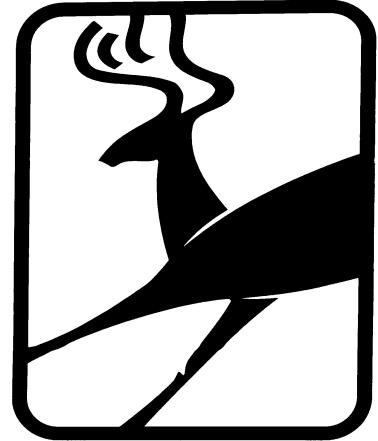


**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**



for the year ended  
**DECEMBER 31, 2016**

**VILLAGE OF DEERFIELD, ILLINOIS**

**VILLAGE OF DEERFIELD, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2016

Prepared by Finance Department

Eric L. Burk  
Director of Finance/Treasurer

**VILLAGE OF DEERFIELD, ILLINOIS**  
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## **INTRODUCTORY SECTION**

**VILLAGE OF DEERFIELD, ILLINOIS**

**PRINCIPAL OFFICIALS**

December 31, 2016

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**LEGISLATIVE**

**VILLAGE BOARD OF TRUSTEES**

Harriet E. Rosenthal, Mayor

Daniel C. Shapiro

Thomas L. Jester

Barbara J. Struthers

William S. Seiden

Robert D. Nadler

Alan L. Farkas

Kent Street, Clerk

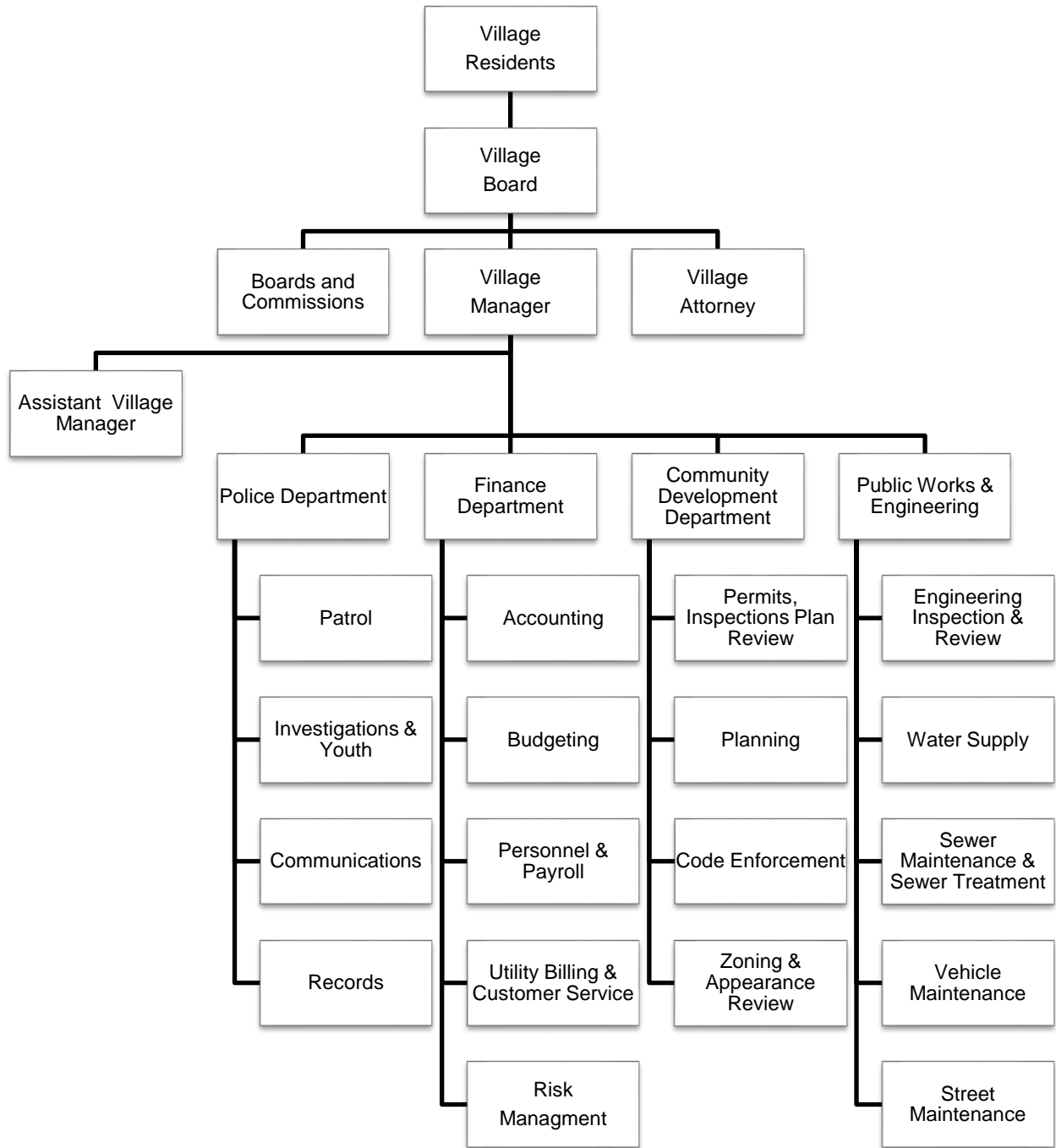
**ADMINISTRATIVE**

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 Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO



## VILLAGE OF DEERFIELD

May 30, 2017

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, 2016 is submitted herewith. This report represents a comprehensive picture of the Village's financial activities during 2016 and the financial condition of its various funds at December 31, 2016. 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, 2016. 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, 2015 the Village's unemployment rate was estimated to be 4.2%, compared to 5.3% for Lake County, 5.9% for the State of Illinois and 5.3% for the United States. Deerfield's unemployment rate as of December 31, 2016 was estimated to be 4.4%. Other unemployment rates have remained relatively consistent at 5.2% in Lake County, 5.9% in the State of Illinois and 4.9% in the United States.

The Village base sales tax revenue (which represents 1% of the total eligible sales), net of the Walgreen National sales tax rebate, increased approximately \$26,000 from the amount received in 2015. Pursuant to a sales tax sharing agreement, 80% of the sales tax the Village receives from Walgreen National is rebated back to them. The Walgreen National activity regularly fluctuates from year to year. 2016 included greater receipts from Walgreen National, which accounted for an increase of approximately \$150,000 over the 2015 receipts. The increase from Walgreen National was offset by decreases due to temporary and permanent business closures.

Median household income figures from 2010 Census estimates demonstrate that the average income of Deerfield residents far exceeds county and state averages. According to the Census Bureau, Deerfield's 2010 median household income was \$107,194 compared to \$55,735 for the State of Illinois and \$51,914 for the United States. This ranked Deerfield among the wealthiest communities in the State of Illinois. The median family income has increased approximately 28% from the 2010 Census figure.

Commercial and residential construction activity increased from the prior year. Much of the activity was in commercial and residential remodeling. Overall permit revenue totaled \$1,456,628 for the year ending December 31, 2016. Foreclosure rates remained low; with approximately 25 to 35 single family homes out of the Village's 6,500 in this status during the year.

**Long-term Financial Planning.** The Village utilizes a five year Capital Improvement Program ("CIP") to address major capital and infrastructure improvements. For a project to be included in the CIP, it must involve the creation or purchase of a tangible asset with an original cost of at least \$25,000 and a useful life of more than one year. Projects that are programmed for the first year of the CIP (i.e., the upcoming budget year) are most closely scrutinized in the capital planning process because associated funding must be provided in that budget. Until 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 was issued in 2015 as part of the five year CIP.

### **Major Initiatives**

As part of the regular budget planning process, Village staff has presented the Board with an expanded capital projects program that will require significant expenditures over the next three years. The majority of these projects include road reconstruction along with water and sewer utility work. For 2015 -2017, the major funding sources will be balances in the Infrastructure Fund, property tax, state & federal grants, the home rule tax revenue and two bond issues totaling approximately \$12 million.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Deerfield for its comprehensive annual financial report for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Village of Deerfield has received a Certificate of Achievement for the last thirty 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, 2016. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Eric Burk". The signature is fluid and cursive, with the first name "Eric" and the last name "Burk" clearly distinguishable.

Eric L. Burk  
Director of Finance/Treasurer

## **FINANCIAL SECTION**



## 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, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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, 2016, and the respective changes in financial position, and, where applicable, cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The Village adopted GASB Statement No. 72 *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The statement modifies certain disclosures in the notes to financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Sikich LLP*

Naperville, Illinois

May 30, 2017

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**VILLAGE OF DEERFIELD, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2016**

---

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**

- The Village's General Fund ended the period with total revenues exceeding total expenditures by \$3,904,091. Combined with other financing uses of \$4,398,953, the December 31, 2016 fund balance decreased by \$494,862. The 2016 General Fund budget originally showed a decrease of \$2,960,593. However, revenues exceeded budget due primarily to greater than expected tax and building permit receipts. See Major Governmental Funds section of MD&A for further details.
- Sales tax and home rule sales tax increased \$637,088 and \$724,312, respectively in the current year. The increase was due largely to greater than expected economic incentive activity, which also resulted in greater than expected economic incentive expenditures in the finance department contractual services.
- Hotel/motel tax revenue (\$2,124,692) exceeded current year expectation of \$1,900,000; business travel is the primary reason for stays at Deerfield hotels. All six of the Deerfield hotels remained open during the year.
- The Village collected \$1,273,363 from the Electric Utility tax and \$1,722,295 from the Simplified Telecommunications tax. Electric Utility tax increased slightly from the prior year, but was consistent with the current year budget. Simplified Telecommunications tax increased slightly from the prior year and exceeded the current year budget.
- The infrastructure maintenance fee of ½ of 1% of the project value, which was implemented in 2012, totaled to \$349,559 for the year. This amount exceeded current year expectation, but decreased from the prior year amount.
- 2016 was the second year of a three year (2015-2017) expanded capital plan. The plan included funding from drawdowns of General Fund Balance by moving a portion of the property tax levy from the General Fund to the Infrastructure Replacement Fund. The plan also included bond issues in 2015 and 2016.
- The Village retired \$2,150,000 of general obligation debt during the period. The total balance of debt outstanding as of December 31, 2016 was \$58,920,000. The Village planned to issue general obligation debt in 2016 to refund the 2008 series and to provide additional funding for the expanded three year (2015-2017) capital plan. The 2016 bond issue was postponed until 2017 due to market conditions at the time of issuance.

**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 4 - 7) 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.

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

---

The Statement of Activities (see pages 6 – 7) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

### **Fund Financial Statements**

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

The governmental major funds (see pages 8 – 13) 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 14 - 18) 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 19 - 20) 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.

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

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

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

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

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

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

	Governmental Activities		Business-type Activities		Total – Primary Govt.	
	2016	2015	2016	2015	2016	2015
<b>Current &amp; Other Assets</b>	57.65	54.90	1.80	1.49	59.45	56.39
<b>Capital Assets</b>	76.48	76.62	61.79	60.33	138.27	136.95
<b>Total Assets</b>	134.13	131.52	63.59	61.82	197.72	193.34
<b>Deferred Outflows of Resources</b>	13.83	16.25	0.95	0.74	14.78	16.99
<b>Total Assets and Deferred Outflows of Resources</b>	147.96	147.77	64.54	62.56	212.50	210.33
<b>Long-Term Liabilities</b>	53.37	63.01	30.72	31.47	84.09	94.48
<b>Other Liabilities</b>	6.12	3.59	1.30	1.39	7.42	4.98
<b>Total Liabilities</b>	59.49	66.60	32.02	32.86	91.51	99.46
<b>Deferred Inflows of Resources</b>	14.46	7.16	0.03	0.03	14.49	7.19
<b>Total Liabilities and Deferred Inflows of Resources</b>	73.95	73.76	32.05	32.89	106.00	106.65
<b>Net Position:</b>						
<b>Net Investment in Capital Assets</b>						
<b>Assets</b>	55.73	54.33	32.11	29.87	87.84	84.20
<b>Restricted</b>	5.14	4.44	-	-	5.14	4.44
<b>Unrestricted</b>	13.14	15.24	0.38	-20	13.52	15.04
<b>Total Net Position</b>	74.01	74.01	32.49	29.67	106.50	103.68

The Village's total primary government net position increased by \$2.82 million due to various increases in assets and decreases in liabilities. Current & Other Assets have increased due largely to increased grants receivable related to large infrastructure projects completed in 2016. Business-type Activities Capital Assets increased due to water distribution and sanitary sewer system improvements that were completed in conjunction with major street reconstruction projects. Governmental Activities Capital Assets remained relatively consistent as the assets resulting from major street reconstruction projects were conveyed to the County through a jurisdictional transfer. Changes in deferred outflows of resources and deferred inflows of resources relate primarily to the actuarial valuation of the Village's pension plans. (See Employee Retirement Systems footnote) Governmental Activities Long-Term Liabilities decreased \$9.64 million due largely to a decrease in the actuarially determined Police Pension Net Pension Liability.

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

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

	<b>Change in Net Position – Village of Deerfield (in millions of dollars)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total – Primary Govt.</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Service	5.06	4.04	7.70	7.21	12.76	11.25
Operating Grants	0.46	0.45	-	-	0.46	0.45
Capital Grants	6.85	0.44	2.92	2.25	9.77	2.69
General Revenue:						
Property Taxes	7.20	5.38	-	0.97	7.20	6.35
Other Taxes/ Intergovernmental	17.51	16.30	-	-	17.51	16.30
Transfers in (out)	-2.77	-1.82	2.77	1.82	-	-
Other	0.63	1.54	0.24	0.20	0.87	1.74
<b>Total Revenue</b>	<b>34.94</b>	<b>26.33</b>	<b>13.63</b>	<b>12.45</b>	<b>48.57</b>	<b>38.78</b>
<b>Expenses:</b>						
General Government	8.94	8.18	-	-	8.94	8.18
Public Safety	11.52	11.87	-	-	11.52	11.87
Highways and Streets	12.90	8.07	-	-	12.90	8.07
Interest/fiscal charges	0.92	1.11	-	-	0.92	1.11
Water	-	-	4.41	4.52	4.41	4.52
Sewer	-	-	4.99	4.53	4.99	4.53
Refuse	-	-	1.45	1.43	1.45	1.43
Parking Lots	-	-	0.31	0.28	0.31	0.28
<b>Total Expense</b>	<b>34.28</b>	<b>29.23</b>	<b>11.16</b>	<b>10.76</b>	<b>45.44</b>	<b>39.99</b>
<b>Changes in Net Position</b>	<b>0.66</b>	<b>-2.90</b>	<b>2.47</b>	<b>1.69</b>	<b>3.13</b>	<b>-1.21</b>

**CURRENT YEAR IMPACTS**

**Governmental Activities**

Revenue

Capital grants increased \$6.41 million due to outside funding for major street reconstruction projects. Property tax revenue increased as the entire tax levy is reflected in Governmental Activities in 2016. In addition, 2016 is the first full year the 2015 bond issue payment was included in the tax levy. Other taxes/intergovernmental increased due largely to economic incentive activity that also resulted in increased expenditures.

Expenses

The Village's Government Activities expenses increased by \$5.05 million. General government and public safety remained relatively consistent with the prior year amount. The largest increase was to Highways and Streets, which relates to infrastructure projects completed during the year as a part of the three year expanded capital improvement plan. Interest and fiscal charges reflect scheduled interest payments adjusted for interest payable and amortization of discounts/premiums. No new debt was incurred in 2016.

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

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## **Business-type Activities**

### Revenue

A water rate increase of 4.0% was implemented in January, 2016; water sales totaled \$4.04 million, which was less than the budget of \$4.24 million. Sewer user charges of \$2.85 million were consistent with the budget of \$2.87 million. The sewer rates were increased 2.5% in January 2016. Refuse charge rates were held flat for 2016 and revenue of \$0.51 million was consistent with the budgeted amount. The daily parking fee was also held flat which resulted in revenue of \$0.28 million.

### Expenses

Water Fund operating expenditures decreased \$0.11 million from the prior year. Wholesale water purchases increased slightly; however, the completion of the accelerated meter change out program in 2015 added significant costs to the fund last year that were not incurred in 2016. The Village's wholesale water supplier increased its rates on January 1<sup>st</sup> in combination with a series of annual increases to fund the reconstruction of their water treatment plant.

Sewer Fund operating expenses increased in comparison to the prior year. The increase was due largely to accounting adjustments related to Other Post Employment Benefits and GASB 68.

Refuse and Parking Fund operating expenses increased slightly in comparison to the period year. Both funds were under their expenditure budget.

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

### **Governmental Funds**

At December 31, 2016, the governmental funds reported a combined fund balance of \$31.61 million which is a 2.50% increase from the beginning of the year (\$30.84 million). The increase is due partially to an increase in the Infrastructure Replacement Fund balance related to cash and grants receivable. The 2011 B sinking fund also increased as expected. This fund will continue to increase until the Bonds are due on December 1, 2028.

### **Major Governmental Funds**

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund cash balance of \$16.3 million provides for approximately 300 days of anticipated annual expenditures.

General Fund revenues exceeded the budget of \$21.5 million by \$2.5 million. State shared revenues, such as income taxes and use taxes, exceeded budgeted amounts. Sales tax and Home Rule Sales tax exceeded current year expectations due to economic incentive activity, which also resulted in greater than expected economic incentive payments. Hotel/motel tax, telecommunications tax and building permit revenue all exceeded the current year budget.

General Fund expenditures were \$0.05 million more than the budget. This was caused primarily by economic incentive payments and partially offset by the employer contribution to the Police Pension Fund being lower than expected. Vacant positions in multiple departments also offset the increased economic incentive payments.

**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 63.

**General Fund Budget versus Actual  
Fiscal year ended December 31, 2016  
(in millions)**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Revenues			
Taxes	11.43	11.43	12.68
Intergovernmental	6.76	6.76	7.25
Other	3.31	3.31	4.03
Total	<u>21.50</u>	<u>21.50</u>	<u>23.96</u>
Expenditures & Transfers			
Expenditures	20.01	20.01	20.05
Transfers – Net	4.45	4.45	4.40
Total	<u>24.46</u>	<u>24.46</u>	<u>24.45</u>
Change in Fund Balance	<u>-2.96</u>	<u>-2.96</u>	<u>-0.49</u>

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

The Infrastructure Replacement Fund (IRF) is primarily funded with a home rule sales tax and grants. The Village also implemented an Infrastructure Maintenance Fee of ½ of 1% of the project value in 2012. Revenue in the IRF exceeded the budget by \$0.19 million due partially to greater than expected Infrastructure Maintenance Fees and home rule sales tax. Expenditures in the IRF totaled \$11.48 million. Engineering costs for upcoming projects, street improvements and infrastructure 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 \$4.22 million for the year. Actual operating expenses, excluding depreciation and interest totaled \$3.94 million. Overall, net position increased \$1.75 million which included depreciation of \$0.46 million and contributions of capital assets of \$1.94 million.

