



VILLAGE OF DEERFIELD

# Comprehensive Annual Financial Report

for the year ended **December 31, 2017**



Village of Deerfield, Illinois

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
VILLAGE OF DEERFIELD, ILLINOIS**  
As of and for the Year Ended December 31, 2017

Prepared by Finance Department

Eric L. Burk  
Director of Finance/Treasurer

# VILLAGE OF DEERFIELD

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## **VILLAGE OF DEERFIELD**

June 8, 2018

Honorable Mayor and  
Members of the Board of Trustees  
Citizens of the Village of Deerfield

The Comprehensive Annual Financial Report (“CAFR”) of the Village of Deerfield (the “Village”) for the year ended December 31, 2017 is submitted herewith. This report represents a comprehensive picture of the Village’s financial activities during 2017 and the financial condition of its various funds at December 31, 2017. The Village is required to issue annually a report of its financial position and activity presented in conformance with generally-accepted accounting principles (“GAAP”) and audited in accordance with generally-accepted auditing standards by an independent firm of certified public accountants. Although formally addressed to the elected officials and citizens of Deerfield, this financial report has numerous other users. Foremost among the other users are the bondholders of the Village, financial institutions, educational institutions and other governmental entities.

Responsibility for both the accuracy of the data presented as well as the completeness and fairness of the presentation, including all disclosures, rests with the Village. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the Village and the results of its operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Village’s financial affairs have been included.

Baker Tilly Virchow Krause, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Village of Deerfield’s financial statements for the year ended December 31, 2017. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The Village of Deerfield was incorporated in 1903 and operates under the council/manager form of government. The legislative body consists of the Mayor and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. The Village Manager is responsible for the day-to-day operation of the Village. The Village is a home rule municipality as defined by the Illinois Constitution. Located approximately 25 miles north of the City of Chicago, in both Cook and Lake Counties, the Village occupies a land area of 7.0 square miles and has a certified 2017 Special Census of 18,779. Additional demographic information may be found in the statistical section of this report.

The Village provides a number of general governmental services including police protection, water and sewer utilities including sewerage treatment, street construction and maintenance, code enforcement, planning and zoning and general administrative services. Fire protection service is provided by a separate fire protection district.

The financial reporting entity of the Village of Deerfield is comprised of all funds of the primary government (i.e., the Village of Deerfield as legally defined) and its pension trust fund: the Deerfield Police Pension Fund. This fund was determined to be a pension trust fund due to its fiduciary and fiscal relationship with the Village as its sole purpose is to provide retirement benefits to the Village's sworn police officers. No other legally separate entity qualifies as a component unit of the Village.

### **Accounting System and Budgetary Control**

The accounts of the Village are organized on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the liability is incurred. Accounting records for the Village's enterprise funds, internal service funds, agency funds and pension trust fund are maintained on the accrual basis of accounting.

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. These controls are designed to assure that the assets of the Village are safeguarded against any material loss, theft or misuse. These controls assure that the financial statements are in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that control objectives will be met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits require estimates and judgment by Management.

The annual budget serves as the foundation for the Village's financial planning and control. State law requires that a municipality operating under the budget system adopt its annual budget prior to the start of its fiscal year. Through the budget, spending authority is conveyed by expenditure object. The legal level of budgetary control is the department level, or, where no departmental segregation of a fund exists, the fund level.

### **Factors Affecting Financial Condition**

**Economic Outlook.** There are several measures of economic health for local governments. Four of the more objective measures or indicators are local employment levels, retail sales activity, family income levels and construction activity.

Employment levels in the Village have always surpassed that of Lake and Cook Counties and the State of Illinois as a whole. As of December 31, 2016 the Village's unemployment rate was estimated to be 4.4%, compared to 5.2% for Lake County, 5.4% for the State of Illinois and 4.9% for the United States. Deerfield's estimated unemployment rate decreased to 3.6% as of December 31, 2017. Other unemployment rates have also decreased to 4.2% in Lake County, 4.9% in the State of Illinois and 4.4% in the United States.

The Village base sales tax revenue (which represents 1% of the total eligible sales), net of the Walgreen National sales tax rebate, increased approximately \$121,000 from the amount received in 2016. Pursuant to a sales tax sharing agreement, 80% of the sales tax the Village receives from Walgreen National is rebated back to them. The Walgreen National activity regularly fluctuates from year to year. 2017 included greater receipts from Walgreen National, which accounted for a substantial portion of the overall increase.

Median household income figures from 2010 Census estimates demonstrate that the average income of Deerfield residents far exceeds county and state averages. According to the Census Bureau, Deerfield's 2010 median household income was \$107,194 compared to \$55,735 for the State of Illinois and \$51,914 for the

United States. This ranked Deerfield among the wealthiest communities in the State of Illinois. The median family income has increased approximately 28% from the 2000 Census figure.

Commercial and residential construction activity remained relatively consistent with the prior year. Much of the activity was in commercial and residential remodeling. Overall permit revenue totaled \$1,296,075 for the year ending December 31, 2017. Foreclosure rates remained low; with approximately 25 to 35 single family homes out of the Village's 6,500 in this status during the year.

**Long-term Financial Planning.** The Village utilizes a five year Capital Improvement Program ("CIP") to address major capital and infrastructure improvements. For a project to be included in the CIP, it must involve the creation or purchase of a tangible asset with an original cost of at least \$25,000 and a useful life of more than one year. Projects that are programmed for the first year of the CIP (i.e., the upcoming budget year) are most closely scrutinized in the capital planning process because associated funding must be provided in that budget. Until 2008, the Village had primarily followed a "pay-as-you-go" funding strategy for maintenance and replacement of assets and had issued limited debt for new projects. Capital grants are sought at the state and local level for eligible projects. \$5.7 million of additional debt was issued in 2017. \$2.5 million was used for capital projects remaining amount was used to refund bonds issued in 2008.

### **Major Initiatives**

As part of the regular budget planning process, Village staff has presented the Board with an expanded capital projects program that will require significant expenditures over the next two years. The majority of these projects include road reconstruction along with water and sewer utility work. For 2018 -2019, the major funding sources will be balances in the Infrastructure Fund, property tax, state & federal grants, the home rule tax revenue and a bond issues totaling approximately \$6 million.

### **Awards and Acknowledgments**

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 Deerfield for its comprehensive annual financial report for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) whose contents conform to program standards. Such 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. The Village of Deerfield has received a Certificate of Achievement for the last thirty-two years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

In addition, the Village also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has my sincere appreciation for the contributions made in the preparation of this report. In particular, I would like to acknowledge the work of Richard Jett, Village Accountant, for his efforts in continuing to efficiently administer the accounting systems of the Village.

Finally, appreciation is expressed to the Village President and Board of Trustees for their leadership and support in planning and conducting the fiscal affairs of the Village in a responsible manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "Eric Burk". The signature is written in a cursive, flowing style.

Eric L. Burk  
Director of Finance/Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Deerfield  
Illinois**

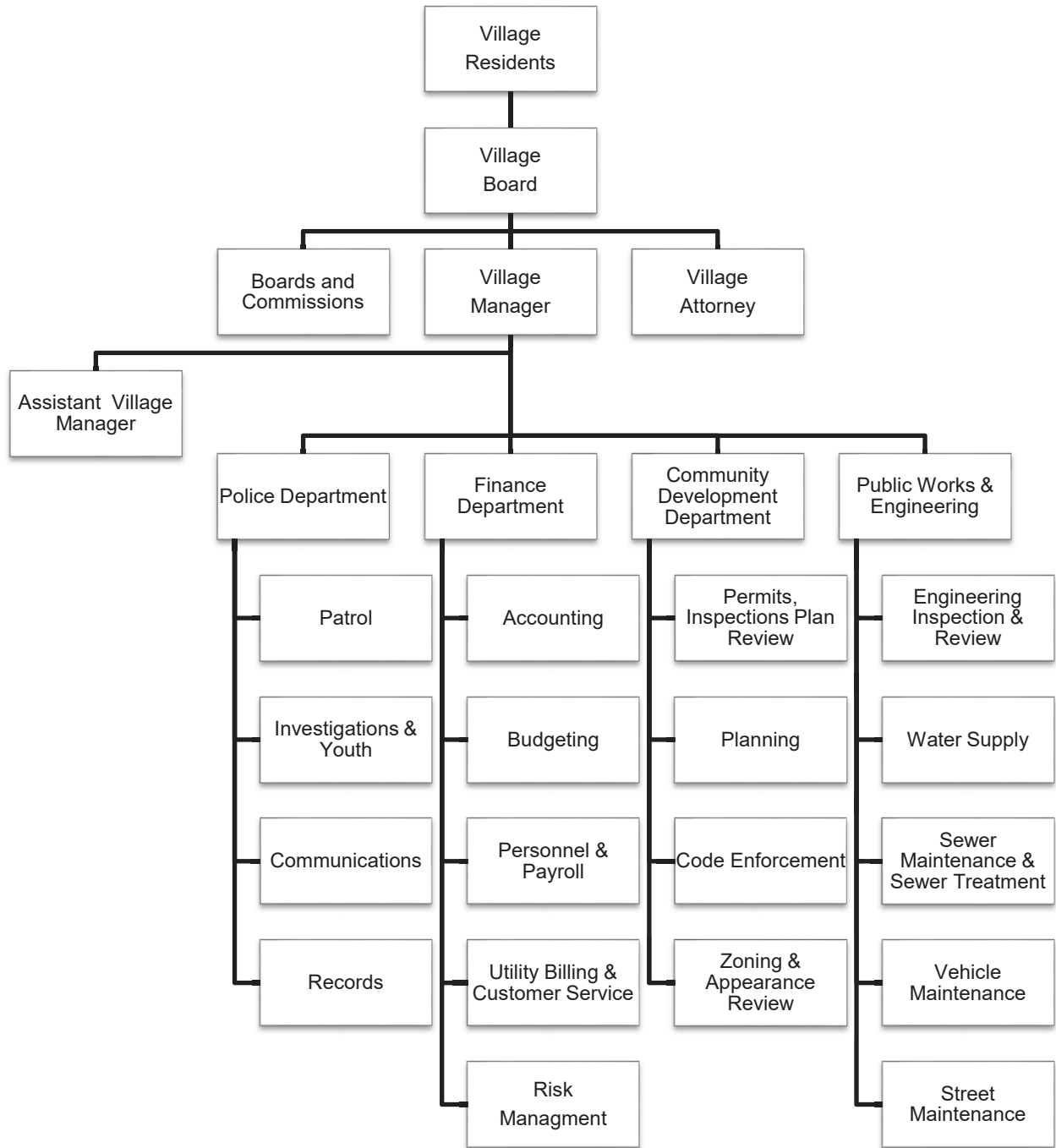
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

# Village of Deerfield, Illinois Organization Chart



**VILLAGE OF DEERFIELD, ILLINOIS**

**PRINCIPAL OFFICIALS**

**December 31, 2017**

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**LEGISLATIVE**

**VILLAGE BOARD OF TRUSTEES**

Harriet E. Rosenthal, Mayor

Daniel C. Shapiro

Thomas L. Jester

Barbara J. Struthers

William S. Seiden

Robert L. Benton

Mary M. Oppenheim

Kent S. Street, Clerk

**ADMINISTRATIVE**

Kent S. Street, Village Manager

**FINANCE DEPARTMENT**

Eric L. Burk  
Director of Finance/Treasurer

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Deerfield, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Deerfield, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Deerfield's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Deerfield, Illinois, as of December 31, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members of the Board of Trustees  
Village of Deerfield, Illinois

**Other Matters**

*Required Supplementary Information*

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

*Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Deerfield's basic financial statements. The introductory section, statistical section, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2018 on our consideration of the Village of Deerfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Deerfield's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
June 8, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**VILLAGE OF DEERFIELD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2017**  
**(UNAUDITED)**

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The Village of Deerfield (the "Village") management's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page i) and the Village's financial statements (beginning on page 10).

**Financial Highlights**

- The Village's General Fund ended the period with total revenues exceeding total expenditures by \$3,412,533. Combined with other financing uses of \$4,749,753, the December 31, 2017 fund balance decreased by \$1,337,220. The 2017 General Fund budget originally showed a decrease of \$3,417,018. However, revenues exceeded budget due primarily to greater than expected tax and building permit receipts. See Major Governmental Funds section of MD&A for further details.
- Sales tax and home rule sales tax increased \$605,859 and \$476,171, respectively in the current year. The increase was due largely to greater than expected economic incentive activity, which also resulted in greater than expected economic incentive expenditures and a budget amendment in the finance department contractual services.
- In July of 2017, the State enacted a 2% administrative fee on the Village's home rule sales tax. In addition, the Local Government Distributive Fund (LGDF) was reduced by 10%. The Village's share of state income tax flows through the LGDF, but was partially offset by an accelerated payment schedule from the State. State income tax decreased by \$84,294.
- Hotel/motel tax revenue (\$2,147,573) exceeded current year expectation of \$1,900,000; business travel is the primary reason for stays at Deerfield hotels. All six of the Deerfield hotels remained open during the year.
- The Village collected \$1,209,298 from the Electric Utility tax and \$1,370,180 from the Simplified Telecommunications tax. Electric Utility tax increased slightly from the prior year, but was consistent with the current year budget. Simplified Telecommunications tax decreased from the prior year and is expected to continue to decrease as use of data driven telecommunications increases.
- A 1% food and beverage tax was implemented in March of 2017. The tax was allocated to the infrastructure replacement fund and generated \$502,545.
- The infrastructure maintenance fee of ½ of 1% of the project value, which was implemented in 2012, totaled to \$303,457 for the year. This amount exceeded current year expectation, but decreased from the prior year amount.
- 2017 was the final year of a three year (2015-2017) expanded capital plan. The plan included funding from drawdowns of General Fund Balance and bond issues in 2015 and 2017.
- The Village retired \$2,245,000 of general obligation debt and issued \$5,700,000 of new general obligation debt during the period. The new debt issue included \$2,500,000 used for capital projects and the remainder was used to refund bonds issued in 2008. The total balance of debt outstanding as of December 31, 2017 was \$59,160,000.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

# VILLAGE OF DEERFIELD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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## Government-Wide Financial Statements

The government-wide financial statements (see pages 10 - 12) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 11 – 12) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including police, public works, engineering and administration. Property tax, shared state sales tax, local hotel/motel tax and shared state income taxes finance the majority of these services. The business-type activities reflect private sector type operations (Water, Sewer, Refuse Disposal and Commuter Parking) where the charges for services typically cover all or most of the cost of operation, including depreciation.

## Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The governmental major funds (see pages 13 – 17) are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and the government-wide statements provide information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances reconcile the differences between these two perspectives.

Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

Proprietary or business-type activity funds (see pages 18 - 27) reported in the fund financial statements are for those services for which the Village charges customers a fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the Village organization such as those of the water and sewer utilities, commuter parking lots and refuse collection and disposal. Internal service funds provide services and charge fees to customers within the Village organization such as equipment services (repair and maintenance of Village vehicles). Internal services are to both the governmental and business-type activities of the government-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for major enterprise funds. Individual fund information for internal service funds and non-major enterprise funds is found in combining statements in a later section of this report.

**VILLAGE OF DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Fiduciary funds (see pages 28 - 29) such as the employee pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Village programs. Fiduciary fund financial statements report similarly to proprietary funds.

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 31 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees and budget information.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and internal service funds are presented in a subsequent section of this report.

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

The Village implemented the new financial reporting model (GASB #34) beginning with the fiscal year that ended April 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole.

**STATEMENT OF NET POSITION – Village of Deerfield  
(in millions of dollars)**

	Governmental Activities		Business-type Activities		Total – Primary Govt.	
	2017	2016	2017	2016	2017	2016
<b>Current &amp; Other Assets</b>	54.91	57.65	4.17	1.80	59.08	59.45
<b>Capital Assets</b>	78.52	76.48	61.32	61.79	139.84	138.27
<b>Total Assets</b>	133.43	134.13	65.49	63.59	198.92	197.72
<b>Deferred Outflows of Resources</b>	10.53	13.83	0.82	0.95	11.35	14.78
<b>Total Assets and Deferred Outflows of Resources</b>	143.96	147.96	66.31	64.54	210.27	212.50
<b>Long-Term Liabilities</b>	44.82	53.37	29.81	30.72	74.63	84.09
<b>Other Liabilities</b>	8.99	6.12	1.64	1.30	10.63	7.42
<b>Total Liabilities</b>	53.81	59.49	31.45	32.02	85.26	91.51
<b>Deferred Inflows of Resources</b>	21.03	14.46	0.03	0.03	21.06	14.49
<b>Total Liabilities and Deferred Inflows of Resources</b>	74.84	73.95	31.48	32.05	106.32	106.00
<b>Net Position:</b>						
<b>Net Investment in Capital Assets</b>						
<b>Assets</b>	56.11	54.33	32.57	32.11	88.68	87.84
<b>Restricted</b>	5.87	5.14	-	-	5.87	5.14
<b>Unrestricted</b>	7.14	13.14	2.26	0.38	9.40	13.52
<b>Total Net Position</b>	69.12	74.01	34.83	32.49	103.95	106.50

The Village's total primary government net position decreased by \$2.55 million. The decrease was due largely to changes in Deferred Outflows and Inflows of Resources related to Pension items (See Employee Retirement Systems footnote) in the Governmental Activities. Governmental Activities Current & Other Assets have decreased due to collection of prior year Due from other governments related to grants and delayed payments from the State. Business-type Activities Current & Other Assets increased \$2.37 million; \$1.69 million of the increase was due to internal service fund activity that was included as a Governmental Activities in the previous year. Governmental Activities Capital Assets increased with the completion of several infrastructure projects. Governmental Activities Long-Term Liabilities decreased \$8.55 million due largely to a decrease in the actuarially determined Police Pension Net Pension Liability. Business-type Activities Long-Term Liabilities decreased due to scheduled debt service payments.

**VILLAGE OF DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

The following table provides a summary of activities causing a change in net position.

	<b>Changes in Net Position – Village of Deerfield (in millions of dollars)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total – Primary Govt.</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Service	4.55	5.06	7.97	7.70	12.52	12.76
Operating Grants	0.47	0.46	-	-	0.47	0.46
Capital Grants	0.95	6.85	1.06	2.92	2.01	9.77
General Revenue:						
Property Taxes	7.21	7.20	-	-	7.21	7.20
Other Taxes/ Intergovernmental	18.71	17.51	-	-	18.71	17.51
Other	1.04	0.63	0.21	0.24	1.25	0.87
<b>Total Revenue</b>	<b>32.93</b>	<b>37.71</b>	<b>9.24</b>	<b>10.86</b>	<b>42.17</b>	<b>48.57</b>
<b>Expenses:</b>						
General Government	10.10	8.94	-	-	10.10	8.94
Public Safety	10.87	11.52	-	-	10.87	11.52
Highways and Streets	13.07	12.90	-	-	13.07	12.90
Interest/fiscal charges	1.00	0.92	-	-	1.00	0.92
Water	-	-	4.10	4.41	4.10	4.41
Sewer	-	-	3.96	4.99	3.96	4.99
Refuse	-	-	1.32	1.45	1.32	1.45
Parking Lots	-	-	0.30	0.31	0.30	0.31
<b>Total Expense</b>	<b>35.04</b>	<b>34.28</b>	<b>9.68</b>	<b>11.16</b>	<b>44.72</b>	<b>45.44</b>
Increase(decrease) before transfers	-2.11	3.43	-0.44	-0.30	-2.55	3.13
Transfer in (out)	-2.78	-2.77	2.78	2.77	-	-
<b>Changes in Net Position</b>	<b>-4.89</b>	<b>0.66</b>	<b>2.34</b>	<b>2.47</b>	<b>-2.55</b>	<b>3.13</b>
<b>Ending Net Position</b>	<b>69.12</b>	<b>74.01</b>	<b>34.83</b>	<b>32.49</b>	<b>103.95</b>	<b>106.50</b>

**CURRENT YEAR IMPACTS**

**Governmental Activities**

Revenue

Capital grants decreased \$5.90 million due to outside funding for major street reconstruction projects in the prior year. Property tax revenue remained consistent as the Village Board abated a portion of the bonds issued in 2017. Other taxes/intergovernmental increased due largely to economic incentive activity that also resulted in increased expenditures. In addition, a local Food & Beverage tax was implemented in 2017 that resulting in \$0.50 million. Other revenue increased related to increases in interest rates.

Expenses

The Village's Governmental Activities expenses increased by \$0.76 million. Governmental Activities expenses were affected by a reallocation of internal service fund in 2017, which skews comparability with the prior year. General Government, Public Safety and Highway & Streets were increased by a total of \$1.69 million to allocate beginning net position to Business-type Activities through an internal balance account. The increase in General Government expenses relates to economic incentive activity that also generated additional revenue. In addition, Motor Fuel Tax (MFT) of \$0.50 million was allocated to Highways and Street in 2017. MFT was allocated to General Government in 2016. The decrease in Public Safety relates to adjustments made to the actuarially determined Net Pension Liability

**VILLAGE OF DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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of the Police Pension Fund. Interest and fiscal charges reflect scheduled interest payments adjusted for interest payable and amortization of discounts/premiums. \$5.7 million of debt was incurred in 2017. \$2.5 million was used to completed infrastructure projects that remaining amount was used to refund bonds issued in 2008.

**Business-type Activities**

Revenue

A water rate increase of 4.0% was implemented in January, 2017; water sales totaled \$4.21 million, which was less than the budget of \$4.41 million. Sewer user charges of \$2.94 million were also less than the budget of \$2.98 million. The sewer rates were increased 2.5% in January 2017. Water and Sewer charges were below budget due to lower usage demands in the current year. Refuse charge rates increased 2% in 2017 and revenue of \$0.53 million was consistent with the budgeted amount. The daily parking fee was held flat which resulted in revenue of \$0.29 million as expected.

Expenses

Water Fund operating expenses increased \$0.12 million from the prior year. Wholesale water purchases increased due to a rate increase from the supplier; however, the completion of the accelerated meter change out program and increased leak detection surveys significantly decreased water loss resulting in fewer units of water being purchased. The Village's wholesale water supplier increased its rates on January 1<sup>st</sup> in combination with a series of annual increases to fund the reconstruction of their water treatment plant.

Sewer Fund operating expenses increased \$0.06 million in comparison to the prior year. The increase was due largely to annual contractual increases.

Refuse Fund operating expenses increased slightly from the prior year due to contractual increases. Parking Fund operating expenses decreased in comparison to the prior year due to additional security projects completed in the prior year. Both funds were under their expense budget.

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

**Governmental Funds**

At December 31, 2017, the governmental funds reported a combined fund balance of \$29.27 million which is a 7.4% decrease from the beginning of the year (\$31.61 million). The decrease is due to a planned draw down of General Fund balance to partially fund an expanded three-year (2015-2017) capital program. Infrastructure Replacement expenditures along with prior year bond proceeds being spent in the current year further reduced governmental funds fund balance. The 2011 B sinking fund increased as expected. This fund will continue to increase until the Bonds are due on December 1, 2028.

**Major Governmental Funds**

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund cash balance of \$15.4 million provides for approximately 275 days of anticipated annual expenditures.

General Fund revenues exceeded the budget of \$22.00 million by \$2.37 million. Sales tax and Home Rule Sales tax exceeded current year expectations due to economic incentive activity, which also resulted in greater than expected economic incentive payments in the finance department and a budget amendment. Hotel/motel tax and building permit revenue also exceeded the current year budget. State income tax was below budget due to a mid-year 10% reduction of the LGDF. The reduction was partially offset by an accelerated payment schedule from the State.

General Fund expenditures were \$0.29 million more than the original budget. This was caused primarily by increased economic incentive payments resulting from greater than expected Sales tax. The budget was amended to accommodate the increased incentive payment. Vacant positions in multiple departments offset the increased economic incentive payments and resulted in General Fund expenditures that were \$1.7 million under the amended budget.

The table below shows the original and revised budget and the actual revenues and expenditures for the General Fund. More information may be found on the schedule of revenues, expenditures and changes to fund balance on page 74.

**VILLAGE OF DEERFIELD, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**General Fund Budget versus Actual  
Fiscal year ended December 31, 2017  
(in millions)**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Revenues			
Taxes	11.78	11.78	12.74
Intergovernmental	6.91	6.91	7.77
Other	3.31	3.31	3.87
Total	<u>22.00</u>	<u>22.00</u>	<u>24.38</u>
Expenditures & Transfers			
Expenditures	20.67	22.67	20.96
Transfers – Net	4.75	4.75	4.75
Total	<u>25.42</u>	<u>27.42</u>	<u>25.71</u>
Change in Fund Balance	<u>-3.42</u>	<u>-5.42</u>	<u>-1.33</u>

The Debt Service Fund is funded through property taxes and Build America Bond & Qualified Energy Conservation Bond rebates. Revenues and expenditures in this fund were consistent with expectation, including Federal Sequestration Cuts to the Build America Bond & Qualified Energy Conservation Bond rebates.

