

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



for the year ended
DECEMBER 31, 2014

VILLAGE OF DEERFIELD, ILLINOIS

VILLAGE OF DEERFIELD, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2014

Prepared by Finance Department

Eric L. Burk
Director of Finance

VILLAGE OF DEERFIELD, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF DEERFIELD, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2014

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Harriet E. Rosenthal, Mayor

Robert L. Benton

Thomas L. Jester

Barbara J. Struthers

William S. Seiden

Robert D. Nadler

Alan L. Farkas

Kent Street, Clerk

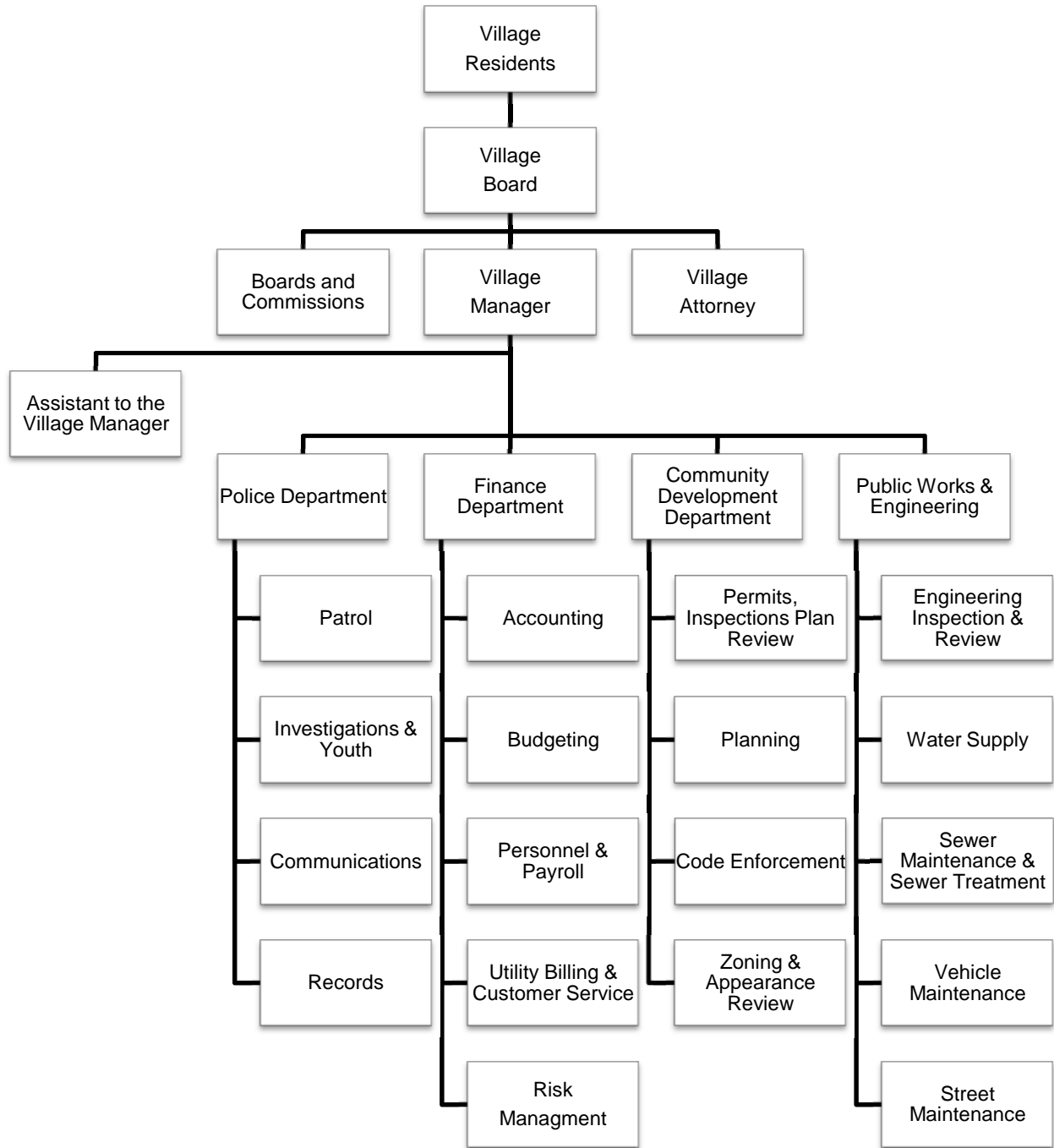
ADMINISTRATIVE

Kent Street, Village Manager

FINANCE DEPARTMENT

Eric L. Burk
Director of Finance/Treasurer

Village of Deerfield, Illinois Organization Chart





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 Eight Months Ended

December 31, 2013

Executive Director/CEO



VILLAGE OF DEERFIELD

May 19, 2015

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, 2014 is submitted herewith. This report represents a comprehensive picture of the Village’s financial activities during 2014 and the financial condition of its various funds at December 31, 2014. 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.

Sikich LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Village of Deerfield’s financial statements for the year ended December 31, 2014. The independent auditor’s 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 2010 Census of 18,458. 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, 2013 the Village's unemployment rate was estimated to be 5.85%, compared to 9.0% for Lake County, 8.6% for the State of Illinois and 6.5% for the United States. Deerfield's unemployment rate as of December 31, 2014 is not available. However, the rates have dropped to 5.8% in Lake County, 5.8% in the State of Illinois and 5.4% in the United States.

The slow but positive recovery in the national and state economy is reflected in the economy of the surrounding local area. The Village base sales tax revenue (which represents 1% of the total eligible sales), net of the Walgreen's sales tax rebate, increased approximately \$230,000 from annualized fiscal year 2013A (5/1/13-12/31/13) amounts. Walgreen National's activity remained consistent with prior year annualized amounts (pursuant to a sales tax sharing agreement, 80% of the Village share of the sales tax received from them is rebated back) which indicates that regular sales tax revenue increased.

Median family 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 family income was \$129,187, compared to \$68,236 for the State of Illinois and \$62,982 for the United States.

This ranked Deerfield among the wealthiest communities in the State of Illinois. The median family income has increased approximately 30% from the 2000 Census figure.

Commercial and residential construction activity continued to improve compared to the prior year in the number of permits issued. Much of this value was in commercial and residential remodeling. Two new apartment complexes added approximately \$1.4 million in one-time permit revenues. Overall permit revenue totaled \$2,592,589 for the year ending December 31, 2014. After removing the one-time revenues, permit revenue remain reasonably consistent with the prior year. 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 5 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 recently, 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. \$10 million of additional debt is anticipated in 2015 as part of the 5 year CIP.

Major Initiatives

As part of the regular budget planning process, Village staff has presented the Board with a capital projects program that will require significant expenditures over the next five year period. The majority of these projects include road reconstruction along with water and sewer utility work. For 2015, the major funding sources will be balances in the Infrastructure Fund, property tax, state & federal grants, the home rule tax revenue and a \$10 million bond issue.

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, 2013. 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 twenty-nine 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, 2014. 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 black ink, appearing to read "Eric Burk". The signature is written in a cursive style with a large, sweeping initial "E".

Eric L. Burk
Director of Finance/Treasurer

FINANCIAL SECTION



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Deerfield, Illinois (the Village), as of and for the year ended December 31, 2014, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2014, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental data and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Naperville, Illinois
May 19, 2015



GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF DEERFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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 iv) and the Village's financial statements (beginning on page 3).

Financial Highlights

- During the prior reporting period, the Village transitioned to a calendar year end. Many of the revenue and expenditure items are not comparable to current year amounts as the transition was completed by using a shortened fiscal period from May 1, 2013 to December 31, 2013. Several items can be annualized to make reasonable comparisons. However, certain activities (snow and ice control, leaf collection, debt service payments, property tax revenue, vehicle licenses, etc) do not need to be annualized as they were fully completed during the prior eight month period.
- The Village's General Fund ended the period with total revenues exceeding total expenditures by \$3,966,184. Combined with other financing net uses of \$2,306,396, the December 31, 2014 fund balance increased by \$1,659,788.
- Economy sensitive revenues, i.e. sales, income, and hotel/motel taxes remained consistent with the prior year on an annualized basis. Building permit revenue (\$2,592,589) exceeded current year expectation (\$700,000), primarily due to one-time permit fees related to two new apartment complexes.
- Hotel/motel tax revenue (\$2,070,324) also exceeded current year expectation of \$1,550,000; 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 \$1,294,977 from the Electric Utility tax and \$1,261,799 from the Simplified Telecommunications tax. Electric Utility tax was consistent with prior year amounts on an annualized basis. Simplified Telecommunications tax showed a decrease from the prior year annualized amount.
- The Village retired \$1,690,000 of general obligation debt during the period. The total balance of debt outstanding as of December 31, 2014 was \$53,215,000. No new debt was issued during the period. \$10 million of new debt is anticipated in 2015.
- The infrastructure maintenance fee of ½ of 1% of the project value, which was implemented in 2012 totaled to \$317,170 for the year. This amount exceeded current year expectation and the prior year amount on an annualized basis.
- Negative investment income reflected in many of the Village's Funds is due primarily to the write off of approximately \$685,000 that was transferred to the Illinois Metropolitan Investment Fund (IMET) liquidating trust. IMET is actively pursuing recovery of these funds on behalf of all of its participants, including the Village and Police Pension Fund.

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.

Government-Wide Financial Statements

The government-wide financial statements (see pages 3 - 5) 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 4 - 5) 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.

VILLAGE OF DEERFIELD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS

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 6 – 11) 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 12 - 15) 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.

Fiduciary funds (see pages 16 - 17) 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 18 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.

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

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.	
	2014	2013A	2014	2013A	2014	2013A
Current & Other Assets	52.21	47.41	2.67	2.67	54.88	50.08
Capital Assets	70.92	71.58	59.50	60.75	130.42	132.33
Total Assets	123.13	118.99	62.17	63.42	185.30	182.41
Long-Term Liabilities	23.57	24.35	30.73	31.54	54.30	55.89
Other Liabilities	4.02	4.14	1.42	1.39	5.44	5.53
Total Liabilities	27.59	28.49	32.15	32.93	59.74	61.42
Deferred Inflows of Resources	5.29	4.32	.96	.93	6.25	5.25
Total Liabilities and Deferred Inflows of Resources	32.88	32.81	33.11	33.86	65.99	66.67
Net Position:						
Net Investment in Capital Assets						
Assets	58.84	59.19	28.27	28.91	87.11	88.10
Restricted	4.33	1.69	-	-	4.33	1.69
Unrestricted	27.08	25.30	.79	0.65	27.87	25.95
Total Net Position	90.25	86.18	29.06	29.56	119.31	115.74

The Village's total primary government net position increased by \$3.57 million due largely to an increase in cash and investments and a decrease in outstanding bonds during the period. Governmental and Business-Type Activities Capital Assets decreased due to annual depreciation expense. Long-Term Liabilities decreased due to regularly scheduled debt service payments. Deferred Inflows of Resources relate to the 2014 property tax levy that will be collected in 2015.

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

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

Changes in Net Position – Village of Deerfield (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total – Primary Govt.	
	2014	2013A	2014	2013A	2014	2013A
Revenues:						
Program Revenues:						
Charges for Service	5.42	2.83	7.13	5.58	12.56	8.41
Operating Grants	0.61	0.89	-	-	0.61	0.89
Capital Grants	1.31	0.06	0.17	1.80	1.48	1.86
General Revenue:						
Property Taxes	5.12	4.95	0.93	0.91	6.05	5.86
Other						
Taxes/Intergovernmental	16.86	11.05	-	-	16.86	11.05
Transfers in (out)	-1.82	-1.79	1.82	1.79	-	-
Other	0.48	0.28	0.26	0.17	.74	0.45
Total Revenue	27.98	18.27	10.32	10.25	38.30	28.52
Expenses:						
General Government	7.74	5.75	-	-	7.74	5.75
Public Safety	9.19	6.26	-	-	9.19	6.26
Highways and Streets	6.29	6.21	-	-	6.29	6.21
Interest/fiscal charges	0.69	0.63	-	-	0.69	0.63
Water	-	-	4.34	3.15	4.34	3.15
Sewer	-	-	4.70	3.15	4.70	3.15
Refuse	-	-	1.45	0.96	1.45	.96
Parking Lots	-	-	0.33	0.24	0.33	0.24
Total Expense	23.91	18.85	10.82	7.50	34.73	26.35
Changes in Net Position	4.07	-0.58	-0.50	2.75	3.57	2.17

CURRENT YEAR IMPACTS

Governmental Activities

Revenue

Substantially all revenues increased in comparison to the prior shortened fiscal period. One major exception is property tax revenue which is collected in June and September each year. Therefore, the Village received the entire 2012 tax levy during the prior fiscal period and the entire 2013 tax levy in the current year. The increase in property tax revenue (\$0.19 million) is due largely to increased costs of debt service.

Expenses

Generally all expenses increase in comparison to the prior shortened fiscal period. General Government expenses increased slightly less than proportionately expected due partially to one-time professional services in the shortened fiscal period. Public Safety expenses increased in proportion to the shortened fiscal period. Highways and Street expenses increased less than proportionately expected due to a decreased Capital Improvement plan in 2014.

VILLAGE OF DEERFIELD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

Revenue

A water rate increase of 2.5% was implemented in January, 2014; water sales totaled \$3.76 million, which was less than the budget of \$4.08 million. Sewer user charges of \$2.64 million were also short of the budget by \$0.06 million. The sewer rates were increased 2.5% in January 2014. Refuse charge rates were also increased 2.5%, and revenue of \$0.50 million was consistent with the budgeted amount.

Expenses

Water Fund operating expenditures increased in comparison to the prior shortened fiscal period. Increased wholesale water purchases were offset by increased water rates resulting in a slight operating loss before depreciation of \$9,700. The Village's wholesale water supplier increased its rates on January 1st in combination with a series of annual increases to fund the reconstruction of their water treatment plant.

Sewer Fund operating expenses increased in comparison to the prior shortened fiscal period. However, these decreases were offset by increased depreciation (non-cash) and debt service costs related to the completion of the Wastewater Treatment Plant.

Refuse and Parking Fund operating expenses increased in comparison to the shortened fiscal period expectation.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At December 31, 2014, the governmental funds reported a combined fund balance of \$28.32 million which is a 15.34% increase from the beginning of the year (\$23.99 million). The increase is primarily due to a one-time building permit revenue and grant revenue. These items will both be used to help fund future capital projects.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance of the General Fund increased \$2.9 million from \$16.8 million to \$19.7 million. The General Fund cash balance of \$17.9 million provides for approximately 300 days of anticipated annual expenditures.

Revenues exceeded the budget of \$19.7 million by \$3.0 million. State shared revenues, such as income taxes and use taxes, exceeded budgeted amounts. Sales tax and Home Rule Sales tax both exceeded current year expectations. Building permit revenue exceeded the current year budget due to revenue from two apartment complexes as well as several large commercial permits being issued during the period.

Expenditures were \$0.92 million less than the budget. This was caused by vacant positions in multiple departments resulting in lower than expected personnel costs. In addition, the Police Pension contribution was less than expected.

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

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 54.

**General Fund Budget versus Actual
Fiscal year ended December 31, 2014
(in millions)**

	Original Budget	Amended Budget	Actual
Revenues			
Taxes	10.10	10.10	10.78
Intergovernmental	6.64	6.64	7.23
Other	2.94	2.97	4.72
Total	19.68	19.71	22.73
Expenditures & Transfers			
Expenditures	19.64	19.67	18.76
Other Sources	-	-	-
Transfers – Net	2.32	2.32	2.31
Total	21.96	21.99	21.07
Change in Fund Balance	-2.28	-2.28	1.66

The Debt Service Fund is funded through property taxes, Build America Bond & Qualified Energy Conservation Bond rebates and General Fund transfers. General Fund transfers are used for debt service payments that have been abated. Revenues and expenditures in this fund were consistent with expectation, except that the Build America Bond & Qualified Energy Conservation Bond rebates were reduced due to Federal Sequestration Cuts.

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 \$1.2 million due to a grant that was awarded to cover the street rehabilitation program in 2014. Expenditures in the IRF totaled \$2.7 million. Engineering costs for upcoming projects and street improvements 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 \$3.91 million for the year. Actual operating expenses, excluding depreciation and interest totaled \$3.92 million. Overall, net position decreased \$0.43 million which included depreciation of \$.42million.

The Sewerage Fund operating expenses were under budget by \$0.07 million due primarily to lower than expected personnel costs which were partially offset by increased contractual services and utilities. The operating revenue exceeded operating expenses excluding depreciation by \$0.05 million due to reduced operating costs. Capital expenses for the foreseeable future in this fund have been transferred to the Infrastructure Fund. The replacement of the Wastewater Treatment Plant was completed in the prior year.

The Refuse Fund operating expenses exceeded operating revenues by \$0.9 million. This Village also uses a portion of its property tax levy to fund refuse collection. Property tax collected for the Refuse Fund totaled \$0.94 million and the Refuse Fund's net position increased \$0.02 million during the year to \$0.37 million.

Internal Service Funds

The Village's combined internal service funds' net position were \$6.2 million as of December 31, 2014, with \$4.5 million of the total available for major equipment purchases in the Vehicle and Equipment Replacement Fund. Total revenue approximated total expenses in the Garage Fund resulting in a minimal increase in net position.

VILLAGE OF DEERFIELD, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2014 was \$70.92 million. The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2014 was \$59.50 million. Major capital asset additions during the current year included streets and vehicles/equipment. Additional information on capital assets is presented in Note 4 to the financial statements.

Long-term debt

The Village did not issue any debt during the year and retired \$1.69 million of general obligation debt. At the end of the year, the Village had total bonded debt outstanding of \$53.22 million. As a home rule government, under Illinois law, the Village has no legal debt limit. As of December 31, 2014 the total Village debt represented 4.33% of the equalized assessed value. Additional information on long-term debt is presented in Note 6 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 2013.

