,137,154</u>
Information Services Department			
Personal Services	483,730	483,730	437,717
Contractual Services	697,205	697,205	575,821
Commodities	500	500	801
Capital Outlay	592,000	592,000	563,369
	<u>1,773,435</u>	<u>1,773,435</u>	<u>1,577,708</u>
Development and Planning Service Department			
Personal Services	1,612,415	1,612,415	1,644,335
Contractual Services	570,320	570,320	498,156
Commodities	3,600	3,600	3,064
Capital Outlay	1,250	1,250	378
	<u>2,187,585</u>	<u>2,187,585</u>	<u>2,145,933</u>
Total General Government	<u>7,819,125</u>	<u>7,842,095</u>	<u>7,332,962</u>

## VILLAGE OF NORTHBROOK, ILLINOIS

### General Fund

#### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Public Safety			
Police			
Personal Services	\$ 11,836,810	11,836,810	11,790,205
Contractual Services	1,493,235	1,493,235	1,407,278
Commodities	518,750	518,750	440,631
Capital Outlay	756,765	756,765	504,414
	<u>14,605,560</u>	<u>14,605,560</u>	<u>14,142,528</u>
Fire			
Personal Services	9,621,610	9,621,610	9,395,884
Contractual Services	1,353,025	1,353,025	1,337,811
Commodities	487,800	487,800	487,063
Capital Outlay	1,065,000	1,065,000	1,040,594
	<u>12,527,435</u>	<u>12,527,435</u>	<u>12,261,352</u>
Total Public Safety	<u>27,132,995</u>	<u>27,132,995</u>	<u>26,403,880</u>
Highways and Streets			
Public Works Department			
Personal Services	4,746,955	4,746,955	4,611,367
Contractual Services	1,938,555	1,938,555	1,957,921
Commodities	849,560	962,985	802,465
Capital Outlay	1,053,910	1,053,910	555,953
	<u>8,588,980</u>	<u>8,702,405</u>	<u>7,927,706</u>
Total Highways and Streets	<u>8,588,980</u>	<u>8,702,405</u>	<u>7,927,706</u>
Total Expenditures	<u>43,541,100</u>	<u>43,677,495</u>	<u>41,664,548</u>

# VILLAGE OF NORTHBROOK, ILLINOIS

## Debt Service Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	\$ 2,420,000	2,420,000	2,370,128
Licenses, Permits and Fees			
Impervious Surface Fees	75,000	75,000	29,603
Interest	5,000	5,000	9,587
Total Revenues	2,500,000	2,500,000	2,409,318
Expenditures			
Debt Service			
Principal Retirement	4,237,683	4,237,683	2,547,591
Interest and Fiscal Charges	1,975,430	1,975,430	1,971,196
Total Expenditures	6,213,113	6,213,113	4,518,787
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,713,113)	(3,713,113)	(2,109,469)
Other Financing Sources (Uses)			
Debt Issuance	-	-	30,571,300
Premium on Debt Issuance	-	-	2,450,447
Transfers In	2,149,653	2,149,653	2,149,653
Payment to Escrow Agent	-	-	(32,971,504)
	2,149,653	2,149,653	2,199,896
Change in Fund Balance	(1,563,460)	(1,563,460)	90,427
Fund Balance - Beginning			16,784
Fund Balance - Ending			107,211

# 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, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Sales Tax	\$ 2,265,000	2,265,000	2,199,561
Intergovernmental			
Motor Fuel Tax Allotment	800,000	800,000	1,111,844
Interest	5,500	5,500	1,570
Total Revenues	3,070,500	3,070,500	3,312,975
Expenditures			
Highways and Streets			
Capital Outlay			
Engineering Services	270,000	270,000	90,097
Street Maintenance/Improvements	3,089,010	3,089,010	2,795,489
Debt Service			
Interest and Fiscal Charges	-	-	199,260
Total Expenditures	3,359,010	3,359,010	3,084,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	(288,510)	(288,510)	228,129
Other Financing Sources (Uses)			
Debt Issuance	876,418	876,418	559,724
Premium on Debt Issuance	-	-	70,276
Transfers Out	(2,052,013)	(2,052,013)	(2,052,013)
	(1,175,595)	(1,175,595)	(1,422,013)
Change in Fund Balance	(1,464,105)	(1,464,105)	(1,193,884)
Fund Balance - Beginning			8,375,394
Fund Balance - Ending			7,181,510

**VILLAGE OF NORTHBROOK, ILLINOIS****Nonmajor Governmental Funds****Combining Balance Sheet  
April 30, 2015**

	<u>Special Revenue</u>			
	Traffic Impact	Tax Increment Financing	<u>Permanent Cemetery</u>	Totals
<b>ASSETS</b>				
Cash and Investments	<u>\$ 360,576</u>	<u>5,022</u>	<u>205,809</u>	<u>571,407</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Deposits Payable	<u>273,528</u>	<u>-</u>	<u>-</u>	<u>273,528</u>
Fund Balances				
Restricted	<u>-</u>	<u>5,022</u>	<u>205,809</u>	<u>210,831</u>
Committed	<u>87,048</u>	<u>-</u>	<u>-</u>	<u>87,048</u>
Total Fund Balances	<u>87,048</u>	<u>5,022</u>	<u>205,809</u>	<u>297,879</u>
Total Liabilities and Fund Balances	<u>360,576</u>	<u>5,022</u>	<u>205,809</u>	<u>571,407</u>

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Nonmajor Governmental Funds**

### **Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended April 30, 2015**

	Special Revenue			
	Traffic Impact	Tax Increment Financing	Permanent Cemetery	Totals
Revenues				
Interest	\$ 25	-	35	60
Miscellaneous	-	-	4,716	4,716
Total Revenues	25	-	4,751	4,776
Expenditures				
General Government	-	840	19,754	20,594
Change in Fund Balances	25	(840)	(15,003)	(15,818)
Fund Balances - Beginning	87,023	5,862	220,812	313,697
Fund Balances - Ending	87,048	5,022	205,809	297,879

# 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, 2015

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 200	200	35
Miscellaneous	3,000	3,000	4,716
Total Revenues	3,200	3,200	4,751
Expenditures			
General Government	23,645	23,645	19,754
Change in Fund Balance	(20,445)	(20,445)	(15,003)
Fund Balance - Beginning			220,812
Fund Balance - Ending			205,809

# 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, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 7,680,000	7,680,000	7,059,498
Operating Expenses			
Administration	1,970,660	1,970,660	1,970,660
Operations	7,787,952	7,787,952	3,672,309
Depreciation and Amortization	-	-	1,294,285
Total Operating Expenses	9,758,612	9,758,612	6,937,254
Operating Income (Loss)	(2,078,612)	(2,078,612)	122,244
Nonoperating Revenues (Expenses)			
Debt Issuance	4,278,250	4,278,250	-
Interest Income	20,000	20,000	13,250
Permits/Connection/Recapture Fees	105,500	105,500	31,210
Other Income	5,000	5,000	6,287
Interest Expense	(445,837)	(445,837)	(359,309)
	3,962,913	3,962,913	(308,562)
Income (Loss) Before Contributions	1,884,301	1,884,301	(186,318)
Capital Contributions	-	-	300,750
Change in Net Position	1,884,301	1,884,301	114,432
Net Position - Beginning			23,429,488
Net Position - Ending			23,543,920



**VILLAGE OF NORTHBROOK, ILLINOIS****Water - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Administration			
Administrative Services	\$ 1,782,095	1,782,095	1,782,095
Charges for Services	188,565	188,565	188,565
Total Administration	1,970,660	1,970,660	1,970,660
Operations			
Personal Services	2,415,590	2,415,590	2,272,097
Contractual Services	1,106,520	1,106,520	898,005
Commodities	418,075	418,075	324,753
Capital Outlay	6,063,320	6,063,320	2,393,007
	10,003,505	10,003,505	5,887,862
Less Capital Assets Capitalized	(2,215,553)	(2,215,553)	(2,215,553)
Total Operations	7,787,952	7,787,952	3,672,309
Depreciation and Amortization	-	-	1,294,285
Debt Service			
Principal Retirement	858,192	858,192	858,192
Interest Expense	445,837	445,837	359,309
	1,304,029	1,304,029	1,217,501
Less Nonoperating Items			
Debt Service	(858,192)	(858,192)	(1,217,501)
Total Debt Service	445,837	445,837	-
Total Operating Expenses	10,204,449	10,204,449	6,937,254

