

**ADDENDUM DATED DECEMBER 10, 2013  
TO PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 26, 2013**

New Issue

Rating: Moody's Investors Service, Inc. "Aaa"

**\$6,065,000  
GENERAL OBLIGATION BONDS, SERIES 2013A**

**VILLAGE OF GLENVIEW, COOK COUNTY, ILLINOIS**

**Schedule of Maturity Dates, Principal Amounts, Interest Rates and Yields**

**Serial Bonds**

| <u>Maturity<br/>(December 1)</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>CUSIP<br/>Base<br/>378892</u> | <u>Maturity<br/>(December 1)</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>CUSIP<br/>Base<br/>378892</u> |
|----------------------------------|---------------|--------------------------|--------------|----------------------------------|----------------------------------|---------------|--------------------------|--------------|----------------------------------|
| 2014                             | \$245,000     | 2.000%                   | 0.400%       | SX2                              | 2023                             | \$285,000     | 3.000%                   | *2.800%      | TG8                              |
| 2015                             | \$240,000     | 2.000%                   | 0.550%       | SY0                              | 2024                             | \$295,000     | 3.000%                   | 3.000%       | TH6                              |
| 2016                             | \$245,000     | 2.000%                   | 0.700%       | SZ7                              | 2025                             | \$305,000     | 3.150%                   | 3.150%       | TJ2                              |
| 2017                             | \$245,000     | 2.000%                   | 1.000%       | TA1                              | 2026                             | \$315,000     | 3.500%                   | *3.300%      | TK9                              |
| 2018                             | \$250,000     | 2.000%                   | 1.300%       | TB9                              | 2027                             | \$325,000     | 4.000%                   | *3.400%      | TL7                              |
| 2019                             | \$260,000     | 2.000%                   | 1.650%       | TC7                              | 2028                             | \$340,000     | 4.000%                   | *3.550%      | TM5                              |
| 2020                             | \$265,000     | 3.000%                   | 2.050%       | TD5                              | 2029                             | \$350,000     | 4.000%                   | *3.700%      | TN3                              |
| 2021                             | \$270,000     | 3.000%                   | 2.400%       | TE3                              | 2030                             | \$365,000     | 4.000%                   | *3.800%      | TP8                              |
| 2022                             | \$280,000     | 3.000%                   | 2.600%       | TF0                              |                                  |               |                          |              |                                  |

\*Priced to call.

**Term Bond**

\$775,000; 4.000% Term Bond due December 1, 2032; Yield 4.000%; CUSIP No. 378892 TR4; with mandatory redemption at par in 2031 - 2032 as noted below.

| <u>Redemption<br/>(December 1)</u> | <u>Amount</u> |
|------------------------------------|---------------|
| 2031                               | \$380,000     |
| 2032                               | \$395,000     |

**Serial Bond**

| <u>Maturity<br/>(December 1)</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> | <u>Yield</u> | <u>CUSIP Base<br/>378892</u> |
|----------------------------------|---------------|--------------------------|--------------|------------------------------|
| 2033                             | \$410,000     | 4.000%                   | 4.050%       | TS2                          |

Bonds maturing, or subject to mandatory redemption, on December 1, 2023 and thereafter are subject to call for prior redemption on December 1, 2022 and any date thereafter at par.

Baird, Syndicate Manager, has agreed to purchase the Bonds from the Village for an aggregate price of \$6,134,535.42 plus accrued interest, if any, to the date of delivery. It is expected that the Bonds will be available for delivery on or about December 19, 2013.

**Book-Entry-Only:** This offering will be issued as fully registered Bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments on the Bonds will be made.

**Paying Agent:** Wells Fargo Bank, National Association, Minneapolis, Minnesota.

THIS ADDENDUM TOGETHER WITH THE OFFICIAL STATEMENT DATED NOVEMBER 26, 2013, SHALL

CONSTITUTE A "FINAL OFFICIAL STATEMENT" OF THE ISSUER WITH RESPECT TO THE BONDS AS THAT TERM IS DEFINED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

**BAIRD**  
**Milwaukee, Wisconsin**

**C.L. King & Associates WMBE**  
**Loop Capital Markets**  
**Kildare Capital**  
**Coastal Securities, Inc.**  
**SAMCO Capital Markets**  
**Edward Jones**  
**Crews & Associates, Inc.**  
**Davenport & Co. L.L.C.**  
**Ross, Sinclair & Associates, LLC**  
**Bernardi Securities, Inc.**  
**Cronin & Co., Inc.**

**City Securities Corp.**  
**Duncan-Williams, Inc.**  
**Vining-Sparks IBG, Limited Partnership**  
**Northland Securities, Inc.**  
**Isaak Bond Investments, Inc.**  
**PNC Capital Markets LLC**  
**Alamo Capital WMBE**  
**D.A. Davidson & Co.**  
**Oppenheimer & Co.**  
**Incapital, LLC**

**Original Issue Discount**

The initial public offering price of the Bonds maturing on December 1, 2033, inclusive (the "OID Bonds") is less than the principal amount payable at maturity. The difference between the Issue Price (defined below) of each maturity of the OID Bonds and the amount payable at maturity is original issue discount. The issue price (the "Issue Price") for each maturity of the OID Bonds is the price at which a substantial amount of such maturity of the OID Bonds is first sold to the public. The Issue Price of each maturity of the OID Bonds is expected to be the amount set forth on the cover page hereof, but is subject to change based on actual sales.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed under "TAX EXEMPTION" above, (a) the full amount of original issue discount with respect to such Bond constitutes interest which is not includable in the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing an adjustment used in determining the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year.

If a Bond issued with original issue discount is purchased at any time for a price that is less than the Bond's Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased such Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Such treatment would apply to any purchaser who purchases such Bond for a price that is less than its Revised Issue Price.

Owners of OID Bonds who dispose of OID Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase OID Bonds in the initial public offering, but at a price different from the Issue Price or purchase OID Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Bonds issued with original issued discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Bonds.

Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

**New Issue**

**Rating Application Made: Moody's Investors Service  
(Current Underlying Rating: Aaa)**

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 26, 2013**

**VILLAGE OF GLENVIEW, COOK COUNTY, ILLINOIS**

**\$6,190,000\* GENERAL OBLIGATION BONDS, SERIES 2013A**

**BID OPENING:** December 10, 2013, 10:00 A.M., C.T.

**CONSIDERATION:** December 10, 2013, 7:30 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$6,190,000\* General Obligation Bonds, Series 2013A (the "Bonds" or "Obligations") are being issued by the Village of Glenview, Cook County, Illinois (the "Village") pursuant to its home rule powers under Section 6 of Article VII of the 1970 Constitution of the State of Illinois. Proceeds of the Bonds will provide funds to finance (i) Village Hall relocation, including an addition to the existing Police facility, interior renovation and repurposing of space and (ii) costs of issuance. The Bonds are general obligations of the Village, for which its full faith and credit has been irrevocably pledged, and are payable from ad valorem taxes levied upon all the taxable property in the Village without limitation as to rate or amount, except that the rights of the owner of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. Delivery is subject to receipt of an approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois.

\* Preliminary, subject to change.

**DATE OF BONDS:** December 19, 2013

**MATURITY:** December 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2014        | \$260,000      | 2021        | \$275,000      | 2028        | \$345,000      |
| 2015        | 250,000        | 2022        | 280,000        | 2029        | 355,000        |
| 2016        | 250,000        | 2023        | 290,000        | 2030        | 370,000        |
| 2017        | 255,000        | 2024        | 300,000        | 2031        | 385,000        |
| 2018        | 260,000        | 2025        | 310,000        | 2032        | 400,000        |
| 2019        | 265,000        | 2026        | 320,000        | 2033        | 420,000        |
| 2020        | 270,000        | 2027        | 330,000        |             |                |

**MATURITY ADJUSTMENTS:** \* The Village reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** June 1, 2014 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Bonds maturing December 1, 2023 and thereafter are subject to call for prior redemption on December 1, 2022 and any date thereafter, at par.

**MINIMUM BID:** \$6,128,100.

**MAXIMUM BID:** \$6,313,800.

**GOOD FAITH DEPOSIT:** \$123,800.

**PAYING AGENT:** Wells Fargo Bank, National Association, Minneapolis, Minnesota.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. *This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of these Obligations in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers prepared this Preliminary Official Statement and any addenda thereto relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement except as described herein and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers, payable entirely by the Village, is contingent upon the sale of the issue.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the Village for dissemination to potential customers. Its primary purpose is to disclose information regarding these Obligations to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the Village as well as to prospective bidders for an objective review of its disclosure. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum at least one business day prior to the sale.

**Final Official Statement:** Upon award of sale of these Obligations, the Preliminary Official Statement together with any previous addendum of corrections or additions will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the Village with respect to the Obligations, as defined in the Rule. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which these Obligations are exempt or required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of these Obligations, the purchaser (underwriter) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of these Obligations and all times subsequent thereto up to and including the time of the delivery of these Obligations, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for these Obligations; (3) a certificate evidencing the due execution of these Obligations, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of these Obligations, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of these Obligations have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the Village which indicates that the Village does not expect to use the proceeds of these Obligations in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

# TABLE OF CONTENTS

|  |     |
|--|-----|
| INTRODUCTORY STATEMENT .....                         | 1   |
| THE BONDS .....                                      | 1   |
| GENERAL .....  | 1   |
| TERM BOND OPTION .....                               | 1   |
| OPTIONAL REDEMPTION .....                            | 2   |
| AUTHORITY; PURPOSE .....                             | 2   |
| ESTIMATED SOURCES AND USES .....                     | 3   |
| SECURITY .....                                       | 3   |
| RATING .....   | 3   |
| CONTINUING DISCLOSURE .....                          | 3   |
| LEGAL OPINION .....                                  | 4   |
| TAX EXEMPTION .....                                  | 4   |
| QUALIFIED TAX-EXEMPT OBLIGATIONS .....               | 6   |
| CERTAIN LEGAL MATTERS .....                          | 6   |
| FINANCIAL ADVISOR .....                              | 7   |
| RISK FACTORS .....                                   | 7   |
| ILLINOIS PROPERTY VALUATIONS .....                   | 8   |
| CURRENT PROPERTY VALUATIONS .....                    | 14  |
| TREND OF VALUATIONS .....                            | 14  |
| LARGER TAXPAYERS .....                               | 15  |
| DEBT .....   | 16  |
| STATEMENT OF INDEBTEDNESS .....                      | 16  |
| DIRECT GENERAL OBLIGATION DEBT .....                 | 16  |
| OTHER OBLIGATIONS .....                              | 17  |
| SCHEDULE OF BONDED INDEBTEDNESS .....                | 18  |
| OVERLAPPING DEBT .....                               | 20  |
| DEBT PAYMENT HISTORY .....                           | 21  |
| FUTURE FINANCING .....                               | 21  |
| TAX LEVIES, COLLECTIONS, AND TAX RATES .....         | 22  |
| TAX LEVIES AND COLLECTIONS .....                     | 22  |
| REPRESENTATIVE TAX RATES .....                       | 22  |
| THE VILLAGE .....                                    | 23  |
| VILLAGE INFORMATION .....                            | 23  |
| EMPLOYEES AND UNIONS .....                           | 33  |
| LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS ..... | 33  |
| LITIGATION .....                                     | 33  |
| SUMMARY FINANCIAL INFORMATION .....                  | 34  |
| GENERAL INFORMATION .....                            | 41  |
| LARGER EMPLOYERS .....                               | 41  |
| RETAIL ACTIVITY .....                                | 42  |
| U.S. CENSUS DATA .....                               | 43  |
| EMPLOYMENT/UNEMPLOYMENT DATA .....                   | 44  |
| BUILDING PERMITS .....                               | 44  |
| EXCERPTS FROM FINANCIAL STATEMENTS .....             | A-1 |
| FORM OF LEGAL OPINION .....                          | B-1 |
| BOOK-ENTRY-ONLY SYSTEM .....                         | C-1 |
| FORM OF CONTINUING DISCLOSURE UNDERTAKING .....      | D-1 |
| NOTICE OF SALE .....                                 | E-1 |

## **PRESIDENT AND BOARD OF TRUSTEES**

|                         |           | <u>Term Expires</u> |
|-------------------------|-----------|---------------------|
| James R. Patterson, Jr. | President | April 2017          |
| Scott R. Britton        | Trustee   | April 2015          |
| Paul Detlefs            | Trustee   | April 2017          |
| John Hinkamp            | Trustee   | April 2017          |
| Michael Jenny           | Trustee   | April 2015          |
| Deborah Karton          | Trustee   | April 2017          |
| Philip O’C. White       | Trustee   | April 2015          |

## **OFFICIALS**

Todd Hileman, Village Manager, Village Clerk and Village Treasurer  
Donald K. Owen, Deputy Village Manager  
Amy L. Ahner, Director of Administrative Services  
Ron Amen, Chief Financial Officer

## **PROFESSIONAL SERVICES**

Eric G. Patt, Esq., Village Attorney, Glenview, Illinois  
Chapman and Cutler LLP, Bond Counsel, Chicago, Illinois  
Ehlers & Associates, Inc., Financial Advisors, Lisle, Illinois  
*(Other offices located in Roseville, Minnesota and Brookfield, Wisconsin)*

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the Village of Glenview, Cook County, Illinois (the "Village") and the issuance of its \$6,190,000\* General Obligation Bonds, Series 2013A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the ordinance authorizing the sale of the Bonds ("Bond Ordinance") to be adopted by the Board of Trustees on December 10, 2013.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Financial Advisor"), Lisle, Illinois, (630) 271-3330, the Village's Financial Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the link to the Bond Sales and following the directions at the top of the site.

\* Preliminary, subject to change.

## THE BONDS

### GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated the date of issuance thereof. The Bonds will mature on December 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2014, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the ordinance awarding the sale of the Bonds.

The Village has selected Wells Fargo Bank, National Association, Minneapolis, Minnesota, to act as bond registrar and paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

### TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth on the cover page. All dates are inclusive.

## **OPTIONAL REDEMPTION**

At the option of the Village, Bonds maturing on or after December 1, 2023 shall be subject to redemption prior to maturity on December 1, 2022 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to redemption. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, the Village or Bond Registrar will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by mailing a notice not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Paying Agent prior to the giving of a notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Paying Agent on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village will deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given and described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Paying Agent at the redemption price.

## **AUTHORITY; PURPOSE**

The Bonds are being issued by the Village pursuant to its home rule powers under Section 6 of Article VII of the 1970 Constitution of the State of Illinois. Proceeds of the Bonds will provide funds to finance (i) Village Hall relocation, including an addition to the existing Police facility, interior renovation and repurposing of space and (ii) costs of issuance.