The Infrastructure Replacement Fund (IRF) is primarily funded with a home rule sales tax and grants. The Village also implemented an Infrastructure Maintenance Fee of ½ of 1% of the project value in 2012. Revenue in the IRF exceeded the budget by \$0.30 million due partially to greater than expected Infrastructure Maintenance Fees and home rule sales tax. Expenditures in the IRF totaled \$11.22 million. Street improvements, along with engineering costs for upcoming projects, accounted for the bulk of this fund's expenditures.

**Major Proprietary Funds**

The major proprietary (or business-type) funds operated by the Village are the Water, Sewerage and Refuse Funds.

The Water Fund operating revenues totaled \$4.35 million for the year. Actual operating expenses, excluding depreciation totaled \$4.07 million. Operating income of \$0.21 million is a result of prior years' emphasis on reducing water loss. Overall, net position increased \$0.40 million, which included depreciation of \$0.29 million and contributions of capital assets of \$0.61 million.

The Sewerage Fund operating expenses were over budget by \$0.06 million due primarily to greater than expected personnel costs resulting from year-end accounting adjustments. The operating expenses excluding depreciation exceeded operating revenues by \$0.07 million due to increased operating costs. Capital expenses for the foreseeable future in this fund have been transferred to the Infrastructure Fund.

The Refuse Fund operating expenses exceeded operating revenues by \$0.90 million. This Village also transfers a portion of its property tax levy to the refuse collection. Property tax transferred to the Refuse Fund totaled \$0.96 million and the Refuse Fund's net position increased \$0.06 million during the year to \$0.54 million.

**Internal Service Funds**

The Village's combined internal service funds' net position were \$7.13 million as of December 31, 2017, with \$5.2 million of the total available for major equipment purchases in the Vehicle and Equipment Replacement Fund. Total expenses in the Garage Fund exceeded total revenues, due to inventory adjustments, resulting in a decrease in net position.

**Capital assets**

Effective May 1, 2004, the Village revised its policy of capitalizing assets to raise the minimum to \$25,000 (actual) or more in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2017 was \$78.52 million. The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2017 was \$61.32 million. Major capital asset additions

## **VILLAGE OF DEERFIELD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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during the current year included infrastructure improvements, streets and vehicles/equipment. Additional information on capital assets is presented in Note III C to the financial statements.

### **Long-term debt**

\$5.7 million of new debt was issued during the year. \$2.5 million was used for capital projects. The remaining amount was used to refund the 2008 general obligation bond issue. The Village retired \$2.245 million of general obligation debt. At the end of the year, the Village had total bonded debt outstanding of \$59.16 million. As a home rule government, under Illinois law, the Village has no legal debt limit. As of December 31, 2017 the total Village debt represented 4.20% of the 2016 equalized assessed value. Additional information on long-term debt is presented in Note III E to the financial statements.

### **Bond Rating**

The Village's general obligation bonds are rated Aaa by Moody's Investor Rating Service. The Aaa rating was reaffirmed with the issuance of the General Obligation Bond Series of 2017.

### **Pension Funds**

The Village continues to fully fund its annual required contributions to both the Police Pension Fund and Illinois Municipal Retirement Fund. Increased salaries, an aging employee base, and end of career accumulated leave payouts have resulted in large contributions to both funds which cover all full-time employees. Additional information on the funding levels can be found in the Required Supplementary Information section.

### **Economic Factors**

The national economic slowdown continues to affect the local Village micro-economy. However, slowdowns in local retail sales and hotel/motel occupancies have rebounded from the previous year. The Village is an affluent residential community with a substantial office/commercial presence including a number of headquarters operations in the health services and pharmaceutical areas. Property taxes are a minor part of the overall operating revenues. Net of a refuse fund transfer, property taxes total approximately 11% of General Fund revenue.

One of the major retail areas in the Village continues to have attracted major tenants. The Village is committed to working with developers and land owners to help them fill vacant retail space. Building permit revenues have again exceeded current period expectations.

The Village's hotel/motel tax has reached a high of \$2.1 million and exceeded current year budget by \$0.25 million due to more business travel. All of the Village's six hotels have remained open during the year. The continued strength of the local corporate employment provides a base level of demand for rooms which is the primary market for these hotels.

### **Contacting the Village's Financial Management**

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village's Finance Director, 850 Waukegan Road, Deerfield, IL 60015 or access the Village website at [www.deerfield.il.us](http://www.deerfield.il.us).

**BASIC FINANCIAL STATEMENTS**

# VILLAGE OF DEERFIELD

## STATEMENT OF NET POSITION As of December 31, 2017

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 33,675,295	\$ 1,517,454	\$ 35,192,749
Receivables (net)			
Property taxes	7,257,357	-	7,257,357
Accounts	720,832	1,381,525	2,102,357
Accrued interest	62,876	1,241	64,117
Electric utility tax	106,122	-	106,122
Due from other governmental units	12,770,547	-	12,770,547
Note receivable	40,000	-	40,000
Internal balances	(1,009,414)	1,009,414	-
Prepaid items	1,187,658	113,494	1,301,152
Inventory	104,747	155,384	260,131
Capital Assets			
Capital Assets not being depreciated	21,655,991	1,975,097	23,631,088
Capital assets, being depreciated	117,064,488	72,639,640	189,704,128
Less: Accumulated depreciation	(60,202,901)	(13,299,537)	(73,502,438)
Total Assets	133,433,598	65,493,712	198,927,310
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	2,259,642	818,146	3,077,788
Pension items - Police Pension	8,271,151	-	8,271,151
Total Deferred Outflows of Resources	10,530,793	818,146	11,348,939
<b>LIABILITIES</b>			
Accounts payable	1,805,039	363,481	2,168,520
Accrued payroll	349,984	81,220	431,204
Contracts payable	4,061,136	-	4,061,136
Deposits payable	-	41,236	41,236
Other payables	17,633	-	17,633
Accrued interest payable	77,331	83,120	160,451
Noncurrent Liabilities			
Due within one year	2,683,041	1,067,165	3,750,206
Due in more than one year	44,818,630	29,809,383	74,628,013
Total Liabilities	53,812,794	31,445,605	85,258,399
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes levied for a future period	7,257,357	-	7,257,357
Pension items - IMRF	95,702	34,650	130,352
Pension items - Police Pension	13,677,432	-	13,677,432
Total Deferred Inflows of Resources	21,030,491	34,650	21,065,141
<b>NET POSITION</b>			
Net investment in capital assets	56,110,035	32,574,200	88,684,235
Restricted for			
Maintenance of roadways	340,455	-	340,455
Public safety	1,071,465	-	1,071,465
Debt service	4,455,421	-	4,455,421
Unrestricted	7,143,730	2,257,403	9,401,133
<b>TOTAL NET POSITION</b>	<b>\$ 69,121,106</b>	<b>\$ 34,831,603</b>	<b>\$ 103,952,709</b>

See accompanying notes to financial statements.

# VILLAGE OF DEERFIELD

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 10,097,910	\$ 2,538,758	\$ -	\$ -
Public safety	10,868,594	1,127,634	-	-
Public works	13,068,419	301,855	472,113	949,252
Interest and fiscal charges	1,008,199	586,016	-	-
Total Governmental Activities	35,043,122	4,554,263	472,113	949,252
<b>Business-type Activities</b>				
Water	4,098,233	4,211,302	-	614,539
Sewerage	3,960,118	2,936,590	-	443,616
Refuse	1,322,473	526,418	-	-
Commuter parking lot	301,514	292,829	-	-
Total Business-type Activities	9,682,338	7,967,139	-	1,058,155
<b>Total</b>	\$ 44,725,460	\$ 12,521,402	\$ 472,113	\$ 2,007,407

**General Revenues**

Taxes

- Property
- Replacement
- Home rule sales
- Local use
- Hotel/motel
- Simplified telecommunications
- Electric utility tax
- Food and beverage

Intergovernmental

Investment income

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

**Change in net position**

NET POSITION - Beginning of Year

**NET POSITION - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (7,559,152)	\$ -	\$ (7,559,152)
(9,740,960)	-	(9,740,960)
(11,345,199)	-	(11,345,199)
<u>(422,183)</u>	<u>-</u>	<u>(422,183)</u>
<u>(29,067,494)</u>	<u>-</u>	<u>(29,067,494)</u>
-	727,608	727,608
-	(579,912)	(579,912)
-	(796,055)	(796,055)
<u>-</u>	<u>(8,685)</u>	<u>(8,685)</u>
<u>-</u>	<u>(657,044)</u>	<u>(657,044)</u>
<u>(29,067,494)</u>	<u>(657,044)</u>	<u>(29,724,538)</u>
7,211,378	-	7,211,378
139,424	-	139,424
3,841,934	-	3,841,934
504,239	-	504,239
2,147,573	-	2,147,573
1,370,180	-	1,370,180
1,209,298	-	1,209,298
502,545	-	502,545
8,990,723	-	8,990,723
393,675	10,848	404,523
138,673	-	138,673
<u>508,103</u>	<u>207,226</u>	<u>715,329</u>
<u>26,957,745</u>	<u>218,074</u>	<u>27,175,819</u>
<u>(2,776,036)</u>	<u>2,776,036</u>	<u>-</u>
(4,885,785)	2,337,066	(2,548,719)
<u>74,006,891</u>	<u>32,494,537</u>	<u>106,501,428</u>
<u>\$ 69,121,106</u>	<u>\$ 34,831,603</u>	<u>\$ 103,952,709</u>

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2017

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and investments	\$ 15,450,261	\$ 176,087	\$ 7,099,861	\$ 5,714,679	\$ 28,440,888
Receivables					
Taxes	3,535,997	3,721,360	-	-	7,257,357
Accounts	607,995	-	6,200	101,837	716,032
Accrued interest	21,660	1,176	4,739	29,667	57,242
Electric utility tax	106,122	-	-	-	106,122
Due from other governments	2,341,556	8,590,000	1,797,496	41,495	12,770,547
Note receivable	40,000	-	-	-	40,000
Advances to other funds	684,083	-	-	-	684,083
Prepaid items	1,180,641	-	-	-	1,180,641
Inventory	26,844	-	-	-	26,844
<b>TOTAL ASSETS</b>	<b>\$ 23,995,159</b>	<b>\$ 12,488,623</b>	<b>\$ 8,908,296</b>	<b>\$ 5,887,678</b>	<b>\$ 51,279,756</b>

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2017

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental Funds	Totals
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 1,000,235	\$ -	\$ 726,034	\$ 20,337	\$ 1,746,606
Accrued payroll	341,795	-	-	-	341,795
Contracts payable	-	-	4,061,136	-	4,061,136
Other payables	17,633	-	-	-	17,633
Total Liabilities	1,359,663	-	4,787,170	20,337	6,167,170
Deferred Inflows of Resources					
Unavailable revenues - Library	-	8,590,000	-	-	8,590,000
Property taxes levied for a future period	3,535,997	3,721,360	-	-	7,257,357
Total Deferred Inflows of Resources	3,535,997	12,311,360	-	-	15,847,357
Fund Balances					
Nonspendable for note receivable	40,000	-	-	-	40,000
Nonspendable for inventory	26,844	-	-	-	26,844
Nonspendable for prepaid items	1,180,641	-	-	-	1,180,641
Nonspendable for advance	684,083	-	-	-	684,083
Restricted for maintenance of roadways	-	-	-	340,455	340,455
Restricted for public safety	-	-	-	1,071,465	1,071,465
Restricted for debt service	-	-	-	4,455,421	4,455,421
Assigned to debt service	-	177,263	-	-	177,263
Assigned to capital projects	-	-	4,121,126	-	4,121,126
Assigned to subsequent year's budget	606,765	-	-	-	606,765
Unassigned	16,561,166	-	-	-	16,561,166
Total Fund Balances	19,099,499	177,263	4,121,126	5,867,341	29,265,229
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	 <b>\$ 23,995,159</b>	 <b>\$ 12,488,623</b>	 <b>\$ 8,908,296</b>	 <b>\$ 5,887,678</b>	 <b>\$ 51,279,756</b>

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2017

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Total Fund Balances - Governmental Funds	\$ 29,265,229
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	78,517,578
Less capital assets used in internal service funds	(1,887,930)

Intergovernmental receivables from the Library is not unavailable revenue on the statement of net position.	8,590,000
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	10,530,793
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(13,773,134)
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(30,419,000)
Compensated absences	(1,504,948)
Other postemployment benefit payable	(1,269,797)
Net pension liability	(13,608,010)
Accrued interest	(77,331)
Unamortized debt discount	54,868
Unamortized debt premium	(754,784)
Less: Internal service fund long-term liabilities	21,226

Internal service funds are reported in the statement of net position as governmental activities.	<u>5,436,346</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 69,121,106</u></b>
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## VILLAGE OF DEERFIELD

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

For the Year Ended December 31, 2017

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 12,741,167	\$ 2,957,859	\$ 1,783,190	\$ 725,000	\$ 18,207,216
Licenses and permits	1,784,230	-	-	-	1,784,230
Intergovernmental	7,769,025	492,569	894,985	472,113	9,628,692
Charges for services	501,245	-	-	348,514	849,759
Fines and forfeits	264,926	-	-	-	264,926
Contributions	-	726,706	-	-	726,706
Investment income	188,066	10,903	38,349	107,280	344,598
Miscellaneous	1,127,300	-	445,455	-	1,572,755
Total Revenues	<u>24,375,959</u>	<u>4,188,037</u>	<u>3,161,979</u>	<u>1,652,907</u>	<u>33,378,882</u>
<b>EXPENDITURES</b>					
Current					
General government	9,405,626	-	-	664	9,406,290
Public safety	9,065,980	-	-	270,622	9,336,602
Highway and streets	2,491,820	-	-	494,000	2,985,820
Capital Outlay	-	-	11,221,765	140,729	11,362,494
Debt Service					
Principal retirement	-	1,441,000	-	-	1,441,000
Interest	-	923,128	-	108,888	1,032,016
Total Expenditures	<u>20,963,426</u>	<u>2,364,128</u>	<u>11,221,765</u>	<u>1,014,903</u>	<u>35,564,222</u>
Excess (deficiency) of revenues over expenditures	<u>3,412,533</u>	<u>1,823,909</u>	<u>(8,059,786)</u>	<u>638,004</u>	<u>(2,185,340)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	61,486	6,306,419	-	6,367,905
Transfers out	(4,749,753)	(1,820,052)	(61,486)	(2,512,650)	(9,143,941)
Issuance of refunding and general obligation bonds	-	-	-	5,700,000	5,700,000
Premium on debt issued	-	-	-	240,732	240,732
Payment to refunded bonds escrow agent	-	-	-	(3,328,259)	(3,328,259)
Total Other Financing Sources (Uses)	<u>(4,749,753)</u>	<u>(1,758,566)</u>	<u>6,244,933</u>	<u>99,823</u>	<u>(163,563)</u>
<b>Net Change in Fund Balances</b>	(1,337,220)	65,343	(1,814,853)	737,827	(2,348,903)
FUND BALANCES - Beginning of Year	<u>20,436,719</u>	<u>111,920</u>	<u>5,935,979</u>	<u>5,129,514</u>	<u>31,614,132</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 19,099,499</u>	<u>\$ 177,263</u>	<u>\$ 4,121,126</u>	<u>\$ 5,867,341</u>	<u>\$ 29,265,229</u>

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$	(2,348,903)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		6,194,277
Less internal service funds		(393,934)
Depreciation is reported in the government-wide financial statements		(2,640,358)
Net book value of assets retired		(1,518,785)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(520,000)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(5,700,000)
Principal repaid		1,441,000
<p>Advance refunding of bond issuances are reported as an other financing use in the governmental funds. However, advance refunding are considered a change in long-term liabilities in the Statement of Net Position.</p>		
		3,215,000
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Debt premium		(240,732)
Amortization		25,422
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(7,046)
Other postemployment benefits		(166,322)
Accrued interest on debt		(1,607)
Net pension liability - IMRF		(282,939)
Net pension liability - police pension		9,139,532
Deferred outflows of resources related to pensions		(3,298,035)
Deferred inflows of resources related to pensions		(6,393,927)
Internal service funds portion of compensated absences		3,006
<p>Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.</p>		
		(1,391,434)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(4,885,785)</u></b>

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewerage	Refuse	Nonmajor Enterprise - Commuter Parking Lot	
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ -	\$ 696,761	\$ 528,179	\$ 292,514	\$ 1,517,454
Receivables					
Accounts - billed	215,696	156,766	22,942	-	395,404
Accounts - unbilled	526,804	373,543	85,774	-	986,121
Accrued interest	-	554	399	288	1,241
Prepaid items	47,289	61,018	2,746	2,441	113,494
Inventory	117,424	37,960	-	-	155,384
Total Current Assets	907,213	1,326,602	640,040	295,243	3,169,098
Noncurrent Assets					
Capital Assets					
Capital assets not being depreciated	1,897,597	-	-	77,500	1,975,097
Capital assets being depreciated	23,562,246	47,126,564	-	1,950,830	72,639,640
Less: Accumulated depreciation	(5,492,698)	(6,854,210)	-	(952,629)	(13,299,537)
Total Noncurrent Assets	19,967,145	40,272,354	-	1,075,701	61,315,200
Total Assets	20,874,358	41,598,956	640,040	1,370,944	64,484,298
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension items - IMRF	272,715	545,431	-	-	818,146
Total Deferred Outflows of Resources	272,715	545,431	-	-	818,146

See accompanying notes to financial statements.

---

Governmental  
Activities -  
Internal  
Service Funds

\$ 5,234,407

4,800

-

5,634

7,017

77,903

5,329,761

-

4,800,160

(2,912,230)

1,887,930

7,217,691

-

-

# VILLAGE OF DEERFIELD

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewerage	Refuse	Nonmajor Enterprise - Commuter Parking Lot	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 174,337	\$ 80,511	\$ 103,869	\$ 4,703	\$ 363,420
Accrued payroll	26,065	54,204	-	951	81,220
Accrued interest	-	83,120	-	-	83,120
Deposits payable	21,915	19,382	-	-	41,297
Bonds payable	-	825,000	-	-	825,000
Compensated absences payable	113,279	128,044	-	842	242,165
Total Current Liabilities	335,596	1,190,261	103,869	6,496	1,636,222
Noncurrent Liabilities					
Long-Term Debt					
Advance from other funds	684,083	-	-	-	684,083
Compensated absences payable	15,447	17,460	-	115	33,022
Net pension liability	530,945	1,061,890	-	-	1,592,835
Other postemployment benefit payable	44,868	113,117	-	-	157,985
Bonds payable	-	28,025,541	-	-	28,025,541
Total Noncurrent Liabilities	1,275,343	29,218,008	-	115	30,493,466
Total Liabilities	1,610,939	30,408,269	103,869	6,611	32,129,688
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension items - IMRF	11,550	23,100	-	-	34,650
Total Deferred Inflows of Resources	11,550	23,100	-	-	34,650
<b>NET POSITION</b>					
Net investment in capital assets	19,967,145	11,531,354	-	1,075,701	32,574,200
Unrestricted	(442,561)	181,664	536,171	288,632	563,906
<b>TOTAL NET POSITION</b>	<b>\$ 19,524,584</b>	<b>\$ 11,713,018</b>	<b>\$ 536,171</b>	<b>\$ 1,364,333</b>	33,138,106
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.					1,693,497
Net Position Business-type Activities					<b>\$ 34,831,603</b>
Net internal service funds reported in the statement of net position as governmental activities					

See accompanying notes to financial statements.

---

Governmental  
Activities -  
Internal Service  
Funds

\$ 58,433  
8,189  
-  
-  
21,226  
87,848

-  
-

-

-

-

87,848

-

-

1,887,930  
5,241,913

7,129,843

(1,693,497)

\$ 5,436,346

## VILLAGE OF DEERFIELD

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewerage	Refuse	Nonmajor Enterprise - Commuter Parking Lot	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 4,211,302	\$ 2,936,590	\$ 526,418	\$ 292,829	\$ 7,967,139
Miscellaneous	141,258	43,606	22,362	-	207,226
Total Operating Revenues	<u>4,352,560</u>	<u>2,980,196</u>	<u>548,780</u>	<u>292,829</u>	<u>8,174,365</u>
<b>OPERATING EXPENSES</b>					
Administration	722,016	767,822	-	-	1,489,838
Operations	3,344,417	2,285,186	1,450,649	274,777	7,355,029
Capital outlay	-	-	-	-	-
Depreciation	499,221	1,003,050	-	26,737	1,529,008
Total Operating Expenses	<u>4,565,654</u>	<u>4,056,058</u>	<u>1,450,649</u>	<u>301,514</u>	<u>10,373,875</u>
Operating Income (Loss)	<u>(213,094)</u>	<u>(1,075,862)</u>	<u>(901,869)</u>	<u>(8,685)</u>	<u>(2,199,510)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Sales of capital assets	-	-	-	-	-
Investment income	-	4,713	3,622	2,513	10,848
Interest	-	(1,001,960)	-	-	(1,001,960)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(997,247)</u>	<u>3,622</u>	<u>2,513</u>	<u>(991,112)</u>
Income (Loss) Before Contributions and Transfers	<u>(213,094)</u>	<u>(2,073,109)</u>	<u>(898,247)</u>	<u>(6,172)</u>	<u>(3,190,622)</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Contributions	614,539	443,616	-	-	1,058,155
Transfers in	-	1,820,052	955,984	-	2,776,036
Total Contributions and Transfers	<u>614,539</u>	<u>2,263,668</u>	<u>955,984</u>	<u>-</u>	<u>3,834,191</u>
<b>Change in Net Position</b>	<u>401,445</u>	<u>190,559</u>	<u>57,737</u>	<u>(6,172)</u>	<u>643,569</u>
NET POSITION - Beginning of Year	<u>19,123,139</u>	<u>11,522,459</u>	<u>478,434</u>	<u>1,370,505</u>	<u>32,494,537</u>
<b>NET POSITION- END OF YEAR</b>	<u>\$ 19,524,584</u>	<u>\$ 11,713,018</u>	<u>\$ 536,171</u>	<u>\$ 1,364,333</u>	<u>33,138,106</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					1,693,497
Change in Net Position of Business-type Activities					<u>\$ 2,337,066</u>

See accompanying notes to financial statements.

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Governmental  
Activities -  
Internal Service  
Funds

\$ 1,115,665  
8,250  
1,123,915

-  
472,100  
197,695  
339,807  
1,009,602

114,313

138,673  
49,077  
-  
187,750

302,063

-  
-  
-

302,063

6,827,780

\$ 7,129,843

See accompanying notes to financial statements.

# VILLAGE OF DEERFIELD

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewerage	Refuse	Nonmajor Enterprise - Commuter Parking Lot	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 4,107,746	\$ 2,891,888	\$ 521,445	\$ 292,714	\$ 7,813,793
Received from interfund services	-	-	-	-	-
Received from miscellaneous revenues	141,258	43,606	22,362	-	207,226
Payments to suppliers	(2,872,455)	(1,167,274)	(1,356,177)	(234,495)	(5,630,401)
Payments to employees	(984,943)	(1,726,644)	(95,229)	(38,845)	(2,845,661)
Net Cash Flows From Operating Activities	391,606	41,576	(907,599)	19,374	(455,043)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	-	4,469	3,622	2,513	10,604
Net Cash Flows From Investing Activities	-	4,469	3,622	2,513	10,604
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund loan	(391,606)	-	-	-	(391,606)
Interfund transfer	-	1,820,052	955,984	-	2,776,036
Net Cash Flows From Noncapital Financing Activities	(391,606)	1,820,052	955,984	-	2,384,430
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	-	-	-	-	-
Bond principal payments	-	(804,000)	-	-	(804,000)
Bond interest payments	-	(1,016,501)	-	-	(1,016,501)
Net Cash Flows From Capital and Related Financing Activities	-	(1,820,501)	-	-	(1,820,501)
<b>Net Change in Cash and Cash Equivalents</b>	-	45,596	52,007	21,887	119,490
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	-	651,165	476,172	270,627	1,397,964
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ -	\$ 696,761	\$ 528,179	\$ 292,514	\$ 1,517,454

See accompanying notes to financial statements.