# **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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sanitary Sewer User Fees	\$ 1,320,000	1,320,000	1,302,248
Operating Expenses			
Administration	518,460	518,460	518,460
Operations	2,049,343	2,049,343	723,227
Depreciation	-	-	232,444
Total Operating Expenses	2,567,803	2,567,803	1,474,131
Operating (Loss)	(1,247,803)	(1,247,803)	(171,883)
Nonoperating Revenues (Expenses)			
Debt Issuance	2,339,573	2,339,573	-
Interest Income	2,500	2,500	1,101
Other Income	5,000	5,000	2,320
Interest Expense	(22,558)	(22,558)	(61,356)
	2,324,515	2,347,073	(57,935)
Change in Net Position	1,076,712	1,099,270	(229,818)
Net Position - Beginning			4,984,183
Net Position - Ending			4,754,365

**VILLAGE OF NORTHBROOK, ILLINOIS****Sanitary Sewer - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Administration			
Administrative Services	\$ 489,850	489,850	489,850
Charges for Services	28,610	28,610	28,610
Total Administration	518,460	518,460	518,460
Operations			
Personal Services	488,900	488,900	491,210
Contractual Services	187,770	187,770	193,356
Commodities	41,300	41,300	38,661
Capital Outlay	2,539,575	2,539,575	1,208,202
	3,257,545	3,257,545	1,931,429
Less Capital Assets Capitalized	(1,208,202)	(1,208,202)	(1,208,202)
Total Operations	2,049,343	2,049,343	723,227
Depreciation and Amortization	-	-	232,444
Total Operating Expenses	2,567,803	2,567,803	1,474,131

# 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, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Rents	\$ 840,000	840,000	835,097
Operating Expenses			
Administration	130,000	130,000	130,000
Operations	816,250	816,250	633,910
Depreciation	-	-	119,303
Total Operating Expenses	946,250	946,250	883,213
Operating Income (Loss)	(106,250)	(106,250)	(48,116)
Nonoperating Revenues			
Interest Income	1,000	1,000	406
Change in Net Position	(105,250)	(105,250)	(47,710)
Net Position - Beginning			3,530,636
Net Position - Ending			3,482,926

# 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, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Stormwater Utility Fees	\$ 1,600,000	1,600,000	1,313,492
Operating Expenses			
Administration	114,565	114,565	114,565
Operations	4,188,315	4,188,315	1,130,273
Depreciation	-	-	398,511
Total Operating Expenses	4,302,880	4,302,880	1,643,349
Operating Income (Loss)	(2,702,880)	(2,702,880)	(329,857)
Nonoperating Revenues (Expenses)			
Debt Issuance	3,182,695	3,182,695	-
Interest Income	3,000	3,000	1,874
Interest Expense	(51,020)	(51,020)	(70,032)
	3,134,675	3,134,675	(68,158)
Income (Loss) Before Transfers	431,795	431,795	(398,015)
Transfers Out	(97,640)	(97,640)	(97,640)
Change in Net Position	334,155	334,155	(495,655)
Net Position - Beginning			12,549,970
Net Position - Ending			12,054,315

**VILLAGE OF NORTHBROOK, ILLINOIS****Stormwater Utility - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2015**

	Budget		Actual
	Original	Final	
Administration			
Administrative Services	\$ 75,715	75,715	75,715
Charges for Services	38,850	38,850	38,850
Total Administration	114,565	114,565	114,565
Operations			
Personal Services	602,560	602,560	557,293
Contractual Services	358,060	358,060	172,487
Commodities	28,000	28,000	20,586
Capital Outlay	3,199,695	3,199,695	379,907
	4,188,315	4,188,315	1,130,273
Depreciation and Amortization	-	-	398,511
Debt Service			
Principal Retirement	46,620	46,620	46,620
Interest Expense	51,020	51,020	70,032
	97,640	97,640	116,652
Less Nonoperating Items			
Debt Service	(97,640)	(97,640)	(116,652)
Total Debt Service	-	-	-
Total Operating Expenses	4,302,880	4,302,880	1,643,349

**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, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 157,000	157,000	166,236
Operating Expenses			
Administration	140,965	140,965	144,244
Operations	48,055	48,055	46,935
Depreciation	-	-	31,702
Total Operating Expenses	189,020	189,020	222,881
Operating Income (Loss)	(32,020)	(32,020)	(56,645)
Nonoperating Revenues			
Interest Income	500	500	252
Change in Net Position	(31,520)	(31,520)	(56,393)
Net Position - Beginning			1,098,582
Net Position - Ending			1,042,189

## VILLAGE OF NORTHBROOK, ILLINOIS

### Revenue Parking - Enterprise Fund

#### Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended April 30, 2015

	Budget		Actual
	Original	Final	
Administration			
Administrative Services	\$ 105,835	105,835	105,835
Charges for Services	35,130	35,130	38,409
Total Administration	140,965	140,965	144,244
Operations			
Contractual Services	46,055	46,055	44,099
Commodities	2,000	2,000	2,836
Total Operations	48,055	48,055	46,935
Depreciation	-	-	31,702
Total Operating Expenses	189,020	189,020	222,881



# 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, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Billings	\$ 6,233,630	6,233,630	6,284,638
Member Contributions	1,705,000	1,705,000	1,434,674
Total Operating Revenues	7,938,630	7,938,630	7,719,312
Operating Expenses			
Administration			
Claims Administration Fees	25,000	25,000	6,743
Operations			
Insurance	8,281,750	8,281,750	7,255,932
Claims	35,000	35,000	34,636
Total Operating Expenses	8,341,750	8,341,750	7,297,311
Operating Income (Loss)	(403,120)	(403,120)	422,001
Nonoperating Revenues			
Interest Income	10,000	10,000	5,403
Other Income	2,000	2,000	314,309
	12,000	12,000	319,712
Change in Net Position	(391,120)	(391,120)	741,713
Net Position - Beginning			4,005,132
Net Position - Ending			4,746,845

**VILLAGE OF NORTHBROOK, ILLINOIS****Pension Trust Funds****Combining Statement of Fiduciary Net Position  
April 30, 2015**

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,810,517	2,645,306	5,455,823
Investments			
U.S. Government and Agency Securities	1,816,600	2,856,645	4,673,245
State and Local Securities	6,370,345	5,215,320	11,585,665
Corporate Bonds	9,637,326	9,725,804	19,363,130
Mutual Funds	13,721,316	9,362,468	23,083,784
Common Stock	11,345,031	17,423,905	28,768,936
Receivables			
Accrued Interest	165,935	318,988	484,923
Other	-	632	632
Due from Other Governments	101,892	102,467	204,359
Total Assets	45,968,962	47,651,535	93,620,497
<b>LIABILITIES</b>			
Due to Other Governments	127,981	198,357	326,338
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	45,840,981	47,453,178	93,294,159