**ESTIMATED SOURCES AND USES<sup>1</sup>**

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| <b>Sources</b>                |                    |                    |
| Par Amount of Bonds           | <u>\$6,190,000</u> |                    |
| <b>Total Sources</b>          |                    | <b>\$6,190,000</b> |
| <b>Uses</b>                   |                    |                    |
| Deposit to Project Fund       | \$6,100,480        |                    |
| Est. Finance Related Expenses | <u>89,520</u>      |                    |
| <b>Total Uses</b>             |                    | <b>\$6,190,000</b> |

**SECURITY**

The Bonds are general obligations of the Village, for which its full faith and credit has been irrevocably pledged, and are payable from ad valorem taxes levied upon all the taxable property in the Village without limitation as to rate or amount, except that the rights of the owner of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

**RATING**

General obligation debt of the Village, with the exception of any outstanding credit enhanced issues, is currently rated “Aaa” by Moody's Investors Service.

The Village has requested a rating on this issue from Moody's Investors Service, and bidders will be notified as to the assigned rating prior to the sale. Such a rating, if and when received, will reflect only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Moody's Investors Service. There is no assurance that such rating, if and when received, will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

**CONTINUING DISCLOSURE**

The Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Undertaking, including termination, amendment and remedies, are set forth in "THE UNDERTAKING" in Appendix D.

The Village has previously been required to deliver an undertaking pursuant to the Rule. The Village is in compliance with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal

---

<sup>1</sup> Preliminary, subject to change.

securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section(b)(5) of the Rule.

## **LEGAL OPINION**

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Chapman and Cutler LLP, Chicago, Illinois, bond counsel to the Village, and will accompany the Bonds. The legal opinion will state that the Bonds, to the amount named, are valid and legally binding obligations of the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

## **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of interest on the Bonds and the "bank qualified" status of the Bonds. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

## FINANCIAL ADVISOR

Ehlers has served as Financial Advisor to the Village in connection with the issuance of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.

## RISK FACTORS

Following is a description of possible risks to holders of these Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

**Taxes:** The Bonds of this offering are general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service should other revenue be insufficient.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Past and future actions of the State may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes.

**Ratings; Interest Rates:** In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Obligations for resale prior to maturity.

**Tax Exemption:** If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the state government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the Issuer with the covenants in the Bond Ordinance relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

**Continuing Disclosure:** A failure by the Village to comply with the Undertaking for continuing disclosure (see "Continuing Disclosure") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

**State Economy; Local Government Aids:** State cash flow problems could affect local governments and possibly increase property taxes.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced tax collections and/or increased demands upon local government.

# ILLINOIS PROPERTY VALUATIONS

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### REAL PROPERTY ASSESSMENT

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including such property located within the boundaries of the Issuer, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The Village is located in the North Tri and was reassessed for the 2010 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for residential and unimproved property to 25% for not-for-profit, industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above.

The additional assessment classifications are as follows:

| Class | Description of Qualifying Property  | Assessment Percentage  | Reverts to Class |
|-------|---|--|------------------|
| 6b    | Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties       | 10% for first 10 years and any 10 year renewal; If not renewed, 15% in year 11, 20% in year 12 | 5b               |
| C     | <u>Industrial</u> property that has undergone environmental testing and remediation                                     | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5a               |
|       | <u>Commercial</u> property that has undergone environmental testing and remediation                                     | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5b               |
| 7a/7b | Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development     | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5a               |
| 8     | Industrial properties in enterprise communities or zones in need of substantial revitalization                          | 10% for first 10 years and any 10-year renewal; If not renewed, 15% in year 11, 20% in year 12 | 5a               |
|       | <u>Commercial</u> properties in enterprise communities or zones in need of substantial revitalization                   | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5b               |
| 9     | New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones | 10% for first 10 years and any 10 year renewal   | As Applicable    |
| S     | Class 3 properties subject to Section 8 contracts renewed under the Mark to Market option                               | 10% for term of Section 8 contract renewal and any subsequent renewal                          | 3                |
| L     | Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings            | 10% for first 10 years and any 10-year renewal; If not renewed, 15% in year 11, 20% in year 12 | 3, 4, or 5b      |
|       | Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings                    | 10% for first 10 years, 15% in year 11, 20% in year 12   | 5a               |

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review, which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Also, property owners are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body.. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

## EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "EAV") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for the County for the last 10 tax levy years.

| TAX LEVY YEAR | EQUALIZATION FACTOR |
|---------------|---------------------|
| 2003          | 2.4598              |
| 2004          | 2.5757              |
| 2005          | 2.7320              |
| 2006          | 2.7076              |
| 2007          | 2.8439              |
| 2008          | 2.9786              |
| 2009          | 3.3701              |
| 2010          | 3.3000              |
| 2011          | 2.9706              |
| 2012          | 2.8056              |

## EXEMPTIONS

The Illinois Property Tax Code, as amended (the "Property Tax Code"), provides that certain property is exempt from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, use as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for assessment year 2009 and thereafter.



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

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2009, \$16,000 for assessment year 2010 and \$12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2009 and 2010, \$16,000 for assessment year 2011 and \$12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and 2011 and \$12,000 for assessment year 2012.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 per year, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum reduction is \$4,000. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption may be granted a pro-rata exemption for such assessment year based on the number of days during the assessment year that the property is so occupied.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$55,000. In general, this exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between (i) the current EAV of the residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Two exemptions are available to disabled veterans of the armed forces. Specifically, the Disabled Veterans' Exemption, may be applied annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs. In addition, the Disabled Veterans' Standard Homestead Exemption, provides an annual homestead exemption of (i) \$5,000 to those veterans with a service-connected disability of 75% and (ii) \$2,500 to those veterans with a service-connected disability of less than 75%, but at least 50%.

Also, the Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of \$5,000.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

## TAX LEVY

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the Village. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (the "Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

## EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

## COLLECTIONS

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in the County; the first installment penalty date has been the first business day in March for all such years.

| TAX LEVY YEAR | SECOND INSTALLMENT<br>PENALTY DATE |
|---------------|------------------------------------|
| 2003          | November 15, 2004                  |
| 2004          | November 1, 2005                   |
| 2005          | September 1, 2006                  |
| 2006          | December 3, 2007                   |
| 2007          | November 3, 2008                   |
| 2008          | December 1, 2009                   |
| 2009          | December 13, 2010                  |
| 2010          | November 1, 2011                   |
| 2011          | August 1, 2012                     |
| 2012          | August 1, 2013                     |

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Issuer promptly credits the taxes received to the funds for which they were levied.

Within 90 days of the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

#### TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

## CURRENT PROPERTY VALUATIONS

|  | <b>Valuation</b> |
|--|------------------|
| 2012 Estimated Market Value                | \$ 7,995,189,852 |
| 2012 Equalized Assessed Value <sup>1</sup> | \$ 2,665,063,284 |

## TREND OF VALUATIONS<sup>2</sup>

|                                     | <b>Levy Years<sup>2</sup></b> |                  |                  |                  |                  |
|-------------------------------------|-------------------------------|------------------|------------------|------------------|------------------|
|                                     | <b>2008</b>                   | <b>2009</b>      | <b>2010</b>      | <b>2011</b>      | <b>2012</b>      |
| Property Class:                     |                               |                  |                  |                  |                  |
| Residential                         | \$ 2,026,139,779              | \$ 2,198,443,085 | \$ 2,298,836,300 | \$ 1,763,765,871 | \$ 1,637,952,132 |
| Commercial                          | 638,159,198                   | 595,701,792      | 388,096,316      | 499,476,841      | 481,487,771      |
| Industrial                          | 248,243,038                   | 207,259,989      | 27,515,890       | 184,570,112      | 171,866,548      |
| Railroad                            | 221,084                       | 266,417          | 333,270          | 354,177          | 400,750          |
| Farm                                | 589                           | 368              | 368              | -                | -                |
| Net EAV for General Taxing Purposes | \$ 2,912,763,688              | \$ 3,001,671,651 | \$ 2,714,782,144 | \$ 2,448,167,001 | \$ 2,291,707,201 |
| Percent Change                      | 8.15%                         | 3.05%            | -9.56%           | -9.82%           | -6.39%           |
| TIF EAV                             | \$ 529,827,769                | \$ 523,900,898   | \$ 484,429,894   | \$ 435,312,537   | \$ 400,238,908   |
| Frozen Valuation                    | 26,882,825                    | 26,882,825       | 26,882,825       | 26,882,825       | 26,882,825       |
| TIF Net EAV                         | \$ 502,944,944                | \$ 497,018,073   | \$ 457,547,069   | \$ 408,429,712   | \$ 373,356,083   |
| Total EAV for All Taxing Purposes   | \$ 3,415,708,632              | \$ 3,498,689,724 | \$ 3,172,329,213 | \$ 2,856,596,713 | \$ 2,665,063,284 |

<sup>1</sup> Includes \$373,356,083 incremental valuation in the Village's tax increment financing district.

<sup>2</sup> Local assessors set the fair market value for all real property and railroad property not used for transportation purposes. Railroad property used for transportation purposes is assessed by the Illinois Department of Revenue.

**LARGER TAXPAYERS <sup>1</sup>**

| <b>Taxpayer</b>                                 | <b>Description</b>                                   | <b>2012 Equalized Assessed Value</b> | <b>Percent of Village</b> |
|---|--|--------------------------------------|---------------------------|
| CLF (formerly Grubb & Ellis)                    | Aon Insurance  | \$33,655,907                         | 1.26%                     |
| Kraft Foods                                     | Corporate Headquarters, Research Campus              | 32,435,474                           | 1.22%                     |
| Oliver McMillan LLC                             | Real Property  | 26,025,093                           | 0.98%                     |
| Astellas US Holdings                            | Commercial Property                                  | 23,755,871                           | 0.89%                     |
| Mid America Asset Management                    | Commercial Property                                  | 21,264,770                           | 0.80%                     |
| Thomson Reuters Pts (formerly Cole Real Estate) | Commercial Property                                  | 16,471,341                           | 0.62%                     |
| Abt Electronics                                 | Retailer/Consumer Electronics & Household Appliances | 15,234,484                           | 0.57%                     |
| ITW/Signode                                     | Corporate Headquarters/Commercial Tools              | 14,081,073                           | 0.53%                     |
| Vi (Classic Residence Hyatt)                    | Senior Residential                                   | 13,893,875                           | 0.52%                     |
| Anixter, Inc.                                   | Corporate HQ/Wire & Cable Distributor                | <u>13,734,590</u>                    | <u>0.52%</u>              |
|   |  | <u><u>\$210,552,478</u></u>          | 7.90%                     |

Note: Total Village 2012 valuation of \$2,665,063,284 (includes incremental valuation in the Village’s tax increment financing districts).

**Source:** Property Valuations and Larger Taxpaying Parcels provided by Cook County.

---

<sup>1</sup> Some of the taxpayers listed above may own multiple parcels. The valuations stated above for some of the taxpayers may not include all parcels or all classifications of property.



## **OTHER OBLIGATIONS**

\$1,095,199 Corporate Purpose Notes, Series 1997 (final payment date: September 1, 2019)

\$28,125,000 Short-term Loan to pay off Series 2009E Bonds (loan to be repaid from land sale proceeds) - See below

The Village issued \$27,940,000 General Obligation Bonds, Taxable Series 2006B for the purpose of acquiring 41 acres of land from the Navy (also known as Parcel 24) in The Glen (formerly the 1,121-acre Glenview Naval Air Station). The Village acquired Parcel 24 with the intention of reselling the property when appropriate redevelopment opportunities were available. The 2006B Bonds were paid at their maturity on December 1, 2009 from proceeds of the \$28,125,000 General Obligation Refunding Bonds, Taxable Series 2009E.

The Village has entered into a short-term (up to one year) Business Loan Agreement and Promissory Note, dated November 25, 2013, with Glenview State Bank, Glenview, IL, to provide funds to pay the December 1, 2013 maturity of the Series 2009E Bonds. The Village is in the process of selling Parcel 24 and anticipates \$22.1 million in land sale proceeds to be used in early 2014 to repay all but approximately \$6 million of the bank loan. The Village will finance the \$6 million remaining portion of the bank loan over five years, either through an extension of the bank agreement or through a sale of general obligation bonds.

**SCHEDULE OF BONDED INDEBTEDNESS**

(As of December 19, 2013)

| Fiscal Year<br>Ending 12/31 | Series 2004B             |          | Series 2006A |          | Series 2007A               |           | Series 2007B              |                           | Series 2009A             |                            | Series 2009D              |          | Series 2012A |           |
|-----------------------------|--------------------------|----------|--------------|----------|----------------------------|-----------|---------------------------|---------------------------|--------------------------|----------------------------|---------------------------|----------|--------------|-----------|
|                             | Dated<br>Amount          | Maturity | Principal    | Interest | Principal                  | Interest  | Principal                 | Interest                  | Principal                | Interest                   | Principal                 | Interest | Principal    | Interest  |
| 2014                        | 8/1/2004<br>\$22,315,000 | 12/1     | 1,225,000    | 49,000   | 12/15/2006<br>\$10,000,000 | 12/1      | 12/15/2007<br>\$5,000,000 | 12/15/2007<br>\$1,200,000 | 5/1/2009<br>\$26,300,000 | 10/15/2009<br>\$11,290,000 | 6/14/2012<br>\$18,090,000 |          |              |           |
| 2015                        |                          |          | 2,350,000    | 375,000  | 600,000                    | 66,338    | 130,000                   | 19,370                    | 1,095,000                | 1,380,000                  | 0                         | 211,750  | 0            | 604,800   |
| 2016                        |                          |          | 2,450,000    | 286,876  | 615,000                    | 45,338    | 130,000                   | 12,934                    | 1,125,000                | 1,370,000                  | 0                         | 177,250  | 0            | 604,800   |
| 2017                        |                          |          | 2,550,000    | 195,000  | 635,000                    | 23,812    | 130,000                   | 6,500                     | 1,155,000                | 1,365,000                  | 0                         | 136,150  | 0            | 604,800   |
| 2018                        |                          |          | 2,650,000    | 99,376   |                            |           |                           |                           | 1,190,000                | 1,360,000                  | 0                         | 95,200   | 0            | 604,800   |
| 2019                        |                          |          |              |          |                            |           |                           |                           | 1,225,000                | 1,360,000                  | 0                         | 54,400   | 0            | 604,800   |
| 2020                        |                          |          |              |          |                            |           |                           |                           | 1,270,000                |                            | 5,850,000                 |          | 604,800      |           |
| 2021                        |                          |          |              |          |                            |           |                           |                           | 1,310,000                |                            | 6,030,000                 |          | 429,300      |           |
| 2022                        |                          |          |              |          |                            |           |                           |                           | 1,360,000                |                            | 6,210,000                 |          | 248,400      |           |
| 2023                        |                          |          |              |          |                            |           |                           |                           | 1,410,000                |                            |                           |          |              |           |
| 2024                        |                          |          |              |          |                            |           |                           |                           | 1,460,000                |                            |                           |          |              |           |
| 2025                        |                          |          |              |          |                            |           |                           |                           | 1,520,000                |                            |                           |          |              |           |
| 2026                        |                          |          |              |          |                            |           |                           |                           | 1,580,000                |                            |                           |          |              |           |
| 2027                        |                          |          |              |          |                            |           |                           |                           | 1,645,000                |                            |                           |          |              |           |
| 2028                        |                          |          |              |          |                            |           |                           |                           | 1,715,000                |                            |                           |          |              |           |
| 2029                        |                          |          |              |          |                            |           |                           |                           | 1,785,000                |                            |                           |          |              |           |
| 2030                        |                          |          |              |          |                            |           |                           |                           | 1,860,000                |                            |                           |          |              |           |
| 2031                        |                          |          |              |          |                            |           |                           |                           |                          |                            |                           |          |              |           |
| 2032                        |                          |          |              |          |                            |           |                           |                           |                          |                            |                           |          |              |           |
| 2033                        |                          |          |              |          |                            |           |                           |                           |                          |                            |                           |          |              |           |
|                             |                          |          | 1,225,000    | 49,000   | 10,000,000                 | 1,331,252 | 390,000                   | 38,804                    | 22,705,000               | 6,835,000                  | 18,090,000                | 674,750  |              | 4,306,500 |
|                             |                          |          |              |          |                            | 135,488   |                           |                           | 8,202,298                |                            |                           |          |              |           |

continued on next page ...