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 pay-outs 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. As a portion of the General Fund, property tax revenue decreased from 14% in FY 2013 A to 10% for the year ending December 31, 2014.

One of the major retail areas in the Village continues to attempt attracting 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 due largely to two new apartment complexes

The Village's hotel/motel tax has returned to its high of \$2 million and exceeded current year budget by \$0.52 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.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments	\$ 28,682,292	\$ 1,226,788	\$ 29,909,080
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	5,295,408	955,984	6,251,392
Accounts	661,994	1,075,350	1,737,344
Accrued interest	15,961	339	16,300
Electric utility tax	122,181	-	122,181
Due from other governments	14,622,298	-	14,622,298
Note receivable	70,000	-	70,000
Internal balances	849,795	(849,795)	-
Inventory	145,506	182,503	328,009
Prepaid expenses	718,393	75,756	794,149
Net pension asset	1,020,421	-	1,020,421
Capital assets not being depreciated	22,130,618	1,955,456	24,086,074
Capital assets (net of accumulated depreciation)	48,793,240	57,545,993	106,339,233
Total assets	123,128,107	62,168,374	185,296,481
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total assets	123,128,107	62,168,374	185,296,481
LIABILITIES			
Accounts payable	2,117,405	446,576	2,563,981
Accrued payroll	274,357	72,562	346,919
Retainage payable	340,499	-	340,499
Deposits payable	-	38,520	38,520
Other payables	21,365	-	21,365
Unearned revenue	75,000	-	75,000
Accrued interest payable	56,005	87,388	143,393
Noncurrent liabilities			
Due within one-year	1,141,498	780,640	1,922,138
Due in more than one-year	23,567,257	30,729,536	54,296,793
Total liabilities	27,593,386	32,155,222	59,748,608
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	5,295,408	955,984	6,251,392
Total deferred inflows of resources	5,295,408	955,984	6,251,392
Total liabilities and deferred inflows of resources	32,888,794	33,111,206	66,000,000
NET POSITION			
Net investment in capital assets	58,835,531	28,270,616	87,106,147
Restricted for			
Maintenance of roadways	927,908	-	927,908
Public safety	1,214,895	-	1,214,895
Debt service	2,183,228	-	2,183,228
Unrestricted	27,077,751	786,552	27,864,303
TOTAL NET POSITION	\$ 90,239,313	\$ 29,057,168	\$ 119,296,481

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 7,756,784	\$ 3,812,004	\$ -	\$ -
Public safety	9,189,101	1,167,096	1,100	3,108
Highways and streets	6,286,456	442,918	611,469	1,302,935
Interest	685,495	-	-	-
Total governmental activities	23,917,836	5,422,018	612,569	1,306,043
Business-Type Activities				
Water	4,345,300	3,763,753	-	-
Sewerage	4,696,545	2,645,264	-	173,695
Refuse disposal	1,448,061	500,449	-	-
Commuter parking lot	334,127	226,450	-	-
Total business-type activities	10,824,033	7,135,916	-	173,695
TOTAL PRIMARY GOVERNMENT	\$ 34,741,869	\$ 12,557,934	\$ 612,569	\$ 1,479,738

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,944,780)	\$ -	\$ (3,944,780)
	(8,017,797)	-	(8,017,797)
	(3,929,134)	-	(3,929,134)
	(685,495)	-	(685,495)
	<u>(16,577,206)</u>	<u>-</u>	<u>(16,577,206)</u>
	-	(581,547)	(581,547)
	-	(1,877,586)	(1,877,586)
	-	(947,612)	(947,612)
	-	(107,677)	(107,677)
	<u>-</u>	<u>(3,514,422)</u>	<u>(3,514,422)</u>
	<u>(16,577,206)</u>	<u>(3,514,422)</u>	<u>(20,091,628)</u>
General Revenues			
Taxes			
Property	5,120,369	936,361	6,056,730
Replacement	139,743	-	139,743
Home rule sales	3,413,920	-	3,413,920
Local use	356,053	-	356,053
Hotel/motel	2,070,324	-	2,070,324
Simplified telecommunications	1,261,799	-	1,261,799
Electric utility tax	1,294,977	-	1,294,977
Intergovernmental	8,316,948	-	8,316,948
Interest	(221,419)		(221,419)
Miscellaneous	704,909	260,128	965,037
Transfers	(1,817,019)	1,817,019	-
Total	<u>20,640,604</u>	<u>3,013,508</u>	<u>23,654,112</u>
CHANGE IN NET POSITION	<u>4,063,398</u>	<u>(500,914)</u>	<u>3,562,484</u>
NET POSITION, JANUARY 1	86,175,915	29,558,082	115,733,997
NET POSITION, DECEMBER 31	<u>\$ 90,239,313</u>	<u>\$ 29,057,168</u>	<u>\$ 119,296,481</u>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2014

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental	Total
ASSETS					
Cash and investments	\$ 17,882,219	\$ 25,143	\$ 2,063,652	\$ 4,197,984	\$ 24,168,998
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	2,934,321	2,361,087	-	5,295,408
Accounts	578,107	-	-	82,112	660,219
Accrued interest	6,014	156	474	7,992	14,636
Electric utility tax receivable	122,181	-	-	-	122,181
Due from other governments	2,884,772	10,135,000	1,556,631	45,895	14,622,298
Note receivable	70,000	-	-	-	70,000
Due from other funds	849,795	-	-	-	849,795
Inventory	42,968	-	-	-	42,968
Prepaid items	713,737	-	-	-	713,737
TOTAL ASSETS	\$ 23,149,793	\$ 13,094,620	\$ 5,981,844	\$ 4,333,983	\$ 46,560,240

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,167,976	\$ -	\$ 928,961	\$ 7,952	\$ 2,104,889
Accrued payroll	266,328	-	-	-	266,328
Retainage payable	-	-	340,499	-	340,499
Other payables	21,365	-	-	-	21,365
Unearned grant revenue	-	-	75,000	-	75,000
Total liabilities	1,455,669	-	1,344,460	7,952	2,808,081
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - Library	-	10,135,000	-	-	10,135,000
Unavailable property tax revenues	-	2,934,321	2,361,087	-	5,295,408
Total deferred inflows of resources	-	13,069,321	2,361,087	-	15,430,408
Total liabilities and deferred inflows of resources	1,455,669	13,069,321	3,705,547	7,952	18,238,489
FUND BALANCES					
Nonspendable for					
Note receivable	70,000	-	-	-	70,000
Inventory	42,968	-	-	-	42,968
Prepaid items	713,737	-	-	-	713,737
Restricted for					
Maintenance of roadways	-	-	-	927,908	927,908
Public safety	-	-	-	1,214,895	1,214,895
Debt service	-	-	-	2,183,228	2,183,228
Unrestricted					
Assigned for					
Debt service	-	25,299	-	-	25,299
Capital projects	1,200,000	-	2,276,297	-	3,476,297
Unassigned	19,667,419	-	-	-	19,667,419
Total fund balances	21,694,124	25,299	2,276,297	4,326,031	28,321,751
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 23,149,793	\$ 13,094,620	\$ 5,981,844	\$ 4,333,983	\$ 46,560,240

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 28,321,751
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	\$ 70,923,858
Less internal service funds	<u>(1,614,187)</u> 69,309,671
Premium on bonds issued are capitalized and amortized on the statement of net position	(149,447)
Discount on bonds issued are deferred and amortized on the statement of net position	57,120
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(22,131,000)
Other postemployment benefit payable	(862,439)
Compensated absences	(1,622,989)
Less internal service funds	<u>(14,178)</u> (1,608,811)
Intergovernmental receivable from the Library is not unavailable revenue on the statement of net position	10,135,000
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(56,005)
The net pension asset is included in the governmental activities in the statement of net position	1,020,421
The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>6,203,052</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 90,239,313</u>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

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

For the Year Ended December 31, 2014

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental	Total
REVENUES					
Taxes	\$ 10,784,811	\$ 1,338,600	\$ 1,221,747	\$ 725,000	\$ 14,070,158
Licenses and permits	3,062,263	-	-	-	3,062,263
Intergovernmental	7,233,935	501,135	1,252,735	611,469	9,599,274
Charges for services	674,250	-	-	329,798	1,004,048
Fines and forfeits	307,744	-	-	-	307,744
Contribution from library	-	730,381	-	-	730,381
Investment income	(226,324)	(18,116)	(10,116)	33,137	(221,419)
Miscellaneous	897,875	-	317,390	3,108	1,218,373
Total revenues	22,734,554	2,552,000	2,781,756	1,702,512	29,770,822
EXPENDITURES					
Current					
General government	7,352,949	-	-	500	7,353,449
Public safety	8,490,547	-	-	472,623	8,963,170
Highways and streets	2,924,874	-	-	-	2,924,874
Capital outlay	-	-	2,777,322	-	2,777,322
Debt service					
Principal retirement	-	935,000	-	-	935,000
Interest and fiscal charges	-	693,655	-	-	693,655
Total expenditures	18,768,370	1,628,655	2,777,322	473,123	23,647,470
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,966,184	923,345	4,434	1,229,389	6,123,352

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental	Total
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 831,850	\$ 1,522,330	\$ -	\$ 2,354,180
Transfers (out)	(2,333,827)	(1,797,019)	-	(40,353)	(4,171,199)
Sale of capital assets	27,431	-	-	-	27,431
Total other financing sources (uses)	(2,306,396)	(965,169)	1,522,330	(40,353)	(1,789,588)
NET CHANGE IN FUND BALANCES	1,659,788	(41,824)	1,526,764	1,189,036	4,333,764
FUND BALANCES, JANUARY 1	20,034,336	67,123	749,533	3,136,995	23,987,987
FUND BALANCES, DECEMBER 31	\$ 21,694,124	\$ 25,299	\$ 2,276,297	\$ 4,326,031	\$ 28,321,751

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 4,333,764
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	\$ 1,679,571	
Less internal service funds	<u>(200,367)</u>	1,479,204
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		935,000
The decrease in interest payable is reported as a reduction of expense on the statement of activities		1,529
Bonds issued and contributed to the Library are reported as expenditures in the governmental funds, but not on the statement of activities		(500,000)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(2,603,437)	
Less internal service funds	<u>332,638</u>	(2,270,799)
The loss on disposal of capital assets for road reconstruction increases the highways and streets expense on the statement of activities		270,125
The increase in compensated absences is reported as an addition to expense on the statement of activities		(125,539)
The increase in the other postemployment benefit payable is reported as an addition to expense on the statement of activities		(72,963)
The decrease in net pension asset is reported as an addition to expense on the statement of activities		24,829
The amortization of the discount and premium are reported as an reduction to expense on the statement of activities		6,631
The change in net position of certain activities of internal service funds is in governmental funds		<u>(18,383)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 4,063,398</u>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2014

	Business-Type Activities					Governmental
	Water	Sewerage	Refuse	Nonmajor	Total	Internal
				Enterprise (Parking Lot)		
CURRENT ASSETS						
Cash and investments	\$ -	\$ 587,010	\$ 381,662	\$ 258,116	\$ 1,226,788	\$ 4,513,294
Receivables						
Property taxes	-	-	955,984	-	955,984	-
Accounts - billed	109,607	104,435	8,885	-	222,927	1,775
Accounts - unbilled	472,049	298,660	81,714	-	852,423	-
Accrued interest	-	134	118	87	339	1,325
Prepaid expenses	30,817	41,459	1,884	1,596	75,756	4,656
Inventory	164,251	18,252	-	-	182,503	102,538
Total current assets	776,724	1,049,950	1,430,247	259,799	3,516,720	4,623,588
CAPITAL ASSETS						
Nondepreciable	1,877,956	-	-	77,500	1,955,456	-
Depreciable	19,655,946	45,590,630	-	1,950,830	67,197,406	4,015,363
Accumulated depreciation	(4,738,968)	(4,040,027)	-	(872,418)	(9,651,413)	(2,401,176)
Net capital assets	16,794,934	41,550,603	-	1,155,912	59,501,449	1,614,187
Total assets	17,571,658	42,600,553	1,430,247	1,415,711	63,018,169	6,237,775
CURRENT LIABILITIES						
Accounts payable	228,683	114,581	101,323	1,989	446,576	12,516
Accrued payroll	26,672	45,195	-	695	72,562	8,029
Accrued interest	-	87,388	-	-	87,388	-
Deposits payable	21,217	17,303	-	-	38,520	-
Due to other funds	849,795	-	-	-	849,795	-
Notes payable	-	758,000	-	-	758,000	-
Compensated absences payable	11,569	10,962	-	109	22,640	3,070
Total current liabilities	1,137,936	1,033,429	101,323	2,793	2,275,481	23,615
LONG-TERM LIABILITIES						
Compensated absences payable	100,892	95,419	-	978	197,289	11,108
Other postemployment benefit payable	27,048	32,366	-	-	59,414	-
Unamortized premium	-	146,833	-	-	146,833	-
Notes payable - long-term	-	30,326,000	-	-	30,326,000	-
Total long-term liabilities	127,940	30,600,618	-	978	30,729,536	11,108
Total liabilities	1,265,876	31,634,047	101,323	3,771	33,005,017	34,723
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	-	-	955,984	-	955,984	-
Total liabilities and deferred inflows of resources	1,265,876	31,634,047	1,057,307	3,771	33,961,001	34,723
NET POSITION						
Net investment in capital assets	16,794,934	10,319,770	-	1,155,912	28,270,616	1,614,187
Unrestricted	(489,152)	646,736	372,940	256,028	786,552	4,588,865
TOTAL NET POSITION	\$ 16,305,782	\$ 10,966,506	\$ 372,940	\$ 1,411,940	\$ 29,057,168	\$ 6,203,052

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

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

For the Year Ended December 31, 2014

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor	Total	Internal
				Enterprise (Parking Lot)		
OPERATING REVENUES						
Charges for services	\$ 3,763,753	\$ 2,645,264	\$ 500,449	\$ 226,450	\$ 7,135,916	\$ 953,781
Miscellaneous	149,604	75,837	34,687	-	260,128	10,898
Total operating revenues	3,913,357	2,721,101	535,136	226,450	7,396,044	964,679
OPERATING EXPENSES						
Administration	553,835	529,892	-	-	1,083,727	-
Operations	3,369,241	2,143,762	1,440,045	305,214	7,258,262	383,128
Commodities	-	-	-	-	-	229,117
Total operating expenses	3,923,076	2,673,654	1,440,045	305,214	8,341,989	612,245
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(9,719)	47,447	(904,909)	(78,764)	(945,945)	352,434
Depreciation and amortization	422,224	968,706	-	26,737	1,417,667	332,638
OPERATING INCOME (LOSS)	(431,943)	(921,259)	(904,909)	(105,501)	(2,363,612)	19,796
NON-OPERATING REVENUES (EXPENSES)						
Investment income	-	(4,594)	(8,016)	(2,176)	(14,786)	(38,179)
Property taxes	-	-	936,361	-	936,361	-
Interest expense	-	(1,049,591)	-	-	(1,049,591)	-
Total non-operating revenues (expenses)	-	(1,054,185)	928,345	(2,176)	(128,016)	(38,179)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(431,943)	(1,975,444)	23,436	(107,677)	(2,491,628)	(18,383)
CONTRIBUTIONS	-	173,695	-	-	173,695	-
TRANSFERS						
Transfers in	-	1,817,019	-	-	1,817,019	-
Total transfers	-	1,817,019	-	-	1,817,019	-
CHANGE IN NET POSITION	(431,943)	15,270	23,436	(107,677)	(500,914)	(18,383)
NET POSITION, JANUARY 1	16,737,725	10,951,236	349,504	1,519,617	29,558,082	6,221,435
NET POSITION, DECEMBER 31	\$ 16,305,782	\$ 10,966,506	\$ 372,940	\$ 1,411,940	\$ 29,057,168	\$ 6,203,052

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor Enterprise (Parking Lot)	Total Enterprise	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 3,850,301	\$ 2,755,612	\$ 503,953	\$ 226,450	\$ 7,336,316	\$ -
Receipts from interfund services	-	-	-	-	-	956,596
Receipts from miscellaneous revenues	149,604	75,837	34,687	-	260,128	10,898
Payments to suppliers	(2,886,270)	(865,616)	(1,276,760)	(285,251)	(5,313,897)	(426,367)
Payments to employees	(933,763)	(1,651,904)	(115,861)	(36,376)	(2,737,904)	(266,423)
Payments for interfund services	(92,729)	(135,176)	(49,355)	-	(277,260)	-
Net cash from operating activities	87,143	178,753	(903,336)	(95,177)	(732,617)	274,704
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund loan	(87,143)	1,817,019	-	-	1,729,876	-
Property taxes	-	-	936,361	-	936,361	-
Net cash from noncapital financing activities	(87,143)	1,817,019	936,361	-	2,666,237	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of capital assets	-	-	-	-	-	-
Capital assets purchased	-	-	-	-	-	(200,367)
Bond principal payments	-	(755,000)	-	-	(755,000)	-
Bond interest payments	-	(1,062,020)	-	-	(1,062,020)	-
Net cash from capital and related financing activities	-	(1,817,020)	-	-	(1,817,020)	(200,367)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	-	(4,691)	(8,049)	(2,180)	(14,920)	(38,434)
Net cash from investing activities	-	(4,691)	(8,049)	(2,180)	(14,920)	(38,434)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	174,061	24,976	(97,357)	101,680	35,903
CASH AND CASH EQUIVALENTS, JANUARY 1	-	412,949	356,686	355,473	1,125,108	4,477,391
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 587,010	\$ 381,662	\$ 258,116	\$ 1,226,788	\$ 4,513,294

(This statement is continued on the following page.)