# VILLAGE OF NORTHBROOK, ILLINOIS

## Pension Trust Funds

### Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2015

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,349,585	1,332,783	2,682,368
Contributions - Plan Members	698,545	704,152	1,402,697
Total Contributions	2,048,130	2,036,935	4,085,065
Investment Income			
Interest	3,156,774	3,490,160	6,646,934
Net Change in Fair Value	(166,555)	(404,113)	(570,668)
	2,990,219	3,086,047	6,076,266
Less Investment Expenses	(39,230)	(39,830)	(79,060)
Net Investment Income	2,950,989	3,046,217	5,997,206
Miscellaneous Income	8,270	-	8,270
Total Additions	5,007,389	5,083,152	10,090,541
Deductions			
Administration	28,367	63,932	92,299
Benefits and Refunds	3,444,739	3,226,287	6,671,026
Total Deductions	3,473,106	3,290,219	6,763,325
Change in Net Position	1,534,283	1,792,933	3,327,216
Net Position Held in Trust for Pension Benefits			
Beginning	44,306,698	45,660,245	89,966,943
Ending	45,840,981	47,453,178	93,294,159

**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, 2015**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,306,600	1,306,600	1,349,585
Contributions - Plan Members	615,000	615,000	698,545
Total Contributions	1,921,600	1,921,600	2,048,130
Investment income			
Interest	2,000,000	2,000,000	3,156,774
Net Change in Fair Value	-	-	(166,555)
	2,000,000	2,000,000	2,990,219
Less Investment Expenses	(54,000)	(54,000)	(39,230)
Net Investment Income	1,946,000	1,946,000	2,950,989
Miscellaneous Income	6,500	6,500	8,270
Total Additions	3,874,100	3,874,100	5,007,389
Deductions			
Administration	13,200	13,200	28,367
Benefits and Refunds	3,318,765	3,318,765	3,444,739
Total Deductions	3,331,965	3,331,965	3,473,106
Change in Net Position	542,135	542,135	1,534,283
Net Position Held in Trust for Pension Benefits			
Beginning			44,306,698
Ending			45,840,981

**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, 2015**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 1,270,000	1,270,000	1,332,783
Contributions - Plan Members	740,000	740,000	704,152
Total Contributions	2,010,000	2,010,000	2,036,935
<b>Investment income</b>			
Interest	2,000,000	2,000,000	3,490,160
Net Change in Fair Value	-	-	(404,113)
	2,000,000	2,000,000	3,086,047
Less Investment Expenses	(110,000)	(110,000)	(39,830)
Net Investment Income	1,890,000	1,890,000	3,046,217
Total Additions	3,900,000	3,900,000	5,083,152
<b>Deductions</b>			
Administration	11,600	11,600	63,932
Benefits and Refunds	3,010,630	3,010,630	3,226,287
Total Deductions	3,022,230	3,022,230	3,290,219
Change in Net Position	877,770	877,770	1,792,933
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning			45,660,245
Ending			47,453,178

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Escrow - Agency Fund**

**Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2015**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Investments	\$ 3,522,920	41,514	21,283	3,543,151
Due from Other Governments	-	3,150		3,150
Total Assets	3,522,920	44,664	21,283	3,546,301
<b>LIABILITIES</b>				
Accounts Payable	35,050	-	21,283	13,767
Deposits Payable	3,487,870	44,664	-	3,532,534
Total Liabilities	3,522,920	44,664	21,283	3,546,301

## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF NORTHBROOK, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Bonds of 2007

April 30, 2015

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Date of Issue	April 26, 2007
Date of Maturity	December 1, 2027
Authorized Issue	\$13,070,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 4.375%
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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 595,000	50,894	645,894
2017	620,000	26,350	646,350
	<u>1,215,000</u>	<u>77,244</u>	<u>1,292,244</u>
	656,100	General Long-Term Debt	
	<u>558,900</u>	Water Fund	
	<u>1,215,000</u>		



## VILLAGE OF NORTHBROOK, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Bonds of 2008 April 30, 2015

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Date of Issue	February 7, 2008
Date of Maturity	December 1, 2028
Authorized Issue	\$16,370,000
Denomination of Bonds	\$5,000
Interest Rates	3.125% to 4.375%
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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 675,000	58,650	733,650
2017	705,000	29,962	734,962
	<u>1,380,000</u>	<u>88,612</u>	<u>1,468,612</u>
	<u>1,380,000</u>	General Long-Term Debt	

## VILLAGE OF NORTHBROOK, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Bonds of 2010

April 30, 2015

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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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 625,000	139,239	764,239
2017	645,000	120,599	765,599
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
	<u>4,205,000</u>	<u>1,091,951</u>	<u>5,296,951</u>
	1,857,916	General Long-Term Debt	
	<u>2,347,084</u>	Water Fund	
	<u>4,205,000</u>		

## VILLAGE OF NORTHBROOK, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Bonds of 2011 April 30, 2015

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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
2016	\$ 120,000	89,360	209,360
2017	125,000	86,960	211,960
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
	<u>2,765,000</u>	<u>973,707</u>	<u>3,738,707</u>
	<u>2,765,000</u>	General Long-Term Debt	

## VILLAGE OF NORTHBROOK, ILLINOIS

### Long-Term Debt Requirements

#### Taxable General Obligation Refunding Bonds of 2012A and 2012B April 30, 2015

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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
2016	\$ 1,369,753	247,724	1,617,477
2017	1,378,411	233,626	1,612,037
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	2,708,918	69,478	2,778,396
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
	15,985,023	1,292,226	17,277,249
	12,355,673	General Long-Term Debt	
	2,938,930	Water Fund	
	690,420	Stormwater Utility Fund	
	15,985,023		

# VILLAGE OF NORTHBROOK, ILLINOIS

## Long-Term Debt Requirements

### General Obligation Bonds of 2013A April 30, 2015

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
2016	\$ 295,000	350,856	645,856
2017	305,000	342,006	647,006
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
	<u>9,355,000</u>	<u>4,874,761</u>	<u>14,229,761</u>
	6,523,099	General Long-Term Debt	
	1,263,078	Water Fund	
	601,465	Sanitary Sewer Fund	
	<u>967,358</u>	Stormwater Utility Fund	
	<u>9,355,000</u>		

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Long-Term Debt Requirements**

### **General Obligation Bonds of 2014A April 30, 2015**

Date of Issue	October 14, 20143
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**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 325,000	1,163,946	1,488,946
2017	355,000	1,070,200	1,425,200
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
	<u>25,315,000</u>	<u>9,098,346</u>	<u>34,413,346</u>
	17,720,500	General Long-Term Debt	
	4,556,700	Water Fund	
	2,025,200	Sanitary Sewer Fund	
	1,012,600	Stormwater Utility Fund	
	<u>25,315,000</u>		

## VILLAGE OF NORTHBROOK, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Refunding Bonds of 2015A April 30, 2015

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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
2016	\$ 440,000	409,547	849,547
2017	350,000	491,120	841,120
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
	15,395,000	7,399,939	19,877,699
	<u>15,395,000</u>	General Long-Term Debt	

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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



**VILLAGE OF NORTHBROOK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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**See Following Page**

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Net Position by Component - Last Ten Fiscal Years April 30, 2015 (Unaudited)**

	2006	2007	2008
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 59,069,170	51,824,456	58,773,256
Restricted	8,534,487	14,449,039	10,069,801
Unrestricted	16,710,564	19,632,678	21,832,283
Total Governmental Activities Net Position	84,314,221	85,906,173	90,675,340
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	31,379,968	32,241,654	28,451,012
Restricted	-	-	-
Unrestricted	6,843,407	5,750,071	8,372,474
Total Business-Type Activities Net Position	38,223,375	37,991,725	36,823,486
<b>Primary Government</b>			
Net Investment in Capital Assets	90,449,138	84,066,110	87,224,268
Restricted	8,534,487	14,449,039	10,069,801
Unrestricted	23,553,971	25,382,749	30,204,757
Total Primary Government Net Position	122,537,596	123,897,898	127,498,826