## GENERAL OBLIGATION DEBT LIMIT

Pursuant to its population being in excess of 25,000, the Village became a home rule unit when the 1970 Illinois Constitution was adopted. As a home rule unit, the Village has no tax rate or debt limits, nor is it required to conduct a referendum to authorize the issuance of debt or to increase property taxes.

## OVERLAPPING DEBT<sup>1</sup>

| SCHOOL DISTRICTS:                       | as of Nov. 2013<br>Gross<br>Bonded Debt | Village's Applicable Share<br>of Gross Debt to be<br>Paid From Property Taxes |                |
|---|---|---|----------------|
|   |   | Percent   | Amount         |
| Elementary Districts:                   |   |   |                |
| Northbrook SD No. 30                    | \$ 380,201                              | 33.90%  | \$ 128,888     |
| West Northfield SD No. 31               | 1,645,000                               | 46.04%  | 757,358        |
| Glenview SD No. 34                      | 16,430,000                              | 89.23%  | 14,660,489     |
| Avoca SD No. 37                         | 2,031,277                               | 8.48%   | 172,252        |
| Wilmette SD No. 39                      | 14,900,000                              | 5.11%   | 761,390        |
| East Maine SD No. 63                    | 13,770,000                              | 4.33%   | 596,241        |
| Golf SD No. 67                          | 12,615,470                              | 8.99%   | 1,134,131      |
| High School Districts:                  |   |   |                |
| New Trier Township No. 203              | 16,111,456                              | 2.48%   | 399,564        |
| Maine Township No. 207                  | 11,000,000                              | 1.03%   | 113,300        |
| Niles Township No. 219                  | 156,868,952                             | 0.77%   | 1,207,891      |
| Northfield Township No. 225             | 87,802,885                              | 41.41%  | 36,359,175     |
| Community College:                      |   |   |                |
| Oakton No. 535                          | 25,540,000                              | 10.61%  | 2,709,794      |
| Total Schools                           |   |   | \$ 59,000,473  |
| <b>OTHER THAN SCHOOL DISTRICTS:</b>     |   |   |                |
| Cook County                             | \$ 3,616,435,000                        | 1.80%   | \$ 65,095,830  |
| Cook County Forest Preserve District    | 187,950,000                             | 1.80%   | 3,383,100      |
| Metropolitan Water Reclamation District | 2,177,297,899                           | 1.84%   | 40,062,281     |
| Park Districts:                         |   |   |                |
| Glenview                                | 12,145,000                              | 84.93%  | 10,314,749     |
| Northbrook                              | 7,990,000                               | 0.32%   | 25,568         |
| Glenview Special Service Areas          | 383,029                                 | 100.00%   | 383,029        |
| Total Other Than Schools                |   |   | \$ 119,264,557 |
| Total All Overlapping District          |   |   | \$ 178,265,030 |

<sup>1</sup> Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Village's share based on 2012 real property valuations. Excludes "alternate bonds" considered to be self-supporting from pledged non-property tax revenue sources.

## **DEBT PAYMENT HISTORY**

The Village has never defaulted in the payment of principal and interest on its debt.

## **FUTURE FINANCING**

The Village continuously reviews its debt service obligation and market conditions in conjunction with its financial advisor. At this time, however, the Village has no plans for additional financing in the next three months.

## TAX LEVIES, COLLECTIONS, AND TAX RATES

### TAX LEVIES AND COLLECTIONS

| Tax Year | Tax Extension | Collections to Date<br>and Back Taxes | Percent of Current<br>and Back Taxes<br>Collected to Date |
|----------|---------------|---------------------------------------|---|
| 2008/09  | \$15,858,539  | \$15,517,945                          | 97.85%  |
| 2009/10  | 17,136,858    | 16,833,867                            | 98.23%  |
| 2010/11  | 17,919,376    | 17,731,566                            | 98.95%  |
| 2011/12  | 18,561,309    | 18,294,554                            | 98.56%  |
| 2012/13* | 18,977,508    | 18,516,716                            | 97.57%  |

\* In Process of Collection

### REPRESENTATIVE TAX RATES

Following is a typical tax bill for a taxpayer living in Northfield Township tax code 25038 of the Village. Property tax rates are expressed in dollars per \$100 of Equalized Assessed Value.

| Fund                                    | 2008          | 2009          | 2010          | 2011          | 2012          |
|---|---------------|---------------|---------------|---------------|---------------|
| Corporate                               | 0.1736        | 0.1481        | 0.1620        | 0.1765        | 0.1881        |
| Bond and Interest                       | 0.0681        | 0.0680        | 0.0760        | 0.0844        | 0.0829        |
| Police Pension                          | 0.0395        | 0.0603        | 0.0650        | 0.0744        | 0.0725        |
| Fire Pension                            | <u>0.0682</u> | <u>0.0851</u> | <u>0.1050</u> | <u>0.1204</u> | <u>0.1385</u> |
| Total Village Rates                     | \$0.3494      | \$0.3615      | \$0.4080      | \$0.4557      | \$0.4820      |
| Cook County                             | \$0.4150      | \$0.3940      | \$0.4230      | \$0.4620      | \$0.5310      |
| Consolidated Elections                  | 0.0000        | 0.0210        | 0.0000        | 0.0250        | 0.0000        |
| Cook County Forest Preserve District    | 0.0510        | 0.0490        | 0.0510        | 0.0580        | 0.0630        |
| Metropolitan Water Reclamation District | 0.2520        | 0.2610        | 0.2740        | 0.3200        | 0.3700        |
| North Shore Mosquito Abatement District | 0.0080        | 0.0080        | 0.0090        | 0.0100        | 0.0100        |
| Suburban TB Sanitarium                  | 0.0000        | 0.0000        | 0.0000        | 0.0000        | 0.0000        |
| Northfield Township <sup>1</sup>        | 0.0480        | 0.0510        | 0.0600        | 0.0690        | 0.0790        |
| Glenview Public Library                 | 0.1950        | 0.2100        | 0.2530        | 0.3030        | 0.3470        |
| Glenview Park District                  | 0.4290        | 0.4220        | 0.4830        | 0.5380        | 0.5790        |
| School District Number 34               | 1.9090        | 1.8760        | 2.1600        | 2.4290        | 2.7060        |
| High School District Number 225         | 1.3830        | 1.3950        | 1.6090        | 1.8190        | 2.0280        |
| Community College District Number 535   | <u>0.1400</u> | <u>0.1400</u> | <u>0.1600</u> | <u>0.1960</u> | <u>0.2190</u> |
| Total Tax Rate                          | \$5.1794      | \$5.1885      | \$5.8900      | \$6.6847      | \$7.4140      |

**Source:** Tax Collections and Tax Rates have been furnished by Cook County

---

<sup>1</sup> Includes Northfield Township, General Assistance, and Road and Bridge.

# THE VILLAGE

## VILLAGE INFORMATION

The Village of Glenview (the "Village") is located in northern Cook County 20 miles from downtown Chicago in the second tier of communities west of Lake Michigan. Its immediate neighboring communities include Wilmette, Northfield, Northbrook, Golf, Morton Grove and Skokie. In 1872, the Milwaukee Railroad (the "Milwaukee Road") laid a single track through the area primarily to haul timber and supplies in connection with the reconstruction of Chicago after the Great Fire of 1872. A parallel track was constructed in 1892 in anticipation of increased travel to the 1893 Columbian Exposition in Chicago. Village residents adopted the name Glenview four years prior to the 1899 incorporation. Today, the Glenview railroad station offers METRA commuter service and serves the entire north and northwest suburban area as the only regular AMTRAK stop between Chicago and Wisconsin. A second commuter station opened in 2001 serving "The Glen" (former Glenview Naval Air Station) and other north suburban residents.

Population growth occurred slowly up to 1950 when the Census recorded 6,142 residents. Spurred by the opening of the Edens Expressway (Chicagoland's first expressway to the northern suburbs) along the eastern boundary of the Village, the population increased to 18,132 at the 1960 Census and to 37,093 at the 1990 Census. The 2000 Census recorded a population of 41,847 up 12.8% from the 1990 Census within the Village's 13.5 square miles. A Special Census was conducted in 2005 to account for growth within The Glen resulting in a population of 44,443. The Village's population at the 2010 Census was 44,692.

The strength of the Village of Glenview's local economy is apparent in the median family income figures from the 2009-2011 American Community Survey (ACS) which reported that the average income of Glenview residents exceeded the county and state averages. According to ACS, Glenview's 2009-2011 median family income was \$119,089, compared to \$63,810 for Cook County, \$67,892 for the State of Illinois, and \$62,735 for the United States.

## Economic Development

Of the Village's total 2012 equalized assessed valuation, 71.5% was classified as residential and 28.5% was commercial/industrial. The Village is primarily residential in character, though it has a significant commercial, corporate, and light industrial tax base, including the Corporate Headquarters of Illinois Tool Works (ITW), a Fortune 200 company which is expanding its corporate presence to include a 47-acre campus formerly occupied by Kraft USA; Signode Corporation, a division of ITW; the U.S. Headquarters of Astellas; Corporate Headquarters for Anixter Corporation, which took occupancy in April 2013 of a 62,000 s.f. addition to its corporate campus - a product of intergovernmental cooperation resulting in a Cook County 7b incentive; Corporate Headquarters for Beltone; Corporate Headquarters for Mead Johnson; Corporate Headquarters for North American Paper; Corporate Headquarters for Scott Foresman/Pearson Education; a large retail store and distribution facility for Abt Electronics with a 94,450 square foot warehouse addition proposed for construction in 2014; and the Kraft General Foods Technology Center, which occupies an 18-acre campus in downtown Glenview. In addition, the American College of Chest Physicians (ACCP) is constructing, on 5.25 acres, a new 48,000 s.f. Corporate Headquarters and educational facility which is on schedule for completion in early 2014; adjacent lots of 4.02 acres and 3.62 acres, in the Prairie Glen Corporate Campus are being marketed for similar developments.

Significant corporate and commercial areas in the Village include the North Shore Corporate Park, developed in 1996 to include 85 acres of light industrial buildings, which houses five owner-occupied and four multi-tenant office/warehouse buildings. Adjacent to the Corporate Park is the Heatherfield Commercial development, which includes a 70,000 square foot Jewel-Osco in a 115,000 square foot building with supporting retail, and the Willow Creek Center with a 135,510 square foot Target store, a 92,800 square foot Kohl's Department Store and between these stores an Office Max, Michael's Arts & Crafts and several outlots including a Pier One, eight national chain restaurants and a bank.

The Village has encouraged and approved substantial development along the Sanders Road corridor adjacent to the Illinois Tri State Tollway. In 2004, the Village annexed the 14 acre SBC (now AT&T) building site which houses a regional switching facility. In 2007, the Village annexed a 15.75 acre site housing the Caremark/CVS Corporation in two office buildings totaling 312,417 square feet. In 2008, the Village annexed the 40 acre site of the former Culligan Corporation and approved a redevelopment plan for the site. Construction of a headquarters office building (418,941 sq.ft.) on this site for anchor user, Astellas Pharma, US Inc., was completed in May 2012 and occupancy now exceeds 1000 employees. Other approved uses (revised from the 2008 Plan) include a 90,000 square foot Mariano's grocery store (construction to begin Spring 2014), a 40,000 square foot health club and a 16,000 square foot daycare - both currently under construction, 17,000 square feet of general retail facilities of which fewer than 5,000 square feet remain available, along with 290 multi-family rental residential units in a 483,359 square foot complex which are under construction with intended occupancy in Spring 2015. In May 2011, the Village annexed a 10-acre site and approved rezoning, preliminary subdivision and a variation for future use as a medical office development by owner Northwestern Memorial Hospital. While a facility has not yet been built on this site, Northwestern Memorial Hospital has opened a Glenview Outpatient Center in an existing 134,000 square foot building at 2701 Patriot Boulevard, which it purchased and partially occupies with 20-30 physicians providing primary care and specialty clinical services.

The Village completed a corridor study of Milwaukee Avenue in 2006 and several significant commercial developments have proceeded as a result of that planning project, including a 14,000 square foot building at 611 Milwaukee which was completed in 2009; a 28,000 square foot commercial center at 1615 Milwaukee which was also completed in 2009; and a 25,000 square foot commercial center at 1701 Milwaukee, which was completed earlier this year and now houses tenants including fast casual restaurants, a bank, and service uses; an adjacent hotel is also proposed for redevelopment into an extended stay hotel property. A former Marriott Fairfield Inn at 4514 West Lake Avenue, closed since June 2012, has been renovated and is reopening in December 2013 as a 130-room Best Western hotel property. At 600 Milwaukee Avenue, a 48,000 square foot international grocery store and nearly 30,000 square feet of additional retail, originally approved in 2008 and partially constructed, are proposed to resume construction beginning in 2014.

In 2009, the Village conducted a similar planning project for the Waukegan Road corridor. While focusing primarily on roadway improvements and traffic study concerns, several commercial properties, which had been available for redevelopment, including a vacant Avon distribution facility at Waukegan Road/Golf Road and a former Dominick's grocery store site, and a vacant former gas station site facility were identified and are now being redeveloped. Roadway improvements surrounding the intersection at Chestnut and Waukegan are on schedule for completion in 2013, using local and federal funds, as well as sales tax revenue from a new Business District which is providing partial funding for the private property improvements necessary for the intersection reconstruction to occur. Public and private cooperation has been key to this project which improves traffic flow and public safety as well as enhancing the redevelopment potential of adjacent properties which gain new access to a traffic signal.

