



Comprehensive Annual Financial Report

Northbrook, Illinois
Fiscal Year Ending
December 31, 2018



NORTHBROOK PARK DISTRICT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

Prepared by:

Division of Administration and Finance

NORTHBROOK PARK DISTRICT, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Park District including:

- Principal Officials
- Organization Chart
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting

NORTHBROOK PARK DISTRICT, ILLINOIS

Principal Officials
December 31, 2018

BOARD OF PARK COMMISSIONERS

Penelope J. Randel, President

Mary Ann Chambers, Vice President

Jeffrey C. Simon, Commissioner

Kenneth Slepicka, Commissioner

Michael Schyman, Commissioner

Lisa Chalem, Commissioner

Michael Ziering, Commissioner

ADMINISTRATIVE

Molly Hamer, Executive Director, Secretary

Greg Baron, Golf Operations Director

Ed Dalton, Parks and Properties Director

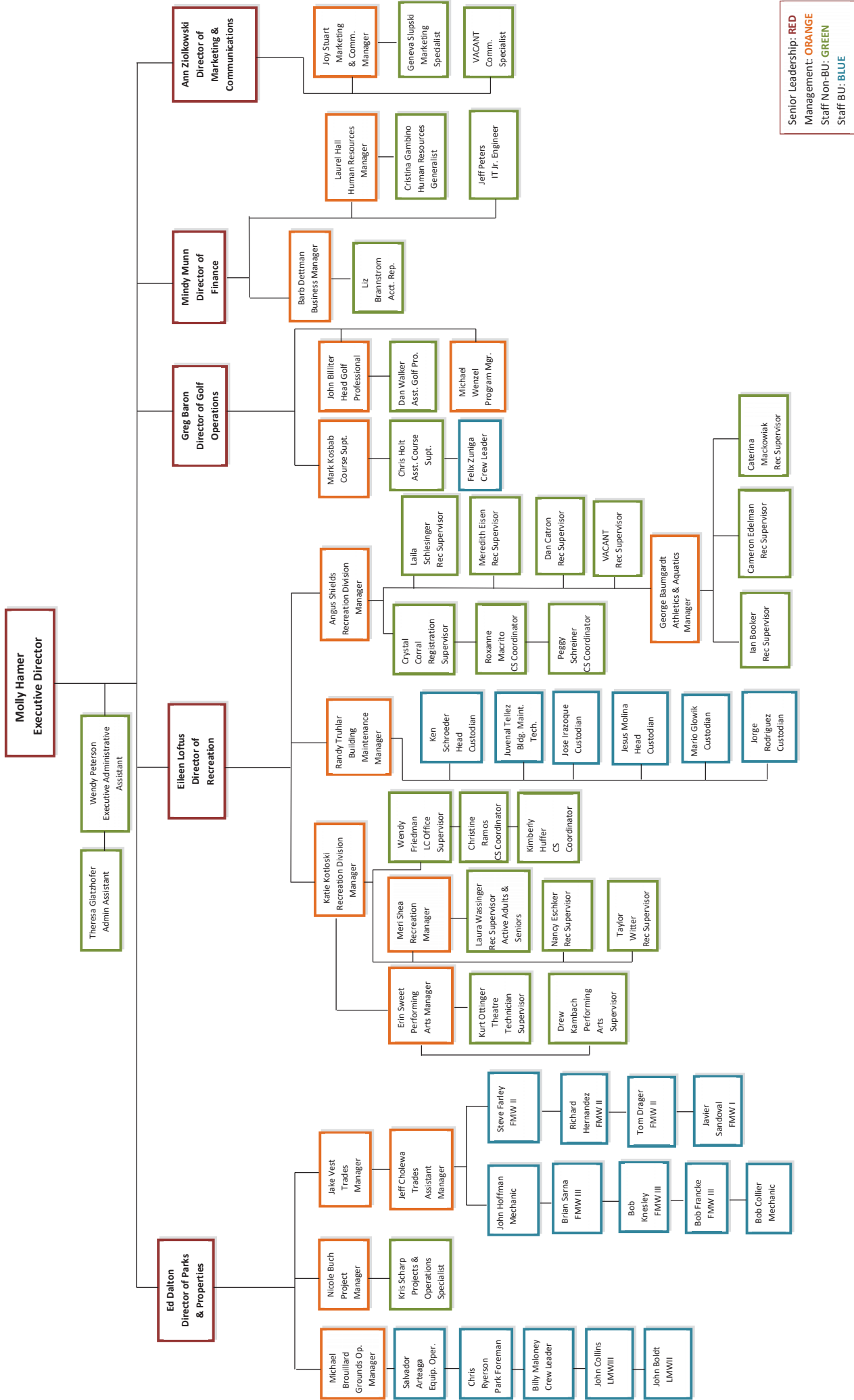
Eileen Loftus, Leisure Services Director

Mindy Munn, Administration and Finance Director, Treasurer

Ann Ziolkowski, Marketing Director

Wendy Peterson, Assistant Secretary

Steve Adams, Attorney





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nbparks.org

May 31, 2019

Board of Commissioners
Northbrook Park District
Northbrook, Cook County, Illinois

Honorable Commissioners:

The Comprehensive Annual Report of the Northbrook Park District for the fiscal year ended December 31, 2018 is hereby respectfully and formally submitted. Chapter 70, Section 1205, of the Illinois Compiled Statutes requires that park districts secure a licensed public accountant to perform an annual audit of the financial statements. The firm of Lauterbach & Amen, LLP, performed this audit for the fiscal year ended December 31, 2018. Their unmodified opinion on the basic financial statements is presented in this report. The CAFR is filed with the State Comptroller within six months after the close of the fiscal year. This report was prepared by the Park District's Division of Finance who is responsible for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures. We believe the information, as presented, is accurate in all material aspects; it is presented in a manner designated to fairly set forth the financial position and results of Park District operations as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the Park District's financial affairs.

Management's representations in the financial statements are only as reliable as the underlying information on which they are based. In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, reliable financial records for preparing financial statements and maintainable accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. Accounting control is provided to adequately safeguard assets and provide reasonable assurance of proper recording of transactions.

The role of the independent audit, as required by the Illinois Compiled Statutes, is to provide an opinion on the fairness of management's representation in the financial statements. The independent audit firm of Lauterbach & Amen, LLP, Certified Public Accountants provides an objective review of the Park District's financial statements. Their performance of tests and discussion with management provides users of these financial statements reasonable basis for reliance on the enclosed reports. Their audit standards require a review that will obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts, accounting principles used and significant estimates made by management.

NORTHBROOK PARK DISTRICT

Management's discussion and analysis (MD&A), immediately following the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter transmittal and should be read in conjunction for greater understanding of the Park District's finances.

The Reporting Entity and its Services

The Park District provides recreational services and opportunities primarily to the residents of Northbrook, Illinois. These services include recreational programs, parks management, recreation facility management, capital improvement development and general administration. The Park District maintains over 500 acres of property for the residents' enjoyment.

Located approximately 25 miles northwest of Chicago, the Park District was established as a separate municipal body by the citizens of Northbrook in 1927. The District operates under a board-manager form of government. The Board consists of seven individuals who are elected from the District at large to serve four-year staggered terms. In its ninety years of service, it has grown in programs, facilities and recreation importance in the lives of Northbrook residents. The current population served is approximately 33,170.

As a separate entity from the Village of Northbrook, the Park District includes all funds of its governmental operations and component units based on financial accountability. The accompanying financial statements include only those funds of the Park District as there are no other organizations for which it has financial accountability. The Park District participates in the Illinois Municipal Retirement Fund (IMRF), the Northern Suburban Special Recreation Association (NSSRA), and the Park District Risk Management Agency (PDRMA). Since these organizations are separate government organizations, and the Park District does not exercise financial accountability over these agencies, their financial statements are not included in this report. Audited financial statements for these organizations are available upon request from their business offices.

The Board of Commissioners has the authority, after the first six months of the fiscal year and with a two-thirds approval vote, to make transfers between the various items in any fund in the appropriation ordinance. Transfers cannot exceed 10 percent, in the aggregate, of the total amount appropriated for the fund or item that is having funds reallocated. The Board of Commissioners may amend the Budget and Appropriation Ordinance, but this must be done in accordance with the same procedure followed in the originally adopted ordinance.

Open Public Meetings for budget authorization are held at 7:00 p.m., posted and published up to six weeks in advance:

| <u>Date</u> | <u>Meeting</u> | <u>Discussion</u> |
|-------------------|--------------------------|---|
| February 19, 2018 | Administration & Finance | Annual Budget Review |
| March 28, 2018 | Public Hearing | Public comments on the Annual Budget |
| March 28, 2018 | Regular Board Meeting | Board discusses and considers the 2018 Budget and Appropriation Ordinance |
| June 26, 2019 | Regular Board Meeting | Board of Commissioners accept 2018 CAFR |

NORTHBROOK PARK DISTRICT

Economic Condition and Outlook

Northbrook is among the more affluent communities of the north shore of Chicago. The Village's local economic base is diverse, combining corporate offices and commercial developments with a wealthy residential base. Northbrook Court, a large regional mall featuring high-end shopping outlets, anchors a sizeable retail sector. The Park District is in suburban Cook County, 25 miles northwest of Chicago, and benefits from ease of access to downtown Chicago. Major corporate entities include Northbrook Court Shopping Center, Underwriters Laboratories, Inc., CVS/Caremark and Crate and Barrel. The tax base consists of light industrial (9%), commercial (25%), and residential (66%). Northbrook's unemployment rate at the end of 2018 was 3.0%, comparing favorably to the state of Illinois' rate of 4.3%.

Equalized assessed value (EAV) for the District's property tax base rose 4.1% in value and totaled \$2.68 billion for the 2017 tax year. The District's tax rate decreased to \$0.419 per \$100 of assessed value compared to \$0.423 in the 2016 tax year. The District's annual property tax extension is limited to the previous year extension plus the annual change in the All-Urban Consumer Price Index (CPI), not to exceed 5%. The decline in the tax rate reflects the higher percentage increase in assessed valuation compared to the increase in the consumer price index. Over the past ten years the District has collected 98 percent of its tax levy as illustrated in the table below.

| Fiscal Year | Tax Year | Tax Extended | Tax Collected | Collection Rate |
|-------------|----------|--------------|-----------------|-----------------|
| 2009 | 2008 | 10,562,098 | 10,552,180 | 99.91% |
| 2010 | 2009 | 10,794,190 | 10,741,928 | 99.52% |
| 2011 | 2010 | 11,215,778 | 10,693,276 | 95.34% |
| 2012 | 2011 | 11,434,647 | 11,256,658 | 98.44% |
| 2013 | 2012 | 11,787,788 | 11,479,363 | 97.38% |
| 2014 | 2013 | 12,007,814 | 11,719,507 | 97.60% |
| 2015 | 2014 | 12,182,604 | 11,873,724 | 97.46% |
| 2016 | 2015 | 12,297,565 | 11,822,153 | 96.13% |
| 2017 | 2016 | 10,891,151 | 10,634,237 | 97.64% |
| 2018 | 2017 | 11,215,423 | 10,853,552 | 96.77% |
| | | | 10-Year Average | 97.62% |

A park commissioner is appointed each year in a liaison role between the Park Board and the Village of Northbrook's Economic Development Committee. The Committee is comprised of various stakeholders including business owners from specific sections of the Village, and is responsible for attracting new commerce to Northbrook as well as retaining existing businesses.

Long-Term Planning

In February 2017 the Board of Park Commissioner adopted the District's Comprehensive Master Plan. The Plan is designed to guide facility and program development decisions for the next five to ten years. The process began with an extensive inventory and analysis of the District's parks, open space, and indoor facilities. Additionally, a community interest and opinion survey was completed to assist with the prioritization of resident needs. The planning process, shaped by the community, covered five key phases: Analyze, Connect, Envision, Prioritize, and Implement. The Plan compiled the results of the first four phases and use of the plan will accomplish the final phase – Implementation.

NORTHBROOK PARK DISTRICT

Based on the Comprehensive Master Plan, the District developed eight actionable goals to accomplish over the ten-year period:

1. Improve and add indoor space
2. Maintain and update existing assets
3. Establish new parks
4. Establish a community wide trail and bike network
5. Expand recreation opportunities to align with community interests
6. Strengthen community relations to further build support
7. Conduct operations with fiscal responsibility
8. Explore partnership opportunities

To fund future capital initiatives, the Park District assigned \$13.2 million of its unrestricted fund balance at the end of the 2018 fiscal year. In addition to the use of unrestricted reserves, each year the Park District has access to unrestricted debt capacity of approximately \$2.0 million. The Park District typically issues new debt every one-to-three years to fund its multi-year capital improvement plan.

Risk Management

The Park District is a member of the Park District Risk Management Agency (PDRMA), which operates a comprehensive risk management program. PDRMA provides loss coverage for workers' compensation and property damage claims on a partially self-funded basis. General liability, employment practices and unemployment insurance is completely self-funded. In 2017 the Park District successfully completed its Loss Control Review and maintained its accreditation. The accreditation status will last until 2021 when the Park District's operations are scheduled to be reviewed. The Park District has consistently received this accreditation since 1991.

Pension Benefits

The Park District participates in the Illinois Municipal Retirement Fund (IMRF), a 414(h) plan and employees may participate in a 457 retirement plan. The IMRF plan is a two-tiered defined benefit plan with the employee contributing 4.5 percent of their annual salary. Vesting for Tier 1 and Tier 2 occurs after eight and ten years of service, respectively. The Park District is responsible for most of the pension costs, and all disability and death benefits. The Park District's retirement plan was 93.36% funded as of 12/31/18, down from 104.87% in the previous year. The decline in funding status stems from a change in assumptions for investment returns. The District's pension liability as of December 31, 2018 was calculated using an assumed rate of return 7.25% compared to 7.5% in previous years. The District's employer rate remained stable increasing slightly to 9.79% in 2018 compared to 9.25% in 2017.

The Park District is a trustee of the 457 plan, a defined contribution plan, which is fully funded by the employees. The Park District offers no retirement health benefits.

Significant Events and Accomplishments

Guided by our Mission of environmental, social and financial stewardship, the Park District is proud of our accomplishments in 2018.