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Governmental  
Activities -  
Internal Service  
Funds

\$ -

1,111,538

8,250

(326,322)

(227,716)

565,750

49,077

49,077

-

-

-

(595,068)

-

-

(595,068)

19,759

5,214,648

\$ 5,234,407

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewerage	Refuse	Nonmajor Enterprise - Commuter Parking Lot	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (213,094)	\$ (1,075,862)	\$ (901,869)	\$ (8,685)	\$ (2,199,510)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	499,221	1,003,050	-	26,737	1,529,008
Changes in assets and liabilities					
Receivables	(103,556)	(44,702)	(4,973)	(115)	(153,346)
Prepaid expenses	(1,973)	(597)	(178)	(266)	(3,014)
Inventories	5,395	(21,372)	-	-	(15,977)
Accounts payable	118,545	(10,741)	(518)	1,872	109,158
Deposits payable	(2,156)	(416)	(61)	-	(2,633)
Accrued payroll	427	(348)	-	34	113
Other postemployment benefit payable	6,707	39,249	-	-	45,956
Compensated absences payable	1,151	(8,560)	-	(203)	(7,612)
Pension items	80,939	161,875	-	-	242,814
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 391,606</u>	<u>\$ 41,576</u>	<u>\$ (907,599)</u>	<u>\$ 19,374</u>	<u>\$ (455,043)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Contributions of capital assets by other funds	<u>\$ 614,539</u>	<u>\$ 443,616</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

---

Governmental  
Activities -  
Internal  
Service Funds

\$ 114,313

339,807

(4,127)

(673)

66,379

46,809

-

236

-

3,006

-

\$ 565,750

\$ -

# VILLAGE OF DEERFIELD

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2017

---

	<u>Pension Trust</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 4,522,499	\$ 2,630,929
Investments		
U.S. Treasury obligations	7,792,684	-
Corporate bonds	6,246,641	-
Mutual funds	29,181,672	-
Municipal bonds	90,040	-
Receivables - (net)		
Accrued interest	102,107	165
Other receivables	-	<u>2,500</u>
Total Assets	<u>47,935,643</u>	<u>2,633,594</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 17,446	\$ 8,749
Deposits payable	-	2,462,016
Other payables	-	<u>162,829</u>
Total Liabilities	<u>17,446</u>	<u>2,633,594</u>
<b>NET POSITION</b>		
Restricted for retirement benefits	<u>\$ 47,918,197</u>	

See accompanying notes to financial statements.

## VILLAGE OF DEERFIELD

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2017

---

	<u>Pension Trust</u>
<b>ADDITIONS</b>	
Contributions	
Contributions - employer	\$ 1,100,000
Contributions - employee	<u>390,162</u>
Total Contributions	<u>1,490,162</u>
Investment income	
Net appreciation in fair value of investments	5,280,507
Interest and dividends earned on investments	<u>1,043,835</u>
Total Investment Income	6,324,342
Less Investment expense	<u>27,498</u>
Net Investment Income	<u>6,296,844</u>
Total Additions	<u>7,787,006</u>
<b>DEDUCTIONS</b>	
Pension payments	2,766,071
Separation refunds	134,576
Administrative	<u>41,938</u>
Total Deductions	<u>2,942,585</u>
<b>Change in Net Position</b>	4,844,421
NET POSITION - Beginning of Year	<u>43,073,776</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 47,918,197</u>

See accompanying notes to financial statements.

# VILLAGE OF DEERFIELD

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

The Village of Deerfield, Illinois (the Village) was incorporated in 1903. The Village is a home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The Village is governed by an elected seven-member board.

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

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Village has not identified any organizations that meet this criteria.

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the PPERS.

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

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

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effect of material interfund activity (except for activities reported in internal service funds) has been eliminated from these statements.

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### ***Government-Wide Financial Statements (cont.)***

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

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

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

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

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

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

The Village reports the following major governmental funds:

- General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources of the general government, except those accounted for and reported in another fund.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

#### ***Fund Financial Statements (cont.)***

The Village reports the following major governmental funds: (cont.)

Debt Service Fund - used to account and report the assigned resources for the payment of general long-term debt.

Infrastructure Replacement Fund - used to account for and report financial resources that are assigned to expenditures for maintaining, repairing and renovating the capital assets of the Village.

The Village reports the following major enterprise funds:

Water Fund - accounts for all activity necessary to provide water to the residents of the Village including administration, operation, maintenance, financing and related debt service.

Sewerage Fund - accounts for all activities necessary to provide sewer service to the residents of the Village including administration, construction, maintenance and operations of the Sewerage Treatment Plant and related debt service.

Refuse Fund - accounts for all revenues and expenses necessary to provide the residents of the Village with refuse service.

The Village reports the following nonmajor governmental and enterprise funds:

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

Motor Fuel Tax Fund  
Enhanced E911 Fund

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

2011B Debt Service Sinking Fund  
Bond Proceeds Fund

Enterprise Fund - used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Commuter Parking Lot Fund

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

#### ***Fund Financial Statements (cont.)***

In addition, the Village reports the following fund types:

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

The Garage Fund accounts for all activity necessary to maintain the efficient and safe operation of the Village's vehicles and equipment and is funded by various departments according to services rendered.

The Vehicle and Equipment Replacement Fund accounts for purchases of vehicles and equipment and is funded by various departments according to services rendered.

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

Police Pension Trust Fund

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

Deposit Fund

East Shore Radio Network Fund

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

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

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

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

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Sales taxes, telecommunications taxes and use taxes use a 90-day period and income taxes use a 120-day period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Grants and similar items are recognized as revenues in the period the Village is entitled the resources and all eligibility requirements imposed by the provider have been met. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, franchise taxes, licenses, interest revenue and charges for services. Other general revenues such as sales tax, telecommunication tax, local use tax and motor fuel tax and fines owed to/collected by the state at year end on behalf of the Village also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Village reports unavailable/deferred revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow of resources for unavailable revenue or the liability for deferred revenue is removed from the financial statements and revenue is recognized.

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

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

---

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

#### *Fund Financial Statements (cont.)*

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewerage, refuse and commuter parking lot funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### *All Financial Statements*

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

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

#### *1. Deposits and Investments*

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

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

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds that meet additional requirements.

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### *1. Deposits and Investments (cont.)*

The Police Pension Fund Board of Trustees, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Corporate Bonds	34%	1.70%
Equity	60%	6.10%
U.S. Government	5%	1.00%
Cash	1%	-%

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

Long-term expected real returns on the Police Pension Fund's investments under GASB reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The expected inflation rate is 3% and is included in the long-term rate of return on investments. Long-term rates of return are expected to exhibit geometric properties. Geometric rates of return are equal to arithmetic returns when the annual returns exhibit no volatility over time. When arithmetic rates of return are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference. Best estimates or arithmetic real rates of return for each major asset class included in the Police Pension Fund's target asset allocation are listed in the table above.

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

The Village and Police Pension Fund have adopted investment policies. The policies follow the state statute for allowable investments. It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy of the Village is safety (preservation of capital and protection of investment principal), liquidity and yield.

The Police Pension Fund's investment policy does not specifically prohibit the use of or the investment in derivatives.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

#### *1. Deposits and Investments* (cont.)

##### **Interest Rate Risk**

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a five-year period. The Village investment policy limits maturities to five years unless tied to a specific cash flow. Investments may be purchased with maturities to match future projects or liability requirements. In addition, the policy requires the Village to structure the investment portfolio 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. In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity to meet required pension payments. The investment policy does not limit the maximum maturity length of investments in the fund.

##### **Credit Risk**

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. The Police Pension Fund limits its exposure to credit risk by investing exclusively in investment grade bonds, or obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Governments.

##### **Concentration of Credit Risk**

The Village's investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity, but does not specify maximum amounts that can be invested in any one investment vehicle, maturity, issuer or class of securities. The Police Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle. With the exception of U.S. Treasury securities and authorized pools, no more than 65% of the Police Pension Fund's total investment portfolio can be invested in a single security type or with a single financial institution.

##### **Custodial Credit Risk - Deposits**

The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance. In order to anticipate market changes and to provide a level of security for these investments, the collateral level will be 100% of market value, over and above the insured amount provided by the Federal Deposit Insurance Corporation. Collateral will always be held by an independent third party with whom the Village has a current custodial agreement. The Police Pension Fund's investment policies do not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

#### *1. Deposits and Investments (cont.)*

##### **Custodial Credit Risk - Investments**

The Village's and Police Pension Fund's investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 100% of the value of the deposit in excess of federal depository insurance with the collateral held by the Village's agent in the Village's name. The Village's investment policy also requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. The Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a DVP basis with the underlying investments held by a third party acting as the Police Pension Fund's agent separate from where the investment was purchased in the police pension fund's name.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust fund are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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

See Note III. A. for further information.

#### *2. Receivables*

Property taxes for levy year 2017 attaches as an enforceable lien on January 1, 2017, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### ***2. Receivables (cont.)***

Tax bills for levy year 2017 are prepared by the County and issued on or about February 1 for Cook County and May 1 for Lake County, and are payable in two installments, on or about March 1 and August 1 for Cook County and June 1 and September 1 for Lake County.

The 2017 property tax levy is recognized as a receivable and deferred inflows in fiscal 2017. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2017, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2017 levy.

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

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

##### ***3. Inventories and Prepaid Items***

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses in both government-wide and fund financial statements. Prepaid items/expenses are accounted for on the consumption method.

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### **4. Capital Assets**

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

Capital assets, which include property, plant and equipment, water and sewer system and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial cost of more than \$25,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Buildings and building improvements	20-50 Years
Parking improvements	15-50 Years
Water/sewer system	40-60 Years
Vehicles, machinery and equipment	4-20 Years
Infrastructure	20-50 Years

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

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

##### **5. Deferred Outflows of Resources**

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

##### **6. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### ***6. Compensated Absences (cont.)***

All vested vacation and sick leave pay, including related Social Security and Medicare, that is owed to retirees or terminated employees is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2017, are determined on the basis of current salary rates and include salary related payments.

##### ***7. Long-Term Obligations***

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

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

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

In the governmental fund financial statements, governmental funds 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 actual debt proceeds received, are reported as expenditures.

##### ***8. Deferred Inflows of Resources***

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

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### ***8. Deferred Inflows of Resources (cont.)***

The Village has two types of items which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and the long-term receivable from Deerfield Public Library (the Library). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, the pension plans of the Village have deferred inflows.

##### ***9. Equity Classifications***

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

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

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

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

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

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

#### ***9. Equity Classifications (cont.)***

##### ***Fund Statements (cont.)***

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Village Board of Trustees. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board of Trustees that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by ordinance, adopted a fund balance policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

Fiduciary fund equity is classified as held in trust for on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the village believes it is in compliance with all significant restrictions.

#### ***10. Interfund Transactions***

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Sewerage	\$ 2,997,376	\$ 4,056,058	\$ 1,058,682
Commuter Parking Lot	282,660	301,514	18,854
Garage	405,685	472,100	66,415
Police Pension	2,799,300	2,942,585	143,285

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report. The Sewerage, Commuter Parking Lot and Garage fund expenditures are over budget due to the timing of certain expenditures, such as depreciation and pension expense. The Police Pension Fund is over budget due to a separation refund being paid during the fiscal year.

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE III - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the Pension Trust Fund, 2011B Sinking Fund and the Bond Proceeds Fund. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet 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.

The Village's and the Police Pension's deposits and investments at year end were comprised as follows:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 4,496,269	\$ 4,622,858	Custodial credit risk - deposits
Mutual funds	29,181,672	29,181,672	N/A
U.S. Treasury obligations	7,792,684	7,792,684	Custodial credit risk - investments, interest rate risk
Certificates of deposit (negotiable)	5,382,150	5,382,150	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Corporate bonds	6,246,641	6,246,641	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Municipal Bonds	90,040	90,040	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Illinois Funds	20,937,559	20,920,514	Credit risk
U.S. Agency obligations	11,527,799	11,527,799	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Petty cash	<u>2,400</u>	<u>-</u>	N/A
<b>Total Deposits and Investments</b>	<b><u>\$ 85,657,214</u></b>	<b><u>\$ 85,764,358</u></b>	

#### Reconciliation to financial statements

Per statement of net position	
Cash and investments	\$ 35,192,749
Per statement of net position - fiduciary funds	
Cash and investments	7,153,428
U.S. Treasury obligations	7,792,684
Corporate bonds	6,246,641
Mutual funds	29,181,672
Municipal bonds	<u>90,040</u>
<b>Total Deposits and Investments</b>	<b><u>\$ 85,657,214</u></b>

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

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

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

The valuation methods for recurring fair value measurements are as follows:

#### Village

Investment Type	December 31, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Agency obligations	\$ -	\$ 11,527,799	\$ -	\$ 11,527,799
Certificates of deposit (negotiable)	5,382,150	-	-	5,382,150
Total	\$ 5,382,150	\$ 11,527,799	\$ -	\$ 16,909,949

#### Police Pension

Investment Type	December 31, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	\$ 7,789,790	\$ 2,894	\$ -	\$ 7,792,684
Corporate bonds	-	6,246,641	-	6,246,641
Mutual funds	29,181,672	-	-	29,181,672
Municipal bonds	-	90,040	-	90,040
Total	\$ 36,971,462	\$ 6,339,575	\$ -	\$ 43,311,037

#### **Custodial Credit Risk**

##### **Deposits**

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

The Village does not have any deposits exposed to custodial credit risk.

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### ***Credit Risk***

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

As of December 31, 2017, the Village's and Police Pension's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Certificates of deposit (negotiable)	Not rated	Not rated
Corporate bonds	BBB- to AA+	Baa3 to AAA
Municipal bonds	AA- to AAA	A1
Illinois Funds	AAA	AAAm
U.S. Agency obligations	AA+	Aaa

##### ***Concentration of Credit Risk***

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

At December 31, 2017, there were no investments subject to concentration of credit risk

##### ***Interest Rate Risk***

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

As of December 31, 2017, the Village's investments were as follows:

##### Village

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1 Year	1-5 Years	6-10 Years	Greater than 10 Years
Certificates of deposit (negotiable)	\$ 5,382,150	\$ 3,654,779	\$ 1,727,371	\$ -	\$ -
U.S. Agency obligations	11,527,799	-	7,131,478	2,214,052	2,182,269
Totals	<u>\$ 16,909,949</u>	<u>\$ 3,654,779</u>	<u>\$ 8,858,849</u>	<u>\$ 2,214,052</u>	<u>\$ 2,182,269</u>

**VILLAGE OF DEERFIELD**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Interest Rate Risk (cont.)**

*Police Pension*

Investment Type	Fair Value	Maturity (In Months)			
		Less than 1 Year	1-5 Years	6-10 Years	Greater than 10 Years
U.S. treasury obligations	\$ 7,792,684	\$ -	\$ 4,948,520	\$ 2,894	\$ 2,841,270
Corporate bonds	6,246,641	421,283	3,035,649	2,675,854	113,855
Municipal Bonds	<u>90,040</u>	<u>45,010</u>	<u>-</u>	<u>-</u>	<u>45,030</u>
Totals	<u>\$ 14,129,365</u>	<u>\$ 466,293</u>	<u>\$ 7,984,169</u>	<u>\$ 2,678,748</u>	<u>\$ 3,000,155</u>

**Money-Weighted Rate of Return**

*Police Pension Fund*

For the year ended December 31, 2017, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was 15.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

**B. RECEIVABLES**

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

The Village issued General Obligation Bonds in 2011 and 2013 on behalf of the Library to finance the Library Improvement Project. These bonds are in the Village's name and are a liability of the village. The Library receives property tax collections to pay for the bond principal and interest then remits the funds to the Village as the principal and interest payments become due. The Village has recorded a receivable, offset by unavailable revenue, for the amount of debt outstanding, less cash on hand, that the Library will be paying the Village.

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

#### C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 5,136,924	\$ -	\$ -	\$ 5,136,924
Land right of way	16,180,188	-	-	16,180,188
Construction in progress	<u>501,381</u>	<u>208,517</u>	<u>371,019</u>	<u>338,879</u>
Total Capital Assets Not Being Depreciated	<u>21,818,493</u>	<u>208,517</u>	<u>371,019</u>	<u>21,655,991</u>
Capital assets being depreciated				
Buildings and improvements	12,580,797	-	-	12,580,797
Vehicles, machinery and equipment	4,978,809	737,269	283,356	5,432,722
Infrastructure	<u>98,994,451</u>	<u>5,619,510</u>	<u>5,562,992</u>	<u>99,050,969</u>
Total Capital Assets Being Depreciated	<u>116,554,057</u>	<u>6,356,779</u>	<u>5,846,348</u>	<u>117,064,488</u>
Total Capital Assets	<u>138,372,550</u>	<u>6,565,296</u>	<u>6,217,367</u>	<u>138,720,479</u>
Less: Accumulated depreciation for				
Buildings and improvements	(4,467,368)	(301,307)	-	(4,768,675)
Vehicles, machinery and equipment	(3,085,351)	(399,937)	279,827	(3,205,461)
Infrastructure	<u>(54,337,387)</u>	<u>(1,939,114)</u>	<u>4,047,736</u>	<u>(52,228,765)</u>
Total Accumulated Depreciation	<u>(61,890,106)</u>	<u>(2,640,358)</u>	<u>4,327,563</u>	<u>(60,202,901)</u>
Net Capital Assets Being Depreciated	<u>54,663,951</u>	<u>3,716,421</u>	<u>1,518,785</u>	<u>56,861,587</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 76,482,444</u>	<u>\$ 3,924,938</u>	<u>\$ 1,889,804</u>	<u>\$ 78,517,578</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 150,178
Public safety	183,354
Highway and streets	<u>2,306,826</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,640,358</u>

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

#### C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciation				
Land	\$ 1,955,456	\$ -	\$ -	\$ 1,955,456
Construction in progress	-	19,641	-	19,641
Total Capital Assets Not Being Depreciation	1,955,456	19,641	-	1,975,097
Capital assets being depreciated				
Buildings and improvements	45,185,189	-	-	45,185,189
Parking lot improvements	1,950,830	-	-	1,950,830
Vehicles, machinery and equipment	626,490	-	-	626,490
Water distribution system	18,380,741	594,898	220,006	18,755,633
Sanitary sewer system	5,738,577	443,616	60,695	6,121,498
Total Capital Assets Being Depreciated	71,881,827	1,038,514	280,701	72,639,640
Total Capital Assets	73,837,283	1,058,155	280,701	74,614,737
Less: Accumulated depreciation for				
Buildings and improvements	(6,326,588)	(962,225)	-	(7,288,813)
Parking lot improvements	(925,892)	(26,737)	-	(952,629)
Vehicles, machinery and equipment	(513,698)	(17,511)	-	(531,209)
Water distribution system	(2,679,073)	(393,255)	220,006	(2,852,322)
Sanitary sewer system	(1,605,979)	(129,280)	60,695	(1,674,564)
Total Accumulated Depreciation	(12,051,230)	(1,529,008)	280,701	(13,299,537)
Net Capital Assets Being Depreciated	59,830,597	(490,494)	-	59,340,103
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 61,786,053	\$ (470,853)	\$ -	\$ 61,315,200

#### D. INTERFUND ADVANCES AND TRANSFERS

##### Advances

The General Fund is advancing funds to the Water Fund. The amount represents temporary financing of the Water Fund's operations. No repayment schedule has been established.

**VILLAGE OF DEERFIELD**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

***D. INTERFUND ADVANCES AND TRANSFERS (cont.)***

***Advances (cont.)***

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Water	\$ 684,083	\$ 684,083

***Transfers***

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Infrastructure Replacement	General	\$ 3,793,769	To fund capital projects To subsidize administrative charges
Refuse Infrastructure Replacement	General	955,984	To provide reimbursement for construction project costs
Debt Service	Bond Proceeds Infrastructure Replacement	2,512,650	
Sewerage	Debt Service	61,486	To fund debt service To fund debt service paid by Sewerage Fund
		<u>1,820,052</u>	
Total - Fund Financial Statements		9,143,941	
Less: Fund eliminations		<u>(6,367,905)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 2,776,036</u>	

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

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### *E. LONG-TERM OBLIGATIONS*

Long-term obligations activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
General obligation debt	\$ 29,375,000	\$ 5,700,000	\$ 4,656,000	\$ 30,419,000	\$ 1,460,000
(Discounts)/Premiums	<u>484,606</u>	<u>240,732</u>	<u>25,422</u>	<u>699,916</u>	<u>-</u>
Sub-totals	<u>29,859,606</u>	<u>5,940,732</u>	<u>4,681,422</u>	<u>31,118,916</u>	<u>1,460,000</u>
Other Liabilities					
Vested compensated absences (governmental)	1,479,682	1,195,607	1,191,567	1,483,722	1,201,815
Vested compensated absences (internal service)	18,220	21,335	18,329	21,226	21,226
Other postemployment benefits	1,103,475	300,631	134,309	1,269,797	-
Net pension liability - IMRF	4,116,323	1,195,660	912,721	4,399,262	-
Net pension liability - Police	<u>18,348,280</u>	<u>-</u>	<u>9,139,532</u>	<u>9,208,748</u>	<u>-</u>
Total Other Liabilities	<u>25,065,980</u>	<u>2,713,233</u>	<u>11,396,458</u>	<u>16,382,755</u>	<u>1,223,041</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 54,925,586</u>	<u>\$ 8,653,965</u>	<u>\$ 16,077,880</u>	<u>\$ 47,501,671</u>	<u>\$ 2,683,041</u>
<b>Business-type Activities</b>					
Bonds Payable					
General obligation debt	\$ 29,545,000	\$ -	\$ 804,000	\$ 28,741,000	\$ 825,000
(Discounts)/Premiums	<u>122,530</u>	<u>-</u>	<u>12,989</u>	<u>109,541</u>	<u>-</u>
Sub-totals	<u>29,667,530</u>	<u>-</u>	<u>816,989</u>	<u>28,850,541</u>	<u>825,000</u>
Other Liabilities					
Vested compensated absences	282,799	241,626	249,238	275,187	242,165
Other postemployment benefits	112,029	83,067	37,111	157,985	-
Net pension liability - IMRF	<u>1,490,392</u>	<u>473,905</u>	<u>371,462</u>	<u>1,592,835</u>	<u>-</u>
Total Other Liabilities	<u>1,885,220</u>	<u>798,598</u>	<u>657,811</u>	<u>2,026,007</u>	<u>242,165</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 31,552,750</u>	<u>\$ 798,598</u>	<u>\$ 1,474,800</u>	<u>\$ 30,876,548</u>	<u>\$ 1,067,165</u>

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

#### *E. LONG-TERM OBLIGATIONS* (cont.)

##### **General Obligation Debt**

All general obligation bonds payable are backed by the full faith and credit of the Village. Bonds in the governmental funds will be retired by future property tax levies or other resources accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of the Sewerage Fund.

##### **Governmental Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
General Obligation Bond Series 2010A	11/03/2010	12/01/2028	0.80% - 5.00%	\$ 12,500,000	\$ 3,464,000
General Obligation Bond Series 2011A	10/17/2011	12/01/2031	1.00% - 3.25%	9,900,000	7,930,000
General Obligation Bond Series 2013	01/03/2013	12/01/2031	2.00% - 2.25%	9,075,000	4,560,000
General Obligation Bond Series 2015	05/19/2015	12/01/2034	3.00% - 3.25%	9,575,000	8,800,000
General Obligation Bond Series 2017	02/06/2017	12/01/2036	3.00% - 3.75%	5,700,000	<u>5,665,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 30,419,000</u>

##### **Business-type Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
General Obligation Bond Series 2010A	11/03/2010	12/01/2028	0.80% - 5.00%	\$ 12,500,000	\$ 5,196,000
General Obligation Bond Series 2011B	10/17/2011	12/01/2028	4.00% - 1.25%	12,500,000	12,480,000
General Obligation Bond Series 2012	01/21/2012	12/01/2031	2.75% - 2.00%	10,000,000	10,000,000
General Obligation Bond Series 2013	01/03/2013	12/01/2031	2.25%	9,075,000	<u>1,065,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 28,741,000</u>

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

#### *E. LONG-TERM OBLIGATIONS* (cont.)

##### **General Obligation Debt** (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2018	\$ 1,460,000	\$ 884,355	\$ 825,000	\$ 1,041,022
2019	1,504,000	886,775	851,000	982,151
2020	1,555,000	846,508	875,000	962,558
2021	1,604,000	804,249	901,000	940,442
2022	1,655,000	760,153	930,000	915,716
2023-2027	9,182,000	3,044,654	5,108,000	4,132,186
2028-2032	10,179,000	1,466,605	19,251,000	1,082,687
2033-2037	3,280,000	252,220	-	-
Totals	<u>\$ 30,419,000</u>	<u>\$ 8,945,519</u>	<u>\$ 28,741,000</u>	<u>\$ 10,056,762</u>

#### **Advance Refunding**

On February 28, 2017, the Village issued \$5,700,000 in general obligation bonds with an average coupon rate of 3%. A portion of the total issuance, \$3,328,259, was placed in escrow to advance refund \$3,215,000 of outstanding bonds with an average coupon rate of 3%. The proceeds placed in escrow were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

This advance refunding also provided \$2,500,000 of new money proceeds which were deposited in the Village's Bond Proceeds Fund and then transferred to the Infrastructure Replacement Fund for future capital projects.