The Sewerage Fund operating expenses were over budget by \$0.11 million due primarily to greater than expected personnel costs resulting from year-end accounting adjustments. The operating expenses excluding depreciation exceeded operating revenues by \$0.96 million due to increased operating costs. Capital expenses for the foreseeable future in this fund have been transferred to the Infrastructure Fund.

The Refuse Fund operating expenses exceeded operating revenues by \$0.92 million. This Village also transfers a portion of its property tax levy to the refuse collection. Property tax transferred to the Refuse Fund totaled \$0.96 million and the Refuse Fund's net position increased \$0.04 million during the year to \$0.48 million.

**Internal Service Funds**

The Village's combined internal service funds' net position were \$6.8 million as of December 31, 2016, with \$5.2 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**

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### **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, 2016 was \$76.48 million. The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2016 was \$61.79 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**

No new debt was issued during the year. The Village retired \$2.15 million of general obligation debt. At the end of the year, the Village had total bonded debt outstanding of \$58.92 million. As a home rule government, under Illinois law, the Village has no legal debt limit. As of December 31, 2016 the total Village debt represented 4.47% of the 2015 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 2015.

### **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. General Fund property tax revenue was transferred to the Infrastructure Replacement Fund in 2016 to help fund an expanded three year capital improvement plan. Previously, property tax revenue was approximately 10% of General Fund revenue.

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.

The Village's hotel/motel tax has reached a high of \$2.1 million and exceeded current year budget by \$0.22 million due to more business travel. All of the Village's six hotels have remained open during the year. The continued strength of the local corporate employment provides a base level of demand for rooms which is the primary market for these hotels.

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

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

**VILLAGE OF DEERFIELD, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2016

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 32,065,684	\$ 1,397,964	\$ 33,463,648
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	7,075,988	-	7,075,988
Accounts	800,572	1,228,498	2,029,070
Accrued interest	46,430	678	47,108
Electric utility tax	113,231	-	113,231
Due from other governments	15,338,021	-	15,338,021
Note receivable	50,000	-	50,000
Internal balances	1,075,689	(1,075,689)	-
Inventory	170,925	139,407	310,332
Prepaid expenses	910,385	110,480	1,020,865
Capital assets not being depreciated	21,818,493	1,955,456	23,773,949
Capital assets (net of accumulated depreciation)	54,663,951	59,830,597	114,494,548
 Total assets	 134,129,369	 63,587,391	 197,716,760
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	2,633,102	953,364	3,586,466
Pension items - Police Pension	11,195,726	-	11,195,726
 Total deferred outflows of resources	 13,828,828	 953,364	 14,782,192
 Total assets and deferred outflows of resources	 147,958,197	 64,540,755	 212,498,952
<b>LIABILITIES</b>			
Accounts payable	3,534,577	254,323	3,788,900
Accrued payroll	342,925	81,107	424,032
Contracts payable	595,655	-	595,655
Deposits payable	-	43,869	43,869
Other payables	21,644	-	21,644
Accrued interest payable	75,724	84,672	160,396
Noncurrent liabilities			
Due within one year	1,555,790	832,279	2,388,069
Due in more than one year	53,369,796	30,720,471	84,090,267
 Total liabilities	 59,496,111	 32,016,721	 91,512,832
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	7,075,988	-	7,075,988
Pension items - IMRF	81,469	29,497	110,966
Pension items - Police Pension	7,297,738	-	7,297,738
 Total deferred inflows of resources	 14,455,195	 29,497	 14,484,692
 Total liabilities and deferred inflows of resources	 73,951,306	 32,046,218	 105,997,524

(This statement is continued on the following page.)

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2016

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	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<b>NET POSITION</b>			
Net investment in capital assets	\$ 55,732,838	\$ 32,118,523	\$ 87,851,361
Restricted for			
Maintenance of roadways	360,593	-	360,593
Public safety	1,124,743	-	1,124,743
Debt service	3,644,178	-	3,644,178
Unrestricted	13,144,539	376,014	13,520,553
<b>TOTAL NET POSITION</b>	<u>\$ 74,006,891</u>	<u>\$ 32,494,537</u>	<u>\$ 106,501,428</u>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 8,938,512	\$ 2,706,969	\$ -	\$ -
Public safety	11,516,466	1,221,896	-	2,055
Highways and streets	12,905,603	417,398	464,020	6,851,512
Interest	918,603	711,369	-	-
Total governmental activities	34,279,184	5,057,632	464,020	6,853,567
Business-Type Activities				
Water	4,405,066	4,058,510	-	1,936,420
Sewerage	4,996,664	2,853,730	-	986,429
Refuse disposal	1,449,954	515,496	-	-
Commuter parking lot	306,583	277,048	-	-
Total business-type activities	11,158,267	7,704,784	-	2,922,849
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 45,437,451</b>	<b>\$ 12,762,416</b>	<b>\$ 464,020</b>	<b>\$ 9,776,416</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
	\$ (6,231,543)	\$ -	\$ (6,231,543)
	(10,292,515)	-	(10,292,515)
	(5,172,673)	-	(5,172,673)
	(207,234)	-	(207,234)
	(21,903,965)	-	(21,903,965)
	-	1,589,864	1,589,864
	-	(1,156,505)	(1,156,505)
	-	(934,458)	(934,458)
	-	(29,535)	(29,535)
	-	(530,634)	(530,634)
	(21,903,965)	(530,634)	(22,434,599)
General Revenues			
Taxes			
Property	7,203,484	22	7,203,506
Replacement	132,026	-	132,026
Home rule sales	3,484,806	-	3,484,806
Local use	419,908	-	419,908
Hotel/motel	2,124,692	-	2,124,692
Simplified telecommunications	1,722,295	-	1,722,295
Electric utility tax	1,273,363	-	1,273,363
Intergovernmental	8,350,115	-	8,350,115
Investment income	191,929	4,753	196,682
Miscellaneous	431,172	226,012	657,184
Transfers in (out)	(2,770,464)	2,770,464	-
Total	22,563,326	3,001,251	25,564,577
CHANGE IN NET POSITION	659,361	2,470,617	3,129,978
Special item - jurisdictional transfer of capital assets	(1,194,772)	-	(1,194,772)
NET POSITION, JANUARY 1	74,009,299	29,674,995	103,684,294
Change in accounting principle	533,003	348,925	881,928
NET POSITION, JANUARY 1, RESTATED	74,542,302	30,023,920	104,566,222
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 74,006,891</b>	<b>\$ 32,494,537</b>	<b>\$ 106,501,428</b>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2016

	<b>General</b>	<b>Debt Service</b>	<b>Infrastructure Replacement</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 16,345,630	\$ 111,253	\$ 5,366,750	\$ 5,027,403	\$ 26,851,036
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	3,449,753	3,626,235	-	-	7,075,988
Accounts	691,094	-	6,200	100,350	797,644
Accrued interest	13,454	667	4,804	24,126	43,051
Electric utility tax receivable	113,231	-	-	-	113,231
Due from other governments	3,219,153	9,110,000	2,965,633	43,235	15,338,021
Note receivable	50,000	-	-	-	50,000
Advance to other funds	1,075,689	-	-	-	1,075,689
Inventory	26,643	-	-	-	26,643
Prepaid items	904,041	-	-	-	904,041
<b>TOTAL ASSETS</b>	<b>\$ 25,888,688</b>	<b>\$ 12,848,155</b>	<b>\$ 8,343,387</b>	<b>\$ 5,195,114</b>	<b>\$ 52,275,344</b>

	General	Debt Service	Infrastructure Replacement	Nonmajor Governmental	Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,645,600	\$ -	\$ 1,811,753	\$ 65,600	\$ 3,522,953
Accrued payroll	334,972	-	-	-	334,972
Contracts payable	-	-	595,655	-	595,655
Other payables	21,644	-	-	-	21,644
Total liabilities	2,002,216	-	2,407,408	65,600	4,475,224
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - Library	-	9,110,000	-	-	9,110,000
Unavailable property tax revenues	3,449,753	3,626,235	-	-	7,075,988
Total deferred inflows of resources	3,449,753	12,736,235	-	-	16,185,988
Total liabilities and deferred inflows of resources	5,451,969	12,736,235	2,407,408	65,600	20,661,212
<b>FUND BALANCES</b>					
Nonspendable for					
Note receivable	50,000	-	-	-	50,000
Inventory	26,643	-	-	-	26,643
Prepaid items	904,041	-	-	-	904,041
Advance	1,075,689	-	-	-	1,075,689
Restricted for					
Maintenance of roadways	-	-	-	360,593	360,593
Public safety	-	-	-	1,124,743	1,124,743
Debt service	-	-	-	3,644,178	3,644,178
Unrestricted					
Assigned for					
Debt service	-	111,920	-	-	111,920
Capital projects	1,300,000	-	5,935,979	-	7,235,979
Subsequent year's budget	2,117,018	-	-	-	2,117,018
Unassigned	14,963,328	-	-	-	14,963,328
Total fund balances	20,436,719	111,920	5,935,979	5,129,514	31,614,132
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 25,888,688</b>	<b>\$ 12,848,155</b>	<b>\$ 8,343,387</b>	<b>\$ 5,195,114</b>	<b>\$ 52,275,344</b>

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, 2016

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>		\$ 31,614,132
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	\$ 76,482,444	
Less internal service funds	<u>(1,493,996)</u>	74,988,448
Premium on bonds issued are capitalized and amortized on the statement of net position		(540,355)
Discount on bonds issued are deferred and amortized on the statement of net position		55,749
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable		(29,375,000)
Other postemployment benefit payable		(1,103,475)
Net pension liability - IMRF		(4,116,323)
Net pension liability - Police Pension		(18,348,280)
Compensated absences	(1,497,902)	
Less internal service funds	<u>(18,220)</u>	(1,479,682)
Intergovernmental receivable from the Library is not unavailable revenue on the statement of net position		9,110,000
Accrued interest on long-term liabilities is shown as a liability on the statement of net position		(75,724)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date are recognized as deferred outflows and inflows of resources on the statement of net position		
IMRF		2,551,633
Police Pension		3,897,988
The net position of the internal service funds are included in the governmental activities in the statement of net position		<u>6,827,780</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<u><u>\$ 74,006,891</u></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, 2016

	<b>General</b>	<b>Debt Service</b>	<b>Infrastructure Replacement</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes	\$ 12,684,438	\$ 2,951,082	\$ 1,161,657	\$ 725,000	\$ 17,522,177
Licenses and permits	1,958,108	-	-	-	1,958,108
Intergovernmental	7,249,068	496,238	6,798,660	464,020	15,007,986
Charges for services	646,574	-	-	324,730	971,304
Fines and forfeits	286,981	-	-	-	286,981
Contribution from the Library	-	730,131	-	-	730,131
Investment income	97,285	4,747	37,350	52,547	191,929
Miscellaneous	1,035,036	-	520,105	252	1,555,393
<b>Total revenues</b>	<b>23,957,490</b>	<b>4,182,198</b>	<b>8,517,772</b>	<b>1,566,549</b>	<b>38,224,009</b>
<b>EXPENDITURES</b>					
Current					
General government	8,412,310	-	-	494,592	8,906,902
Public safety	8,891,767	-	-	162,732	9,054,499
Highways and streets	2,749,322	-	-	-	2,749,322
Capital outlay	-	-	11,479,622	173,003	11,652,625
Debt service					
Principal retirement	-	1,369,000	-	-	1,369,000
Interest and fiscal charges	-	944,819	-	-	944,819
<b>Total expenditures</b>	<b>20,053,399</b>	<b>2,313,819</b>	<b>11,479,622</b>	<b>830,327</b>	<b>34,677,167</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,904,091</b>	<b>1,868,379</b>	<b>(2,961,850)</b>	<b>736,222</b>	<b>3,546,842</b>

	<b>General</b>	<b>Debt Service</b>	<b>Infrastructure Replacement</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 50,800	\$ -	\$ 4,190,796	\$ -	\$ 4,241,596
Transfers (out)	(4,449,753)	(1,814,480)	-	(747,827)	(7,012,060)
Total other financing sources (uses)	(4,398,953)	(1,814,480)	4,190,796	(747,827)	(2,770,464)
NET CHANGE IN FUND BALANCES	(494,862)	53,899	1,228,946	(11,605)	776,378
FUND BALANCES, JANUARY 1	20,931,581	58,021	4,707,033	5,141,119	30,837,754
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 20,436,719</b>	<b>\$ 111,920</b>	<b>\$ 5,935,979</b>	<b>\$ 5,129,514</b>	<b>\$ 31,614,132</b>

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, 2016

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		<b>\$ 776,378</b>
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	\$ 4,777,624	
Less internal service funds	<u>(266,492)</u>	4,511,132
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		1,369,000
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received		(515,000)
The change in interest payable is reported as an expense on the statement of activities		2,800
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	(2,673,964)	
Less internal service funds	<u>331,959</u>	(2,342,005)
The loss on disposal of capital assets is an addition to expense on the statement of activities		(1,060,624)
Certain long-term liabilities, such as compensated absences, are not due and payable in the current period, and, therefore, are not reported in the governmental funds		160,071
The increase in the other postemployment benefit payable is reported as an addition to expense on the statement of activities		(167,588)
The change in deferred inflows and outflows of resources is reported only on the statement of activities		
IMRF		1,000,005
Police Pension		(10,311,205)
The change in net pension liabilities are reported only on the statement of activities		
IMRF		(944,470)
Police Pension		7,856,265
The amortization of the discount and premium are reported as a reduction to expense on the statement of activities		23,416
The change in net position of certain activities of internal service funds is in governmental funds		<u>301,186</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ <u>659,361</u></b>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor	Total Enterprise	Internal Service
				Enterprise (Parking Lot)		
<b>CURRENT ASSETS</b>						
Cash and investments	\$ -	\$ 651,165	\$ 476,172	\$ 270,627	\$ 1,397,964	\$ 5,214,648
Receivables						
Accounts - billed	211,472	173,200	19,771	-	404,443	2,928
Accounts - unbilled	427,472	312,407	84,176	-	824,055	-
Accrued interest	-	310	195	173	678	3,379
Prepaid expenses	45,316	60,421	2,568	2,175	110,480	6,344
Inventory	122,819	16,588	-	-	139,407	144,282
<b>Total current assets</b>	<b>807,079</b>	<b>1,214,091</b>	<b>582,882</b>	<b>272,975</b>	<b>2,877,027</b>	<b>5,371,581</b>
<b>CAPITAL ASSETS</b>						
Nondepreciable	1,877,956	-	-	77,500	1,955,456	-
Depreciable	23,187,354	46,743,643	-	1,950,830	71,881,827	4,346,247
Accumulated depreciation	(5,213,483)	(5,911,855)	-	(925,892)	(12,051,230)	(2,852,251)
<b>Net capital assets</b>	<b>19,851,827</b>	<b>40,831,788</b>	<b>-</b>	<b>1,102,438</b>	<b>61,786,053</b>	<b>1,493,996</b>
<b>Total assets</b>	<b>20,658,906</b>	<b>42,045,879</b>	<b>582,882</b>	<b>1,375,413</b>	<b>64,663,080</b>	<b>6,865,577</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension items - IMRF	317,788	635,576	-	-	953,364	-
<b>Total assets and deferred outflows of resources</b>	<b>20,976,694</b>	<b>42,681,455</b>	<b>582,882</b>	<b>1,375,413</b>	<b>65,616,444</b>	<b>6,865,577</b>

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>	
	<b>Water</b>	<b>Sewerage</b>	<b>Refuse</b>	<b>Nonmajor Enterprise (Parking Lot)</b>	<b>Total Enterprise</b>	<b>Internal Service</b>
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 55,792	\$ 91,252	\$ 104,448	\$ 2,831	\$ 254,323	\$ 11,624
Accrued payroll	25,638	54,552	-	917	81,107	7,953
Accrued interest	-	84,672	-	-	84,672	-
Deposits payable	24,071	19,798	-	-	43,869	-
Bonds payable	-	804,000	-	-	804,000	-
Compensated absences payable	12,757	15,406	-	116	28,279	1,822
<b>Total current liabilities</b>	<b>118,258</b>	<b>1,069,680</b>	<b>104,448</b>	<b>3,864</b>	<b>1,296,250</b>	<b>21,399</b>
<b>LONG-TERM LIABILITIES</b>						
Advance from other funds	1,075,689	-	-	-	1,075,689	-
Compensated absences payable	114,818	138,658	-	1,044	254,520	16,398
Net pension liability	496,797	993,595	-	-	1,490,392	-
Other postemployment benefit payable	38,161	73,868	-	-	112,029	-
Bonds payable - long-term	-	28,863,530	-	-	28,863,530	-
<b>Total long-term liabilities</b>	<b>1,725,465</b>	<b>30,069,651</b>	<b>-</b>	<b>1,044</b>	<b>31,796,160</b>	<b>16,398</b>
<b>Total liabilities</b>	<b>1,843,723</b>	<b>31,139,331</b>	<b>104,448</b>	<b>4,908</b>	<b>33,092,410</b>	<b>37,797</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension items - IMRF	9,832	19,665	-	-	29,497	-
<b>Total deferred inflows of resources</b>	<b>9,832</b>	<b>19,665</b>	<b>-</b>	<b>-</b>	<b>29,497</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,853,555</b>	<b>31,158,996</b>	<b>104,448</b>	<b>4,908</b>	<b>33,121,907</b>	<b>37,797</b>
<b>NET POSITION</b>						
Net investment in capital assets	19,851,827	11,164,258	-	1,102,438	32,118,523	1,493,996
Unrestricted (deficit)	(728,688)	358,201	478,434	268,067	376,014	5,333,784
<b>TOTAL NET POSITION</b>	<b>\$ 19,123,139</b>	<b>\$ 11,522,459</b>	<b>\$ 478,434</b>	<b>\$ 1,370,505</b>	<b>\$ 32,494,537</b>	<b>\$ 6,827,780</b>