NORTHBROOK PARK DISTRICT

These projects and initiatives span across all departments in the District and include:

- Launching a comprehensive, capital improvement initiative (New Places to Play: 2018 – 2022) which identifies three key projects: Building a new Activity Center, Improvements to Sportsman's golf course, and renovations to Meadowhill Park
- Finalizing the design phase for the new Activity Center
- Renovating the Sports Center lobby and registration desk to enhance the customer experience
- Receiving our second Audubon International Certification at Sportsman's golf course for our commitment to environmental stewardship
- Achieving state and national recognition for the Outstanding Facility Award (Sports Center Pool) and the re-designed District website

District staff continue to evaluate the scope of work for Sportsman's golf course improvements. Staff also completed a master plan for Meadowhill Park and are studying the program and facility elements at the park.

In 2018, the Human Resources department conducted an Employee Engagement survey for all full-time staff. Results were shared with staff and the leadership team is implementing several initiatives from the feedback received. The Marketing and Communications department completed a District-wide Communications Plan this past year. This plan provides a detailed strategy that outlines the District's target audiences and the messages our organization needs to deliver to drive resident engagement.

The District also reviewed proposals for sponsorship and facility naming rights which will provide additional revenue opportunities for the agency. This initiative will begin in the summer of 2019.

Staff members continue to be very active in the recreational associations and had several members making presentations at the 2018 IAPD/IPRA Joint Conference. Staff members are involved in the IAPD/IPRA Joint Editorial Committee and are active in the community with continued appointments to local commissions. Staff members serve on IPRA's Board, the PDRMA Finance Committee, and the Midwest Association of Golf Course Superintendents.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Northbrook Park District for its comprehensive annual financial report for the eight-month fiscal period ended December 31, 2017. This was the twenty-sixth consecutive year the Northbrook Park District has received this prestigious award.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The Northbrook Park District believes that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

NORTHBROOK PARK DISTRICT

Acknowledgments

This financial report was compiled through the efforts of the Division of Administration and Finance staff. The report is prepared one time during the year but would not be possible without the consistent attention to procedures and monitoring of accounts by the Park District's recreation program and administrative staff. The support and involvement of the Board of Commissioners is essential to ensure a sound financial environment in which to conduct the operations of the Northbrook Park District.

Respectfully submitted,



Molly Hamer, CPRP
Secretary, Executive Director



Mindy Munn
Treasurer, Finance Director



Government Finance Officers Association

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

Presented to

**Northbrook Park District
Illinois**

For its Comprehensive Annual
Financial Report
for the Eight Months Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 31, 2019

Members of the Board of Commissioners
Northbrook Park District, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northbrook Park District, Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District'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 District'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 District'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, each major fund, and the aggregate remaining fund information of the Northbrook Park District, Illinois, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 financial statements that collectively comprise the Northbrook Park District, Illinois' basic financial statements. The introductory section, individual fund budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHBROOK PARK DISTRICT

Management's Discussion and Analysis

The following Management Discussion and Analysis (MD&A) provides an introduction to the financial performance and statements of the Northbrook Park District for the fiscal year ended December 31, 2018. The MD&A is designed to assist the reader by focusing on significant issues; provide an overview of the Park District's financial activity; identify material deviation from the financial plan; identify individual fund issues or concerns; and identify changes in the Park District's financial position and its ability to address subsequent years' challenges.

Since the MD&A is designed to focus on current activities, resulting changes and current known facts, it should be read in conjunction with the brief transmittal letter, the financial statements and accompanying notes to those statements included in this section.

The accompanying financial statements implement financial reporting requirements including government-wide and by major fund. This allows the user to address relevant questions, to broaden a basis for comparison and to enhance the Park District's accountability.

The Northbrook Park District was established in 1927 to provide recreation activities and facilities for the residents of Northbrook, Cook County, Illinois. The seven-member, volunteer Board of Commissioners serve four year staggered terms and establish policy, strategic direction and governing ordinances.

Financial Highlights For Fiscal Year 2018

- § Net Position (total assets/deferred outflows minus total liabilities/deferred inflows) of the Park District totaled \$102.6 million as of December 31, 2018. Of this amount, \$85.1 million is invested in capital assets, \$1.9 million is restricted for special levies, and \$15.6 million is unrestricted and may be used to meet the general obligations of the District.
- § Property tax revenue (including replacement taxes) jumped \$6.7 million or 159.0% compared to the previous fiscal period. The significant increase in revenue primarily reflects the recognition of only one property tax installment during the previous shortened fiscal year.
- § Interest income more than doubled, increasing \$191,000 to \$320,000. The increase reflects 12 months of interest income in fiscal 2018 and a higher interest rate environment.
- § User fees or "Charges for Services" increased 24.4% or \$1.8 million to \$9.4 million compared to the previous shortened fiscal period. The increase in revenue reflects 12 months of activity in fiscal 2018.
- § Golf revenue, included within "Charges for Services" increased \$75,000 or 2.8% to \$2.7 million compared to the previous fiscal period. Golf rounds for the District's 36 holes remained relatively stable increasing 1.7% to 64,348 compared to the prior year, while instruction revenue rose slightly to \$352,000.
- § During the year, the District retired the remaining \$2.1 million in bond principal and interest owed on its General Obligation Limited Tax Park Bonds Series 2016. The District was debt free as of December 31, 2018.
- § The District's assigned fund balance totaled \$13.2 million at December 31, 2018. These funds will be an important funding source for the capital projects identified within the District's Comprehensive Master Plan.
- § Beginning net position was restated due to the District implement GASB Statement No. 75.

Overview

The MD&A is intended to serve as an introduction to the Park District's basic financial statements. The Northbrook Park District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements. These components are described below.

Government-Wide Financial Statements

The government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. These statements combine and consolidate the governmental funds' current financial resources with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. The government-wide financial statements include a Statement of Net Position and a Statement of Activities.

The Statement of Net Position presents the Park District's assets/deferred outflows and liabilities/deferred inflows, with the difference reported as net position. Over time, a change in net position is an indicator of the improvement (an increase) or deterioration (a decrease) in the Park District's financial condition.

The Statement of Activities presents the revenues and expenses of the Park District. The difference between these is the change in net position for the year. The costs of various activities supported by the Park District's general taxes and other resources is intended to summarize and simplify the user's analysis of the cost of various governmental services and subsidy to various fees for service activities.

The Governmental Activities in the Statement of Activities reflect the Park District's basic services, including general government, funded by real estate taxes. The Recreation activities reflect fees for service operations including recreation programs and golf, where the fee for services typically covers much of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Governmental Fund Financial Statements presentation more familiar. A fund is a grouping used to maintain control over resources that are segregated for specific activities or objectives. Major Funds are reported separately along with the Special Recreation Fund.

Governmental Funds are presented in the fund financial statements and encompass the same functions reported as governmental activities in the government wide financial statements. The focus is different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability with spendable resources and balances of spendable resources at the end of the year. This information may be useful in evaluating the Park District's short-term financing requirements, in the Park District's case, fund balances of \$18.7 million.

Since the focus of the government-wide financial statements are longer term, comparisons between the governmental funds and government-wide may provide insight to the long-term impact of near term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and the Statement of Net Position.

Although the Park District internally maintains eleven individual governmental funds, information on three major funds and one special recreation fund is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures and changes in fund balances.

The three major funds are General, Recreation and Debt Service funds. Activity from any other governmental fund is combined into the General Fund, with the exception of the Special Recreation Fund.

The Park District adopts an annual appropriated budget for all its funds. Budgetary comparison schedules are included in the basic financial statements found later in this report. These statements demonstrate compliance with the Park District's adopted annual appropriated budget.

Basic governmental fund financial statements can be found immediately following the government-wide statements. The Park District does not maintain proprietary or fiduciary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to understanding data provided in the government-wide and fund financial statements. The notes to the financial statements may be found immediately following the financial statements on pages 31 - 60.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Park District's IMRF employee pension obligations, as well as budgetary compliance schedules for the General Fund and the Recreation Fund, a major Special Revenue Fund. Required supplementary information can be found on pages 61 - 66 of this report. Individual fund statements and schedules can be found on pages 67 - 68 of this report.

Government-Wide Financial Analysis

The Park District's Net Position over time may serve as a useful indicator of a government's financial position. The following table presents a condensed summary of the District's Net Position as of December 31, 2018 and December 31, 2017:

Statement of Net Position - Northbrook Park District

| Net Position | December 31, 2018 | December 31, 2017 |
|--|-------------------|-------------------|
| Current Assets | \$33,907,786 | \$30,975,314 |
| Capital Assets | 85,056,553 | 86,003,187 |
| Other Assets | 0 | 1,499,919 |
| Deferred Outflows of Resources | 2,558,589 | 937,472 |
| Total Assets & Deferred Outflows of Resources | 121,522,928 | 119,415,892 |
| | | |
| Current Liabilities | 3,363,507 | 4,637,579 |
| Non-current Liabilities | 2,625,294 | 382,556 |
| Deferred Inflows | 12,903,040 | 14,704,586 |
| Total Liabilities & Deferred Inflows | 18,891,841 | 19,724,721 |
| | | |
| Net Assets: | | |
| Invested in Capital Assets – Net of Related Debt | 85,056,553 | 83,943,187 |
| Restricted | 1,955,730 | 1,926,268 |
| Unrestricted | 15,618,804 | 13,821,716 |
| Total Net Position | 102,631,087 | 99,691,171 |

The Park District's assets/deferred outflows exceeded liabilities/deferred inflows by \$102.6 million at December 31, 2018. By far the largest portion of the District's net position (82.9%) reflects its investment in capital assets (e.g. land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (1.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted (15.2%) and may be used to meet the District's ongoing obligations to residents and creditors.

Changes in Net Position - Northbrook Park District

| Changes in Net Position | December 31, 2018 | December 31, 2017 |
|---|--------------------|--------------------|
| Revenue: | | |
| Charges for Services | \$9,361,228 | \$7,522,760 |
| Taxes | 11,067,491 | 4,327,769 |
| Other | 650,170 | 497,024 |
| Total Revenue | 21,078,889 | 12,347,553 |
| Expenses: | | |
| General Government | 6,397,600 | 4,949,149 |
| Recreation | 11,563,762 | 8,865,244 |
| Interest on LT Debt | 20,335 | 27,652 |
| Total Expenses | 17,981,697 | 13,842,045 |
| | | |
| Change in Net Position | 3,097,192 | -1,494,492 |
| Net Position - Beginning as Restated | 99,533,895 | 101,185,663 |
| Net Position – Ending | 102,631,087 | 99,691,171 |

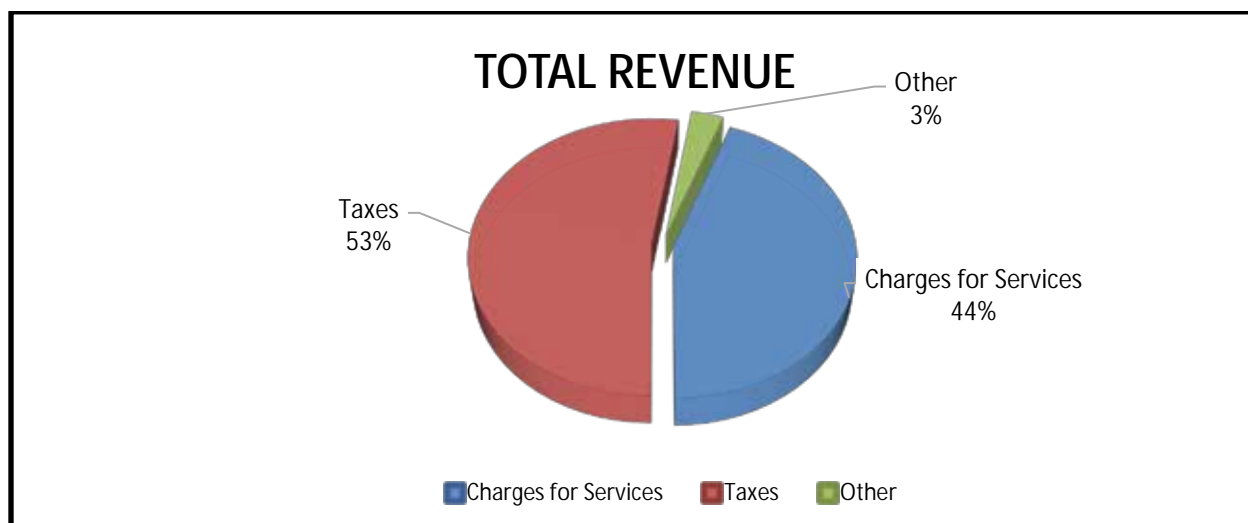
Total revenue increased 70.7% or \$8.8 million to \$21.1 million for the fiscal year ended December 31, 2018. The significant increase in revenue primarily reflects the recognition of only one property tax installment during the previous shortened fiscal year. Property taxes fund governmental activities including but not limited to the District's contribution to the Illinois Municipal Retirement, Social Security, Audit and Special Revenue.

Charges for services accounted for 44.4% of total revenue, down from 60.9% of total revenue in the previous eight-month fiscal year. The District received one of two property tax installments during the shortened fiscal period, resulting in a proportionate increase as a percentage of total revenue for charges for services. The shortened fiscal period allowed the District to move its fiscal year from April 30 to a calendar year-end.

Because the District does not receive all funding through property tax revenue it must also charge a fee for programs and services that it provides to its residents to cover all costs associated with the program offerings. Pricing for programs and services is evaluated each year during preparation of the following fiscal year budget.

Other revenue increased approximately \$153,000 to \$650,000. Other revenue includes interest income, which increased \$191,000 to \$320,000 compared to the previous shortened fiscal period. The increase in revenue reflects 12 months of interest earnings and higher rates of interest.

The chart that follows summarizes the major revenue sources of the District for the fiscal year ended December 31, 2018.



The total cost of providing programs and services was \$18.0 million. General government expense accounted for 35.6% of total expenses or \$6.4 million. These expenses include administrative and park maintenance services needed to support all District operations including recreational programs and services, as well as \$734,000 in depreciation expense. Recreation expenses include direct costs associated with providing recreational programs and operational costs for both golf courses, as well as \$1.4 million in depreciation expense. Recreation expenses comprised 64.3% of the total expenses or \$11.6 million.