Data Source: Village Records

2009	2010	2011	2012	2013	2014	2015
58,646,126	62,198,793	62,098,299	60,405,834	54,761,060	54,811,717	53,968,132
14,094,595	9,538,439	8,632,065	10,308,453	6,780,111	6,465,042	7,122,879
22,934,488	23,544,765	20,589,595	16,780,393	16,939,446	20,410,579	23,727,436
95,675,209	95,281,997	91,319,959	87,494,680	78,480,617	81,687,338	84,818,447
28,247,579	29,812,537	28,366,798	29,833,970	39,969,558	36,875,367	36,238,159
-	-	-	-	-	-	-
7,548,997	5,350,127	6,512,590	4,447,398	6,225,075	8,717,492	8,639,556
35,796,576	35,162,664	34,879,388	34,281,368	46,194,633	45,592,859	44,877,715
86,893,705	92,011,330	90,465,097	90,239,804	94,730,618	91,687,084	90,206,291
14,094,595	9,538,439	8,632,065	10,308,453	6,780,111	6,465,042	7,122,879
30,483,485	28,894,892	27,102,185	21,227,791	23,164,521	29,128,071	32,366,992
131,471,785	130,444,661	126,199,347	121,776,048	124,675,250	127,280,197	129,696,162

VILLAGE OF NORTHBROOK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 4,477,828	5,813,027	5,864,570	5,152,883	4,608,518	4,570,679	5,213,800	4,772,121	4,157,836	5,079,347
Public Safety	20,491,253	21,859,520	24,098,930	24,779,673	24,841,399	26,243,715	27,254,854	27,652,937	27,911,733	29,843,204
Highways and Streets	8,840,337	10,247,440	7,453,415	6,451,398	8,733,088	9,845,883	9,246,750	8,873,854	10,002,273	9,452,061
Interest on Long-Term Debt	1,185,652	1,178,391	1,543,677	1,969,816	1,988,379	1,768,794	2,203,366	2,429,312	2,133,562	1,564,952
Total Governmental	34,995,070	39,098,378	38,960,592	38,353,770	40,171,384	42,429,071	43,918,770	43,728,224	44,205,404	45,939,564
Activities Expenses										
Business-Type Activities										
Water	5,823,101	6,156,347	7,202,323	7,742,720	6,479,015	7,293,177	7,049,582	7,125,972	7,533,497	7,296,563
Sanitary Sewer	1,339,520	1,391,020	1,168,166	1,582,256	1,316,857	1,579,728	1,574,892	1,667,662	1,762,580	1,535,487
Senior Housing	1,030,983	1,306,665	820,395	735,174	837,878	794,509	864,944	828,192	927,308	883,213
Stormwater Utility	-	-	-	-	-	-	-	1,660,222	1,697,785	1,713,381
Parking	258,740	240,164	275,354	260,163	247,032	253,324	165,928	159,021	196,073	222,881
Total Business-Type	8,452,344	9,094,196	9,466,238	10,320,313	8,880,782	9,920,738	9,655,346	11,441,069	12,117,243	11,651,525
Activities Net Position	43,447,414	48,192,574	48,426,830	48,674,083	49,052,166	52,349,809	53,574,116	55,169,293	56,322,647	57,591,089
Total Primary Government Expenses										
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	4,635,016	6,727,520	5,874,883	5,385,993	3,663,775	3,865,001	3,485,549	3,867,156	4,628,283	5,145,950
Public Safety	3,168,755	3,746,150	3,908,659	4,222,244	4,260,563	4,334,116	4,568,948	4,549,841	4,347,869	4,236,142
Operating Grants/Contributions	1,066,427	1,048,384	1,051,295	1,006,865	922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844
Total Governmental	8,870,198	11,522,054	10,834,837	10,615,102	8,847,136	9,226,367	9,187,404	9,378,019	10,042,441	10,493,936
Activities Program Revenues										
Business-Type Activities										
Charges for Services										
Water	7,078,441	6,005,809	6,223,699	5,989,496	5,800,001	5,949,938	6,695,973	7,565,670	6,572,146	7,059,498
Sanitary Sewer	1,392,556	1,190,165	1,224,627	1,119,243	1,067,556	1,103,109	1,053,519	1,167,822	1,138,167	1,302,248
Senior Housing	777,766	800,989	799,248	800,514	816,614	870,172	830,129	845,504	833,622	835,097
Stormwater Utility	-	-	-	-	-	-	-	1,685,913	1,474,031	1,313,492
Parking	152,898	156,055	160,942	161,029	157,096	153,254	156,458	152,923	163,556	166,236
Operating Grants/Contributions	209,013	163,446	184,732	308,985	127,842	94,071	99,894	288,311	87,293	31,210
Capital Grants/Contributions	1,521,660	-	-	681,000	150,000	-	-	-	-	300,750
Total Business-Type Activities	11,132,334	8,316,464	8,593,248	9,060,267	8,119,109	8,120,544	8,835,973	11,706,143	10,268,815	11,008,531
Program Revenues										
Total Primary Government	20,002,532	19,838,518	19,428,085	19,675,369	16,966,245	17,346,911	18,023,377	21,084,162	20,311,256	21,502,467

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net Revenue (Expenses)</b>										
Governmental Activities	\$ (26,124,872)	(27,576,324)	(28,125,755)	(27,738,668)	(31,324,248)	(33,202,704)	(34,731,366)	(34,350,205)	(34,162,963)	(35,445,628)
Business-Type Activities	2,679,990	(777,732)	(872,990)	(1,260,046)	(761,673)	(1,800,194)	(819,373)	265,074	(1,848,428)	(642,994)
Total Primary Government	(23,444,882)	(28,354,056)	(28,998,745)	(28,998,714)	(32,085,921)	(35,002,898)	(35,550,739)	(34,085,131)	(36,011,391)	(36,088,622)
Net Revenue (Expense)										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property	8,566,893	8,968,869	9,257,262	10,465,992	9,360,963	10,514,887	10,017,255	12,035,727	12,728,095	13,224,376
Sales	11,088,010	12,060,296	15,036,506	13,552,946	12,559,042	13,160,916	14,000,067	14,533,553	14,184,846	14,530,151
State Income	2,711,348	2,982,468	3,235,745	2,974,820	2,612,166	2,680,215	2,831,454	3,111,609	3,162,141	3,401,924
Utility	1,257,567	1,244,177	1,343,327	1,303,397	1,145,038	1,157,167	1,102,266	1,124,312	1,182,658	1,144,255
Other	1,053,048	1,081,309	1,205,520	1,596,568	1,970,520	2,158,207	2,078,884	2,853,880	5,641,961	5,362,980
Interest	912,269	1,389,631	2,472,759	894,812	481,109	1,050,287	844,764	829,229	744,529	777,991
Miscellaneous	39,864	1,441,526	343,803	1,950,002	2,802,198	(1,388,084)	31,397	55,152	220,641	37,420
Transfers	-	-	-	-	-	-	-	(9,207,320)	(495,187)	97,640
Total Governmental Activities	25,628,999	29,168,276	32,894,922	32,738,537	30,931,036	29,333,595	30,906,087	25,336,142	37,369,684	38,576,737
Business-Type Activities										
Interest	360,913	406,146	494,128	233,125	104,653	60,918	21,353	27,927	14,307	16,883
Miscellaneous	63,167	139,936	1,410	11	23,108	1,456,000	200,000	2,412,944	741,830	8,607
Transfers	-	-	-	-	-	-	-	9,207,320	490,517	(97,640)
Total Business-Type Activities	424,080	546,082	495,538	233,136	127,761	1,516,918	221,353	11,648,191	1,246,654	(72,150)
Total Primary Government	26,053,079	29,714,358	33,390,460	32,971,673	31,058,797	30,850,513	31,127,440	36,984,333	38,616,338	38,504,587
<b>Changes in Net Position</b>										
Governmental Activities	(495,873)	1,591,952	4,769,167	4,999,869	(393,212)	(3,869,109)	(3,825,279)	(9,014,063)	3,206,721	3,131,109
Business-Type Activities	3,104,070	(231,650)	(377,452)	(1,026,910)	(633,912)	(283,276)	(598,020)	11,913,265	(601,774)	(715,144)
Total Primary Government	2,608,197	1,360,302	4,391,715	3,972,959	(1,027,124)	(4,152,385)	(4,423,299)	2,899,202	2,604,947	2,415,965