In 2011, plans were submitted by Regency Centers, a national shopping center developer, for the 20-acre site formerly occupied by a 300,000 square foot Avon Corporation distribution facility near the intersection of Waukegan and Golf Roads. After revisions to address traffic concerns, it was determined that extraordinary off-site infrastructure improvements were needed, most of which are roadway improvements to address current and projected traffic. Regency requested financial assistance for the project and the Village agreed to support up to \$3,500,000 of the off-site infrastructure costs by taking the appropriate steps to establish a Tax Increment Finance ("TIF") District. The Waukegan Road/Golf Road TIF District was established in April 2013. Regency has received Village of Glenview approval for a 75,245 square foot Mariano's grocery store, 25,400 square feet of additional retail, a 4,500 square foot Chase bank, as well as 238 units of multifamily rental residential. Retail components are scheduled for completion in Spring 2015 and the apartments in Fall 2015.

In downtown Glenview, major projects under construction include a 44,000 square foot independent grocery store, Heinen's, based in Cleveland, Ohio, on the site of a vacant Dominick's grocery store; and a mixed-use project by Trammell Crow, comprised of 138 apartments and 9,000 square feet of retail being constructed on the site of two former office buildings, a vacant bank, and the Village's former headquarters Fire Station. Fire Department headquarters and operations, currently in temporary quarters, will remain in downtown Glenview in a new 14,116 square foot state-of-the-art facility to be constructed in 2014 at 1215 Waukegan Road, adjacent to the current Village Hall. Plans are under review for Village Hall operations to be relocated to the Glenview Police Station at 2500 E. Lake Avenue which would result in the current Village Hall site being offered for redevelopment in 2014/15.

Between 2010 and 2012, several other significant construction projects were completed including a 162,600 square foot addition to the Glenbrook Hospital; complete teardown and rebuilds for 2 McDonald's restaurants; a new 85,000 square foot Glenview Public Library; a 71,500 square foot expansion of Midwest Palliative Care's hospice pavilion designed to serve 1,000 patients per year, and a new 109,000 square foot office building for the General Board of Pension and Health Benefits of United Methodist Church.

### **The Former Glenview Naval Air Station**

In 1993, the Department of Defense ("D.o.D.") announced the closure of the 1,121-acre Glenview Naval Air Station ("GNAS") which was entirely within the Village corporate limits. To ensure that the property was expeditiously redeveloped, D.o.D. designated the Village as the Local Redevelopment Authority. In anticipation of a possible base closure, the Village Board adopted a Comprehensive Plan in 1990 which included a conceptual development scenario for GNAS that served as the basis for initial discussions regarding the redevelopment of GNAS. All flight operations ceased on March 1, 1995 and GNAS officially was closed on September 30, 1995.

A 93-acre site was retained by the Navy to house military personnel and their families who were stationed at the Great Lakes Naval Training Center in North Chicago, Illinois. The 93-acre site originally contained 400 housing units (140 constructed since 1994). The Navy has studied and reduced its housing needs over the past several years and recently determined that the number of units will decrease to 112. These units are now privatized (turned the maintenance and leasing responsibility for the units over to a private-sector firm). As a result of the reduction in units, 41 of the 93 acres were declared surplus to the needs of the Navy and were sold to the Village in 2007 for mixed use development. Proceeds of the General Obligation Bonds, Taxable Series 2006B provided funds for the land purchase.

A Request for Proposals (RFP) was issued by the Village in July 2012 for a sale of the entire 41 acres. The Village received strong response to the RFP for various uses including senior, single family, and multi-family market rate housing, as well as educational, institutional, and office uses. The Village recently approved a Purchase and Sale Agreement with two parties for the combined sale of the 41 acres. Their development proposals - for a 72,000 square foot/1527 seat church and 173 units of rowhomes/townhomes - are undergoing regulatory review and is expected to sell in early 2014.

Subsequent to the Village's purchase of the 41 acres in 2007, another 25 acres was purchased by Pulte Homes which received Village approval to construct 40 duplexes, 109 rowhomes, and 2 single family homes ("Regency at the Glen"), which are now constructed and largely occupied. Due in part to the strength of the housing market in Glenview and the particular success enjoyed at Regency at the Glen, Pulte also committed to building 9 single family homes on a 2-acre site on Lake Avenue in Glenview (not part of the GNAS) which are also largely completed and occupied. Toll Brothers is completing the final phase of its development, Patriot Commons at the Glen, also part of the former GNAS - 9.7 acres developed with 70 condominium units, 30 townhomes, and 20 flats.

The retail development north of Willow Road, also part of the former GNAS, has experienced significant new investment in 2012 and 2013. Costco Wholesale, formerly a tenant, opened in 2002, purchased its 148,663 square foot facility in 2012 for \$12.7 million, indicating a long-term commitment to Glenview. An adjacent 40,000 square foot auto dealership (Chrysler/Jeep/Dodge/Ram) is under construction with targeted completion in Spring 2014.

## **GNAS Redevelopment Procedure**

As the Local Redevelopment Authority, the Village's GNAS Land Use Committee conducted a series of public hearings in November and December, 1997 to consider certain land use refinements and on February 3, 1998 the Comprehensive Plan amendment incorporating the final Master Plan for GNAS was adopted.

The Village acted as the Master Developer of the entire site (hereinafter "The Glen") and was assisted by a real estate development/management firm (Mesirow Stein Real Estate, Inc., a division of Mesirow Financial), who served as development advisor. Additionally, the Village had the full cooperation of the elementary school districts, the high school district, the Glenview Park District and the Glenview Public Library (collectively the "core" governmental jurisdictions). A key step in the implementation phase was to establish a tax increment financing ("TIF") district for The Glen. Unlike the then existing general tax increment financing statutes in Illinois, the Economic Development Project Area Tax Increment Allocation Act of 1995 (effective January 1, 1996) automatically qualified closed military installations of 500 acres or more for establishing a TIF and allowed specific agreements for reimbursement of governmental costs from incremental revenues of the TIF. In Glenview's case, the incremental revenues include incremental property taxes and 80% of the proceeds of all land sales (20% has been retained by the Village as a developer fee). In April 1998, intergovernmental agreements were executed with the core jurisdictions to reimburse them for their operating costs attributable to the redevelopment. The 2012 core jurisdiction payments totaled \$16,694,295 which represents approximately 64% of the total TIF property tax revenue received in 2012 in the amount of \$26,283,659. Additionally, the Village has agreed to and is paying \$225,000 per year to the Metropolitan Water Reclamation District of Greater Chicago (not a core jurisdiction) during the life of the TIF.

## **The Redevelopment Plan - Infrastructure Improvements**

In January, 1998, the Village awarded construction contracts in the amount of \$22.8 million for the purpose of constructing the on-site Phase I infrastructure improvements which included the removal of some 300 acres of concrete and/or asphalt runways/aprons, the construction of the east collector road (Chestnut Avenue) and half of the north south collector road (Patriot Boulevard) with attendant underground utilities and the excavation of the 45 acre lake site which, in addition to providing recreational amenities for the entire Village, also serves as a centralized storm water detention area for the development and offers long needed, overbank flooding protection for two downstream residential areas in the Village. On-site Phase II through V improvements included the demolition of some 1,000,000 square feet of buildings and completion of roads and utilities to serve the entire site. The Village constructed off-site infrastructure improvements which will also serve The Glen. On April 21, 1998, the Village awarded a \$7.3 million contract for the construction of a 6 million gallon off-site water reservoir which was completed in 2001. The total on-site and off-site improvement cost is projected at approximately \$185.5 million and approximately \$38 million is attributable to off-site improvements directly relating to the development. In conjunction with the redevelopment of Parcel 24, the Village, in cooperation with the developers, will be completing infrastructure improvements including construction of a regional storm sewer and two traffic signalizations at nearby intersections.

## **The Redevelopment Plan - Public Development**

The 1,121-acre site includes 472 acres of public lands including: the previously discussed 93 acres of Navy Housing; Gallery Park, a 141.8-acre great park which includes the 45-acre Lake Glenview and a 56.1-acre public use campus which includes the \$25 million Attea Middle School (opened in August, 2003) and the Glenview Park District's \$25 million community center (opened in January 2001); a \$3.4 million Metra Commuter Station with 1,500 parking spaces; a 39.3-acre nine hole golf course for the Glenview Park District; 58.6 acres for road right of way and drainage; a 20-acre fire and police training academy; a 32-acre prairie preserve; a 12-acre Village services campus; 2 acres of homeless housing; a fire station; a police station; a U.S. Post Office and approximately 50 acres of miscellaneous public related development.



## **The Redevelopment Plan - Private Development**

On April 15, 1998, the Village issued its Request for Proposals for development of 649 acres of non-public use lands which were divided into 23 separate parcels designated as single family residential (205.8 acres), multiple family residential (50.6 acres), retail (46.8 acres), mixed use retail (33.1 acres), office/warehouse/light industrial (85.7 acres), senior housing (38.1 acres), an 18-hole championship golf course (180.0 acres) and sports/leisure/entertainment (8.9 acres). Total contractual land sales to date are approximately \$226.1 million. The Village's projections, assuming moderate growth of the TIF, call for build-out within the next three years and complete payment and/or provision for payment of all redevelopment costs (including debt service) by 2022.

A key project within The Glen is a 45-acre parcel called The Glen Town Center. It was developed by Oliver-McMillan, of San Diego, and is a \$135 million mixed use retail center consisting of 470,000 square feet of upscale retail including a 160,000 square foot Von Maur Department store, an 80,000 square foot Dick's Sporting Goods, a 10 screen Regal cinema, 154 townhomes, 181 luxury apartments and several restaurants. The focal point of The Glen Town Center is a adaptive reuse of historic "Hangar One", which includes the retention of the control tower and portions of the north and south facades of the hangar. Adaptive uses include a Von Maur store on one end, Dick's on another end and multiple retail in the middle. Hangar One fronts the new Main Street and backs up to The Glen Club, an 18-hole "Fazio" golf course owned by Kemper Sports. The Village funded certain infrastructure improvements for The Glen Town Center including two parking decks (approximately 1,600 spaces) and public streets. The project opened in the third quarter of calendar year 2003.

There are three other retail areas including a 388,000 sf power center anchored by Costco, Home Depot, and Harley Davidson, a 114,300 square foot neighborhood center anchored by a Dominick's grocery store (intended to become a Jewel Food Store in late December 2013), and a 32,900 square foot convenience retail center anchored by Egg Harbor and D'Agostino's restaurants.

The sale of 85.7 acres of office and light industrial land to ProLogis/Catellus, now known as the Prairie Glen Corporate Campus, has resulted in the development of several large office buildings, including two multi-tenant buildings of 123,000 and 134,000 square feet respectively, the latter housing the 67,000 square foot corporate headquarters of Mead Johnson and the Northwestern Memorial Outpatient Center. Other key buildings within the Prairie Glen campus include the headquarters buildings of Anixter International Corporation (170,000 square feet original + 62,000 square foot addition occupied by 150 additional employees in 2013) and Beltone (48,900 square feet), as well as a 120 unit Staybridge Suites extended stay hotel, two large daycare facilities and many smaller office buildings.

Additionally in 2013, the American College of Chest Physicians began construction and is nearing completion of its new 48,000 sq ft corporate headquarters and training facilities in the campus.

There are 2,137 residential units, including 635 single-family homes, 826 multi-family units, and three senior housing developments containing 676 units.

## **The Redevelopment Financing**

In 1995, the Village sold \$60,000,000 General Obligation Bond Anticipation Bonds. Maturities of the Bond Anticipation Bonds were scheduled for December 1, 1996-1999, based on the expectation that title to the land would be transferred to the Village from the U.S. Government within one year or by early in calendar year 1996. Land sales by the Village and tax revenues were expected to produce sufficient cash flow to pay the Bond Anticipation Bonds as they matured. Bond proceeds were used to capitalize interest on each maturity and to provide funds for the proposed infrastructure projects and/or the purchase of land from the U.S. Government. The December 1, 1996 Bond Anticipation Bond maturity was paid from the proceeds of the \$8,435,000 General Obligation Bonds, Series 1996. The December 1, 1997 Bond Anticipation Bond maturity was paid from cash on hand. The December 1, 1998 Bond

Anticipation Bond maturity was paid from cash on hand and bond proceeds [2009D refunding]. The December 1, 1999 Bond Anticipation Bond issue's final maturity was paid from land sale proceeds. These bonds are fully paid off.

In addition to the net proceeds of the Series 1995 Bond Anticipation Bonds, the Village has received approximately \$20 million in Federal/State/County grants.

Proceeds of the \$34,400,000 General Obligation Bonds, Series 1998 [2005 refunding and 2012C refunding] provided supplemental funds to complete the construction of Phase I infrastructure and to advance certain Phase II construction costs. The demolition of approximately one million square feet of buildings was funded from land sale proceeds. Bond proceeds included an amount equal to a one year's debt service reserve plus capitalized interest for approximately 36 months. The \$41.8 million Series 2001 Bonds [2011 refunding] were issued for infrastructure projects at The Glen. The \$25 million Series 2004A Bonds [2012A refunding] were issued for additional infrastructure projects at The Glen. The \$10 million Series 2006A and \$27,940,000 Series 2006B [2009E refunding] were issued for additional infrastructure improvements at The Glen and for the 41-acre land acquisition from the Navy, respectively.

The Village has approximately \$70,780,000 of Glen related debt outstanding which is scheduled to be fully retired in 2021.

### **The Glen Tax Increment Financing District**

On May 5, 1998 the Village adopted: (1) an ordinance approving the Glenview Naval Air Station Economic Development Plan; (2) an ordinance establishing the Glenview Naval Air Station Economic Development Project Area; and (3) an ordinance authorizing tax increment financing for the Glenview Naval Air Station Economic Development Project Area of the Village.

The TIF totals 1,360 acres and includes the 1,121 acres that previously encompassed GNAS plus 239 acres of largely underdeveloped/undeveloped industrial acreage adjacent to The Glen on the east side. The 1,360 acres had a certified initial equalized assessed valuation of \$26,882,825. The TIF 2012 equalized assessed valuation was \$400,238,908.

The incremental property tax revenues are the product of the current tax rate times the incremental valuation, and are deposited into the Special Tax Allocation Fund (the "STAF"). The Village has determined that it will make available 80% of the land sale proceeds from The Glen (the Village has received title to all 1,121 acres except approximately 52-acres in the Navy Housing area and then resold approximately 650 acres) for purposes of the STAF. If the TIF District remained in place for the entire 23 year period permitted by the authorizing statute and the build-out occurs within the projected 15 years, approximately \$600 million would be generated in incremental tax revenues.

### **Municipal Government and Services**

The Village is a home rule unit under the 1970 Illinois Constitution. The Village has operated under the Council-Manager form of government since 1931. The governing and legislative body consists of a President and a Board of six Trustees all elected on an at-large basis. The appointed Village Manager is responsible for the day-to-day operations of the Village.