Governmental Activities

The Park District's net position increased \$3.1 million for the fiscal year ended December 31, 2018. Entity-wide performance was affected by the following factors:

- § The District moved its fiscal year end from April 30 to December 31 in order to better align with its core operations. The 2018 financial results include activities spanning between January 1, 2018 through December 31, 2018. For comparison purposes please note the previous fiscal period only included eight months.
- § Recreation Division revenue totaled \$6.7 million, down \$405,000 or 6% compared to the 2018 budget. Program fees represented the largest decline, down \$361,000 compared to budget and totaled \$4.7 million. Much of the revenue decline was reflected within summer camp programs where revenue was reported \$257,000 below budget. The demand and competition offering specialized sports camps has increased over the past few years and has started to impact District participation numbers. In response, the District rebranded the majority of its 2018 camp offerings. Management will continue to closely monitor the program area.
- § Expenses within the Recreation Division totaled \$7.0 million and were down \$746,000 compared to the 2018 budget. Personnel costs represented the largest savings, down \$589,000. Hourly rates for the Adventure Campus (Before/After-School care) site directors were increased significantly to attract quality candidates. Recruiting for these positions is challenging as hours of daily staffing needs include both morning (before school) and afternoon shifts (after school). The decline in personnel costs reflects the continued hiring challenges from the Adventure Campus program and a number of vacant full-time positions that were later filled.

- § Golf Division revenue totaled \$2.7 million, down \$282,000 or 9% compared to the 2018 budget. Revenue for the Classic 18 and East 9 courses totaled \$2.0 million in 2018. While instruction and range revenue yielded \$352,000 and \$233,000, respectively.

Financial Analysis of the District's Funds

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended December 31, 2018, the Northbrook Park District's governmental funds reported a combined ending fund balance of \$18.7 million, representing an increase of \$1.4 million from the previous fiscal period. It should be noted that the District's fund balance can fluctuate significantly in years when the District issues roll-over debt, or in years with significant capital spending.

The General, Recreation and Debt Service funds are the primary operating or major funds of the Park District. The General Fund, as a major fund, also includes the activity of the following sub-funds: Museum, Paving & Lighting, Social Security, Illinois Municipal Retirement Fund, Liability, and Audit. The fund balance for the General Fund increased \$1.3 million to \$18.5 million, primarily reflecting the \$3.0 million transfer of operating surplus from the Recreation Fund. Of this total, \$1.7 million is legally restricted based on the individual tax levies, leaving an unrestricted balance of \$16.7 million. Of this total, the District assigned \$13.2 million to help fund future capital improvements including those identified in the comprehensive master plan. The remaining \$3.5 million is unassigned.

At the end of each fiscal year, the fund balance for the Recreation Fund is transferred to the General fund. The transfer from Recreation was \$3.0 million for the current fiscal year.

The Debt Service fund balance was \$0 and included a \$20,000 transfer from the General Fund in fiscal 2018.

The District's only non-major fund is its Special Recreation Fund, which captures the financial activity relative to its participation within the North Suburban Special Recreation Association. The fund balance at the end of the fiscal year increased \$72,000 to \$216,000. ADA initiatives that provide accessibility features to park amenities and facilities are budgeted and funded each year through this fund.

Fund Budgetary Variances

The Northbrook Park District approved budget and appropriations amounts at the March 28, 2018 Board meeting. No budget amendments were made during the fiscal year.

The General Fund, reported as a major fund, contains activity for public liability insurance, museum, paving and lighting, social security, employee retirement, audit, and repair and improvements. Total revenue in the General Fund was \$6.6 million compared to budgeted revenue of \$6.1 million. The increase in revenue primarily reflects higher than expected property tax revenue (\$111,514), interest income (\$150,098), and miscellaneous revenue (\$156,283). Property tax collections can fluctuate from year to year depending on various factors including the volume

of refunds processed in a given year. Property tax refunds applied against the General Fund totaled \$228,000 compared to \$158,000 in the previous eight-month fiscal period.

Interest income rose 88.3% or \$150,000 to \$320,000 compared to the 2018 budget, reflecting higher rates of interest than expected. The increase in miscellaneous revenue primarily reflects \$113,000 in unbudgeted developer impact fees for the Anets Woods subdivision.

Expenditures in the General Fund totaled \$8.3 million and were \$1.3 million under budget. Capital Outlay was under budget by \$865,000 and represented the largest budget variance. The variance in Capital Outlay primarily resulted from savings realized from the Sports Center vestibule and office remodel project. Approximately \$303,000 in savings resulted from a competitive bid environment and value engineering office amenities. In addition, costs associated with developing a master plan for the golf operations were reduced as the decision to pursue private partnerships was investigated. Personnel costs were also down \$293,000 reflecting delays in filling vacant positions during the year.

Capital Assets and Debt Administration

Capital Assets

The Northbrook Park District's investment in capital assets, net of depreciation at December 31, 2018 totaled \$85.1 million. Overall capital assets remained relatively stable compared to the prior fiscal period, decreasing \$946,000 or 1.1%. Several projects were completed during the year, including the vestibule and office renovation at Sports Center, and resurfacing the parking lot at the Leisure Center. Construction-in-progress decreased \$7.4 million, reflecting the completion of the Sports Center pool and the site restoration to the 6 acre parcel at Techny Prairie Park and Fields purchased in 2011.

Depreciation expense for the fiscal year ended December 31, 2018 totaled approximately \$2.1 million. Accumulated depreciation as of December 31, 2018, totaled \$40.5 million.

It should be noted that not all project expenditures are capitalized, as they must meet the District's requirements of a capitalized asset.

The Park District completed a solid capital program during 2018, and has successfully positioned itself to address current and future community needs. Much of staff's time in 2019 will be spent planning for the construction of a new Activity Center at Techny Prairie Park, which is scheduled to break ground in the summer.

Capital Assets - Northbrook Park District

| Capital Assets - Net of Depreciation As of December 31, 2018 (In Thousands) | December 31, 2018 | December 31, 2017 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|-------------------|-------------------|-------------------------|---------------------------|
| Land | \$50,289 | \$47,802 | \$2,487 | 5.2% |
| Buildings and Improvements | 24,633 | 20,928 | 3,705 | 17.7% |
| Land Improvements | 4,943 | 4,405 | 538 | 12.2% |
| Vehicles and Equipment | 4,868 | 5,130 | (262) | -5.1% |
| Construction-in-Progress | 323 | 7,738 | (7,414) | -95.8% |
| Total Net Capital Assets | 85,057 | 86,003 | (946) | -1.1% |

Detailed financial activity on Capital Assets may be obtained from Note 3, Capital Assets.

Debt Administration

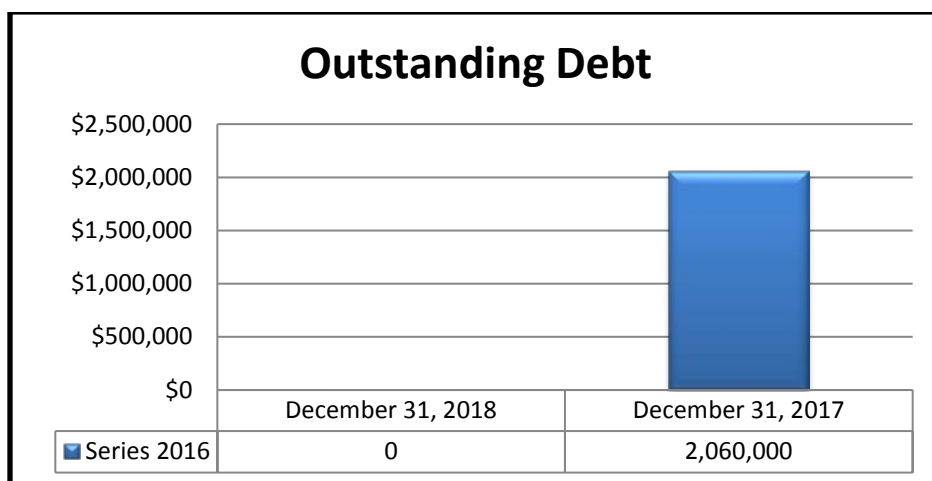
The Park District had \$0 in general obligation limited tax park bonds outstanding as of December 31, 2018. In March 2016 the District issued \$6.1 million in general obligation limited tax park bonds. The bonds were fully retired in December 2018. Proceeds from this issue were used to partially fund three years of the District's CIP. More information on the Park District's long-term debt can be found in Note 3, Long Term Debt.

In March 2019 the District issued \$9.435 million in General Obligation Limited Park Bonds. Proceeds from this issue will be used to construct a 44,000 square foot Activity Center at Techny Prairie Park and Fields. The \$16 million construction project will go out to bid in June, with ground breaking currently scheduled in July. The outstanding debt is fixed rate, and the district is not a party to any interest rate swap agreements.

The District anticipates issuing bonds again in fiscal 2020 to fund the remaining construction costs of the new Activity Center as well as golf course and clubhouse renovations at Sportsman's Country Club. In addition to debt, the District expects to use a portion of its reserves to fund these projects.

The bonds retired during 2018 were originally a private placement and thus not rated. Moody's Investor Service reviewed and assigned a rating of Aaa to the General Obligation Limited Tax Park Bonds, Series 2019. Northbrook became the first park district in Illinois to be Aaa rated in 2007.

Outstanding Debt - Northbrook Park District



Economic Factors

Through conservative efforts to build its reserves and careful financial planning, the District's financial position continues to remain strong today. Prudent financial planning is necessary to ensure program offerings are cost effective and managed within the Park District's budget. With the Board of Commissioner's commitment to maintaining reserves and leading with careful planning for future expansion, the Park District will continue to serve its residents with excellent programs and facilities.

At the time these financial statements were prepared and audited, the Park District was not aware of any existing circumstances that would adversely affect its financial health in the near future.

Contacting the Park District's Financial Management

This financial report is designed to provide our residents and customers with a general overview of the Park District's finances and to demonstrate the Park District's commitment to public accountability. If you have any questions or comments about this report or would like to request additional financial information, please contact the Administration and Finance Division, Northbrook Park District, 545 Academy Drive, Northbrook, Illinois 60062. This report can also be found on the Park District's web site at www.nbparks.org under About on the Plans and Reports page.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Statement of Net Position

December 31, 2018

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Investments | \$ 20,653,109 |
| Receivables - Net of Allowances | 13,098,094 |
| Inventory | 72,149 |
| Prepays | <u>84,434</u> |
| Total Current Assets | <u>33,907,786</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Nondepreciable | 50,612,473 |
| Depreciable | 74,963,185 |
| Accumulated Depreciation | <u>(40,519,105)</u> |
| Total Capital Asset | <u>85,056,553</u> |
| Total Assets | 118,964,339 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Items - IMRF | <u>2,558,589</u> |
| Total Assets and Deferred Outflows of Resources | <u>121,522,928</u> |

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

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 1,115,906 |
| Accrued Payroll | 247,189 |
| Other Payables | 1,921,241 |
| Current Portion of Long-Term Debt | 79,171 |
| Total Current Liabilities | <u>3,363,507</u> |
| Noncurrent Liabilities | |
| Compensated Absences Payable | 316,683 |
| Net Pension Liability - IMRF | 2,143,247 |
| Total OPEB Liability - RBP | 165,364 |
| Total Noncurrent Liabilities | <u>2,625,294</u> |
| Total Liabilities | <u>5,988,801</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 11,943,375 |
| Deferred Items - IMRF | 951,460 |
| Deferred Items - RBP | 8,205 |
| Total Deferred Inflows of Resources | <u>12,903,040</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>18,891,841</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 85,056,553 |
| Restricted | |
| Property Tax Levies | |
| Audit | 7,488 |
| Liability Insurance | 894,451 |
| Illinois Municipal Retirement | 473,285 |
| Social Security | 266,695 |
| Paving and Lighting | 49,925 |
| Museum | 47,501 |
| Special Recreation | 216,385 |
| Unrestricted | <u>15,618,804</u> |
| Total Net Position | <u>102,631,087</u> |

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2018

| | | Program Revenues | | |
|--------------------------------------|--------------|----------------------------|-------------------------------------|--------------------------------|
| | | Charges for Services | Capital Grants/ Contributions | Net (Expenses)/ Revenues |
| | Expenses | | | |
| Governmental Activities | | | | |
| General Government | \$ 6,397,600 | - | - | (6,397,600) |
| Recreation | 11,563,762 | 9,361,228 | - | (2,202,534) |
| Interest on Long-Term Debt | 20,335 | - | - | (20,335) |
| Total Governmental Activities | 17,981,697 | 9,361,228 | - | (8,620,469) |
| General Revenues | | | | |
| Taxes | | | | |
| Property Taxes | | | | 10,878,409 |
| Intergovernmental - Unrestricted | | | | |
| Replacement Taxes | | | | 189,082 |
| Interest | | | | 320,098 |
| Miscellaneous | | | | 330,072 |
| | | | | <u>11,717,661</u> |
| Change in Net Position | | | | 3,097,192 |
| Net Position - Beginning as Restated | | | | <u>99,533,895</u> |
| Net Position - Ending | | | | <u><u>102,631,087</u></u> |

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2018

See Following Page

NORTHBROOK PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2018

| | <u>General</u> |
|--|--------------------------|
| ASSETS | |
| Cash and Investments | \$ 19,165,665 |
| Receivables - Net of Allowances | |
| Taxes | 6,274,516 |
| Accounts | 68,360 |
| Due from Other Funds | 3,138 |
| Inventory | 24,621 |
| Prepays | <u>42,112</u> |
| Total Assets | <u><u>25,578,412</u></u> |
| LIABILITIES | |
| Liabilities | |
| Accounts Payable | 696,979 |
| Accrued Payroll | 123,020 |
| Due to Other Funds | - |
| Other Payables | <u>34,123</u> |
| Total Liabilities | 854,122 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | <u>6,260,600</u> |
| Total Liabilities and Deferred Inflows of Resources | <u><u>7,114,722</u></u> |
| FUND BALANCES | |
| Nonspendable | 66,733 |
| Restricted | 1,739,345 |
| Assigned | 13,157,612 |
| Unassigned | <u>3,500,000</u> |
| Total Fund Balances | <u><u>18,463,690</u></u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>25,578,412</u></u> |

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

| Recreation | Debt Service | Nonmajor Special Recreation | Totals |
|------------|-----------------|-----------------------------------|------------|
| 1,273,082 | - | 214,362 | 20,653,109 |
| 2,605,779 | 2,175,913 | 912,023 | 11,968,231 |
| 1,061,503 | - | - | 1,129,863 |
| - | - | - | 3,138 |
| 47,528 | - | - | 72,149 |
| 42,322 | - | - | 84,434 |
| 5,030,214 | 2,175,913 | 1,126,385 | 33,910,924 |
| 418,927 | - | - | 1,115,906 |
| 124,169 | - | - | 247,189 |
| - | 3,138 | - | 3,138 |
| 1,887,118 | - | - | 1,921,241 |
| 2,430,214 | 3,138 | - | 3,287,474 |
| 2,600,000 | 2,172,775 | 910,000 | 11,943,375 |
| 5,030,214 | 2,175,913 | 910,000 | 15,230,849 |
| 89,850 | - | - | 156,583 |
| - | - | 216,385 | 1,955,730 |
| - | - | - | 13,157,612 |
| (89,850) | - | - | 3,410,150 |
| - | - | 216,385 | 18,680,075 |
| 5,030,214 | 2,175,913 | 1,126,385 | 33,910,924 |