Data Source: Village Records

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Fund Balances of Governmental Funds - Last Ten Fiscal Years April 30, 2015 (Unaudited)**

	2006	2007	2008	2009
<b>General Fund</b>				
Reserved	\$ 1,792,693	1,304,051	1,171,130	616,059
Unreserved	12,740,859	16,127,511	18,097,473	18,468,003
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>14,533,552</b>	<b>17,431,562</b>	<b>19,268,603</b>	<b>19,084,062</b>
<b>All Other Governmental Funds</b>				
Reserved	6,609,177	7,344,984	27,523,217	15,889,619
Unreserved, Reported in:				
Special Revenues Funds	-	-	-	-
Capital Projects Funds	7,071,647	11,170,959	2,615,225	1,795,549
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>13,680,824</b>	<b>18,515,943</b>	<b>30,138,442</b>	<b>17,685,168</b>
<b>Total Governmental Funds</b>	<b>28,214,376</b>	<b>35,947,505</b>	<b>49,407,045</b>	<b>36,769,230</b>

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

2010	2011	2012	2013	2014	2015
203,829	209,981	-	-	-	-
17,860,913	17,068,792	-	-	-	-
-	-	37,684	42,325	42,446	-
-	-	296,057	301,817	1,062,020	1,668,232
-	-	16,393,318	18,057,612	19,682,377	22,060,520
18,064,742	17,278,773	16,727,059	18,401,754	20,786,843	23,728,752
11,155,949	9,123,847	-	-	-	-
-	-	-	-	-	-
1,355,533	849,995	-	-	-	-
-	-	847,119	501,494	2,792,504	1,854,693
-	-	86,941	87,003	87,023	87,048
-	-	9,215,213	5,016,350	5,826,348	5,644,859
-	-	(484,787)	(920,858)	(1,221,866)	(1,205,459)
12,511,482	9,973,842	9,664,486	4,683,989	7,484,009	6,381,141
30,576,224	27,252,615	26,391,545	23,085,743	28,270,852	30,109,893

**VILLAGE OF NORTHBROOK, ILLINOIS****General Governmental Revenues by Source - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

Source	2006	2007	2008	2009
Taxes	\$ 24,676,866	26,337,119	30,078,360	29,893,723
Intergovernmental	1,066,427	1,048,384	1,051,295	1,006,865
Licenses, Permits and Fees	5,264,017	6,137,946	5,820,384	5,542,350
Charges for Services	4,162,324	6,030,566	5,788,879	5,962,772
Fines and Forfeits	129,580	164,028	144,679	191,750
Interest	891,634	1,343,168	2,402,552	868,056
Miscellaneous	39,864	1,441,526	343,803	1,950,002
Total	36,230,712	42,502,737	45,629,952	45,415,518

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

Data Source: Village Records



2010	2011	2012	2013	2014	2015
27,647,729	29,671,392	30,029,926	33,659,081	36,899,701	37,663,686
922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844
4,285,636	4,449,883	4,458,665	5,097,795	4,889,027	5,920,259
5,621,768	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747
230,904	221,135	288,064	288,406	341,735	242,091
459,333	1,034,540	834,831	822,154	740,276	772,588
1,081,534	61,916	31,397	55,152	220,641	37,420
40,249,702	42,329,740	42,332,160	46,258,156	50,340,544	51,502,635

**VILLAGE OF NORTHBROOK, ILLINOIS**

**General Governmental Expenditures by Function - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

Function	2006	2007	2008	2009
General Government	\$ 6,081,800	7,508,548	7,808,549	7,137,250
Public Safety	19,967,500	22,057,683	24,315,396	25,323,090
Highways and Streets	8,677,726	10,173,259	14,077,137	22,683,220
Debt Service				
Principal	3,426,975	984,666	1,499,845	1,020,345
Interest and Fiscal Charges	1,214,452	1,165,452	1,279,766	1,889,428
Debt Issuance Costs	331,183	-	-	-
Total	39,699,636	41,889,608	48,980,693	58,053,333

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

Data Source: Village Records

2010	2011	2012	2013	2014	2015
6,806,457	6,557,849	6,902,454	6,598,887	6,681,223	7,353,556
24,338,610	25,291,476	26,206,664	27,389,925	28,350,834	29,781,583
11,431,732	9,458,425	8,838,987	9,700,086	11,682,823	10,813,292
1,864,200	2,017,300	2,283,224	1,863,056	2,453,025	2,547,591
2,001,709	1,882,761	1,975,091	2,504,775	2,020,112	2,170,456
-	-	-	-	-	-
46,442,708	45,207,811	46,206,420	48,056,729	51,188,017	52,666,478

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2015 (Unaudited)**

	2006	2007	2008	2009
<b>Revenues</b>				
Taxes	\$ 24,676,866	26,337,119	30,078,360	29,893,723
Intergovernmental	1,066,427	1,048,384	1,051,295	1,006,865
Licenses, Permits and Fees	5,264,017	6,137,946	5,820,384	5,542,350
Charges for Services	4,162,324	6,030,566	5,788,879	5,962,772
Fines and Forfeits	129,580	164,028	144,679	191,750
Interest	891,634	1,343,168	2,402,552	868,056
Miscellaneous	39,864	1,441,526	343,803	1,950,002
<b>Total Revenues</b>	<b>36,230,712</b>	<b>42,502,737</b>	<b>45,629,952</b>	<b>45,415,518</b>
<b>Expenditures</b>				
General Government	6,081,800	7,508,548	7,808,549	7,137,250
Public Safety	19,967,500	22,057,683	24,315,396	25,323,090
Highways and Streets	8,677,726	10,173,259	14,077,137	22,683,220
Capital Outlay	-	-	-	-
Debt Service				
Principal	3,426,975	984,666	1,499,845	1,020,345
Interest and Fiscal Charges	1,214,452	1,165,452	1,279,766	1,889,428
Debt Issuance Costs	331,183	-	-	-
<b>Total Expenditures</b>	<b>39,699,636</b>	<b>41,889,608</b>	<b>48,980,693</b>	<b>58,053,333</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,468,924)</b>	<b>613,129</b>	<b>(3,350,741)</b>	<b>(12,637,815)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Bonds	13,169,389	7,120,000	16,370,000	-
Payment to Escrow Agent	(9,338,206)	-	-	-
Transfer In	2,350,542	2,710,823	1,967,406	2,623,317
Transfer Out	(2,350,542)	(2,710,823)	(1,967,406)	(2,623,317)
Premium on Debt Issuance	19,329	-	440,281	-
Extraordinary - Issuance of Debt	-	-	-	-
Extraordinary - Pension Contribution	-	-	-	-
	<b>3,850,512</b>	<b>7,120,000</b>	<b>16,810,281</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>381,588</b>	<b>7,733,129</b>	<b>13,459,540</b>	<b>(12,637,815)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>11.69%</b>	<b>5.40%</b>	<b>6.95%</b>	<b>7.36%</b>