The cash flow requirements on the refunded debt prior to the advance refunding was \$4,437,888 and the cash flow requirements on the refunding portion of the 2017 bonds are \$4,181,025. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$222,079.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE IV - OTHER INFORMATION

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### A. EMPLOYEES' RETIREMENT SYSTEM

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

#### Illinois Municipal Retirement Fund

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

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

Under the employer number within IMRF, both the Village and the Deerfield Public Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the Village and the Deerfield Public Library.

**Plan membership.** At December 31, 2016, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	123
Inactive, non-retired members	100
Active members	<u>103</u>
Total	<u><u>326</u></u>

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** As set by statute, Village and Deerfield Public Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Village and Deerfield Public Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village and Deerfield Public Library's actuarially determined contribution rate for calendar year 2016 was 12.78% of annual covered payroll for IMRF. The Village and Deerfield Public Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

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

**Actuarial Assumptions.** The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2016 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.50%
Inflation	3.50%
Salary increases	3.75% to 14.50%, including inflation
Price inflation	2.75%

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

## VILLAGE OF DEERFIELD

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00%	8.85%	7.39%
International equities	17.00%	9.55%	7.59%
Fixed income	27.00%	3.05%	3.00%
Real estate	8.00%	7.20%	6.00%
Alternatives	9.00%		
Private equity		13.15%	8.15%
Hedge funds		5.55%	5.25%
Commodities		4.40%	2.75%
Cash equivalents	1.00%	2.25%	2.25%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2015 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
<i>Village:</i>			
Total pension liability	\$ 44,810,186	\$ 39,667,423	\$ 35,576,741
Plan fiduciary net pension	<u>33,675,327</u>	<u>33,675,326</u>	<u>33,675,327</u>
Net pension liability/(asset)	<u>\$ 11,134,859</u>	<u>\$ 5,992,097</u>	<u>\$ 1,901,414</u>

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

*Deerfield Public Library:*

Total pension liability	\$ 11,911,568	\$ 10,544,505	\$ 9,457,108
Plan fiduciary net pension	8,951,670	8,951,670	8,951,670
Net pension liability/(asset)	<u>\$ 2,959,898</u>	<u>\$ 1,592,835</u>	<u>\$ 505,438</u>

*Total:*

Total pension liability	\$ 56,721,754	\$ 50,211,928	\$ 45,033,849
Plan fiduciary net pension	42,626,997	42,626,996	42,626,997
Net pension liability/(asset)	<u>\$ 14,094,757</u>	<u>\$ 7,584,932</u>	<u>\$ 2,406,852</u>

**Changes in net pension liability/(asset).** The changes in net pension liability/(asset) for the calendar year ended December 31, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<i>Village:</i>			
Balances at December 31, 2015	\$ 37,846,050	\$ 32,239,336	\$ 5,606,714
Service cost	639,717	-	639,717
Interest on total pension liability	2,783,677	-	2,783,677
Differences between expected and actual experience of the total pension liability	393,734	-	393,734
Change of assumptions	(93,810)	-	(93,810)
Benefit payments, including refunds of employee contributions	(1,901,945)	(1,901,945)	-
Contributions - employer	-	802,016	(802,016)
Contributions - employee	-	285,554	(285,554)
Net investment income	-	2,246,277	(2,246,277)
Other (net transfer)	-	4,088	(4,088)
Balances at December 31, 2016	<u>\$ 39,667,423</u>	<u>\$ 33,675,326</u>	<u>\$ 5,992,097</u>

## VILLAGE OF DEERFIELD

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

#### NOTE IV - OTHER INFORMATION (cont.)

##### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

*Deerfield Public Library:*

Balances at December 31, 2015	\$ 10,060,343	\$ 8,569,950	\$ 1,490,393
Service cost	170,051	-	170,051
Interest on total pension liability	739,965	-	739,965
Differences between expected and actual experience of the total pension liability	104,664	-	104,664
Change of assumptions	(24,937)	-	(24,937)
Benefit payments, including refunds of employee contributions	(505,580)	(505,580)	-
Contributions - employer	-	213,194	(213,194)
Contributions - employee	-	75,907	(75,907)
Net investment income	-	597,112	(597,112)
Other (net transfer)	-	1,088	(1,088)
Balances at December 31, 2016	<u>\$ 10,544,506</u>	<u>\$ 8,951,671</u>	<u>\$ 1,592,835</u>

*Total:*

Balances at December 31, 2015	\$ 47,906,393	\$ 40,809,286	\$ 7,097,107
Service cost	809,768	-	809,768
Interest on total pension liability	3,523,642	-	3,523,642
Differences between expected and actual experience of the total pension liability	498,398	-	498,398
Change of assumptions	(118,747)	-	(118,747)
Benefit payments, including refunds of employee contributions	(2,407,525)	(2,407,525)	-
Contributions - employer	-	1,015,210	(1,015,210)
Contributions - employee	-	361,461	(361,461)
Net investment income	-	2,843,389	(2,843,389)
Other (net transfer)	-	5,176	(5,176)
Balances at December 31, 2016	<u>\$ 50,211,929</u>	<u>\$ 42,626,997</u>	<u>\$ 7,584,932</u>

Plan fiduciary net position as a percentage of the total pension liability

84.89 %

***Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.*** For the year ended December 31, 2017, the Village recognized pension expense of \$1,674,405. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

## VILLAGE OF DEERFIELD

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Village:</i>		
Difference between expected and actual experience	\$ 295,519	\$ 59,942
Assumption changes	383,448	70,410
Net difference between projected and actual earnings on pension plan investments	1,639,388	-
Contributions subsequent to the measurement date	759,433	-
Total	\$ 3,077,788	\$ 130,352
<i>Deerfield Public Library:</i>		
Difference between expected and actual experience	\$ 78,556	\$ 15,935
Assumption changes	101,929	18,716
Net difference between projected and actual earnings on pension plan investments	435,787	-
Contributions subsequent to the measurement date	201,874	-
Total	\$ 818,146	\$ 34,651
<i>Total:</i>		
Difference between expected and actual experience	\$ 374,075	\$ 75,877
Assumption changes	485,377	89,126
Net difference between projected and actual earnings on pension plan investments	2,075,175	-
Contributions subsequent to the measurement date	961,307	-
Total	\$ 3,895,934	\$ 165,003

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending . The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$2,769,624) will be recognized in pension expense as follows:

Year Ending December 31,	Village	Deerfield Public Library	Total
2017	\$ 927,079	\$ 246,439	\$ 1,173,518
2018	676,886	179,932	856,818
2019	555,115	147,562	702,677
2020	28,923	7,688	36,611
Total	\$ 2,188,003	\$ 581,621	\$ 2,769,624

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension

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

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

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

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

**Plan membership.** At December 31, 2017, the Police Pension membership consisted of:

Retirees and beneficiaries	39
Inactive, non-retired members	1
Active members	<u>38</u>
Total	<u><u>78</u></u>

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

**Contributions.** Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2017 was 27.90% of annual covered payroll.

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

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

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

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

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.25%
Inflation	2.50%
Projected salary increases	4.00% - 16.67%
Cost-of-living adjustments	2.50

Mortality rates were based on the L&A 2016 Illinois Police Table. The actuarial assumptions used were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance.

## VILLAGE OF DEERFIELD

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

**Discount rate.** The discount rate used to measure the total pension liability for the Police Pension Plan was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 65,151,248	\$ 57,126,945	\$ 50,591,547
Plan fiduciary net position	47,918,197	47,918,197	47,918,197
Net pension liability	\$ 17,233,051	\$ 9,208,748	\$ 2,673,350

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2016	\$ 61,422,055	\$ 43,073,776	\$ 18,348,279
Service cost	1,002,497	-	1,002,497
Interest on total pension liability	3,862,179	-	3,862,179
Changes in benefit terms	106,743	-	106,743
Change of assumptions	(6,365,881)	-	(6,365,881)
Benefit payments, including refunds of employee contributions	(2,900,648)	(2,900,648)	-
Contributions - employer	-	1,100,000	(1,100,000)
Contributions - employee	-	390,162	(390,162)
Net investment income	-	6,296,845	(6,296,845)
Administration	-	(41,938)	41,938
Balances at December 31, 2017	\$ 57,126,945	\$ 47,918,197	\$ 9,208,748

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2017, the Village recognized pension expense of \$1,264,737. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,113,552	\$ 1,540,618
Assumption changes	5,974,119	8,982,852
Net difference between projected and actual earnings on pension plan investments	1,183,480	3,153,962
Total	\$ 8,271,151	\$ 13,677,432

The amounts reported as deferred outflows and inflows of resources related to pensions (\$5,406,281) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2018	\$ (181,516)
2019	(181,520)
2020	(1,039,654)
2021	(2,977,848)
2022	(1,025,743)
Total	\$ (5,406,281)

#### B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village participates in a public entity risk pool called to provide coverage for losses from (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees). However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the Village in the general fund.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE IV - OTHER INFORMATION (cont.)

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### ***B. RISK MANAGEMENT*** (cont.)

#### ***Public Entity Risk Pool***

##### **Municipal Insurance Cooperative Agency**

The Village participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA provides \$2,000,000 of coverage after a \$5,000 deductible. The Village's payments to MICA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are three officers, a Risk Manager and a Treasurer. The Village does not exercise any control over activities of MICA beyond its representation on the Board of Directors. MICA functions solely as an administrative agent for each member.

##### **High-Level Excess Liability Pool**

The Village is a member of the High-Level Excess Liability Pool (HELP). HELP is an insurance pool consisting of fifteen municipalities in Illinois to provide excess liability coverage (\$13,000,000 of coverage after the \$2,000,000 coverage provided by MICA). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

The High-Level Excess Liability Pool was organized on April 1, 1987 with the initial agreement extending to April 30, 2008. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions and employers' liability made against the members and other parties included within the scope of its coverage.

HELP is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of the agency, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by HELP, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

The Village paid \$54,478 to HELP for the year ended December 31, 2017.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE IV - OTHER INFORMATION (cont.)

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### **B. RISK MANAGEMENT** (cont.)

#### **Public Entity Risk Pool** (cont.)

##### **Intergovernmental Personnel Benefit Cooperative**

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities.

The IPBC receives, processes, and pays such claims as they may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

### **C. COMMITMENTS AND CONTINGENCIES**

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

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

#### **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 that may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

#### **Solid Waste Agency of Lake County**

The Village's contract with SWALCO provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE IV - OTHER INFORMATION (cont.)

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### *C. COMMITMENTS AND CONTINGENCIES (cont.)*

#### *High-Level Excess Liability Pool*

The Village has committed to purchase excess liability insurance from HELP, a joint venture of Illinois municipalities.

These amounts have been calculated using the Village's current allocation percentage of 3.59% of premium expense. In future years, this allocation percentage will be subject to change because HELP's agreement provides that the members will be assessed each year based upon a formula that specifies the following four criteria for allocating premium costs:

Miles of streets  
Full-time equivalent employees  
Number of licensed vehicles  
Operating revenues

The Village has passed a resolution authorizing the extension of HELP for ten years beginning May 1, 2018. The Village's agreement with HELP provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

### *D. JOINT VENTURES*

#### *Solid Waste Agency of Lake County*

The Village is a member of SWALCO, which consists of 35 municipalities. SWALCO is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWALCO is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

These percentage shares are subject to change in future years based on the combination of the population and equalized assessed valuation of the municipalities.

The members form a contiguous geographic service area, which is located in Lake County. Under the agency agreement, additional members may join SWALCO upon the approval of each member.

SWALCO is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWALCO are appointed by the Board of Directors. The Board of Directors determines the general policy of SWALCO; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of bonds or notes by SWALCO; adopts bylaws, rules and regulations; and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## **NOTE IV - OTHER INFORMATION (cont.)**

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### ***D. JOINT VENTURES (cont.)***

SWALCO is an oversight advisory board providing long range planning services to member municipalities. The Village is a participant in SWALCO, but no agreement has been reached as to services to be provided.

Complete financial statements can be obtained from the Solid Waste Agency of Lake County, 1300 N. Skokie Highway, Suite 103, Gurnee, Illinois 60031.

The Village does not have an equity interest in SWALCO at December 31, 2017.

### ***E. OTHER POSTEMPLOYMENT BENEFITS***

The Village administers a single-employer defined benefit healthcare plan. The plan provides for eligible retirees through the Village's group health insurance plan, which covers both active and retired members. Benefit provisions are established through personnel policy guidelines and collective bargaining agreements. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through personnel policy guidelines and collective bargaining agreements and may be amended only through negotiations between the Village and the union. The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The Village pays a subsidy of 50% of the cost of the monthly health insurance premiums for the retirees up to a maximum of \$50. The retiree pays the remainder of the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

## VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

### NOTE IV - OTHER INFORMATION (cont.)

#### *E. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the Village's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	375,594
Interest on net OPEB obligation		48,620
Adjustment to annual required contribution		<u>(40,516)</u>
Annual OPEB cost		383,698
Contributions made		<u>(171,420)</u>
Increase in net OPEB obligation (asset)		212,278
Net OPEB Obligation (Asset) - Beginning of Year		<u>1,215,504</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>1,427,782</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 187,216	58.06	\$ 1,000,362
December 31, 2016	367,814	41.51	1,215,504
December 31, 2017	383,698	44.68	1,427,782

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *E. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The funded status of the plan as of December 31, 2016, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 5,862,837
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,862,837</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 12,945,062
UAAL as a percentage of covered payroll	45.29%

Actuarial valuations of an ongoing plan involve estimates for 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 trend. Amounts determined regarding the funded status of the plan and annual required 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.

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 benefit costs between the employer and plan members to that point. The 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 December 31, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 5% and an ultimate rate of 5%. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2017, was 30 years.

# VILLAGE OF DEERFIELD

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *F. SUBSEQUENT EVENTS*

On May 21st, 2018, the Village issued \$6,010,000 General Obligation Bonds, Series 2018. The bonds mature annually on December 1, beginning December 1, 2019 through December 1, 2037 with maturities ranging from \$130,000 to \$420,000. Interest is due semiannually on June 1 and December 1, commencing June 1, 2019, with interest rate of 3.00%. The bonds were issued to finance certain capital improvements of the Village.

#### *G. TAX ABATEMENT*

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village is disclosing all abatement agreements individually.

During the fiscal year 2002, the Village entered into an economic incentive agreement with a commercial entity. The agreement was approved by the Board, in accordance with Illinois Compiled Statutes. The Village has agreed to reimburse the commercial entity 75% of the total sales tax revenue generated for the first six years of the agreement, and 80% of any sales tax revenue generated for the seventh year and all subsequent years. The amount of the rebates is limited to specified time period and are payable over 20 years solely from sales taxes generated by the commercial entity. The rebates are to be paid monthly with the agreement expiring 20 years after commencement. The total amount of home-rule sales tax rebated for the fiscal year ending December 31, 2017 was \$2,320,654. At December 31, 2017, the Village has accrued an estimated home-rule sales tax rebate liability of \$259,774 for amounts collected by the state through December 31, 2016 but not yet paid to the commercial entity. To date, the Village has rebated \$14,180,442 of home-rule sales tax to the commercial entity. The agreement has no stated maximum. The rebate is not subject to recapture, in whole or in part.

# VILLAGE OF DEERFIELD

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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## NOTE IV - OTHER INFORMATION (cont.)

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### *H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS*

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

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Taxes	\$ 11,781,753	\$ 11,781,753	\$ 12,741,167
Licenses and permits	1,430,500	1,430,500	1,784,230
Intergovernmental	6,907,000	6,907,000	7,769,025
Charges for services	614,000	614,000	501,245
Fines and forfeits	275,000	275,000	264,926
Investment income	105,000	105,000	188,066
Miscellaneous	891,400	891,400	1,127,300
Total Revenues	<u>22,004,653</u>	<u>22,004,653</u>	<u>24,375,959</u>
<b>EXPENDITURES</b>			
General government	7,849,853	9,849,853	9,405,626
Public safety	9,958,384	9,958,384	9,065,980
Highway and streets	2,863,681	2,863,681	2,491,820
Total Expenditures	<u>20,671,918</u>	<u>22,671,918</u>	<u>20,963,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,332,735</u>	<u>(667,265)</u>	<u>3,412,533</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(4,749,753)</u>	<u>(4,749,753)</u>	<u>(4,749,753)</u>
Total Other Financing Sources (Uses)	<u>(4,749,753)</u>	<u>(4,749,753)</u>	<u>(4,749,753)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,417,018)</u>	<u>\$ (5,417,018)</u>	(1,337,220)
FUND BALANCE - Beginning of Year			<u>20,436,719</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 19,099,499</u>

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

# VILLAGE OF DEERFIELD

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

	2015		
	Village	Library	Total
<b>Total pension liability</b>			
Service cost	\$ 646,241	\$ 171,785	\$ 818,026
Interest	2,679,659	712,314	3,391,973
Differences between expected and actual experience	(15,329)	(4,075)	(19,404)
Changes of assumptions	45,001	11,962	56,963
Benefit payments, including refunds of member contributions	<u>(1,925,766)</u>	<u>(511,913)</u>	<u>(2,437,679)</u>
<b>Net change in total pension liability</b>	1,429,804	380,075	1,809,879
<b>Total pension liability - beginning</b>	<u>34,986,441</u>	<u>9,300,194</u>	<u>44,286,635</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 36,416,246</u></u>	<u><u>\$ 9,680,268</u></u>	<u><u>\$ 46,096,514</u></u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 793,323	\$ 210,883	\$ 1,004,206
Employee contributions	274,164	72,879	347,043
Net investment income	159,860	42,495	202,355
Benefit payments, including refunds of member contributions	(1,925,766)	(511,913)	(2,437,679)
Other (net transfer)	<u>536,509</u>	<u>142,616</u>	<u>679,125</u>
<b>Net change in plan fiduciary net position</b>	(161,911)	(43,040)	(204,950)
<b>Plan fiduciary net position - beginning</b>	<u>32,563,157</u>	<u>8,656,029</u>	<u>41,219,186</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 32,401,247</u></u>	<u><u>\$ 8,612,990</u></u>	<u><u>\$ 41,014,236</u></u>
<b>Employer's net pension liability - ending (a) - (b)</b>	<u><u>\$ 4,014,999</u></u>	<u><u>\$ 1,067,279</u></u>	<u><u>\$ 5,082,278</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>			88.97%
<b>Covered-employee payroll</b>			\$ 6,330,297
<b>Employer's net pension liability as a percentage of covered-employee payroll</b>			80.28%

**Notes to Schedule:**

The Village implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

2016			2017		
Village	Library	Total	Village	Library	Total
\$ 646,241	\$ 171,785	\$ 818,026	\$ 639,717	\$ 170,051	\$ 809,768
2,679,659	712,314	3,391,973	2,783,677	739,965	3,523,642
(15,329)	(4,075)	(19,404)	393,734	104,664	498,398
45,001	11,962	56,963	(93,810)	(24,937)	(118,747)
<u>(1,925,766)</u>	<u>(511,913)</u>	<u>(2,437,679)</u>	<u>(1,901,945)</u>	<u>(505,580)</u>	<u>(2,407,525)</u>
1,429,804	380,075	1,809,879	1,821,373	484,163	2,305,536
<u>36,416,246</u>	<u>9,680,268</u>	<u>46,096,514</u>	<u>37,846,050</u>	<u>10,060,343</u>	<u>47,906,393</u>
<u>\$ 37,846,050</u>	<u>\$ 10,060,343</u>	<u>\$ 47,906,393</u>	<u>\$ 39,667,423</u>	<u>\$ 10,544,506</u>	<u>\$ 50,211,929</u>
\$ 793,323	\$ 210,883	\$ 1,004,206	\$ 802,016	\$ 213,194	\$ 1,015,210
274,164	72,879	347,043	285,554	75,907	361,461
159,860	42,495	202,355	2,246,277	597,112	2,843,389
(1,925,766)	(511,913)	(2,437,679)	(1,901,945)	(505,580)	(2,407,525)
<u>536,509</u>	<u>142,616</u>	<u>679,125</u>	<u>4,088</u>	<u>1,088</u>	<u>5,176</u>
(161,911)	(43,040)	(204,950)	1,435,990	381,721	1,817,711
<u>32,401,247</u>	<u>8,612,990</u>	<u>41,014,236</u>	<u>32,239,336</u>	<u>8,569,950</u>	<u>40,809,286</u>
<u>\$ 32,239,336</u>	<u>\$ 8,569,950</u>	<u>\$ 40,809,286</u>	<u>\$ 33,675,326</u>	<u>\$ 8,951,671</u>	<u>\$ 42,626,997</u>
<u>\$ 5,606,714</u>	<u>\$ 1,490,393</u>	<u>\$ 7,097,107</u>	<u>\$ 5,992,097</u>	<u>\$ 1,592,835</u>	<u>\$ 7,584,932</u>

85.19%

84.89%

\$ 6,330,297

\$ 7,943,748

112.11%

95.48%

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

# VILLAGE OF DEERFIELD

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

	2015		
	Village	Library	Total
Actuarially determined contribution	787,421	209,314	996,735
Contributions in relation to the actuarially determined contribution	(793,323)	(210,883)	(1,004,206)
Contribution deficiency (excess)	\$ (5,902)	\$ (1,569)	\$ (7,471)
Covered-employee payroll			7,702,244
Contributions as a percentage of covered-employee payroll			13.04%

**Notes to Schedule:**

The Village implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

**Other information:**

There were no benefit changes during the year.

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

2016			2017		
Village	Library	Total	Village	Library	Total
802,017	213,194	1,015,211	\$ 759,433	201,875	961,308
<u>(802,016)</u>	<u>(213,194)</u>	<u>(1,015,210)</u>	<u>(764,138)</u>	<u>(203,125)</u>	<u>(967,263)</u>
<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (4,704)</u>	<u>\$ (1,251)</u>	<u>\$ (5,955)</u>
		7,943,748		\$	8,044,417
		12.78%			12.02%

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

# VILLAGE OF DEERFIELD

## POLICE PENSION FUND

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

	2014	2015	2016	2017
<b>Total pension liability</b>				
Service cost	\$ 841,716	\$ 1,138,463	\$ 941,842	\$ 1,002,497
Interest	3,358,650	2,800,129	4,212,748	3,862,179
Differences between expected and actual experience	-	2,088,324	(2,314,800)	106,742
Changes of assumptions	-	12,175,632	(5,531,502)	(6,365,881)
Benefit payments, including refunds of member contributions	<u>(2,447,399)</u>	<u>(2,443,015)</u>	<u>(2,603,139)</u>	<u>(2,900,648)</u>
<b>Net change in total pension liability</b>	1,752,967	15,759,533	(5,294,851)	(4,295,111)
<b>Total pension liability - beginning</b>	<u>49,204,407</u>	<u>50,957,374</u>	<u>66,716,907</u>	<u>61,422,056</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 50,957,374</u>	<u>\$ 66,716,907</u>	<u>\$ 61,422,056</u>	<u>\$ 57,126,945</u>
<b>Plan fiduciary net position</b>				
Employer contributions	\$ 989,616	\$ 871,305	\$ 934,918	\$ 1,100,000
Employee contributions	374,137	517,457	425,791	390,162
Net investment income	3,637,510	(4,524)	3,845,026	6,296,845
Benefit payments, including refunds of member contributions	(2,447,399)	(2,443,015)	(2,603,139)	(2,900,648)
Administration	<u>(20,524)</u>	<u>(23,217)</u>	<u>(41,182)</u>	<u>(41,938)</u>
<b>Net change in plan fiduciary net position</b>	2,533,340	(1,081,994)	2,561,414	4,844,421
<b>Plan fiduciary net position - beginning</b>	<u>39,061,016</u>	<u>41,594,356</u>	<u>40,512,362</u>	<u>43,073,776</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 41,594,356</u>	<u>\$ 40,512,362</u>	<u>\$ 43,073,776</u>	<u>\$ 47,918,197</u>
<b>Village's net pension liability - ending (a) - (b)</b>	<u>\$ 9,363,018</u>	<u>\$ 26,204,545</u>	<u>\$ 18,348,280</u>	<u>\$ 9,208,748</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	81.63%	60.72%	70.13%	83.88%
<b>Covered-employee payroll</b>	\$ 3,702,863	\$ 3,806,499	\$ 3,825,286	\$ 3,949,608
<b>Village's net pension liability as a percentage of covered-employee payroll</b>	252.86%	688.42%	479.66%	233.16%

**Notes to Schedule:**

*Changes of assumptions.* There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2017, is 7.25%. The discount rate used in the prior actuarial valuations, dated December 31, 2016, December 31, 2015 and December 31, 2014 was 6.44%, 5.63%, and 7.00%, respectively.