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor Enterprise (Parking Lot)	Total Enterprise	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ (431,943)	\$ (921,259)	\$ (904,909)	\$ (105,501)	\$ (2,363,612)	\$ 19,796
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation and amortization	422,224	968,706	-	26,737	1,417,667	332,638
(Increase) decrease in						
Receivables	86,548	110,348	3,504	-	200,400	2,091
Prepaid expenses	4,796	6,453	294	248	11,791	724
Inventories	15,124	(3,049)	-	-	12,075	(12,301)
Increase (decrease) in						
Accounts payable	(20,946)	14,323	(2,225)	(6,869)	(15,717)	(45,251)
Deposits payable	1,715	1,456	-	-	3,171	-
Accrued payroll	4,921	16,242	-	138	21,301	3,292
Other postemployment benefit payable	2,288	2,738	-	-	5,026	-
Compensated absences payable	2,416	(17,205)	-	(9,930)	(24,719)	(26,285)
NET CASH FROM OPERATING ACTIVITIES	\$ 87,143	\$ 178,753	\$ (903,336)	\$ (95,177)	\$ (732,617)	\$ 274,704
NONCASH TRANSACTIONS						
Contributions of capital assets by other funds	\$ -	\$ 173,695	\$ -	\$ -	\$ 173,695	\$ -
TOTAL NONCASH TRANSACTIONS	\$ -	\$ 173,695	\$ -	\$ -	\$ 173,695	\$ -

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

December 31, 2014

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,151,180	\$ 2,620,135
Investments		
U.S. Treasury obligations	2,031,620	-
U.S. agencies securities	5,493	-
Corporate bonds	10,038,449	-
Mutual funds	27,192,125	-
Municipal bonds	1,050,083	-
Receivables		
Accrued interest	143,048	16
	<hr/>	<hr/>
Total assets	41,611,998	\$ 2,620,151
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	17,642	\$ 6,420
Deposits payable	-	2,589,910
Other payables	-	23,821
	<hr/>	<hr/>
Total liabilities	17,642	\$ 2,620,151
	<hr/>	<hr/>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 41,594,356</u>	

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND**

For the Year Ended December 31, 2014

ADDITIONS

Contributions - employer	\$ 989,616
Contributions - employee	<u>374,137</u>
Total contributions	<u>1,363,753</u>
Investment income	
Net appreciation in fair value of investments	2,644,907
Interest earned on investments	<u>1,019,662</u>
Total investment income	3,664,569
Less investment expense	<u>(27,059)</u>
Net investment income	<u>3,637,510</u>
Total additions	<u>5,001,263</u>

DEDUCTIONS

Benefits and refunds	
Pension payments	2,241,928
Separation refunds	205,471
Administrative	<u>20,524</u>
Total deductions	<u>2,467,923</u>

NET INCREASE 2,533,340

**NET POSITION HELD IN TRUST FOR
PENSION BENEFITS**

January 1	<u>39,061,016</u>
December 31	<u>\$ 41,594,356</u>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Deerfield, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village was incorporated in 1903. The Village is a municipal corporation governed by an elected seven-member board. As required by GAAP, these financial statements present the Village (the primary government) and its component units.

The Village's financial statements include:

Pension Trust Fund

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The Village and 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 of the 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.

Based on the criteria of GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Joint Ventures

Solid Waste Agency of Lake County (SWALCO)

SWALCO is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWALCO beyond its representation on the Board of Directors. SWALCO is reported as a proprietary joint venture.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. A minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. When these assets are held under the terms of a formal trust agreement, a pension trust fund may be used. The Village has a police pension fund. Agency funds are used to account for funds that the Village holds on behalf of others as their agent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity (except for activities reported in internal service funds) has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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:

The General (Corporate) Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Debt Service Fund was established to accumulate restricted resources for the payment of general long-term debt.

The Infrastructure Replacement Fund was established for the purpose of maintaining, repairing and renovating the capital assets of the Village.

The Village reports the following major proprietary funds:

The 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.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major proprietary funds: (Continued)

The Sewerage Fund accounts for the provision of sewer service to the residents of the Village. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, construction, maintenance and operations of the Sewerage Treatment Plant and related debt service.

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

Additionally, the Village reports the following proprietary funds:

The Parking Lot Fund accounts for all activity related to the commuter lot.

Internal Service Funds

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.

These funds are reported as governmental activities on the government-wide financial statements.

The Village reports a pension trust fund as a Fiduciary Fund to account for the Police Pension Fund. The Village also reports Agency Funds to account for street deposits and water meter deposits (Deposit Fund), DARE Funds and radio dispatching funds (East Shore Radio Network Fund) that the Village holds on behalf of others as their agent.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (Agency Funds have no measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing the day-to-day enterprise fund services. Incidental revenues/expenses, such as property taxes and investment income, are reported as non-operating.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance, generally within 60 days of year end. 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. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. 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 revenue and unearned 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. Unearned 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 unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village’s proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of December 31, 2014 for debt and equity securities.

f. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivables/payables.”

g. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances between funds in the fund financial statements. The advances are offset equally by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

h. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for on the consumption method.

j. Capital Assets

Capital assets, which include property, plant, 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, individual cost in excess of \$25,000 and an estimated useful life in excess of one year.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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 buildings, equipment, water/sewer systems and vehicles is computed using the straight-line method over the following useful lives:

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

k. Compensated Absences

Vested or accumulated vacation leave, including related Social Security and Medicare, that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements and the remainder is reported in long-term debt. Vested or accumulated vacation leave and vested sick leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

l. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, and gains/losses on refundings, are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and gains/losses on refundings.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Long-Term Obligations (Continued)

In the 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 the actual debt proceeds received, are reported as expenditures.

m. Fund Equity/Net Position

Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board, which is considered the Village's highest level of decision making authority. Formal actions include ordinances approved by the Village Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director through the approved fund balance policy of the Village. Any residual fund balance of the General Fund and any deficits in other funds, if any, is reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. At December 31, 2014, no net position restrictions were the result of enabling legislation adopted by the Village. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, 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 the Library. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

o. 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.

p. Accounting Estimates

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 and liabilities 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.

2. 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's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Permitted Deposits and Investments - Statutes and the Village's investment policy authorize the Village to make deposits/invest 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 Government or agreements 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 Illinois Funds.

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 is safety (preservation of capital and protection of investment principal), liquidity and yield.

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 100% of all bank balances in excess of federal depository insurance with the collateral held by the Village's agent in the Village's name.

b. Village Investments

The following table presents the Village's investments in and maturities of debt securities as of December 31, 2014:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 8,119,020	\$ -	\$ 3,996,720	\$ -	\$ 4,122,300
TOTAL	\$ 8,119,020	\$ -	\$ 3,996,720	\$ -	\$ 4,122,300

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 three-year period. However, the investment policy does not limit the maximum maturity length of investments. 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.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency obligations rated AAA by Moody's ratings. Illinois Funds is rated AAA by Standard and Poor's, the fair value of which are the same as the value of the pool shares.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy 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. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk - The Village's investment policy requires diversification of the portfolio, but does not specify maximum amounts that can be invested in any one investment vehicle, maturity, issuer or class of securities.

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

3. RECEIVABLES

a. Taxes

Property taxes for 2014 attach as an enforceable lien on January 1, 2014 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and 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 County collects such taxes and remits them periodically.

The 2014 tax levy collections are intended to finance 2015 year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

b. Due from Other Governments

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 and 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 to the Village.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,589,995	\$ 69,800	\$ -	\$ 4,659,795
Land right of way	16,180,188	-	-	16,180,188
Construction in progress	906,984	449,651	66,000	1,290,635
Total capital assets not being depreciated	<u>21,677,167</u>	<u>519,451</u>	<u>66,000</u>	<u>22,130,618</u>
Capital assets being depreciated				
Buildings and improvements	12,232,033	-	-	12,232,033
Vehicles, machinery and equipment	3,980,254	667,671	-	4,647,925
Infrastructure	98,948,654	1,025,753	999,527	98,974,880
Total capital assets being depreciated	<u>115,160,941</u>	<u>1,693,424</u>	<u>999,527</u>	<u>115,854,838</u>
Less accumulated depreciation for				
Buildings and improvements	3,583,377	291,342	-	3,874,719
Vehicles, machinery and equipment	2,112,390	395,894	-	2,508,284
Infrastructure	59,564,740	1,916,202	802,347	60,678,595
Total accumulated depreciation	<u>65,260,507</u>	<u>2,603,438</u>	<u>802,347</u>	<u>67,061,598</u>
Total capital assets being depreciated, net	<u>49,900,434</u>	<u>(910,014)</u>	<u>197,180</u>	<u>48,793,240</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 71,577,601</u>	<u>\$ (390,563)</u>	<u>\$ 263,180</u>	<u>\$ 70,923,858</u>

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,955,456	\$ -	\$ -	\$ 1,955,456
Total capital assets not being depreciated	1,955,456	-	-	1,955,456
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	14,849,333	-	-	14,849,333
Sanitary sewer system	4,411,869	173,695	-	4,585,564
Total capital assets being depreciated	67,023,711	173,695	-	67,197,406
Less accumulated depreciation for				
Buildings and improvements	3,437,002	963,064	-	4,400,066
Parking lot improvements	845,681	26,737	-	872,418
Vehicles, machinery and equipment	458,297	19,293	-	477,590
Water distribution system	2,103,100	314,477	-	2,417,577
Sanitary sewer system	1,389,666	94,096	-	1,483,762
Total accumulated depreciation	8,233,746	1,417,667	-	9,651,413
Total capital assets being depreciated, net	58,789,965	(1,243,972)	-	57,545,993
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 60,745,421	\$ (1,243,972)	\$ -	\$ 59,501,449

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 158,055
Public safety	172,092
Highways and streets, including depreciation of general infrastructure assets	<u>2,273,291</u>
DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 2,603,438</u>

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions' injuries to employees; illnesses of employees; and natural disasters.

5. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (IPBC)

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 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 IPBC beyond its representation on the Board of Directors.

Municipal Insurance Cooperative Agency (MICA)

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 \$1,000 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 (HELP)

The Village participates in the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities (the Members) 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.

HELP was organized on April 1, 1987. 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 made against the Members and other parties included within the scope of coverage of HELP.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

High-Level Excess Liability Pool (HELP) (Continued)

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 HELP; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of debt by HELP; 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.

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

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances December 31	Additions	Reductions	Balances December 31	Current Portion
General Obligation Bond Series of 2008 (\$5,000,000 dated August 1 2008; maturing December 1, 2028; payable in annual installments; interest rates from 3.25% to 4.25%)	Debt Service*	\$ 4,075,000	\$ -	\$ 205,000	\$ 3,870,000	\$ 210,000
General Obligation Bond Series of 2010A (\$12,500,000 dated November 3, 2010; maturing December 1, 2030; payable in annual installments; interest rates from .80% to 5.50%)	Debt Service** Sewer	4,356,000 6,534,000	- -	220,000 330,000	4,136,000 6,204,000	222,000 333,000
General Obligation Bond Series of 2011A (\$9,900,000 dated October 17, 2011; maturing December 1, 2031; payable in annual installments; interest rates from 1.00% to 3.25%)	Debt Service*	9,030,000	-	255,000	8,775,000	270,000

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Balances December 31	Additions	Reductions	Balances December 31	Current Portion
General Obligation Taxable Bond Series of 2011B (\$12,500,000 dated October 17, 2011; maturing December 1, 2028; payable in annual installments; interest rates of 4%)	Sewer***	\$ 12,500,000	\$ -	\$ 20,000	\$ 12,480,000	\$ -
General Obligation Bond Series of 2012 (\$10,000,000 dated February 21, 2012; maturing December 1, 2031, payable in annual installments; interest rates from 1.25% - 2.75%)	Sewer	10,000,000	-	-	10,000,000	-
General Obligation Bond Series of 2013 (\$9,075,000 dated January 3, 2013; maturing December 1, 2031, payable in annual installments; interest rates from 2.00% - 2.25%)	Debt Service	5,605,000	-	255,000	5,350,000	260,000
	Sewer	2,805,000	-	405,000	2,400,000	425,000
TOTAL		\$ 54,905,000	\$ -	\$ 1,690,000	\$ 53,215,000	\$ 1,720,000

The \$5,000,000 in General Obligation Bonds, Series 2008, was authorized to finance various capital improvement projects.

The \$12,500,000 in General Obligation Bonds, Series 2010A, was authorized to finance various general and wastewater reclamation facility improvements.

The \$9,900,000 in General Obligation Bonds, Series 2011A, was authorized to finance \$4,000,000 in street improvement projects and \$5,900,000 for the library renovation project.

The \$12,500,000 in General Obligation Bonds, Taxable Series 2011B (Qualified Energy Conservation Bonds), was authorized to finance the wastewater reclamation facility improvements.

The \$10,000,000 in General Obligation Bonds, Series 2012, was authorized to finance the wastewater reclamation facility improvements.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

The \$9,075,000 in General Obligation Bonds, Series 2013, was authorized to finance \$3,200,000 in wastewater reclamation facility improvements and \$5,875,000 for the library renovation project.

* The Village abated the tax levy on this bond issue for fiscal 2014 and evaluates annually if the Village is financially capable of doing so. The debt is being retired by transfers from various funds.

** The Village abated a portion of the tax levy on this bond issue for fiscal 2014 and evaluates annually if the Village is financially capable of doing so. The bonds were issued as taxable Build America Bonds and are eligible for a 35% direct payment interest credit from the U.S. Government.

***The Village abated a portion of the tax levy on this bond issue for fiscal 2014 and evaluates annually if the Village is financially capable of doing so. The bonds were issued as taxable Qualified Energy Conservation Bonds and are eligible for a 70% direct payment interest credit from the U.S. Government.

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 962,000	\$ 672,059	\$ 1,634,059	\$ 758,000	\$ 1,047,840	\$ 1,805,840
2016	989,000	651,844	1,640,844	781,000	1,032,680	1,813,680
2017	1,011,000	629,642	1,640,642	804,000	1,016,052	1,820,052
2018	1,045,000	605,265	1,650,265	825,000	997,429	1,822,429
2019	1,079,000	578,612	1,657,612	851,000	978,319	1,829,319
2020	1,115,000	548,694	1,663,694	875,000	958,983	1,833,983
2021	1,159,000	517,173	1,676,173	901,000	937,098	1,838,098
2022	1,195,000	483,569	1,678,569	930,000	912,580	1,842,580
2023	1,243,000	447,469	1,690,469	957,000	886,592	1,843,592
2024	1,289,000	408,397	1,697,397	991,000	857,777	1,848,777
2025	1,342,000	366,989	1,708,989	1,018,000	827,265	1,845,265
2026	1,395,000	322,417	1,717,417	1,055,000	793,686	1,848,686
2027	1,453,000	274,849	1,727,849	1,087,000	758,116	1,845,116
2028	1,334,000	223,811	1,557,811	13,431,000	719,552	14,150,552
2029	1,915,000	175,373	2,090,373	1,885,000	184,435	2,069,435
2030	1,985,000	113,102	2,098,102	1,940,000	120,525	2,060,525
2031	1,620,000	46,350	1,666,350	1,995,000	54,638	2,049,638
TOTAL	\$ 22,131,000	\$ 7,065,615	\$ 29,196,615	\$ 31,084,000	\$ 13,083,567	\$ 44,167,567

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities:

	Fund Debt Retired By	Balances December 31	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES						
General obligation bonds	Debt Service	\$ 23,066,000	\$ -	\$ 935,000	\$ 22,131,000	\$ 962,000
Premium		156,570	-	7,123	149,447	-
Discount		(57,612)	-	(492)	(57,120)	-
Compensated absences (Governmental)	General	1,483,272	288,503	162,964	1,608,811	176,428
Compensated absences (Internal Service)	Garage	40,463	2,610	28,895	14,178	3,070
Other postemployment benefit	General	789,476	72,963	-	862,439	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 25,478,169	\$ 364,076	\$ 1,133,490	\$ 24,708,755	\$ 1,141,498

	Fund Debt Retired By	Balances December 31	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES						
General obligation bonds						
Sewer	Sewer	\$ 31,839,000	\$ -	\$ 755,000	\$ 31,084,000	\$ 758,000
Premium		158,146	-	11,313	146,833	-
Compensated absences (Enterprise)	Water/Sewer/ Parking	244,650	13,420	38,141	219,929	22,640
Other postemployment benefit	Water/Sewer	54,388	5,026	-	59,414	-
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 32,296,184	\$ 18,446	\$ 804,454	\$ 31,510,176	\$ 780,640

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 percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin (Continued)

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

The Village qualifies as a Home Rule Unit under Section 6(a) of Article VII of the 1970 Constitution of Illinois and, under the powers granted by this section, can exercise any power and perform any function pertaining to its government and affairs that is not prohibited by the Illinois Compiled Statutes.

e. Noncommitment Debt - Industrial Development Revenue Bonds

The issuance of Industrial Development Revenue Bonds (IDRBs) by the Village is to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment or extension of any economic development project in order to encourage economic development within or near the Village.

IDRBs are not a debt of the Village. The entity using the bond proceeds to finance a construction or improvement project is liable for the bonds. Since the Village does not act as an agent for IDRBs, the transactions relating to the bonds and property do not appear in the Village's financial statements.

The Village has authorized the issuance of the following such bonds:

Date Issued	Type of Bond	Original Amount	Debtor
4/16/84	Industrial Revenue	\$ 1,000,000	Teradyne, Inc.
9/19/11	Industrial Revenue	18,920,000	Chicagoland Jewish High School

As of December 31, 2014, there were two IDRBs outstanding. The IDRB for the Chicagoland Jewel High School was refinanced during the fiscal year ended April 30, 2012, and the aggregate principal amount payable was \$18,491,000. The aggregate principal payable for the other series of IDRBs could not be determined; however, its original issue amount was \$1,000,000.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INTERFUND ASSETS/LIABILITIES

a. Interfund Transfers

Transfers From	Transfers To	Amount
General	Debt Service	\$ 831,850
Bond Proceeds	Infrastructure Replacement	22,330
General	Infrastructure Replacement	1,500,000
General	Bond Proceeds Fund	1,977
Bond Proceeds Fund	Sewer	20,000
Debt Service	Sewer	<u>1,797,019</u>
TOTAL		<u><u>\$ 4,173,176</u></u>

The purpose of significant transfers to/from other funds is as follows:

- \$831,850 transferred from the General Fund to the Debt Service Fund is to make principal and interest payments on debt as property taxes were abated. The amount will not be repaid.
- \$1,500,000 transferred from the General Fund to the Infrastructure Replacement Fund is to provide additional funding needed to complete budgeted capital projects.
- \$1,797,019 transferred from Debt Service Fund to the Sewer Fund is to make the principal and interest payments for the sewer bonds.

b. Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General	Water	<u>\$ 849,795</u>
TOTAL		<u><u>\$ 849,795</u></u>

The interfund payables/receivables all represent temporary financing that will be repaid within one year.