Data Source: Village Records

2010	2011	2012	2013	2014	2015
27,647,729	29,671,392	30,029,926	33,659,081	36,899,701	37,663,686
922,798	1,027,250	1,132,907	961,022	1,066,289	1,111,844
4,285,636	4,449,883	4,458,665	5,097,795	4,889,027	5,920,259
5,621,768	5,863,624	5,556,370	5,374,546	6,182,875	5,754,747
230,904	221,135	288,064	288,406	341,735	242,091
459,333	1,034,540	834,831	822,154	740,276	772,588
1,081,534	61,916	31,397	55,152	220,641	37,420
40,249,702	42,329,740	42,332,160	46,258,156	50,340,544	51,502,635
6,806,457	6,557,849	6,902,454	6,598,887	6,681,223	7,353,556
24,338,610	25,291,476	26,206,664	27,389,925	28,350,834	29,781,583
11,431,732	9,458,425	8,838,987	9,700,086	11,682,823	10,813,292
-	-	-	-	-	-
1,864,200	2,017,300	2,283,224	1,863,056	2,453,025	2,547,591
2,001,709	1,882,761	1,975,091	2,504,775	2,020,112	2,170,456
-	-	-	-	-	-
46,442,708	45,207,811	46,206,420	48,056,729	51,188,017	52,666,478
(6,193,006)	(2,878,071)	(3,874,260)	(1,798,573)	(847,473)	(1,163,843)
-	4,334,905	3,000,000	12,790,278	6,523,099	33,115,500
-	(3,325,000)	-	(11,670,347)	-	(32,971,504)
3,427,480	2,800,462	3,003,696	2,538,912	3,289,840	2,149,653
(3,427,480)	(4,250,462)	(3,003,696)	(5,166,072)	(3,780,357)	(2,052,013)
-	87,486	13,190	-	-	2,761,248
-	-	-	-	-	-
-	-	-	-	-	-
-	(352,609)	3,013,190	(1,507,229)	6,032,582	3,002,884
(6,193,006)	(3,230,680)	(861,070)	(3,305,802)	5,185,109	1,839,041
9.49%	9.13%	9.73%	9.75%	9.49%	9.66%

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Schedule of Police and Firefighters' Pension Funds Investment Returns and Pension Expenses by Type  
Last Two Fiscal Years  
April 30, 2015 (Unaudited)**

	<u>Police Pension Fund</u>		<u>Firefighters' Pension Fund</u>	
	<u>4/30/2014</u>	<u>4/30/2015</u>	<u>4/30/2014</u>	<u>4/30/2015</u>
Investment Rate of Return	7.93%	6.86%	7.73%	6.84%
Pension Expenses by Type				
Retirement Pensions	\$ 2,795,645	2,968,166	2,183,622	2,350,728
Disability Pensions	92,043	92,997	493,706	573,640
Survivor's Pensions	280,302	383,576	214,403	301,919
Total	<u>3,167,990</u>	<u>3,444,739</u>	<u>2,891,731</u>	<u>3,226,287</u>
Increase (Decrease) in Total Pension Expenses		\$ 276,749		\$ 334,556
% Increase (Decrease) in Total Pension Expenses		8.74%		11.57%

Data Source: Village Records

**VILLAGE OF NORTHBROOK, ILLINOIS**

**Taxable Sales by Category - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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**See Following Page**

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Taxable Sales by Category - Last Ten Fiscal Years April 30, 2015 (Unaudited)**

Fiscal Year	2006	2007	2008	2009
General Merchandise	\$ 135,835,400	166,665,500	159,375,800	145,003,300
Food	67,876,800	69,519,800	92,819,600	121,225,700
Drinking and Eating Places	62,596,600	70,218,300	75,480,800	76,877,600
Apparel	83,968,100	91,695,300	101,450,600	102,199,100
Furniture and H.H. and Radio	72,732,800	81,352,600	99,058,500	96,946,900
Lumber, Building, Hardware	15,014,300	14,196,100	26,805,300	36,637,800
Automobile and Filling Stations	127,787,800	127,110,500	126,351,300	115,816,400
Drugs and Misc. Retail	78,353,100	84,706,800	95,285,800	104,414,900
Agriculture and All Others	106,749,400	103,076,600	107,580,000	100,518,700
Manufacturers	14,834,800	13,234,700	15,381,000	11,207,300
Total	765,749,100	821,776,200	899,588,700	910,847,700
Total Number of Taxpayers	1,571	1,587	1,490	1,218
Village Direct Rate	1.50%	1.75%	1.75%	1.75%

Data Source: Village and State Records



2010	2011	2012	2013	2014	2015
123,671,015	128,467,649	130,626,700	133,120,916	127,825,137	81,580,151
121,444,358	123,347,693	134,829,685	142,511,250	137,959,342	126,490,686
77,418,564	85,536,308	85,026,415	88,324,011	89,199,356	93,794,294
93,590,380	93,855,671	102,155,490	106,696,854	101,275,237	92,148,952
85,454,134	81,687,982	88,258,868	89,565,642	87,668,232	94,625,854
30,233,297	30,105,368	32,414,643	31,456,490	33,880,995	36,949,690
103,588,415	121,864,971	106,706,870	113,469,555	131,092,322	139,160,036
97,601,427	94,453,449	128,037,569	142,177,257	100,928,405	192,252,070
72,248,120	77,660,851	77,809,765	81,060,130	97,851,920	71,462,289
9,236,638	11,566,543	14,439,509	12,647,121	12,206,576	14,630,868
814,486,348	848,546,485	900,305,514	941,029,226	919,887,522	943,094,890
1,140	1,165	1,222	1,195	1,197	1,171
1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

## VILLAGE OF NORTHBROOK, ILLINOIS

### Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years April 30, 2015 (Unaudited)

Fiscal Year	State Rate	RTA Rate	County Home Rule Rate	Village Home Rule Rate*	Total Sales Tax Rate	% Distributed to Village
2006	6.25%	0.75%	0.75%	0.50%	8.25%	1.50%
2007	6.25%	0.75%	0.75%	0.75%	8.50%	1.75%
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%

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, 2015 (Unaudited)**

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**See Following Page**

## VILLAGE OF NORTHBROOK, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2015 (Unaudited)

Tax Levy Year	Residential Property	Farm
2005	\$ 1,522,110,654	\$ 3,188
2006	1,530,248,322	3,188
2007	1,847,982,098	3,188
2008	1,993,265,844	3,188
2009	2,139,565,115	1,992
2010	1,888,236,408	1,992
2011	1,716,072,032	1,992
2012	1,592,730,144	1,992
2013	1,395,727,711	1,992
2014	1,426,205,616	1,992

Data Source: Office of the County Clerk

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 556,182,317	\$ 342,606,989	\$ 2,420,903,148	\$ 218,002	\$ 2,421,121,150	0.364
541,731,517	335,716,243	2,407,699,270	151,614	2,407,850,884	0.384
649,131,288	386,256,850	2,883,373,424	238,683	2,883,612,107	0.357
709,300,258	406,775,119	3,109,344,409	261,022	3,109,605,431	0.299
628,565,693	362,682,781	3,130,815,581	314,544	3,131,130,125	0.314
643,440,675	353,825,268	2,885,504,343	393,474	2,885,897,817	0.341
564,327,892	311,415,316	2,591,817,232	418,157	2,592,235,389	0.458
526,759,510	291,406,647	2,410,898,293	473,145	2,411,371,438	0.524
483,582,152	265,514,616	2,144,826,471	584,690	2,145,411,161	0.609
578,433,197	178,797,415	2,183,438,220	609,714	2,184,047,934	0.605

## VILLAGE OF NORTHBROOK, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2015 (Unaudited)

Last Ten Tax Levy Years	2005	2006	2007	2008
Village of Northbrook				
General Corporate rate	0.308	0.326	0.287	0.251
Debt Service Rate	0.029	0.030	0.045	0.024
Police Pension`	0.007	0.008	0.007	0.007
Fire Pension	0.019	0.020	0.018	0.017
Total Direct Tax Rate	0.364	0.384	0.357	0.299
Overlapping Rates				
Cook County	0.533	0.500	0.446	0.415
Cook County Forest Preserve District	0.060	0.057	0.053	0.051
Suburban TB Sanitarium	0.005	0.005	0.000	0.000
Cook County Consolidated Election Board	0.014	0.000	0.012	0.000
Northfield Township	0.011	0.011	0.010	0.009
Northfield Road and Bridge	0.033	0.035	0.030	0.030
Northfield General Assistance	0.008	0.008	0.008	0.009
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252
North Shore Mosquito Abatement District	0.008	0.009	0.008	0.008
High School District #225	1.475	1.623	1.403	1.383
Community College District #535	0.158	0.166	0.141	0.140
Northbrook Park District	0.385	0.406	0.342	0.332
School District #28	2.052	2.148	1.843	1.816
School District #30	2.331	2.471	2.138	2.089
Northwest Mosquito Abatement District	0.008	0.009	0.008	0.008
Glenbrook Sanitary District	0.024	0.025	0.023	0.023
High School District #203	1.577	1.662	1.299	1.290
School District #29	2.100	2.185	1.838	1.809
School District #27	2.221	2.296	2.051	2.019
Mission Brook Sanitary District	0.149	0.152	0.130	0.127
School District #31	1.542	1.624	1.405	1.402
Wheeling Township	0.041	0.043	0.038	0.038
Wheeling Road and Bridge	0.012	0.013	0.012	0.012
Wheeling General Assistance	0.009	0.010	0.009	0.009
High School District #214	1.759	1.823	1.621	1.587
Community College District #512	0.281	0.288	0.260	0.256
Consolidated School District #21	3.394	3.502	3.154	3.161
Northbrook Public Library	0.215	0.225	0.200	0.332
Northfield Park District	0.169	0.178	0.157	0.161
Total Direct and Overlapping Tax Rate	21.253	22.142	19.259	19.067