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, 2016

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor	Total	Internal
				Enterprise (Parking Lot)		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 4,058,510	\$ 2,853,730	\$ 515,496	\$ 277,048	\$ 7,704,784	\$ 1,122,553
Miscellaneous	160,600	47,917	17,495	-	226,012	9,034
Total operating revenues	4,219,110	2,901,647	532,991	277,048	7,930,796	1,131,587
<b>OPERATING EXPENSES</b>						
Administration	636,554	597,044	-	-	1,233,598	-
Operations	3,307,476	2,400,139	1,449,954	279,846	7,437,415	371,368
Capital outlay	-	-	-	-	-	217,906
Total operating expenses	3,944,030	2,997,183	1,449,954	279,846	8,671,013	589,274
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	275,080	(95,536)	(916,963)	(2,798)	(740,217)	542,313
Depreciation and amortization	461,036	979,442	-	26,737	1,467,215	331,959
OPERATING INCOME (LOSS)	(185,956)	(1,074,978)	(916,963)	(29,535)	(2,207,432)	210,354
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Sale of capital assets	-	-	-	-	-	10,000
Investment income	-	2,165	1,332	1,256	4,753	24,875
Property taxes	-	-	22	-	22	-
Interest expense	-	(1,020,039)	-	-	(1,020,039)	-
Total non-operating revenues (expenses)	-	(1,017,874)	1,354	1,256	(1,015,264)	34,875
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(185,956)	(2,092,852)	(915,609)	(28,279)	(3,222,696)	245,229
<b>CONTRIBUTIONS</b>	1,936,420	986,429	-	-	2,922,849	55,957
<b>TRANSFERS</b>						
Transfers in	-	1,814,480	955,984	-	2,770,464	-
Total transfers	-	1,814,480	955,984	-	2,770,464	-
CHANGE IN NET POSITION	1,750,464	708,057	40,375	(28,279)	2,470,617	301,186
NET POSITION, JANUARY 1	17,256,368	10,581,784	438,059	1,398,784	29,674,995	6,526,594
Change in accounting principle	116,307	232,618	-	-	348,925	-
NET POSITION, JANUARY 1, RESTATED	17,372,675	10,814,402	438,059	1,398,784	30,023,920	6,526,594
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 19,123,139</b>	<b>\$ 11,522,459</b>	<b>\$ 478,434</b>	<b>\$ 1,370,505</b>	<b>\$ 32,494,537</b>	<b>\$ 6,827,780</b>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor Enterprise (Parking Lot)	Total Enterprise	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 3,984,982	\$ 2,804,908	\$ 506,593	\$ 277,048	\$ 7,573,531	\$ -
Receipts from interfund services	-	-	-	-	-	1,123,654
Receipts from miscellaneous revenues	160,600	47,917	17,495	-	226,012	9,034
Payments to suppliers	(2,994,715)	(1,062,476)	(1,320,695)	(230,841)	(5,608,727)	(377,412)
Payments to employees	(934,965)	(1,735,703)	(96,799)	(38,170)	(2,805,637)	(212,748)
Payments for interfund services	(73,026)	(50,992)	(32,830)	(12,343)	(169,191)	(1,900)
Net cash from operating activities	142,876	3,654	(926,236)	(4,306)	(784,012)	540,628
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund loan	(142,876)	-	-	-	(142,876)	-
Interfund transfer	-	1,814,480	955,984	-	2,770,464	-
Property taxes	-	-	22	-	22	-
Net cash from noncapital financing activities	(142,876)	1,814,480	956,006	-	2,627,610	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from sale of capital assets	-	-	-	-	-	10,000
Capital assets purchased	-	-	-	-	-	(220,535)
Bond principal payments	-	(781,000)	-	-	(781,000)	-
Bond interest payments	-	(1,033,855)	-	-	(1,033,855)	-
Net cash from capital and related financing activities	-	(1,814,855)	-	-	(1,814,855)	(210,535)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Sale of investments	-	2,108	1,364	1,212	4,684	23,913
Net cash from investing activities	-	2,108	1,364	1,212	4,684	23,913
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	5,387	31,134	(3,094)	33,427	354,006
CASH AND CASH EQUIVALENTS, JANUARY 1	-	645,778	445,038	273,721	1,364,537	4,860,642
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ -</b>	<b>\$ 651,165</b>	<b>\$ 476,172</b>	<b>\$ 270,627</b>	<b>\$ 1,397,964</b>	<b>\$ 5,214,648</b>

(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, 2016

	Business-Type Activities				Governmental Activities	
	Water	Sewerage	Refuse	Nonmajor Enterprise (Parking Lot)	Total Enterprise	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (185,956)	\$ (1,074,978)	\$ (916,963)	\$ (29,535)	\$ (2,207,432)	\$ 210,354
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation and amortization	461,036	979,442	-	26,737	1,467,215	331,959
(Increase) decrease in						
Receivables	(73,528)	(48,822)	(8,903)	-	(131,253)	2,292
Prepaid expenses	(11,211)	(15,029)	(482)	(410)	(27,132)	(1,191)
Inventories	25,840	(2,720)	-	-	23,120	4,100
Increase (decrease) in						
Accounts payable	(140,560)	10,874	112	(1,674)	(131,248)	(7,429)
Deposits payable	1,835	1,434	-	-	3,269	-
Interfund payables	-	-	-	-	-	(1,900)
Accrued payroll	7,120	7,672	-	116	14,908	1,676
Other postemployment benefit payable	8,810	38,745	-	-	47,555	-
Compensated absences payable	4,213	16,478	-	460	21,151	767
Pension items	45,277	90,558	-	-	135,835	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 142,876</b>	<b>\$ 3,654</b>	<b>\$ (926,236)</b>	<b>\$ (4,306)</b>	<b>\$ (784,012)</b>	<b>\$ 540,628</b>
<b>NONCASH TRANSACTIONS</b>						
Contributions of capital assets by other funds	\$ 1,936,420	\$ 986,429	\$ -	\$ -	\$ 2,922,849	\$ 55,957
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 1,936,420</b>	<b>\$ 986,429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,922,849</b>	<b>\$ 55,957</b>

See accompanying notes to financial statements.

VILLAGE OF DEERFIELD, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

December 31, 2016

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	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 831,670	\$ 2,882,901
Investments		
U.S. Treasury obligations	2,681,733	-
U.S. agencies securities	3,709	-
Corporate bonds	10,749,642	-
Mutual funds	28,302,179	-
Municipal bonds	382,410	-
Receivables		
Accrued interest	141,280	55
	<hr/>	<hr/>
Total assets	43,092,623	\$ 2,882,956
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts payable	18,847	\$ 71,386
Deposits payable	-	2,698,680
Other payables	-	112,890
	<hr/>	<hr/>
Total liabilities	18,847	\$ 2,882,956
	<hr/>	<hr/>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 43,073,776</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, 2016

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**ADDITIONS**

Contributions - employer	\$ 934,918
Contributions - employee	<u>425,791</u>
Total contributions	<u>1,360,709</u>
Investment income	
Net appreciation in fair value of investments	2,801,143
Interest and dividends earned on investments	<u>1,074,707</u>
Total investment income	3,875,850
Less investment expense	<u>(30,824)</u>
Net investment income	<u>3,845,026</u>
Total additions	<u>5,205,735</u>

**DEDUCTIONS**

Benefits and refunds	
Pension payments	2,603,139
Administrative	<u>41,182</u>
Total deductions	<u>2,644,321</u>

NET INCREASE 2,561,414

**NET POSITION RESTRICTED  
FOR PENSION BENEFITS**

January 1	<u>40,512,362</u>
December 31	<u>\$ 43,073,776</u>

See accompanying notes to financial statements.

# VILLAGE OF DEERFIELD, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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### 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).

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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

Joint Ventures

Solid Waste Agency of Lake County

Solid Waste Agency of Lake County (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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements (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)

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

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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Village has invested in Illinois Funds during the year. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Investments in Illinois Funds are carried at amortized cost, which approximates fair value.

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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. 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.

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 of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees. 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Fund Equity/Net Position (Continued)

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, 2016, 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.

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, 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 Deerfield Public Library (the Library). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally the pension plans of the Village have both deferred inflows and outflows.

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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The 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.

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.

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Village Investments

The following table presents the Village's investments in and maturities of debt securities as of December 31, 2016:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate bonds	\$ 4,693,704	\$ 3,672,915	\$ 1,020,789	\$ -	\$ -
U.S. agency obligations	10,980,145	-	7,419,383	2,133,853	1,426,909
<b>TOTAL</b>	<b>\$15,673,849</b>	<b>\$ 3,672,915</b>	<b>\$ 8,440,172</b>	<b>\$ 2,133,853</b>	<b>\$ 1,426,909</b>

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a five-year period. 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.

The Village has the following recurring fair value measurements as of December 31, 2016. The U.S. agency obligations and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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. Corporate bonds are not rated.

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 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.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Village Investments (Continued)

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

**3. RECEIVABLES**

a. Taxes

Property taxes for 2016 attach as an enforceable lien on January 1, 2016 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 2016 tax levy collections are intended to finance 2017 year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue.

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, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Jurisdiction Transfer	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital assets not being depreciated					
Land	\$ 4,769,586	\$ 367,338	\$ -	\$ -	\$ 5,136,924
Land right of way	16,180,188	-	-	-	16,180,188
Construction in progress	1,445,254	329,377	78,478	1,194,772	501,381
Total capital assets not being depreciated	22,395,028	696,715	78,478	1,194,772	21,818,493

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Jurisdiction Transfer	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital assets being depreciated					
Buildings and improvements	\$ 12,232,033	\$ 348,764	\$ -	\$ -	\$ 12,580,797
Vehicles, machinery and equipment	4,758,248	276,492	55,931	-	4,978,809
Infrastructure	102,420,983	3,544,131	3,521,484	3,449,179	98,994,451
Total capital assets being depreciated	119,411,264	4,169,387	3,577,415	3,449,179	116,554,057
Less accumulated depreciation for					
Buildings and improvements	4,166,061	301,307	-	-	4,467,368
Vehicles, machinery and equipment	2,746,588	394,694	55,931	-	3,085,351
Infrastructure	58,269,463	1,977,963	2,460,860	3,449,179	54,337,387
Total accumulated depreciation	65,182,112	2,673,964	2,516,791	3,449,179	61,890,106
Total capital assets being depreciated, net	54,229,152	1,495,423	1,060,624	-	54,663,951
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 76,624,180</b>	<b>\$ 2,192,138</b>	<b>\$ 1,139,102</b>	<b>\$ 1,194,772</b>	<b>\$ 76,482,444</b>
	Beginning Balances	Increases	Decreases	Ending Balances	
<b>BUSINESS-TYPE ACTIVITIES</b>					
Capital assets not being depreciated					
Land	\$ 1,955,456	\$ -	\$ -	\$ 1,955,456	
Construction in Progress	7,224	-	7,224	-	
Total capital assets not being depreciated	1,962,680	-	7,224	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	16,641,851	1,936,420	197,530	18,380,741	
Sanitary sewer system	4,814,466	993,653	69,542	5,738,577	
Total capital assets being depreciated	69,218,826	2,930,073	267,072	71,881,827	
Less accumulated depreciation for					
Buildings and improvements	5,363,130	963,458	-	6,326,588	
Parking lot improvements	899,155	26,737	-	925,892	
Vehicles, machinery and equipment	495,644	18,054	-	513,698	
Water distribution system	2,522,077	354,526	197,530	2,679,073	
Sanitary sewer system	1,571,081	104,440	69,542	1,605,979	
Total accumulated depreciation	10,851,087	1,467,215	267,072	12,051,230	
Total capital assets being depreciated, net	58,367,739	1,462,858	-	59,830,597	
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 60,330,419</b>	<b>\$ 1,462,858</b>	<b>\$ 7,224</b>	<b>\$ 61,786,053</b>	

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

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**4. CAPITAL ASSETS (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

General government	\$ 171,726
Public safety	166,147
Highways and streets, including depreciation of general infrastructure assets	<u>2,336,091</u>
<b>DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,673,964</u></b>

**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.

**Intergovernmental Personnel Benefit Cooperative**

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

The IPBC receives, processes and pays such claims as 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**

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.

**5. RISK MANAGEMENT (Continued)**

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

**High-Level Excess Liability Pool**

The Village 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.

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.

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

**6. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

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	\$ 3,660,000	\$ -	\$ 220,000	\$ 3,440,000	\$ 225,000
General Obligation Bond Series of 2010A (\$12,500,000 dated November 3, 2010; maturing December 1, 2030; payable in annual installments; interest rates from 0.80% to 5.50%).	Debt Service* Sewer	3,914,000 5,871,000	- -	224,000 336,000	3,690,000 5,535,000	226,000 339,000
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	8,505,000	-	280,000	8,225,000	295,000
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**	12,480,000	-	-	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% to 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% to 2.25%).	Debt Service Sewer	5,090,000 1,975,000	- -	265,000 445,000	4,825,000 1,530,000	265,000 465,000

**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 Bond Series of 2015 (\$9,575,000 dated May 19, 2015; maturing December 1, 2034; payable in annual installments; interest rates from 3.00% to 3.25%).	Debt Service	\$ 9,575,000	\$ -	\$ 380,000	\$ 9,195,000	\$ 395,000
<b>TOTAL</b>		<b>\$ 61,070,000</b>	<b>\$ -</b>	<b>\$ 2,150,000</b>	<b>\$ 58,920,000</b>	<b>\$ 2,210,000</b>

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.

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 \$9,575,000 in General Obligation Bonds, Series 2015, was authorized to finance various street and infrastructure rehabilitation projects.

\* The Village abated a portion of the tax levy on this bond issue for fiscal year 2016 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 United States Government.

\*\* The Village abated a portion of the tax levy on this bond issue for fiscal year 2016 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 United States Government.

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

**6. LONG-TERM DEBT (Continued)**

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
2017	\$ 1,406,000	\$ 908,692	\$ 2,314,692	\$ 804,000	\$ 1,016,052	\$ 1,820,052
2018	1,450,000	872,464	2,322,464	825,000	997,429	1,822,429
2019	1,494,000	833,662	2,327,662	851,000	978,319	1,829,319
2020	1,545,000	791,294	2,336,294	875,000	958,983	1,833,983
2021	1,599,000	746,873	2,345,873	901,000	937,098	1,838,098
2022	1,650,000	700,069	2,350,069	930,000	912,580	1,842,580
2023	1,713,000	650,319	2,363,319	957,000	886,592	1,843,592
2024	1,774,000	597,147	2,371,147	991,000	857,777	1,848,777
2025	1,837,000	541,188	2,378,188	1,018,000	827,265	1,845,265
2026	1,905,000	481,767	2,386,767	1,055,000	793,686	1,848,686
2027	1,983,000	418,899	2,401,899	1,087,000	758,116	1,845,116
2028	1,879,000	351,961	2,230,961	13,431,000	719,552	14,150,552
2029	2,475,000	287,173	2,762,173	1,885,000	184,435	2,069,435
2030	2,560,000	208,103	2,768,103	1,940,000	120,525	2,060,525
2031	2,215,000	124,100	2,339,100	1,995,000	54,638	2,049,638
2032	610,000	59,900	669,900	-	-	-
2033	630,000	41,600	671,600	-	-	-
2034	650,000	21,125	671,125	-	-	-
<b>TOTAL</b>	<b>\$ 29,375,000</b>	<b>\$ 8,636,336</b>	<b>\$ 38,011,336</b>	<b>\$ 29,545,000</b>	<b>\$ 11,003,047</b>	<b>\$ 40,548,047</b>

**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, Restated	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
General obligation bonds	Debt Service	\$ 30,744,000	\$ -	\$ 1,369,000	\$ 29,375,000	\$ 1,406,000
Premium		564,519	-	24,164	540,355	-
Discount		(56,497)	-	(748)	(55,749)	-
Net pension liability - IMRF	General	3,171,853	944,470	-	4,116,323	-
Net pension liability - Police Pension	General	26,204,545	-	7,856,265	18,348,280	-
Compensated absences (Governmental)	General	1,639,753	3,904	163,975	1,479,682	147,968
Compensated absences (Internal Service)	Garage	17,453	2,512	1,745	18,220	1,822
Other postemployment benefit	General	935,887	167,588	-	1,103,475	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 63,221,513</b>	<b>\$ 1,184,474</b>	<b>\$ 9,414,401</b>	<b>\$ 54,925,586</b>	<b>\$ 1,555,790</b>

The General Fund will liquidate the pension and OPEB liabilities.

	Fund Debt Retired By	Balances December 31, Restated	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>						
General obligation bonds	Sewer	\$ 30,326,000	\$ -	\$ 781,000	\$ 29,545,000	\$ 804,000
Premium		134,961	-	12,431	122,530	-
Compensated absences (Enterprise)	Water/Sewer /Parking	261,649	47,315	26,165	282,799	28,279
Net pension liability	Water/Sewer	1,067,278	423,114	-	1,490,392	-
Other postemployment benefit	Water/Sewer	64,474	47,555	-	112,029	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 31,854,362</b>	<b>\$ 517,984</b>	<b>\$ 819,596</b>	<b>\$ 31,522,750</b>	<b>\$ 832,279</b>

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

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**6. LONG-TERM DEBT (Continued)**

d. Legal Debt Margin

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.”

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.

**7. INTERFUND ASSETS/LIABILITIES**

a. Interfund Transfers

Transfers From	Transfers To	Amount
General	Infrastructure Replacement	\$ 3,493,769
Bond Proceeds	General	50,800
Bond Proceeds	Infrastructure Replacement	697,027
General	Refuse	955,984
Debt Service	Sewer	<u>1,814,480</u>
<b>TOTAL</b>		<u><u>\$ 7,012,060</u></u>

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

- \$3,493,769 transferred from the General Fund to the Infrastructure Replacement Fund is to provide additional funding needed to complete budgeted capital projects.

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

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**7. INTERFUND ASSETS/LIABILITIES (Continued)**

a. Interfund Transfers (Continued)

- \$50,800 and \$697,027 transferred from the Bond Proceeds Fund to the General and Infrastructure Replacement Fund is to provide reimbursements for eligible construction project costs. The amount will not be repaid.
- \$955,984 transferred from the General Fund to the Refuse Fund is to subsidize administrative charges. This amount will not be repaid.
- \$1,814,480 transferred from Debt Service Fund to the Sewer Fund is to make the principal and interest payments for the sewer bonds.

b. Interfund Payables/Receivables

Receivable Fund	Payable Fund	Amount
General	Water - long-term	<u>\$ 1,075,689</u>
TOTAL		<u>\$ 1,075,689</u>

The interfund payables/receivables all represent temporary financing that will be repaid within one year, except for the long-term portion as noted.