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

December 31, 2018

| | |
|---|-------------------------------|
| Total Governmental Fund Balances | \$ 18,680,075 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 85,056,553 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. | |
| Deferred Items - IMRF | 1,607,129 |
| Deferred Items - RBP | (8,205) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (395,854) |
| Net Pension Liability - IMRF | (2,143,247) |
| Total OPEB Liability - RBP | <u>(165,364)</u> |
| Net Position of Governmental Activities | <u>102,631,087</u> |

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

NORTHBROOK PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2018**

See Following Page

NORTHBROOK PARK DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended December 31, 2018

| | <u>General</u> |
|--|--------------------------|
| Revenues | |
| Taxes | \$ 5,717,014 |
| Intergovernmental | 189,082 |
| Retail Sales | - |
| Facility Rentals | - |
| Recreation Activity | - |
| Park Services | 35,534 |
| Interest | 320,098 |
| Donations and Miscellaneous | 298,008 |
| Total Revenues | <u>6,559,736</u> |
| Expenditures | |
| Current | |
| General Government | 5,663,820 |
| Recreation | - |
| Capital Outlay | 2,613,157 |
| Debt Service | |
| Principal Retirement | - |
| Interest and Fiscal Charges | - |
| Total Expenditures | <u>8,276,977</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,717,241)</u> |
| Other Financing Sources (Uses) | |
| Transfers In | 3,036,302 |
| Transfers Out | (20,000) |
| | <u>3,016,302</u> |
| Net Change in Fund Balances | 1,299,061 |
| Fund Balances - Beginning | <u>17,164,629</u> |
| Fund Balances - Ending | <u><u>18,463,690</u></u> |

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

| Recreation | Debt Service | Nonmajor | |
|-------------|-----------------|-----------------------|-------------|
| | | Special Recreation | Totals |
| 2,572,662 | 2,058,864 | 529,869 | 10,878,409 |
| - | - | - | 189,082 |
| 555,242 | - | - | 555,242 |
| 1,270,384 | - | - | 1,270,384 |
| 7,500,068 | - | - | 7,500,068 |
| - | - | - | 35,534 |
| - | - | - | 320,098 |
| 32,064 | - | - | 330,072 |
| 11,930,420 | 2,058,864 | 529,869 | 21,078,889 |
| - | - | - | 5,663,820 |
| 8,894,118 | - | 429,165 | 9,323,283 |
| - | - | 28,345 | 2,641,502 |
| - | 2,060,000 | - | 2,060,000 |
| - | 22,189 | - | 22,189 |
| 8,894,118 | 2,082,189 | 457,510 | 19,710,794 |
| 3,036,302 | (23,325) | 72,359 | 1,368,095 |
| - | 20,000 | - | 3,056,302 |
| (3,036,302) | - | - | (3,056,302) |
| (3,036,302) | 20,000 | - | - |
| - | (3,325) | 72,359 | 1,368,095 |
| - | 3,325 | 144,026 | 17,311,980 |
| - | - | 216,385 | 18,680,075 |

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

NORTHBROOK PARK DISTRICT, ILLINOIS

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

For the Fiscal Year Ended December 31, 2018

| | |
|---|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 1,368,095 |
|---|---------------------|

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

| | |
|--------------------------------------|-------------|
| Capital Outlays | 1,199,485 |
| Depreciation Expense | (2,138,030) |
| Disposals - Cost | (62,311) |
| Disposals - Accumulated Depreciation | 54,222 |

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

| | |
|----------------------------------|-----------|
| Changes in Deferred Items - IMRF | 4,190,995 |
| Changes in Deferred Items - RBP | (8,205) |

The issuance of long-term debt provides current financial resources to
governmental funds, While the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

| | |
|---|-------------|
| Deduction to Compensated Absences Payable | 82,341 |
| Increase to Net Pension Liability - IMRF | (3,643,166) |
| Increase to Total OPEB Liability - RBP | (8,088) |
| Retirement of Debt | 2,060,000 |

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

1,854

Changes in Net Position of Governmental Activities

3,097,192

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northbrook Park District (District) of Illinois is duly organized and existing under the provisions of the laws of the State of Illinois. The District is operating under the provisions of the Park District Code of the State of Illinois approved July 8, 1947 and under all laws amendatory thereto. The District operates under the commissioner-director form of government. The District provides a variety of recreational facilities, programs and services.

REPORTING ENTITY

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

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The District's recreation and general administrative services are classified as governmental activities.

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

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

The net costs (by function) are normally covered by general revenue (property tax, interest income, etc.). The District does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds, which is recorded as a transfer.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

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

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. The District's funds are all reported as governmental funds. The emphasis in fund financial statements is on the major funds and nonmajor funds by category are summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental funds combined) for the determination of major funds. The District electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

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

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

The various funds are reported by generic classification within the financial statements. The following fund type is the only one used by the District:

Governmental Funds

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

General fund is the general operating fund of the District. It accounts for all revenues and expenditures of the Park District which are not accounted for in other funds. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains two special revenue funds. The Recreation Fund, a major special revenue fund, accounts for revenues and expenditures related to the establishment and maintenance of recreation programs and facilities. Major revenues include restricted property taxes and charges for services.

Debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and records the District's general obligation debt activity.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

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

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

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

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

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

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

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Prepays/Inventories

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

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$5,000 are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

| | |
|----------------------------|--------------|
| Buildings and Improvements | 50 Years |
| Land Improvements | 20 Years |
| Vehicles and Equipment | 8 - 15 Years |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences

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

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

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

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Combined Budget and Appropriation Ordinance is prepared in tentative form by the Board Treasurer and is made available by the Board Secretary for public inspection thirty days prior to final Board action. A Public hearing is held on the tentative Combined Budget and Appropriation Ordinance to obtain taxpayer comments.
- Prior to August 1, the combined annual budget and appropriation is legally enacted through the passage of a Combined Budget and Appropriation Ordinance. All actual expenditures contained herein have been compared to the legally enacted Combined Annual Budget and Appropriation Ordinance.
- The Board of Park Commissioners may amend the Budget and Appropriation Ordinance in the same manner as its original enactment, transfer between items of any fund not to exceeding in the aggregate ten percent of the total amount appropriated in such fund.
- After six months of the fiscal year, by two-thirds vote transfer any appropriation item it anticipates to be unexpected to any other appropriation item within the fund.
- All appropriations lapse at fiscal year-end.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

- Expenditures may exceed appropriations at the sub-object level. Expenditures that exceed individual appropriations at the object level must be approved by the Board of Commissioners as outline above.
- The District does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system in accordance with various legal requirements which govern the District.
- The District legally adopts annual budgets for the General, Special Revenue and Debt Service Funds. During the year, supplementary appropriations were not made.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds.

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

The Illinois Park District Liquid Asset Fund is an investment pool managed by the Illinois Trust's Board of trustees, which allows governments within the State to pool their funds for investment purposes. The Illinois Park District Liquid Asset Fund allows Illinois park districts, forest preserves and joint recreational programs to pool their funds for investment purposes. The Illinois Park District Liquid Asset Fund is not registered with the SEC as an Investment Company. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$20,647,665 and the bank balances totaled \$20,751,266. Additionally, at year-end, the District has \$5,444 invested in the Illinois Park District Liquid Asset Fund, which has an average maturity of less than one year.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits interest rate risk by structuring the portfolio so that the securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy further limits investment instruments as follows:

- Bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Interest bearing accounts, certificates of deposit or interest-bearing time deposits or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act.
- Investments in "derivative securities" are not permitted.
- Additional investments may be added as changes to the statutes occur.

At year-end, the District's investments in the Illinois Park District Liquid Asset Fund were rated AAAm by Standard & Poor's.

Concentration Risk. This is risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy attempts to diversify the investment portfolio as follows:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continually investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy states that deposits in excess of the Federal insured amount are to be collateralized to the extent of 102% and evidenced by an approved written agreement. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy states that all investment securities purchased by the District shall be held in safekeeping by a third party. At year-end, the District's investments in the Illinois Park District Liquid Asset Fund is not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about March 1 and August 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|--------------|-----------------|
| General | Debt Service | <u>\$ 3,138</u> |

Interfund Transfers

Interfund transfers for the year consisted of the following:

| Transfers In | Transfers Out | Amount |
|--------------|---------------|-------------------|
| General | Recreation | \$ 3,036,302 (2) |
| Debt Service | General | <u>20,000 (1)</u> |
| | | <u>3,056,302</u> |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Transfers – Continued

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due and (2) District transferred the remaining fund balance in the Recreation Fund to the General Fund as of December 31, 2018.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|------------------|------------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 47,801,969 | 2,487,160 | - | 50,289,129 |
| Construction in Progress | 7,737,570 | 321,512 | 7,735,738 | 323,344 |
| | <u>55,539,539</u> | <u>2,808,672</u> | <u>7,735,738</u> | <u>50,612,473</u> |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 38,832,496 | 4,770,742 | - | 43,603,238 |
| Land Improvements | 16,999,412 | 1,054,055 | - | 18,053,467 |
| Vehicles and Equipment | 13,067,037 | 301,754 | 62,311 | 13,306,480 |
| | <u>68,898,945</u> | <u>6,126,551</u> | <u>62,311</u> | <u>74,963,185</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 17,904,202 | 1,065,980 | - | 18,970,182 |
| Land Improvements | 12,593,907 | 516,587 | - | 13,110,494 |
| Vehicles and Equipment | 7,937,188 | 555,463 | 54,222 | 8,438,429 |
| | <u>38,435,297</u> | <u>2,138,030</u> | <u>54,222</u> | <u>40,519,105</u> |
| Total Net Depreciable Capital Assets | <u>30,463,648</u> | <u>3,988,521</u> | <u>8,089</u> | <u>34,444,080</u> |
| Total Net Capital Assets | <u>86,003,187</u> | <u>6,797,193</u> | <u>7,743,827</u> | <u>85,056,553</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|--------------------|------------------|
| General Government | \$ 733,780 |
| Recreation | <u>1,404,250</u> |
| | <u>2,138,030</u> |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

| Issue | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-----------------------|-----------|-------------|--------------------|
| General Obligation Limited Tax Park Bonds of 2016, \$6,110,000 due in annual installments of \$2,015,000 to \$2,060,000 through December 1, 2018 plus interest at 1.08%. | \$ 2,060,000 | - | 2,060,000 | - |

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year ended December 31, 2018 were as follows:

| Type of Debt | Beginning Balances as Restated | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--------------------------------------|--------------------------------------|-----------|------------|--------------------|-----------------------------------|
| Compensated Absences | \$ 478,195 | 82,341 | 164,682 | 395,854 | 79,171 |
| Net Pension Liability/(Asset) - IMRF | (1,499,919) | 3,643,166 | - | 2,143,247 | - |
| Total OPEB Liability - RBP | 157,276 | 8,088 | - | 165,364 | - |
| General Obligation Bonds | 2,060,000 | - | 2,060,000 | - | - |
| | 1,195,552 | 3,733,595 | 2,224,682 | 2,704,465 | 79,171 |

For the governmental activities, net position liability and total OPEB liability are generally liquidated by the General Fund. Payments on the general obligation bonds are made by the Debt Service Fund. Compensated absences are generally liquidated by the General Fund or the Recreation Fund.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

Legal Debt Margin

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides "...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protection of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate indebtedness of the district be increased to not more than .575% of the value of the taxable property therein, is presented to the Board and such increase is approved by the voters of the district at a referendum held on the question." In 1978, the District passed a resolution increasing the legal debt limit to 5.0% of Equalized Assessed Value.

| | |
|---|--------------------------------|
| Assessed Valuation - 2017 | <u><u>\$ 2,682,584,797</u></u> |
| Legal Debt Limit - 5.000% of Equalized Assessed Value | 134,129,240 |
| Amount of Debt Applicable to Limit | <u>-</u> |
| Legal Debt Margin | <u><u>134,129,240</u></u> |

NET POSITION/FUND BALANCE

Net Position Classification

Net investment in capital assets was comprised of the following at year-end:

| | |
|--|-----------------------------|
| Capital Assets - Net of Accumulated Depreciation | <u><u>\$ 85,056,553</u></u> |
|--|-----------------------------|

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications

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

| | General | Recreation | Debt Service | Nonmajor Special Recreation | Totals |
|-------------------------------|------------|------------|-----------------|-----------------------------------|------------|
| Fund Balances | | | | | |
| Nonspendable | | | | | |
| Inventory | \$ 24,621 | 47,528 | - | - | 72,149 |
| Prepays | 42,112 | 42,322 | - | - | 84,434 |
| | 66,733 | 89,850 | - | - | 156,583 |
| Restricted | | | | | |
| Property Tax Levies | | | | | |
| Audit | 7,488 | - | - | - | 7,488 |
| Liability Insurance | 894,451 | - | - | - | 894,451 |
| Illinois Municipal Retirement | 473,285 | - | - | - | 473,285 |
| Social Security | 266,695 | - | - | - | 266,695 |
| Paving and Lighting | 49,925 | - | - | - | 49,925 |
| Museum | 47,501 | - | - | - | 47,501 |
| Special Recreation | - | - | - | 216,385 | 216,385 |
| | 1,739,345 | - | - | 216,385 | 1,955,730 |
| Assigned | | | | | |
| Future Capital Projects | 13,157,612 | - | - | - | 13,157,612 |
| Unassigned | | | | | |
| General | 3,500,000 | - | - | - | 3,500,000 |
| Special Revenue | - | (89,850) | - | - | (89,850) |
| | 3,500,000 | (89,850) | - | - | 3,410,150 |
| Total Fund Balances | 18,463,690 | - | - | 216,385 | 18,680,075 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

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

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Commissioners itself or b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Commissioners, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District's policy manual states that depending on the fund, the prudent fund balance should be no less than one-half of the yearly operating expenditures.