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

## VILLAGE OF DEERFIELD

### POLICE PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	2009	2010	2011	2012
Actuarially determined contribution	\$ 843,209	\$ 1,202,006	\$ 1,350,132	\$ 860,228
Contributions in relation to the actuarially determined contribution	843,209	1,202,006	1,350,132	860,228
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,104,786	\$ 3,356,276	\$ 3,216,370	\$ 3,412,049
Contributions as a percentage of covered-employee payroll	27.16%	35.81%	41.98%	25.21%

\*The Village changed to a December year end for the fiscal year ended December 31, 2013.

**Notes to Schedule:**

The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	5.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality	L&A 2016 Illinois Police Mortality Rates

<u>2013</u>	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,023,006	\$ 895,479	\$ 989,616	\$ 871,305	\$ 934,918	\$ 934,836
<u>1,023,006</u>	<u>895,479</u>	<u>989,616</u>	<u>871,305</u>	<u>934,918</u>	<u>1,100,000</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (165,164)</u>
\$ 3,512,925	\$ 3,591,966	\$ 3,702,863	\$ 3,806,499	\$ 3,825,286	\$ 3,949,608
29.12%	24.93%	26.73%	22.89%	24.44%	27.85%

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

**VILLAGE OF DEERFIELD**

**POLICE PENSION FUND**  
SCHEDULE OF INVESTMENT RETURNS  
Last Four Fiscal Years

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	9.54%	-0.02%	9.73%	15.08%

**Notes to Schedule:**

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

## VILLAGE OF DEERFIELD

### OPEB FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS For the Year Ended December 31, 2017

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/17	\$ 375,594	46 %
12/31/16	361,147	42
12/31/15	181,070	60

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/16	\$ -	\$ 5,862,837	\$ 5,862,837	0%	\$ 12,945,062	45%
12/31/13	-	4,168,658	4,168,658	0%	9,909,624	42%
04/30/13	-	4,168,658	4,168,658	0%	9,909,624	42%

The Village is required to present the above information for the three most recent actuarial studies. The Village changed to a December 31 year end for the fiscal year ended December 31, 2013.

## VILLAGE OF DEERFIELD

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2017

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#### ***BUDGETARY INFORMATION***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (at the fund level) for the general, special revenue, debt service, capital projects, enterprise, internal service and pension trust funds, with the exception of the Bond Proceeds Fund. The budget is as amended by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to assign or commit that portion of the applicable appropriation is utilized in the governmental funds. Material encumbrances outstanding at year end, if any, are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. No material encumbrances were recorded for 2017.

All departments of the Village submit requests for appropriation to the Village's manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and can add to, subtract from or change appropriations; but cannot change the form of the budget. Management cannot amend the total budget for individual funds without seeking the approval of the governing body. Expenditures cannot legally exceed budgeted appropriations at the fund level, and the Board of Trustees must approve any over expenditures of appropriation or transfers of appropriated amounts.

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF DEERFIELD

### DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>TAXES</b>			
Property	\$ 3,476,753	\$ 3,476,753	\$ 3,528,519
Replacement	130,000	130,000	139,424
Home rule sales	3,125,000	3,125,000	3,841,934
Local use	400,000	400,000	504,239
Electric utility	1,250,000	1,250,000	1,209,298
Hotel/Motel	1,900,000	1,900,000	2,147,573
Telecommunication	1,500,000	1,500,000	1,370,180
Total taxes	<u>11,781,753</u>	<u>11,781,753</u>	<u>12,741,167</u>
<b>LICENSES AND PERMITS</b>			
Beer/liquor licenses	70,000	70,000	68,450
Food licenses	5,000	5,000	4,804
Other business licenses	5,500	5,500	5,070
Building permits	925,000	925,000	1,296,075
Contractor's licenses	7,000	7,000	7,200
Nonbusiness licenses and permits	48,000	48,000	32,830
Vehicle licenses	370,000	370,000	369,801
Total licenses and permits	<u>1,430,500</u>	<u>1,430,500</u>	<u>1,784,230</u>
<b>INTERGOVERNMENTAL</b>			
Sales taxes	5,050,000	5,050,000	6,020,277
Income taxes	1,800,000	1,800,000	1,689,801
State highway maintenance	57,000	57,000	58,947
Total intergovernmental	<u>6,907,000</u>	<u>6,907,000</u>	<u>7,769,025</u>
<b>CHARGES FOR SERVICES</b>			
Billings	279,000	279,000	254,069
Dispatching services	260,000	260,000	247,176
50/50 tree planting	65,000	65,000	-
Engineering services	10,000	10,000	-
Total charges for services	<u>614,000</u>	<u>614,000</u>	<u>501,245</u>
<b>MISCELLANEOUS</b>			
False alarms	27,000	27,000	6,667
Rentals	235,000	235,000	284,465
Miscellaneous	196,900	196,900	364,255
Sale of capital assets	7,500	7,500	1,850
Franchise fees	425,000	425,000	470,063
Total miscellaneous	<u>891,400</u>	<u>891,400</u>	<u>1,127,300</u>
Fines and forfeits	275,000	275,000	264,926
Investment income	105,000	105,000	188,066
<b>TOTAL REVENUES</b>	<u><u>\$ 22,004,653</u></u>	<u><u>\$ 22,004,653</u></u>	<u><u>\$ 24,375,959</u></u>

## VILLAGE OF DEERFIELD

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>GENERAL GOVERNMENT</b>			
Finance department			
Personnel services	\$ 956,500	\$ 956,500	\$ 897,571
Training and development	8,050	8,050	7,329
Contractual services	2,817,744	4,817,744	4,730,356
Commodities	14,500	14,500	6,886
Utilities	19,485	19,485	16,930
Capital outlay	4,200	4,200	3,295
Total Finance department	<u>3,820,479</u>	<u>5,820,479</u>	<u>5,662,367</u>
Administration			
Personnel services	1,077,500	1,077,500	999,772
Training and development	19,850	19,850	3,657
Contractual services	640,179	640,179	638,828
Commodities	4,800	4,800	4,520
Utilities	10,510	10,510	9,605
Capital outlay	188,717	188,717	184,062
Total Administration	<u>1,941,556</u>	<u>1,941,556</u>	<u>1,840,444</u>
Community development			
Personnel services	1,136,818	1,136,818	1,062,002
Training and development	7,700	7,700	5,350
Contractual services	135,796	135,796	71,785
Commodities	18,000	18,000	7,408
Utilities	12,410	12,410	10,567
Capital outlay	8,750	8,750	6,408
Total Community development	<u>1,319,474</u>	<u>1,319,474</u>	<u>1,163,520</u>
Engineering			
Personnel services	502,740	502,740	485,408
Training and development	5,700	5,700	4,316
Contractual services	210,660	210,660	210,357
Commodities	12,600	12,600	9,837
Utilities	10,020	10,020	6,668
Capital outlay	26,624	26,624	22,709
Total Engineering	<u>768,344</u>	<u>768,344</u>	<u>739,295</u>
Total general government	<u>7,849,853</u>	<u>9,849,853</u>	<u>9,405,626</u>
<b>PUBLIC SAFETY</b>			
<b>POLICE DEPARTMENT</b>			
Administrative services			
Personnel services	1,059,872	1,059,872	846,492
Training and development	17,940	17,940	10,629
Contractual services	663,122	663,122	625,625
Commodities	25,500	25,500	20,153
Utilities	20,510	20,510	16,116
Capital outlay	189,727	189,727	189,173
Total Administrative services	<u>1,976,671</u>	<u>1,976,671</u>	<u>1,708,188</u>

## VILLAGE OF DEERFIELD

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
Communications			
Personnel services	\$ 1,004,925	\$ 1,004,925	\$ 996,349
Training and development	6,800	6,800	4,161
Contractual services	500	500	329
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>1,383</u>
Total Communications	<u>1,017,225</u>	<u>1,017,225</u>	<u>1,002,222</u>
Investigations			
Personnel services	1,114,383	1,114,383	1,008,996
Training and development	15,500	15,500	13,877
Contractual services	6,370	6,370	5,688
Commodities	16,400	16,400	9,635
Capital outlay	<u>10,500</u>	<u>10,500</u>	<u>5,805</u>
Total Investigations	<u>1,163,153</u>	<u>1,163,153</u>	<u>1,044,001</u>
Patrol			
Personnel services	5,312,885	5,312,885	4,986,448
Training and development	40,400	40,400	48,018
Contractual services	65,400	65,400	68,383
Commodities	127,100	127,100	49,609
Utilities	7,000	7,000	5,983
Capital outlay	<u>85,950</u>	<u>85,950</u>	<u>52,831</u>
Total Patrol	<u>5,638,735</u>	<u>5,638,735</u>	<u>5,211,272</u>
Special detail			
Personnel services	<u>162,600</u>	<u>162,600</u>	<u>100,297</u>
Total Special detail	<u>162,600</u>	<u>162,600</u>	<u>100,297</u>
Total public safety	<u>9,958,384</u>	<u>9,958,384</u>	<u>9,065,980</u>
<b>HIGHWAYS AND STREETS</b>			
Administration			
Personnel services	306,150	306,150	294,503
Training and development	4,500	4,500	1,197
Contractual services	236,273	236,273	236,886
Commodities	6,700	6,700	7,299
Utilities	10,540	10,540	7,407
Capital outlay	<u>187,468</u>	<u>187,468</u>	<u>187,876</u>
Total Administration	<u>751,631</u>	<u>751,631</u>	<u>735,168</u>
Maintenance			
Personnel services	755,700	755,700	674,943
Contractual services	134,000	134,000	181,940
Commodities	162,000	162,000	120,625
Utilities	110,000	110,000	95,544
Capital outlay	<u>7,500</u>	<u>7,500</u>	<u>5,023</u>
Total Maintenance	<u>1,169,200</u>	<u>1,169,200</u>	<u>1,078,075</u>

## VILLAGE OF DEERFIELD

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
Snow and ice control			
Personnel services	\$ 122,750	\$ 122,750	\$ 38,541
Contractual services	114,000	114,000	81,433
Commodities	217,250	217,250	150,471
Capital outlay	27,250	27,250	22,620
Total Snow and ice control	<u>481,250</u>	<u>481,250</u>	<u>293,065</u>
Forestry			
Personnel services	8,600	8,600	971
Contractual services	213,000	213,000	203,712
Commodities	15,000	15,000	4,862
Capital outlay	166,000	166,000	130,985
Total Forestry	<u>402,600</u>	<u>402,600</u>	<u>340,530</u>
Train station maintenance			
Personnel services	9,750	9,750	9,881
Contractual services	43,500	43,500	31,750
Commodities	4,000	4,000	1,795
Utilities	1,750	1,750	1,556
Total Train station maintenance	<u>59,000</u>	<u>59,000</u>	<u>44,982</u>
Total highways and streets	<u>2,863,681</u>	<u>2,863,681</u>	<u>2,491,820</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 20,671,918</u></u>	<u><u>\$ 22,671,918</u></u>	<u><u>\$ 20,963,426</u></u>

## VILLAGE OF DEERFIELD

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Taxes			
Property	\$ 2,901,235	\$ 2,901,235	\$ 2,957,859
Intergovernmental	492,303	492,303	492,569
Contribution from library	726,706	726,706	726,706
Investment income	4,000	4,000	10,903
Total Revenues	4,124,244	4,124,244	4,188,037
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	1,426,000	1,426,000	1,441,000
Interest	957,586	957,586	919,878
Fiscal charges	6,000	6,000	3,250
Total Expenditures	2,389,586	2,389,586	2,364,128
Excess (deficiency) of revenues over (under) expenditures	1,734,658	1,734,658	1,823,909
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	84,194	84,194	61,486
Transfers out	(1,820,052)	(1,820,052)	(1,820,052)
Total Other Financing Sources (Uses)	(1,735,858)	(1,735,858)	(1,758,566)
<b>Net Change in Fund Balance</b>	<b>\$ (1,200)</b>	<b>\$ (1,200)</b>	65,343
FUND BALANCE - Beginning of Year			111,920
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 177,263</b>

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INFRASTRUCTURE REPLACEMENT FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Taxes			
Home rule sales	\$ 1,050,000	\$ 1,050,000	\$ 1,280,645
Food and beverage	500,000	500,000	502,545
Intergovernmental	1,109,000	1,109,000	894,985
Investment income	5,000	5,000	38,349
Miscellaneous	200,000	200,000	445,455
Total Revenues	<u>2,864,000</u>	<u>2,864,000</u>	<u>3,161,979</u>
<b>EXPENDITURES</b>			
Capital outlay			
Contractual services	1,313,000	1,313,000	1,671,029
Construction	9,933,434	9,933,434	9,550,736
Total Expenditures	<u>11,246,434</u>	<u>11,246,434</u>	<u>11,221,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,382,434)</u>	<u>(8,382,434)</u>	<u>(8,059,786)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	6,293,769	6,293,769	6,306,419
Transfers out	(84,194)	(84,194)	(61,486)
Total Other Financing Sources (Uses)	<u>6,209,575</u>	<u>6,209,575</u>	<u>6,244,933</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,172,859)</u>	<u>\$ (2,172,859)</u>	(1,814,853)
FUND BALANCE - Beginning of Year			<u>5,935,979</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 4,121,126</u>

## VILLAGE OF DEERFIELD

### COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2017

	Motor Fuel Tax	Enhanced 911	2011B Debt Service Sinking	Bond Proceeds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 298,719	\$ 988,865	\$ 4,427,095	\$ -	\$ 5,714,679
Receivables					
Accounts	-	101,837	-	-	101,837
Accrued interest	241	1,100	28,326	-	29,667
Due from other governments	41,495	-	-	-	41,495
<b>TOTAL ASSETS</b>	<b>\$ 340,455</b>	<b>\$ 1,091,802</b>	<b>\$ 4,455,421</b>	<b>\$ -</b>	<b>\$ 5,887,678</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 20,337	\$ -	\$ -	\$ 20,337
Total Liabilities	-	20,337	-	-	20,337
Fund Balances					
Restricted for maintenance of roadways	340,455	-	-	-	340,455
Restricted for public safety	-	1,071,465	-	-	1,071,465
Restricted for debt service	-	-	4,455,421	-	4,455,421
Total Fund Balances	340,455	1,071,465	4,455,421	-	5,867,341
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 340,455</b>	<b>\$ 1,091,802</b>	<b>\$ 4,455,421</b>	<b>\$ -</b>	<b>\$ 5,887,678</b>

## VILLAGE OF DEERFIELD

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	Motor Fuel Tax	Enhanced 911	2011B Debt Service Sinking	Bond Proceeds	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 725,000	\$ -	\$ 725,000
Intergovernmental	472,113	-	-	-	472,113
Charges for services	-	348,514	-	-	348,514
Investment income	1,749	9,559	86,907	9,065	107,280
Total Revenues	<u>473,862</u>	<u>358,073</u>	<u>811,907</u>	<u>9,065</u>	<u>1,652,907</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	664	-	664
Public safety	-	270,622	-	-	270,622
Highway and streets	494,000	-	-	-	494,000
Capital Outlay	-	140,729	-	-	140,729
Debt Service					
Interest	-	-	-	108,888	108,888
Total Expenditures	<u>494,000</u>	<u>411,351</u>	<u>664</u>	<u>108,888</u>	<u>1,014,903</u>
Excess (deficiency) of revenues over expenditures	<u>(20,138)</u>	<u>(53,278)</u>	<u>811,243</u>	<u>(99,823)</u>	<u>638,004</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	(2,512,650)	(2,512,650)
Issuance of refunding and general obligation bonds	-	-	-	5,700,000	5,700,000
Premium on debt issued	-	-	-	240,732	240,732
Payment to refunded bonds escrow agent	-	-	-	(3,328,259)	(3,328,259)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,823</u>	<u>99,823</u>
<b>Net Change in Fund Balances</b>	(20,138)	(53,278)	811,243	-	737,827
FUND BALANCES - Beginning of Year	<u>360,593</u>	<u>1,124,743</u>	<u>3,644,178</u>	<u>-</u>	<u>5,129,514</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 340,455</u>	<u>\$ 1,071,465</u>	<u>\$ 4,455,421</u>	<u>\$ -</u>	<u>\$ 5,867,341</u>

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 455,000	\$ 455,000	\$ 472,113
Investment income	2,000	2,000	1,749
Total Revenues	<u>457,000</u>	<u>457,000</u>	<u>473,862</u>
<b>EXPENDITURES</b>			
Highways and streets			
Capital outlay	<u>494,000</u>	<u>494,000</u>	<u>494,000</u>
Total Expenditures	<u>494,000</u>	<u>494,000</u>	<u>494,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (37,000)</u>	<u>\$ (37,000)</u>	(20,138)
FUND BALANCE - Beginning of Year			<u>360,593</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 340,455</u>

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ENHANCED 911 FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Charges for services			
Other charges	\$ 280,000	\$ 280,000	\$ 348,514
Investment income	3,500	3,500	9,559
Total Revenues	283,500	283,500	358,073
<b>EXPENDITURES</b>			
Public safety:			
Contractual services	255,904	255,904	263,876
Utilities	13,500	13,500	6,746
Capital Outlay	174,514	174,514	140,729
Total Expenditures	443,918	443,918	411,351
<b>Net Change in Fund Balance</b>	\$ (160,418)	\$ (160,418)	(53,278)
FUND BALANCE - Beginning of Year			1,124,743
<b>FUND BALANCE - END OF YEAR</b>			\$ 1,071,465

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 2011B DEBT SERVICE SINKING FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 725,000	\$ 725,000	\$ 725,000
Investment income	55,000	55,000	86,907
Total Revenues	<u>780,000</u>	<u>780,000</u>	<u>811,907</u>
<b>EXPENDITURES</b>			
General Government:			
Contractual services	1,200	1,200	664
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>778,800</u>	<u>778,800</u>	<u>811,243</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(40,000)	(40,000)	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 738,800</u>	<u>\$ 738,800</u>	811,243
FUND BALANCE - Beginning of Year			<u>3,644,178</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 4,455,421</u>

# VILLAGE OF DEERFIELD

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL WATER FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		
	Original	Final	Total
<b>OPERATING REVENUES</b>			
Charges for services			
Water sales	\$ 4,410,000	\$ 4,410,000	\$ 4,211,302
Miscellaneous			
Permits and fees	40,000	40,000	38,155
Penalties	30,000	30,000	32,133
Other	71,000	71,000	70,970
Total operating revenues	4,551,000	4,551,000	4,352,560
<b>OPERATING EXPENSES</b>			
Administration	636,763	636,763	722,016
Operations			
Distribution	2,814,200	2,814,200	2,460,281
Maintenance - mains and fire hydrants	672,700	672,700	664,320
Maintenance - meters	204,000	204,000	219,816
Total operating expenses excluding depreciation	4,327,663	4,327,663	4,066,433
<b>OPERATING INCOME (LOSS) BEFORE</b>			
<b>DEPRECIATION</b>	223,337	223,337	286,127
Depreciation	-	-	499,221
<b>OPERATING INCOME (LOSS)</b>	-	-	(213,094)
<b>CONTRIBUTIONS</b>			
Contributions	-	-	614,539
<b>CHANGE IN NET POSITION</b>	\$ 223,337	\$ 223,337	401,445
<b>NET POSITION - BEGINNING OF YEAR</b>			19,123,139
<b>NET POSITION - END OF YEAR</b>			\$ 19,524,584

# VILLAGE OF DEERFIELD

## SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL WATER FUND For the Year Ended December 31, 2017

	Budgeted Amounts		
	Original	Final	Actual
<b>ADMINISTRATION</b>			
Personnel services	\$ 369,550	\$ 369,550	\$ 449,624
Training and development	1,850	1,850	1,636
Contractual services	201,170	201,170	209,887
Commodities	5,000	5,000	5,465
Utilities	11,440	11,440	7,858
Capital Outlay	<u>47,753</u>	<u>47,753</u>	<u>47,546</u>
Total administration	<u>636,763</u>	<u>636,763</u>	<u>722,016</u>
<b>OPERATIONS</b>			
Distribution			
Personnel services	144,300	144,300	151,916
Contractual services	45,000	45,000	43,546
Commodities	2,527,400	2,527,400	2,185,513
Utilities	92,500	92,500	78,269
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>1,037</u>
Total distribution	<u>2,814,200</u>	<u>2,814,200</u>	<u>2,460,281</u>
Main and fire hydrant maintenance			
Personnel services	384,000	384,000	373,212
Contractual services	118,000	118,000	94,765
Commodities	166,200	166,200	193,012
Capital outlay	<u>4,500</u>	<u>4,500</u>	<u>3,331</u>
Total main and fire hydrant maintenance	<u>672,700</u>	<u>672,700</u>	<u>664,320</u>
Meter maintenance			
Personnel services	100,000	100,000	99,415
Contractual services	17,000	17,000	23,627
Commodities	5,000	5,000	1,390
Capital outlay	<u>82,000</u>	<u>82,000</u>	<u>95,384</u>
Total meter maintenance	<u>204,000</u>	<u>204,000</u>	<u>219,816</u>
Total operations	<u>3,690,900</u>	<u>3,690,900</u>	<u>3,344,417</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 4,327,663</u>	<u>\$ 4,327,663</u>	<u>\$ 4,066,433</u>

## VILLAGE OF DEERFIELD

### SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION WATER FUND For the Year Ended December 31, 2017

	Assets			
	Balances December 31, 2016	Additions	Retirements	Balances December 31, 2017
Land	\$ 1,877,956	\$ -	\$ -	\$ 1,877,956
Construction in progress	-	19,641	-	19,641
Buildings	4,180,123	-	-	4,180,123
Water system improvements	18,380,741	594,898	220,006	18,755,633
Equipment and vehicles	626,490	-	-	626,490
<b>TOTAL</b>	<b>\$ 25,065,310</b>	<b>\$ 614,539</b>	<b>\$ 220,006</b>	<b>\$ 25,459,843</b>
	Accumulated Depreciation			
	Balances December 31, 2016	Additions	Retirements	Balances December 31, 2017
Buildings	\$ 2,020,712	\$ 88,455	\$ -	\$ 2,109,167
Water system improvements	2,679,073	393,255	220,006	2,852,322
Equipment and vehicles	513,698	17,511	-	531,209
<b>TOTAL</b>	<b>\$ 5,213,483</b>	<b>\$ 499,221</b>	<b>\$ 220,006</b>	<b>\$ 5,492,698</b>
<b>NET ASSET VALUE</b>				<b>\$ 19,967,145</b>

# VILLAGE OF DEERFIELD

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL SEWERAGE FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		
	Original	Final	
<b>OPERATING REVENUES</b>			
Charges for services			
Sewer charges	\$ 2,979,500	\$ 2,979,500	\$ 2,936,590
Miscellaneous			
Miscellaneous	-	-	3,653
Permits and fees	15,000	15,000	9,950
Penalties	30,000	30,000	29,403
Other	5,000	5,000	600
Total operating revenues	<u>3,029,500</u>	<u>3,029,500</u>	<u>2,980,196</u>
<b>OPERATING EXPENSES</b>			
Administration	586,020	586,020	767,822
Operations			
Treatment plant	1,723,406	1,723,406	1,675,547
Cleaning and maintenance	304,100	304,100	267,409
Construction	383,850	383,850	342,230
Total operating expenses excluding depreciation	<u>2,997,376</u>	<u>2,997,376</u>	<u>3,053,008</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	<u>32,124</u>	<u>32,124</u>	<u>(72,812)</u>
Depreciation	-	-	1,003,050
OPERATING INCOME (LOSS)	<u>-</u>	<u>-</u>	<u>(1,075,862)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	2,000	2,000	4,713
Interest	(1,018,052)	(1,018,052)	(1,001,960)
Total non-operating revenues (expenses)	<u>(1,016,052)</u>	<u>(1,016,052)</u>	<u>(997,247)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	<u>(983,928)</u>	<u>(983,928)</u>	<u>(2,073,109)</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Transfers in	1,820,052	1,820,052	1,820,052
Contributions	-	-	443,616
Net contributions and transfers	<u>1,820,052</u>	<u>1,820,052</u>	<u>2,263,668</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 836,124</u>	<u>\$ 836,124</u>	190,559
NET POSITION - BEGINNING OF YEAR			<u>11,522,459</u>
<b>NET POSITION - END OF YEAR</b>			<u>\$ 11,713,018</u>