**8. COMMITMENTS**

High-Level Excess Liability Pool

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

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

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

The Village has passed a resolution authorizing the extension of HELP for ten years beginning May 1, 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

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

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

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.

**10. JOINT VENTURES (Continued)**

Solid Waste Agency of Lake County (Continued)

Description of Joint Venture (Continued)

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

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

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, 2016.

**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.

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

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

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

b. Benefits Provided (Continued)

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, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	31
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>162</u>
<b>TOTAL</b>	<b><u>193</u></b>
 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
2014	\$ 186,696	\$ 108,707	\$ 58.22%	\$ 921,853
2015	187,216	108,707	58.06%	1,000,362
2016	367,814	152,672	41.51%	1,215,504

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

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The net OPEB obligation as of December 31, 2016 was calculated as follows:

Annual required contribution	\$ 361,147
Interest on net OPEB obligation	40,014
Adjustment to annual required contribution	<u>(33,347)</u>
Annual OPEB cost	367,814
Contributions made	<u>152,672</u>
Increase in net OPEB obligation	215,142
Net OPEB obligation, beginning of year	<u>1,000,362</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u><u>\$ 1,215,504</u></u></b>

Funded Status and Funding Progress - The funded status of the plan as of December 31, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 5,862,837
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	5,862,837
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 12,945,062
UAAL as a percentage of covered payroll	45.29%

Actuarial valuations of an ongoing plan involve estimates 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 December 31, 2016 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 5% with an ultimate healthcare inflation rate of 5%. 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 advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over a 30 year amortization period. The remaining amortization period at December 31, 2016, 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). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Plan Administration*

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

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

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	120
Inactive employees entitled to but not yet receiving benefits	98
Active employees	<u>107</u>
 TOTAL	 <u><u>325</u></u>

The IMRF data included in the table above includes membership of both the Village and the Library.

*Benefits Provided*

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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2016 was 12.78% of covered payroll.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that 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 Village's fiduciary net position was projected not 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 of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 46,096,514	\$ 41,014,236	\$ 5,082,278
Changes for the period			
Service cost	818,026	-	818,026
Interest	3,391,973	-	3,391,973
Difference between expected and actual experience	(19,404)	-	(19,404)
Changes in assumptions	56,963	-	56,963
Employer contributions	-	1,004,206	(1,004,206)
Employee contributions	-	347,043	(347,043)
Net investment income	-	202,355	(202,355)
Benefit payments and refunds	(2,437,679)	(2,437,679)	-
Administrative expense	-	-	-
Other (net transfer)	-	679,125	(679,125)
Net changes	1,809,879	(204,950)	2,014,829
BALANCES AT DECEMBER 31, 2015	\$ 47,906,393	\$ 40,809,286	\$ 7,097,107

There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2015, is 7.48%. The discount rate used in the prior actuarial valuation, dated December 31, 2014, was 7.49%.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

The table presented on the previous page includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 was \$4,015,000, \$793,113 and \$5,606,715, respectively. The Library's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 was \$1,067,278, \$211,093 and \$1,490,392, respectively.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2016, the Village recognized pension expense of \$80,298. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 140,464
Changes in assumption	912,805	-
Net difference between projected and actual earnings on pension plan investments	2,612,305	-
Employer contributions after the measurement date	1,014,721	-
<b>TOTAL</b>	<b>\$ 4,539,831</b>	<b>\$ 140,464</b>

The deferred outflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the deferred outflows and inflows of resources at December 31, 2016 was \$3,586,466 and \$110,966, respectively. The Library's proportionate share of the deferred outflows and inflows of resources at December 31, 2016 was \$953,365 and \$29,498, respectively. \$1,014,721 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2017.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2017	\$ 1,043,047
2018	1,043,047
2019	726,346
2020	572,206
2021	-
Thereafter	-
	<hr/>
TOTAL	<u>\$ 3,384,646</u>

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
	<hr/>		
Net pension liability (Village)	\$ 10,497,219	\$ 5,606,715	\$ 1,642,257
Net pension liability (Library)	2,790,400	1,490,392	436,550
	<hr/>		
Net pension liability (total)	<u>\$ 13,287,619</u>	<u>\$ 7,097,107</u>	<u>\$ 2,078,807</u>

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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 (40 ILCS 5/3-1) 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 Board of Trustees. Two members appointed by the Village's Board of Trustees, 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, 2016, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	39
Inactive plan members but not yet receiving benefits	-
Active plan members	
Vested	21
Nonvested	17
	<hr/>
TOTAL	<u>77</u>

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Contributions (Continued)*

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 and this is the Village's funding policy. The employer contribution for the year ended December 31, 2016 was 24.44% of covered payroll.

*Investment Policy*

Permitted Deposits and Investments - Statutes and the Police Pension Fund's (the Fund) 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) and corporate bonds. During the year, no changes to the investment policy were approved by the Board of Trustees.

The Fund's Board of Trustees established the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Corporate Bonds	34%	1.70%
Equity	60%	6.10%
U.S. Government	5%	1.00%
Cash	1%	0.00%

**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 Concentration*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the plan net assets for the Police Pension Plan.

At December 31, 2016, the Fund had greater than 5% of its fixed income portfolio invested in obligations of the U.S. Treasury notes, equity mutual funds and corporate bonds. The investment policy does not include any limitations on how much U.S. Treasury or U.S. agency securities can be held in the portfolio.

*Investment Rate of Return*

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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 Fund's deposits may not be returned to them. The 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 Fund's deposits with financial institutions.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2016:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 3,709	\$ -	\$ -	\$ 3,709	\$ -
U.S. Treasury obligations	2,681,733	-	244,355	-	2,437,378
Corporate bonds	10,749,642	195,668	6,644,217	3,452,158	457,599
Municipal bonds	382,410	-	85,310	-	297,100
<b>TOTAL</b>	<b>\$ 13,817,494</b>	<b>\$ 195,668</b>	<b>\$ 6,973,882</b>	<b>\$ 3,455,867</b>	<b>\$ 3,192,077</b>

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

The Fund has the following recurring fair value measurements as of December 31, 2016. The U.S. Treasury Obligations, money market mutual funds and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Agency Obligations, Municipal Bonds and the Corporate Bonds are valued using quoted matrix pricing models (Level 2 inputs).

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Credit Risk*

The 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 primarily investment grade bonds, or obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. 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 A1 and Aaa. Illinois Funds is rated Aaa by Standard and Poor's. The investment policy is silent on minimum ratings required.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the 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 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 Fund's agent separate from where the investment was purchased in the Fund's name. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk - The 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 Fund's total investment portfolio can be invested in a single security type or with a single financial institution.

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

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

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**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, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.25%
Interest rate	7.25%
Cost of living adjustments	2.50%
Asset valuation method	Market

Mortality rates were based on the L&A 2016 Illinois Police Table. The actuarial assumptions used in the December 31, 2016 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 6.44%. 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 not projected to be available to make all projected future benefit payments of current plan members and, therefore, was blended with the index rate of 3.78% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2016 to arrive at a discount rate of 6.44% used 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 6.44% 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 (5.44%) or 1 percentage point higher (7.44%) than the current rate:

	1% Decrease (5.44%)	Current Discount Rate (6.44%)	1% Increase (7.44%)
Net pension liability	\$ 27,657,805	\$ 18,348,280	\$ 10,833,297

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 66,716,907	\$ 40,512,362	\$ 26,204,545
Changes for the period			
Service cost	941,842	-	941,842
Interest	4,212,748	-	4,212,748
Difference between expected and actual experience	(2,314,800)	-	(2,314,800)
Changes in assumptions	(5,531,502)	-	(5,531,502)
Employer contributions	-	934,918	(934,918)
Employee contributions	-	425,791	(425,791)
Net investment income	-	3,845,026	(3,845,026)
Benefit payments and refunds	(2,603,139)	(2,603,139)	-
Other (net transfer)	-	(41,182)	41,182
Net changes	(5,294,851)	2,561,414	(7,856,265)
BALANCES AT DECEMBER 31, 2016	\$ 61,422,056	\$ 43,073,776	\$ 18,348,280

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2016, the Village recognized pension expense of \$2,454,940. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,379,214	\$ 1,927,709
Changes in assumption	8,041,290	4,606,501
Net difference between projected and actual earnings on pension plan investments	<u>1,775,222</u>	<u>763,528</u>
<b>TOTAL</b>	<u><b>\$ 11,195,726</b></u>	<u><b>\$ 7,297,738</b></u>

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

<u>Year Ending December 31,</u>	
2017	\$ 1,510,493
2018	1,510,493
2019	1,510,489
2020	652,355
2021	(1,285,842)
Thereafter	<u>-</u>
<b>TOTAL</b>	<u><b>\$ 3,897,988</b></u>

**13. TAX ABATEMENTS**

The Village rebates certain taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

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

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**13. TAX ABATEMENTS (Continued)**

During the fiscal year 2002, the Village entered into an economic incentive agreement with a commercial entity. The agreement was approved by the Board, in accordance with Illinois Compiled Statutes. The Village has agreed to reimburse the commercial entity 75% of the total sales tax revenue generated for the first six years of the agreement, and 80% of any sales tax revenue generated for the seventh year and all subsequent years. The amount of the rebates is limited to specified time period and are payable over 20 years solely from sales taxes generated by the commercial entity. The rebates are to be paid monthly with the agreement expiring 20 years after commencement. The total amount of home-rule sales tax rebated for the fiscal year ending December 31, 2016 was \$1,808,528. At December 31, 2016, the Village has accrued an estimated home-rule sales tax rebate liability of \$597,932 for amounts collected by the state through December 31, 2016 but not yet paid to the commercial entity. To date, the Village has rebated \$11,859,788 of home-rule sales tax to the commercial entity. The agreement has no stated maximum. The rebate is not subject to recapture, in whole or in part.

**14. CHANGE IN ACCOUNTING PRINCIPLE**

In 2015, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*.

The new standards required the Village to recognize a net pension liability and related deferred outflows and deferred inflows in its government-wide financial statements for the net pension liability associated with its pension plan.

In 2016, the Village made a determination to report information from the December 31, 2015 actuarial evaluation from IMRF in order to continue its dedication to timely financial reporting. Therefore, the related accounts were restated for the prior year to reflect the net pension liabilities, deferred outflows and deferred inflows from December 31, 2014.

The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

	Governmental Activities
	<hr/>
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 74,009,299
Net pension liability - IMRF	944,470
Deferred outflows of resources - IMRF	(972,770)
Deferred inflows of resources - IMRF	(65,192)
Contributions subsequent to the measurement date - deferred outflows of resources	626,495
	<hr/>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 74,542,302</u>

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

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**14. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

	Business-Type Activities
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 29,674,995
Net pension liability - IMRF	647,243
Deferred outflows of resources - IMRF	(455,366)
Deferred inflows of resources - IMRF	(9,488)
Contributions subsequent to the measurement date - deferred outflows of resources	166,536
 BEGINNING NET POSITION, AS RESTATED	 \$ 30,023,920

The Village also implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, in 2016, which resulted in \$626,495 and \$166,536 of the governmental activities and business-type activities restatements above, respectively.

**15. SUBSEQUENT EVENT**

On February 6, 2017, the Village issued \$5,700,000 General Obligation Refunding Bonds, Series 2017 with the closing dated February 28, 2017. The bonds mature annually on December 1, beginning December 1, 2017 through December 1, 2026, with maturities ranging from \$35,000 to \$320,000. Interest is due semiannually on June 1 and December 1, commencing on December 1, 2017, with interest rate of 3%. The bonds were issued to refund \$3,215,000 of the Village's General Obligation Bonds, Series 2008.

**16. SPECIAL ITEM**

During the fiscal year ending December 31, 2016, \$1,194,722 of Village road improvements transferred ownership from the Village to the County. \$3,449,179 of previously capitalized infrastructure capital assets and \$1,194,772 of construction in progress was removed as part of this jurisdictional transfer.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$ 11,431,753	\$ 12,684,438
Licenses and permits	1,429,500	1,958,108
Intergovernmental	6,756,000	7,249,068
Charges for services	604,000	646,574
Fines and forfeits	275,000	286,981
Investment income	105,000	97,285
Miscellaneous	893,400	1,035,036
Total revenues	<u>21,494,653</u>	<u>23,957,490</u>
<b>EXPENDITURES</b>		
General government	7,513,695	8,412,310
Public safety	9,696,904	8,891,767
Highways and streets	2,794,894	2,749,322
Total expenditures	<u>20,005,493</u>	<u>20,053,399</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,489,160</u>	<u>3,904,091</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	50,800
Transfers (out)	(4,449,753)	(4,449,753)
Total other financing sources (uses)	<u>(4,449,753)</u>	<u>(4,398,953)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,960,593)</u>	(494,862)
FUND BALANCE, JANUARY 1		<u>20,931,581</u>
FUND BALANCE, DECEMBER 31		<u>\$ 20,436,719</u>

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2016

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, 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, 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
December 31, 2015	N/A	N/A	N/A	N/A	N/A	N/A
December 31, 2016	-	5,862,837	0.00%	5,862,837	12,945,062	45.29%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
December 31, 2015	108,707	181,070	60.04%
December 31, 2016	152,672	361,147	42.27%

\* 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, 2016

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**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, Enterprise, Internal Service and Pension Trust Funds, with the exception of the Bond Proceeds Fund. The annual appropriated budget is legally enacted and provides for a legal level of control at 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 assign or commit that portion of the applicable appropriation is utilized in the governmental funds. Material encumbrances outstanding at year end, if any, are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. No material encumbrances were recorded for 2016.

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

The proposed budget is presented to the governing body for review. The governing body holds public hearings and can add to, subtract from or change appropriations; but cannot change the form of the budget.

Management cannot amend the total budget for individual funds without seeking the approval of the governing body.

Expenditures cannot legally exceed budgeted appropriations at the fund level, and the Board of Trustees must approve any over expenditures of appropriation or transfers of appropriated amounts.

The budget and appropriation ordinance was not amended for the year ended December 31, 2016.

The following funds had expenditures greater than the appropriation for the year ended December 31, 2016, due to year end accounting adjustments:

Fund	Actual Expenditures	Appropriation
General Fund	\$ 24,503,152	\$ 24,455,246
Sewer Fund	4,996,664	3,923,525

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

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<b>FISCAL YEAR ENDING DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contributions	\$ 996,735	\$ 809,012
Contributions in relation to the actuarially determined contribution	<u>1,004,206</u>	<u>809,012</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u>\$ (7,471)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 7,702,744	\$ 6,330,297
Contributions as a percentage of covered-employee payroll	13.04%	12.78%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. 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 28 years; the asset valuation method was market and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.45 to 16.0% annually and postretirement benefit increases of 3.0% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

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

Last Ten Fiscal Years

<b>FISCAL YEAR ENDING DECEMBER 31,</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2013*</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$ 698,335	\$ 843,209	\$ 1,202,006	\$ 1,350,132	\$ 860,228	\$ 1,023,006	\$ 895,479	\$ 989,616	\$ 871,305	\$ 934,918
Contribution in relation to the actuarially determined contribution	698,335	843,209	1,202,006	1,350,132	860,228	1,023,006	895,479	989,616	871,305	934,918
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,192,147	\$ 3,104,786	\$ 3,356,276	\$ 3,216,370	\$ 3,412,049	\$ 3,512,925	\$ 3,591,966	\$ 3,702,863	\$ 3,806,499	\$ 3,825,286
Contributions as a percentage of covered-employee payroll	21.88%	27.16%	35.81%	41.98%	25.21%	29.12%	24.93%	26.73%	22.89%	24.44%

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

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 67. 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 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, after 2012 and 7.5% 2012 and prior, projected salary increase assumption of 4.5% compounded annually and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

**SCHEDULE OF THE VILLAGE'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Two Fiscal Years

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>
Employer's proportion of net pension liability	79.00%	79.00%
Employer's proportionate share of net pension liability	\$ 4,015,000	\$ 5,606,715
Employer's covered-employee payroll	5,994,578	6,085,168
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	66.98%	92.14%
Plan fiduciary net position as a percentage of the total pension liability	88.97%	85.19%

There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2015, is 7.48%. The discount rate used in the prior actuarial valuation, dated December 31, 2014, was 7.49%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(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

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 841,716	\$ 1,138,463	\$ 941,842
Interest	3,358,650	2,800,129	4,212,748
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	2,088,324	(2,314,800)
Changes of assumptions	-	12,175,632	(5,531,502)
Benefit payments, including refunds of member contributions	(2,447,399)	(2,443,015)	(2,603,139)
Net change in total pension liability	1,752,967	15,759,533	(5,294,851)
Total pension liability - beginning	49,204,407	50,957,374	66,716,907
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 50,957,374</b>	<b>\$ 66,716,907</b>	<b>\$ 61,422,056</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 989,616	\$ 871,305	\$ 934,918
Contributions - member	374,137	517,457	425,791
Net investment income	3,637,510	(4,524)	3,845,026
Benefit payments, including refunds of member contributions	(2,447,399)	(2,443,015)	(2,603,139)
Administrative expense	(20,524)	(23,217)	(41,182)
Net change in plan fiduciary net position	2,533,340	(1,081,994)	2,561,414
Plan net position - beginning	39,061,016	41,594,356	40,512,362
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 41,594,356</b>	<b>\$ 40,512,362</b>	<b>\$ 43,073,776</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 9,363,018</b>	<b>\$ 26,204,545</b>	<b>\$ 18,348,280</b>
Plan fiduciary net position as a percentage of the total pension liability	81.63%	60.72%	70.13%
Covered employee payroll	\$ 3,702,863	\$ 3,806,499	\$ 3,825,286
Employer's net pension liability as a percentage of covered employee payroll	252.86%	688.42%	479.66%

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Three Fiscal Years

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<b>FISCAL YEAR ENDING DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Annual money-weighted rate of return, net of investment expense	9.54%	(0.02%)	10.96%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, return information should be presented for as many years as is available.