Net Position Restatement

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

| Net Position | As Reported | As Restated | Increase (Decrease) |
|-------------------------|---------------|-------------|------------------------|
| Governmental Activities | \$ 99,691,171 | 99,533,895 | (157,276) |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since 1984, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect as of December 31, 2018:

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|----------------------------------|--------------------------|-------------------------------------|---|
| PROPERTY | | | |
| Property/Bldg/Contents | | | |
| All Losses per Occurrence | \$1,000 | \$1,000,000 | \$1,000,000,000/All Members |
| Flood/Except Zones A&V | \$1,000 | \$1,000,000 | \$250,000,000/Occurrence/Annual Aggregate |
| Flood/Zones A&V | \$1,000 | \$1,000,000 | \$200,000,000/Occurrence/Annual Aggregate |
| Earthquake Shock | \$1,000 | \$100,000 | \$100,000,000/Occurrence/Annual Aggregate |
| Auto Physical Damage | | | |
| Comprehensive and Collision | \$1,000 | \$1,000,000 | Included |
| Construction/Builders Risk | \$1,000 | Included | \$25,000,000 |
| Business Interruption, Rental | | | \$100,000,000/Non-Reported Values |
| Income, Tax Income | \$1,000 | | \$500,000/\$2,500,000/ |
| Combined | | | Non-Reported Values |
| PROPERTY - Continued | | | |
| Service Interruption | 24 Hours | N/A | \$25,000,000 |
| Boiler and Machinery | | | \$100,000,000 Equip. Breakdown |
| Property Damage | \$1,000 | \$9,000 | Property Damage - Included |
| Business Income | 48 Hours | N/A | Included |
| Fidelity and Crime | \$1,000 | \$24,000 | \$2,000,000/Occurrence |
| Seasonal Employees | \$1,000 | \$9,000 | \$1,000,000/Occurrence |
| Blanket Bond | \$1,000 | \$24,000 | \$2,000,000/Occurrence |
| WORKERS COMPENSATION | | | |
| Workers Compensation | N/A | \$500,000 | \$3,500,000 Employers Liability |
| LIABILITY | | | |
| General | None | \$500,000 | \$21,500,000/Occurrence |
| Auto Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Employment Practices | None | \$500,000 | \$21,500,000/Occurrence |
| Public Officials' Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Law Enforcement Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Uninsured/Underinsured Motorists | None | \$500,000 | \$1,000,000/Occurrence |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|---|-------------------|------------------------------|--|
| POLLUTION LIABILITY | | | |
| Liability - Third Party | None | \$25,000 | \$5,000,000/Occurrence |
| Property - First Party | \$1,000 | \$24,000 | \$30,000,000 3 Year Aggregate |
| OUTBREAK EXPENSE | | | |
| Outbreak Expense | 24 Hours | N/A | \$15,000/Day, \$1,000,000 Aggregate |
| INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA LIABILITY | | | |
| Information Security & Privacy Liability | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Privacy Notification Costs | None | \$100,000 | \$500,000/Occurrence/Annual Aggregate |
| Regulatory Defense & Penalties | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Website Media Content Liability | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Cyber Extortion | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Data Protection & Business Interruption | \$1,000 | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate. |
| First Party Business Interruption | 8 Hours | \$100,000 | \$50,000 Hourly Sublimit/\$50,000 Forensic Exp/\$150,000 Dependent Business Interruption |
| VOLUNTEER MEDICAL ACCIDENT | | | |
| Volunteer Medical Accident | None | \$5,000 | \$5,000 Medical Expense and AD&D |
| | | | Excess of any other Collectible Insurance |
| UNDERGROUND STORAGE TANK LIABILITY | | | |
| Underground Storage Tank Liability | None | N/A | \$10,000, Follows Illinois Leaking |
| | | | Underground Tank Fund |
| UNEMPLOYMENT COMPENSATION | | | |
| Unemployment Compensation | N/A | N/A | Statutory |

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the District.

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigations and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2017 and the statement of revenues and expenses for the period ending December 31, 2017. The District's portion of the overall equity in the pool is 3.201% or \$1,394,891.

| | |
|--|--------------|
| Assets | \$65,528,169 |
| Deferred Outflows of Resources – Pension | 1,031,198 |
| Liabilities | 22,979,446 |
| Deferred Inflows of Resources – Pension | 5,600 |
| Total Net Position | 43,574,321 |
| Revenues | 23,353,271 |
| Expenditures | 17,402,060 |

Since 88.70% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

Park District Risk Management Agency (PDRMA) Health Program

Since January 1, 2009, the District has been a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2017 and the statement of revenues and expenses for the period ending December 31, 2017.

| | |
|--|--------------|
| Assets | \$21,149,057 |
| Deferred Outflows of Resources – Pension | 427,851 |
| Liabilities | 5,677,098 |
| Deferred Inflows of Resources – Pension | (5,600) |
| Total Net Position | 15,905,410 |
| Revenues | 37,960,432 |
| Expenditures | 36,867,147 |

JOINT VENTURE

Northern Suburban Special Recreation Association (NSSRA)

The District, along with eleven other park districts, has entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals. Each member agency shares equally in the Association and generally provides funding based on up to .0400 cents per \$100 of its equalized assessed valuation. The District contributed \$344,396 to the Association during the current fiscal year. The District does not have a direct financial interest in the Association and, therefore, its investment therein is not reported within the financial statements. Upon dissolution of the Association, the assets, if any, shall be divided amount the members in accordance with an equitable formula as determined by a unanimous vote of the Board of Directors of the Association.

A complete, separate financial statement for the Association can be obtained from the Association's administrative offices at 3104 MacArthur Blvd., Northbrook, Illinois 60062.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District 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. IMRF provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

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.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 116 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 221 |
| Active Plan Members | <u>104</u> |
| Total | <u><u>441</u></u> |

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended December 31, 2018, the District's annual contribution rate for calendar year 2018 was 9.79% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.25% |
| Salary Increases | 3.39% to 14.25% |
| Cost of Living Adjustments | 2.50% |
| Inflation | 2.50% |

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015) MRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 28.00% | 3.00% |
| Domestic Equities | 37.00% | 6.85% |
| International Equities | 18.00% | 6.75% |
| Real Estate | 9.00% | 5.75% |
| Blended | 7.00% | 2.65% - 7.35% |
| Cash and Cash Equivalents | 1.00% | 2.25% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the prior valuation used 7.50%. 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 District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity – Continued

| | | Current | |
|-------------------------------|--------------|---------------|-------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | (6.25%) | (7.25%) | (8.25%) |
| Net Pension Liability/(Asset) | \$ 6,116,547 | 2,143,247 | (1,085,574) |

Changes in the Net Pension Liability/(Asset)

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability/(Asset) (A) - (B) |
|---|--------------------------------------|---------------------------------------|---|
| Balances at December 31, 2017 | \$ 30,816,630 | 32,316,549 | (1,499,919) |
| Changes for the Year: | | | |
| Service Cost | 513,210 | - | 513,210 |
| Interest on the Total Pension Liability | 2,272,227 | - | 2,272,227 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (621,348) | - | (621,348) |
| Changes of Assumptions | 872,670 | - | 872,670 |
| Contributions - Employer | - | 512,288 | (512,288) |
| Contributions - Employees | - | 239,834 | (239,834) |
| Net Investment Income | - | (1,792,020) | 1,792,020 |
| Benefit Payments, including Refunds of Employee Contributions | (1,553,738) | (1,553,738) | - |
| Other (Net Transfer) | - | 433,491 | (433,491) |
| Net Changes | 1,483,021 | (2,160,145) | 3,643,166 |
| Balances at December 31, 2018 | 32,299,651 | 30,156,404 | 2,143,247 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the fiscal year ended December 31, 2018, the District recognized pension revenue of \$35,541. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|-----------|
| Difference Between Expected and Actual Experience | \$ - | (625,487) | (625,487) |
| Change in Assumptions | 536,186 | (325,973) | 210,213 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,022,403 | - | 2,022,403 |
| Total Deferred Amounts Related to IMRF | 2,558,589 | (951,460) | 1,607,129 |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2019 | \$ 209,744 |
| 2020 | 314,227 |
| 2021 | 242,766 |
| 2022 | 840,392 |
| 2023 | - |
| Thereafter | - |
| Total | 1,607,129 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The District's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare benefits for retirees and their dependents. The benefit terms provide for payment of 100 percent of health insurance premiums for non-Medicare-eligible retirees. The District pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost.

Plan Membership. As of September 30, 2018, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | - |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | - |
| Active Plan Members | <u>46</u> |
| Total | <u><u>46</u></u> |

Total OPEB Liability

The District's total OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Inflation | 2.50% |
| Salary Increases | 3.39% to 10.35% |
| Discount Rate | 4.18% |
| Healthcare Cost Trend Rates | |
| Medical | 7.00% graded to 4.50% over 17 years |
| Prescription drug | 9.00% graded to 4.50% over 18 years |
| Retirees' Share of Benefit-Related Costs | 100% of projected health insurance premiums for retirees |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued. The discount rate was based on the 20-year municipal bond rates.

Mortality rates were based on the RP-2014 base rates projected generationally from 2015 using scale MP-2017. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of September 30, 2018.

Change in the Total OPEB Liability

| | Total OPEB Liability |
|---|----------------------------|
| Balance at December 31, 2017 | <u>\$ 157,276</u> |
| Changes for the Year: | |
| Service Cost | 13,072 |
| Interest on the Total Pension Liability | 6,161 |
| Changes of Benefit Terms | - |
| Difference Between Expected and Actual Experience | - |
| Changes of Assumptions or Other Inputs | (8,973) |
| Benefit Payments | <u>(2,172)</u> |
| Net Changes | <u>8,088</u> |
| Balance at December 31, 2018 | <u><u>165,364</u></u> |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.18%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

| | | Current Discount Rate (4.18%) | 1% Increase (5.18%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| | 1% Decrease (3.18%) | | |
| Total OPEB Liability | \$ 182,272 | 165,364 | 149,811 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a varying Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

| | | Healthcare Cost Trend Rates (Varies) | 1% Increase (Varies) |
|----------------------|-------------------------|---|-------------------------|
| | 1% Decrease (Varies) | | |
| Total OPEB Liability | \$ 141,827 | 165,364 | 194,260 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the District recognized OPEB expense of \$18,465. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|---------|
| Difference Between Expected and Actual Experience | \$ - | - | - |
| Change in Assumptions | - | (8,205) | (8,205) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | - | - |
| Total Deferred Amounts Related to OPEB | - | (8,205) | (8,205) |

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

| Fiscal Year | Net Deferred (Inflows) of Resources |
|----------------|---|
| 2019 | \$ (768) |
| 2020 | (768) |
| 2021 | (768) |
| 2022 | (768) |
| 2023 | (768) |
| Thereafter | (4,365) |
| Total | (8,205) |

NORTHBROOK PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENT

On March 7, 2019, the District issued \$9,435,000 of General Obligation Limited Tax Park Bonds, Series 2019. The bonds bear interest at a rate of 3.25% to 4.00% and are due in annual installments of \$725,000 to \$1,900,000 through December 1, 2035.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefits Plan
- Budgetary Comparison Schedule – General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
- Budgetary Comparison Schedule – Recreation – Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Notes to the Required Supplementary Information

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Employer Contributions December 31, 2018

| Calendar Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2015 | \$ 526,825 | \$ 533,836 | \$ 7,011 | \$ 5,364,821 | 9.95% |
| 2016 | 507,755 | 507,755 | - | 5,278,121 | 9.62% |
| 2017 | 494,596 | 494,596 | - | 5,346,995 | 9.25% |
| 2018 | 486,677 | 512,288 | 25,611 | 5,233,091 | 9.79% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 25 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.75% |
| Salary Increases | 3.75% - 14.50% |
| Investment Rate of Return | 7.50% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | MP-2014 (base year 2012) |

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

NORTHBROOK PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2018

| | <u>12/31/2015</u> |
|---|--------------------------------|
| Total Pension Liability | |
| Service Cost | \$ 560,139 |
| Interest | 2,082,488 |
| Changes in Benefit Terms | - |
| Differences Between Expected and Actual Experience | 179,570 |
| Change of Assumptions | 34,607 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(1,302,035)</u> |
| Net Change in Total Pension Liability | 1,554,769 |
| Total Pension Liability - Beginning | <u>28,137,459</u> |
| Total Pension Liability - Ending | <u><u>29,692,228</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 533,836 |
| Contributions - Members | 248,065 |
| Net Investment Income | 137,235 |
| Benefit Payments, Including Refunds of Member Contributions | (1,302,035) |
| Other (Net Transfers) | <u>21,777</u> |
| Net Change in Plan Fiduciary Net Position | (361,122) |
| Plan Net Position - Beginning | <u>27,707,107</u> |
| Plan Net Position - Ending | <u><u>27,345,985</u></u> |
| Employer's Net Pension Liability/(Asset) | <u><u>\$ 2,346,243</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 92.10% |
| Covered Payroll | \$ 5,364,821 |
| Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll | 43.73% |

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

| 12/31/2016 | 12/31/2017 | 12/31/2018 |
|-------------|-------------|-------------|
| 546,384 | 556,493 | 513,210 |
| 2,191,789 | 2,301,132 | 2,272,227 |
| - | - | - |
| 192,168 | (713,448) | (621,348) |
| (37,130) | (954,233) | 872,670 |
| (1,405,092) | (1,553,661) | (1,553,738) |
| 1,488,119 | (363,717) | 1,483,021 |
| 29,692,228 | 31,180,347 | 30,816,630 |
| 31,180,347 | 30,816,630 | 32,299,651 |
| 507,755 | 494,596 | 512,288 |
| 242,198 | 245,000 | 239,834 |
| 1,864,020 | 5,090,784 | (1,792,020) |
| (1,405,092) | (1,553,661) | (1,553,738) |
| 290,074 | (805,110) | 433,491 |
| 1,498,955 | 3,471,609 | (2,160,145) |
| 27,345,985 | 28,844,940 | 32,316,549 |
| 28,844,940 | 32,316,549 | 30,156,404 |
| 2,335,407 | (1,499,919) | 2,143,247 |
| 92.51% | 104.87% | 93.36% |
| 5,278,121 | 5,346,995 | 5,233,091 |
| 44.25% | (28.05%) | 40.96% |

NORTHBROOK PARK DISTRICT, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2018

| | 2018 |
|---|------------|
| Total OPEB Liability | |
| Service Cost | \$ 13,072 |
| Interest | 6,161 |
| Changes in Benefit Terms | - |
| Differences Between Expected and Actual Experience | - |
| Change of Assumptions or Other Inputs | (8,973) |
| Benefit Payments | (2,172) |
| Net Change in Total OPEB Liability | 8,088 |
| Total OPEB Liability - Beginning | 157,276 |
| Total OPEB Liability - Ending | 165,364 |
| Covered Payroll | \$ 261,259 |
| Total OPEB Liability as a Percentage of Covered Payroll | 63.30% |

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

| Fiscal Year | Medical | Prescription Drug |
|-------------|---------|-------------------|
| 2019 | 7.00% | 9.00% |
| 2020 | 6.85% | 8.75% |
| 2021 | 6.70% | 8.50% |
| 2022 | 6.55% | 8.25% |
| 2023 | 6.40% | 8.00% |
| 2024 | 6.25% | 7.75% |
| 2025 | 6.10% | 7.50% |
| 2026 | 5.95% | 7.25% |
| 2027 | 5.80% | 7.00% |
| 2028 | 5.65% | 6.75% |
| Ultimate | 4.50% | 4.50% |

In 2018, there was no change in the healthcare trend rates from the prior year.