8. COMMITMENTS

High-Level Excess Liability Pool (HELP)

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

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. COMMITMENTS (Continued)

These amounts have been calculated using the Village's current allocation percentage of 3.94% 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, 2008.

9. CONTINGENT LIABILITIES

a. Litigation

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

b. 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.

c. High-Level Excess Liability Pool (HELP)

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. Solid Waste Agency of Lake County (SWALCO)

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.

10. JOINT VENTURES

Solid Waste Agency of Lake County (SWALCO)

Description of Joint Venture

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 bylaws.

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, 2014.

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

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.

c. Membership

At December 31, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	15
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>103</u>
TOTAL	<u>118</u>
Participating employers	<u>1</u>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2013	\$ 332,200	\$ 186,725	56.2%	\$ 766,391
December 31, 2013	186,180	108,707	58.4%	843,864
December 31, 2014	186,696	108,707	58.2%	921,853

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of December 31, 2014 was calculated as follows:

Annual required contribution	\$ 181,070
Interest on net OPEB obligation	33,755
Adjustment to annual required contribution	<u>(28,129)</u>
Annual OPEB cost	186,696
Contributions made	<u>108,707</u>
Increase in net OPEB obligation	77,989
Net OPEB obligation, beginning of year	<u>843,864</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 921,853</u>

Funded Status and Funding Progress - The funded status of the plan as of April 30, 2013 (most recent data available), was as follows:

Actuarial accrued liability (AAL)	\$ 4,168,658
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	4,168,658
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 9,909,624
UAAL as a percentage of covered payroll	42.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the 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 financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

In the May 1, 2012, actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included 4% investment rate of return and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 6%. Both rates include a 3% inflation assumption and 4% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over a 30 year amortization period. The remaining amortization period at December 30, 2014, was 30 years.

12. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions

Illinois Municipal Retirement Fund

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois (other than those covered by the Police Pension Plan).

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited 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 each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited 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 each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the coverage of its own employees in the system, using the actuarial basis specified by state statute (entry-age normal). The employer contribution for the calendar year ended December 31, 2014 was 13.97% of covered payroll.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

IMRF issues a separate financial report which may be obtained by writing them at IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. This report contains information for IMRF as a whole, but not by individual employer. The employer contributions were determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2012	December 31, 2013
Actuarial cost method	Entry-age Normal	Entry-age Normal Level Percent of Payroll
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Dollar (Closed)
Amortization period	29 Years, Open	27 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	4.00% to 14.17%
d) Postretirement benefit increases	3.00%	3.00%

12. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

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 contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and can be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

The plan is governed by a five-member pension board. Two members are appointed by the Village's Board, one elected by retired pension members and two elected by active members constitute the pension board.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

The Police Pension Plan does not issue a separate financial report.

Plan Membership

At December 31, 2014, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	36
Inactive plan members but not yet receiving benefits	2
Active plan members	
Vested	24
Nonvested	15
	<hr/>
TOTAL	<u>77</u>

12. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

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

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

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

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The employer contribution for the fiscal year ended December 31, 2014 was 26.37% of covered payroll.

Investment Policy

Permitted Deposits and Investments - Statutes and the Fund's investment policy authorize the Fund to make deposits/invest 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 Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, IMET, 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 Illinois insurance company general and separate accounts, mutual funds and equity securities (not to exceed 65% of the total net position of the Fund). During the year, no changes to the investment policy were approved by the Board of Trustees.

The Fund's Board and its investment manager established the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Corporate Bonds	34%	1.70%
Domestic Equity	60%	6.10%
Fixed Income	5%	1.00%

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

Long-term expected real returns 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 rates of return when the annual returns exhibit no volatility over time. When arithmetic returns 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.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for any insurance contracts. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

Investment Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's deposits may not be returned to them. The Police Pension Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2014:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 5,493	\$ -	\$ -	\$ 3,186	\$ 2,307
U.S. Treasury obligations	2,031,620	-	89,625	-	1,941,995
Corporate bonds	10,038,449	386,844	6,638,048	2,448,725	564,832
Municipal bonds	1,050,083	-	150,526	314,109	585,448
TOTAL	\$ 13,125,645	\$ 386,844	\$ 6,878,199	\$ 2,766,020	\$ 3,094,582

In accordance with its investment policy, the Police Pension Fund 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 one year period. The investment policy does not limit the maximum maturity length of investments in the Police Pension Fund.

Credit Risk

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government bonds. The U.S. Treasury and agency obligations are rated by Moody's Aaa, the corporate bonds are rated between Baa3 and Aaa, and the municipal bonds are rated between Aa3 and Aaa. Illinois Funds is rated Aaa by Standard and Poor's. The investment policy is silent on minimum ratings required.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy 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 Police Pension Fund's agent separate from where the investment was purchased in the Police Pension Fund's name. Illinois Funds and IMET are not subject to custodial credit risk.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk - Investments (Continued)

Concentration of credit risk - 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.

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

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 50,957,374
Plan fiduciary net position	41,594,356
Village's net pension liability	9,363,018
Plan fiduciary net position as a percentage of the total pension liability	81.63%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.00%
Salary increases	4.50%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the L&A 2012 Illinois Police Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance.

Discount Rate

The discount rate used to measure the total pension liability was 7%. 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 the 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 Fund'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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 15,733,678	\$ 9,363,018	\$ 4,049,899

b. Significant Investments

There were no investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent more than 5% or more of plan net position for the Police Pension Plan.

c. Annual Pension Cost

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

	For Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	April 30, 2013	\$ 974,395	\$ 1,002,006
	December 31, 2013	705,723	897,486
	December 31, 2014	1,060,839	964,787
Actual contribution	April 30, 2013	\$ 974,395	\$ 1,023,006
	December 31, 2013	705,723	895,479
	December 31, 2014	1,060,839	989,616
Percentage of APC contributed	April 30, 2013	100.00%	102.10%
	December 31, 2013	100.00%	99.78%
	December 31, 2014	100.00%	102.57%
NPO (asset)	April 30, 2013	\$ -	\$ (997,599)
	December 31, 2013	-	(995,592)
	December 31, 2014	-	(1,020,421)

VILLAGE OF DEERFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

The Village's annual pension cost and net pension obligation (asset) for the Police Pension Plan for December 31, 2014 are as follows:

Annual required contribution	\$ 989,616
Interest on net pension obligation (asset)	(72,181)
Adjustment to annual required contribution	<u>47,352</u>
Annual pension cost	964,787
Contributions made	<u>989,616</u>
Increase (decrease) in net pension obligation	(24,829)
Net pension obligation (asset), beginning of year	<u>(995,592)</u>
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ (1,020,421)</u>

Funded Status and Funding Progress - The funded status of the plans as of December 31, 2014 for Illinois Municipal Retirement and December 31, 2013 for the Police Pension (most recent data available) were as follows. The actuarial assumptions used to determine the funded status of the Police Pension Plan are the same actuarial assumptions used to determine the employer APC of the plan as disclosed in Note 12c.

	Illinois Municipal Retirement*	Police Pension
Actuarial accrued liability (AAL)	\$ 21,429,811	\$ 48,259,455
Actuarial value of plan assets	14,833,591	37,368,284
Unfunded actuarial accrued liability (UAAL)	6,596,220	10,891,171
Funded ratio (actuarial value of plan assets/AAL)	69.22%	77.43%
Covered payroll (active plan members)	\$ 7,593,696	\$ 3,752,319
UAAL as a percentage of covered payroll	86.86%	290.25%

* Includes both the Village and the Library.

The actuarial value of plan assets for the Police Pension Plan above is as of December 31, 2013.

Multi-year trend information is presented immediately after the notes to financial statements in the required supplementary information section for the pension plans and the OPEB plan.

13. CONTRACTUAL COMMITMENTS

Economic Incentive Agreements

The Village has entered into economic incentive agreements with a commercial entity whereby the Village has agreed to reimburse the commercial entity through sales tax rebates. 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. At December 31, 2014, the Village has accrued an estimated rebate liability of \$747,051 for amounts collected by the state through December 31, 2014 but not yet paid to the commercial entity. To date, the Village has paid \$17,707,637 to the commercial entity. The agreement has no stated maximum.

14. SUBSEQUENT EVENT

On May 15, 2015, the Village issued General Obligation Bonds, Series 2015 in the amount of \$9,575,000 with interest of 3% maturing in increments of \$380,000 to \$650,000 through December 1, 2034. The proceeds will be used to improve the Village's infrastructure.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 10,073,560	\$ 10,073,560	\$ 10,784,811
Licenses and permits	1,163,000	1,163,000	3,062,263
Intergovernmental	6,643,000	6,643,000	7,233,935
Charges for services	627,000	627,000	674,250
Fines and forfeits	292,000	292,000	307,744
Investment income	105,000	105,000	(226,324)
Miscellaneous	777,000	807,000	897,875
Total revenues	<u>19,680,560</u>	<u>19,710,560</u>	<u>22,734,554</u>
EXPENDITURES			
General government	7,603,895	7,603,895	7,352,949
Public safety	9,392,027	9,422,027	8,490,547
Highways and streets	2,645,925	2,645,925	2,924,874
Total expenditures	<u>19,641,847</u>	<u>19,671,847</u>	<u>18,768,370</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>38,713</u>	<u>38,713</u>	<u>3,966,184</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(2,331,850)	(2,331,850)	(2,333,827)
Sale of capital assets	7,500	7,500	27,431
Total other financing sources (uses)	<u>(2,324,350)</u>	<u>(2,324,350)</u>	<u>(2,306,396)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,285,637)</u>	<u>\$ (2,285,637)</u>	1,659,788
FUND BALANCE, JANUARY 1			<u>20,034,336</u>
FUND BALANCE, DECEMBER 31			<u>\$ 21,694,124</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2009	\$ 9,107,659	\$ 16,821,384	54.14%	\$ 7,713,725	\$ 7,006,916	110.09%
2010	9,932,360	17,300,765	57.41%	7,368,405	6,847,499	107.61%
2011	11,623,931	19,062,218	60.98%	7,438,287	7,149,112	104.04%
2012	12,514,897	19,697,729	63.53%	7,182,832	6,984,525	102.84%
2013	13,985,637	20,224,889	69.15%	7,182,832	7,168,621	100.20%
2014	14,833,591	21,429,811	69.22%	6,596,220	7,593,696	86.86%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
April 30, 2010	\$ 848,052	\$ 848,052	100.00%
April 30, 2011	978,074	978,074	100.00%
April 30, 2012	994,383	994,383	100.00%
April 30, 2013	974,395	974,395	100.00%
December 31, 2013*	705,723	705,723	100.00%
December 31, 2014	1,060,839	1,060,839	100.00%

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

Note: Amounts above include both the Village of Deerfield and Deerfield Public Library.

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Actuarial Liability as a Percentage of Covered Payroll (4) / (5)
April 30, 2009	\$ 26,630,887	\$ 37,524,305	70.97%	\$ 10,893,418	\$ 3,104,786	350.86%
April 30, 2010	28,394,421	40,399,625	70.28%	12,005,204	3,356,276	357.69%
April 30, 2011	30,880,930	39,809,633	77.57%	8,928,703	3,216,370	277.60%
April 30, 2012	32,680,996	44,093,099	74.12%	11,412,103	3,412,049	334.46%
April 30, 2013	35,139,089	46,720,153	75.21%	11,581,064	3,512,925	329.67%
December 31, 2013*	37,368,284	48,259,455	77.43%	10,891,171	3,752,319	290.25%

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

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
April 30, 2010	\$ 1,202,006	\$ 1,202,006	100.00%
April 30, 2011	1,350,132	1,350,132	100.00%
April 30, 2012	860,228	860,228	100.00%
April 30, 2013	1,023,006	1,023,006	100.00%
December 31, 2013*	895,479	895,479	100.00%
December 31, 2014	989,616	989,616	100.00%

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
April 30, 2009	\$ -	\$ 4,255,265	0.00%	\$ 4,255,265	\$ 8,121,599	52.39%
April 30, 2010	-	4,427,351	0.00%	4,427,351	8,446,463	52.42%
April 30, 2011	N/A	N/A	N/A	N/A	N/A	N/A
April 30, 2012	N/A	N/A	N/A	N/A	N/A	N/A
April 30, 2013	\$ -	\$ 4,168,658	0.00%	\$ 4,168,658	\$ 9,909,624	42.07%
December 31, 2014	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
April 30, 2010	\$ 168,200	\$ 315,350	53.34%
April 30, 2011	186,725	328,060	56.92%
April 30, 2012	186,725	328,060	56.92%
April 30, 2013	186,725	328,060	56.92%
December 31, 2013*	108,707	181,070	60.04%
December 31, 2014	108,707	181,070	60.04%

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

N/A - Not available

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects (except the Library Bond Proceeds Fund), Enterprise, Internal Service and Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level, or, where no departmental segregation of a fund exists, the fund level. 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 reserve 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 balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

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 must approve any over expenditures of appropriation or transfers of appropriated amounts. During the year, one supplementary appropriation was approved.

The following fund was over budget due to unanticipated separation refunds:

	<u>Budget</u>	<u>Actual</u>
Police Pension	\$ 2,295,800	\$ 2,467,923

VILLAGE OF DEERFIELD, ILLINOIS
POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

	<u>April 30,</u>					<u>December 31,</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 575,395	\$ 654,414	\$ 698,335	\$ 843,209	\$ 1,202,006	\$ 1,350,132	\$ 860,228	\$ 1,023,006	\$ 895,479	\$ 989,616
Contribution in relation to the actuarially determined contribution	575,395	654,414	698,335	843,209	1,202,006	1,350,132	860,228	1,023,006	895,479	989,616
CONTRIBUTION DEFICIENCY (Excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 3,038,118	\$ 3,124,688	\$ 3,192,147	\$ 3,104,786	\$ 3,356,276	\$ 3,216,370	\$ 3,412,049	\$ 3,512,925	\$ 3,512,925	\$ 3,752,319
Contributions as a percentage of covered-employee payroll	18.94%	20.94%	21.88%	27.16%	35.81%	41.98%	25.21%	29.12%	25.49%	26.37%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
April 30, 2010	\$ 1,202,006	\$ 1,202,006	100.00%
April 30, 2011	1,350,132	1,350,132	100.00%
April 30, 2012	860,228	860,228	100.00%
April 30, 2013	1,023,006	1,023,006	100.00%
December 31, 2013*	895,479	895,479	100.00%
December 31, 2014	989,616	989,616	100.00%

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

Notes to the Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of January 1. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increase assumption of 4.5% compounded annually and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

December 31, 2014

TOTAL PENSION LIABILITY	
Service cost	\$ 841,716
Interest	3,358,650
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(2,447,399)</u>
Net change in total pension liability	1,752,967
Total pension liability - beginning	<u>49,204,407</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 50,957,374</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 989,616
Contributions - member	374,137
Net investment income	3,637,510
Benefit payments, including refunds of member contributions	(2,447,399)
Administrative expense	<u>(20,524)</u>
Net change in plan fiduciary net position	2,533,340
Plan net position - beginning	<u>39,061,016</u>
PLAN NET POSITION - ENDING	<u><u>\$ 41,594,356</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 9,363,018</u></u>
Plan fiduciary net position as a percentage of the total pension liability	81.63%
Covered employee payroll	\$ 3,752,319
Employer's net pension liability as a percentage of covered employee payroll	249.53%

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

December 31, 2014

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.48%

(See independent auditor's report.)