(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, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>TAXES</b>		
Property	\$ 3,476,753	\$ 3,527,348
Replacement	135,000	132,026
Home rule sales	3,100,000	3,484,806
Local use	320,000	419,908
Electric utility tax	1,250,000	1,273,363
Hotel/motel	1,900,000	2,124,692
Telecommunication	1,250,000	1,722,295
Total taxes	<u>11,431,753</u>	<u>12,684,438</u>
<b>LICENSES AND PERMITS</b>		
Beer/liquor licenses	70,000	72,250
Food licenses	5,000	3,865
Other business licenses	5,500	8,236
Building permits	925,000	1,456,628
Contractor's licenses	7,000	6,750
Nonbusiness licenses and permits	47,000	39,600
Vehicle licenses	370,000	370,779
Total licenses and permits	<u>1,429,500</u>	<u>1,958,108</u>
<b>INTERGOVERNMENTAL</b>		
Federal grant	-	1,803
Sales taxes	5,000,000	5,414,418
Income taxes	1,700,000	1,774,095
State highway maintenance	56,000	58,752
Total intergovernmental	<u>6,756,000</u>	<u>7,249,068</u>
<b>CHARGES FOR SERVICES</b>		
Special police services	279,000	333,126
Dispatching services	250,000	250,584
50/50 tree planting	65,000	61,940
Engineering services	10,000	924
Total charges for services	<u>604,000</u>	<u>646,574</u>
<b>FINES AND FORFEITS</b>	<u>275,000</u>	<u>286,981</u>
<b>INVESTMENT INCOME</b>	<u>105,000</u>	<u>97,285</u>

(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, 2016

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>MISCELLANEOUS</b>		
False alarms	\$ 27,000	\$ 26,475
Rentals	235,000	282,544
Miscellaneous	198,900	250,319
Sale of equipment	7,500	10,304
Franchise fees	425,000	465,394
	<hr/>	<hr/>
Total miscellaneous	893,400	1,035,036
	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>\$ 21,494,653</b>	<b>\$ 23,957,490</b>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>GENERAL GOVERNMENT</b>		
Finance department		
Personnel services	\$ 995,500	\$ 975,198
Training and development	8,050	3,464
Contractual services	2,828,311	3,766,596
Commodities	14,500	7,192
Utilities	22,900	16,802
Capital outlay	39,638	38,697
	<hr/>	<hr/>
Total finance department	3,908,899	4,807,949
	<hr/>	<hr/>
Administration		
Personnel services	894,139	900,764
Training and development	9,500	3,959
Contractual services	678,456	753,694
Commodities	5,050	5,074
Utilities	10,250	10,635
Capital outlay	92,771	77,309
	<hr/>	<hr/>
Total administration	1,690,166	1,751,435
	<hr/>	<hr/>
Community development		
Personnel services	1,070,155	1,026,784
Training and development	7,200	6,679
Contractual services	125,124	80,133
Commodities	18,000	6,184
Utilities	14,400	11,395
Capital outlay	21,121	16,714
	<hr/>	<hr/>
Total community development	1,256,000	1,147,889
	<hr/>	<hr/>
Engineering		
Personnel services	425,900	477,388
Training and development	5,000	4,779
Contractual services	182,731	186,020
Commodities	12,000	9,199
Utilities	10,567	7,162
Capital outlay	22,432	20,489
	<hr/>	<hr/>
Total engineering	658,630	705,037
	<hr/>	<hr/>
Total general government	7,513,695	8,412,310
	<hr/>	<hr/>
<b>PUBLIC SAFETY</b>		
Police department		
Administrative services		
Personnel services	1,010,402	818,107
Training and development	12,040	5,342

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>		
Police department (Continued)		
Administrative services (Continued)		
Contractual services	\$ 624,628	\$ 659,067
Commodities	31,000	21,984
Utilities	22,750	18,005
Capital outlay	195,504	191,666
	<hr/>	<hr/>
Total administrative services	1,896,324	1,714,171
	<hr/>	<hr/>
Communications		
Personnel services	1,010,344	972,078
Training and development	6,600	3,441
Contractual services	500	485
Capital outlay	5,000	500
	<hr/>	<hr/>
Total communications	1,022,444	976,504
	<hr/>	<hr/>
Investigations		
Personnel services	1,096,432	1,024,544
Training and development	15,000	3,879
Contractual services	7,370	4,024
Commodities	20,000	7,790
Capital outlay	14,500	4,236
	<hr/>	<hr/>
Total investigations	1,153,302	1,044,473
	<hr/>	<hr/>
Patrol		
Personnel services	5,167,784	4,829,889
Training and development	32,100	28,795
Contractual services	65,400	71,545
Commodities	117,100	45,719
Utilities	4,000	5,492
Capital outlay	80,850	10,921
	<hr/>	<hr/>
Total patrol	5,467,234	4,992,361
	<hr/>	<hr/>
Special detail		
Personnel services	157,600	164,258
	<hr/>	<hr/>
Total special detail	157,600	164,258
	<hr/>	<hr/>
Total public safety	9,696,904	8,891,767
	<hr/>	<hr/>
<b>HIGHWAYS AND STREETS</b>		
Public works department		
Administration		
Personnel services	300,850	279,890
Training and development	5,000	1,618

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>HIGHWAYS AND STREETS (Continued)</b>		
Public works department (Continued)		
Administration (Continued)		
Contractual services	\$ 206,474	\$ 197,545
Commodities	5,200	5,195
Utilities	9,467	7,754
Capital outlay	167,303	165,925
	694,294	657,927
Maintenance		
Personnel services	743,500	697,785
Contractual services	99,000	187,124
Commodities	160,500	160,030
Utilities	110,000	99,512
Capital outlay	2,500	-
	1,115,500	1,144,451
Snow and ice control		
Personnel services	122,750	74,524
Contractual services	114,000	108,055
Commodities	256,250	288,193
Capital outlay	750	-
	493,750	470,772
Forestry		
Personnel services	8,600	694
Contractual services	288,000	309,879
Commodities	15,000	4,990
Capital outlay	127,000	102,818
	438,600	418,381
Train station maintenance		
Personnel services	9,750	9,704
Contractual services	38,500	45,445
Commodities	4,000	2,003
Utilities	500	639
	52,750	57,791
	2,794,894	2,749,322
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,005,493</b>	<b>\$ 20,053,399</b>

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes		
Property	\$ 2,901,235	\$ 2,951,082
Intergovernmental	494,408	496,238
Contribution from library	730,131	730,131
Investment income	4,000	4,747
	<hr/>	<hr/>
Total revenues	4,129,774	4,182,198
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Debt service		
Principal retirement	1,369,000	1,369,000
Interest	942,294	942,294
Fiscal charges	5,000	2,525
	<hr/>	<hr/>
Total expenditures	2,316,294	2,313,819
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,813,480	1,868,379
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	(1,814,480)	(1,814,480)
	<hr/>	<hr/>
Total other financing sources (uses)	(1,814,480)	(1,814,480)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (1,000)	53,899
	<hr/>	<hr/>
NET POSITION, JANUARY 1		58,021
		<hr/>
NET POSITION, DECEMBER 31		\$ 111,920
		<hr/>

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes		
Property	\$ -	\$ 55
Home rule sales tax	1,050,000	1,161,602
Intergovernmental	6,889,263	6,798,660
Investment income	2,500	37,350
Miscellaneous	390,000	520,105
	<hr/>	<hr/>
Total revenues	8,331,763	8,517,772
<b>EXPENDITURES</b>		
Capital outlay		
Contractual services	2,877,000	2,888,169
Construction	10,878,632	8,591,453
	<hr/>	<hr/>
Total expenditures	13,755,632	11,479,622
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>
	(5,423,869)	(2,961,850)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	3,493,769	4,190,796
	<hr/>	<hr/>
Total other financing sources (uses)	3,493,769	4,190,796
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>
	\$ (1,930,100)	1,228,946
<b>NET POSITION, JANUARY 1</b>		<hr/>
		4,707,033
<b>NET POSITION, DECEMBER 31</b>		<hr/>
		\$ 5,935,979

(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 2015 and related expenditures.

VILLAGE OF DEERFIELD, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2016

	Special Revenue Funds		Debt	Capital	Total
	Motor Fuel Tax	Enhanced 911	Service Fund 2011B Sinking	Project Fund Bond Proceeds	
<b>ASSETS</b>					
Cash and investments	\$ 317,048	\$ 1,089,273	\$ 3,621,082	\$ -	\$ 5,027,403
Receivables					
Accounts	-	100,350	-	-	100,350
Accrued interest	310	720	23,096	-	24,126
Due from other governments	43,235	-	-	-	43,235
<b>TOTAL ASSETS</b>	<b>\$ 360,593</b>	<b>\$ 1,190,343</b>	<b>\$ 3,644,178</b>	<b>\$ -</b>	<b>\$ 5,195,114</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 65,600	\$ -	\$ -	\$ 65,600
Total liabilities	-	65,600	-	-	65,600
<b>FUND BALANCES</b>					
Restricted for					
Maintenance of roadways	360,593	-	-	-	360,593
Public safety	-	1,124,743	-	-	1,124,743
Debt service	-	-	3,644,178	-	3,644,178
Total fund balances	360,593	1,124,743	3,644,178	-	5,129,514
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 360,593</b>	<b>\$ 1,190,343</b>	<b>\$ 3,644,178</b>	<b>\$ -</b>	<b>\$ 5,195,114</b>

(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, 2016

	Special Revenue Funds		Debt	Capital	Total
	Motor	Enhanced	Service Fund	Project Fund	
	Fuel Tax	911	2011B Sinking	Bond Proceeds	
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 725,000	\$ -	\$ 725,000
Intergovernmental	464,020	-	-	-	464,020
Charges for services	-	324,730	-	-	324,730
Investment income	2,027	5,203	44,948	369	52,547
Miscellaneous	-	252	-	-	252
<b>Total revenues</b>	<b>466,047</b>	<b>330,185</b>	<b>769,948</b>	<b>369</b>	<b>1,566,549</b>
<b>EXPENDITURES</b>					
Current					
General government	494,000	-	592	-	494,592
Public safety	-	162,732	-	-	162,732
Capital outlay		173,003	-	-	173,003
<b>Total expenditures</b>	<b>494,000</b>	<b>335,735</b>	<b>592</b>	<b>-</b>	<b>830,327</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(27,953)</b>	<b>(5,550)</b>	<b>769,356</b>	<b>369</b>	<b>736,222</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	-	-	(50,800)	(697,027)	(747,827)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(50,800)</b>	<b>(697,027)</b>	<b>(747,827)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(27,953)</b>	<b>(5,550)</b>	<b>718,556</b>	<b>(696,658)</b>	<b>(11,605)</b>
<b>NET POSITION, JANUARY 1</b>	<b>388,546</b>	<b>1,130,293</b>	<b>2,925,622</b>	<b>696,658</b>	<b>5,141,119</b>
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 360,593</b>	<b>\$ 1,124,743</b>	<b>\$ 3,644,178</b>	<b>\$ -</b>	<b>\$ 5,129,514</b>

(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, 2016

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Intergovernmental		
Allotments earned	\$ 425,000	\$ 464,020
Investment income	1,500	2,027
	<hr/>	<hr/>
Total revenues	426,500	466,047
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Highways and streets		
Capital outlay	494,000	494,000
	<hr/>	<hr/>
Total expenditures	494,000	494,000
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (67,500)</u>	(27,953)
NET POSITION, JANUARY 1		<hr/> 388,546
NET POSITION, DECEMBER 31		<hr/> <u>\$ 360,593</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, 2016

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Charges for services		
Other charges	\$ 330,000	\$ 324,730
Investment income	6,000	5,203
Miscellaneous	-	252
Total revenues	<u>336,000</u>	<u>330,185</u>
<b>EXPENDITURES</b>		
Public safety		
Contractual services	140,900	154,899
Utilities	50,000	7,833
Capital outlay	266,987	173,003
Total expenditures	<u>457,887</u>	<u>335,735</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (121,887)</u>	(5,550)
<b>NET POSITION, JANUARY 1</b>		<u>1,130,293</u>
<b>NET POSITION, DECEMBER 31</b>		<u>\$ 1,124,743</u>

(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, 2016

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Property taxes	\$ 725,000	\$ 725,000
Investment income	40,000	44,948
Total revenues	<u>765,000</u>	<u>769,948</u>
<b>EXPENDITURES</b>		
Contractual services	<u>1,200</u>	<u>592</u>
Total expenditures	<u>1,200</u>	<u>592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	763,800	769,356
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	<u>(25,000)</u>	<u>(50,800)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 738,800</u>	718,556
NET POSITION, JANUARY 1		<u>2,925,622</u>
<b>NET POSITION, DECEMBER 31</b>		<u>\$ 3,644,178</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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Water sales	\$ 4,240,000	\$ 4,058,510
Miscellaneous		
Permits and fees	40,000	69,143
Penalties	30,000	34,114
Other	63,000	57,343
	4,373,000	4,219,110
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>		
Administration	626,888	636,554
Operations		
Distribution	2,759,700	2,436,987
Maintenance - mains and fire hydrants	592,700	652,533
Maintenance - meters	141,900	217,956
	4,121,188	3,944,030
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION</b>	251,812	275,080
Depreciation	-	461,036
<b>OPERATING INCOME (LOSS) BEFORE CONTRIBUTIONS OF CAPITAL ASSETS</b>	251,812	(185,956)
Contributions of capital assets	-	1,936,420
<b>CHANGE IN NET POSITION</b>	\$ 251,812	1,750,464
<b>NET POSITION, JANUARY 1</b>		17,256,368
Change in accounting principle		116,307
<b>NET POSITION, JANUARY 1, RESTATED</b>		17,372,675
<b>NET POSITION, DECEMBER 31</b>		\$ 19,123,139

(See independent auditor's report.)

VILLAGE OF DEERFIELD, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATER FUND

For the Year Ended December 31, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADMINISTRATION</b>		
Personnel services	\$ 363,150	\$ 377,019
Training and development	1,850	1,465
Contractual services	190,193	185,102
Commodities	5,000	5,042
Utilities	7,980	9,582
Capital outlay	58,715	58,344
	<hr/>	<hr/>
Total administration	626,888	636,554
<b>OPERATIONS</b>		
Distribution		
Personnel services	136,800	140,672
Contractual services	45,000	41,364
Commodities	2,480,400	2,175,316
Utilities	92,500	79,635
Capital outlay	5,000	-
	<hr/>	<hr/>
Total distribution	2,759,700	2,436,987
Main and fire hydrant maintenance		
Personnel services	368,500	392,218
Contractual services	106,000	93,215
Commodities	116,200	165,039
Capital outlay	2,000	2,061
	<hr/>	<hr/>
Total main and fire hydrant maintenance	592,700	652,533
Meter maintenance		
Personnel services	91,500	90,476
Contractual services	13,000	19,334
Commodities	5,400	1,754
Capital outlay	32,000	106,392
	<hr/>	<hr/>
Total meter maintenance	141,900	217,956
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,121,188</b>	<b>\$ 3,944,030</b>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Assets</b>			
	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances December 31, 2016</b>
	Land	\$ 1,877,956	\$ -	\$ -
Buildings	4,180,123	-	-	4,180,123
Water system improvements	16,641,851	1,936,420	197,530	18,380,741
Equipment and vehicles	626,490	-	-	626,490
<b>TOTAL</b>	<b>\$ 23,326,420</b>	<b>\$ 1,936,420</b>	<b>\$ 197,530</b>	<b>\$ 25,065,310</b>
	<b>Accumulated Depreciation</b>			
	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances December 31, 2016</b>
Buildings	\$ 1,932,256	\$ 88,456	\$ -	\$ 2,020,712
Water system improvements	2,522,077	354,526	197,530	2,679,073
Equipment and vehicles	495,644	18,054	-	513,698
<b>TOTAL</b>	<b>\$ 4,949,977</b>	<b>\$ 461,036</b>	<b>\$ 197,530</b>	<b>\$ 5,213,483</b>
<b>NET ASSET VALUE</b>				<b><u>\$ 19,851,827</u></b>

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Sewer charges	\$ 2,870,500	\$ 2,853,730
Miscellaneous		
Permits and fees	15,000	16,200
Penalties	30,000	31,393
Other	5,000	324
	2,920,500	2,901,647
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>		
Administration	565,159	597,044
Operations		
Treatment plant	1,649,186	1,726,780
Cleaning and maintenance	302,500	306,404
Construction	373,200	366,955
	2,890,045	2,997,183
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	30,455	(95,536)
Depreciation and amortization	-	979,442
OPERATING INCOME (LOSS)	30,455	(1,074,978)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	2,000	2,165
Interest expense	(1,033,480)	(1,020,039)
	(1,031,480)	(1,017,874)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,001,025)	(2,092,852)
Contributions	-	986,429
Transfers	1,814,480	1,814,480
CHANGE IN NET POSITION	\$ 813,455	708,057
NET POSITION, JANUARY 1		10,581,784
Change in accounting principle		232,618
NET POSITION, JANUARY 1, RESTATED		10,814,402
<b>NET POSITION, DECEMBER 31</b>		<b>\$ 11,522,459</b>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADMINISTRATION</b>		
Personnel services	\$ 253,600	\$ 288,129
Training and development	2,100	1,955
Contractual services	233,000	230,873
Commodities	4,800	4,848
Utilities	3,450	3,180
Capital outlay	68,209	68,059
	<hr/>	<hr/>
Total administration	565,159	597,044
	<hr/>	<hr/>
<b>OPERATIONS</b>		
Treatment plant		
Personnel services	977,525	1,067,571
Training and development	9,130	6,385
Contractual services	198,961	181,888
Commodities	125,000	83,610
Utilities	263,916	314,354
Miscellaneous	20,000	19,000
Capital outlay	54,654	53,972
	<hr/>	<hr/>
Total treatment plant	1,649,186	1,726,780
	<hr/>	<hr/>
Cleaning and maintenance		
Personnel services	231,000	236,341
Contractual services	54,000	50,509
Commodities	17,500	19,554
	<hr/>	<hr/>
Total cleaning and maintenance	302,500	306,404
	<hr/>	<hr/>
Construction		
Personnel services	285,500	297,115
Contractual services	30,500	25,865
Commodities	57,200	43,975
	<hr/>	<hr/>
Total construction	373,200	366,955
	<hr/>	<hr/>
Total operations	2,324,886	2,400,139
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,890,045</b>	<b>\$ 2,997,183</b>
	<hr/>	<hr/>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Assets</b>			
	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances December 31, 2016</b>
Construction in progress	\$ 7,224	\$ -	\$ 7,224	\$ -
Sewer system	4,814,466	993,653	69,542	5,738,577
Buildings and improvements	41,005,066	-	-	41,005,066
<b>TOTAL</b>	<b>\$ 45,826,756</b>	<b>\$ 993,653</b>	<b>\$ 76,766</b>	<b>\$ 46,743,643</b>