The Village has a modern complement of public buildings. The Police Administration Building constructed in 1972-1973 was replaced in June 2006 by a building constructed from the proceeds of the Series 2004B. The Fire Headquarters was constructed in 1974 and is scheduled to be replaced with new construction in 2014. Two additional stations (Fire Stations Nos. 13 and 14) were completed in 2004. Fire Station No. 7 was completed in mid-year 2009 (\$2.9 million total cost paid from funds on hand). Lastly, Fire Station No. 8 was rehabilitated in 2012. The Village Hall was constructed in 1980 and is planned for relocation in 2014. The Public Library was constructed in 1955, doubled in size in 1967-1968 and again doubled in size in 1984-1986. The Village entered into an intergovernmental agreement with the Library in which the Village agreed to issue general obligation debt to provide the Library with

up to \$26.3 million to fund a building program at its current location in downtown Glenview. This 85,000 s.f. project was funded with proceeds of the Series 2009A Bonds and was completed in 2011. The Public Works complex and the Police Headquarters building are adjacent to The Glen.

In 1993, the Village annexed a site on its extreme southwestern edge upon which the Solid Waste Agency of Northern Cook County (a consortium of 23 member municipalities including the Village) constructed a \$17.5 million transfer station for residential refuse disposal purposes. The transfer station serves the Village and 12 of the member municipalities. The solid waste transfer station is separated from Village residential areas by Cook County Forest Preserve lands and the Illinois Tollroad. As host community, the Village receives certain financial benefits.

On September 1, 1992 the Village and the Glenbrook Fire Protection District completed an agreement to merge the District into the Village. As a result, the Village's fire department provides fire related protective services to residents both within the corporate boundaries and adjacent unincorporated areas including a combined service area of 22 square miles. The Village is compensated for serving the unincorporated areas by revenues generated from a real estate tax imposed specifically on that unincorporated area.

The Fire department is also responsible for the Village's paramedic program which uses mobile intensive care units. On July 1, 2008, the Village started collecting Ambulance Fees. The excellence of the fire department and the Village's water system is evidenced by the Village's very favorable Class 3 "ISO" fire insurance rating, which was reaffirmed in 2012. The Village's "enhanced" 911 emergency dispatch system became operational on March 1, 1992. During 2006 and 2007, the Village undertook a complex consolidation of its separate Police and Fire dispatching operations to improve service and generate efficiencies. Additionally during this time period, the Village Board invested in and deployed technology upgrades to the Village's Computer Aided Dispatching (CAD) system, Police and Fire records management databases, and Police and Fire mobile computing with the objective of providing the departments with modern communications, improved data management capabilities, and measurement tools for performance accountability.

After two-and-a-half years of significant work effort and investment, Glenview Public Safety Dispatch (GPSD) has become one of the leading independent dispatching centers in the Chicago metropolitan area. The center has become a model for what cooperation between Police and Fire Departments can accomplish by working together. This consolidation has made both departments stronger in service delivery and has been a significant step forward towards management of finite economic resources. GPSD is the first point of connection to Glenview citizens when help is needed. GPSD is now prepared better than ever to provide high level support to Police and Fire operations on a 24 hour, seven-day-a-week basis.

Since 2009, the Village has entered into several intergovernmental agreements to provide police dispatch services. The initial agreement occurred in February 2009 as the Village entered into a 7-year agreement with the Village of Grayslake ("Grayslake") beginning in October 2009. By expanding existing technology currently used by both municipalities and making one-time capital investments, this cross-county intergovernmental initiative will provide an improved service level to Grayslake residents and the Grayslake Police Department, while maximizing the capital investments already made by the Village. In July 2010, the agreement with Grayslake was enhanced by adding services to the Village of Hainesville, a residential community south of Grayslake. In 2012, the Village of Morton Grove and the Village of Niles entered into 5-year agreements with the Village to dispatch their Police Departments.

This intergovernmental solution is highly cost-effective. Technology innovations, such as radio equipment improvements and Next Generation 911 (which in the future will allow citizens to text message and e-mail 911 centers), reflect the rapidly-rising costs of delivering high-quality, state-of-the-art public safety dispatch services—making it increasingly difficult for single-agency public safety answering points (PSAPs) to shoulder the cost burden. By regionalizing 911 PSAPs, the Village and contracting agencies listed above will share the costs of providing 911 dispatch services, rather than burdening each agency's taxpayers. In an effort to improve on these cost savings, the Village will continue to seek additional agencies that would benefit from consolidation.

The Northeastern Illinois Public Safety Training Academy was created in 1997 as a joint venture of municipalities and public agencies. It operates a multiregional public safety training facility located on a 20 acre site at The Glen which it has leased from the Village. The Agency has 25 member communities primarily from Chicagoland's north and northwest suburbs.

## **Water System**

The Village has purchased Lake Michigan water from neighboring Wilmette since 1938 and the present contract for water, which was amended in 1999, extends through 2020. The amendment to the Wilmette contract provides that Wilmette will supply the water needs of The Glen and in consideration thereof the Village funded a \$6.26 million improvement project at the Wilmette water plant. In addition to the 44,000 Village residents served by the system, the Village also sells water to approximately 83,000 persons outside the Village (including a population of 20,000 served by Illinois American Water Company previously known as Citizens Utilities of Illinois-see below). In the late 1970's, the Village purchased two private water companies serving parts of the Village that had been annexed and under development since the early 1970's and a significant unincorporated area, the latter of which, for all practical purposes, was fully developed. The Village's agreement with Wilmette was amended to enable the Village to substitute Lake Michigan water for the poor quality well water of the new service area. The funding of the acquisition and upgrading of the two private water companies and the construction of the transmission main to bring lake water from Wilmette came from General Obligation Bonds, the debt service of which was paid with revenues from the benefited areas. Upon the acquisition of the private water companies, the Village adopted a water policy that required a new customer to annex if contiguous to the Village and if not contiguous to sign an agreement to annex when contiguous. This policy has required the development of all properties that inevitably would be in the Village to be built to the Village's life-safety codes. Subdivision-type developments in this area are required to construct their infrastructure comparable to Village design standards.

Other potential customers along Sanders Road also in unincorporated Northfield Township (now using well water) include the Allstate Insurance Company. It includes all of Allstate's Corporate offices, the Headquarters for its Life Insurance and Property and Casualty subsidiaries and data processing for all of Allstate. The campus consists of 1,878,000 square feet of office space along both sides of Sanders Road. In late 2000, Allstate expanded into an adjacent 361,071 square foot office building on a 65-acre site previously owned and operated by Accenture. The Allstate complex is contiguous to the Village. These unincorporated properties along with the former corporate headquarters of Household International are also included in the area which now receives fire protection services from the Village.

In the early 1980's Citizens Utilities Company of Illinois (now known as Illinois American Water Company) obtained an allocation of Lake Michigan water from the Illinois Department of Natural Resources and requested that the Village sell it Lake Michigan water for distribution to its service area west of Glenview. That area includes approximately 4,953 customers (population of approximately 20,000) in a 4 square mile service area including parts of Mount Prospect, Prospect Heights, and certain unincorporated areas. The Village and Illinois American Water Company entered into an agreement (the Water Supply Agreement) dated March 1, 1984 (subsequently amended) for Illinois American Water Company to purchase its total supply of Lake Michigan water from the Village through September 30, 2020. The Agreement provided for the Village to design and construct the water transmission line and appurtenances and to fund the cost thereof with a 20 year bond issue.

In 1997, the Village purchased the assets of a private water company (proceeds came from \$6,175,000 General Obligation Bonds, Series 1997 [2003A refunding] and \$2,850,000 1997 Note) which serves a population of approximately 40,000 in a primarily unincorporated area of Maine Township adjacent to the Village. The Village has abated and intends to continue to abate taxes levied for the bonds and note issued for the acquisition with water and sewer revenues from the acquired service area.

## **Home Rule and Village Finances**

Pursuant to its population being in excess of 25,000, the Village became a home rule unit when the 1970 Illinois Constitution was adopted. As a home rule unit, the Village has no tax rate or debt limits, nor is it required to conduct a referendum to increase property taxes or to authorize the issuance of debt.

In 1979, the Village created its Capital Equipment Replacement Fund ("CERF") to serve as a funded depreciation account for all capital equipment having a useful life of more than one year and having a value of \$5,000 or more at the time of purchase. Current replacement cost of each item is used in determining the charge to each department and a cash interfund transfer is made monthly. The creation of CERF has served to eliminate surges in expenditures funded from current revenues to cover major equipment purchases. As of December 31, 2012, CERF had a cash and investment balance of \$4,270,406. The Village created a similar Facilities Replacement Fund in fiscal year 2006 (total cash and investments of \$4,887,935 at December 31, 2012).

On February 21, 1983 (revised March 1985, January 1990, March 1996, January 2000, February 2005 and May 2009), the Village adopted a Cash Control and Investment Policy that, among other things, provides that all cash and investments must have security in the form of either insurance or collateral (U.S. Governments, Federal Instrumentalities, Federal Agencies, obligations of the State of Illinois or the Village) with pledged collateral either held by the Village or in safekeeping and evidenced by safekeeping documentation.

The Village has never resorted to tax anticipation financing and to ensure against same and at the same time protect against unforeseen expenditures, the Village maintains a Fund Balance in the General Fund between 30% and 40% of Total Expenditures including Transfers Out. The audited Fund Balance in the General Fund was \$25,760,086 at December 31, 2012. Total Expenditures including Transfers Out for Fiscal Year 2012 were \$54,504,280. The Fund Balance was therefore 47% of Total Expenditures including Transfers Out.

Excellence of the Village's financial reporting has been recognized for thirty consecutive years (1982 to 2011) by having received the Government Finance Officers' Association's (GFOA) Certificate of Achievement. The significance of the GFOA's award is emphasized by their statement . . . "The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting and its attainment represents a significant accomplishment by a governmental unit and its management." The Village also received the Distinguished Budget Presentation Award for its fiscal year 2008 - 2013 budget documents.

## **Pension Fund Obligations**

The Village is required by State law to annually provide funds sufficient to accumulate the actuarial requirements of its pension fund obligations. The amounts necessary to fund the Police and Fire obligations have been determined for the Village by a qualified actuary, as described in the Illinois Pension Code. As of December 31, 2011, the Firefighters' Pension Fund actuarial value of assets was \$53,317,305 which was 67.24% of the actuarial accrued liability ("AAL"). The Police Pension Fund actuarial value of assets was \$53,944,719 and was 85.12% of the "AAL". Per Illinois legislation signed into law in January 2011, by the year 2040, the Village's contributions for the Police and Fire Pension Systems must accumulate to the point where past service cost for the systems is 90% funded. Other full-time municipal employees are covered by the Illinois Municipal Retirement Fund (IMRF). As of December 31, 2012, the IMRF actuarial requirements were 65.56% funded (liabilities exceeded assets by \$15,199,892). The IMRF annually determines the contribution rate necessary to provide full funding of the unfunded prior service costs, including interest, over a 30 year period. Pension tax rates are set out in the table of tax rates herein.

## **Schools and Other Governmental Services**

Within the Village limits are seven elementary public schools, two middle schools, and a senior high school (Glenbrook South). The majority (69.5% by valuation) of the Village is served by Glenview Elementary (K-8) School District No. 34. The District operates three primary grade schools (K-2), three intermediate schools (3-5) and two middle schools (6-8). In 2003, the District completed construction of a \$25.0 million new middle school on a 17.3 acre site at The Glen and located in the 142 acre great park.

Northfield Township High School District Number 225 serves 91.02% of the Village's valuation. The District's two high schools are in Glenview and in neighboring Northbrook. Three parochial elementary schools are in the Village and the campus of Loyola Academy, a parochial coed high school, is within one-half mile of the Village with its athletic practice fields at a 60 acre site in the Village.

Public recreational needs in the Village are provided by the Glenview Park District (separate Municipal Corporation established in 1927). The District's impressive array of facilities and programs has earned it two National Gold Medal Awards for Excellence in the Field of Parks and Recreation Management in the national competition approved by the National Recreation and Park Association and the Sports Foundation, Inc. These Awards cite the District's "continued pursuit of excellence" and the "professionalism which distinguishes its management". The District maintains close to 800 acres including more than 606 acres owned by the District and 165 acres of leased school grounds. The District's special facilities include: a 110-acre, 18-hole golf course with a restaurant offering daily food service and a banquet facility; a 39 acre, 9-hole golf course; an ice center with a full size 85 foot by 200 foot rink (plus an instructional rink) with a concession area and spectator seating for 800 persons; an 8-court indoor tennis facility and two outdoor swimming pools. The District also operates several historical, nature and interpretive centers including The Grove, a 123 acre nature preserve of woods, ponds and trails with four restored buildings including a replica of a school that served the area in 1853 all of which form this National Historic Landmark; Wagner Farm, an 18.8 acre farm dating from the 1840's and converted into a demonstration working farm for educational purposes; Evelyn Tyner Center and Air Station Prairie, a 3,000 square foot educational building which is a showcase for green technology situated on a 32.5 acre native prairie and Schram Memorial Museum, the former navy chapel of the Glenview Naval Air Station. In January 2001, the District's 165,000 square foot (\$25.0 million) community building was opened at The Glen's 142 acre great park (Gallery Park). The community building includes a health club, an indoor aquatic complex, large and small gymnasiums, senior program space, banquet facilities, an early childhood wing, a cultural arts wing and a 10,000 square foot healthcare facility operated by North Shore University Healthcare.

The recreational efforts of the District are supplemented by a total of 1,131 acres of Cook County Forest Preserves in and adjacent to the Village with both bridle and bicycle paths, picnic areas, etc. along both the eastern and western edges of the Village. In addition to the Park District's two golf courses (an 18-hole and a 9-hole) and the 18-hole "Glen Club" course, within the Village there is one private 18-hole country club, and one private 18-hole executive golf course as a part of a sports club which also includes a clubhouse, tennis courts, paddle tennis courts, an indoor swimming pool and a beach at the 38-acre lake.

## **EMPLOYEES AND UNIONS**

The Village employs a staff of 293.95 full-time equivalent employees.

Other recognized and certified bargaining units include:

| <b>Bargaining Unit (No. of Employees)</b> | <b>Contract Status</b> |
|---|------------------------|
| Firefighters (75)                         | expires 12/31/2014     |
| Police (51)                               | expires 12/31/2015     |
| Public Works (33)                         | expires 12/31/2014     |
| Public Safety Dispatch (19)               | expires 12/31/2014     |

## **LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS**

The Village provides post employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. See Note 12 of the Village's Annual Financial Report in Appendix A for full details.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds. The Village's Attorney reports that any litigation and claims currently pending against the Village are being handled by the Village's insurance carrier or outside counsel and will not affect the issuance or payments of the Bonds.