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
TAXES			
Property	\$ 2,213,560	\$ 2,213,560	\$ 2,247,995
Replacement	85,000	85,000	139,743
Home rule sales	3,200,000	3,200,000	3,413,920
Local use	275,000	275,000	356,053
Electric utility tax	1,250,000	1,250,000	1,294,977
Hotel/motel	1,550,000	1,550,000	2,070,324
Telecommunication	1,500,000	1,500,000	1,261,799
Total taxes	10,073,560	10,073,560	10,784,811
LICENSES AND PERMITS			
Beer/liquor licenses	65,000	65,000	75,100
Food licenses	5,000	5,000	5,710
Other business licenses	5,500	5,500	7,448
Building permits	700,000	700,000	2,592,589
Contractor's licenses	7,000	7,000	7,550
Nonbusiness licenses and permits	50,500	50,500	44,935
Vehicle licenses	330,000	330,000	328,931
Total licenses and permits	1,163,000	1,163,000	3,062,263
INTERGOVERNMENTAL			
State grant	-	-	1,100
Sales taxes	5,100,000	5,100,000	5,434,044
Income taxes	1,500,000	1,500,000	1,744,931
State highway maintenance	43,000	43,000	53,860
Total intergovernmental	6,643,000	6,643,000	7,233,935
CHARGES FOR SERVICES			
Special police services	280,000	280,000	272,778
Dispatching services	190,000	190,000	230,847
50/50 tree planting	55,000	55,000	122,089
Engineering services	102,000	102,000	48,536
Total charges for services	627,000	627,000	674,250
FINES AND FORFEITS	292,000	292,000	307,744
INVESTMENT INCOME	105,000	105,000	(226,324)

(This schedule is continued on the following page.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
MISCELLANEOUS			
False alarms	\$ 27,000	\$ 27,000	\$ 25,929
Rentals	235,000	235,000	269,092
Miscellaneous	140,000	170,000	170,740
Franchise fees	375,000	375,000	432,114
Total miscellaneous	777,000	807,000	897,875
TOTAL REVENUES	\$ 19,680,560	\$ 19,710,560	\$ 22,734,554

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Finance department			
Personnel services	\$ 967,500	\$ 967,500	\$ 1,025,482
Training and development	8,050	8,050	3,090
Contractual services	3,234,420	3,234,420	3,214,020
Commodities	14,500	14,500	6,651
Utilities	19,700	19,700	17,998
Capital outlay	35,917	35,917	35,284
Total finance department	<u>4,280,087</u>	<u>4,280,087</u>	<u>4,302,525</u>
Administration			
Personnel services	759,223	759,223	737,079
Training and development	14,000	14,000	9,315
Contractual services	604,892	604,892	508,391
Commodities	3,550	3,550	3,500
Utilities	2,200	2,200	2,533
Capital outlay	74,950	74,950	38,816
Total administration	<u>1,458,815</u>	<u>1,458,815</u>	<u>1,299,634</u>
Community development			
Personnel services	1,037,568	1,037,568	1,014,871
Training and development	5,700	5,700	3,975
Contractual services	126,519	126,519	84,590
Commodities	20,700	20,700	9,435
Utilities	7,500	7,500	6,751
Capital outlay	9,000	9,000	9,059
Total community development	<u>1,206,987</u>	<u>1,206,987</u>	<u>1,128,681</u>
Engineering			
Personnel services	320,000	320,000	326,111
Training and development	4,500	4,500	4,544
Contractual services	283,055	283,055	251,113
Commodities	13,500	13,500	8,616
Utilities	8,700	8,700	7,235
Capital outlay	28,251	28,251	24,490
Total engineering	<u>658,006</u>	<u>658,006</u>	<u>622,109</u>
Total general government	<u>7,603,895</u>	<u>7,603,895</u>	<u>7,352,949</u>
PUBLIC SAFETY			
Police department			
Administrative services			
Personnel services	945,014	945,014	911,831
Training and development	19,100	19,100	9,163

(This schedule is continued on the following pages.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Administrative services (Continued)			
Contractual services	\$ 672,485	\$ 672,485	\$ 506,056
Commodities	35,000	35,000	32,338
Utilities	19,650	19,650	16,659
Capital outlay	167,395	167,395	164,477
Total administrative services	1,858,644	1,858,644	1,640,524
Communications			
Personnel services	995,053	995,053	897,219
Training and development	5,600	5,600	4,313
Contractual services	500	500	236
Capital outlay	4,200	4,200	2,659
Total communications	1,005,353	1,005,353	904,427
Investigations			
Personnel services	1,027,738	1,027,738	942,898
Training and development	6,250	6,250	2,787
Contractual services	7,480	7,480	3,039
Commodities	17,140	17,140	15,255
Capital outlay	7,175	7,175	3,593
Total investigations	1,065,783	1,065,783	967,572
Patrol			
Personnel services	5,027,297	5,027,297	4,667,750
Training and development	36,000	36,000	39,799
Contractual services	65,400	65,400	42,109
Commodities	99,600	99,600	65,958
Utilities	4,000	4,000	3,136
Capital outlay	34,350	64,350	34,267
Total patrol	5,266,647	5,296,647	4,853,019
Special detail			
Personnel services	195,600	195,600	125,005
Total special detail	195,600	195,600	125,005
Total public safety	9,392,027	9,422,027	8,490,547
HIGHWAYS AND STREETS			
Public works department			
Administration			
Personnel services	295,350	295,350	289,515
Training and development	1,250	1,250	1,372
Contractual services	185,757	185,757	159,830

(This schedule is continued on the following page.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Administration (Continued)			
Commodities	\$ 4,300	\$ 4,300	\$ 7,996
Utilities	8,100	8,100	7,316
Capital outlay	147,068	147,068	145,013
Total administration	<u>641,825</u>	<u>641,825</u>	<u>611,042</u>
Maintenance			
Personnel services	754,000	754,000	684,975
Contractual services	107,000	107,000	125,170
Commodities	108,000	108,000	120,241
Utilities	110,000	110,000	110,965
Capital outlay	2,500	2,500	-
Total maintenance	<u>1,081,500</u>	<u>1,081,500</u>	<u>1,041,351</u>
Snow and ice control			
Personnel services	136,250	136,250	255,370
Contractual services	99,000	99,000	182,588
Commodities	267,250	267,250	309,253
Capital outlay	750	750	1,288
Total snow and ice control	<u>503,250</u>	<u>503,250</u>	<u>748,499</u>
Forestry			
Personnel services	9,600	9,600	6,132
Contractual services	273,000	273,000	357,859
Commodities	9,000	9,000	11,501
Capital outlay	62,000	62,000	112,005
Total forestry	<u>353,600</u>	<u>353,600</u>	<u>487,497</u>
Train station maintenance			
Personnel services	10,750	10,750	9,363
Contractual services	51,000	51,000	24,896
Commodities	3,500	3,500	2,226
Utilities	500	500	-
Total train station maintenance	<u>65,750</u>	<u>65,750</u>	<u>36,485</u>
Total highways and streets	<u>2,645,925</u>	<u>2,645,925</u>	<u>2,924,874</u>
TOTAL EXPENDITURES	<u><u>\$ 19,641,847</u></u>	<u><u>\$ 19,671,847</u></u>	<u><u>\$ 18,768,370</u></u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property	\$ 1,319,886	\$ 1,338,600
Intergovernmental	493,300	501,135
Contribution from library	-	730,381
Investment income	500	(18,116)
	<hr/>	<hr/>
Total revenues	1,813,686	2,552,000
	<hr/>	<hr/>
EXPENDITURES		
Debt service		
Principal retirement	1,160,000	935,000
Interest	1,532,043	690,405
Fiscal charges	6,000	3,250
	<hr/>	<hr/>
Total expenditures	2,698,043	1,628,655
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(884,357)	923,345
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	831,850	831,850
Transfers (out)	-	(1,797,019)
	<hr/>	<hr/>
Total other financing sources (uses)	831,850	(965,169)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (52,507)</u>	(41,824)
NET POSITION, JANUARY 1		<hr/> 67,123
NET POSITION, DECEMBER 31		<hr/> <u>\$ 25,299</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE REPLACEMENT FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property	\$ 82,885	\$ 83,774
Home rule sales tax	900,000	1,137,973
Intergovernmental	380,000	1,252,735
Investment income	1,500	(10,116)
Miscellaneous	200,000	317,390
	<hr/>	<hr/>
Total revenues	1,564,385	2,781,756
EXPENDITURES		
Capital outlay		
Contractual services	1,070,000	847,039
Construction	1,960,000	1,930,283
	<hr/>	<hr/>
Total expenditures	3,030,000	2,777,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>
	(1,465,615)	4,434
OTHER FINANCING SOURCES (USES)		
Transfers in	1,500,000	1,522,330
	<hr/>	<hr/>
Total other financing sources (uses)	1,500,000	1,522,330
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>
	\$ 34,385	1,526,764
NET POSITION, JANUARY 1		<hr/>
		749,533
NET POSITION, DECEMBER 31		<hr/>
		\$ 2,276,297

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Motor Fuel Tax Fund - to account for activity funded by the state share of tax on the use of motor fuels.

Enhanced 911 Fund - to account for the operation of the E911 emergency response system which is funded by a per line charge on land-based and cellular phones.

2011B Sinking Fund - to accumulate restricted resources for the payment of general long-term debt.

Bond Proceeds Fund - to account for the restricted proceeds of the General Obligation Bonds, Series 2010A, 2011B and 2012 and related expenditures.

VILLAGE OF DEERFIELD, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	Special Revenue Funds		Debt	Capital	Total
	Motor Fuel Tax	Enhanced 911	Service Fund 2011B Sinking	Project Fund Bond Proceeds	
ASSETS					
Cash and investments	\$ 881,854	\$ 1,140,387	\$ 2,175,743	\$ -	\$ 4,197,984
Receivables					
Accounts	-	82,112	-	-	82,112
Accrued interest	159	348	7,485	-	7,992
Due from other governments	45,895	-	-	-	45,895
TOTAL ASSETS	\$ 927,908	\$ 1,222,847	\$ 2,183,228	\$ -	\$ 4,333,983
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 7,952	\$ -	\$ -	\$ 7,952
Total liabilities	-	7,952	-	-	7,952
FUND BALANCES					
Restricted for					
Maintenance of roadways	927,908	-	-	-	927,908
Public safety	-	1,214,895	-	-	1,214,895
Debt service	-	-	2,183,228	-	2,183,228
Capital projects	-	-	-	-	-
Total fund balances	927,908	1,214,895	2,183,228	-	4,326,031
TOTAL LIABILITIES AND FUND BALANCES	\$ 927,908	\$ 1,222,847	\$ 2,183,228	\$ -	\$ 4,333,983

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	Special Revenue Funds		Debt	Capital	Total
	Motor	Enhanced	Service Fund	Project Fund	
	Fuel Tax	911	2011B Sinking	Bond Proceeds	
REVENUES					
Property taxes	\$ -	\$ -	\$ 725,000	\$ -	\$ 725,000
Intergovernmental	611,469	-	-	-	611,469
Charges for services	-	329,798	-	-	329,798
Investment income	(9,329)	(9,826)	52,219	73	33,137
Miscellaneous	-	3,108	-	-	3,108
Total revenues	602,140	323,080	777,219	73	1,702,512
EXPENDITURES					
Current					
General government	-	-	500	-	500
Public safety	-	472,623	-	-	472,623
Total expenditures	-	472,623	500	-	473,123
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	602,140	(149,543)	776,719	73	1,229,389
OTHER FINANCING SOURCES (USES)					
Transfers (out)					
Infrastructure Replacement Fund	-	-	-	(40,353)	(40,353)
Total other financing sources (uses)	-	-	-	(40,353)	(40,353)
NET CHANGE IN FUND BALANCES	602,140	(149,543)	776,719	(40,280)	1,189,036
NET POSITION, JANUARY 1	325,768	1,364,438	1,406,509	40,280	3,136,995
NET POSITION, DECEMBER 31	\$ 927,908	\$ 1,214,895	\$ 2,183,228	\$ -	\$ 4,326,031

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
REVENUES		
Intergovernmental		
Allotments earned	\$ 425,000	\$ 611,469
Investment income	1,500	(9,329)
	<hr/>	<hr/>
Total revenues	426,500	602,140
	<hr/>	<hr/>
EXPENDITURES		
Highways and streets		
Capital outlay	494,000	-
	<hr/>	<hr/>
Total expenditures	494,000	-
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (67,500)</u>	602,140
NET POSITION, JANUARY 1		<u>325,768</u>
NET POSITION, DECEMBER 31		<u>\$ 927,908</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENHANCED 911 FUND**

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Other charges	\$ 350,000	\$ 350,000	\$ 329,798
Investment income	7,000	7,000	(9,826)
Miscellaneous	3,650	3,650	3,108
	<hr/>		
Total revenues	360,650	360,650	323,080
	<hr/>		
EXPENDITURES			
Public safety			
Contractual services	170,050	190,050	135,384
Utilities	53,000	53,000	42,848
Capital outlay	337,621	357,621	294,391
	<hr/>		
Total expenditures	560,671	600,671	472,623
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (200,021)	\$ (240,021)	(149,543)
	<hr/>		
NET POSITION, JANUARY 1			1,364,438
	<hr/>		
NET POSITION, DECEMBER 31			\$ 1,214,895
	<hr/>		

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2011B SINKING FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ -	\$ 725,000
Investment income	-	52,219
Total revenues	-	777,219
EXPENDITURES		
Contractual services	-	500
Total expenditures	-	500
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	776,719
NET POSITION, JANUARY 1		<u>1,406,509</u>
NET POSITION, DECEMBER 31		<u>\$ 2,183,228</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND PROCEEDS FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
REVENUES		
Investment income	\$ -	\$ 73
Total revenues	<u>-</u>	<u>73</u>
EXPENDITURES		
None	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>73</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)		
Infrastructure Replacement Fund	<u>-</u>	<u>(40,353)</u>
Total other financing sources (uses)	<u>-</u>	<u>(40,353)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u>(40,280)</u>
NET POSITION, JANUARY 1		<u>40,280</u>
NET POSITION, DECEMBER 31		<u><u>\$ -</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF DEERFIELD, ILLINOIS

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

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Water sales	\$ 4,080,000	\$ 3,763,753
Miscellaneous		
Permits and fees	37,000	78,145
Penalties	34,000	25,847
Other	32,000	45,612
	<hr/>	
Total operating revenues	4,183,000	3,913,357
	<hr/>	
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Administration	605,856	553,835
Operations		
Distribution	2,552,300	2,483,536
Maintenance - mains and fire hydrants	593,800	576,624
Maintenance - meters	275,900	309,081
	<hr/>	
Total operating expenses excluding depreciation	4,027,856	3,923,076
	<hr/>	
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	155,144	(9,719)
	<hr/>	
Depreciation	-	422,224
	<hr/>	
OPERATING INCOME (LOSS)	155,144	(431,943)
	<hr/>	
CHANGE IN NET POSITION	<u>\$ 155,144</u>	(431,943)
	<hr/>	
NET POSITION, JANUARY 1		<u>16,737,725</u>
	<hr/>	
NET POSITION, DECEMBER 31		<u>\$ 16,305,782</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER FUND

For the Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
ADMINISTRATION		
Personnel services	\$ 363,200	\$ 339,593
Training and development	1,850	1,326
Contractual services	176,200	147,297
Commodities	5,500	5,550
Utilities	7,100	8,881
Capital outlay	52,006	51,188
	<hr/>	<hr/>
Total administration	605,856	553,835
	<hr/>	<hr/>
OPERATIONS		
Distribution		
Personnel services	134,900	131,507
Contractual services	50,000	60,762
Commodities	2,272,400	2,203,873
Utilities	90,000	83,060
Capital outlay	5,000	4,334
	<hr/>	<hr/>
Total distribution	2,552,300	2,483,536
	<hr/>	<hr/>
Main and fire hydrant maintenance		
Personnel services	397,600	307,718
Contractual services	82,000	104,949
Commodities	112,200	161,426
Capital outlay	2,000	2,531
	<hr/>	<hr/>
Total main and fire hydrant maintenance	593,800	576,624
	<hr/>	<hr/>
Meter maintenance		
Personnel services	155,500	164,570
Contractual services	13,000	5,598
Commodities	5,400	3,796
Capital outlay	102,000	135,117
	<hr/>	<hr/>
Total meter maintenance	275,900	309,081
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 4,027,856	\$ 3,923,076

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION
WATER FUND**

For the Year Ended December 31, 2014

	Assets			
	Balances			Balances
	December 31,	Additions	Retirements	December 31,
	2013			2014
Land	\$ 1,877,956	\$ -	\$ -	\$ 1,877,956
Buildings	4,180,123	-	-	4,180,123
Water system improvements	14,849,333	-	-	14,849,333
Equipment and vehicles	626,490	-	-	626,490
TOTAL	\$ 21,533,902	\$ -	\$ -	\$ 21,533,902
	Accumulated Depreciation			
	Balances			Balances
	December 31,	Additions	Retirements	December 31,
	2013			2014
Buildings	\$ 1,755,346	\$ 88,455	\$ -	\$ 1,843,801
Water system improvements	2,103,100	314,476	-	2,417,576
Equipment and vehicles	458,298	19,293	-	477,591
TOTAL	\$ 4,316,744	\$ 422,224	\$ -	\$ 4,738,968
NET ASSET VALUE				<u>\$ 16,794,934</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

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

For the Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
OPERATING REVENUES		
Charges for services		
Sewer charges	\$ 2,700,500	\$ 2,645,264
Miscellaneous		
Permits and fees	12,000	22,800
Penalties	30,000	26,455
Other	5,000	26,582
	<hr/>	<hr/>
Total operating revenues	2,747,500	2,721,101
	<hr/>	<hr/>
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Administration	540,170	529,892
Operations		
Treatment plant	1,566,880	1,540,879
Cleaning and maintenance	277,800	283,940
Construction	356,950	318,943
	<hr/>	<hr/>
Total operating expenses excluding depreciation	2,741,800	2,673,654
	<hr/>	<hr/>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	5,700	47,447
	<hr/>	<hr/>
Depreciation and amortization	-	968,706
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	5,700	(921,259)
	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	100	(4,594)
Interest expense	-	(1,049,591)
	<hr/>	<hr/>
Total non-operating revenues (expenses)	100	(1,054,185)
	<hr/>	<hr/>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,800	(1,975,444)
	<hr/>	<hr/>
CONTRIBUTIONS	-	173,695
	<hr/>	<hr/>
TRANSFERS IN	-	1,817,019
	<hr/>	<hr/>
CHANGE IN NET POSITION	<u>\$ 5,800</u>	15,270
	<hr/>	<hr/>
NET POSITION, JANUARY 1		10,951,236
		<hr/>
NET POSITION, DECEMBER 31		<u>\$ 10,966,506</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
SEWERAGE FUND

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
ADMINISTRATION		
Personnel services	\$ 242,050	\$ 269,501
Training and development	2,300	1,019
Contractual services	221,100	183,849
Commodities	4,800	6,160
Utilities	4,000	3,237
Capital outlay	65,920	66,126
	<hr/>	<hr/>
Total administration	540,170	529,892
OPERATIONS		
Treatment plant		
Personnel services	959,200	924,512
Training and development	5,880	3,813
Contractual services	179,800	216,610
Commodities	134,000	83,918
Utilities	227,360	251,545
Miscellaneous	20,000	19,000
Capital outlay	40,640	41,481
	<hr/>	<hr/>
Subtotal treatment plant	1,566,880	1,540,879
Less nonoperating expenses		
Capital assets capitalized	-	-
	<hr/>	<hr/>
Total treatment plant	1,566,880	1,540,879
Cleaning and maintenance		
Personnel services	228,800	211,851
Contractual services	24,000	57,441
Commodities	25,000	14,648
	<hr/>	<hr/>
Total cleaning and maintenance	277,800	283,940
Construction		
Personnel services	276,750	247,815
Contractual services	23,000	19,716
Commodities	57,200	51,412
	<hr/>	<hr/>
Total construction	356,950	318,943
TOTAL OPERATING EXPENSES	\$ 2,741,800	\$ 2,673,654