	<b>Accumulated Depreciation</b>			
	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances December 31, 2016</b>
Sewer system	\$ 1,571,081	\$ 104,440	\$ 69,542	\$ 1,605,979
Buildings and improvements	3,430,874	875,002	-	4,305,876
<b>TOTAL</b>	<b>\$ 5,001,955</b>	<b>\$ 979,442</b>	<b>\$ 69,542</b>	<b>\$ 5,911,855</b>

<b>NET ASSET VALUE</b>	<b>\$ 40,831,788</b>
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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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Refuse billing	\$ 505,500	\$ 515,496
Miscellaneous	24,000	17,495
	<hr/>	<hr/>
Total operating revenues	529,500	532,991
<b>OPERATING EXPENSES</b>		
Operations		
Personnel services	113,250	96,799
Contractual services	1,326,500	1,318,214
Commodities	24,700	21,193
Capital outlay	13,748	13,748
	<hr/>	<hr/>
Total operating expenses	1,478,198	1,449,954
<b>OPERATING INCOME (LOSS)</b>	<hr/>	<hr/>
	(948,698)	(916,963)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	2,500	1,332
Property taxes	-	22
	<hr/>	<hr/>
Total non-operating revenues (expenses)	2,500	1,354
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<hr/>	<hr/>
	(946,198)	(915,609)
Transfers in	955,984	955,984
	<hr/>	<hr/>
<b>CHANGE IN NET POSITION</b>	<u>\$ 9,786</u>	40,375
<b>NET POSITION, JANUARY 1</b>		<hr/>
		438,059
<b>NET POSITION, DECEMBER 31</b>		<hr/>
		<u>\$ 478,434</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, 2016

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Parking lot fees	\$ 248,000	\$ 277,048
Total operating revenues	<u>248,000</u>	<u>277,048</u>
<b>OPERATING EXPENSES</b>		
Operations	320,300	279,846
Depreciation	-	26,737
Total operating expenses	<u>320,300</u>	<u>306,583</u>
OPERATING INCOME (LOSS)	<u>(72,300)</u>	<u>(29,535)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	<u>1,400</u>	<u>1,256</u>
Total non-operating revenues (expenses)	<u>1,400</u>	<u>1,256</u>
CHANGE IN NET POSITION	<u>\$ (70,900)</u>	(28,279)
NET POSITION, JANUARY 1		<u>1,398,784</u>
<b>NET POSITION, DECEMBER 31</b>		<u>\$ 1,370,505</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, 2016

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATIONS</b>		
Parking lots - village and federal funds		
Personnel services	\$ 20,500	\$ 19,373
Contractual services	153,600	127,012
Utilities	3,600	3,035
	<hr/>	
Total parking lots - village and federal funds	177,700	149,420
	<hr/>	
Parking lots - village construction		
Personnel services	20,500	19,373
Contractual services	116,100	108,208
Utilities	6,000	2,845
	<hr/>	
Total parking lots - village construction	142,600	130,426
	<hr/>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 320,300</b>	<b>\$ 279,846</b>
	<hr/> <hr/>	

(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, 2016

	<b>Assets</b>			
	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances December 31, 2016</b>
	Land	\$ 77,500	\$ -	\$ -
Parking lot improvements	1,950,830	-	-	1,950,830
<b>TOTAL</b>	<b>\$ 2,028,330</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,028,330</b>

	<b>Accumulated Depreciation</b>			
	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances December 31, 2016</b>
	Parking lot improvements	\$ 899,155	\$ 26,737	\$ -
<b>NET ASSET VALUE</b>				<b>\$ 1,102,438</b>

(See independent auditor's report.)

**INTERNAL SERVICE FUNDS**

**VILLAGE OF DEERFIELD, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

December 31, 2016

	Garage	Vehicle and Equipment Replacement	Total
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 28,867	\$ 5,185,781	\$ 5,214,648
Receivables			
Accounts	2,928	-	2,928
Accrued interest	2	3,377	3,379
Prepaid expenses	6,344	-	6,344
Inventory	144,282	-	144,282
Total current assets	182,423	5,189,158	5,371,581
<b>CAPITAL ASSETS</b>			
Depreciable	-	4,346,247	4,346,247
Accumulated depreciation	-	(2,852,251)	(2,852,251)
Net capital assets	-	1,493,996	1,493,996
Total assets	182,423	6,683,154	6,865,577
<b>CURRENT LIABILITIES</b>			
Accounts payable	10,414	1,210	11,624
Accrued payroll	7,953	-	7,953
Compensated absences payable	1,822	-	1,822
Due to other funds	-	-	-
Total current liabilities	20,189	1,210	21,399
<b>LONG-TERM LIABILITIES</b>			
Compensated absences payable	16,398	-	16,398
Total long-term liabilities	16,398	-	16,398
Total liabilities	36,587	1,210	37,797
<b>NET POSITION</b>			
Net investment in capital assets	-	1,493,996	1,493,996
Unrestricted	145,836	5,187,948	5,333,784
<b>TOTAL NET POSITION</b>	<b>\$ 145,836</b>	<b>\$ 6,681,944</b>	<b>\$ 6,827,780</b>

(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, 2016

	<u>Garage</u>	<u>Vehicle and Equipment Replacement</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Interfund services			
Billings	\$ 390,437	\$ 732,116	\$ 1,122,553
Miscellaneous	9,034	-	9,034
	<hr/>		
Total operating revenues	399,471	732,116	1,131,587
<hr/>			
<b>OPERATING EXPENSES</b>			
Operations	371,368	-	371,368
Capital outlay	-	217,906	217,906
	<hr/>		
Total operating expenses	371,368	217,906	589,274
<hr/>			
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	28,103	514,210	542,313
	<hr/>		
Depreciation	-	331,959	331,959
	<hr/>		
OPERATING INCOME (LOSS)	28,103	182,251	210,354
<hr/>			
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Sale of capital assets	-	10,000	10,000
Investment income	27	24,848	24,875
	<hr/>		
Total non-operating revenues (expenses)	27	34,848	34,875
<hr/>			
INCOME (LOSS) BEFORE CONTRIBUTIONS	28,130	217,099	245,229
	<hr/>		
Contributions	-	55,957	55,957
	<hr/>		
CHANGE IN NET POSITION	28,130	273,056	301,186
	<hr/>		
NET POSITION, JANUARY 1	117,706	6,408,888	6,526,594
	<hr/>		
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 145,836</b>	<b>\$ 6,681,944</b>	<b>\$ 6,827,780</b>
	<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, 2016

	<b>Garage</b>	<b>Vehicle and Equipment Replacement</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services	\$ 391,538	\$ 732,116	\$ 1,123,654
Receipts from miscellaneous revenue	9,034	-	9,034
Payments to suppliers	(157,082)	(220,330)	(377,412)
Payments to employees	(212,748)	-	(212,748)
Payments for interfund services	(1,900)	-	(1,900)
Net cash from operating activities	28,842	511,786	540,628
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	-	10,000	10,000
Capital assets purchased	-	(220,535)	(220,535)
Net cash from capital and related financing activities	-	(210,535)	(210,535)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	25	23,888	23,913
Net cash from investing activities	25	23,888	23,913
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	28,867	325,139	354,006
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>			
	-	4,860,642	4,860,642
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>			
	\$ 28,867	\$ 5,185,781	\$ 5,214,648

(This schedule is continued on the following page.)

**VILLAGE OF DEERFIELD, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

	<b>Garage</b>	<b>Vehicle and Equipment Replacement</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME</b>			
<b>TO NET CASH FLOWS FROM</b>			
<b>OPERATING ACTIVITIES</b>			
Operating income	\$ 28,103	\$ 182,251	\$ 210,354
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	-	331,959	331,959
(Increase) decrease in			
Accounts receivable	2,292	-	2,292
Prepaid expenses	(1,191)	-	(1,191)
Inventories	4,100	-	4,100
Increase (decrease) in			
Accounts payable	(5,005)	(2,424)	(7,429)
Interfund payables	(1,900)	-	(1,900)
Accrued payroll	1,676	-	1,676
Compensated absences payable	767	-	767
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 28,842</b>	<b>\$ 511,786</b>	<b>\$ 540,628</b>

(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, 2016

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Interfund services		
Billings	\$ 395,000	\$ 390,437
Miscellaneous	10,000	9,034
	<hr/>	<hr/>
Total operating revenues	405,000	399,471
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Operations	408,634	371,368
	<hr/>	<hr/>
<b>OPERATING INCOME (LOSS)</b>	(3,634)	28,103
	<hr/>	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	100	27
	<hr/>	<hr/>
Total non-operating revenues (expenses)	100	27
	<hr/>	<hr/>
<b>CHANGE IN NET POSITION</b>	<u>\$ (3,534)</u>	28,130
<b>NET POSITION, JANUARY 1</b>		<hr/> 117,706
<b>NET POSITION, DECEMBER 31</b>		<hr/> <u>\$ 145,836</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, 2016

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING EXPENSES</b>		
Public works department		
Personnel services	\$ 228,500	\$ 215,191
Training and development	3,500	776
Contractual services	33,400	25,898
Commodities	112,800	119,339
Utilities	3,800	2,148
Capital outlay	26,634	8,016
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 408,634</b>	<b>\$ 371,368</b>

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Interfund services		
Billings	\$ 732,116	\$ 732,116
Total operating revenues	<u>732,116</u>	<u>732,116</u>
<b>OPERATING EXPENSES</b>		
Capital outlay	880,834	484,398
Less capital assets capitalized	<u>(266,492)</u>	<u>(266,492)</u>
Net operating expenses	<u>614,342</u>	<u>217,906</u>
OPERATING INCOME BEFORE DEPRECIATION	117,774	514,210
Depreciation	<u>-</u>	<u>331,959</u>
OPERATING INCOME	<u>117,774</u>	<u>182,251</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Sale of capital assets	-	10,000
Investment income	<u>20,000</u>	<u>24,848</u>
Total non-operating revenues (expenses)	<u>20,000</u>	<u>34,848</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	137,774	217,099
Contributions	<u>-</u>	<u>55,957</u>
CHANGE IN NET POSITION	<u>\$ 137,774</u>	273,056
NET POSITION, JANUARY 1		<u>6,408,888</u>
<b>NET POSITION, DECEMBER 31</b>		<u>\$ 6,681,944</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, 2016

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>		
Contributions - employer	\$ 1,000,000	\$ 934,918
Contributions - employee	395,000	425,791
	<hr/>	<hr/>
Total contributions	1,395,000	1,360,709
	<hr/>	<hr/>
Investment income		
Net appreciation in fair value of investments	500,000	2,801,143
Interest and dividends earned on investments	700,000	1,074,707
	<hr/>	<hr/>
Total investment income	1,200,000	3,875,850
Less investment expense	(32,000)	(30,824)
	<hr/>	<hr/>
Net investment income	1,168,000	3,845,026
	<hr/>	<hr/>
Total additions	2,563,000	5,205,735
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Benefits and refunds		
Pension payments	2,700,000	2,603,139
Administrative	34,300	41,182
	<hr/>	<hr/>
Total deductions	2,734,300	2,644,321
	<hr/>	<hr/>
NET INCREASE (DECREASE)	<u>\$ (171,300)</u>	2,561,414
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>		
January 1		<hr/> 40,512,362
December 31		<u>\$ 43,073,776</u>

(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, 2016

	<b>Balances</b>			<b>Balances</b>	
	<b>December 31,</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31,</b>	
	<b>2015</b>			<b>2016</b>	
<b>All Funds</b>					
<b>ASSETS</b>					
Cash and investments	\$ 2,925,021	\$ 54,446	\$ 96,566	\$ 2,882,901	
Receivables - accrued interest	23	32	-	55	
<b>TOTAL ASSETS</b>	<b>\$ 2,925,044</b>	<b>\$ 54,478</b>	<b>\$ 96,566</b>	<b>\$ 2,882,956</b>	
<b>LIABILITIES</b>					
Accounts payable	\$ 5,366	\$ 66,163	\$ 143	\$ 71,386	
Deposits payable	2,860,996	102,236	264,552	2,698,680	
Other payables	58,682	54,208	-	112,890	
<b>TOTAL LIABILITIES</b>	<b>\$ 2,925,044</b>	<b>\$ 222,607</b>	<b>\$ 264,695</b>	<b>\$ 2,882,956</b>	
<b>Deposit Fund</b>					
<b>ASSETS</b>					
Cash and investments	\$ 2,862,746	\$ 413	\$ 96,566	\$ 2,766,593	
<b>TOTAL ASSETS</b>	<b>\$ 2,862,746</b>	<b>\$ 413</b>	<b>\$ 96,566</b>	<b>\$ 2,766,593</b>	
<b>LIABILITIES</b>					
Accounts payable	\$ 1,750	\$ 66,163	\$ -	\$ 67,913	
Deposits payable	2,860,996	102,236	264,552	2,698,680	
<b>TOTAL LIABILITIES</b>	<b>\$ 2,862,746</b>	<b>\$ 168,399</b>	<b>\$ 264,552</b>	<b>\$ 2,766,593</b>	
<b>East Shore Radio Network Fund</b>					
<b>ASSETS</b>					
Cash and investments	\$ 62,275	\$ 54,033	\$ -	\$ 116,308	
Receivables - accrued interest	23	32	-	55	
<b>TOTAL ASSETS</b>	<b>\$ 62,298</b>	<b>\$ 54,065</b>	<b>\$ -</b>	<b>\$ 116,363</b>	
<b>LIABILITIES</b>					
Accounts payable	\$ 3,616	\$ -	\$ 143	\$ 3,473	
Other payables	58,682	54,208	-	112,890	
<b>TOTAL LIABILITIES</b>	<b>\$ 62,298</b>	<b>\$ 54,208</b>	<b>\$ 143</b>	<b>\$ 116,363</b>	

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

Date of Issue	August 1, 2008
Date of Maturity	December 1, 2028
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.250%, 3.375%, 3.500%, 3.750%, 3.875%, 4.000%, 4.125% and 4.250%
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
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>\$ 3,440,000</u>	<u>\$ 997,887</u>	<u>\$ 4,437,887</u>		<u>\$ 498,943</u>		<u>\$ 498,944</u>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 9,225,000</u>	<u>\$ 3,613,008</u>	<u>\$ 12,838,008</u>		<u>\$ 1,806,502</u>		<u>\$ 1,806,506</u>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

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**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
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>\$ 8,225,000</u>	<u>\$ 2,405,310</u>	<u>\$ 10,630,310</u>		<u>\$ 1,202,660</u>		<u>\$ 1,202,650</u>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 5,990,400</u>	<u>\$ 18,470,400</u>		<u>\$ 2,995,200</u>		<u>\$ 2,995,200</u>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

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**

<b>Tax Levy Year</b>	<b>Tax Levy</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
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>\$ 2,689,951</u>	<u>\$ 12,689,951</u>		<u>\$ 1,344,972</u>		<u>\$ 1,344,979</u>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

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

December 31, 2016

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	December 1	Amount
2016	\$ 730,000	\$ 131,018	\$ 861,018	2017	\$ 65,509	\$ 65,509
2017	615,000	116,418	731,418	2018	58,209	58,209
2018	335,000	104,118	439,118	2019	52,059	52,059
2019	340,000	97,418	437,418	2020	48,709	48,709
2020	345,000	90,618	435,618	2021	45,309	45,309
2021	350,000	83,718	433,718	2022	41,859	41,859
2022	350,000	76,718	426,718	2023	38,359	38,359
2023	355,000	69,718	424,718	2024	34,859	34,859
2024	360,000	62,618	422,618	2025	31,309	31,309
2025	365,000	55,416	420,416	2026	27,708	27,708
2026	375,000	48,118	423,118	2027	24,059	24,059
2027	380,000	40,618	420,618	2028	20,309	20,309
2028	390,000	32,542	422,542	2029	16,271	16,271
2029	390,000	23,962	413,962	2030	11,981	11,981
2030	675,000	15,183	690,183	2031	7,592	7,591
	<u>\$ 6,355,000</u>	<u>\$ 1,048,201</u>	<u>\$ 7,403,201</u>		<u>\$ 524,101</u>	<u>\$ 524,100</u>

(See independent auditor's report.)

**VILLAGE OF DEERFIELD, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2015

December 31, 2016

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

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2016	\$ 395,000	\$ 279,050	\$ 674,050	2017	\$ 139,525	2017	\$ 139,525
2017	405,000	267,200	672,200	2018	133,600	2018	133,600
2018	415,000	255,050	670,050	2019	127,525	2019	127,525
2019	430,000	242,600	672,600	2020	121,300	2020	121,300
2020	440,000	229,700	669,700	2021	114,850	2021	114,850
2021	455,000	216,500	671,500	2022	108,250	2022	108,250
2022	470,000	202,850	672,850	2023	101,425	2023	101,425
2023	485,000	188,750	673,750	2024	94,375	2024	94,375
2024	495,000	174,200	669,200	2025	87,100	2025	87,100
2025	510,000	159,350	669,350	2026	79,675	2026	79,675
2026	530,000	144,050	674,050	2027	72,025	2027	72,025
2027	545,000	128,150	673,150	2028	64,075	2028	64,075
2028	560,000	111,800	671,800	2029	55,900	2029	55,900
2029	575,000	95,000	670,000	2030	47,500	2030	47,500
2030	595,000	77,750	672,750	2031	38,875	2031	38,875
2031	610,000	59,900	669,900	2032	29,950	2032	29,950
2032	630,000	41,600	671,600	2033	20,800	2033	20,800
2033	650,000	21,125	671,125	2034	10,562	2034	10,563
	<u>\$ 9,195,000</u>	<u>\$ 2,894,625</u>	<u>\$ 12,089,625</u>		<u>\$ 1,447,312</u>		<u>\$ 1,447,313</u>

(See independent auditor's report.)