## SUMMARY FINANCIAL INFORMATION

Following are summaries of revenues and expenditures for the Village's Governmental Activities for the past five fiscal years. These summaries are not purported to be the complete audited financial statements of the Village. The audits have been prepared in accordance with generally accepted accounting principles. Copies of the complete statements are available upon request. See Appendix A for excerpts from the Village's 2012 financial statements, including the Notes to Financial Statements for fiscal year 2012.

### Statement of Net Position Governmental Activities

FISCAL YEAR ENDING DECEMBER 31

|                                 | 2008          | 2009           | 2010           | 2011           | 2012          |
|---------------------------------|---------------|----------------|----------------|----------------|---------------|
| <b>ASSETS:</b>                  |               |                |                |                |               |
| Current Assets:                 |               |                |                |                |               |
| Cash and Investments            | \$ 84,247,024 | \$ 77,454,638  | \$ 71,296,420  | \$ 68,866,619  | \$ 68,518,240 |
| Receivables, net of allowances: |               |                |                |                |               |
| Tax                             | 16,073,405    | 17,039,444     | 19,330,065     | 18,348,850     | 18,478,299    |
| Account                         | 10,443        | 50,775         | 37,857         | 65,213         | 465,919       |
| Other                           | 2,390,619     | 2,449,097      | 2,992,475      | 2,283,377      | 705,294       |
| Deposits                        | 1,397,791     | 0              | 0              | 0              | 0             |
| Prepaid Expenses                | 211,512       | 282,739        | 210,517        | 172,910        | 1,161,354     |
| Inventory                       | 324,287       | 313,825        | 419,173        | 399,371        | 519,397       |
| Land Held for Resale            | 30,530,693    | 30,391,262     | 30,391,262     | 30,391,262     | 30,391,262    |
| Internal Balances               | 141,249       | 60,378         | 0              | 3,684,298      | 3,211,647     |
| Due from Pension Trusts         | 1,377         | 0              | 0              | 0              | 0             |
| Due from Other Governments      | 2,269,909     | 2,317,691      | 899,185        | 94,002         | 92,513        |
| Advance (to)/from Other Funds   | 0             | 7,710          | 0              | 0              | 0             |
| Total Current Assets:           | \$137,598,309 | \$ 130,367,559 | \$ 125,576,954 | \$ 124,305,902 | \$123,543,925 |
| Non Current Assets:             |               |                |                |                |               |
| Deferred Charges                | \$ 241,195    | \$ 231,212     | \$ 197,099     | \$ 201,804     | \$ 171,772    |
| Notes Receivable                | 894,386       | 188,199        | 3,619,134      | 22,628         | 1,958,667     |
| Net Pensions Asset              | 605,085       | 960,193        | 2,008,434      | 3,076,062      | 3,025,402     |
| Capital Assets:                 |               |                |                |                |               |
| Not Being Depreciated           | 67,941,223    | 68,006,271     | 62,802,555     | 62,081,489     | 62,174,496    |
| Net of Accumulated Depreciation | 138,896,699   | 139,219,904    | 140,865,855    | 139,486,826    | 138,193,470   |
| Total Non Current Assets        | 208,578,588   | 208,605,779    | 209,493,077    | 204,868,809    | 205,523,807   |
| Total Assets                    | \$346,176,897 | \$ 338,973,338 | \$ 335,070,031 | \$ 329,174,711 | \$329,067,732 |



**FISCAL YEAR ENDING DECEMBER 31**

| <b>LIABILITIES:</b>                                | <b>2008</b>               | <b>2009</b>               | <b>2010</b>               | <b>2011</b>               | <b>2012</b>              |
|--|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| <b>Current:</b>                                    |                           |                           |                           |                           |                          |
| Accounts Payable                                   | \$ 7,138,195              | \$ 6,341,204              | \$ 16,764,090             | \$ 17,092,583             | \$ 18,269,637            |
| Accrued Payroll                                    | 162,309                   | 215,792                   | 193,803                   | 345,955                   | 621,394                  |
| Accrued Interest Payable                           | 446,098                   | 363,420                   | 314,402                   | 277,602                   | 225,057                  |
| Claims Payable                                     | 1,304,140                 | 2,011,679                 | 3,195,069                 | 3,188,986                 | 1,802,990                |
| Other Payables                                     | 77,607                    | 1,304,085                 | 256,406                   | 586,483                   | 5,464,877                |
| Unearned Revenues/Deferred Prop. Taxes             | 9,876,401                 | 10,609,573                | 11,146,614                | 11,011,917                | 10,975,566               |
| Other Unearned Revenues                            | 0                         | 0                         | 0                         | 0                         | 0                        |
| Due to Other Governments                           | 0                         | 0                         | 0                         | 0                         | 0                        |
| Due to Component Unit - Library                    | 218,198                   | 0                         | 0                         | 0                         | 0                        |
| Refundable Deposits                                | 154,443                   | 0                         | 0                         | 0                         | 0                        |
| <b>Total Current Liabilities:</b>                  | <b>\$ 19,377,391</b>      | <b>\$ 20,845,753</b>      | <b>\$ 31,870,384</b>      | <b>\$ 32,503,526</b>      | <b>\$ 37,359,521</b>     |
| <b>Non Current:</b>                                |                           |                           |                           |                           |                          |
| Other Non Current Liabilities                      |                           |                           |                           |                           |                          |
| Due Within One Year                                | \$ 37,793,076             | \$ 9,810,013              | \$ 10,871,305             | \$ 10,680,754             | \$ 31,275,945            |
| Due in More than One Year                          | <u>92,894,672</u>         | <u>111,820,537</u>        | <u>101,714,284</u>        | <u>91,133,698</u>         | <u>62,245,045</u>        |
| <b>Total Non Current Liabilities</b>               | <b><u>130,687,748</u></b> | <b><u>121,630,550</u></b> | <b><u>112,585,589</u></b> | <b><u>101,814,452</u></b> | <b><u>93,520,990</u></b> |
| <b>Total Liabilities</b>                           | <b>\$150,065,139</b>      | <b>\$ 142,476,303</b>     | <b>\$ 144,455,973</b>     | <b>\$ 134,317,978</b>     | <b>\$130,880,511</b>     |
| <b>NET POSITION:</b>                               |                           |                           |                           |                           |                          |
| Invested in Capital Assets,<br>net of Related Debt | \$ 78,477,141             | \$ 87,607,488             | \$ 93,936,562             | \$ 102,217,913            | \$109,488,722            |
| <b>Restricted:</b>                                 |                           |                           |                           |                           |                          |
| Street Improvements                                | 762,480                   | 867,940                   | 1,146,003                 | 952,726                   | 1,084,042                |
| Debt Service                                       | 1,203,743                 | 0                         | 0                         | 0                         | 139,678                  |
| Economic Development                               | 0                         | 0                         | 0                         | 0                         | 3,046,893                |
| Public Safety                                      | 656,144                   | 461,711                   | 383,098                   | 360,811                   | 341,136                  |
| Capital Development                                | 46,452,165                | 38,551,361                | 28,394,262                | 22,398,114                | 41,366,405               |
| Unrestricted                                       | <u>68,560,085</u>         | <u>69,018,535</u>         | <u>66,754,133</u>         | <u>68,927,169</u>         | <u>42,720,345</u>        |
| <b>Total Net Assets</b>                            | <b>\$196,111,758</b>      | <b>\$ 196,507,035</b>     | <b>\$ 190,614,058</b>     | <b>\$ 194,856,733</b>     | <b>\$198,187,221</b>     |

**Source:** Audited Financial Statements of the Village.

**Statement of Activities  
Governmental Activities**

**FISCAL YEAR ENDING DECEMBER 31**

|                                      | <b>2008</b>           | <b>2009</b>           | <b>2010</b>           | <b>2011</b>           | <b>2012</b>           |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Functions/Programs (1):              |                       |                       |                       |                       |                       |
| Primary Government:                  |                       |                       |                       |                       |                       |
| Governmental Activities:             |                       |                       |                       |                       |                       |
| General Government                   | \$(23,965,424)        | \$(27,455,891)        | \$(28,404,284)        | \$(30,135,082)        | \$(36,577,722)        |
| Public Works                         | (12,803,090)          | (11,575,243)          | (12,323,048)          | (6,768,555)           | (3,927,432)           |
| Public Safety                        | (23,340,325)          | (21,175,439)          | (25,125,712)          | (20,553,161)          | (22,095,508)          |
| Development                          | (5,285,484)           | (3,981,279)           | (5,841,641)           | (5,575,033)           | (4,773,393)           |
| Interest                             | <u>(6,068,865)</u>    | <u>(6,001,886)</u>    | <u>(4,085,152)</u>    | <u>(3,353,913)</u>    | <u>(2,984,565)</u>    |
| Total Governmental Activities        | <u>\$(71,463,188)</u> | <u>\$(70,189,738)</u> | <u>\$(75,779,837)</u> | <u>\$(66,385,744)</u> | <u>\$(70,358,620)</u> |
| General Revenues:                    |                       |                       |                       |                       |                       |
| Taxes:                               |                       |                       |                       |                       |                       |
| Property                             | \$ 37,030,734         | \$ 33,863,907         | \$ 34,759,914         | \$ 40,146,639         | \$ 37,275,705         |
| Home Rule Sales                      | 5,531,093             | 5,920,742             | 6,177,391             | 6,354,394             | 6,709,580             |
| Telecommunication                    | 2,562,607             | 2,583,457             | 2,547,946             | 2,763,469             | 2,771,970             |
| Utility                              | 3,541,338             | 3,313,218             | 3,373,568             | 3,300,850             | 3,177,929             |
| Other                                | 1,109,982             | 841,658               | 863,580               | 838,358               | 836,019               |
| Taxes:                               |                       |                       |                       |                       |                       |
| Sales                                | 13,118,090            | 11,943,633            | 12,336,353            | 12,792,723            | 13,091,218            |
| Income                               | 4,207,152             | 3,612,282             | 3,497,759             | 3,823,315             | 3,962,313             |
| Other Taxes (including Local Use)    | 1,214,842             | 2,161,536             | 2,284,506             | 2,502,500             | 2,614,374             |
| Other                                | 271,803               | 357,770               | 488,069               | 0                     | 0                     |
| Investment Income                    | 2,234,453             | 975,360               | 731,839               | 397,478               | 860,108               |
| Miscellaneous                        | 3,301,455             | 611,793               | 470,187               | 464,084               | 1,562,876             |
| Transfers - Internal Activity        | <u>287,180</u>        | <u>4,399,659</u>      | <u>1,777,004</u>      | <u>(2,755,391)</u>    | <u>827,016</u>        |
| Total General Revenues and Transfers | <u>\$ 74,410,729</u>  | <u>\$ 70,585,015</u>  | <u>\$ 69,308,116</u>  | <u>\$ 70,628,419</u>  | <u>\$ 73,689,108</u>  |
| Change in Net Assets                 | \$ 2,947,541          | \$ 395,277            | \$ (6,471,721)        | \$ 4,242,675          | \$ 3,330,488          |
| Net Assets, Beginning                | 193,164,217           | 196,111,758           | 196,507,035           | 190,614,058           | 194,856,733           |
| Prior Period Adjustments             | <u>0</u>              | <u>0</u>              | <u>578,744</u>        | <u>0</u>              | <u>0</u>              |
| Net Assets, Ending                   | <u>\$196,111,758</u>  | <u>\$ 196,507,035</u> | <u>\$ 190,614,058</u> | <u>\$ 194,856,733</u> | <u>\$ 198,187,221</u> |

Notes:

(1) Expenses less program revenues of charges for services and operating and capital grants and contributions.

**Source:** Audited Financial Statements of the Village.

**General Fund  
Balance Sheet**

|                                      | <b>FISCAL YEAR ENDING DECEMBER 31</b> |                      |                      |                      |                      |
|--------------------------------------|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                      | <b>2008</b>                           | <b>2009</b>          | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          |
| <b>Assets:</b>                       |                                       |                      |                      |                      |                      |
| Cash & Investments                   | \$ 9,076,054                          | \$ 14,458,627        | \$ 13,671,121        | \$ 18,010,545        | \$ 20,019,156        |
| Taxes Receivable                     | 14,317,523                            | 17,039,444           | 19,330,065           | 18,348,850           | 18,478,299           |
| Other Receivables                    | 181,816                               | 256,254              | 400,872              | 397,910              | 296,480              |
| Due From Other Funds                 | 1,976,836                             | 290,570              | 61,331               | 80,975               | -                    |
| Due From Other Governments           | 837,233                               | 733,159              | 793,612              | -                    | -                    |
| All Other Assets                     | 267,584                               | 88,164               | 187,752              | 131,424              | 580,013              |
| Total Assets                         | <u>\$ 26,657,046</u>                  | <u>\$ 32,866,218</u> | <u>\$ 34,444,753</u> | <u>\$ 36,969,704</u> | <u>\$ 39,373,948</u> |
| <b>Liabilities and Fund Balance:</b> |                                       |                      |                      |                      |                      |
| Accounts Payable                     | \$ 2,012,400                          | \$ 806,112           | \$ 946,060           | \$ 1,362,421         | \$ 1,668,985         |
| Accrued Payroll                      | 145,559                               | 198,491              | 150,453              | 343,773              | 601,799              |
| Due to Other Funds                   | 170,832                               | 155,686              | 613,577              | 127,750              | 32,789               |
| Unearned Revenues                    | 7,894,209                             | 10,324,599           | 10,551,384           | 10,818,379           | 10,785,967           |
| All Other Liabilities                | 232,050                               | 1,253,965            | 105,795              | 99,355               | 524,322              |
| Total Liabilities                    | <u>\$ 10,455,050</u>                  | <u>\$ 12,738,853</u> | <u>\$ 12,367,269</u> | <u>\$ 12,751,678</u> | <u>\$ 13,613,862</u> |
| Fund Balance:                        |                                       |                      |                      |                      |                      |
| Reserved                             | \$ 236,776                            | \$ 82,583            | \$ 82,583            | \$ 131,424           | \$ 195,280           |
| Unreserved/Undesignated              | 15,965,220                            | 20,044,782           | 21,994,901           | 24,086,602           | 25,564,806           |
| Total Fund Balance                   | <u>\$ 16,201,996</u>                  | <u>\$ 20,127,365</u> | <u>\$ 22,077,484</u> | <u>\$ 24,218,026</u> | <u>\$ 25,760,086</u> |
| Total Liabilities & Fund Balance     | <u>\$ 26,657,046</u>                  | <u>\$ 32,866,218</u> | <u>\$ 34,444,753</u> | <u>\$ 36,969,704</u> | <u>\$ 39,373,948</u> |