NORTHBROOK PARK DISTRICT, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|-------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property | \$ 5,605,500 | 5,605,500 | 5,717,014 |
| Replacement | 170,000 | 170,000 | 189,082 |
| Interest | 170,000 | 170,000 | 320,098 |
| Park Services | 46,125 | 46,125 | 35,534 |
| Donations and Miscellaneous | 141,725 | 141,725 | 298,008 |
| Total Revenues | 6,133,350 | 6,133,350 | 6,559,736 |
| Expenditures | | | |
| General Government | | | |
| Salaries and Benefits | 4,142,192 | 4,142,192 | 3,849,437 |
| Contractual Services | 1,543,176 | 1,543,176 | 1,412,008 |
| Repairs | 64,786 | 64,786 | 90,259 |
| Materials | 331,654 | 331,654 | 312,116 |
| Capital Outlay | 3,478,256 | 3,478,256 | 2,613,157 |
| Total Expenditures | 9,560,064 | 9,560,064 | 8,276,977 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,426,714) | (3,426,714) | (1,717,241) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | - | 3,036,302 |
| Transfers Out | - | - | (20,000) |
| | - | - | 3,016,302 |
| Net Change in Fund Balance | (3,426,714) | (3,426,714) | 1,299,061 |
| Fund Balance - Beginning | | | 17,164,629 |
| Fund Balance - Ending | | | 18,463,690 |

NORTHBROOK PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property | \$ 2,600,000 | 2,600,000 | 2,572,662 |
| Retail Sales | 493,615 | 493,615 | 555,242 |
| Facility Rentals | 1,337,574 | 1,337,574 | 1,270,384 |
| Recreation Activity | 8,078,861 | 8,078,861 | 7,500,068 |
| Donations and Miscellaneous | 31,594 | 31,594 | 32,064 |
| Total Revenues | 12,541,644 | 12,541,644 | 11,930,420 |
| Expenditures | | | |
| Recreation | | | |
| Salaries and Benefits | 5,777,766 | 5,777,766 | 5,301,507 |
| Contractual Services | 2,302,058 | 2,302,058 | 2,195,359 |
| Repairs | 65,700 | 65,700 | 99,002 |
| Materials | 1,250,481 | 1,250,481 | 1,262,716 |
| Park Services | 33,878 | 33,878 | 35,534 |
| Total Expenditures | 9,429,883 | 9,429,883 | 8,894,118 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,111,761 | 3,111,761 | 3,036,302 |
| Other Financing (Uses) | | | |
| Transfers Out | - | - | (3,036,302) |
| Net Change in Fund Balance | 3,111,761 | 3,111,761 | - |
| Fund Balance - Beginning | | | - |
| Fund Balance - Ending | | | - |

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedule – Major Governmental Fund
Debt Service Fund
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
Special Recreation – Special Revenue Fund

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

RECREATION

The Recreation Fund is used to account for the operations of the community recreation center.

SPECIAL RECREATION

The Special Recreation Fund is used to account for the expenditures related to the District's membership in NSSRA, in order to provide recreational programs for disabled individuals.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

NORTHBROOK PARK DISTRICT, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2018

| | Budgeted Amounts | | Actual |
|--|------------------|-----------|-----------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property | \$ 2,082,248 | 2,082,248 | 2,058,864 |
| Expenditures | | | |
| Debt Service | | | |
| Principal Retirement | 2,060,000 | 2,060,000 | 2,060,000 |
| Interest and Fiscal Charges | 22,248 | 22,248 | 22,189 |
| Total Expenditures | 2,082,248 | 2,082,248 | 2,082,189 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | (23,325) |
| Other Financing Sources | | | |
| Transfers In | - | - | 20,000 |
| Net Change in Fund Balance | - | - | (3,325) |
| Fund Balance - Beginning | | | 3,325 |
| Fund Balance - Ending | | | - |

NORTHBROOK PARK DISTRICT, ILLINOIS

Special Recreation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2018

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|---------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property | \$ 535,000 | 535,000 | 529,869 |
| Expenditures | | | |
| Recreation | | | |
| Contractual Services | 429,166 | 429,166 | 429,165 |
| Capital Outlay | 35,750 | 35,750 | 28,345 |
| Total Expenditures | 464,916 | 464,916 | 457,510 |
| Net Change in Fund Balance | 70,084 | 70,084 | 72,359 |
| Fund Balance - Beginning | | | 144,026 |
| Fund Balance - Ending | | | 216,385 |

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

NORTHBROOK PARK DISTRICT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
December 31, 2018 (Unaudited)

See Following Page

NORTHBROOK PARK DISTRICT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| | <u>4/30/2010</u> | <u>4/30/2011</u> | <u>4/30/2012</u> | <u>4/30/2013</u> |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 73,976,436 | 73,776,048 | 74,226,101 | 78,000,309 |
| Restricted | 416,827 | 825,645 | 1,168,514 | 1,089,897 |
| Unrestricted | <u>13,941,738</u> | <u>9,510,085</u> | <u>9,577,538</u> | <u>7,991,572</u> |
| Total Governmental Activities | <u>88,335,001</u> | <u>84,111,778</u> | <u>84,972,153</u> | <u>87,081,778</u> |

Data Source: Audited Financial Statements

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017 | 12/31/2018 |
|------------|------------|------------|-------------|------------|-------------|
| 78,350,561 | 79,274,309 | 80,546,190 | 81,851,329 | 83,943,187 | 85,056,553 |
| 1,346,550 | 1,666,972 | 2,002,825 | 2,492,092 | 1,927,739 | 1,955,730 |
| 10,180,011 | 11,995,779 | 14,664,773 | 16,842,242 | 13,820,245 | 15,618,804 |
| 89,877,122 | 92,937,060 | 97,213,788 | 101,185,663 | 99,691,171 | 102,631,087 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years

December 31, 2018 (Unaudited)

| | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|--|--------------|--------------|--------------|-------------|
| Expenses | | | | |
| Governmental Activities | | | | |
| General Government | \$ 5,016,655 | 6,407,151 | 6,537,764 | 6,573,686 |
| Recreation | 11,865,683 | 11,219,547 | 12,677,468 | 11,308,455 |
| Interest on Long-Term Debt | 700,301 | 654,978 | 630,665 | 448,855 |
| Total Governmental Activities Expenses | 17,582,639 | 18,281,676 | 19,845,897 | 18,330,996 |
| Program Revenues | | | | |
| Governmental Activities | | | | |
| Charges for Services | | | | |
| Recreation | 8,015,395 | 7,993,784 | 8,651,468 | 8,774,070 |
| Total Primary Government | | | | |
| Net Revenues (Expenses) | (9,567,244) | (10,287,892) | (11,194,429) | (9,556,926) |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities | | | | |
| Taxes | | | | |
| Property | 10,471,720 | 10,824,274 | 11,307,540 | 11,044,285 |
| Other | 188,086 | 209,067 | 188,601 | 187,266 |
| Interest Income | 44,823 | 9,162 | 30,980 | 30,931 |
| Miscellaneous | 743,688 | 144,141 | 527,683 | 404,069 |
| Total Governmental Activities | 11,448,317 | 11,186,644 | 12,054,804 | 11,666,551 |
| Changes in Net Position | | | | |
| Governmental Activities | 1,881,073 | 898,752 | 860,375 | 2,109,625 |

Data Source: Audited Financial Statements

* For the eight months ended December 31, 2017.

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017* | 12/31/2018 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 6,733,521 | 6,711,539 | 6,440,609 | 6,506,994 | 4,949,149 | 6,397,600 |
| 11,931,732 | 11,810,381 | 12,614,633 | 12,085,106 | 8,865,244 | 11,563,762 |
| 116,542 | 240,832 | 45,167 | 63,572 | 27,652 | 20,335 |
| 18,781,795 | 18,762,752 | 19,100,409 | 18,655,672 | 13,842,045 | 17,981,697 |
| 8,916,448 | 9,290,410 | 9,365,679 | 9,454,443 | 7,522,760 | 9,361,228 |
| (9,865,347) | (9,472,342) | (9,734,730) | (9,201,229) | (6,319,285) | (8,620,469) |
| 11,901,530 | 11,879,625 | 11,982,722 | 11,881,064 | 4,200,944 | 10,878,409 |
| 222,710 | 208,726 | 185,866 | 222,097 | 126,825 | 189,082 |
| 33,850 | 63,738 | 105,022 | 171,186 | 128,822 | 320,098 |
| 502,601 | 380,191 | 1,634,364 | 898,757 | 368,202 | 330,072 |
| 12,660,691 | 12,532,280 | 13,907,974 | 13,173,104 | 4,824,793 | 11,717,661 |
| 2,795,344 | 3,059,938 | 4,173,244 | 3,971,875 | (1,494,492) | 3,097,192 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|------------------------------------|-----------|------------|------------|-----------|
| General Fund | | | | |
| Reserved | \$ 60,270 | 477,858 | - | - |
| Unreserved | 8,865,592 | 12,730,884 | - | - |
| Nonspendable | - | - | 34,474 | 82,223 |
| Restricted | - | - | 550,961 | 594,325 |
| Assigned | - | - | - | - |
| Unassigned | - | - | 9,957,855 | 8,378,599 |
| Total General Fund | 8,925,862 | 13,208,742 | 10,543,290 | 9,055,147 |
| All Other Governmental Funds | | | | |
| Reserved | 216,055 | 735,470 | - | - |
| Unreserved, Reported in: | | | | |
| Special Revenues Funds | 22,539 | 21,417 | - | - |
| Debt Service Fund | 619,099 | - | - | - |
| Nonspendable | - | - | 173,396 | 225,773 |
| Restricted | - | - | 800,258 | 622,582 |
| Unassigned | - | - | (173,396) | (225,773) |
| Total All Other Governmental Funds | 857,693 | 756,887 | 800,258 | 622,582 |
| Total Governmental Funds | 9,783,555 | 13,965,629 | 11,343,548 | 9,677,729 |

The District implemented GASB No. 54 in Fiscal Year 2012.

Data Source: Audited Financial Statements

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017 | 12/31/2018 |
|------------|------------|------------|------------|------------|------------|
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 65,203 | 65,660 | 67,496 | 66,321 | 74,667 | 66,733 |
| 2,319,992 | 1,051,880 | 1,310,099 | 2,268,790 | 1,782,242 | 1,739,345 |
| - | - | 16,452,625 | 14,491,802 | 11,807,720 | 13,157,612 |
| 10,650,526 | 12,502,730 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| 13,035,721 | 13,620,270 | 21,330,220 | 20,326,913 | 17,164,629 | 18,463,690 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 226,130 | 224,823 | 205,581 | 219,046 | 68,918 | 89,850 |
| 716,822 | 705,902 | 710,375 | 223,302 | 147,351 | 216,385 |
| (226,130) | (224,823) | (205,581) | (219,046) | (68,918) | (89,850) |
| 716,822 | 705,902 | 710,375 | 223,302 | 147,351 | 216,385 |
| 13,752,543 | 14,326,172 | 22,040,595 | 20,550,215 | 17,311,980 | 18,680,075 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|--|---------------|-------------|-------------|-------------|
| Revenues | | | | |
| Taxes | \$ 11,366,997 | 11,033,341 | 11,496,141 | 11,231,551 |
| Intergovernmental and Other Taxes | - | - | - | - |
| Charges for Services | 8,015,395 | 7,993,784 | 8,651,468 | 8,774,070 |
| Park Services | - | - | - | - |
| Interest Income | 44,823 | 9,162 | 30,980 | 30,931 |
| Miscellaneous | 743,688 | 144,141 | 527,683 | 404,069 |
| Total Revenues | 20,170,903 | 19,180,428 | 20,706,272 | 20,440,621 |
| Expenditures | | | | |
| General Government | 4,168,097 | 5,538,192 | 5,665,076 | 5,671,736 |
| Recreation | 9,648,978 | 9,090,166 | 9,073,768 | 9,384,473 |
| Capital Outlay | 3,808,892 | 2,704,815 | 4,963,349 | 3,411,246 |
| Debt Service | | | | |
| Principal | 2,905,000 | 3,025,000 | 3,100,000 | 3,245,000 |
| Interest and Fiscal Charges | 600,523 | 480,985 | 526,160 | 393,985 |
| Total Expenditures | 21,131,490 | 20,839,158 | 23,328,353 | 22,106,440 |
| Excess of Revenues Over (Under) Expenditures | (960,587) | (1,658,730) | (2,622,081) | (1,665,819) |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | - | 5,610,000 | - | - |
| Premium on Debt Issuance | - | 230,804 | - | - |
| Payment to Escrow Agent | - | - | - | - |
| Transfers In | 1,387,829 | 1,878,866 | 2,713,903 | 2,342,126 |
| Transfers Out | (1,387,829) | (1,878,866) | (2,713,903) | (2,342,126) |
| | - | 5,840,804 | - | - |
| Net Change in Fund Balances | (960,587) | 4,182,074 | (2,622,081) | (1,665,819) |
| Debt Service as a Percentage of Noncapital Expenditures | 19.14% | 18.43% | 17.56% | 18.84% |

Data Source: Audited Financial Statements

* For the eight months ended Decemebr 31, 2017.