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION
SEWERAGE FUND**

For the Year Ended December 31, 2014

	Assets			
	Balances December 31, 2013	Additions	Retirements	Balances December 31, 2014
	Sewer system	\$ 4,411,869	\$ 173,695	\$ -
Buildings and improvements	41,005,066	-	-	41,005,066
TOTAL	\$ 45,416,935	\$ 173,695	\$ -	\$ 45,590,630

	Accumulated Depreciation			
	Balances December 31, 2013	Additions	Retirements	Balances December 31, 2014
	Sewer system	\$ 1,389,665	\$ 94,097	\$ -
Buildings and improvements	1,681,656	874,609	-	2,556,265
TOTAL	\$ 3,071,321	\$ 968,706	\$ -	\$ 4,040,027

NET ASSET VALUE	\$ 41,550,603
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(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
REFUSE FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Refuse billing	\$ 500,900	\$ 500,449
Miscellaneous	52,000	34,687
	<hr/>	<hr/>
Total operating revenues	552,900	535,136
	<hr/>	<hr/>
OPERATING EXPENSES		
Operations		
Personnel services	92,250	115,861
Contractual services	1,369,500	1,284,897
Commodities	26,200	27,638
Capital outlay	11,649	11,649
	<hr/>	<hr/>
Total operating expenses	1,499,599	1,440,045
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(946,699)	(904,909)
	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	750	(8,016)
Property taxes	928,140	936,361
	<hr/>	<hr/>
Total non-operating revenues (expenses)	928,890	928,345
	<hr/>	<hr/>
CHANGE IN NET POSITION	<u>\$ (17,809)</u>	23,436
NET POSITION, JANUARY 1		<hr/> 349,504
NET POSITION, DECEMBER 31		<hr/> <u>\$ 372,940</u>

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
COMMUTER PARKING LOT FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Parking lot fees	\$ 208,000	\$ 226,450
Total operating revenues	<u>208,000</u>	<u>226,450</u>
OPERATING EXPENSES		
Operations	336,750	305,214
Depreciation	-	26,737
Total operating expenses	<u>336,750</u>	<u>331,951</u>
OPERATING INCOME (LOSS)	<u>(128,750)</u>	<u>(105,501)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	3,200	(2,176)
Total non-operating revenues (expenses)	<u>3,200</u>	<u>(2,176)</u>
CHANGE IN NET POSITION	<u><u>\$ (125,550)</u></u>	(107,677)
NET POSITION, JANUARY 1		<u>1,519,617</u>
NET POSITION, DECEMBER 31		<u><u>\$ 1,411,940</u></u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
COMMUTER PARKING LOT FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATIONS		
Parking lots - village and federal funds		
Personnel services	\$ 20,500	\$ 13,292
Contractual services	161,100	141,431
Commodities	750	-
Utilities	3,300	2,855
	<hr/>	<hr/>
Total parking lots - village and federal funds	185,650	157,578
	<hr/>	<hr/>
Parking lots - village construction		
Personnel services	20,500	13,292
Contractual services	123,600	127,332
Commodities	1,000	-
Utilities	6,000	7,012
	<hr/>	<hr/>
Total parking lots - village construction	151,100	147,636
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 336,750	\$ 305,214

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION
COMMUTER PARKING LOT FUND**

For the Year Ended December 31, 2014

	Assets			
	Balances December 31, 2013	Additions	Retirements	Balances December 31, 2014
	Land	\$ 77,500	\$ -	\$ -
Parking lot improvements	1,950,830	-	-	1,950,830
TOTAL	\$ 2,028,330	\$ -	\$ -	\$ 2,028,330
	Accumulated Depreciation			
	Balances December 31, 2013	Additions	Retirements	Balances December 31, 2014
Parking lot improvements	\$ 845,681	\$ 26,737	\$ -	\$ 872,418
NET ASSET VALUE				\$ 1,155,912

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF DEERFIELD, ILLINOIS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2014

	Garage	Vehicle and Equipment Replacement	Total
CURRENT ASSETS			
Cash and investments	\$ 31,911	\$ 4,481,383	\$ 4,513,294
Receivables			
Accounts	1,775	-	1,775
Accrued interest	9	1,316	1,325
Prepaid expenses	4,656	-	4,656
Inventory	102,538	-	102,538
Total current assets	140,889	4,482,699	4,623,588
CAPITAL ASSETS			
Depreciable	-	4,015,363	4,015,363
Accumulated depreciation	-	(2,401,176)	(2,401,176)
Net capital assets	-	1,614,187	1,614,187
Total assets	140,889	6,096,886	6,237,775
CURRENT LIABILITIES			
Accounts payable	12,516	-	12,516
Accrued payroll	8,029	-	8,029
Compensated absences payable	3,070	-	3,070
Total current liabilities	23,615	-	23,615
LONG-TERM LIABILITIES			
Compensated absences payable	11,108	-	11,108
Total long-term liabilities	11,108	-	11,108
Total liabilities	34,723	-	34,723
NET POSITION			
Net investment in capital assets	-	1,614,187	1,614,187
Unrestricted	106,166	4,482,699	4,588,865
TOTAL NET POSITION	\$ 106,166	\$ 6,096,886	\$ 6,203,052

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2014

	<u>Garage</u>	<u>Vehicle and Equipment Replacement</u>	<u>Total</u>
OPERATING REVENUES			
Interfund services			
Billings	\$ 382,842	\$ 570,939	\$ 953,781
Miscellaneous	10,898	-	10,898
	<hr/>		
Total operating revenues	393,740	570,939	964,679
<hr/>			
OPERATING EXPENSES			
Operations	383,128	-	383,128
Commodities	-	229,117	229,117
	<hr/>		
Total operating expenses	383,128	229,117	612,245
<hr/>			
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	10,612	341,822	352,434
	<hr/>		
Depreciation	-	332,638	332,638
	<hr/>		
OPERATING INCOME (LOSS)	10,612	9,184	19,796
<hr/>			
NON-OPERATING REVENUES (EXPENSES)			
Investment income	340	(38,519)	(38,179)
	<hr/>		
Total non-operating revenues (expenses)	340	(38,519)	(38,179)
<hr/>			
CHANGE IN NET POSITION	10,952	(29,335)	(18,383)
	<hr/>		
NET POSITION, JANUARY 1	95,214	6,126,221	6,221,435
	<hr/>		
NET POSITION, DECEMBER 31	\$ 106,166	\$ 6,096,886	\$ 6,203,052
	<hr/> <hr/>		

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

	Garage	Vehicle and Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services	\$ 385,657	\$ 570,939	\$ 956,596
Receipts from miscellaneous revenue	10,898	-	10,898
Payments to suppliers	(156,374)	(269,993)	(426,367)
Payments to employees	(266,423)	-	(266,423)
Net cash from operating activities	(26,242)	300,946	274,704
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	-	(200,367)	(200,367)
Net cash from capital and related financing activities	-	(200,367)	(200,367)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	342	(38,776)	(38,434)
Net cash from investing activities	342	(38,776)	(38,434)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(25,900)	61,803	35,903
CASH AND CASH EQUIVALENTS, JANUARY 1	57,811	4,419,580	4,477,391
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 31,911	\$ 4,481,383	\$ 4,513,294
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 10,612	\$ 9,184	\$ 19,796
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	-	332,638	332,638
(Increase) decrease in			
Accounts receivable	2,091	-	2,091
Prepaid expenses	724	-	724
Inventories	(12,301)	-	(12,301)
Increase (decrease) in			
Accounts payable	(4,375)	(40,876)	(45,251)
Accrued payroll	3,292	-	3,292
Compensated absences payable	(26,285)	-	(26,285)
NET CASH FROM OPERATING ACTIVITIES	\$ (26,242)	\$ 300,946	\$ 274,704

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

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

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Interfund services		
Billings	\$ 385,000	\$ 382,842
Miscellaneous	8,000	10,898
	<hr/>	<hr/>
Total operating revenues	393,000	393,740
	<hr/>	<hr/>
OPERATING EXPENSES		
Operations	386,032	383,128
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	6,968	10,612
	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	500	340
	<hr/>	<hr/>
Total non-operating revenues (expenses)	500	340
	<hr/>	<hr/>
CHANGE IN NET POSITION	<u>\$ 7,468</u>	10,952
NET POSITION, JANUARY 1		<hr/> 95,214
NET POSITION, DECEMBER 31		<hr/> <u>\$ 106,166</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

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

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
OPERATING EXPENSES		
Public works department		
Personnel services	\$ 240,300	\$ 243,430
Training and development	400	585
Contractual services	26,000	22,490
Commodities	109,000	109,113
Utilities	3,825	1,966
Capital outlay	6,507	5,544
TOTAL OPERATING EXPENSES	\$ 386,032	\$ 383,128

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
VEHICLE AND EQUIPMENT REPLACEMENT FUND

For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Interfund services			
Billings	\$ 570,939	\$ 570,939	\$ 570,939
Total operating revenues	<u>570,939</u>	<u>570,939</u>	<u>570,939</u>
OPERATING EXPENSES			
Capital outlay	480,367	660,600	429,484
Less capital assets capitalized	<u>(200,367)</u>	<u>(200,367)</u>	<u>(200,367)</u>
Net operating expenses	<u>280,000</u>	<u>460,233</u>	<u>229,117</u>
OPERATING INCOME BEFORE DEPRECIATION			
	290,939	110,706	341,822
Depreciation	<u>-</u>	<u>-</u>	<u>332,638</u>
OPERATING INCOME			
	<u>290,939</u>	<u>110,706</u>	<u>9,184</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	28,000	28,000	(38,519)
Total non-operating revenues (expenses)	<u>28,000</u>	<u>28,000</u>	<u>(38,519)</u>
CHANGE IN NET POSITION			
	<u>\$ 318,939</u>	<u>\$ 138,706</u>	(29,335)
NET POSITION, JANUARY 1			
			<u>6,126,221</u>
NET POSITION, DECEMBER 31			
			<u>\$ 6,096,886</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF DEERFIELD, ILLINOIS

**SCHEDULE OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND**

For the Year Ended December 31, 2014

	Original and Final Budget	Actual
ADDITIONS		
Contributions - employer	\$ 1,100,000	\$ 989,616
Contributions - employee	410,000	374,137
	<hr/>	<hr/>
Total contributions	1,510,000	1,363,753
	<hr/>	<hr/>
Investment income		
Net appreciation in fair value of investments	500,000	2,644,907
Interest earned on investments	600,000	1,019,662
	<hr/>	<hr/>
Total investment income	1,100,000	3,664,569
	<hr/>	<hr/>
Less investment expense	(10,000)	(27,059)
	<hr/>	<hr/>
Net investment income	1,090,000	3,637,510
	<hr/>	<hr/>
Total additions	2,600,000	5,001,263
	<hr/>	<hr/>
DEDUCTIONS		
Benefits and refunds		
Pension payments	2,250,000	2,241,928
Separation refunds	15,000	205,471
Administrative	30,800	20,524
	<hr/>	<hr/>
Total deductions	2,295,800	2,467,923
	<hr/>	<hr/>
NET INCREASE	\$ 304,200	2,533,340
	<hr/>	<hr/>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
January 1		<hr/>
		39,061,016
December 31		<hr/>
		\$ 41,594,356
		<hr/>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2014

	Balances			Balances	
	December 31,	Additions	Deductions	December 31,	
	2013			2014	
All Funds					
ASSETS					
Cash and investments	\$ 1,774,033	\$ 882,387	\$ 36,285	\$ 2,620,135	
Receivables - accrued interest	10	16	10	16	
TOTAL ASSETS	\$ 1,774,043	\$ 882,403	\$ 36,295	\$ 2,620,151	
LIABILITIES					
Accounts payable	\$ 22,274	\$ 6,420	\$ 22,274	\$ 6,420	
Deposits payable	1,690,694	1,015,943	116,727	2,589,910	
Other payables	61,075	-	37,254	23,821	
TOTAL LIABILITIES	\$ 1,774,043	\$ 1,022,363	\$ 176,255	\$ 2,620,151	
1. Deposit Fund					
ASSETS					
Cash and investments	\$ 1,707,523	\$ 882,387	\$ -	\$ 2,589,910	
TOTAL ASSETS	\$ 1,707,523	\$ 882,387	\$ -	\$ 2,589,910	
LIABILITIES					
Accounts payable	\$ 16,829	\$ -	\$ 16,829	\$ -	
Deposits payable	1,690,694	1,015,943	116,727	2,589,910	
TOTAL LIABILITIES	\$ 1,707,523	\$ 1,015,943	\$ 133,556	\$ 2,589,910	
2. East Shore Radio Network Fund					
ASSETS					
Cash and investments	\$ 66,510	\$ -	\$ 36,285	\$ 30,225	
Receivables - accrued interest	10	16	10	16	
TOTAL ASSETS	\$ 66,520	\$ 16	\$ 36,295	\$ 30,241	
LIABILITIES					
Accounts payable	\$ 5,445	\$ 6,420	\$ 5,445	\$ 6,420	
Other payables	61,075	-	37,254	23,821	
TOTAL LIABILITIES	\$ 66,520	\$ 6,420	\$ 42,699	\$ 30,241	

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF DEERFIELD, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2008**

December 31, 2014

Date of Issue	August 1, 2008
Date of Maturity	December 1, 2028
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.25%, 3.375%, 3.50%, 3.75%, 3.875%, 4.00%, 4.125%, 4.25%
Principal Maturity Date	December 1
Payable at	Amalgamated Bank, Chicago, Illinois

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2014	\$ 210,000	\$ 155,669	\$ 365,669	2015	\$ 77,834	2015	\$ 77,835
2015	220,000	147,794	367,794	2016	73,897	2016	73,897
2016	225,000	139,544	364,544	2017	69,772	2017	69,772
2017	235,000	131,106	366,106	2018	65,553	2018	65,553
2018	245,000	122,294	367,294	2019	61,147	2019	61,147
2019	255,000	112,800	367,800	2020	56,400	2020	56,400
2020	265,000	102,919	367,919	2021	51,459	2021	51,460
2021	275,000	92,319	367,319	2022	46,159	2022	46,160
2022	290,000	81,319	371,319	2023	40,659	2023	40,660
2023	300,000	69,356	369,356	2024	34,678	2024	34,678
2024	315,000	56,981	371,981	2025	28,491	2025	28,490
2025	330,000	43,987	373,987	2026	21,994	2026	21,993
2026	345,000	29,962	374,962	2027	14,981	2027	14,981
2027	360,000	15,300	375,300	2028	7,650	2028	7,650
	<u>\$ 3,870,000</u>	<u>\$ 1,301,350</u>	<u>\$ 5,171,350</u>		<u>\$ 650,674</u>		<u>\$ 650,676</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2010A**

December 31, 2014

Date of Issue	November 3, 2010
Date of Maturity	December 1, 2030
Authorized Issue	\$12,500,000
Denomination of Bonds	\$5,000
Interest Rates	.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
2014	\$ 555,000	\$ 442,435	\$ 997,435	2015	\$ 221,217	2015	\$ 221,218
2015	560,000	431,335	991,335	2016	215,667	2016	215,668
2016	565,000	418,455	983,455	2017	209,227	2017	209,228
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>\$ 10,340,000</u>	<u>\$ 4,486,778</u>	<u>\$ 14,826,778</u>		<u>\$ 2,243,386</u>		<u>\$ 2,243,392</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2011A**

December 31, 2014

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
2014	\$ 270,000	\$ 228,915	\$ 498,915	2015	\$ 114,458	2015	\$ 114,457
2015	280,000	226,215	506,215	2016	113,108	2016	113,107
2016	295,000	222,715	517,715	2017	111,358	2017	111,357
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>\$ 8,775,000</u>	<u>\$ 2,860,440</u>	<u>\$ 11,635,440</u>		<u>\$ 1,430,226</u>		<u>\$ 1,430,214</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2011B**

December 31, 2014

Date of Issue	October 17, 2011
Date of Maturity	December 1, 2028
Authorized Issue	\$12,500,000
Denomination of Bonds	\$5,000
Interest Rates	4.00%
Principal Maturity Date	December 1, 2028
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
2014	\$ -	\$ 499,200	\$ 499,200	2015	\$ 249,600	2015	\$ 249,600
2015	-	499,200	499,200	2016	249,600	2016	249,600
2016	-	499,200	499,200	2017	249,600	2017	249,600
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>\$ 6,988,800</u>	<u>\$ 19,468,800</u>		<u>\$ 3,494,400</u>		<u>\$ 3,494,400</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2012**

December 31, 2014

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
2014	\$ -	\$ 234,762	\$ 234,762	2015	\$ 117,381	2015	\$ 117,381
2015	-	234,763	234,763	2016	117,381	2016	117,382
2016	-	234,763	234,763	2017	117,381	2017	117,382
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>\$ 3,159,476</u>	<u>\$ 13,159,476</u>		<u>\$ 1,579,734</u>		<u>\$ 1,579,742</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2013**

December 31, 2014

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
2014	\$ 685,000	\$ 158,918	\$ 843,918	2015	\$ 79,459	2015	\$ 79,459
2015	710,000	145,218	855,218	2016	72,609	2016	72,609
2016	730,000	131,018	861,018	2017	65,509	2017	65,509
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>\$ 7,750,000</u>	<u>\$ 1,352,337</u>	<u>\$ 9,102,337</u>		<u>\$ 676,169</u>		<u>\$ 676,168</u>

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Village of Deerfield's 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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	99-108
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	109-110
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	111-114
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	115-116
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	117-119