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	109-118
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	119-120
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	121-124
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	125-126
<b>Operating Information</b> 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.	127-129

*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

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 60,243,189	\$ 62,619,244	\$ 66,174,872	\$ 64,483,632
Restricted	4,979,340	5,899,947	1,698,902	1,833,178
Unrestricted	22,238,210	18,140,003	14,799,887	13,730,019
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 87,460,739</b>	<b>\$ 86,659,194</b>	<b>\$ 82,673,661</b>	<b>\$ 80,046,829</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 19,176,339	\$ 22,289,499	\$ 25,794,886	\$ 28,525,266
Unrestricted	3,120,381	2,071,153	1,332,314	649,610
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 22,296,720</b>	<b>\$ 24,360,652</b>	<b>\$ 27,127,200</b>	<b>\$ 29,174,876</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 79,419,528	\$ 84,908,743	\$ 91,969,758	\$ 93,008,898
Restricted	4,979,340	5,899,947	1,698,902	1,833,178
Unrestricted	25,358,591	20,211,156	16,132,201	14,379,629
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 109,757,459</b>	<b>\$ 111,019,846</b>	<b>\$ 109,800,861</b>	<b>\$ 109,221,705</b>

\* Eight months ended December 31, 2013.

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

Data Source

Audited Financial Statements

<b>2012</b>	<b>2013</b>	<b>2013*</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ 51,392,981	\$ 55,359,465	\$ 59,186,881	\$ 58,835,531	\$ 55,025,274	\$ 55,732,838
1,864,620	2,000,978	1,690,206	4,326,031	4,467,283	5,129,514
9,491,193	(3,773,495)	25,298,828	27,077,751	14,516,742	13,144,539
<b>\$ 62,748,794</b>	<b>\$ 53,586,948</b>	<b>\$ 86,175,915</b>	<b>\$ 90,239,313</b>	<b>\$ 74,009,299</b>	<b>\$ 74,006,891</b>
\$ 47,891,247	\$ 59,834,517	\$ 28,906,421	\$ 28,270,616	\$ 29,869,458	\$ 32,118,523
113,829	140,855	651,661	786,552	(194,463)	376,014
<b>\$ 48,005,076</b>	<b>\$ 59,975,372</b>	<b>\$ 29,558,082</b>	<b>\$ 29,057,168</b>	<b>\$ 29,674,995</b>	<b>\$ 32,494,537</b>
\$ 84,682,839	\$ 86,323,125	\$ 82,313,682	\$ 87,106,147	\$ 84,894,732	\$ 87,851,361
1,864,620	2,000,978	1,690,206	4,326,031	4,467,283	5,129,514
24,206,411	25,238,217	31,730,109	27,864,303	14,322,279	13,520,553
<b>\$ 110,753,870</b>	<b>\$ 113,562,320</b>	<b>\$ 115,733,997</b>	<b>\$ 119,296,481</b>	<b>\$ 103,684,294</b>	<b>\$ 106,501,428</b>

**VILLAGE OF DEERFIELD, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>EXPENSES</b>				
Governmental Activities				
General government	\$ 4,569,982	\$ 5,228,097	\$ 9,833,315	\$ 5,477,968
Public safety	7,232,143	7,715,014	8,543,631	8,497,498
Highways and streets	4,451,069	7,317,060	10,985,018	7,749,726
Interest	209,430	215,464	193,105	393,054
Total governmental activities expenses	16,462,624	20,475,635	29,555,069	22,118,246
Business-Type Activities				
Water	6,224,262	3,993,964	4,103,889	4,215,482
Sewerage	2,735,053	3,040,082	2,643,276	2,846,388
Refuse disposal	1,520,190	1,590,167	1,599,244	1,600,736
Commuter parking	210,307	282,534	262,458	322,431
Total business-type activities expenses	10,689,812	8,906,747	8,608,867	8,985,037
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 27,152,436</b>	<b>\$ 29,382,382</b>	<b>\$ 38,163,936</b>	<b>\$ 31,103,283</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for services				
General government	\$ 1,480,008	\$ 1,645,678	\$ 1,862,200	\$ 2,011,535
Public safety	935,302	956,468	866,510	873,947
Highways and streets	75,400	59,609	47,219	73,968
Interest	-	-	-	-
Operating grants and contributions	524,423	490,768	474,526	582,734
Capital grants and contributions	1,492,153	894,545	2,195,963	360,539
Total governmental activities program revenues	4,507,286	4,047,068	5,446,418	3,902,723
Business-Type Activities				
Charges for services				
Water	4,365,767	3,647,017	3,567,809	3,777,700
Sewerage	2,396,295	2,306,028	2,320,123	2,450,088
Refuse disposal	624,349	623,738	622,629	608,475
Commuter parking	212,585	218,770	209,165	204,236
Capital grants and contributions	441,605	-	-	2,963,996
Total business-type activities program revenues	8,040,601	6,795,553	6,719,726	10,004,495
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 12,547,887</b>	<b>\$ 10,842,621</b>	<b>\$ 12,166,144</b>	<b>\$ 13,907,218</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	\$ (11,955,338)	\$ (16,428,567)	\$ (24,108,651)	\$ (18,215,523)
Business-type activities	(2,649,211)	(2,111,194)	(1,889,141)	1,019,458
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (14,604,549)</b>	<b>\$ (18,539,761)</b>	<b>\$ (25,997,792)</b>	<b>\$ (17,196,065)</b>

2012	2013	2013*	2014	2015	2016
\$ 24,267,281	\$ 18,988,356	\$ 5,755,847	\$ 7,756,784	\$ 8,182,572	\$ 8,938,512
8,388,066	8,572,034	6,256,914	9,189,101	11,870,633	11,516,466
6,602,895	5,753,656	6,208,891	6,286,456	8,065,953	12,905,603
1,098,736	1,791,625	628,554	685,495	1,113,073	918,603
40,356,978	35,105,671	18,850,206	23,917,836	29,232,231	34,279,184
4,455,971	4,625,679	3,153,643	4,345,300	4,517,289	4,405,066
2,996,805	3,267,868	3,147,664	4,691,951	4,533,170	4,996,664
1,307,850	1,343,691	953,301	1,440,045	1,433,697	1,449,954
337,337	352,088	243,017	331,951	284,789	306,583
9,097,963	9,589,326	7,497,625	10,809,247	10,768,945	11,158,267
\$ 49,454,941	\$ 44,694,997	\$ 26,347,831	\$ 34,727,083	\$ 40,001,176	\$ 45,437,451
\$ 1,833,930	\$ 2,290,768	\$ 1,811,306	\$ 3,812,004	\$ 2,214,956	\$ 2,706,969
986,382	1,047,217	783,151	1,167,096	1,218,489	1,221,896
66,279	263,607	234,034	442,918	606,549	417,398
-	-	-	-	-	711,369
715,849	1,140,504	890,860	612,569	445,554	464,020
434,225	75,864	58,791	1,306,043	442,690	6,853,567
4,036,665	4,817,960	3,778,142	7,340,630	4,928,238	12,375,219
3,891,387	4,295,580	3,006,491	3,763,753	3,701,281	4,058,510
2,499,701	2,892,170	2,065,472	2,645,264	2,724,235	2,853,730
461,887	476,926	324,969	500,449	513,672	515,496
201,426	223,381	187,386	226,450	270,799	277,048
19,620,003	12,566,460	1,802,087	173,695	2,249,741	2,922,849
26,674,404	20,454,517	7,386,405	7,309,611	9,459,728	10,627,633
\$ 30,711,069	\$ 25,272,477	\$ 11,164,547	\$ 14,650,241	\$ 14,387,966	\$ 23,002,852
\$ (36,320,313)	\$ (30,287,711)	\$ (15,072,064)	\$ (16,577,206)	\$ (24,303,993)	\$ (21,903,965)
17,576,441	10,891,928	(115,808)	(3,514,422)	(1,309,217)	(530,634)
\$ (18,743,872)	\$ (19,395,783)	\$ (15,187,872)	\$ (20,091,628)	\$ (25,613,210)	\$ (22,434,599)

VILLAGE OF DEERFIELD, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property and replacement	\$ 6,617,648	\$ 7,093,819	\$ 8,618,052	\$ 2,278,574
Home rule sales	1,913,268	2,448,385	2,525,183	2,725,330
Simplified telecommunications	354,984	347,666	326,528	644,129
Other	4,065,091	3,684,318	3,097,643	4,396,881
Intergovernmental	4,552,097	4,438,194	4,995,509	5,281,422
Investment income	1,253,533	486,398	166,844	92,855
Miscellaneous	278,667	260,971	393,359	169,500
Contributions	-	-	-	-
Transfers (out)	(2,000,000)	(3,132,729)	-	-
Total governmental activities	17,035,288	15,627,022	20,123,118	15,588,691
Business-Type Activities				
Property taxes	780,785	807,708	807,968	832,264
Investment income	192,967	49,427	8,304	4,530
Miscellaneous	204,343	185,262	146,400	191,424
Transfers in	2,000,000	3,132,729	-	-
Total business-type activities	3,178,095	4,175,126	962,672	1,028,218
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 20,213,383</b>	<b>\$ 19,802,148</b>	<b>\$ 21,085,790</b>	<b>\$ 16,616,909</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 5,079,950	\$ (801,545)	\$ (3,985,533)	\$ (2,626,832)
Business-type activities	528,884	2,063,932	(926,469)	2,047,676
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 5,608,834</b>	<b>\$ 1,262,387</b>	<b>\$ (4,912,002)</b>	<b>\$ (579,156)</b>

\* Eight months ended December 31, 2013.

Data Source

Audited Financial Statements

	2012	2013	2013*	2014	2015	2016
\$	2,822,939	\$ 4,410,633	\$ 5,010,070	\$ 5,260,112	\$ 5,527,577	\$ 7,335,510
	3,121,749	3,665,374	2,257,183	3,413,920	2,941,572	3,484,806
	1,752,850	1,430,126	936,501	1,261,799	1,707,745	1,722,295
	4,684,153	3,438,882	2,398,124	3,721,354	3,797,848	3,817,963
	5,968,953	8,474,800	5,396,719	8,316,948	7,697,052	8,350,115
	115,175	117,770	-	(221,419)	130,060	191,929
	556,459	252,924	279,991	704,909	676,294	431,172
	-	-	-	-	732,831	-
	-	-	-	(1,817,019)	(1,805,840)	(2,770,464)
	19,022,278	21,790,509	16,278,588	20,640,604	21,405,139	22,563,326
	889,586	890,214	906,951	936,361	965,948	22
	3,701	3,024	(4,588)	(14,786)	4,055	4,753
	360,472	211,867	174,010	260,128	218,479	226,012
	-	-	-	1,817,019	1,805,840	2,770,464
	1,253,759	1,105,105	1,076,373	2,998,722	2,994,322	3,001,251
\$	20,276,037	\$ 22,895,614	\$ 17,354,961	\$ 23,639,326	\$ 24,399,461	\$ 25,564,577
\$	(17,298,035)	\$ (8,497,202)	\$ 1,206,524	\$ 4,063,398	\$ (2,898,854)	\$ 659,361
	18,830,200	11,970,296	965,153	(500,914)	1,685,105	2,470,617
\$	1,532,165	\$ 3,473,094	\$ 2,171,677	\$ 3,562,484	\$ (1,213,749)	\$ 3,129,978

VILLAGE OF DEERFIELD, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
<b>GENERAL FUND</b>				
Reserved	\$ 2,233,242	\$ 453,124	\$ 447,892	\$ 443,532
Unreserved	14,913,911	16,155,829	15,619,459	16,566,828
Nonspendable for				
Note receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Advance	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital projects	-	-	-	-
Subsequent year's budget	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	\$ 17,147,153	\$ 16,608,953	\$ 16,067,351	\$ 17,010,360
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 4,979,340	\$ 5,899,947	\$ 1,698,902	\$ 6,927,256
Unreserved, reported in				
Capital Project Funds	1,804,245	1,928,286	230,653	417,104
Restricted for				
Capital projects	-	-	-	-
Maintenance of roadways	-	-	-	-
Public safety	-	-	-	-
Debt service	-	-	-	-
Unrestricted				
Assigned for				
Debt service	-	-	-	-
Capital projects	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	\$ 6,783,585	\$ 7,828,233	\$ 1,929,555	\$ 7,344,360

\* Eight months ended December 31, 2013.

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

Data Source

Audited Financial Statements

2012		2013		2013*		2014		2015		2016	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	100,000		90,000		80,000		70,000		60,000		50,000
	55,190		27,824		54,477		42,968		21,031		26,643
	441,382		459,247		752,402		713,737		707,640		904,041
	-		-		-		-		-		1,075,689
	833,396		818,344		831,850		-		-		-
	1,650,000		1,400,000		1,500,000		1,200,000		1,000,000		1,300,000
	-		-		-		-		2,960,593		2,117,018
	16,206,557		17,002,357		16,815,607		19,667,419		15,200,930		14,963,328
\$	19,286,525	\$	19,797,772	\$	20,034,336	\$	21,694,124	\$	19,950,194	\$	20,436,719
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	14,581,925		1,515,401		40,280		-		696,658		-
	601,423		633,057		325,768		927,908		388,546		360,593
	1,263,197		1,367,921		1,364,438		1,214,895		1,130,293		1,124,743
	-		-		-		2,183,228		2,948,444		3,644,178
	286,753		841,240		1,473,632		25,299		58,021		111,920
	1,088,012		2,154,351		749,533		2,276,297		4,707,033		5,935,979
\$	17,821,310	\$	6,511,970	\$	3,953,651	\$	6,627,627	\$	9,928,995	\$	11,177,413

**VILLAGE OF DEERFIELD, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>REVENUES</b>				
Taxes	\$ 17,503,089	\$ 18,012,382	\$ 19,562,915	\$ 15,326,336
Licenses and permits	1,161,276	1,271,817	1,366,472	1,431,793
Intergovernmental	713,470	1,349,486	951,183	944,344
Charges for services	716,522	727,445	654,662	687,515
Fines and forfeitures	261,495	251,680	227,686	262,542
Contribution from library	-	-	-	-
Investment income	1,253,533	486,398	166,844	92,855
Miscellaneous	614,796	698,839	821,396	715,868
<b>Total revenues</b>	<b>22,224,181</b>	<b>22,798,047</b>	<b>23,751,158</b>	<b>19,461,253</b>
<b>EXPENDITURES</b>				
General government	4,827,462	5,156,342	12,471,646	5,328,331
Public safety	7,273,503	7,656,333	8,322,821	8,407,416
Highways and streets	3,034,841	3,536,206	2,916,045	3,032,200
Capital outlay	4,204,984	6,735,684	6,207,466	8,278,643
Debt service				
Principal	2,000,000	4,000,000	175,000	180,000
Interest	216,600	184,939	193,150	237,997
<b>Total expenditures</b>	<b>21,557,390</b>	<b>27,269,504</b>	<b>30,286,128</b>	<b>25,464,587</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>666,791</b>	<b>(4,471,457)</b>	<b>(6,534,970)</b>	<b>(6,003,334)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,216,000	8,629,795	923,389	7,506,834
Transfers (out)	(6,216,000)	(8,629,795)	(923,389)	(7,506,834)
Bonds issued	-	5,000,000	-	12,500,000
Premium (discount) on bonds issued	-	(30,867)	-	(69,013)
Sale of capital assets	11,052	8,772	94,690	30,161
<b>Total other financing sources (uses)</b>	<b>(1,988,948)</b>	<b>4,977,905</b>	<b>94,690</b>	<b>12,461,148</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,322,157)</b>	<b>\$ 506,448</b>	<b>\$ (6,440,280)</b>	<b>\$ 6,457,814</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>12.77%</b>	<b>20.38%</b>	<b>1.53%</b>	<b>2.09%</b>

\* Eight months ended December 31, 2013.

Data Source

Audited Financial Statements

	2012	2013	2013*	2014	2015	2016
\$	18,350,644	\$ 12,220,016	\$ 9,876,878	\$ 14,070,158	\$ 14,955,266	\$ 17,522,177
	1,173,799	1,645,735	1,277,977	3,062,263	1,464,015	1,958,108
	1,152,141	9,692,051	6,342,610	9,599,274	8,102,221	15,007,986
	709,146	710,049	565,213	1,004,048	1,114,515	971,304
	317,262	342,740	236,390	307,744	292,284	286,981
	-	763,572	742,476	730,381	732,831	730,131
	115,175	117,770	(164,823)	(221,419)	130,060	191,929
	1,219,949	1,113,205	998,549	1,218,373	1,348,025	1,555,393
	23,038,116	26,605,138	19,875,270	29,770,822	28,139,217	38,224,009
	6,436,048	7,783,224	5,063,339	7,353,449	8,266,520	8,906,902
	8,352,887	8,540,957	6,117,121	8,963,170	9,136,003	9,054,499
	3,091,770	2,806,358	2,326,884	2,924,874	2,816,855	2,749,322
	23,114,852	24,479,003	5,280,135	2,777,322	11,958,472	11,652,625
	710,000	1,355,000	928,000	935,000	962,000	1,369,000
	1,180,062	1,770,522	699,324	693,655	674,859	944,819
	42,885,619	46,735,064	20,414,803	23,647,470	33,814,709	34,677,167
	(19,847,503)	(20,129,926)	(539,533)	6,123,352	(5,675,492)	3,546,842
	22,440,459	14,290,621	3,152,954	2,354,180	10,191,142	4,241,596
	(22,440,459)	(14,290,621)	(4,943,562)	(4,171,199)	(11,996,982)	(7,012,060)
	32,400,000	9,075,000	-	-	9,575,000	-
	79,791	253,502	-	-	422,335	-
	20,827	3,331	8,386	27,431	-	-
	32,500,618	9,331,833	(1,782,222)	(1,789,588)	8,191,495	(2,770,464)
\$	12,653,115	\$ (10,798,093)	\$ (2,321,755)	\$ 4,333,764	\$ 2,516,003	\$ 776,378
	4.75%	7.16%	9.02%	7.35%	6.60%	7.67%