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017* | 12/31/2018 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 12,124,240 | 12,088,351 | 11,982,722 | 11,881,064 | 4,200,944 | 10,878,409 |
| - | - | 185,866 | 222,097 | 126,825 | 189,082 |
| 8,916,448 | 9,290,410 | 9,365,679 | 9,412,611 | 7,491,390 | 9,325,694 |
| - | - | - | 41,832 | 31,370 | 35,534 |
| 33,850 | 63,738 | 105,022 | 171,186 | 128,822 | 320,098 |
| 502,601 | 380,191 | 1,582,354 | 898,757 | 368,202 | 330,072 |
| 21,577,139 | 21,822,690 | 23,221,643 | 22,627,547 | 12,347,553 | 21,078,889 |
| 5,804,397 | 5,830,649 | 5,626,995 | 5,753,746 | 4,473,964 | 5,663,820 |
| 9,300,031 | 9,342,790 | 9,300,595 | 9,243,288 | 6,685,664 | 9,323,283 |
| 2,792,329 | 2,380,682 | 3,028,312 | 5,478,100 | 2,346,934 | 2,641,502 |
| 3,385,000 | 3,475,000 | 3,595,000 | 3,580,000 | 2,035,000 | 2,060,000 |
| 268,570 | 235,694 | 66,318 | 62,793 | 44,226 | 22,189 |
| 21,550,327 | 21,264,815 | 21,617,220 | 24,117,927 | 15,585,788 | 19,710,794 |
| 26,812 | 557,875 | 1,604,423 | (1,490,380) | (3,238,235) | 1,368,095 |
| 4,005,000 | 3,130,000 | 6,110,000 | - | - | - |
| 43,002 | - | - | - | - | - |
| - | (3,114,246) | - | - | - | - |
| 2,761,741 | 2,978,715 | 3,117,222 | 3,873,396 | 3,479,691 | 3,056,302 |
| (2,761,741) | (2,978,715) | (3,117,222) | (3,873,396) | (3,479,691) | (3,056,302) |
| 4,048,002 | 15,754 | 6,110,000 | - | - | - |
| 4,074,814 | 573,629 | 7,714,423 | (1,490,380) | (3,238,235) | 1,368,095 |
| 18.27% | 18.58% | 18.27% | 18.27% | 14.76% | 11.25% |

NORTHBROOK PARK DISTRICT, ILLINOIS

Equalized Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years December 31, 2018 (Unaudited)

| Tax Levy Year | Real Property Assessed Value | Railroad Property Assessed Value | Total Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Ratio of Total Assessed Value to Total Estimated Actual Value |
|---------------------|------------------------------------|--|----------------------------|--------------------------------|------------------------------|---|
| 2008 | \$ 3,248,119,951 | \$ N/A | \$ 3,248,119,951 | 0.332 | \$ 10,816,239,437 | 33.30 |
| 2009 | 3,260,637,103 | N/A | 3,260,637,103 | 0.332 | 10,015,525,733 | 33.30 |
| 2010 | 3,004,657,723 | N/A | 3,004,657,723 | 0.375 | 10,015,525,743 | 33.30 |
| 2011 | 2,698,668,805 | N/A | 2,698,668,805 | 0.424 | 8,104,110,526 | 33.30 |
| 2012 | 2,502,743,352 | N/A | 2,502,743,352 | 0.471 | 7,515,745,802 | 33.30 |
| 2013 | 2,242,993,929 | N/A | 2,242,993,929 | 0.535 | 6,818,905,651 | 33.30 |
| 2014 | 2,272,968,323 | N/A | 2,272,968,323 | 0.536 | 6,818,905,651 | 33.33 |
| 2015 | 2,163,897,873 | N/A | 2,163,897,873 | 0.568 | 6,491,694,268 | 33.33 |
| 2016 | 2,576,866,528 | N/A | 2,576,866,528 | 0.423 | 7,730,600,357 | 33.33 |
| 2017 | 2,682,584,797 | N/A | 2,682,584,797 | 0.418 | 8,047,755,196 | 33.33 |

Note: Property in the District is reassessed each year. Property is assessed at 33% of actual value.

Data Source: Office of the County Clerk

N/A - Not Available

NORTHBROOK PARK DISTRICT, ILLINOIS**Property Tax Rates - Direct and Overlapping Governments - Last Ten Tax Levy Years
(Cents per \$100 Assessed Value)
December 31, 2018 (Unaudited)**

| Name of Taxing Entity/Tax Levy Year | 2008 | 2009 | 2010 |
|---|-------|-------|-------|
| Northbrook Park District | | | |
| Corporate | 0.088 | 0.086 | 0.096 |
| Recreation | 0.079 | 0.081 | 0.088 |
| Special Recreation | 0.013 | 0.012 | 0.015 |
| Paving and Lighting | 0.004 | 0.005 | 0.005 |
| Social Security | 0.016 | 0.015 | 0.019 |
| Illinois Municipal Retirement | 0.013 | 0.014 | 0.017 |
| Public Liability Insurance | 0.010 | 0.011 | 0.013 |
| Audit | 0.001 | 0.001 | 0.001 |
| Debt Service | 0.110 | 0.108 | 0.121 |
| Total Direct Rate | 0.332 | 0.332 | 0.375 |
| Cook County (Includes Health Facilities) | 0.415 | 0.394 | 0.423 |
| Northfield Township (Includes General Assist) | 0.018 | 0.020 | 0.024 |
| Village of Northbrook | 0.299 | 0.315 | 0.341 |
| Northbrook Public Library | 0.196 | 0.207 | 0.231 |
| Cook County Forest Preserve District | 0.051 | 0.049 | 0.051 |
| Metropolitan Water Reclamation District | 0.252 | 0.261 | 0.274 |
| Cook County Consolidated Election Board | - | - | - |
| Northfield Road and Bridge | 0.030 | 0.031 | 0.036 |
| Northfield Township High School 225 | 1.383 | 1.395 | 1.609 |
| Total with District | 2.976 | 3.004 | 3.364 |
| Overlapping Governments | | | |
| School District 27 | 2.019 | 2.002 | 2.334 |
| School District 28 | 1.816 | 1.888 | 2.072 |
| School District 30 | 2.089 | 2.089 | 2.327 |
| School District 31 | 1.402 | 1.494 | 1.730 |
| Village of Deerfield (1) | 0.366 | 0.386 | 0.456 |
| Village of Glenview (1) | 0.545 | 0.572 | 0.661 |
| Oakton Community College District 535 | 0.140 | 0.140 | 0.160 |

(1) Includes local library tax rate.

Data Source: Cook County Collector and applicable local government records.

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------|-------|-------|-------|-------|-------|-------|
| 0.112 | 0.126 | 0.143 | 0.147 | 0.160 | 0.139 | 0.159 |
| 0.096 | 0.106 | 0.118 | 0.117 | 0.123 | 0.103 | 0.099 |
| 0.017 | 0.018 | 0.021 | 0.021 | 0.022 | 0.021 | 0.020 |
| 0.005 | 0.005 | 0.005 | 0.005 | 0.005 | 0.004 | 0.005 |
| 0.021 | 0.023 | 0.027 | 0.027 | 0.028 | 0.023 | 0.021 |
| 0.021 | 0.025 | 0.030 | 0.031 | 0.033 | 0.028 | 0.019 |
| 0.016 | 0.018 | 0.024 | 0.024 | 0.025 | 0.021 | 0.015 |
| 0.001 | 0.001 | 0.001 | 0.001 | 0.001 | 0.001 | 0.001 |
| 0.135 | 0.149 | 0.167 | 0.164 | 0.172 | 0.082 | 0.079 |
| 0.424 | 0.471 | 0.535 | 0.536 | 0.568 | 0.423 | 0.418 |
| 0.462 | 0.531 | 0.560 | 0.568 | 0.552 | 0.533 | 0.496 |
| 0.028 | 0.033 | 0.039 | 0.039 | 0.035 | 0.024 | 0.029 |
| 0.458 | 0.524 | 0.609 | 0.605 | 0.676 | 0.626 | 0.715 |
| 0.269 | 0.300 | 0.359 | 0.357 | 0.385 | 0.329 | 0.329 |
| 0.058 | 0.063 | 0.069 | 0.069 | 0.069 | 0.063 | 0.062 |
| 0.320 | 0.370 | 0.417 | 0.430 | 0.426 | 0.406 | 0.402 |
| 0.025 | - | - | - | - | - | 0.031 |
| 0.041 | 0.046 | 0.053 | 0.054 | 0.057 | 0.049 | 0.049 |
| 1.819 | 2.028 | 2.341 | 2.367 | 2.493 | 2.106 | 2.102 |
| 3.904 | 4.366 | 4.982 | 5.025 | 5.261 | 4.559 | 4.633 |
| 2.667 | 2.957 | 3.412 | 3.443 | 3.569 | 3.031 | 3.031 |
| 2.339 | 2.604 | 2.962 | 3.009 | 3.299 | 2.848 | 2.824 |
| 2.641 | 2.999 | 3.381 | 3.272 | 3.394 | 2.866 | 3.193 |
| 2.018 | 2.525 | 2.946 | 2.911 | 2.947 | 2.699 | 2.700 |
| 0.625 | 0.740 | 0.804 | 0.905 | 0.922 | 0.876 | 0.833 |
| 0.759 | 0.829 | 0.950 | 0.948 | 1.000 | 0.836 | 0.831 |
| 0.196 | 0.219 | 0.256 | 0.258 | 0.271 | 0.231 | 0.232 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Principal Property Tax Payers - Prior Fiscal Year and Eight Fiscal Years Ago December 31, 2018 (Unaudited)

| Taxpayer | 12/31/2017 | | | 4/30/2010 | | |
|--|------------------------------|------|---|------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| Westcoast Estates | \$ 57,651,215 | 1 | 2.24% | \$ 109,016,348 | 1 | 3.62% |
| Jones Lang LaSalle | 48,134,571 | 2 | 1.87% | 74,079,963 | 2 | 2.46% |
| MidAmerica Asset Management | 28,944,553 | 3 | 1.12% | | | |
| Willow Festival Regency | 26,826,948 | 4 | 1.04% | | | |
| UL LLC | 24,420,632 | 5 | 0.95% | 30,295,105 | 4 | 1.00% |
| Korman Lederer & Associates | 16,765,907 | 6 | 0.65% | 24,864,121 | 7 | 0.82% |
| GK Edents Corporate Center | 14,645,411 | 7 | 0.57% | | | |
| Lake Cook Road & MidAmca | 14,340,473 | 8 | 0.56% | 26,928,832 | 6 | 0.89% |
| Northbrook ND Investments | 12,690,686 | 9 | 0.49% | | | |
| Euromarket Desgins | 12,649,300 | 10 | 0.49% | | | |
| eProperty Tax, Inc | | | | 50,162,309 | 3 | 1.66% |
| Village Square of Northbrook | | | | 26,971,951 | 5 | 0.89% |
| North Shore Thomson (Renaissance Hotel) | | | | 22,534,927 | 8 | 0.75% |
| Gregory Realty Group (North Suburban Development Corp.) | | | | 19,271,051 | 9 | 0.64% |
| May Department Store Co. | | | | 18,587,728 | 10 | 0.62% |
| | <u>257,069,696</u> | | <u>9.98%</u> | <u>402,712,335</u> | | <u>13.35%</u> |

Data Source: Cook County Clerk's Offices

NORTHBROOK PARK DISTRICT, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| Tax Levy Year | Tax Extended Tax Levy (1) | Collected within the Fiscal Year of the Levy | |
|---------------------|---------------------------------|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2008 | \$ 10,562,098 | \$ 10,552,180 | 99.91% |
| 2009 | 10,794,190 | 10,741,928 | 99.52% |
| 2010 | 11,215,778 | 10,693,276 | 95.34% |
| 2011 | 11,434,647 | 11,256,658 | 98.44% |
| 2012 | 11,787,788 | 11,479,363 | 97.38% |
| 2013 | 12,007,814 | 11,719,507 | 97.60% |
| 2014 | 12,182,604 | 11,873,724 | 97.46% |
| 2015 | 12,297,565 | 11,822,153 | 96.13% |
| 2016 | 10,891,151 | 10,634,237 | 97.64% |
| 2017 | 11,215,423 | 10,853,552 | 96.77% |

Data Source: District Records

(1) Does not include adjustments for errors, abatements or objections of tax extensions.

(2) Delinquent tax collections are reported by the tax levy year.

| Delinquent Tax Collections (2) | Total Collections to Date | | Outstanding Delinquent Taxes | Outstanding Delinquent Taxes to Tax Levy |
|--------------------------------------|---------------------------|-----------------------|------------------------------------|---|
| | Amount | Percentage of Levy | | |
| \$ - | \$ 10,552,180 | 99.91% | \$ 9,918 | 0.09% |
| - | 10,741,928 | 99.52% | 52,262 | 0.48% |
| - | 10,693,276 | 95.34% | 522,502 | 4.66% |
| - | 11,256,658 | 98.44% | 177,989 | 1.56% |
| - | 11,479,363 | 97.38% | 308,425 | 2.62% |
| - | 11,719,507 | 97.60% | 288,307 | 2.40% |
| - | 11,873,724 | 97.46% | 308,880 | 2.54% |
| - | 11,822,153 | 96.13% | 475,412 | 3.87% |
| - | 10,634,237 | 97.64% | 256,914 | 2.36% |
| - | 10,853,552 | 96.77% | 361,871 | 3.23% |

NORTHBROOK PARK DISTRICT, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| Fiscal Year | Governmental Activities General Obligation Bonds | Ratio of Total Outstanding Debt to Equalized Assessed Valuation (1) | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|--|--|---|-------------------|
| 4/30/2010 | \$ 11,187,500 | 0.34% | 11.69% | \$ 337 |
| 4/30/2011 | 14,190,804 | 0.47% | N/A | 428 |
| 4/30/2011 | 11,201,369 | 0.42% | N/A | 338 |
| 4/30/2013 | 8,066,934 | 0.32% | N/A | 243 |
| 4/30/2014 | 8,610,000 | 0.38% | N/A | 260 |
| 4/30/2015 | 5,160,000 | 0.23% | N/A | 156 |
| 4/30/2016 | 7,675,000 | 0.35% | N/A | 231 |
| 4/30/2017 | 4,095,000 | 0.16% | N/A | 123 |
| 12/31/2017 | 2,060,000 | 0.08% | N/A | 62 |
| 12/31/2018 | - | 0.00% | N/A | - |

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

(1) See the Schedule of Demographic and Economic Statistics for equalized assessed valuation of property, personal income, and population data.