# VILLAGE OF DEERFIELD

## SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL SEWERAGE FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		
	Original	Final	Actual
<b>ADMINISTRATION</b>			
Personnel services	\$ 264,950	\$ 264,950	\$ 439,919
Training and development	2,100	2,100	1,226
Contractual services	232,800	232,800	242,032
Commodities	5,050	5,050	4,070
Utilities	4,200	4,200	3,244
Capital outlay	<u>76,920</u>	<u>76,920</u>	<u>77,331</u>
Total administration	<u>586,020</u>	<u>586,020</u>	<u>767,822</u>
<b>OPERATIONS</b>			
Treatment plant			
Personnel services	982,225	982,225	953,046
Training and development	11,000	11,000	6,819
Contractual services	266,260	266,260	214,754
Commodities	118,000	118,000	98,953
Utilities	269,360	269,360	325,865
Miscellaneous	19,000	19,000	19,000
Capital Outlay	<u>57,561</u>	<u>57,561</u>	<u>57,110</u>
Total treatment plant	<u>1,723,406</u>	<u>1,723,406</u>	<u>1,675,547</u>
Cleaning and maintenance			
Personnel services	237,600	237,600	226,047
Contractual services	49,000	49,000	26,578
Commodities	<u>17,500</u>	<u>17,500</u>	<u>14,784</u>
Total cleaning and maintenance	<u>304,100</u>	<u>304,100</u>	<u>267,409</u>
Construction			
Personnel services	306,150	306,150	299,848
Contractual services	20,500	20,500	16,021
Commodities	57,200	57,200	26,322
Capital Outlay	<u>-</u>	<u>-</u>	<u>39</u>
Total construction	<u>383,850</u>	<u>383,850</u>	<u>342,230</u>
Total operations	<u>2,411,356</u>	<u>2,411,356</u>	<u>2,285,186</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>\$ 2,997,376</u></u>	<u><u>\$ 2,997,376</u></u>	<u><u>\$ 3,053,008</u></u>

## VILLAGE OF DEERFIELD

### SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION SEWERAGE FUND For the Year Ended December 31, 2017

	Assets				
	Balances December 31, 2016	Additions	Retirements		Balances December 31, 2017
	Sewer system	\$ 5,738,577	\$ 443,616		\$ 60,695
Buildings and improvements	<u>41,005,066</u>	<u>-</u>	<u>-</u>	<u>41,005,066</u>	
<b>TOTAL</b>	<u>\$ 46,743,643</u>	<u>\$ 443,616</u>	<u>\$ 60,695</u>	<u>\$ 47,126,564</u>	
	Accumulated Depreciation				
	Balances December 31, 2016	Additions	Retirements	Balances December 31, 2017	
Sewer system	\$ 1,605,979	\$ 129,280	\$ 60,695	\$ 1,674,564	
Buildings and improvements	<u>4,305,876</u>	<u>873,770</u>	<u>-</u>	<u>5,179,646</u>	
<b>TOTAL</b>	<u>\$ 5,911,855</u>	<u>\$ 1,003,050</u>	<u>\$ 60,695</u>	<u>6,854,210</u>	
<b>NET ASSET VALUE</b>				<u>\$ 40,272,354</u>	

# VILLAGE OF DEERFIELD

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL REFUSE FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Total
	Original	Final	
<b>OPERATING REVENUES</b>			
Charges for services			
Refuse billing	\$ 515,500	\$ 515,500	\$ 526,418
Miscellaneous	12,000	12,000	22,362
Total operating revenues	527,500	527,500	548,780
<b>OPERATING EXPENSES</b>			
Operations			
Personnel services	115,250	115,250	95,229
Contractual services	1,327,000	1,327,000	1,317,247
Commodities	24,700	24,700	24,425
Capital outlay	13,748	13,748	13,748
Total operating expenses excluding depreciation	1,480,698	1,480,698	1,450,649
OPERATING INCOME (LOSS)	(953,198)	(953,198)	(901,869)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	1,500	1,500	3,622
Total non-operating revenues (expenses)	1,500	1,500	3,622
INCOME (LOSS) BEFORE TRANSFERS	(951,698)	(951,698)	(898,247)
<b>TRANSFERS</b>			
Transfers in	(955,984)	(955,984)	955,984
<b>CHANGE IN NET POSITION</b>	\$ (1,907,682)	\$ (1,907,682)	57,737
NET POSITION - BEGINNING OF YEAR			478,434
NET POSITION - END OF YEAR			\$ 536,171

# VILLAGE OF DEERFIELD

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL COMMUTER PARKING LOT FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Total
	Original	Final	
<b>OPERATING REVENUES</b>			
Charges for services			
Parking lot fees	\$ 283,000	\$ 283,000	\$ 292,829
Total operating revenues	283,000	283,000	292,829
<b>OPERATING EXPENSES</b>			
Operations	282,660	282,660	274,777
Depreciation	-	-	26,737
Total operating expenses	282,660	282,660	301,514
OPERATING INCOME (LOSS)	340	340	(8,685)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	1,400	1,400	2,513
Total non-operating revenues (expenses)	1,400	1,400	2,513
<b>CHANGE IN NET POSITION</b>	\$ 1,740	\$ 1,740	(6,172)
NET POSITION - BEGINNING OF YEAR			1,370,505
NET POSITION - END OF YEAR			\$ 1,364,333

## VILLAGE OF DEERFIELD

### SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL COMMUTER PARKING LOT FUND For the Year Ended December 31, 2017

	Budgeted Amounts		
	Original	Final	Actual
<b>OPERATIONS</b>			
Parking lots - village and federal funds			
Personnel services	\$ 21,500	\$ 21,500	\$ 19,338
Contractual services	129,010	129,010	126,908
Commodities	750	750	-
Utilities	3,900	3,900	2,480
	<u>155,160</u>	<u>155,160</u>	<u>148,726</u>
Parking lots - village construction			
Personnel services	21,500	21,500	19,338
Contractual services	99,000	99,000	103,855
Commodities	1,000	1,000	-
Utilities	6,000	6,000	2,858
	<u>127,500</u>	<u>127,500</u>	<u>126,051</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 282,660</b>	<b>\$ 282,660</b>	<b>\$ 274,777</b>

## VILLAGE OF DEERFIELD

### SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION COMMUTER PARKING LOT FUND For the Year Ended December 31, 2017

	Assets			
	Balances December 31, 2016	Additions	Retirements	
Land	\$ 77,500	\$ -	\$ -	\$ 77,500
Parking lot improvements	<u>1,950,830</u>	<u>-</u>	<u>-</u>	<u>1,950,830</u>
<b>TOTAL</b>	<u>\$ 2,028,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,028,330</u>
	Accumulated Depreciation			
	Balances December 31, 2016	Additions	Retirements	Balances December 31, 2017
Parking lot improvements	\$ 925,892	\$ 26,737	\$ -	\$ 952,629
<b>TOTAL</b>	<u>\$ 925,892</u>	<u>\$ 26,737</u>	<u>\$ -</u>	<u>952,629</u>
<b>NET ASSET VALUE</b>				<u>\$ 1,075,701</u>

## VILLAGE OF DEERFIELD

### COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2017

	Garage Fund	Vehicle & Equipment Replacement	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 5,621	\$ 5,228,786	\$ 5,234,407
Receivables			
Accounts - billed	4,800	-	4,800
Accrued interest	7	5,627	5,634
Prepaid items	7,017	-	7,017
Inventory	77,903	-	77,903
Total Current Assets	95,348	5,234,413	5,329,761
Noncurrent Assets			
Capital assets			
Property and equipment	-	4,800,160	4,800,160
Less: Accumulated depreciation	-	(2,912,230)	(2,912,230)
Total Noncurrent Assets	-	1,887,930	1,887,930
Total Assets	95,348	7,122,343	7,217,691
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	24,409	34,024	58,433
Accrued payroll	8,189	-	8,189
Compensated absences payable	21,226	-	21,226
Total Current Liabilities	53,824	34,024	87,848
Total Liabilities	53,824	34,024	87,848
<b>NET POSITION</b>			
Net investment in capital assets	-	1,887,930	1,887,930
Unrestricted	41,524	5,200,389	5,241,913
<b>TOTAL NET POSITION</b>	\$ 41,524	\$ 7,088,319	\$ 7,129,843

## VILLAGE OF DEERFIELD

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2017

	Garage Fund	Vehicle & Equipment Replacement	Totals
<b>OPERATING REVENUES</b>			
Billings	\$ 359,448	\$ 756,217	\$ 1,115,665
Miscellaneous	<u>8,250</u>	<u>-</u>	<u>8,250</u>
Total Operating Revenues	<u>367,698</u>	<u>756,217</u>	<u>1,123,915</u>
<b>OPERATING EXPENSES</b>			
Operations	472,100	-	472,100
Capital outlay	<u>-</u>	<u>197,695</u>	<u>197,695</u>
Total Operating Expenses	<u>472,100</u>	<u>197,695</u>	<u>669,795</u>
Operating Income (Loss) Before Depreciation	(104,402)	558,522	454,120
Depreciation	<u>-</u>	<u>339,807</u>	<u>339,807</u>
Operating Income (Loss)	<u>(104,402)</u>	<u>218,715</u>	<u>114,313</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Sales of fixed assets	-	138,673	138,673
Investment income	<u>90</u>	<u>48,987</u>	<u>49,077</u>
Total Nonoperating Revenues (Expenses)	<u>90</u>	<u>187,660</u>	<u>187,750</u>
Income (Loss) Before Contributions	<u>(104,312)</u>	<u>406,375</u>	<u>302,063</u>
<b>Change in net position</b>	(104,312)	406,375	302,063
NET POSITION - Beginning of Year	<u>145,836</u>	<u>6,681,944</u>	<u>6,827,780</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 41,524</u>	<u>\$ 7,088,319</u>	<u>\$ 7,129,843</u>

## VILLAGE OF DEERFIELD

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

	Garage Fund	Vehicle & Equipment Replacement	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services	\$ 357,571	\$ 753,967	\$ 1,111,538
Receipts from miscellaneous revenue	8,250	-	8,250
Payments to suppliers	(161,441)	(164,881)	(326,322)
Payments to employees	(227,716)	-	(227,716)
Net Cash Flows From Operating Activities	(23,336)	589,086	565,750
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	90	48,987	49,077
Net Cash Flows From Investing Activities	90	48,987	49,077
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(595,068)	(595,068)
Net Cash Flows From Capital and Related Financing Activities	-	(595,068)	(595,068)
<b>Net Change in Cash and Cash Equivalents</b>	(23,246)	43,005	19,759
CASH AND CASH EQUIVALENTS - Beginning of Year	28,867	5,185,781	5,214,648
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 5,621	\$ 5,228,786	\$ 5,234,407
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (104,402)	\$ 218,715	\$ 114,313
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	-	339,807	339,807
Changes in assets and liabilities			
Accounts receivable	(1,877)	(2,250)	(4,127)
Prepaid expenses	(673)	-	(673)
Inventories	66,379	-	66,379
Accounts payable	13,995	32,814	46,809
Accrued payroll	236	-	236
Compensated absences payable	3,006	-	3,006
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ (23,336)	\$ 589,086	\$ 565,750
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None			

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL GARAGE FUND

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>OPERATING REVENUES</b>			
Interfund services			
Billings	\$ 395,000	\$ 395,000	\$ 359,448
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>8,250</u>
Total Operating Revenues	<u>405,000</u>	<u>405,000</u>	<u>367,698</u>
<b>OPERATING EXPENSES</b>			
Personnel services	<u>405,685</u>	<u>405,685</u>	<u>472,100</u>
Total Operating Expenses	<u>405,685</u>	<u>405,685</u>	<u>472,100</u>
Operating Loss	<u>(685)</u>	<u>(685)</u>	<u>(104,402)</u>
<b>NON-OPERATING REVENUES</b>			
Investment income	<u>100</u>	<u>100</u>	<u>90</u>
Total Non-Operating Revenues	<u>100</u>	<u>100</u>	<u>90</u>
Change in net position	<u>\$ (585)</u>	<u>\$ (585)</u>	(104,312)
NET POSITION - Beginning of Year			<u>145,836</u>
NET POSITION - END OF YEAR			<u>\$ 41,524</u>

# VILLAGE OF DEERFIELD

## SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL GARAGE FUND

For the Year Ended December 31, 2017

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	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<b>OPERATING EXPENSES</b>			
Public works department			
Personnel services	\$ 246,000	\$ 246,000	\$ 230,958
Training and development	3,500	3,500	90
Contractural services	35,400	35,400	33,372
Commodities	109,800	109,800	199,376
Utilities	4,350	4,350	2,669
Capital Outlay	<u>6,635</u>	<u>6,635</u>	<u>5,635</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 405,685</u>	<u>\$ 405,685</u>	<u>\$ 472,100</u>

## VILLAGE OF DEERFIELD

### SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL VEHICLE & EQUIPMENT REPLACEMENT FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>OPERATING REVENUES</b>			
Interfund services			
Billings	\$ <u>756,217</u>	\$ <u>756,217</u>	\$ <u>756,217</u>
Total Operating Revenues	<u>756,217</u>	<u>756,217</u>	<u>756,217</u>
<b>OPERATING EXPENSES</b>			
Capital outlay	1,098,692	1,098,692	792,763
Less capital assets capitalized	<u>-</u>	<u>-</u>	<u>(595,068)</u>
Depreciation	<u>-</u>	<u>-</u>	<u>339,807</u>
Total	<u>-</u>	<u>-</u>	<u>339,807</u>
Total Operating Expenses	<u>1,098,692</u>	<u>1,098,692</u>	<u>537,502</u>
Operating Income	<u>(342,475)</u>	<u>(342,475)</u>	<u>218,715</u>
<b>NON-OPERATING REVENUES</b>			
Sales of fixed assets	-	-	138,673
Investment income	<u>22,000</u>	<u>22,000</u>	<u>48,987</u>
Total Non-Operating Revenues	<u>22,000</u>	<u>22,000</u>	<u>187,660</u>
Change in net position	<u>\$ (320,475)</u>	<u>\$ (320,475)</u>	406,375
NET POSITION - Beginning of Year			<u>6,681,944</u>
NET POSITION - END OF YEAR			<u>\$ 7,088,319</u>

**VILLAGE OF DEERFIELD**  
**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL**  
**POLICE PENSION TRUST FUND**

For the Year Ended December 31, 2017

	2017		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Additions</b>			
Contributions			
Contributions - employer	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
Contributions - employee	<u>395,000</u>	<u>395,000</u>	<u>390,162</u>
Total contributions	<u>1,495,000</u>	<u>1,495,000</u>	<u>1,490,162</u>
Investment Income			
Net appreciation in fair value of investments	500,000	500,000	5,280,507
Interest and dividends earned on investments	<u>700,000</u>	<u>700,000</u>	<u>1,043,835</u>
Total investment income	1,200,000	1,200,000	6,324,342
Less Investment expense	<u>32,000</u>	<u>32,000</u>	<u>27,498</u>
Net investment income	<u>1,168,000</u>	<u>1,168,000</u>	<u>6,296,844</u>
Total additions	<u>2,663,000</u>	<u>2,663,000</u>	<u>7,787,006</u>
<b>Deductions</b>			
Pension payments	2,750,000	2,750,000	2,766,071
Separation refunds	15,000	15,000	134,576
Administrative	<u>34,300</u>	<u>34,300</u>	<u>41,938</u>
Total deductions	<u>2,799,300</u>	<u>2,799,300</u>	<u>2,942,585</u>
Change in net position	<u>\$ (136,300)</u>	<u>\$ (136,300)</u>	4,844,421
Net position, beginning of year			<u>43,073,776</u>
Net position, end of year			<u>\$ 47,918,197</u>

# VILLAGE OF DEERFIELD

## COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

For the Year Ended December 31, 2017

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
<b>All Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,882,901	\$ 687,627	\$ 939,599	\$ 2,630,929
Receivables - accounts	-	2,500	-	2,500
Receivables - accrued interest	55	110	-	165
Total assets	\$ 2,882,956	\$ 690,237	\$ 939,599	\$ 2,633,594
<b>Liabilities</b>				
Accounts payable	\$ 71,386	\$ 843,635	\$ 906,272	\$ 8,749
Deposits payable	2,698,680	601,937	838,601	2,462,016
Other payables	112,890	86,895	36,956	162,829
Total liabilities	\$ 2,882,956	\$ 1,532,467	\$ 1,781,829	\$ 2,633,594
<b>Deposit Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,766,593	\$ 600,843	\$ 900,220	\$ 2,467,216
Receivables - accounts	-	2,500	-	2,500
Total assets	\$ 2,766,593	\$ 603,343	\$ 900,220	\$ 2,469,716
<b>Liabilities</b>				
Accounts payable	\$ 67,913	\$ 806,380	\$ 866,593	\$ 7,700
Deposits payable	2,698,680	601,937	838,601	2,462,016
Total liabilities	\$ 2,766,593	\$ 1,408,317	\$ 1,705,194	\$ 2,469,716
<b>East Shore Radio Network Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 116,308	\$ 86,784	\$ 39,379	\$ 163,713
Receivables - accrued interest	55	110	-	165
Total assets	\$ 116,363	\$ 86,894	\$ 39,379	\$ 163,878
<b>Liabilities</b>				
Accounts payable	\$ 3,473	\$ 37,255	\$ 39,679	\$ 1,049
Other payables	112,890	86,895	36,956	162,829
Total liabilities	\$ 116,363	\$ 124,150	\$ 76,635	\$ 163,878

## LONG-TERM DEBT REQUIREMENTS

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2010A As of December 31, 2017

Date of Issue	November 3, 2010
Date of Maturity	December 1, 2030
Authorized Issue	\$12,500,000
Denomination of Bonds	\$5,000
Interest Rates	0.80% to 5.50%
Principal Maturity Date	December 1
Payable at	Depository Trust Company, Chicago Illinois

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 575,000	\$ 402,918	\$ 977,918	2018	\$ 201,459	2018	\$ 201,459
2018	585,000	385,380	970,380	2019	192,690	2019	192,690
2019	600,000	364,320	964,320	2020	182,160	2020	182,160
2020	610,000	341,220	951,220	2021	170,610	2021	170,610
2021	625,000	316,210	941,210	2022	158,105	2022	158,105
2022	645,000	289,335	934,335	2023	144,667	2023	144,668
2023	660,000	260,310	920,310	2024	130,155	2024	130,155
2024	680,000	229,290	909,290	2025	114,645	2025	114,645
2025	700,000	195,970	895,970	2026	97,985	2026	97,985
2026	720,000	160,270	880,270	2027	80,135	2027	80,135
2027	735,000	122,830	857,830	2028	61,415	2028	61,415
2028	750,000	83,875	833,875	2029	41,937	2029	41,938
2029	775,000	42,625	817,625	2030	21,312	2030	21,313
	<u>\$ 8,660,000</u>	<u>\$ 3,194,553</u>	<u>\$ 11,854,553</u>		<u>\$ 1,597,275</u>		<u>\$ 1,597,278</u>

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2011A As of December 31, 2017

Date of Issue	October 17, 2011
Date of Maturity	December 1, 2031
Authorized Issue	\$9,900,000
Denomination of Bonds	\$5,000
Interest Rates	1.00% to 3.25%
Principal Maturity Date	December 1
Payable at	Depository Trust Company, Chicago Illinois

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 310,000	\$ 218,290	\$ 528,290	2018	\$ 109,145	2018	\$ 109,145
2018	325,000	212,865	537,865	2019	106,433	2019	106,432
2019	340,000	206,365	546,365	2020	103,183	2020	103,182
2020	365,000	199,565	564,565	2021	99,783	2021	99,782
2021	380,000	192,265	572,265	2022	96,133	2022	96,132
2022	400,000	183,715	583,715	2023	91,858	2023	91,857
2023	425,000	174,115	599,115	2024	87,058	2024	87,057
2024	450,000	163,490	613,490	2025	81,745	2025	81,745
2025	475,000	151,340	626,340	2026	75,670	2026	75,670
2026	500,000	138,277	638,277	2027	69,139	2027	69,138
2027	355,000	123,277	478,277	2028	61,639	2028	61,638
2028	1,280,000	112,628	1,392,628	2029	56,314	2029	56,314
2029	1,335,000	74,228	1,409,228	2030	37,114	2030	37,114
2030	990,000	32,175	1,022,175	2031	16,088	2031	16,087
	<u>\$ 7,930,000</u>	<u>\$ 2,182,595</u>	<u>\$ 10,112,595</u>		<u>\$ 1,091,302</u>		<u>\$ 1,091,293</u>

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2011B As of December 31, 2017

Date of Issue	October 17, 2011
Date of Maturity	December 1, 2028
Authorized Issue	\$12,500,000
Denomination of Bonds	\$5,000
Interest Rates	4%
Principal Maturity Date	December 1
Payable at	Depository Trust Company, Chicago Illinois

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ -	\$ 499,200	\$ 499,200	2018	\$ 249,600	2018	\$ 249,600
2018	-	499,200	499,200	2019	249,600	2019	249,600
2019	-	499,200	499,200	2020	249,600	2020	249,600
2020	-	499,200	499,200	2021	249,600	2021	249,600
2021	-	499,200	499,200	2022	249,600	2022	249,600
2022	-	499,200	499,200	2023	249,600	2023	249,600
2023	-	499,200	499,200	2024	249,600	2024	249,600
2024	-	499,200	499,200	2025	249,600	2025	249,600
2025	-	499,200	499,200	2026	249,600	2026	249,600
2026	-	499,200	499,200	2027	249,600	2027	249,600
2027	12,480,000	499,200	12,979,200	2028	249,600	2028	249,600
	<u>\$ 12,480,000</u>	<u>\$ 5,491,200</u>	<u>\$ 17,971,200</u>		<u>\$ 2,745,600</u>		<u>\$ 2,745,600</u>

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2012 As of December 31, 2017

Date of Issue	February 21, 2012
Date of Maturity	December 1, 2031
Authorized Issue	\$10,000,000
Denomination of Bonds	\$5,000
Interest Rates	1.25% to 2.75%
Principal Maturity Date	December 1
Payable at	Depository Trust Company, Chicago Illinois

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 135,000	\$ 234,763	\$ 369,763	2018	\$ 117,381	2018	\$ 117,382
2018	440,000	233,075	673,075	2019	116,537	2019	116,538
2019	455,000	227,575	682,575	2020	113,787	2020	113,788
2020	475,000	220,750	695,750	2021	110,375	2021	110,375
2021	495,000	212,438	707,438	2022	106,219	2022	106,219
2022	515,000	203,775	718,775	2023	101,887	2023	101,888
2023	540,000	193,475	733,475	2024	96,737	2024	96,738
2024	555,000	182,674	737,674	2025	91,337	2025	91,337
2025	580,000	170,188	750,188	2026	85,094	2026	85,094
2026	600,000	157,138	757,138	2027	78,569	2027	78,569
2027	455,000	142,138	597,138	2028	71,069	2028	71,069
2028	1,380,000	130,762	1,510,762	2029	65,381	2029	65,381
2029	1,425,000	92,812	1,517,812	2030	46,406	2030	46,406
2030	1,950,000	53,625	2,003,625	2031	26,812	2031	26,813
	<u>\$ 10,000,000</u>	<u>\$ 2,455,188</u>	<u>\$ 12,455,188</u>		<u>\$ 1,227,591</u>		<u>\$ 1,227,597</u>

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2013 As of December 31, 2017

Date of Issue	January 3, 2013
Date of Maturity	December 1, 2031
Authorized Issue	\$9,075,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 2.25%
Principal Maturity Date	December 1
Payable at	Depository Trust Company, Chicago Illinois

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 615,000	\$ 116,418	\$ 731,418	2018	\$ 58,209	2018	\$ 58,209
2018	335,000	104,118	439,118	2019	52,059	2019	52,059
2019	340,000	97,418	437,418	2020	48,709	2020	48,709
2020	345,000	90,618	435,618	2021	45,309	2021	45,309
2021	350,000	83,718	433,718	2022	41,859	2022	41,859
2022	350,000	76,718	426,718	2023	38,359	2023	38,359
2023	355,000	69,718	424,718	2024	34,859	2024	34,859
2024	360,000	62,618	422,618	2025	31,309	2025	31,309
2025	365,000	55,416	420,416	2026	27,708	2026	27,708
2026	375,000	48,118	423,118	2027	24,059	2027	24,059
2027	380,000	40,618	420,618	2028	20,309	2028	20,309
2028	390,000	32,542	422,542	2029	16,271	2029	16,271
2029	390,000	23,962	413,962	2030	11,981	2030	11,981
2030	675,000	15,183	690,183	2031	7,592	2031	7,591
	<u>\$ 5,625,000</u>	<u>\$ 917,183</u>	<u>\$ 6,542,183</u>		<u>\$ 458,592</u>		<u>\$ 458,591</u>

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2015 As of December 31, 2017

Date of Issue            May 19,2015  
 Date of Maturity        December 1, 2034  
 Authorised Issue        \$9,575,000  
 Denomination of Bonds \$5,000  
 Interest Rates            3.00% to 3.25%  
 Principal Maturity Date December 1  
 Payable at                Depository Trust Company, Chicago Illinois

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 405,000	\$ 267,200	\$ 672,200	2018	\$ 133,600	2018	\$ 133,600
2018	415,000	255,050	670,050	2019	127,525	2019	127,525
2019	430,000	242,600	672,600	2020	121,300	2020	121,300
2020	440,000	229,700	669,700	2021	114,850	2021	114,850
2021	455,000	216,500	671,500	2022	108,250	2022	108,250
2022	470,000	202,850	672,850	2023	101,425	2023	101,425
2023	485,000	188,750	673,750	2024	94,375	2024	94,375
2024	495,000	174,200	669,200	2025	87,100	2025	87,100
2025	510,000	159,350	669,350	2026	79,675	2026	79,675
2026	530,000	144,050	674,050	2027	72,025	2027	72,025
2027	545,000	128,150	673,150	2028	64,075	2028	64,075
2028	560,000	111,800	671,800	2029	55,900	2029	55,900
2029	575,000	95,000	670,000	2030	47,500	2030	47,500
2030	595,000	77,750	672,750	2031	38,875	2031	38,875
2031	610,000	59,900	669,900	2032	29,950	2032	29,950
2032	630,000	41,600	671,600	2033	20,800	2033	20,800
2033	650,000	21,125	671,125	2034	10,562	2034	10,563
	<u>\$ 8,800,000</u>	<u>\$ 2,615,575</u>	<u>\$ 11,415,575</u>		<u>\$ 1,307,787</u>		<u>\$ 1,307,788</u>

# VILLAGE OF DEERFIELD

## LONG-TERM DEBT REQUIREMENTS GENERAL OBLIGATION BOND SERIES 2017 As of December 31, 2017

Date of Issue	February 28, 2017
Date of Maturity	December 1, 2036
Authorized Issue	\$5,700,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 3.75%
Principal Maturity Date	December 1
Payable at	U.S. Bank National Association, Chicago, Illinois.

### FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 245,000	\$ 186,588	\$ 431,588	2018	\$ 93,294	2018	\$ 93,294
2018	255,000	179,238	434,238	2019	89,619	2019	89,619
2019	265,000	171,588	436,588	2020	85,794	2020	85,794
2020	270,000	163,638	433,638	2021	81,819	2021	81,819
2021	280,000	155,538	435,538	2022	77,769	2022	77,769
2022	290,000	147,138	437,138	2023	73,569	2023	73,569
2023	300,000	138,438	438,438	2024	69,219	2024	69,219
2024	310,000	129,438	439,438	2025	64,719	2025	64,719
2025	320,000	120,138	440,138	2026	60,069	2026	60,069
2026	330,000	110,538	440,538	2027	55,269	2027	55,269
2027	345,000	99,812	444,812	2028	49,906	2028	49,906
2028	-	88,600	88,600	2029	44,300	2029	44,300
2029	-	88,600	88,600	2030	44,300	2030	44,300
2030	-	88,600	88,600	2031	44,300	2031	44,300
2031	455,000	88,600	543,600	2032	44,300	2032	44,300
2032	475,000	73,812	548,812	2033	36,906	2033	36,906
2033	490,000	57,188	547,188	2034	28,594	2034	28,594
2034	510,000	38,812	548,812	2035	19,406	2035	19,406
2035	525,000	19,683	544,683	2036	9,842	2036	9,841
	<u>\$ 5,665,000</u>	<u>\$ 2,145,987</u>	<u>\$ 7,810,987</u>		<u>\$ 1,072,994</u>		<u>\$ 1,072,993</u>

## Statistical Section

This part of the Village of Deerfield, Illinois' 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	121 - 130
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	131 - 133
<b>Debt Capacity</b> 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.	134 - 137
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place.	138 - 140
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the Village's financial report relates to the services the Village provides and the activities it performs.	141 - 142

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

# VILLAGE OF DEERFIELD

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 62,619,244	\$ 66,174,872	\$ 64,483,632	\$ 51,392,981
Restricted	5,899,947	1,698,902	1,833,178	1,864,620
Unrestricted	<u>18,140,003</u>	<u>14,799,887</u>	<u>13,730,019</u>	<u>9,491,193</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 86,659,194</u></b>	<b><u>\$ 82,673,661</u></b>	<b><u>\$ 80,046,829</u></b>	<b><u>\$ 62,748,794</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 22,289,499	\$ 25,794,886	\$ 28,525,266	\$ 47,891,247
Unrestricted	<u>2,071,153</u>	<u>1,332,314</u>	<u>649,610</u>	<u>113,829</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 24,360,652</u></b>	<b><u>\$ 27,127,200</u></b>	<b><u>\$ 29,174,876</u></b>	<b><u>\$ 48,005,076</u></b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 84,908,743	\$ 91,969,758	\$ 93,008,898	\$ 84,682,839
Restricted	5,899,947	1,698,902	1,833,178	1,864,620
Unrestricted	<u>20,211,156</u>	<u>16,132,201</u>	<u>14,379,629</u>	<u>24,206,411</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 111,019,846</u></b>	<b><u>\$ 109,800,861</u></b>	<b><u>\$ 109,221,705</u></b>	<b><u>\$ 110,753,870</u></b>

The Village implemented GASB Statement No.68 in 2015, causing a reduction in unrestricted net position.

\* Eight months ended December 31, 2013.

Data Source

Audited Financial Statements

<u>2013</u>	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 55,359,465	\$ 59,186,881	\$ 58,835,531	\$ 55,025,274	\$ 55,732,838	\$ 56,110,035
2,000,978	1,690,206	4,326,031	4,467,283	5,129,514	5,867,341
<u>(3,773,495)</u>	<u>25,298,828</u>	<u>27,077,751</u>	<u>14,516,742</u>	<u>13,144,539</u>	<u>7,143,730</u>
<u>\$ 53,586,948</u>	<u>\$ 86,175,915</u>	<u>\$ 90,239,313</u>	<u>\$ 74,009,299</u>	<u>\$ 74,006,891</u>	<u>\$ 69,121,106</u>
\$ 59,834,517	\$ 28,906,421	\$ 28,270,616	\$ 29,869,458	\$ 32,118,523	\$ 32,574,200
140,855	651,661	786,552	(194,463)	376,014	2,257,403
<u>\$ 59,975,372</u>	<u>\$ 29,558,082</u>	<u>\$ 29,057,168</u>	<u>\$ 29,674,995</u>	<u>\$ 32,494,537</u>	<u>\$ 34,831,603</u>
\$ 86,323,125	\$ 82,313,682	\$ 87,106,147	\$ 84,894,732	\$ 87,851,361	\$ 88,684,235
2,000,978	1,690,206	4,326,031	4,467,283	5,129,514	5,867,341
<u>25,238,217</u>	<u>31,730,109</u>	<u>27,864,303</u>	<u>14,322,279</u>	<u>13,520,553</u>	<u>9,401,133</u>
<u>\$ 113,562,320</u>	<u>\$ 115,733,997</u>	<u>\$ 119,296,481</u>	<u>\$ 103,684,294</u>	<u>\$ 106,501,428</u>	<u>\$ 103,952,709</u>

# VILLAGE OF DEERFIELD

## CHANGE IN NET POSITION Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
<b>EXPENSES</b>				
Governmental Activities				
General government	\$ 5,228,097	\$ 9,833,315	\$ 5,477,968	\$ 24,267,281
Public safety	7,715,014	8,543,631	8,497,498	8,388,066
Highways and streets	7,317,060	10,985,018	7,749,726	6,602,895
Interest and fiscal charges	215,464	193,105	393,054	1,098,736
	<u>20,475,635</u>	<u>29,555,069</u>	<u>22,118,246</u>	<u>40,356,978</u>
Business-Type Activities				
Water	3,993,964	4,103,889	4,215,482	4,455,971
Sewerage	3,040,082	2,643,276	2,846,388	2,996,805
Refuse disposal	1,590,167	1,599,244	1,600,736	1,307,850
Commuter Parking	282,534	262,458	322,431	337,337
	<u>8,906,747</u>	<u>8,608,867</u>	<u>8,985,037</u>	<u>9,097,963</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u><b>\$ 29,382,382</b></u>	<u><b>\$ 38,163,936</b></u>	<u><b>\$ 31,103,283</b></u>	<u><b>\$ 49,454,941</b></u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General government	\$ 1,645,678	\$ 1,862,200	\$ 2,011,535	\$ 1,833,930
Public Safety	956,468	866,510	873,947	986,382
Highways and streets	59,609	47,219	73,968	66,279
Interest	-	-	-	-
Operating grants and Contributions	490,768	474,526	582,734	715,849
Capital Grants and Contributions	894,545	2,195,963	360,539	434,225
	<u>4,047,068</u>	<u>5,446,418</u>	<u>3,902,723</u>	<u>4,036,665</u>
Business-Type Activities				
Charges for Services				
Water	3,647,017	3,567,809	3,777,700	3,891,387
Sewerage	2,306,028	2,320,123	2,450,088	2,499,701
Refuse disposal	623,738	622,629	608,475	461,887
Commuter parking	218,770	209,165	204,236	201,426
Capital grants and contributions	-	-	2,963,996	19,620,003
	<u>6,795,553</u>	<u>6,719,726</u>	<u>10,004,495</u>	<u>26,674,404</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u><b>\$ 10,842,621</b></u>	<u><b>\$ 12,166,144</b></u>	<u><b>\$ 13,907,218</b></u>	<u><b>\$ 30,711,069</b></u>
<b>NET REVENUE (EXPENSE)</b>				
Governmental Activities	\$ (16,428,567)	\$ (24,108,651)	\$ (18,215,523)	\$ (36,320,313)
Business-Type Activities	<u>(2,111,194)</u>	<u>(1,889,141)</u>	<u>1,019,458</u>	<u>17,576,441</u>
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<u><b>\$ (18,539,761)</b></u>	<u><b>\$ (25,997,792)</b></u>	<u><b>\$ (17,196,065)</b></u>	<u><b>\$ (18,743,872)</b></u>

2013	2013*	2014	2015	2016	2017
\$ 18,988,356	\$ 5,755,847	\$ 7,756,784	\$ 8,182,572	\$ 8,938,512	\$ 10,097,910
8,572,034	6,256,914	9,189,101	11,870,633	11,516,466	10,868,594
5,753,656	6,208,891	6,286,456	8,065,953	12,905,603	13,068,419
1,791,625	628,554	685,495	1,113,073	918,603	1,008,199
<u>35,105,671</u>	<u>18,850,206</u>	<u>23,917,836</u>	<u>29,232,231</u>	<u>34,279,184</u>	<u>35,043,122</u>
4,625,679	3,153,643	4,345,300	4,517,289	4,405,066	4,098,233
3,267,868	3,147,664	4,691,951	4,533,170	4,996,664	3,960,118
1,343,691	953,301	1,440,045	1,433,697	1,449,954	1,322,473
352,088	243,017	331,951	284,789	306,583	301,514
<u>9,589,326</u>	<u>7,497,625</u>	<u>10,809,247</u>	<u>10,768,945</u>	<u>11,158,267</u>	<u>9,682,338</u>
<u>\$ 44,694,997</u>	<u>\$ 26,347,831</u>	<u>\$ 34,727,083</u>	<u>\$ 40,001,176</u>	<u>\$ 45,437,451</u>	<u>\$ 44,725,460</u>
\$ 2,290,768	\$ 1,811,306	\$ 3,812,004	\$ 2,214,956	\$ 2,706,969	\$ 2,538,758
1,047,217	783,151	1,167,096	1,218,489	1,221,896	1,127,634
263,607	234,034	442,918	606,549	417,398	301,855
-	-	-	-	711,369	586,016
1,140,504	890,860	612,569	445,554	464,020	472,113
75,864	58,791	1,306,043	442,690	6,853,567	949,252
<u>4,817,960</u>	<u>3,778,142</u>	<u>7,340,630</u>	<u>4,928,238</u>	<u>12,375,219</u>	<u>5,975,628</u>
4,295,580	3,006,491	3,763,753	3,701,281	4,058,510	4,211,302
2,892,170	2,065,472	2,645,264	2,724,235	2,853,730	2,936,590
476,926	324,969	500,449	513,672	515,496	526,418
223,381	187,386	226,450	270,799	277,048	292,829
12,566,460	1,802,087	173,695	2,249,741	2,922,849	1,058,155
<u>20,454,517</u>	<u>7,386,405</u>	<u>7,309,611</u>	<u>9,459,728</u>	<u>10,627,633</u>	<u>9,025,294</u>
<u>\$ 25,272,477</u>	<u>\$ 11,164,547</u>	<u>\$ 14,650,241</u>	<u>\$ 14,387,966</u>	<u>\$ 23,002,852</u>	<u>\$ 15,000,922</u>
\$ (30,287,711)	\$ (15,072,064)	\$ (16,577,206)	\$ (24,303,993)	\$ (21,903,965)	\$ (29,067,494)
10,865,191	(111,220)	(3,499,636)	(1,309,217)	(530,634)	(657,044)
<u>\$ (19,422,520)</u>	<u>\$ (15,183,284)</u>	<u>\$ (20,076,842)</u>	<u>\$ (25,613,210)</u>	<u>\$ (22,434,599)</u>	<u>\$ (29,724,538)</u>

# VILLAGE OF DEERFIELD

## CHANGE IN NET POSITION (cont.) Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property and replacement	\$ 7,093,819	\$ 8,618,052	\$ 2,278,574	\$ 2,822,939
Home rule sales	2,448,385	2,525,183	2,725,330	3,121,749
Simplified telecommunications	347,666	326,528	644,129	1,752,850
Other	3,684,318	3,097,643	4,396,881	4,684,153
Intergovernmental	4,438,194	4,995,509	5,281,422	5,968,953
Investment Income	486,398	166,844	92,855	115,175
Miscellaneous	260,971	393,359	169,500	556,459
Contributions	-	-	-	-
Transfers (out)	(3,132,729)	-	-	-
Total Governmental Activities	<u>15,627,022</u>	<u>20,123,118</u>	<u>15,588,691</u>	<u>19,022,278</u>
Business-Type Activities				
Property taxes	807,708	807,968	832,264	889,586
Investment Income	49,427	8,304	4,530	3,701
Miscellaneous	185,262	146,400	191,424	360,472
Transfers in	<u>3,132,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>4,175,126</u>	<u>962,672</u>	<u>1,028,218</u>	<u>1,253,759</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u><b>\$ 19,802,148</b></u>	<u><b>\$ 21,085,790</b></u>	<u><b>\$ 16,616,909</b></u>	<u><b>\$ 20,276,037</b></u>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ (801,545)	\$ (3,985,533)	\$ (2,626,832)	\$ (17,298,035)
Business-Type Activities	<u>2,063,932</u>	<u>(926,469)</u>	<u>2,047,676</u>	<u>18,830,200</u>
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET POSITION</b>	<u><b>\$ 1,262,387</b></u>	<u><b>\$ (4,912,002)</b></u>	<u><b>\$ (579,156)</b></u>	<u><b>\$ 1,532,165</b></u>

\* Eight months ended December 31, 2013.

Data Source

Audited Financial Statements

	<u>2013</u>	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	4,410,633	\$ 5,010,070	\$ 5,260,112	\$ 5,527,577	\$ 7,335,510	\$ 7,350,802
	3,665,374	2,257,183	3,413,920	2,941,572	3,484,806	3,841,934
	1,430,126	936,501	1,261,799	1,707,745	1,722,295	1,370,180
	3,438,882	2,398,124	3,721,354	3,797,848	3,817,963	4,363,655
	8,474,800	5,396,719	8,316,948	7,697,052	8,350,115	8,990,723
	117,770	-	(221,419)	130,060	191,929	393,675
	252,924	279,991	704,909	676,294	431,172	646,776
	-	-	-	732,831	-	-
	-	-	(1,817,019)	(1,805,840)	(2,770,464)	(2,776,036)
	<u>21,790,509</u>	<u>16,278,588</u>	<u>20,640,604</u>	<u>21,405,139</u>	<u>22,563,326</u>	<u>24,181,709</u>
	890,214	906,951	936,361	965,948	22	-
	3,024	(4,588)	(14,786)	4,055	4,753	10,848
	211,867	174,010	260,128	218,479	226,012	207,226
	-	-	1,817,019	1,805,840	2,770,464	2,776,036
	<u>1,105,105</u>	<u>1,076,373</u>	<u>2,998,722</u>	<u>2,994,322</u>	<u>3,001,251</u>	<u>2,994,110</u>
\$	<u>22,895,614</u>	<u>17,354,961</u>	<u>23,639,326</u>	<u>24,399,461</u>	<u>25,564,577</u>	<u>27,175,819</u>
\$	(8,497,202)	\$ 1,206,524	\$ 4,063,398	\$ (2,898,854)	\$ 659,361	\$ (4,885,785)
	<u>11,970,296</u>	<u>965,153</u>	<u>(500,914)</u>	<u>1,685,105</u>	<u>2,470,617</u>	<u>2,337,066</u>
\$	<u>3,473,094</u>	<u>2,171,677</u>	<u>3,562,484</u>	<u>(1,213,749)</u>	<u>3,129,978</u>	<u>(2,548,719)</u>

# VILLAGE OF DEERFIELD

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Fiscal Year	2009	2010	2011	2012
<b>GENERAL FUND</b>				
Reserved	\$ 453,124	\$ 447,892	\$ 443,532	\$ -
Unreserved	16,155,829	15,619,459	16,566,828	-
Nonspendable for				
Note receivable	-	-	-	100,000
Inventory	-	-	-	55,190
Prepaid items	-	-	-	441,382
Advance	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	833,396
Assigned for capital projects	-	-	-	1,650,000
Subsequent year's budget	-	-	-	-
Unassigned	-	-	-	16,206,557
<b>TOTAL GENERAL FUND</b>	<b><u>\$ 16,608,953</u></b>	<b><u>\$ 16,067,351</u></b>	<b><u>\$ 17,010,360</u></b>	<b><u>\$ 19,286,525</u></b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 5,899,947	\$ 1,698,902	\$ 6,927,256	\$ -
Unreserved, reported in				
Capital Project Funds	1,928,286	230,653	417,104	-
Restricted for				
Capital projects	-	-	-	14,581,925
Maintenance of roadways	-	-	-	601,423
Public safety	-	-	-	1,263,197
Debt service	-	-	-	-
Unrestricted				
Assigned for				
Debt service	-	-	-	286,753
Capital projects	-	-	-	1,088,012
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b><u>\$ 7,828,233</u></b>	<b><u>\$ 1,929,555</u></b>	<b><u>\$ 7,344,360</u></b>	<b><u>\$ 17,821,310</u></b>

\*Eight months ended December 31, 2013.

Note: The Village implemented GASB Statement No. 54 for the year ended April 30, 2012. This resulted in a change in fund balance classification. The Village has not elected to report this change retroactively.

Data Source  
Audited Financial Statements

2013	2013*	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
90,000	80,000	70,000	60,000	50,000	40,000
27,824	54,477	42,968	21,031	26,643	26,844
459,247	752,402	713,737	707,640	904,041	1,180,641
-	-	-	-	1,075,689	684,083
818,344	831,850	-	-	-	-
1,400,000	1,500,000	1,200,000	1,000,000	1,300,000	-
-	-	-	2,960,593	2,117,018	606,765
<u>17,002,357</u>	<u>16,815,607</u>	<u>19,667,419</u>	<u>15,200,930</u>	<u>14,963,328</u>	<u>16,561,166</u>
<u>\$ 19,797,772</u>	<u>\$ 20,034,336</u>	<u>\$ 21,694,124</u>	<u>\$ 19,950,194</u>	<u>\$ 20,436,719</u>	<u>\$ 19,099,499</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,515,401	40,280	-	696,658	-	-
633,057	325,768	927,908	388,546	360,593	340,455
1,367,921	1,364,438	1,214,895	1,130,293	1,124,743	1,071,465
-	-	2,183,228	2,948,444	3,644,178	4,455,421
841,240	1,473,632	25,299	58,021	111,920	177,263
<u>2,154,351</u>	<u>749,533</u>	<u>2,276,297</u>	<u>4,707,033</u>	<u>5,935,979</u>	<u>4,121,126</u>
<u>\$ 6,511,970</u>	<u>\$ 3,953,651</u>	<u>\$ 6,627,627</u>	<u>\$ 9,928,995</u>	<u>\$ 11,177,413</u>	<u>\$ 10,165,730</u>

# VILLAGE OF DEERFIELD

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Fiscal Year	2009	2010	2011	2012
<b>REVENUES</b>				
Taxes	\$ 18,012,382	\$ 19,562,915	\$ 15,326,336	\$ 18,350,644
Licenses and permits	1,271,817	1,366,472	1,431,793	1,173,799
Intergovernmental	1,349,486	951,183	944,344	1,152,141
Charges for services	727,445	654,662	687,515	709,146
Fines and forfeitures	251,680	227,686	262,542	317,262
Contribution from library	-	-	-	-
Investment income	486,398	166,844	92,855	115,175
Miscellaneous	698,839	821,396	715,868	1,219,949
<b>Total revenues</b>	<b>22,798,047</b>	<b>23,751,158</b>	<b>19,461,253</b>	<b>23,038,116</b>
<b>EXPENDITURES</b>				
General government	5,156,342	12,471,646	5,328,331	6,436,048
Public Safety	7,656,333	8,322,821	8,407,416	8,352,887
Highways and streets	3,536,206	2,916,045	3,032,200	3,091,770
Capital Outlay	6,735,684	6,207,466	8,278,643	23,114,852
Debt Service				
Principal	4,000,000	175,000	180,000	710,000
Interest	184,939	193,150	237,997	1,180,062
<b>Total expenditures</b>	<b>27,269,504</b>	<b>30,286,128</b>	<b>25,464,587</b>	<b>42,885,619</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,471,457)</b>	<b>(6,534,970)</b>	<b>(6,003,334)</b>	<b>(19,847,503)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,629,795	923,389	7,506,834	22,440,459
Transfers (out)	(8,629,795)	(923,389)	(7,506,834)	(22,440,459)
Bonds issued	5,000,000	-	12,500,000	32,400,000
Premium (discount) on bonds issued	(30,867)	-	(69,013)	79,791
Payment to refunded bonds escrow agent	-	-	-	-
Sale of capital assets	8,772	94,690	30,161	20,827
<b>Total Other Financing Sources (Uses)</b>	<b>4,977,905</b>	<b>94,690</b>	<b>12,461,148</b>	<b>32,500,618</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 506,448</b>	<b>\$ (6,440,280)</b>	<b>\$ 6,457,814</b>	<b>\$ 12,653,115</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>20.38%</b>	<b>1.53%</b>	<b>2.09%</b>	<b>4.75%</b>

\*Eight months ended December 31, 2013.