Note: Tax rates for the Village of Northbrook and the Northbrook Public Library are presented separately beginning with the 1993 tax year.

Data Source: Office of the County Clerk

2009	2010	2011	2012	2013	2014
0.254	0.255	0.302	0.324	0.365	0.358
0.035	0.035	0.073	0.097	0.112	0.117
0.007	0.015	0.043	0.052	0.065	0.064
0.018	0.036	0.040	0.051	0.066	0.066
0.314	0.341	0.458	0.524	0.609	0.605
0.394	0.423	0.462	0.531	0.560	0.568
0.049	0.051	0.058	0.063	0.069	0.069
0.000	0.000	0.025	0.000	0.000	0.000
0.021	0.000	0.000	0.000	0.031	0.000
0.011	0.011	0.020	0.024	0.031	0.032
0.031	0.036	0.041	0.046	0.053	0.054
0.010	0.011	0.008	0.009	0.008	0.007
0.261	0.274	0.320	0.370	0.417	0.430
0.008	0.009	0.010	0.010	0.007	0.011
1.395	1.609	0.182	2.028	2.341	2.367
0.140	0.160	0.196	0.219	0.256	0.258
0.334	0.375	0.424	0.471	0.536	0.537
1.888	2.072	2.339	2.604	2.962	3.009
2.327	2.327	2.641	2.999	3.381	3.272
0.008	0.009	0.010	0.011	0.013	0.013
0.027	0.026	0.030	0.034	0.037	0.037
1.237	1.474	1.674	1.864	2.111	2.268
1.844	2.173	2.450	2.701	3.077	3.068
1.698	2.334	2.667	2.957	3.412	3.443
0.120	0.142	0.164	0.184	0.215	0.215
1.494	1.730	2.018	2.525	2.946	2.911
0.039	0.043	0.048	0.052	0.056	0.052
0.012	0.014	0.015	0.016	0.019	0.019
0.009	0.005	0.009	0.009	0.010	0.010
1.636	1.839	2.067	2.324	2.768	2.776
0.258	0.295	0.334	0.373	0.444	0.451
3.209	3.658	4.164	4.556	4.841	5.430
0.207	0.231	0.269	0.300	0.359	0.357
0.166	0.189	0.209	0.227	0.254	0.254
19.147	21.861	23.312	28.031	31.823	32.523

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Principal Property Tax Payers - Current Fiscal Year and Eight Fiscal Years Ago April 30, 2015 (Unaudited)**

Taxpayer	2015			2007		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Westcoast Estates	\$ 109,467,717	1	5.01%	\$ 99,552,780	1	4.11%
Jones Lang LaSalle	47,471,756	2	2.17%	56,151,086	2	2.32%
Willow Festival Regency	24,218,749	3	1.11%			
Underwriters Laboratory Inc.	20,950,719	4	0.96%	26,402,824	4	1.09%
Korman Lederer	14,604,994	5	0.67%			
400 Skokie Blvd, LLC	13,318,236	6	0.61%			
Lake Cook Road & Mid America	13,235,899	7	0.61%			
Village Square of Northbrook	12,623,017	8	0.58%			
Euromarket Designs	11,632,103	9	0.53%			
Div Edens Property, LLC	11,275,768	10	0.52%			
Lake Cood Road 3200				46,605,666	3	1.92%
The May Department Store				20,216,795	5	0.84%
Korman Lederer				18,909,994	6	0.78%
North Suburban Dev Corp				17,336,157	7	0.72%
Hi Chicago North Shore, LLC				17,129,635	8	0.71%
Eproperty Tax Incorporated 2007				16,447,932	9	0.68%
Euromarket Designs				13,975,811	10	0.58%
	<u>278,798,958</u>		<u>12.77%</u>	<u>332,728,680</u>		<u>13.75%</u>

Data Source: Office of the County Clerk

Information for nine fiscal years ago was not available.



# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Property Tax Levies and Collections - Last Ten Fiscal Years April 30, 2015 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	\$ 8,759,212	\$ 8,470,627	96.71%	\$ -	\$ 8,470,627	96.71%
2007	2006	9,242,716	9,100,257	98.46%	-	9,100,257	98.46%
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	7,037,678	53.26%	-	7,037,678	53.26%

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

Data Source: Office of the County Clerk

## VILLAGE OF NORTHBROOK, ILLINOIS

### Principal Employers - Current Fiscal Year and Eight Fiscal Years Ago April 30, 2015 (Unaudited)

Employer	2015			2007		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Allstate Insurance Company	8,750	1	N/A	7,000	1	N/A
Kraft	3,200	2	N/A	1,300	6	N/A
Walgreens Company	2,500	3	N/A	2,500	2	N/A
Baxter International	2,450	4	N/A	1,500	4	N/A
Underwriters Laboratories	2,000	5	N/A	1,600	3	N/A
CVS/Caremark International	1,400	6	N/A			
Astellas Pharma US Inc.	1,150	7	N/A			
Northbrook Court	1,000	8	N/A	1,500	4	N/A
Glenbrook Hospital	1,000	9	N/A	600	8	N/A
Glenbrook High School District 225	849	10	N/A			
Caremark International				750	7	N/A
Culligan International				550	9	N/A
Crate & Barrel				500	10	N/A
	<u>24,299</u>		<u>N/A</u>	<u>17,800</u>		<u>N/A</u>

N/A - Not Available

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

Information for nine fiscal years ago was not available.

## VILLAGE OF NORTHBROOK, ILLINOIS

### Ratios of Outstanding Debt by Type - Last Ten Fiscal Years April 30, 2015 (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)
2006	\$ 37,288,891	\$ 8,359,036	\$ 45,647,927	1.39%	\$ 1,326.24
2007	43,413,624	12,391,483	55,805,107	1.69%	1,621.35
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	58,726,183	14,706,578	73,432,761	1.96%	2,213.83
2015	58,803,361	18,063,695	76,867,056	2.05%	2,317.37

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, 2015 (Unaudited)

Fiscal Year	Net General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2006	\$ 45,647,927	\$ 804,696	\$ 44,843,231	1.85%	\$ 1,326.24
2007	55,805,107	1,862,799	53,942,308	2.24%	1,621.35
2008	70,702,421	2,276,136	68,426,285	2.37%	2,054.17
2009	69,350,862	2,145,733	67,205,129	2.16%	2,014.90
2010	66,946,376	1,198,781	65,747,595	2.10%	1,945.04
2011	68,243,629	511,899	67,731,730	2.35%	2,057.39
2012	68,501,361	17,151	68,484,210	2.64%	2,065.16
2013	67,449,975	-	67,449,975	2.80%	2,033.46
2014	73,432,761	-	73,432,761	3.42%	2,213.83
2015	76,867,056	90,427	76,776,629	3.52%	2,317.37