**Source:** Audited Financial Statements of the Village.

**General Fund  
Revenues and Expenditures**

|  | <b>FISCAL YEAR ENDING DECEMBER 31</b> |                      |                      |                      |                      |
|--|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
|  | <b>2008</b>                           | <b>2009</b>          | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          |
| <b>Revenues:</b>                                     |                                       |                      |                      |                      |                      |
| Taxes  |                                       |                      |                      |                      |                      |
| Property taxes                                       | \$ 7,817,757                          | \$ 9,966,422         | \$ 10,677,217        | \$ 10,864,987        | \$ 10,992,046        |
| Other taxes  | 12,745,020                            | 12,659,075           | 12,962,075           | 13,257,071           | 13,495,498           |
| Licenses and permits                                 | 1,491,256                             | 2,437,355            | 3,190,826            | 1,859,161            | 1,923,238            |
| Charges for services                                 | 1,945,626                             | 3,889,279            | 5,174,848            | 5,868,744            | 6,346,445            |
| Fines and forfeitures                                | 174,506                               | 189,433              | 134,783              | 181,361              | 224,198              |
| Intergovernmental                                    |                                       |                      |                      |                      |                      |
| Sales taxes  | 13,118,090                            | 11,943,633           | 12,336,353           | 12,792,723           | 13,091,218           |
| Other  | 9,516,899                             | 8,428,686            | 8,532,747            | 9,114,910            | 9,120,591            |
| Other revenues                                       | 124,045                               | 137,977              | 11,028               | 3,660                | 28,674               |
| Investment income                                    | 248,005                               | 130,383              | 265,705              | 67,220               | 115,402              |
| Total revenues                                       | <u>\$ 47,181,204</u>                  | <u>\$ 49,782,243</u> | <u>\$ 53,285,582</u> | <u>\$ 54,009,837</u> | <u>\$ 55,337,310</u> |
| <b>Expenditures:</b>                                 |                                       |                      |                      |                      |                      |
| Current:   |                                       |                      |                      |                      |                      |
| General government                                   | \$ 11,750,763                         | \$ 12,351,001        | \$ 11,298,997        | \$ 13,673,525        | \$ 15,147,824        |
| Public works   | 6,645,819                             | 6,544,623            | 6,587,639            | 7,883,609            | 7,036,995            |
| Public safety  | 24,814,972                            | 23,685,387           | 25,451,021           | 25,605,994           | 26,266,737           |
| Development  | 3,618,555                             | 2,734,243            | 2,607,595            | 2,448,822            | 967,029              |
| Highways and streets                                 | -                                     | -                    | -                    | -                    | -                    |
| Capital outlay                                       | 388,350                               | -                    | -                    | -                    | -                    |
| Total expenditures                                   | <u>\$ 47,218,459</u>                  | <u>\$ 45,315,254</u> | <u>\$ 45,945,252</u> | <u>\$ 49,611,950</u> | <u>\$ 49,418,585</u> |
| Excess (deficiency) of revenues<br>over expenditures | \$ (37,255)                           | \$ 4,466,989         | \$ 7,340,330         | \$ 4,397,887         | \$ 5,918,725         |
| Other financing sources (uses), net                  | \$ (2,588,383)                        | \$ (541,620)         | \$ (5,390,211)       | \$ (2,257,345)       | \$ (4,376,665)       |
| Net change in fund balance                           | \$ (2,625,638)                        | \$ 3,925,369         | \$ 1,950,119         | \$ 2,140,542         | \$ 1,542,060         |
| Fund balance - beginning                             | \$ 18,827,634                         | \$ 16,201,996        | \$ 20,127,365        | \$ 22,077,484        | \$ 24,218,026        |
| Prior period adjustment                              | -                                     | -                    | -                    | -                    | -                    |
| Fund balance - ending                                | \$ 16,201,996                         | \$ 20,127,365        | \$ 22,077,484        | \$ 24,218,026        | \$ 25,760,086        |

**Source:** Audited Financial Statements of the Village.

**General Fund  
2013 Budget and Projected Actuals**

|   | <u>2013 Budget</u>  | <u>2013 Projected<br/>Actuals</u> |
|---|---------------------|-----------------------------------|
| <b>REVENUES:</b>  |                     |                                   |
| Local taxes   | \$ 38,399,028       | \$ 39,063,729                     |
| Licenses and permits                                    | 1,838,000           | 3,776,957                         |
| Fines and forfeitures                                   | 140,000             | 232,000                           |
| Charges for services                                    | 4,547,450           | 5,120,369                         |
| Intergovernmental                                       | 9,891,077           | 10,719,580                        |
| Investment income                                       | 47,000              | 48,702                            |
| Other/miscellaneous                                     | 674,609             | 3,437,403                         |
| Transfers in  | <u>1,736,622</u>    | <u>3,277,991</u>                  |
| Total Revenues  | \$ 57,273,786       | \$ 65,676,731                     |
| <b>EXPENSES:</b>  |                     |                                   |
| Personnel   | \$ 30,847,267       | \$ 31,051,397                     |
| Contractual   | 9,682,792           | 10,049,177                        |
| Commodities   | 1,717,611           | 1,716,063                         |
| Other   | 5,111,029           | 5,140,095                         |
| Capital outlay  | 368,250             | 368,488                           |
| Interfund Charges                                       | 3,271,991           | 3,282,344                         |
| Transfers   | <u>6,948,862</u>    | <u>9,345,992</u>                  |
| Total Expenditure                                       | \$ 57,947,802       | \$ 60,953,556                     |
| Revenues and other sources<br>over (under) expenditures | <u>\$ (674,016)</u> | <u>\$ 4,723,175</u>               |

As of the date of this Official Statement, the Village projects that Revenues will exceed Expenditures by \$4,723,175 for the fiscal year ending December 31, 2013.

**Village of Glenview  
Capital Assets  
(as of December 31, 2012)**

|   | <b>Governmental<br/>Activities</b> |   | <b>Business Type<br/>Activities</b> |
|---|------------------------------------|---|-------------------------------------|
| Capital Assets Not Being Depreciated        |                                    | Capital Assets Not Being Depreciated        |                                     |
| Land and Land Right of Way                  | \$ 62,174,496                      | Land  | \$ 802,851                          |
| Construction in Progress                    | -                                  | Construction in Progress                    | -                                   |
| Total Assets Not Being Depreciated          | \$ 62,174,496                      | Total Assets Not Being Depreciated          | \$ 802,851                          |
| <br>Capital Assets Being Depreciated        |                                    | <br>Capital Assets Being Depreciated        |                                     |
| Buildings and Improvements                  | \$ 76,699,878                      | Buildings and Improvements                  | \$ 2,613,425                        |
| Machinery and Equipment                     | 11,773,462                         | Water System                                | 57,055,211                          |
| Infrastructure                              | 133,571,810                        | Sanitary Sewer System                       | 22,973,764                          |
| Total Capital Assets Being Depreciated      | \$ 222,045,150                     | Equipment and Vehicles                      | 4,377,298                           |
|   |                                    | Total Capital Assets Being Depreciated      | \$ 87,019,698                       |
| Less Accumulated Depreciation               | 83,851,680                         | Less Accumulated Depreciation               | 27,465,461                          |
| Total Capital Assets Being Depreciated, Net | \$ 138,193,470                     | Total Capital Assets Being Depreciated, Net | \$ 59,554,237                       |
| Net Assets                                  | \$ 200,367,966                     | Net Assets                                  | \$ 60,357,088                       |

Note: Capital assets, which include property, buildings, vehicles, equipment and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those having an estimated useful life greater than one year with an initial, individual cost of more than \$25,000. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight line method over the estimated useful lives.

**Source:** Audited Financial Statements of the Village.

## GENERAL INFORMATION

### LARGER EMPLOYERS

Larger employers within the Village include the following:

| Firm  | Type of Business/Product                                   | Estimated No. of Employees |
|---|--|----------------------------|
| Kraft Foods, Inc. and Kraft Technology Center | North American Headquarters / Food Products Research       | 1,440                      |
| Astellas                                      | U.S. Headquarters/Pharmaceuticals                          | 1,010                      |
| Glenbrook Hospital                            | Health Care  | 1,000                      |
| Abt Electronics, Inc.                         | Retail Consumer Electronics and Major Household Appliances | 919                        |
| Illinois Tool Works                           | Corporate Headquarters / Commercial Tools                  | 750                        |
| Anixter, Inc.                                 | Corp. HQ, Wire and Cable Distributor                       | 680                        |
| Glenview School District 34                   | Public Education - elementary                              | 646                        |
| Glenbrook South High School District 225      | Public Education - high school                             | 393                        |
| Glenview Terrace Nursing Home                 | Health Care  | 350                        |
| Pearson Education (Scott Foresman)            | Corporate Headquarters / Commercial Tools                  | 325                        |
| North American Corporation of Illinois        | Printing Brokers & Wholesaler of Industrial Paper Products | 300                        |

**Source:** Village of Glenview Planning and Economic Development Department, 2013

**RETAIL ACTIVITY**

Following is a summary of the Village’s sales tax receipts as collected and disbursed by the State of Illinois.

**General Sales and Home Rule Sales Tax**

| <b>Year Ended<br/>Dec. 31</b> | <b>Municipal<br/>Tax (1)</b> | <b>Annual<br/>Percent<br/>Change</b> | <b>Home Rule<br/>Sales<br/>Tax (2)</b> | <b>Annual<br/>Percent<br/>Change</b> | <b>Total</b> |
|-------------------------------|------------------------------|--------------------------------------|--|--------------------------------------|--------------|
| 2003                          | 10,830,776                   | 23.57%                               | -                                      | -                                    | \$10,830,776 |
| 2004                          | 11,632,306                   | 7.40%                                | 1,955,257                              | -                                    | 13,587,563   |
| 2005                          | 12,325,158                   | 5.96%                                | 4,078,664                              | 108.60%                              | 16,403,822   |
| 2006                          | 13,291,472                   | 7.84%                                | 4,502,099                              | 10.38%                               | 17,793,571   |
| 2007                          | 13,600,730                   | 2.33%                                | 4,622,609                              | 2.68%                                | 18,223,339   |
| 2008                          | 13,118,090                   | -3.55%                               | 5,513,663                              | 19.28%                               | 18,631,753   |
| 2009                          | 11,943,633                   | -8.95%                               | 5,915,817                              | 7.29%                                | 17,859,450   |
| 2010                          | 12,336,353                   | 3.29%                                | 6,174,935                              | 4.38%                                | 18,511,288   |
| 2011                          | 12,792,145                   | 3.69%                                | 6,350,277                              | 2.84%                                | 19,142,422   |
| 2012                          | 13,091,218                   | 2.34%                                | 6,709,580                              | 5.66%                                | 19,800,798   |

Percent change from 2003 to 2012 82.82%

(1) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation and Service Occupation collected on behalf of the Village less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.

(2) The home-rule sales tax rate is 0.75%.

**Source:** Illinois Department of Revenue.



**U.S. CENSUS DATA**

**Estimated Population Trend: Village of Glenview**

|                               |        |
|-------------------------------|--------|
| 2000 Estimated Population     | 41,847 |
| 2010 Estimated Population     | 44,692 |
| Percent of Change 2000 - 2010 | 6.80%  |

**Housing Statistics**

|                   | <u>Village of Glenview</u> |             | <u>Percent of Change</u> |
|-------------------|----------------------------|-------------|--------------------------|
|                   | <u>2000</u>                | <u>2010</u> |                          |
| All Housing Units | 15,810                     | 17,746      | 12.25%                   |

**Source:** 2000 and 2010 Census of Population and Housing.

**Income and Age Statistics**

|   | <b>Village of<br/>Glenview</b> | <b>Cook<br/>County</b> | <b>State of<br/>Illinois</b> | <b>United<br/>States</b> |
|---|--------------------------------|------------------------|------------------------------|--------------------------|
| 2009-2011 per capita income                   | \$50,615                       | \$29,012               | \$28,553                     | \$27,158                 |
| 2009-2011 median household income             | \$90,037                       | \$52,844               | \$55,044                     | \$51,484                 |
| 2009-2011 median family income                | \$119,089                      | \$63,810               | \$67,892                     | \$62,735                 |
| 2009-2011 median gross rent                   | \$1,506                        | \$937                  | \$866                        | \$878                    |
| 2009-2011 median value owner occupied housing | \$495,200                      | \$243,300              | \$191,100                    | \$179,500                |
| 2009-2011 median age                          | 45.3 yrs.                      | 35.3 yrs.              | 36.6 yrs.                    | 37.2 yrs.                |

|   | <b>State of Illinois</b> | <b>United States</b> |
|---|--------------------------|----------------------|
| Village % of 2009-2011 per capita income    | 177.27%                  | 186.37%              |
| Village % of 2009-2011 median family income | 175.41%                  | 189.83%              |

**Source:** 2009-2011 American Community Survey

**EMPLOYMENT/UNEMPLOYMENT DATA**

| Year       | <u>Average Employment</u> |             | <u>Average Unemployment</u> |             |                   |
|------------|---------------------------|-------------|-----------------------------|-------------|-------------------|
|            | Village of Glenview       | Cook County | Village of Glenview         | Cook County | State of Illinois |
| 2008       | 23,285                    | 2,461,017   | 4.2%                        | 6.4%        | 6.4%              |
| 2009       | 22,098                    | 2,325,536   | 6.9%                        | 10.4%       | 10.0%             |
| 2010       | 21,540                    | 2,309,021   | 7.0%                        | 10.8%       | 10.4%             |
| 2011       | 21,611                    | 2,316,502   | 6.8%                        | 10.3%       | 9.7%              |
| 2012       | 22,084                    | 2,367,143   | 6.2%                        | 9.3%        | 8.9%              |
| 2013, Aug* | 22,170                    | 2,375,424   | 6.7%                        | 9.8%        | 9.0%              |

\* not seasonally adjusted

**Source:** Employment/Unemployment data was furnished by the Illinois Department of Labor.

**BUILDING PERMITS**

|                               | 2008      | 2009      | 2010      | 2011     | 2012     |
|-------------------------------|-----------|-----------|-----------|----------|----------|
| <b>Village of Glenview</b>    |           |           |           |          |          |
| Permits Issued                | 2,837     | 2,376     | 2,535     | 2,552    | 2,952    |
| Value of Construction (000's) | \$106,000 | \$133,737 | \$110,191 | \$98,541 | \$39,693 |

**Source:** Financial Statements of the Village.

## **APPENDIX A**

### **EXCERPTS FROM FINANCIAL STATEMENTS**

Reproduced on the following pages are excerpts from the Village's audited Financial Statements for the fiscal year ending December 31, 2012. The Financial Statements have been prepared by the Village and audited by a certified public accountant. The Management's Discussion and Analysis and the Notes to Financial Statements are an integral part of the audit and any judgment of the Financial Statements should be based on the Financial Statements as a whole.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



## Independent Auditor's Report

The Honorable Village President and  
Members of the Board of Trustees  
Village of Glenview, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Glenview, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Glenview, Illinois, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information:*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 20), budgetary comparison information (pages 92 - 93), and pension and OPEB information (pages 89 - 91) 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 Village's basic financial statements. The Supplemental Information (pages 95 - 164) and Other Supplemental Information (pages 165 - 178), and the Introductory and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information and Other Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplemental Information and Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section 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.