Data Source  
Audited Financial Statements

<u>2013</u>	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 12,220,016	\$ 9,876,878	\$ 14,070,158	\$ 14,955,266	\$ 17,522,177	\$ 18,207,216
1,645,735	1,277,977	3,062,263	1,464,015	1,958,108	1,784,230
9,692,051	6,342,610	9,599,274	8,102,221	15,007,986	9,628,692
710,049	565,213	1,004,048	1,114,515	971,304	849,759
342,740	236,390	307,744	292,284	286,981	264,926
763,572	742,476	730,381	732,831	730,131	726,706
117,770	(164,823)	(221,419)	130,060	191,929	344,598
<u>1,113,205</u>	<u>998,549</u>	<u>1,218,373</u>	<u>1,348,025</u>	<u>1,555,393</u>	<u>1,572,755</u>
<u>26,605,138</u>	<u>19,875,270</u>	<u>29,770,822</u>	<u>28,139,217</u>	<u>38,224,009</u>	<u>33,378,882</u>
7,783,224	5,063,339	7,353,449	8,266,520	8,906,902	9,406,290
8,540,957	6,117,121	8,963,170	9,136,003	9,054,499	9,336,602
2,806,358	2,326,884	2,924,874	2,816,855	2,749,322	2,985,820
24,479,003	5,280,135	2,777,322	11,958,472	11,652,625	11,362,494
1,355,000	928,000	935,000	962,000	1,369,000	1,441,000
<u>1,770,522</u>	<u>699,324</u>	<u>693,655</u>	<u>674,859</u>	<u>944,819</u>	<u>1,032,016</u>
<u>46,735,064</u>	<u>20,414,803</u>	<u>23,647,470</u>	<u>33,814,709</u>	<u>34,677,167</u>	<u>35,564,222</u>
<u>(20,129,926)</u>	<u>(539,533)</u>	<u>6,123,352</u>	<u>(5,675,492)</u>	<u>3,546,842</u>	<u>(2,185,340)</u>
14,290,621	3,152,954	2,354,180	10,191,142	4,241,596	6,367,905
(14,290,621)	(4,943,562)	(4,171,199)	(11,996,982)	(7,012,060)	(9,143,941)
9,075,000	-	-	9,575,000	-	5,700,000
253,502	-	-	422,335	-	240,732
-	-	-	-	-	(3,328,259)
<u>3,331</u>	<u>8,386</u>	<u>27,431</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>9,331,833</u>	<u>(1,782,222)</u>	<u>(1,789,588)</u>	<u>8,191,495</u>	<u>(2,770,464)</u>	<u>(163,563)</u>
<u>\$ (10,798,093)</u>	<u>\$ (2,321,755)</u>	<u>\$ 4,333,764</u>	<u>\$ 2,516,003</u>	<u>\$ 776,378</u>	<u>\$ (2,348,903)</u>
7.16%	9.02%	7.35%	6.60%	7.67%	8.42%

# VILLAGE OF DEERFIELD

## SALES TAX BY CATEGORY Last Ten Calendar Years

Calendar Year	2008	2009	2010	2011
General merchandise	\$ 181,355	\$ 215,487	\$ 222,696	\$ 233,408
Food	656,766	708,194	772,736	798,668
Drinking and eating places	756,872	931,610	932,074	970,059
Apparel	178,925	205,112	207,981	240,746
Furniture and H.H. and radio	676,075	644,981	752,175	713,431
Lumber, building hardware	532,637	622,406	610,072	590,742
Automobile and filling stations	283,125	284,289	434,095	513,421
Drugs and miscellaneous retail	2,184,421	3,211,071	2,625,382	3,625,900
Agriculture and all others	711,157	895,708	852,588	1,138,377
Manufacturers	<u>143,018</u>	<u>196,451</u>	<u>203,171</u>	<u>214,511</u>
<b>TOTAL</b>	<b><u>\$ 6,304,351</u></b>	<b><u>\$ 7,915,309</u></b>	<b><u>\$ 7,612,970</u></b>	<b><u>\$ 9,039,263</u></b>
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.50%	0.50%	1.00%	1.00%

Data Source

Illinois Department of Revenue

2012	2013	2014	2015	2016	2017
\$ 222,366	\$ 224,653	\$ 247,348	\$ 208,851	\$ 195,293	\$ 210,058
796,940	743,285	870,464	874,095	746,457	764,304
1,018,539	1,032,833	1,108,407	1,128,992	1,036,096	1,123,950
205,856	180,876	210,488	164,410	150,231	112,184
473,808	345,052	291,839	288,538	279,964	264,646
564,884	583,287	642,214	542,259	507,057	545,393
348,318	358,919	510,550	314,993	347,603	332,391
5,476,027	4,692,108	4,937,251	4,069,522	5,664,948	6,818,569
1,005,454	966,396	914,323	839,745	910,728	852,451
<u>237,039</u>	<u>226,254</u>	<u>251,653</u>	<u>266,575</u>	<u>220,430</u>	<u>183,720</u>
<u>\$ 10,349,231</u>	<u>\$ 9,353,663</u>	<u>\$ 9,984,537</u>	<u>\$ 8,697,980</u>	<u>\$ 10,058,807</u>	<u>\$ 11,207,666</u>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

## VILLAGE OF DEERFIELD

### DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Fiscal Years

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Calendar Year	Lake County Rate	RTA Lake County Rate	Cook County Rate	Cook County Home Rule Rate	RTA Cook County Rate	Village Home Rule Rate	Village Direct Rate	State Rate
2008	0.25%	0.75%	0.25%	1.75%	1.00%	0.50%	1.00%	5.00%
2009	0.25%	0.75%	0.25%	1.75%	1.00%	1.00%	1.00%	5.00%
2010	0.25%	0.75%	0.25%	1.25%	1.00%	1.00%	1.00%	5.00%
2011	0.25%	0.75%	0.25%	1.00%	1.00%	1.00%	1.00%	5.00%
2012	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%
2013	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%
2014	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%
2015	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%
2016	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%
2017	0.25%	0.75%	0.25%	1.75%	1.00%	1.00%	1.00%	5.00%

Data Source

Village and County Records

# VILLAGE OF DEERFIELD

## RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita*
2009	\$ 5,000,000	\$ 1,775,000	\$ 6,775,000	0.63%	\$ 367.81
2010	4,825,000	1,350,000	6,175,000	0.57%	335.23
2011	17,145,000	915,000	18,060,000	1.62%	981.26
2012	48,835,000	465,000	49,300,000	4.26%	2,670.93
2013	56,555,000	-	56,555,000	4.91%	3,064.98
2013 **	23,164,958	31,997,146	55,162,104	4.79%	2,989.49
2014	22,223,327	31,230,833	53,454,160	4.63%	2,903.85
2015	31,252,022	30,460,961	61,712,983	5.29%	3,340.17
2016	29,859,606	29,667,530	59,527,136	4.87%	3,202.45
2017	31,118,917	28,850,541	59,969,458	4.69%	3,193.43

\* See the schedule of Demographic and Economic Statistics for personal income and population data.

\*\* Eight months ended December 31, 2013

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

Data Source

Audited Financial Statements

# VILLAGE OF DEERFIELD

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year	(1) Governmental Activities General Obligation Bonds	(1) Business-Type Activities General Obligation Bonds	(1) Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	\$ 5,000,000	\$ 1,775,000	\$ 472,761	\$ 6,302,239	0.40%	\$ 342.14
2010	4,825,000	1,350,000	105,915	6,069,085	0.38%	329.48
2011	17,145,000	915,000	101,518	17,958,482	1.20%	975.74
2012	48,835,000	465,000	286,753	49,013,247	3.52%	2,655.39
2013	56,555,000	-	113,074	56,441,926	4.36%	3,058.85
2013*	23,164,958	31,997,146	1,473,632	53,688,472	4.15%	2,909.63
2014	22,223,327	31,230,833	2,208,527	51,245,633	4.17%	2,783.88
2015	31,252,022	30,460,961	2,983,643	58,729,340	4.79%	3,178.68
2016	29,859,606	29,667,530	3,756,098	55,771,038	4.23%	3,000.38
2017	31,118,917	28,850,541	4,455,421	55,514,037	3.94%	2,956.18

\* Eight months ended December 31, 2013

Data Source

(1) Audited Financial Statements

## VILLAGE OF DEERFIELD

### DIRECT AND OVERLAPPING BONDED DEBT - GOVERNMENTAL ACTIVITIES December 31, 2017

<u>Governmental Unit</u>	* (1) Gross General Obligation Debt	** (2) Percentage of Debt Applicable to Government	*** Village's Share of Debt
Village of Deerfield	\$ 30,419,000	100.00%	\$ 30,419,000
Lake County	183,035,000	5.09%	9,316,482
Lake County Forest Preserve	255,895,000	5.09%	13,025,056
Cook County	3,213,141,750	0.10%	3,213,142
Cook County Forest Preserve	157,510,000	0.10%	157,510
Deerfield Park District	1,720,000	97.63%	1,679,236
Park District of Highland Park	9,650,000	1.33%	128,345
Northbrook Park District	6,110,000	3.16%	193,076
Lake Elementary School District No. 109	18,685,000	77.07%	14,400,530
Lake High School District No. 113	91,750,000	29.91%	27,442,425
Cook Northfield Township High School District No. 225	73,009,614	2.71%	1,978,561
Community College of Lake County No. 532	63,745,000	5.36%	3,416,732
Oakton Community College District No. 535	30,895,000	0.64%	197,728
Metropolitan Water Reclamation District of Greater Chicago	<u>2,583,922,748</u>	0.10%	<u>2,583,923</u>
Total Gross Debt	6,719,488,112		108,151,746
Less Debt Service Fund Amount Available - Village of Deerfield	<u>4,632,684</u>		<u>4,632,684</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u>\$ 6,714,855,428</u>		<u>\$ 103,519,062</u>

\* Most recent data available.

\*\* Determined by ratio of assessed value of property subject to taxation in overlapping unit to value of property subject to taxation.

\*\*\* Amount of column (2) multiplied by amount in column (1).

#### Data Sources

Lake and Cook County Clerk's Offices

# VILLAGE OF DEERFIELD

## LEGAL DEBT MARGIN INFORMATION

December 31, 2017

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The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the 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 per cent: ...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.

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

### Illustrative Computation of Debt Margin If Government Were Not a Home Rule Municipality

The Village is a home rule municipality and, as such, has no debt limitations. If, however, the Village were a non-home rule municipality, its available debt limit would be as follows:

<b>EQUALIZED ASSESSED VALUATION - 2016*</b>	\$ 1,407,512,362
Non-Home Rule Legal Debt Limit - 8.625%	121,397,941
Amount of debt applicable to limit:	
General Obligation Bonds Series 2010A	3,464,000
General Obligation Bonds Series 2011A	7,930,000
General Obligation Bonds Series 2013	4,560,000
General Obligation Bonds Series 2015	8,800,000
General Obligation Bonds Series 2017	<u>5,665,000</u>
Total amount of debt applicable to limit:	<u>30,419,000</u>
<b>NON-HOME RULE LEGAL DEBT MARGIN</b>	<u>\$ 90,978,941</u>

\* Most Recent EAV Available

# VILLAGE OF DEERFIELD

## DEMOGRAPHIC AND ECONOMIC INFORMATION Last Ten Fiscal Years

Fiscal Year		Population	Per Capita Personal Income	Median Household Income	Unemployment Rate
2009	(a)	18,420	58,338	131,585	4.90%
2010	(b)	18,420	58,338	131,585	7.10%
2011	(c)	18,405	60,582	131,534	5.60%
2012	(d)	18,458	62,631	132,785	5.75%
2013	(e)	18,452	62,405	129,187	5.30%
2013*	(f)	18,452	62,405	129,187	5.85%
2014	(g)	18,408	62,731	135,881	5.05%
2015	(h)	18,476	63,190	135,754	4.20%
2016	(i)	18,588	65,757	137,423	4.40%
2017	(j)	18,779	68,101	143,729	3.60%

\* Eight months ended December 31, 2013

### Data Sources

- (a) U.S. Census Bureau "2005-2009 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (b) U.S. Census Bureau "2005-2009 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (c) U.S. Census Bureau "2006-2010 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (d) U.S. Census Bureau, "2007-2011 American Community Survey 5-Yr. Estimates" U.S. Bureau of Labor Statistics
- (e) U.S. Census Bureau, "2008-2012 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (f) U.S. Census Bureau, "2008-2012 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (g) U.S. Census Bureau, "2009-2013 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (h) U.S. Census Bureau, "2010-2014 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (i) U.S. Census Bureau, "2011-2015 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (j) U.S. Census Bureau, "2012-2016 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics and Special Census

## VILLAGE OF DEERFIELD

### PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Walgreen Boots Alliance Inc	6,500	1	34.61%			
Walgreen Co	2,500	2	13.31%	2,500	2	13.57%
Baxter International Inc	1,700	3	9.05%	3,000	1	16.29%
Takeda Pharmaceuticals USA Inc	1,700	4	9.05%	1,900	3	10.31%
Baxter Healthcare Corp	800	5	4.26%			
Mondelez International	700	6	3.73%			
Essendant	600	7	3.20%			
Deerfield Park District	500	8	2.66%			
Deerfield School District 109	500	9	2.66%			
Siemens Healthcare Solutions USA Inc	310	10	1.65%			
Kinetek Inc				1,080	4	5.86%
Astellas Pharma US Inc				1,000	5	5.43%
Montclair Hotels MB LLC				700	6	3.80%
Linkscorp LLC				700	7	3.80%
Deerfield High School				560	8	3.04%
Illinois Student Assistance Commission				550	9	2.99%
Moore Wallace North America				350	10	1.90%
<b>TOTAL</b>	<b>15,810</b>		<b>84.19%</b>	<b>12,340</b>		<b>66.99%</b>
Village population			18,779			18,420

Data Source

2018 Illinois Manufacturers Directory and 2018 Illinois Services Directory

# VILLAGE OF DEERFIELD

## FULL-TIME EQUIVALENT EMPLOYEES Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2013*	2014	2015	2016	2017
<b>GENERAL GOVERNMENT</b>										
Village Manager	3	3	2	4	5	5	5	5	5	6
Finance	10	10	10	8	8	8	8	8	8	8
Engineering	3	3	2	2	2	2	2	3	3	3
Community Development	7	7	7	7	7	7	8	8	8	8
<b>PUBLIC WORKS</b>										
Administration	4	4	4	4	4	4	4	4	4	4
Street Maintenance	7	7	7	7	7	7	7	7	7	7
Utilities Maintenance	15	15	14	14	14	14	14	13	13	13
Sewage Treatment Plant	8	8	8	8	7	7	7	7	7	7
Garage	2	2	2	2	2	2	2	2	2	2
<b>PUBLIC SAFETY</b>										
Police										
Administration	7	7	7	7	7	7	7	7	7	7
Communications	8	8	8	8	8	8	8	8	8	8
Investigations/Youth	7	7	7	7	7	7	7	7	7	7
Patrol	31	31	31	31	33	33	34	34	34	34
<b>TOTAL</b>	<u>112</u>	<u>112</u>	<u>109</u>	<u>109</u>	<u>111</u>	<u>111</u>	<u>113</u>	<u>113</u>	<u>113</u>	<u>114</u>

\* Eight months ended December 31, 2013

Data Source

Village budget office

# VILLAGE OF DEERFIELD

## OPERATING INDICATORS Last Ten Calendar Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>PUBLIC SAFETY</b>										
Police	568	415	575	513	485	367	337	336	426	346
Physical arrests	2,385	1,656	1,509	1,343	2,628	2,307	2,560	1,709	1,598	2,452
Parking violations	4,255	3,703	3,106	3,391	3,367	3,550	3,452	3,765	3,463	2,858
Traffic violations										
<b>PUBLIC WORKS</b>										
Street resurfacing (miles)	3.14	0.89	0.86	1.83	2.80	1.76	1.96	6.45	0.36	0.74
<b>WATER</b>										
Water main breaks	47	59	76	75	78	108	56	61	53	52
Average daily consumption (gallons)	2,566,000	2,630,000	2,683,526	2,522,061	2,805,124	2,730,295	2,571,000	2,380,000	2,306,605	2,228,298
Peak daily consumption (gallons)	5,279,000	4,510,000	5,009,819	5,502,196	5,482,125	5,069,827	3,903,000	3,800,000	4,363,018	5,127,763
<b>WASTEWATER</b>										
Average daily treatment (gallons)	3,324,536	3,313,068	2,930,000	3,530,000	2,395,000	2,761,000	3,452,000	3,180,000	2,680,000	2,740,000

Data Source

Various village departments

# VILLAGE OF DEERFIELD

## CAPITAL ASSET STATISTICS Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2013*	2014	2015	2016	2017
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	41	41	41	41	42	43	40	40	40	40
<b>PUBLIC WORKS</b>										
Arterial streets (miles)	8	8	8	8	8	8	8	8	8	8
Residential streets (miles)	68	68	68	68	68	68	68	68	68	68
Traffic signals	10	10	10	10	10	10	10	10	10	10
<b>WATER</b>										
Water mains (miles)	84	88	90	90	90	90	90	90	90	90
Fire hydrants	1,203	1,212	1,217	1,208	1,220	1,205	1,208	1,206	1,267	1,260
Storage capacity (gallons)	8,000,000	8,000,000	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850
<b>WASTEWATER</b>										
Sewers (miles)	80	80	80	80	80	80	80	80	80	80
Treatment capacity (gallons)	8,000,000	8,000,000	8,000,000	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000

\* Eight months ended December 31, 2013

Data Source

Various village departments

**OTHER INFORMATION**

# VILLAGE OF DEERFIELD

**Debt Information**

**Direct Debt :**

General Obligation Bonds \$ 30,419,000

**Overlapping Debt :**

	Gross General Obligation Debt	Percent Applicable	Village's Share of Debt
Lake County	\$ 183,035,000	5.09%	\$ 9,316,482
Lake County Forest Preserve	255,895,000	5.09%	13,025,056
Cook County	3,213,141,750	0.10%	3,213,142
Cook County Forest Preserve	157,510,000	0.10%	157,510
Deerfield Park District	1,720,000	97.63%	1,679,236
Park District of Highland Park	9,650,000	1.33%	128,345
Northbrook Park District	6,110,000	3.16%	193,076
Lake School District No. 109	18,685,000	77.07%	14,400,530
Lake High School District No. 113	91,750,000	29.91%	27,442,425
Cook High School District No. 225	73,009,614	2.71%	1,978,561
Community College No. 532	63,745,000	5.36%	3,416,732
Community College No. 535	30,895,000	0.64%	197,728
Metro Water Reclamation District	2,583,922,748	0.10%	2,583,923
<b>Total Overlapping Debt</b>			<b>77,732,746</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 108,151,746</b>

Source: Lake and Cook County Clerk's Offices.

## VILLAGE OF DEERFIELD

### Statement of Indebtedness

	Amount Applicable	% of EAV	% of Estimated True Value	Per Capita*
2016 Equalized Assessed Valuation <sup>(1)</sup>	\$ 1,407,512,362	100.00%	33.33%	75,722
Estimated True Value	4,222,537,086	300.00%	100.00%	227,165
Direct Debt	30,419,000	2.16%	0.72%	1,636
Overlapping Debt	77,732,746	5.52%	1.84%	4,182
Direct and Overlapping Debt	108,151,746	7.68%	2.56%	5,818

*\*Population of 18,588 based on 2016 CAFR.*

*(1) Reflects 2016 Lake County EAV and 2016 Cook County EAV.*

## VILLAGE OF DEERFIELD

### Equalized Assessed Valuation

	2012	2013	2014	2015	2016
Residential	\$ 938,649,978	\$ 898,117,390	\$ 909,922,822	\$ 984,948,931	\$ 1,052,928,225
Commerical	340,275,838	316,522,689	311,130,618	327,995,985	348,028,112
Industrial	14,338,152	13,777,096	6,248,146	6,125,472	6,556,025
Total	<u>\$ 1,293,263,968</u>	<u>\$ 1,228,417,175</u>	<u>\$ 1,227,301,586</u>	<u>\$ 1,319,070,388</u>	<u>\$ 1,407,512,362</u>

Source: Offices of Lake and Cook County Clerk.

<i>Lake County</i>					
Residential	\$937,972,021	\$ 897,492,359	\$ 909,334,162	\$ 984,103,737	\$ 1,047,402,667
Farm	-	-	-	-	-
Commerical	207,908,753	191,692,037	184,960,326	203,659,873	215,025,184
Industrial	2,562,167	2,460,043	2,481,937	2,437,757	2,594,504
Total	<u>\$ 1,148,442,941</u>	<u>\$ 1,091,644,439</u>	<u>\$ 1,096,776,425</u>	<u>\$ 1,190,201,367</u>	<u>\$ 1,265,022,355</u>

<i>Cook County</i>					
Residential	\$ 677,957	\$ 625,031	\$ 588,660	\$ 845,194	\$ 5,525,558
Farm	-	-	-	-	-
Commerical	132,367,085	124,830,652	126,170,292	124,336,112	133,002,928
Industrial	11,775,985	11,317,053	3,766,209	3,687,715	3,961,521
Total	<u>\$ 144,821,027</u>	<u>\$ 136,772,736</u>	<u>\$ 130,525,161</u>	<u>\$ 128,869,021</u>	<u>\$ 142,490,007</u>

## VILLAGE OF DEERFIELD

### Tax Rates Per \$100 of Assessed Valuation

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bonds and Interest	0.161	0.171	0.243	0.279	0.291
Corporate	0.164	0.180	0.000	0.261	0.272
Garbage	0.070	0.076	0.077	0.000	0.000
All Other	0.003	0.007	0.191	0.000	0.000
<b>Total Village</b>	<b><u>0.398</u></b>	<b><u>0.434</u></b>	<b><u>0.511</u></b>	<b><u>0.540</u></b>	<b><u>0.563</u></b>
County Including Forest Preserve	0.820	0.881	0.893	0.871	0.825
Deerfield Elementary Dist. 109	3.254	3.424	3.401	3.211	3.070
High School District 113	2.178	2.364	2.421	2.309	2.187
Community College (Lake County) Dist. 532	0.272	0.296	0.306	0.299	0.285
Deerfield Park District	0.546	0.585	0.599	0.552	0.542
Deerfield-Bannockburn Fire Protection Dist.	0.593	0.637	0.650	0.624	0.612
Library	0.321	0.350	0.364	0.353	0.293
All Other	0.053	0.048	0.053	0.049	0.046
<b>Total</b>	<b><u>8.435</u></b>	<b><u>9.019</u></b>	<b><u>9.198</u></b>	<b><u>8.808</u></b>	<b><u>8.423</u></b>
<b>Village as a Percent of Total</b>	<b>4.7%</b>	<b>4.8%</b>	<b>5.6%</b>	<b>6.1%</b>	<b>6.7%</b>

Source: Office of Lake County Clerk.

## VILLAGE OF DEERFIELD

### Tax Extensions and Collections

#### LAKE COUNTY

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
2005	2006	4,723,411	4,706,769	99.65%
2006	2007	4,290,135	4,287,885	99.95%
2007	2008	4,700,551	4,690,657	99.79%
2008	2009	4,838,606	4,829,011	99.80%
2009	2010	5,106,445	5,098,946	99.85%
2010	2011	5,850,305	5,838,131	99.79%
2011	2012	7,469,212	7,470,033	100.01%
2012	2013	8,257,305	8,247,653	99.88%
2013	2014	8,558,492	8,550,030	99.90%
2014	2015	9,602,672	9,586,819	99.83%
2015	2016	10,633,806	10,614,943	99.82%
2016	2017	10,839,968	10,797,521	99.61%

Source: Lake County Clerk's Office.

#### COOK COUNTY

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
2005	2006	444,012	457,708	103.08%
2006	2007	420,514	416,589	99.07%
2007	2008	409,907	410,137	100.06%
2008	2009	414,860	407,960	98.34%
2009	2010	399,022	402,287	100.82%
2010	2011	445,248	452,011	101.52%
2011	2012	521,208	520,642	99.89%
2012	2013	593,766	595,080	100.22%
2013	2014	607,271	608,961	100.28%
2014	2015	691,783	691,424	99.95%
2015	2016	720,378	720,378	100.00%
2016	2017	745,223	744,447	99.90%

Source: Cook County Clerk's Office.

#### Total

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
2005	2006	5,167,423	5,164,477	99.94%
2006	2007	4,710,649	4,704,474	99.87%
2007	2008	5,110,458	5,100,794	99.81%
2008	2009	5,253,466	5,236,971	99.69%
2009	2010	5,505,467	5,501,233	99.92%
2010	2011	6,295,553	6,290,142	99.91%
2011	2012	7,990,420	7,990,675	100.00%
2012	2013	8,851,071	8,842,733	99.91%
2013	2014	9,165,763	9,158,991	99.93%
2014	2015	10,294,455	10,278,243	99.84%
2015	2016	11,354,184	11,335,321	99.83%
2016	2017	11,585,191	11,541,968	99.63%

Source: Lake and Cook County Clerk's Office.  
Lake County and Cook County as of 5/31/2016.

## VILLAGE OF DEERFIELD

### Principal Taxpayers within the Village

Taxpayer	2016 Equalized Assessed Value	% of Total Equalized Assessed Valuation
Walgreen Co.	\$ 43,488,439	3.09%
Marvin F Poer & Co.	36,320,792	2.58%
Scott Dressing, Sr Mgr Taxation	27,302,061	1.94%
MidAmerica Asset Management	28,944,553	2.06%
JBC Funds Parkway North LLC	19,657,194	1.40%
CRM Properties Group	14,635,907	1.04%
James Campbell Co. LLC	13,950,896	0.99%
LO Deerfield Operating	12,327,389	0.88%
C/O Property Tax	10,629,048	0.76%
Wells Core REIT - Four Parkway North LLC	8,530,398	0.61%
<b>Total</b>	<b>\$ 215,786,677</b>	<b>15.35%</b>

*Data Source: Lake & Cook County Clerk's & Assessor's Offices.*