Data Source: Village 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, 2015 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village *	Village's Share of Debt
<b>Direct</b>			
Village of Northbrook	\$ 58,803,361	100.00%	\$ 58,803,361
<b>Overlapping</b>			
Cook County	3,572,060,000	1.71%	61,010,785
Forest Preserve District	124,455,000	1.71%	2,125,691
Metropolitan Water Reclamation District	2,435,930,267	1.74%	42,433,905
Northbrook Park District	8,610,000	92.96%	8,004,114
School District 21	47,585,000	1.39%	659,528
School District 29	752,022	14.95%	112,420
School District 30	380,201	66.14%	251,473
School District 31	950,000	14.74%	140,002
High School District 203	17,525,000	1.33%	232,557
High School District 214	44,695,000	0.29%	130,956
High School District 225	83,803,911	46.03%	38,573,264
Community College District 512	175,310,000	0.13%	229,656
Community College District 535	23,510,000	11.24%	2,641,349
Total Overlapping	6,535,566,401		156,545,700
Total Direct and Overlapping	\$ 6,594,369,762		\$ 215,349,061

\* 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, 2015 (Unaudited)**

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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, 2015 (Unaudited)**

Fiscal Year	(1) Population	(2) Personal Income (in Thousands)	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2006	34,419	\$ 95,665	\$ 50,765	44.1	8,278	3.7
2007	34,419	95,665	50,765	44.1	8,278	3.7
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	N/A
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

### 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, 2015 (Unaudited)

Employer	2015			2007		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Allstate Insurance Company	8,750	1	N/A	7,000	1	N/A
Kraft	3,200	2	N/A	1,300	6	N/A
Walgreens Company	2,500	3	N/A	2,500	2	N/A
Baxter International	2,450	4	N/A	1,500	4	N/A
Underwriters Laboratories	2,000	5	N/A	1,600	3	N/A
CVS/Caremark International	1,400	6	N/A			
Astellas Pharma US Inc.	1,150	7	N/A			
Northbrook Court	1,000	8	N/A	1,500	4	N/A
Glenbrook Hospital	1,000	9	N/A	600	8	N/A
Glenbrook High School District 225	849	10	N/A			
Caremark International				750	7	N/A
Culligan International				550	9	N/A
Crate & Barrel				500	10	N/A
	<u>24,299</u>		<u>N/A</u>	<u>17,800</u>		<u>N/A</u>

N/A - Not Available

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

Information for nine fiscal years ago was not available.



**VILLAGE OF NORTHBROOK, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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**See Following Page**

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years April 30, 2015 (Unaudited)**

Function	2006	2007	2008	2009
General Government				
Administration	11	12	12	11
Finance	8	8	8	8
Public Works	37	37	43	44
Police	88	90	94	95
Fire	76	77	76	76
Development/ Planning Services	12	16	21	21
Engineering	8	8	-	-
Water and Sewer	21	21	21	21
Total	261	269	275	276

Data Source: Village Records

2010	2011	2012	2013	2014	2015
13	13	13	13	12	13
9	8	8	8	8	8
40	38	35	35	36	37
93	93	93	93	93	93
74	74	74	74	75	75
12	12	11	11	11	12
-	-	-	-	-	-
21	22	26	26	26	27
262	260	260	260	261	264

# **VILLAGE OF NORTHBROOK, ILLINOIS**

## **Operating Indicators by Function/Program - Last Ten Calendar Years April 30, 2015 (Unaudited)**

Function/Program	2005	2006	2007
<b>Public Works</b>			
Forestry			
Number of Parkway Trees Planted	270	376	312
Number of Parkway Trees Trimmed	405	1,275	1,902
Fleet Services			
Number of Vehicles Maintained	157	153	157
<b>Public Safety</b>			
Fire			
Number of Fire Calls	2,455	2,641	2,734
Number of EMS Calls	2,698	2,961	2,868
ISO Rating	2	2	2
Police			
Calls for Service	23,640	21,286	23,884
Traffic Citations Issued	3,080	3,233	3,157
Parking Citations Issued	1,524	1,854	1,873
<b>Community Development</b>			
Number of Building Permits Issued	419	475	423
Number of Building Inspections	9,064	7,642	7,946
<b>Highways and Streets</b>			
Sidewalk Replaced (Sq. Ft.)	64,094	62,555	112,962
Annual Resurfacing Program (\$)	964,046	1,020,091	694,902
Crack Sealing (Lbs. Installed)	-	-	-
<b>Water and Sewer</b>			
Water Main Breaks	110	64	77
Hydrants Flushed	1,870	2,175	2,480
Water Meters Read	11,992	12,058	12,058
Water Meter Service Requests	798	631	604
Total Distribution Pumpage (1,000 Gallons)	2,243,204	1,913,390	1,993,933
Average Daily Pumpage (1,000 Gallons)	6,145	5,242	5,458
Sanitary Sewer Televising (Feet)	25,071	38,771	40,423
Sanitary Sewer Repairs	4	4	1

N/A - Not Available

Data Source: Village Records

2008	2009	2010	2011	2012	2013	2014
333	369	225	524	429	510	602
2,717	1,830	2,479	1,588	1,863	3,711	3,446
N/A	N/A	N/A	N/A	N/A	N/A	N/A
2,731	2,727	2,469	2,692	2,632	2,736	2,684
3,086	2,923	3,007	2,945	3,220	3,160	3,427
2	2	2	2	2	2	2
24,458	23,923	22,510	21,588	21,429	22,489	23,109
3,594	3,951	4,033	3,475	2,841	2,902	2,796
3,254	2,395	1,843	1,910	1,582	3,045	2,992
487	268	253	255	258	267	251
7,884	6,456	4,648	5,543	5,846	7,777	6,687
106,786	74,066	61,827	34,250	33,502	41,283	28,510
1,429,317	105,570	1,874,928	888,139	1,112,023	2,979,982	2,583,303
-	-	-	-	-	-	-
52	70	91	69	219	101	66
2,735	2,835	2,844	2,748	700	778	2,700
12,130	N/A	12,210	12,400	12,400	12,449	12,398
717	791	1,058	1,169	1,487	972	1,769
1,970,679	1,919,256	2,094,526	2,000,073	2,197,297	1,892,779	1,222,948
5,379	5,250	5,738	5,472	5,999	5,186	5,731
77,636	61,380	70,749	38,605	60,584	37,150	24,049
-	-	-	3	3	5	3

## VILLAGE OF NORTHBROOK, ILLINOIS

### Capital Asset Statistics by Function/Program - Last Ten Calendar Years April 30, 2015 (Unaudited)

Function/Program	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Fire Stations	3	3	3	3
Public Works				
Streets (Miles)	253.75	267.50	267.50	269.18
Streetlights	1,712	1,712	1,712	1,712
Water and Sewer				
Water Mains (Miles)	165.00	166.25	166.25	171.20
Fire Hydrants	2,254	2,535	2,535	2,735
Sanitary Sewers (Miles)	124.75	124.75	124.75	124.75

Data Source: Village Records

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
3	3	3	3	3	3
270.26 1,776	270.26 1,779	270.26 1,399	272.66 1,399	272.66 1,399	272.66 1,399
N/A 2,835 124.75	171.30 2,748 124.75	179.80 2,747 124.75	183.00 2,751 124.75	183.00 2,751 124.75	183.00 2,751 124.75

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## **CUSIP Numbers**

### **Village of Northbrook, Illinois**

#### **General Obligation Bonds, Series 2015B**

<b>Maturity December 1</b>	<b>CUSIP</b>	<b>Maturity December 1</b>	<b>CUSIP</b>
2022	663821-VZ6	2029	663821-WG7
2023	663821-WA0	2030	663821-WH5
2024	663821-WB8	2031	663821-WJ1
2025	663821-WC6	2032	663821-WK8
2026	663821-WD4	2033	663821-WL6
2027	663821-WE2	2034	663821-WM4
2028	663821-WF9	2035	663821-WN2