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

VILLAGE OF DEERFIELD, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 47,360,406	\$ 60,106,127	\$ 60,243,189	\$ 62,619,244
Restricted	6,634,566	4,088,876	4,979,340	5,899,947
Unrestricted	24,431,788	18,185,786	22,238,210	18,140,003
TOTAL GOVERNMENTAL ACTIVITIES	\$ 78,426,760	\$ 82,380,789	\$ 87,460,739	\$ 86,659,194
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 15,898,989	\$ 16,926,626	\$ 19,176,339	\$ 22,289,499
Unrestricted	4,066,666	4,841,210	3,120,381	2,071,153
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 19,965,655	\$ 21,767,836	\$ 22,296,720	\$ 24,360,652
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 63,259,395	\$ 77,032,753	\$ 79,419,528	\$ 84,908,743
Restricted	6,634,566	4,088,876	4,979,340	5,899,947
Unrestricted	28,498,454	23,026,996	25,358,591	20,211,156
TOTAL PRIMARY GOVERNMENT	\$ 98,392,415	\$ 104,148,625	\$ 109,757,459	\$ 111,019,846

* Eight months ended December 31, 2013

Data Source

Audited Financial Statements

2010	2011	2012	2013	2013*	2014
\$ 66,174,872	\$ 64,483,632	\$ 51,392,981	\$ 55,359,465	\$ 59,186,881	\$ 58,835,531
1,698,902	1,833,178	1,864,620	2,000,978	1,690,206	4,326,031
14,799,887	13,730,019	9,491,193	(3,773,495)	25,298,828	27,077,751
<u>\$ 82,673,661</u>	<u>\$ 80,046,829</u>	<u>\$ 62,748,794</u>	<u>\$ 53,586,948</u>	<u>\$ 86,175,915</u>	<u>\$ 90,239,313</u>
\$ 25,794,886	\$ 28,525,266	\$ 47,891,247	\$ 59,834,517	\$ 28,906,421	\$ 28,270,616
1,332,314	649,610	113,829	140,855	651,661	786,552
<u>\$ 27,127,200</u>	<u>\$ 29,174,876</u>	<u>\$ 48,005,076</u>	<u>\$ 59,975,372</u>	<u>\$ 29,558,082</u>	<u>\$ 29,057,168</u>
\$ 91,969,758	\$ 93,008,898	\$ 84,682,839	\$ 86,323,125	\$ 82,313,682	\$ 87,106,147
1,698,902	1,833,178	1,864,620	2,000,978	1,690,206	4,326,031
16,132,201	14,379,629	24,206,411	25,238,217	31,730,109	27,864,303
<u>\$ 109,800,861</u>	<u>\$ 109,221,705</u>	<u>\$ 110,753,870</u>	<u>\$ 113,562,320</u>	<u>\$ 115,733,997</u>	<u>\$ 119,296,481</u>

VILLAGE OF DEERFIELD, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
EXPENSES				
Governmental Activities				
General government	\$ 14,956,404	\$ 4,602,570	\$ 4,569,982	\$ 5,228,097
Public safety	6,780,176	7,154,536	7,232,143	7,715,014
Highways and streets	6,404,266	5,822,340	4,451,069	7,317,060
Interest	372,475	295,435	209,430	215,464
Total governmental activities expenses	<u>28,513,321</u>	<u>17,874,881</u>	<u>16,462,624</u>	<u>20,475,635</u>
Business-Type Activities				
Water	4,319,188	4,264,602	6,224,262	3,993,964
Sewerage	2,126,395	2,450,965	2,735,053	3,040,082
Refuse disposal	1,397,308	1,496,548	1,520,190	1,590,167
Commuter parking	225,498	246,153	210,307	282,534
Total business-type activities expenses	<u>8,068,389</u>	<u>8,458,268</u>	<u>10,689,812</u>	<u>8,906,747</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 36,581,710</u>	<u>\$ 26,333,149</u>	<u>\$ 27,152,436</u>	<u>\$ 29,382,382</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 2,384,295	\$ 1,743,818	\$ 1,480,008	\$ 1,645,678
Public safety	884,195	911,421	935,302	956,468
Highways and streets	57,912	69,216	75,400	59,609
Operating grants and contributions	557,050	544,823	524,423	490,768
Capital grants and contributions	235,298	213,575	1,492,153	894,545
Total governmental activities program revenues	<u>4,118,750</u>	<u>3,482,853</u>	<u>4,507,286</u>	<u>4,047,068</u>
Business-Type Activities				
Charges for services				
Water	4,644,744	4,250,938	4,365,767	3,647,017
Sewerage	1,788,238	2,372,061	2,396,295	2,306,028
Refuse disposal	615,349	623,681	624,349	623,738
Commuter parking	206,205	204,177	212,585	218,770
Capital grants and contributions	573,179	1,002,909	441,605	-
Total business-type activities program revenues	<u>7,827,715</u>	<u>8,453,766</u>	<u>8,040,601</u>	<u>6,795,553</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 11,946,465</u>	<u>\$ 11,936,619</u>	<u>\$ 12,547,887</u>	<u>\$ 10,842,621</u>

2010	2011	2012	2013	2013*	2014
\$ 9,833,315	\$ 5,477,968	\$ 24,267,281	\$ 18,988,356	\$ 5,755,847	\$ 7,756,784
8,543,631	8,497,498	8,388,066	8,572,034	6,256,914	9,189,101
10,985,018	7,749,726	6,602,895	5,753,656	6,208,891	6,286,456
193,105	393,054	1,098,736	1,791,625	628,554	685,495
29,555,069	22,118,246	40,356,978	35,105,671	18,850,206	23,917,836
4,103,889	4,215,482	4,455,971	4,625,679	3,153,643	4,345,300
2,643,276	2,846,388	2,996,805	3,267,868	3,148,403	4,696,545
1,599,244	1,600,736	1,307,850	1,343,691	955,227	1,448,061
262,458	322,431	337,337	352,088	244,940	334,127
8,608,867	8,985,037	9,097,963	9,589,326	7,502,213	10,824,033
\$ 38,163,936	\$ 31,103,283	\$ 49,454,941	\$ 44,694,997	\$ 26,352,419	\$ 34,741,869
\$ 1,862,200	\$ 2,011,535	\$ 1,833,930	\$ 2,290,768	\$ 1,811,306	\$ 3,812,004
866,510	873,947	986,382	1,047,217	783,151	1,167,096
47,219	73,968	66,279	263,607	234,034	442,918
474,526	582,734	715,849	1,140,504	890,860	612,569
2,195,963	360,539	434,225	75,864	58,791	1,306,043
5,446,418	3,902,723	4,036,665	4,817,960	3,778,142	7,340,630
3,567,809	3,777,700	3,891,387	4,295,580	3,006,491	\$ 3,763,753
2,320,123	2,450,088	2,499,701	2,892,170	2,065,472	2,645,264
622,629	608,475	461,887	476,926	324,969	500,449
209,165	204,236	201,426	223,381	187,386	226,450
-	2,963,996	19,620,003	12,566,460	1,802,087	173,695
6,719,726	10,004,495	26,674,404	20,454,517	7,386,405	7,309,611
\$ 12,166,144	\$ 13,907,218	\$ 30,711,069	\$ 25,272,477	\$ 11,164,547	\$ 14,650,241

VILLAGE OF DEERFIELD, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
NET (EXPENSE) REVENUE				
Governmental activities	\$ (24,394,571)	\$ (14,392,028)	\$ (11,955,338)	\$ (16,428,567)
Business-type activities	(240,674)	(4,502)	(2,649,211)	(2,111,194)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (24,635,245)	\$ (14,396,530)	\$ (14,604,549)	\$ (18,539,761)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property and replacement	\$ 17,081,336	\$ 6,542,142	\$ 6,617,648	\$ 7,093,819
Home rule sales	1,875,874	1,832,281	1,913,268	2,448,385
Simplified telecommunications	305,226	323,358	354,984	347,666
Other	3,600,623	3,891,356	4,065,091	3,684,318
Intergovernmental	4,480,111	4,533,261	4,552,097	4,438,194
Investment income	871,624	1,557,378	1,253,533	486,398
Miscellaneous	221,617	210,116	278,667	260,971
Transfers (out)	-	(1,600,000)	(2,000,000)	(3,132,729)
Total governmental activities	28,436,411	17,289,892	17,035,288	15,627,022
Business-Type Activities				
Property taxes	786,228	859,502	780,785	807,708
Investment income	66,823	188,864	192,967	49,427
Miscellaneous	271,715	214,481	204,343	185,262
Transfers in	-	1,600,000	2,000,000	3,132,729
Total business-type activities	1,124,766	2,862,847	3,178,095	4,175,126
TOTAL PRIMARY GOVERNMENT	\$ 29,561,177	\$ 20,152,739	\$ 20,213,383	\$ 19,802,148
CHANGE IN NET POSITION				
Governmental activities	\$ 4,041,840	\$ 2,897,864	\$ 5,079,950	\$ (801,545)
Business-type activities	884,092	2,858,345	528,884	2,063,932
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,925,932	\$ 5,756,209	\$ 5,608,834	\$ 1,262,387

* Eight months ended December 31, 2013

Data Source

Audited Financial Statements

2010	2011	2012	2013	2013*	2014
\$ (24,108,651)	\$ (18,215,523)	\$ (36,320,313)	\$ (30,287,711)	\$ (15,072,064)	\$ (16,577,206)
(1,889,141)	1,019,458	17,576,441	10,891,928	(115,808)	(3,514,422)
<hr/>					
\$ (25,997,792)	\$ (17,196,065)	\$ (18,743,872)	\$ (19,395,783)	\$ (15,187,872)	\$ (20,091,628)
<hr/>					
\$ 8,618,052	\$ 2,278,574	\$ 2,822,939	\$ 4,410,633	\$ 5,010,070	\$ 5,260,112
2,525,183	2,725,330	3,121,749	3,665,374	2,257,183	3,413,920
326,528	644,129	1,752,850	1,430,126	936,501	1,261,799
3,097,643	4,396,881	4,684,153	3,438,882	2,398,124	3,721,354
4,995,509	5,281,422	5,968,953	8,474,800	5,396,719	8,316,948
166,844	92,855	115,175	117,770	-	(221,419)
393,359	169,500	556,459	252,924	279,991	704,909
-	-	-	-	-	(1,817,019)
<hr/>					
20,123,118	15,588,691	19,022,278	21,790,509	16,278,588	20,640,604
<hr/>					
807,968	832,264	889,586	890,214	906,951	936,361
8,304	4,530	3,701	3,024	-	-
146,400	191,424	360,472	211,867	174,010	260,128
-	-	-	-	-	1,817,019
<hr/>					
962,672	1,028,218	1,253,759	1,105,105	1,080,961	3,013,508
<hr/>					
\$ 21,085,790	\$ 16,616,909	\$ 20,276,037	\$ 22,895,614	\$ 17,359,549	\$ 23,654,112
<hr/>					
\$ (3,985,533)	\$ (2,626,832)	\$ (17,298,035)	\$ (8,497,202)	\$ 1,206,524	\$ 4,063,398
(926,469)	2,047,676	18,830,200	11,970,296	965,153	(500,914)
<hr/>					
\$ (4,912,002)	\$ (579,156)	\$ 1,532,165	\$ 3,473,094	\$ 2,171,677	\$ 3,562,484
<hr/>					

VILLAGE OF DEERFIELD, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL FUND				
Reserved	\$ 3,638,004	\$ 3,219,255	\$ 2,233,242	\$ 453,124
Unreserved	17,242,457	16,968,193	14,913,911	16,155,829
Nonspendable for				
Note receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 20,880,461	\$ 20,187,448	\$ 17,147,153	\$ 16,608,953
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 6,634,566	\$ 4,088,876	\$ 4,979,340	\$ 5,899,947
Unreserved, reported in				
Special Revenue Funds	-	-	-	-
Capital Project Funds	1,185,564	976,571	1,804,245	1,928,286
Restricted for				
Capital projects	-	-	-	-
Maintenance of roadways	-	-	-	-
Public safety	-	-	-	-
Debt service	-	-	-	-
Unrestricted				
Assigned for				
Debt service	-	-	-	-
Capital projects	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 7,820,130	\$ 5,065,447	\$ 6,783,585	\$ 7,828,233

* Eight months ended December 31, 2013

** 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

	2010	2011	2012	2013	2013*	2014
\$	447,892	\$ 443,532	\$ -	\$ -	\$ -	\$ -
	15,619,459	16,566,828	-	-	-	-
	-	-	100,000	90,000	80,000	70,000
	-	-	55,190	27,824	54,477	42,968
	-	-	441,382	459,247	752,402	713,737
	-	-	833,396	818,344	831,850	-
	-	-	1,650,000	1,400,000	1,500,000	1,200,000
	-	-	16,206,557	17,002,357	16,815,607	19,667,419
\$	16,067,351	\$ 17,010,360	\$ 19,286,525	\$ 19,797,772	\$ 20,034,336	\$ 21,694,124
\$	1,698,902	\$ 6,927,256	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	230,653	417,104	-	-	-	-
	-	-	14,581,925	1,515,401	40,280	-
	-	-	601,423	633,057	325,768	927,908
	-	-	1,263,197	1,367,921	1,364,438	1,214,895
	-	-	-	-	-	2,183,228
	-	-	286,753	841,240	1,473,632	25,299
	-	-	1,088,012	2,154,351	749,533	2,276,297
\$	1,929,555	\$ 7,344,360	\$ 17,821,310	\$ 6,511,970	\$ 3,953,651	\$ 6,627,627

VILLAGE OF DEERFIELD, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
REVENUES				
Taxes	\$ 27,343,170	\$ 17,122,400	\$ 17,503,089	\$ 18,012,382
Licenses and permits	2,151,791	1,454,044	1,161,276	1,271,817
Intergovernmental	795,364	762,016	713,470	1,349,486
Charges for services	244,100	239,668	716,522	727,445
Fines and forfeitures	657,581	701,606	261,495	251,680
Contribution from library	-	-	-	-
Investment income	871,621	1,557,378	1,253,533	486,398
Miscellaneous	491,534	514,765	614,796	698,839
Total revenues	32,555,161	22,351,877	22,224,181	22,798,047
EXPENDITURES				
General government	14,733,899	4,208,961	4,827,462	5,156,342
Public safety	6,818,734	7,114,542	7,273,503	7,656,333
Highways and streets	2,167,013	2,333,709	3,034,841	3,536,206
Capital outlay	4,107,770	8,260,631	4,204,984	6,735,684
Debt service				
Principal	1,500,000	2,000,000	2,000,000	4,000,000
Interest	377,850	302,600	216,600	184,939
Total expenditures	29,705,266	24,220,443	21,557,390	27,269,504
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,849,895	(1,868,566)	666,791	(4,471,457)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,438,479	4,702,000	4,216,000	8,629,795
Transfers (out)	(1,877,250)	(6,302,000)	(6,216,000)	(8,629,795)
Bonds issued	-	-	-	5,000,000
Premium (discount) on bonds issued	-	-	-	(30,867)
Special item	-	-	-	-
Sale of capital assets	-	20,870	11,052	8,772
Total other financing sources (uses)	561,229	(1,579,130)	(1,988,948)	4,977,905
NET CHANGE IN FUND BALANCES	\$ 3,411,124	\$ (3,447,696)	\$ (1,322,157)	\$ 506,448
Debt service as a percentage of noncapital expenditures	7.34%	14.43%	12.77%	20.38%

* Eight months ended December 31, 2013

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2013*	2014
\$	19,562,915	\$ 15,326,336	\$ 18,350,644	\$ 12,220,016	\$ 9,876,878	\$ 14,070,158
	1,366,472	1,431,793	1,173,799	1,645,735	1,277,977	3,062,263
	951,183	944,344	1,152,141	9,692,051	6,342,610	9,599,274
	654,662	687,515	709,146	710,049	565,213	1,004,048
	227,686	262,542	317,262	342,740	236,390	307,744
	-	-	-	763,572	742,476	730,381
	166,844	92,855	115,175	117,770	(164,823)	(221,419)
	821,396	715,868	1,219,949	1,113,205	998,549	1,218,373
	23,751,158	19,461,253	23,038,116	26,605,138	19,875,270	29,770,822
	12,471,646	5,328,331	6,436,048	7,783,224	5,063,339	7,353,449
	8,322,821	8,407,416	8,352,887	8,540,957	6,117,121	8,963,170
	2,916,045	3,032,200	3,091,770	2,806,358	2,326,884	2,924,874
	6,207,466	8,278,643	23,114,852	24,479,003	5,280,135	2,777,322
	175,000	180,000	710,000	1,355,000	928,000	935,000
	193,150	237,997	1,180,062	1,770,522	699,324	693,655
	30,286,128	25,464,587	42,885,619	46,735,064	20,414,803	23,647,470
	(6,534,970)	(6,003,334)	(19,847,503)	(20,129,926)	(539,533)	6,123,352
	923,389	7,506,834	22,440,459	14,290,621	3,152,954	2,354,180
	(923,389)	(7,506,834)	(22,440,459)	(14,290,621)	(4,943,562)	(4,171,199)
	-	12,500,000	32,400,000	9,075,000	-	-
	-	(69,013)	79,791	253,502	-	-
	-	-	-	-	-	-
	94,690	30,161	20,827	3,331	8,386	27,431
	94,690	12,461,148	32,500,618	9,331,833	(1,782,222)	(1,789,588)
\$	(6,440,280)	\$ 6,457,814	\$ 12,653,115	\$ (10,798,093)	\$ (2,321,755)	\$ 4,333,764
	1.53%	2.09%	4.75%	7.16%	9.02%	7.35%