Data Source: District Records

N/A - Not Available

NORTHBROOK PARK DISTRICT, ILLINOIS

Ratio of Net General Obligation Debt to Equalized Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years

December 31, 2018 (Unaudited)

| Fiscal Year | Gross General Obligation Bonds | Less Amount Available for Debt Service | Net General Obligation Bonds | Percentage of Estimated Actual Taxable Value of Property (1) | Per Capita (2) |
|----------------|---|---|---------------------------------------|--|-------------------|
| 4/30/2010 | \$ 11,187,500 | \$ 416,827 | \$ 10,770,673 | 0.11% | 325 |
| 4/30/2011 | 14,190,804 | 373,142 | 13,817,662 | 0.14% | 417 |
| 4/30/2011 | 11,201,369 | 369,927 | 10,831,442 | 0.13% | 327 |
| 4/30/2013 | 8,066,934 | 271,556 | 7,795,378 | 0.10% | 235 |
| 4/30/2014 | 8,610,000 | 381,826 | 8,228,174 | 0.12% | 248 |
| 4/30/2015 | 5,160,000 | 353,640 | 4,806,360 | 0.07% | 145 |
| 4/30/2016 | 7,675,000 | 401,905 | 7,273,095 | 0.11% | 219 |
| 4/30/2017 | 4,095,000 | - | 4,095,000 | 0.06% | 123 |
| 12/31/2017 | 2,060,000 | 1,471 | 2,058,529 | 0.03% | 62 |
| 12/31/2018 | - | - | - | - | - |

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

Data Source: United States Department of Commerce, Census Bureau

NORTHBROOK PARK DISTRICT, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt December 31, 2018 (Unaudited)

| Governmental Unit | Gross Debt ** | Percentage to Debt Applicable to District* | District's Share of Debt |
|--|---------------|--|--------------------------------|
| Northbrook Park District | \$ - | 100.00% | \$ - |
| Cook County | 2,950,121,750 | 1.779% | 55,407,960 |
| Village of Northbrook | 121,945,000 | 95.219% | 121,885,693 |
| Glenbrook High School District #225 | 72,951,131 | 48.851% | 37,517,460 |
| Metropolitan Water Reclamation District *** | 2,455,376,000 | 1.813% | 47,591,591 |
| Cook County Forest Preserve District | 94,055,000 | 1.779% | 1,817,487 |
| Village of Deerfield | 57,790,000 | 5.425% | 3,515,890 |
| West Northfield School District #31 | 12,220,000 | 15.115% | 1,926,086 |
| Community Consolidated School District #21 - Wheeling | 26,440,000 | 1.459% | 451,837 |
| Village of Glenview | 51,165,000 | 0.257% | 149,867 |
| School District #30 | 33,605,000 | 69.135% | 23,929,297 |
| Community College District 512 | 113,215,000 | 0.138% | 179,639 |
| Community College District 535 | 32,130,000 | 11.637% | 3,907,611 |
| Township High School District 214 | 35,285,000 | 0.306% | 117,489 |
| Total Overlapping Debt | 6,056,298,881 | | 298,397,907 |
| Total Direct and Overlapping Debt | 6,056,298,881 | | 298,397,907 |

Data Sources: Cook County Clerk's Office

* Percentage based on 2017 EAV's the most recent available.

** Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indettedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

*** Includes IEPA Revolving Loan Bonds in the amount of \$701,061,000.

NORTHBROOK PARK DISTRICT, ILLINOIS

Legal Debt Margin - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|---|----------------|-------------|-------------|-------------|
| Debt Limit | \$ 162,405,998 | 163,031,855 | 150,232,886 | 134,933,440 |
| Total Net Debt Applicable to Limit | 11,750,000 | 14,335,000 | 11,235,000 | 7,990,000 |
| Legal Debt Margin | 150,655,998 | 148,696,855 | 138,997,886 | 126,943,440 |
| Total Net Debt Applicable to Limit as a Percentage of Debt Limit | 7.23% | 8.79% | 8.79% | 7.48% |

Note: In 1978, the District passed a resolution to increase the legal debt margin to 5.0%.

Data Source: Audited Financial Statements

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017 | 12/31/2018 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 125,137,168 | 112,149,696 | 113,648,416 | 108,194,894 | 128,843,326 | 134,129,240 |
| 8,610,000 | 5,160,000 | 7,675,000 | 4,095,000 | 2,060,000 | - |
| 116,527,168 | 106,989,696 | 105,973,416 | 104,099,894 | 126,783,326 | 134,129,240 |
| 5.92% | 6.88% | 6.75% | 3.78% | 1.60% | 0.00% |

Legal Debt Margin Calculation for the Year Ended December 31, 2018

| | |
|--|---------------------------|
| Equalized Assessed Value (2017 Tax Levy Year) | \$ 2,682,584,797 |
| Legal Debt Margin | <u>5.000%</u> |
| Debt Limit | 134,129,240 |
| Debt Applicable to Limit General Obligation Bonds | <u>-</u> |
| Legal Debt Margin | <u><u>134,129,240</u></u> |
| Total Outstanding Debt as a Percentage of Statutory Debt Limit | <u><u>0.00%</u></u> |

NORTHBROOK PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| Fiscal Year | (1) Population | Equalized Accessed Value (EAV) | (3) Personal Income (in Thousands) | Per Capita EAV | Median Age | School Enrollment | (2) Unemployment Rate |
|-------------|-------------------|---|---|----------------------|---------------|----------------------|-----------------------------|
| 4/30/2010 | 33,170 | \$ 3,004,657,723 | \$ 95,665 | \$ 90,584 | 44.1 | 7,838 | 7.2% |
| 4/30/2011 | 33,170 | 2,698,668,805 | N/A | 81,359 | 48.0 | 7,465 | 7.4% |
| 4/30/2011 | 33,170 | 2,698,668,805 | N/A | 81,359 | 48.0 | 7,677 | 6.9% |
| 4/30/2013 | 33,170 | 2,502,743,352 | N/A | 75,452 | 48.0 | 7,611 | 6.2% |
| 4/30/2014 | 33,170 | 2,242,993,929 | N/A | 67,621 | 46.5 | 7,537 | 6.5% |
| 4/30/2015 | 33,170 | 2,272,968,323 | N/A | 68,525 | 46.5 | 7,615 | 5.1% |
| 4/30/2016 | 33,170 | 2,163,897,873 | N/A | 65,237 | 47.8 | 7,596 | 4.3% |
| 4/30/2017 | 33,170 | 2,576,866,528 | N/A | 77,687 | 47.8 | 7,646 | 4.6% |
| 12/31/2017 | 33,170 | 2,576,866,528 | N/A | 77,687 | 47.8 | 7,646 | 3.3% |
| 12/31/2018 | 33,170 | 2,682,584,797 | N/A | 80,874 | 49.8 | 7,753 | 3.0% |

Data Sources:

(1) Estimated population in relationship to the Village of Northbrook (U.S. Department of Commerce, Bureau of the Census).

(2) Illinois Department of Employment Security

(3) Village of Northbrook Comprehensive Annual Financial Report

N/A - Not Available

NORTHBROOK PARK DISTRICT, ILLINOIS

Principal Employers - Prior Fiscal Year and Eight Fiscal Years Ago December 31, 2018 (Unaudited)

| Employer | 12/31/2017 | | | 4/30/2009 | | |
|--|------------------|------|--------------------------------------|------------------|------|--------------------------------------|
| | Employees (1) | Rank | % of Total District Population | Employees (1) | Rank | % of Total District Population |
| Allstate Insurance Company | 8,000 | 1 | 24.12% | 7,000 | 1 | 20.18% |
| UL, LLC | 1,700 | 2 | 5.13% | 1,450 | 3 | 4.18% |
| CVS Caremark | 1,400 | 3 | 4.22% | 900 | 5 | 2.59% |
| Astellas Pharma US, Inc. | 1,150 | 4 | 3.47% | | | |
| Euromarket Designs Inc | 500 | 5 | 1.51% | | | |
| Hilco Merchange Resources, LLC | 400 | 6 | 1.21% | 600 | 6 | 1.73% |
| W.W. Grainger | 350 | 7 | 1.06% | | | |
| Northbrook School District 28 | 290 | 8 | 0.87% | | | |
| Hilton-Chicago Northbrook | 250 | 9 | 0.75% | | | |
| Wiss, Janney, Elstner Associates, Inc. | 228 | 10 | 0.69% | | | |
| Northbrook Court (2) | | | | 1,700 | 2 | 4.90% |
| United Parcel Service (UPS) | | | | 1,100 | 4 | 3.17% |
| General Binding Corporation | | | | 500 | 7 | 1.44% |
| Highland Baking Co. | | | | 340 | 8 | 0.98% |
| Potash Corporation | | | | 170 | 9 | 0.49% |
| Metals USA | | | | 150 | 10 | 0.43% |
| | <u>14,268</u> | | <u>43.01%</u> | <u>13,910</u> | | <u>40.09%</u> |

Data Sources:

(1) 2017 Illinois Services and 2017 Illinois Manufacturers Directories, and the Illinois Department of Commerce and Economic Opportunity

(2) Northbrook Court number includes employees at all stores including Macy's, Lord & Taylor and Neiman-Marcus.

NORTHBROOK PARK DISTRICT, ILLINOIS

Government Employees by Function/Program - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| Function/Program | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|--------------------------------|-----------|-----------|-----------|-----------|
| IMRF Eligible Employees | | | | |
| Full-Time Employees | N/A | 64 | 71 | 71 |
| Seasonal Part-Time Employees | N/A | 61 | 52 | 50 |
| | N/A | 125 | 123 | 121 |
| Non-IMRF Eligible Employees | | | | |
| Seasonal Part-Time Employees | N/A | 161 | 190 | 195 |
| General Government - Full-Time | | | | |
| Park Operations | N/A | 10 | 13 | 14 |
| Recreation Operations | N/A | 8 | 31 | 30 |
| Golf Operations | N/A | 31 | 9 | 9 |
| Administration | N/A | 15 | 18 | 18 |
| | N/A | 64 | 71 | 71 |
| Total Number of Employees | N/A | 286 | 313 | 316 |

Data Source: District Records

Note: Data reflects the number of employees in each category as of the fiscal year ended indicated. Fluctuations in individual categories from year to year is a direct result of position vacancies.

N/A - Not Available

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017 | 12/31/2018 |
|-----------|-----------|-----------|-----------|------------|------------|
| 72 | 72 | 69 | 70 | 70 | 69 |
| 43 | 42 | 39 | 41 | 15 | 16 |
| 115 | 114 | 108 | 111 | 85 | 85 |
| 200 | 216 | 208 | 216 | 127 | 114 |
| 14 | 14 | 17 | 18 | 19 | 19 |
| 31 | 32 | 29 | 30 | 30 | 30 |
| 9 | 9 | 8 | 9 | 8 | 8 |
| 18 | 17 | 15 | 13 | 13 | 12 |
| 72 | 72 | 69 | 70 | 70 | 69 |
| 315 | 330 | 316 | 327 | 212 | 199 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| Function/Program | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|-------------------------------------|-----------|-----------|-----------|-----------|
| Population | 34,688 | 33,170 | 33,170 | 33,170 |
| Number of Programs Offered | 2,433 | 2,435 | 2,296 | 2,877 |
| Number of Program Participants | 23,592 | 25,315 | 20,460 | 19,889 |
| Number of Non-Resident Participants | 3,575 | 3,537 | 3,563 | 3,475 |
| Number of Golf Rounds | 75,041 | 69,075 | 70,163 | 66,970 |
| Number of Aquatic Visits | 46,205 | 46,124 | 45,993 | 46,178 |

Data Source: District Records

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017 | 12/31/2018 |
|-----------|-----------|-----------|-----------|------------|------------|
| 33,170 | 33,170 | 33,170 | 33,170 | 33,170 | 33,170 |
| 2,111 | 2,150 | 2,155 | 2,238 | 1,547 | 2,390 |
| 19,936 | 20,768 | 21,983 | 21,975 | 13,182 | 18,280 |
| 3,312 | 3,775 | 3,878 | 3,754 | 2,739 | 3,206 |
| 69,217 | 68,835 | 70,866 | 66,760 | 63,243 | 64,348 |
| 42,812 | 41,741 | 38,367 | 40,006 | 35,874 | 40,120 |

NORTHBROOK PARK DISTRICT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2018 (Unaudited)

| Function/Program | 4/30/2010 | 4/30/2011 | 4/30/2012 | 4/30/2013 |
|--|-----------|-----------|-----------|-----------|
| Facilities | | | | |
| Baseball Diamonds | 25 | 25 | 25 | 25 |
| Soccer Fields | 14 | 14 | 14 | 14 |
| Football Fields | 1 | 1 | 1 | 1 |
| Outdoor Basketball | 8 | 9 | 9 | 9 |
| Tennis Courts | 22 | 22 | 22 | 22 |
| Volleyball Courts | 2 | 2 | 2 | 2 |
| Teams Challenge Course and Climbing Wall | 1 | 1 | 1 | 1 |
| Swimming Facilities | 2 | 2 | 2 | 2 |
| Recreation Buildings | 11 | 11 | 11 | 11 |
| Velodrome (Bicycle Track) | 1 | 1 | 1 | 1 |
| Golf Courses | 3 | 3 | 3 | 3 |
| Driving Range | 1 | 1 | 1 | 1 |
| Miniature Golf Course | 1 | 1 | 1 | 1 |
| Playgrounds | 18 | 19 | 19 | 19 |
| Picnic Areas | 16 | 16 | 16 | 16 |
| Jogging and Bike Trails | 13 | 14 | 14 | 14 |
| Lake/Fishing | 2 | 2 | 2 | 2 |
| Food Concession Stands | 5 | 5 | 5 | 5 |
| Multipurpose Auditorium and Theatre | 1 | 1 | 1 | 1 |
| Indoor Skating | 2 | 2 | 2 | 2 |
| Outdoor Skating | 2 | 2 | 2 | 2 |
| Sled and Toboggan Hills | 2 | 2 | 2 | 2 |
| Cross County Skiing | 1 | 1 | 1 | 1 |
| Ice Skating Pro Shop | 1 | 1 | 1 | 1 |
| Skate Park | 1 | 1 | 1 | 1 |
| Batting Cages | 6 | 6 | 6 | 6 |
| LaCrosse Fields | 2 | 2 | 3 | 3 |
| Dog Park | N/A | N/A | N/A | N/A |
| Field Hockey | N/A | N/A | N/A | N/A |

N/A - Not Available

Data Source: District Records

| 4/30/2014 | 4/30/2015 | 4/30/2016 | 4/30/2017 | 12/31/2017 | 12/31/2018 |
|-----------|-----------|-----------|-----------|------------|------------|
| 25 | 25 | 25 | 25 | 24 | 24 |
| 14 | 14 | 14 | 14 | 14 | 14 |
| 1 | 2 | 2 | 2 | 2 | 2 |
| 9 | 9 | 9 | 9 | 9 | 9 |
| 22 | 22 | 22 | 22 | 22 | 22 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 12 | 12 | 12 | 12 | 12 | 12 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 18 | 18 | 18 | 18 | 18 | 18 |
| 16 | 16 | 16 | 16 | 16 | 16 |
| 14 | 14 | 14 | 14 | 14 | 14 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | - | - |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| N/A | N/A | 6 | 6 | 6 | 6 |