VILLAGE OF DEERFIELD, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General merchandise	\$ 268,413	\$ 181,355	\$ 215,487	\$ 222,696	\$ 233,408	\$ 222,366	\$ 224,653	\$ 247,348	\$ 208,851	\$ 195,293
Food	712,229	656,766	708,194	772,736	798,668	796,940	743,285	870,464	874,095	746,457
Drinking and eating places	749,845	756,872	931,610	932,074	970,059	1,018,539	1,032,833	1,108,407	1,128,992	1,036,096
Apparel	195,358	178,925	205,112	207,981	240,746	205,856	180,876	210,488	164,410	150,231
Furniture, H.H. and radio	784,397	676,075	644,981	752,175	713,431	473,808	345,052	291,839	288,538	279,964
Lumber, building hardware	614,752	532,637	622,406	610,072	590,742	564,884	583,287	642,214	542,259	507,057
Automobile and filling stations	257,719	283,125	284,289	434,095	513,421	348,318	358,919	510,550	314,993	347,603
Drugs and miscellaneous retail	1,877,780	2,184,421	3,211,071	2,625,382	3,625,900	5,476,027	4,692,108	4,937,251	4,069,522	5,664,948
Agriculture and all others	737,298	711,157	895,708	852,588	1,138,377	1,005,454	966,396	914,323	839,745	910,728
Manufacturers	93,150	143,018	196,451	203,171	214,511	237,039	226,254	251,653	266,575	220,430
<b>TOTAL</b>	<b>\$ 6,290,941</b>	<b>\$ 6,304,351</b>	<b>\$ 7,915,309</b>	<b>\$ 7,612,970</b>	<b>\$ 9,039,263</b>	<b>\$ 10,349,231</b>	<b>\$ 9,353,663</b>	<b>\$ 9,984,537</b>	<b>\$ 8,697,980</b>	<b>\$ 10,058,807</b>
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	0.50%	0.50%	0.50%	1.00%	1.00%	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

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<b>Calendar Year</b>	<b>Lake County Rate</b>	<b>RTA Lake County Rate</b>	<b>Cook County Rate</b>	<b>Cook County Home Rule Rate</b>	<b>RTA Cook County Rate</b>	<b>Village Home Rule Rate</b>	<b>Village Direct Rate</b>	<b>State Rate</b>
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%
2015	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%
2016	0.25%	0.75%	0.25%	0.75%	1.00%	1.00%	1.00%	5.00%

Data Sources

Village and County Records

**VILLAGE OF DEERFIELD, ILLINOIS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

<b>Fiscal Year Ended</b>	<b>Governmental Activities General Obligation Bonds</b>	<b>Business-Type Activities General Obligation Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income*</b>	<b>Per Capita*</b>
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**	23,164,958	31,997,146	55,162,104	6.52%	2,989.49
2014	22,223,327	31,230,833	53,454,160	5.97%	2,890.86
2015	31,252,022	30,460,961	61,712,983	5.29%	3,340.17
2016	29,859,606	29,667,530	59,527,136	4.87%	3,202.45

\* See the schedule of Demographic and Economic Statistics on page 120 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

<b>Fiscal Year</b>	<b>(1) Governmental Activities General Obligation Bonds</b>	<b>(1) Business-Type Activities General Obligation Bonds</b>	<b>(1) Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
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**	23,164,958	31,997,146	1,473,632	53,688,472	4.15%	2,895.70
2014	22,223,327	31,230,833	2,208,527	51,245,633	4.17%	2,770.89
2015	31,252,022	30,460,961	2,983,643	58,729,340	4.78%	3,178.68
2016*	29,859,606	29,667,530	3,756,098	55,771,038	4.23%	3,000.38

\* 2015 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, 2016

<b>Governmental Unit</b>	* <b>(1)</b> <b>Gross</b> <b>General</b> <b>Obligation</b> <b>Debt</b>	** <b>(2)</b> <b>Percentage</b> <b>of Debt</b> <b>Applicable to</b> <b>Government</b>	*** <b>Village's</b> <b>Share</b> <b>of Debt</b>
Village of Deerfield	\$ 58,920,000	100.00%	\$ 58,920,000
Lake County	190,325,000	5.09%	9,687,543
Lake County Forest Preserve	285,680,000	5.09%	14,541,112
Cook County	3,313,286,750	0.10%	3,313,287
Cook County Forest Preserve	168,620,000	0.10%	168,620
Deerfield Park District	2,820,000	97.54%	2,750,628
Park District of Highland Park	2,935,000	1.31%	38,449
Northbrook Park District	7,675,000	3.61%	277,068
Lake Elementary School District No. 109	19,425,000	76.99%	14,955,308
Lake High School District No. 113	95,840,000	29.84%	28,598,656
Cook Northfield Township High School District No. 225	77,918,534	2.94%	2,290,805
Community College of Lake County No. 532	69,265,000	5.36%	3,712,604
Oakton Community College District No. 535	33,175,000	0.69%	228,908
Metropolitan Water Reclamation District of Greater Chicago	<u>2,802,575,327</u>	1.74%	<u>48,792,836</u>
Total gross debt	7,128,460,611		188,275,824
Less Debt Service Fund amount available - Village of Deerfield	<u>3,756,098</u>		<u>3,756,098</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 7,124,704,513</u></u>		<u><u>\$ 184,519,726</u></u>

\* Most recent data available.

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

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

Data Sources

Lake and Cook County Clerk's Offices

**VILLAGE OF DEERFIELD, ILLINOIS**

**LEGAL DEBT MARGIN INFORMATION**

December 31, 2016

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The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt marg

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one per cent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage.

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

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

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

<b>EQUALIZED ASSESSED VALUATION - 2015*</b>	\$ 1,319,070,385
Non-Home Rule Legal Debt Limit - 8.625%	113,769,821
Amount of debt applicable to limit:	
General Obligation Bonds Series 2008	3,440,000
General Obligation Bonds Series 2010A	9,225,000
General Obligation Bonds Series 2011A	8,225,000
General Obligation Bonds Series 2011B	12,480,000
General Obligation Bonds Series 2012	10,000,000
General Obligation Bonds Series 2013	6,355,000
General Obligation Bonds Series 2015	<u>9,195,000</u>
Total amount of debt applicable to limit:	<u>58,920,000</u>
<b>NON-HOME RULE LEGAL DEBT MARGIN</b>	<u><u>\$ 54,849,821</u></u>

\* Most Recent EAV Available.

## VILLAGE OF DEERFIELD, ILLINOIS

### DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

<b>Fiscal Year</b>		<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Median Household Income</b>	<b>Unemployment Rate</b>
2008	(a)	18,420	\$ 37,361	\$ 107,194	3.40%
2009	(a)	18,420	37,361	107,194	4.90%
2010	(a)	18,420	37,361	107,194	7.10%
2011	(b)	19,204	44,127	131,585	5.60%
2012	(c)	18,405	45,703	131,534	5.75%
2013	(d)	18,458	46,782	132,785	5.30%
2013	(e)	18,452	45,823	129,187	5.85%
2014	(f)	18,408	48,431	135,881	5.05%
2015	(g)	18,476	63,190	135,754	4.20%
2016	(h)	18,588	65,757	137,423	4.40%

#### Data Sources

- (a) U.S. Census Bureau "Census 2000 Summary Files" and U.S. Bureau of Labor Statistics
- (b) U.S. Census Bureau "2005-2009 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (c) U.S. Census Bureau "2006-2010 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (d) U.S. Census Bureau, "2007-2011 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (e) U.S. Census Bureau, "2008-2012 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (f) U.S. Census Bureau, "2009-2013 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (g) U.S. Census Bureau, "2010-2014 American Community Survey 5-Yr. Estimates" and U.S. Bureau of Labor Statistics
- (h) U.S. Census Bureau, "2011-2015 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	2016			2007		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Walgreen Boots Alliance Inc	2,100	1	11.30%	2,000	2	10.86%
Baxter International Inc	1,900	2	10.22%	3,000	1	16.29%
Takeda Pharmaceuticals North	1,700	3	9.15%	1,200	3	6.51%
Mondelez International, Inc.	700	4	3.77%			
Essendant Inc (formerly United Stationers)	600	5	3.23%			
Deerfield Park District	500	6	2.69%			
Deerfield School District 109	500	7	2.69%			
Siemens Healthcare	310	8	1.67%			
Beam Suntory Inv (formerly Beam Inc.)	260	9	1.40%			
Lundbeck Inc	260	10	1.40%			
Kinetek Inc				1,080	4	5.86%
Astell Pharma US Inc				1,000	5	5.43%
Linkscorp LLC				700	6	3.80%
Illinois Student Assistance Commission				550	7	2.99%
Woodhead Industries Inc				500	8	2.71%
American Continental Life Insurance Co				405	9	2.20%
Dade Behring				400	10	2.17%
<b>TOTAL</b>	<b>8,830</b>		<b>47.52%</b>	<b>10,835</b>		<b>58.82%</b>
Village population			18,588			18,420

Data Source

Lake County Partners

**VILLAGE OF DEERFIELD, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2013*</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GENERAL GOVERNMENT</b>										
Village Manager	3	3	3	2	4	5	5	5	5	5
Finance	10	10	10	10	8	8	8	8	8	8
Engineering	3	3	3	2	2	2	2	2	3	3
Community Development	7	7	7	7	7	7	7	8	8	8
<b>PUBLIC WORKS</b>										
Administration	4	4	4	4	4	4	4	4	4	4
Street Maintenance	7	7	7	7	7	7	7	7	7	7
Utilities Maintenance	15	15	15	14	14	14	14	14	13	13
Sewage Treatment Plant	8	8	8	8	8	7	7	7	7	7
Garage	2	2	2	2	2	2	2	2	2	2
<b>PUBLIC SAFETY</b>										
Police										
Administration	7	7	7	7	7	7	7	7	7	7
Communications	8	8	8	8	8	8	8	8	8	8
Investigations/Youth	7	7	7	7	7	7	7	7	7	7
Patrol	31	31	31	31	31	33	33	34	34	34
<b>TOTAL</b>	<b>112</b>	<b>112</b>	<b>112</b>	<b>109</b>	<b>109</b>	<b>111</b>	<b>111</b>	<b>113</b>	<b>113</b>	<b>113</b>

\* Eight months ended December 31, 2013.

Data Source

Village budget office

VILLAGE OF DEERFIELD, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>PUBLIC SAFETY</b>										
Police										
Physical arrests	587	568	415	575	513	485	367	337	336	426
Parking violations	2,690	2,385	1,656	1,509	1,343	2,628	2,307	2,560	1,709	1,598
Traffic violations	4,278	4,255	3,703	3,106	3,391	3,367	3,550	3,452	3,765	3,463
<b>PUBLIC WORKS</b>										
Street resurfacing (miles)	3.21	3.14	0.89	0.86	1.83	2.80	1.76	1.96	6.45	0.36
<b>WATER</b>										
Water main breaks	77	47	59	76	75	78	108	56	61	53
Average daily consumption (gallons)	3,128,000	2,566,000	2,630,000	2,683,526	2,522,061	2,805,124	2,730,295	2,571,000	2,380,000	2,306,605
Peak daily consumption (gallons)	5,894,000	5,279,000	4,510,000	5,009,819	5,502,196	5,482,125	5,069,827	3,903,000	3,800,000	4,363,018
<b>WASTEWATER</b>										
Average daily treatment (gallons)	2,963,972	3,324,536	3,313,068	2,930,000	3,530,000	2,395,000	2,761,000	3,452,000	3,180,000	2,680,000

Data Source

Various village departments

**VILLAGE OF DEERFIELD, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2013*</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	41	41	41	41	41	42	43	40	40	40
<b>PUBLIC WORKS</b>										
Arterial streets (miles)	8	8	8	8	8	8	8	8	8	8
Residential streets (miles)	68	68	68	68	68	68	68	68	68	68
Traffic signals	10	10	10	10	10	10	10	10	10	10
<b>WATER</b>										
Water mains (miles)	84	84	88	90	90	90	90	90	90	90
Fire hydrants	1,203	1,203	1,212	1,217	1,208	1,220	1,205	1,208	1,206	1,267
Storage capacity (gallons)	8,000,000	8,000,000	8,000,000	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850	8,200,850
<b>WASTEWATER</b>										
Sewers (miles)	80	80	80	80	80	80	80	80	80	80
Treatment capacity (gallons)	8,000,000	8,000,000	8,000,000	8,000,000	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000

\* Eight months ended December 31, 2013.

Data Source

Various village departments

## Debt Information

### Direct Debt :

General Obligation Bonds

\$58,920,000

	<u>Gross General Obligation Debt</u>	<u>Percent Applicable</u>	<u>Village's Share of Debt</u>
<b>Overlapping Debt :</b>			
Lake County	190,325,000	5.09%	9,687,543
Lake County Forest Preserve	285,680,000	5.09%	14,541,112
Cook County	3,313,286,750	0.10%	3,313,287
Cook County Forest Preserve	168,620,000	0.10%	168,620
Deerfield Park District	2,820,000	97.54%	2,750,628
Park District of Highland Park	2,935,000	1.31%	38,449
Northbrook Park District	7,675,000	3.61%	277,068
Lake School District No. 109	19,425,000	76.99%	14,955,308
Lake High School District No. 113	95,840,000	29.84%	28,598,656
Cook High School District No. 225	77,918,534	2.94%	2,290,805
Community College No. 532	69,265,000	5.36%	3,712,604
Community College No. 535	33,175,000	0.69%	228,908
Metro Water Reclamation District	2,802,575,327	1.74%	48,792,836
<b>Total Overlapping Debt</b>			<u>\$129,355,824</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$188,275,824</u></u>

Source: Lake and Cook County Clerk's Offices.

## Statement of Indebtedness

	<u>Amount Applicable</u>	<u>% of EAV</u>	<u>% of Estimated True Value</u>	<u>Per Capita*</u>
2015 Equalized Assessed Valuation <sup>(1)</sup>	\$ 1,319,070,388	100.00%	33.33%	70,964
Estimated True Value	3,957,211,164	300.00%	100.00%	212,891
Direct Debt	58,920,000	4.47%	1.49%	3,170
Overlapping Debt	129,355,824	9.81%	3.27%	6,959
Direct and Overlapping Debt	188,275,824	14.27%	4.76%	10,129

*\*Population of 18,476 based on 2015 CAFR.*

*(1) Reflects 2014 Lake County EAV and 2014 Cook County EAV.*

**Equalized Assessed Valuation**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Residential	\$1,012,534,720	\$938,649,978	\$ 898,117,390	\$ 909,922,822	\$ 984,948,931
Commerical	364,721,276	340,275,838	316,522,689	311,130,618	327,995,985
Industrial	15,266,443	14,338,152	13,777,096	6,248,146	6,125,472
Total	<u>\$1,392,522,439</u>	<u>\$1,293,263,968</u>	<u>\$1,228,417,175</u>	<u>\$1,227,301,586</u>	<u>\$ 1,319,070,388</u>

Source: Offices of Lake and Cook County Clerk.

*Lake County*

Residential	\$1,011,816,893	\$937,972,021	\$ 897,492,359	\$ 909,334,162	\$ 984,103,737
Farm	-	-	-	-	-
Commerical	220,050,035	207,908,753	191,692,037	184,960,326	203,659,873
Industrial	2,713,600	2,562,167	2,460,043	2,481,937	2,437,757
Total	<u>\$1,234,580,528</u>	<u>\$1,148,442,941</u>	<u>\$ 1,091,644,439</u>	<u>\$ 1,096,776,425</u>	<u>\$ 1,190,201,367</u>

*Cook County*

Residential	\$ 717,827	\$ 677,957	\$ 625,031	\$ 588,660	\$ 845,194
Farm	-	-	-	-	-
Commerical	144,671,241	132,367,085	124,830,652	126,170,292	124,336,112
Industrial	12,552,843	11,775,985	11,317,053	3,766,209	3,687,715
Total	<u>\$ 157,941,911</u>	<u>\$ 144,821,027</u>	<u>\$ 136,772,736</u>	<u>\$ 130,525,161</u>	<u>\$ 128,869,021</u>

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

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Bonds and Interest	0.098	0.159	0.175	0.251	0.289
Corporate	0.154	0.164	0.184	0.000	0.269
Garbage	0.064	0.071	0.077	0.080	0.000
All Other	0.004	0.063	0.067	0.199	0.000
<b>Total Village</b>	<b>0.320</b>	<b>0.457</b>	<b>0.503</b>	<b>0.530</b>	<b>0.558</b>
County Including Forest Preserve	0.755	0.820	0.881	0.893	0.871
Deerfield Elementary Dist. 109	2.892	3.254	3.424	3.401	3.211
High School District 113	2.167	2.178	2.364	2.421	2.309
Community College (Lake County) Dist. 532	0.240	0.272	0.296	0.306	0.299
Deerfield Park District	0.503	0.546	0.585	0.599	0.552
Deerfield-Bannockburn Fire Protection Dist.	0.529	0.593	0.637	0.650	0.624
Library	0.237	0.262	0.290	0.364	0.353
All Other	0.073	0.053	0.048	0.053	0.049
<b>Total</b>	<b>7.716</b>	<b>8.435</b>	<b>9.028</b>	<b>9.217</b>	<b>8.826</b>
<b>Village as a Percent of Total</b>	<b>4.1%</b>	<b>5.4%</b>	<b>5.6%</b>	<b>5.8%</b>	<b>6.3%</b>

Source: Office of Lake County Clerk.

**Tax Extensions and Collections**

**LAKE COUNTY**

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
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%
2014	2015	9,602,672	9,586,819	99.83%
2015	2016	10,633,806	10,614,943	99.82%

Source: Lake County Clerk's Office.

**COOK COUNTY**

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
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%
2014	2015	691,783	691,424	99.95%
2015	2016	720,378	720,378	100.00%

Source: Cook County Clerk's Office.

**Total**

Levy Year	Collection Year	Taxes Extended	Total Collections	
			Amount	Percent
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%
2014	2015	10,294,455	10,278,243	99.84%
2015	2016	11,354,184	11,335,321	99.83%

Source: Lake and Cook County Clerk's Office.

Lake County and Cook County as of 5/31/2016.

**Principal Taxpayers within the Village**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>% of Total Taxable Assessed Valuation</b>
Walgreen Co.	\$40,655,745	1.03%
Arden Realty, Inc.	39,402,488	1.00%
Scott Dressing, Sr Mgr Taxation	27,302,061	0.69%
MidAmerica Asset Management	26,098,628	0.66%
JBC Funds Parkway North LLC	20,199,294	0.51%
CRM Properties Group	13,751,674	0.35%
James Campbell Co LLC	13,543,858	0.34%
LO Deerfield Operating	8,744,921	0.22%
Wells Core REIT - Four Parkway North LLC	8,015,031	0.20%
Mariner 111 Pfingsten	7,182,217	0.18%
<b>Total</b>	<b>\$204,895,917</b>	<b>5.19%</b>

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