VILLAGE OF DEERFIELD, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General merchandise	\$ 297,344	\$ 217,623	\$ 268,413	\$ 181,355	\$ 215,487	\$ 222,696	\$ 233,408	\$ 222,366	\$ 224,653	\$ 247,348
Food	646,617	709,999	712,229	656,766	708,194	772,736	798,668	796,940	743,285	870,464
Drinking and eating places	604,698	666,821	749,845	756,872	931,610	932,074	970,059	1,018,539	1,032,833	1,108,407
Apparel	140,908	189,351	195,358	178,925	205,112	207,981	240,746	205,856	180,876	210,488
Furniture & H.H. & radio	1,026,827	836,653	784,397	676,075	644,981	752,175	713,431	473,808	345,052	291,839
Lumber, building hardware	741,273	681,704	614,752	532,637	622,406	610,072	590,742	564,884	583,287	642,214
Automobile and filling stations	264,775	317,435	257,719	283,125	284,289	434,095	513,421	348,318	358,919	510,550
Drugs and miscellaneous retail	1,707,928	1,899,467	1,877,780	2,184,421	3,211,071	2,625,382	3,625,900	5,476,027	4,692,108	4,937,251
Agriculture and all others	685,694	788,059	737,298	711,157	895,708	852,588	1,138,377	1,005,454	966,396	914,323
Manufacturers	95,169	125,147	93,150	143,018	196,451	203,171	214,511	237,039	226,254	251,653
TOTAL	\$ 6,211,233	\$ 6,432,259	\$ 6,290,941	\$ 6,304,351	\$ 7,915,309	\$ 7,612,970	\$ 9,039,263	\$ 10,349,231	\$ 9,353,663	\$ 9,984,537
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule rate	0.00%	0.00%	0.50%	0.50%	0.50%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

VILLAGE OF DEERFIELD, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

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
2005	0.25%	0.25%	0.25%	0.75%	0.75%	0.50%	1.00%	5.00%
2006	0.25%	0.25%	0.25%	0.75%	0.75%	0.50%	1.00%	5.00%
2007	0.25%	0.25%	0.25%	0.75%	0.75%	0.50%	1.00%	5.00%
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%

Data Source

Village and County Records

VILLAGE OF DEERFIELD, ILLINOIS

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*
2006	\$ 8,000,000	\$ 2,980,000	\$ 10,980,000	1.60%	\$ 596.09
2007	6,000,000	2,585,000	8,585,000	1.25%	466.07
2008	4,000,000	2,185,000	6,185,000	0.90%	335.78
2009	5,000,000	1,775,000	6,775,000	0.98%	367.81
2010	4,825,000	1,350,000	6,175,000	0.90%	335.23
2011	17,145,000	915,000	18,060,000	2.13%	940.43
2012	48,835,000	465,000	49,300,000	5.86%	2,678.62
2013	56,555,000	-	56,555,000	6.55%	3,063.98
2013**	23,066,000	31,839,000	54,905,000	6.49%	2,975.56
2014	22,131,000	31,084,000	53,215,000	5.97%	2,890.86

* See the schedule of Demographic and Economic Statistics on page 115 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, ILLINOIS

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
2006	\$ 8,000,000	\$ 2,980,000	\$ 1,094,777	\$ 9,885,223	0.26%	\$ 536.66
2007	6,000,000	2,585,000	533,758	8,051,242	0.20%	437.09
2008	4,000,000	2,185,000	560,711	5,624,289	0.12%	305.34
2009	5,000,000	1,775,000	472,761	6,302,239	0.13%	342.14
2010	4,825,000	1,350,000	105,915	6,069,085	0.13%	329.48
2011	17,145,000	915,000	101,518	17,958,482	1.18%	935.14
2012	48,835,000	465,000	286,753	49,013,247	3.52%	2,656.26
2013	56,555,000	-	113,074	56,441,926	4.36%	3,058.85
2013**	23,066,000	31,839,000	1,473,632	53,431,368	4.13%	2,895.70
2014*	22,131,000	31,084,000	2,208,527	51,006,473	4.15%	2,770.89

* 2013 EAV used as it is the most recent data available

** Eight months ended December 31, 2013

Data Source

(1) Audited Financial Statements

VILLAGE OF DEERFIELD, ILLINOIS

**DIRECT AND OVERLAPPING BONDED DEBT -
GOVERNMENTAL ACTIVITIES**

December 31, 2014

Governmental Unit	* (1) Gross General Obligation Debt	** (2) Percentage of Debt Applicable to Government	*** Village's Share of Debt
Village of Deerfield	\$ 53,215,000	100.000%	\$ 53,215,000
Lake County (1)	103,460,000	4.753%	4,917,356
Lake County Forest Preserve	298,140,000	4.753%	14,170,312
Cook County	3,598,980,000	0.109%	3,909,327
Cook County Forest Preserve	172,535,000	0.109%	187,413
Deerfield Park District (2)	2,230,000	97.688%	2,178,432
Park District of Highland Park (3)	14,330,000	1.277%	183,007
Northbrook Park District	8,610,000	3.858%	332,212
Lake Elementary School District No. 109 (3)	16,653,226	76.097%	12,672,675
Lake High School District No. 113	91,715,000	29.071%	26,662,853
Cook Northfield Township High School District No. 225	94,984,026	3.051%	2,897,944
Community College of Lake County No. 532	79,175,000	5.012%	3,968,130
Oakton Community College District No. 535	21,400,000	0.723%	154,794
Metropolitan Water Reclamation District of Greater Chicago (4)	<u>2,394,997,000</u>	0.111%	<u>2,654,120</u>
Total gross debt	6,950,424,252		128,103,575
Less Debt Service Fund amount available - Village of Deerfield	<u>2,208,527</u>		<u>2,208,527</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 6,948,215,725</u></u>		<u><u>\$ 125,895,048</u></u>

- (1) Excludes Alternate Revenue Source Bonds.
- (2) Excludes Self-Supporting debt.
- (3) Includes Debt Certificates that are not supported by a property tax levy.
- (4) Includes Illinois Environmental Protection Agency loans.

* 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 Source

Lake and Cook County Clerk's Offices

VILLAGE OF DEERFIELD, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

December 31, 2014

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:

EQUALIZED ASSESSED VALUATION - 2013*	\$ 1,228,417,175
Non-Home Rule Legal Debt Limit - 8.625%	105,950,981
Amount of debt applicable to limit:	
General Obligation Bonds Series 2008	3,870,000
General Obligation Bonds Series 2010A	10,340,000
General Obligation Bonds Series 2011A	8,775,000
General Obligation Bonds Series 2011B	12,480,000
General Obligation Bonds Series 2012	10,000,000
General Obligation Bonds Series 2013	<u>7,750,000</u>
Total amount of debt applicable to limit:	<u>53,215,000</u>
NON-HOME RULE LEGAL DEBT MARGIN	<u><u>\$ 52,735,981</u></u>

* Most Recent EAV Available

VILLAGE OF DEERFIELD, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year		Population	Per Capita Personal Income	Median Household Income	Unemployment Rate
2006	*	18,420	\$ 37,361	\$ 107,194	1.10%
2007	*	18,420	37,361	107,194	2.80%
2008	*	18,420	37,361	107,194	3.40%
2009	*	18,420	37,361	107,194	4.90%
2010	*	18,420	37,361	107,194	7.10%
2011	**	19,204	44,127	131,585	5.60%
2012	***	18,405	45,703	131,534	5.75%
2013	****	18,458	46,782	132,785	5.30%
2013	*****	18,452	45,823	129,187	5.85%
2014	*****	18,408	48,431	135,881	5.05%

Data Source

- * U.S. Census Bureau "Census 2000 Summary Files" and U.S. Bureau of Labor Statistics
- ** U.S. Census Bureau "2005-2009 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- *** U.S. Census Bureau "2006-2010 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- **** U.S. Census Bureau, "2007-2011 American Community Survey 5-Yr. Estimates"
- ***** U.S. Census Bureau, "2008-2012 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- ***** U.S. Census Bureau, "2009-2013 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics

VILLAGE OF DEERFIELD, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Walgreen Co.	9,800	1	53.24%	2,500	1	13.57%
Baxter International Inc	5,900	2	32.05%	1,000	2	5.43%
Takeda Pharmaceuticals North	1,700	3	9.24%			0.00%
Mondelez International, Inc.	1,200	4	6.52%			0.00%
United Stationers	1,100	5	5.98%			0.00%
East West Distributing Co.	700	6	3.80%			0.00%
Beam Inc.	610	7	3.31%	250	8	1.36%
Deerfield Park District	500	8	2.72%			0.00%
Illinois Student Assistance Commission	499	9	2.71%	515	4	2.80%
Deerfield School District 109	406	10	2.21%	400	6	2.17%
Hewitt Associates			0.00%	800	3	4.34%
Fujisawa USA Incorporated			0.00%	450	5	2.44%
Wm M. Mercer Inc.			0.00%	250	7	1.36%
Township High School District 113			0.00%	246	9	1.34%
Shand Morahan			0.00%	240	10	1.30%
TOTAL	22,415		121.78%	6,651		36.11%
Village population			18,408			18,420

Data Source

Lake County Partners

VILLAGE OF DEERFIELD, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2013*	2014
GENERAL GOVERNMENT										
Village Manager	3	3	3	3	3	2	4	5	5	5
Finance	9	10	10	10	10	10	8	8	8	8
Engineering	2	3	3	3	3	2	2	2	2	2
Community Development	6	7	7	7	7	7	7	7	7	8
PUBLIC WORKS										
Administration	2	4	4	4	4	4	4	4	4	4
Street Maintenance	7	7	7	7	7	7	7	7	7	7
Utilities Maintenance	13	14	15	15	15	14	14	14	14	14
Sewage Treatment Plant	8	8	8	8	8	8	8	7	7	7
Garage	2	2	2	2	2	2	2	2	2	2
PUBLIC SAFETY										
Police										
Administration	8	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	32	31	31	31	31	31	31	33	33	34
TOTAL	107	111	112	112	112	109	109	111	111	113

* Eight months ended December 31, 2013

Data Source

Village budget office

VILLAGE OF DEERFIELD, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PUBLIC SAFETY										
Police										
Physical arrests	498	532	587	568	415	575	513	485	367	337
Parking violations	2,332	2,625	2,690	2,385	1,656	1,509	1,343	2,628	2,307	2,560
Traffic violations	4,140	4,119	4,278	4,255	3,703	3,106	3,391	3,367	3,550	3,452
PUBLIC WORKS										
Street resurfacing (miles)	3.11	3.18	3.21	3.14	0.89	0.86	1.83	2.80	1.76	1.96
WATER										
Water main breaks	141	62	77	47	59	76	75	78	108	56
Average daily consumption (gallons)	3,350,346	2,998,220	3,128,000	2,566,000	2,630,000	2,683,526	2,522,061	2,805,124	2,730,295	2,571,000
Peak daily consumption (gallons)	4,932,570	4,476,210	5,894,000	5,279,000	4,510,000	5,009,819	5,502,196	5,482,125	5,069,827	3,903,000
WASTEWATER										
Average daily treatment (gallons)	2,809,671	3,204,822	2,963,972	3,324,536	3,313,068	2,930,000	3,530,000	2,395,000	2,761,000	3,452,000

Data Source

Various village departments

VILLAGE OF DEERFIELD, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2013*	2014
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	42	41	41	41	41	41	41	42	43	40
PUBLIC WORKS										
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
WATER										
Water mains (miles)	84	84	84	84	88	90	90	90	90	90
Fire hydrants	1,203	1,203	1,203	1,203	1,212	1,217	1,208	1,220	1,205	1,208
Storage capacity (gallons)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850
WASTEWATER										
Sewers (miles)	80	80	80	80	80	80	80	80	80	80
Treatment capacity (gallons)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	9,200,000	9,200,000	9,200,000	9,200,000

* Eight months ended December 31, 2013

Data Source

Various village departments

Debt Information

Direct Debt :

General Obligation Bonds \$53,215,000

	<u>Gross General Obligation Debt</u>	<u>Percent Applicable</u>	<u>Village's Share of Debt</u>
Overlapping Debt :			
Lake County (1)	103,460,000	4.753%	4,917,356
Lake County Forest Preserve	298,140,000	4.753%	14,170,312
Cook County	3,598,980,000	0.109%	3,909,327
Cook County Forest Preserve	172,535,000	0.109%	187,413
Deerfield Park District (2)	2,230,000	97.688%	2,178,432
Park District of Highland Park (3)	14,330,000	1.277%	183,007
Northbrook Park District	8,610,000	3.858%	332,212
Lake School District No. 109 (3)	16,653,226	76.097%	12,672,675
Lake High School District No. 113	91,715,000	29.071%	26,662,853
Cook High School District No. 225	94,984,026	3.051%	2,897,944
Community College No. 532	79,175,000	5.012%	3,968,130
Community College No. 535	21,400,000	0.723%	154,794
Metro Water Reclamation District ⁽⁴⁾	2,394,997,000	0.111%	2,654,120
Total Overlapping Debt			<u>\$74,888,575</u>
Total Direct and Overlapping Debt			<u><u>\$128,103,575</u></u>

Source: Lake and Cook County Clerk's Offices.

(1) Excludes Alternate Revenue Bonds.

(2) Excludes Self-Supporting debt.

(3) Includes Debt Certificates that are not supported by a property tax levy.

(4) Includes Illinois Environmental Protection Agency loans.

Statement of Indebtedness

	<u>Amount Applicable</u>	<u>% of EAV</u>	<u>% of Estimated True Value</u>	<u>Per Capita*</u>
2013 Equalized Assessed Valuation ⁽¹⁾	\$ 1,228,417,175	100.00%	33.33%	66,733
Estimated True Value	3,685,251,525	300.00%	100.00%	200,198
Direct Debt	53,215,000	4.33%	1.44%	2,891
Overlapping Debt	74,888,575	6.10%	2.03%	4,068
Direct and Overlapping Debt	128,103,575	10.43%	3.48%	6,959

**Population of 18,408 based on 2014 CAFR.*

(1) Reflects 2013 Lake County EAV and 2013 Cook County EAV.

Equalized Assessed Valuation

	2009	2010	2011	2012	2013
Residential	\$1,170,079,592	\$1,108,117,369	\$1,012,534,720	\$938,649,978	\$ 898,117,390
Commerical	412,939,520	397,215,326	364,721,276	340,275,838	316,522,689
Industrial	23,884,106	17,827,124	15,266,443	14,338,152	13,777,096
Total	<u>\$1,606,903,218</u>	<u>\$1,523,159,819</u>	<u>\$1,392,522,439</u>	<u>\$1,293,263,968</u>	<u>\$1,228,417,175</u>

Source: Offices of Lake and Cook County Clerk.

Lake County

Residential	\$1,168,909,109	\$1,107,301,252	\$1,011,816,893	\$937,972,021	\$ 897,492,359
Farm	-	-	-	-	-
Commerical	212,436,454	210,585,916	220,050,035	207,908,753	191,692,037
Industrial	2,514,757	2,723,342	2,713,600	2,562,167	2,460,043
Total	<u>\$1,383,860,320</u>	<u>\$1,320,610,510</u>	<u>\$1,234,580,528</u>	<u>\$1,148,442,941</u>	<u>\$ 1,091,644,439</u>

Cook County

Residential	\$ 1,170,483	\$ 816,117	\$ 717,827	\$ 677,957	\$ 625,031
Farm	-	-	-	-	-
Commerical	200,503,066	186,629,410	144,671,241	132,367,085	124,830,652
Industrial	21,369,349	15,103,782	12,552,843	11,775,985	11,317,053
Total	<u>\$223,042,898</u>	<u>\$202,549,309</u>	<u>\$ 157,941,911</u>	<u>\$ 144,821,027</u>	<u>\$ 136,772,736</u>

Tax Rates Per \$100 of Assessed Valuation

	2009	2010	2011	2012	2013
Bonds and Interest	0.010	0.034	0.098	0.159	0.175
Corporate	0.123	0.143	0.154	0.164	0.184
Garbage	0.053	0.059	0.064	0.071	0.077
All Other	0.003	0.003	0.004	0.063	0.067
Total Village	0.189	0.239	0.320	0.457	0.503
County Including Forest Preserve	0.660	0.703	0.755	0.820	0.881
Deerfield Elementary Dist. 109	2.455	2.665	2.892	3.254	3.424
High School District 113	1.748	1.921	2.167	2.178	2.364
Community College (Lake County) Dist. 532	0.200	0.218	0.240	0.272	0.296
Deerfield Park District	0.431	0.460	0.503	0.546	0.585
Deerfield-Bannockburn Fire Protection Dist.	0.447	0.486	0.529	0.593	0.637
Library	0.180	0.204	0.237	0.262	0.290
All Other	0.045	0.065	0.073	0.053	0.048
Total	6.355	6.961	7.716	8.435	9.028
Village as a Percent of Total	3.0%	3.4%	4.1%	5.4%	5.6%

Source: Office of Lake County Clerk.

Tax Extensions and Collections

LAKE COUNTY

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
2003	2004	3,677,468	3,671,745	99.84%
2004	2005	3,980,792	3,958,956	99.45%
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%

Source: Lake County Clerk's Office.

COOK COUNTY

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
2003	2004	255,507	255,507	100.00%
2004	2005	258,537	261,462	101.13%
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%

Source: Cook County Clerk's Office.

Total

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
2003	2004	3,932,975	3,927,252	99.85%
2004	2005	4,239,329	4,220,418	99.55%
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%

Source: Lake and Cook County Clerk's Office.
Lake County and Cook County as of 3/31/2015.

Principal Taxpayers within the Village

Taxpayer	Taxable Assessed Value	% of Total Taxable Assessed Valuation
Arden Realty, Inc.	\$35,825,134	0.97%
Scott Dressing, Sr Mgr Taxation	28,149,369	0.76%
Walgreen Co.	25,967,214	0.70%
JBC Funds Parkway North LLC	15,542,659	0.42%
CRM Properties Group	13,877,380	0.38%
Midamerica Asset Management	12,744,008	0.35%
Wells Core REIT - Four Parkway North LLC	6,834,232	0.19%
MLQ MB Hotels 2011 LLC	5,742,560	0.16%
RREEF America Reit Agent Corner Partners	5,511,706	0.15%
% Deloitte PTS	5,436,321	0.15%
Total	\$155,630,583	4.23%

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