*McGladrey LLP*

Schaumburg, Illinois  
June 12, 2013

Village of Glenview, Illinois

Management's Discussion and Analysis  
December 31, 2012

Our discussion and analysis of the Village of Glenview's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the transmittal letter, which begins on page viii and the Village's basic financial statements, which begin on page 21.

FINANCIAL HIGHLIGHTS

- The Village's net position of governmental activities and business-type activities increased by \$3,330,468, or 1.7%, and \$2,666,765, or 4.7%, respectively, resulting in total ending net position for the year of \$261,994,202. The net position increased primarily as a result of receiving 16.7% more of a major governmental revenue source than budgeted coupled with overall governmental expenses being lower than anticipated.
- During the year, government-wide revenues before transfers for the governmental and business-type activities totaled \$110,667,796, while expenses totaled \$104,470,543, resulting in the increase in net position of \$6,197,253.
- The Village's net position totaled \$261,994,202 on December 31, 2012, which includes a \$165,820,320 net investment in capital assets, \$45,978,154 subject to external restrictions, and \$50,195,728 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus for the year of \$1,542,060. The operating surplus encompasses higher than anticipated increases in income tax, tipping fees and other fines combined with savings realized through the continued cost containment efforts by the Village. This surplus exists after budgeted transfers to the Debt Service Fund of \$2,030,409 and to the Capital Projects Fund of \$2,806,909 were made during the year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 21-24) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 25. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about fiduciary activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 21 - 24 of this report.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

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

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public works, public safety, and development. The business-type activities of the Village include water and sanitary sewer operations, North Maine water and sanitary sewer operations, wholesale water operations, and commuter parking operations.

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

Fund Financial Statements

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

Governmental Funds

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

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

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

USING THIS ANNUAL REPORT – Continued

Governmental Funds - Continued

The Village maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Tax Allocation Fund and the Village Permanent Fund, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for all of the governmental funds. Budgetary comparison schedules for all budgeted funds have been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 25-28 of this report.

Proprietary Funds

The Village maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water and sanitary sewer operations, North Maine water and sanitary sewer operations, wholesale water operations, and commuter parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions.

The Village uses internal service funds to account for its capital equipment replacement program, municipal equipment repair program, facilities replacement program and health insurance and risk management programs. These services predominantly benefit governmental rather than business-type functions, and therefore, have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Glenview Water Fund, the North Maine Water and Sewer Fund, and the Glenview Sanitary Sewer Fund, all of which are considered to be major funds of the Village. Data from the other two proprietary funds are combined into a single, aggregated presentation. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service funds is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 29-36 of this report.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

USING THIS ANNUAL REPORT – Continued

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-86 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's Illinois Municipal Retirement Fund, police and fire pension funds, and other post-employment benefit employee pension obligations. The required supplementary information also contains budget to actual comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 89-94 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules for the Village can be found on pages 95-147 of this report. Additionally, the combining and individual fund statements for the component unit can be found on pages 148-164.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Glenview, assets exceeded liabilities by \$261,994,202 at December 31, 2012, compared to \$255,796,949 at December 31, 2011.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

**Table 1**  
**Statement of Net Position**  
**As of December 31, 2012 and 2011**

|                                  | Governmental Activities |                       | Business-Type Activities |                      | Total Primary Government |                       |
|----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|--------------------------|-----------------------|
|                                  | 2012                    | 2011                  | 2012                     | 2011                 | 2012                     | 2011                  |
| Current and other assets         | \$ 128,899,786          | \$ 127,606,396        | \$ 10,174,512            | \$ 10,633,534        | \$ 138,874,278           | \$ 138,239,930        |
| Capital assets                   | 200,367,966             | 201,568,315           | 60,357,088               | 60,614,248           | 260,725,054              | 262,182,563           |
| <b>Total assets</b>              | <b>329,067,732</b>      | <b>329,174,711</b>    | <b>70,531,600</b>        | <b>71,247,782</b>    | <b>399,599,332</b>       | <b>400,422,493</b>    |
| Long-term liabilities            | 62,245,045              | 101,750,302           | 3,197,809                | 5,097,736            | 65,442,854               | 106,848,038           |
| Other liabilities                | 68,635,466              | 32,567,676            | 3,526,810                | 5,209,830            | 72,162,276               | 37,777,506            |
| <b>Total liabilities</b>         | <b>130,880,511</b>      | <b>134,317,978</b>    | <b>6,724,619</b>         | <b>10,307,566</b>    | <b>137,605,130</b>       | <b>144,625,544</b>    |
| <b>Net Position</b>              |                         |                       |                          |                      |                          |                       |
| Net investment in capital assets | 109,488,722             | 102,217,913           | 56,331,599               | 55,586,298           | 165,820,320              | 157,784,211           |
| Restricted                       | 45,978,154              | 52,257,800            | -                        | -                    | 45,978,154               | 52,257,800            |
| Unrestricted                     | 42,720,345              | 40,381,020            | 7,475,383                | 5,373,918            | 50,195,728               | 45,754,938            |
| <b>Total net position</b>        | <b>\$ 198,187,221</b>   | <b>\$ 194,856,733</b> | <b>\$ 63,806,981</b>     | <b>\$ 60,940,216</b> | <b>\$ 261,994,202</b>    | <b>\$ 255,796,949</b> |

A large portion of the Village's net position, \$165,820,320 or 63.3%, reflects its investment in capital assets (for example, infrastructure, land, buildings and improvements, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$45,978,154 or 17.5%, of the Village's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for future street improvements, debt service payments, public safety, and future capital development. The remaining 19.2%, or \$50,195,728, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the previous fiscal year, as reflected in the table above.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

- 1) *Net Results of Activities* – which will impact (increase/decrease) current assets and unrestricted net position.
- 2) *Borrowing for Capital* – which will increase current assets and long-term debt outstanding.
- 3) *Spending Borrowed Proceeds on New Capital* – which will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt, which will not change the investment in capital assets, net of related debt total.
- 4) *Spending Nonborrowed Current Assets on New Capital* – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase investment in capital assets, net of related debt.
- 5) *Principal Payment on Debt* – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase investment in capital assets, net of related debt.
- 6) *Reduction of Capital Assets through Depreciation* – which will reduce capital assets and reduce investment in capital assets, net of related debt.



Management's Discussion and Analysis (Continued)  
December 31, 2012

Table 2  
Changes in Net Position  
For the Fiscal Years Ended December 31, 2012 and 2011

| Revenue  | Governmental          |                       | Business-Type        |                      | Total Primary         |                       |
|--|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
|  | 2012                  | 2011                  | 2012                 | 2011                 | 2012                  | 2011                  |
| <b>Program revenues</b>                        |                       |                       |                      |                      |                       |                       |
| Charges for services                           | \$ 10,328,337         | \$ 11,065,323         | \$ 24,694,550        | \$ 22,869,295        | \$ 35,022,887         | \$ 33,933,618         |
| Grants and contributions                       |                       |                       |                      |                      |                       |                       |
| Operating                                      | 1,960,083             | 1,832,805             | -                    | 27,854               | 1,960,083             | 1,860,659             |
| Capital  | 746,987               | 2,439,616             | -                    | -                    | 746,987               | 2,439,616             |
| <b>General Revenue</b>                         |                       |                       |                      |                      |                       |                       |
| Taxes  |                       |                       |                      |                      |                       |                       |
| Property                                       | 37,275,705            | 40,146,639            | -                    | -                    | 37,275,705            | 40,146,639            |
| Home rule                                      | 6,709,580             | 6,354,394             | -                    | -                    | 6,709,580             | 6,354,394             |
| Telecommunication                              | 2,771,970             | 2,763,469             | -                    | -                    | 2,771,970             | 2,763,469             |
| Utility  | 3,177,929             | 3,300,850             | -                    | -                    | 3,177,929             | 3,300,850             |
| Other  | 838,019               | 838,358               | -                    | -                    | 838,019               | 838,358               |
| Intergovernmental                              |                       |                       |                      |                      |                       |                       |
| Sales  | 13,091,218            | 12,792,723            | -                    | -                    | 13,091,218            | 12,792,723            |
| State income                                   | 3,862,313             | 3,823,315             | -                    | -                    | 3,862,313             | 3,823,315             |
| Local use                                      | 702,009               | 695,076               | -                    | -                    | 702,009               | 695,076               |
| Road and bridge                                | 379,563               | 391,336               | -                    | -                    | 379,563               | 391,336               |
| Property replacement                           | 214,116               | 214,898               | -                    | -                    | 214,116               | 214,898               |
| Other  | 1,318,686             | 1,241,190             | -                    | -                    | 1,318,686             | 1,241,190             |
| Investment income                              | 860,108               | 397,478               | 33,790               | -                    | 893,898               | 397,478               |
| Other general revenues                         | 1,562,876             | 464,084               | 41,947               | 34,286               | 1,604,823             | 498,370               |
| <b>Total revenues</b>                          | <b>85,697,509</b>     | <b>88,721,555</b>     | <b>24,170,287</b>    | <b>22,830,435</b>    | <b>110,867,796</b>    | <b>111,651,991</b>    |
| <b>Expenses</b>                                |                       |                       |                      |                      |                       |                       |
| General government                             | 40,172,192            | 33,989,230            | -                    | -                    | 40,172,192            | 33,989,230            |
| Public works                                   | 6,670,428             | 8,561,360             | -                    | -                    | 6,670,428             | 8,561,360             |
| Public safety                                  | 27,145,548            | 25,769,097            | -                    | -                    | 27,145,548            | 25,769,097            |
| Development                                    | 6,421,304             | 10,029,890            | -                    | -                    | 6,421,304             | 10,029,890            |
| Interest on long-term debt                     | 2,984,565             | 3,353,913             | -                    | -                    | 2,984,565             | 3,353,913             |
| Water services                                 | -                     | -                     | 10,339,739           | 8,795,466            | 10,339,739            | 8,795,466             |
| North Maine water and sewer                    | -                     | -                     | 7,398,749            | 6,197,752            | 7,398,749             | 6,197,752             |
| Sanitary sewerage                              | -                     | -                     | 1,729,509            | 1,801,454            | 1,729,509             | 1,801,454             |
| Wholesale water                                | -                     | -                     | 1,157,835            | 1,119,994            | 1,157,835             | 1,119,994             |
| Commuter parking                               | -                     | -                     | 449,674              | 386,244              | 449,674               | 386,244               |
| <b>Total expenses</b>                          | <b>83,394,037</b>     | <b>81,723,490</b>     | <b>21,078,506</b>    | <b>18,300,910</b>    | <b>104,470,543</b>    | <b>100,024,400</b>    |
| <b>Change in net position before transfers</b> | <b>2,503,472</b>      | <b>6,998,066</b>      | <b>3,891,781</b>     | <b>4,629,525</b>     | <b>6,197,253</b>      | <b>11,627,591</b>     |
| Transfers                                      | 827,016               | (2,755,391)           | (827,016)            | 2,755,391            | -                     | -                     |
| <b>Change in net position</b>                  | <b>3,330,488</b>      | <b>4,242,675</b>      | <b>2,866,765</b>     | <b>7,384,916</b>     | <b>6,197,253</b>      | <b>11,627,591</b>     |
| <b>Net position - beginning</b>                | <b>194,856,733</b>    | <b>190,614,058</b>    | <b>60,940,216</b>    | <b>53,555,300</b>    | <b>255,796,949</b>    | <b>244,169,358</b>    |
| <b>Net position - ending</b>                   | <b>\$ 198,187,221</b> | <b>\$ 194,856,733</b> | <b>\$ 63,806,981</b> | <b>\$ 60,940,216</b> | <b>\$ 261,994,202</b> | <b>\$ 255,796,949</b> |

Village of Glenview, Illinois  
Management's Discussion and Analysis (Continued)  
December 31, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Normal Impacts

There are eight basic (normal) impacts on revenues and expenses as reflected below.

Revenues:

- 1) *Economic Condition* - which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees, and levels of consumption.
- 2) *Increase/Decrease in Village-Approved Rates* - while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, impact fees, building fees, home rule sales tax, etc.)
- 3) *Changing Patterns in Intergovernmental and Grant Revenue (both Recurring and Nonrecurring)* - certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically, while nonrecurring (or one-time) grants are less predictable and often distorting due to their impact on year-to-year comparisons.
- 4) *Market Impacts on Investment Income* - the Village's investment policy is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

- 5) *Introduction of New Programs* - within the functional expense categories (general government, public works, public safety, etc.), individual programs may be added or deleted to meet changing community needs.
- 6) *Change in Authorized Personnel* - changes in service demand may cause the Village Board to increase/decrease authorized staffing. Personnel costs (salary and related benefits) represent approximately 60.9% of the Village's General Fund expenditures and approximately 16.3% of enterprise operating costs at December 31, 2012.
- 7) *Salary Increases (Annual Adjustments and Merit)* - the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.
- 8) *Inflation* - while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the Village's governmental activities increased by 1.7%, or \$3,330,488 (\$1,98,187,221 in 2012 compared to \$194,856,733, in 2011). In 2011, the net position increased for governmental activities by \$4,242,675. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$42,720,345 at December 31, 2012, an increase of \$2,339,325 from 2011. Net position of business-type activities increased by 4.7%, or \$2,866,765 (\$63,806,981 in 2012 compared to \$60,940,216 in 2011). In 2011, the net position increased for business-type activities by \$7,394,916. Unrestricted net position totaled \$7,475,363 at December 31, 2012, an increase of \$2,101,465.

Governmental Activities

Revenues:

Revenues for governmental activities totaled \$65,897,509 at December 31, 2012 and \$68,721,556 at December 31, 2011, a decrease of \$2,824,047. Some key changes during the year for the governmental activity revenues are described below.

- Charges for Services revenues decreased by \$736,986 or 6.7% due in part to a combination of an increase in dispatch service revenue of \$702,767, an increase in licenses and permits of \$64,077, and a decrease in revenues received from the Glenbrook Fire Protection District of \$110,934 and a decrease in lease fees of \$215,587.
- Property Taxes decreased 7.2%, or \$2,870,934, primarily as a result of the Special Tax Allocation Fund receiving \$2,081,652 less in incremental property tax distributions from the County in 2012 than in 2011. This difference is due to the more timely distribution in 2012 coupled with 2011 including a portion of previous year's tax distribution.
- Home Rule Sales Tax increased from \$6,354,394 at December 31, 2011 to \$6,709,580 at December 31, 2012, reflecting a 5.6% increase due to the general increase in the retail sales during the year.
- Intergovernmental taxes increased \$549,367 or 2.9%, which included an increase in Sales Tax of \$298,495, an increase in Income Tax of \$138,998 and an increase in Other Taxes of \$111,874. The increase in Sales Tax is due to the general increase in retail sales during the year while the Income Tax increase represents the current positive trend in income tax increase.

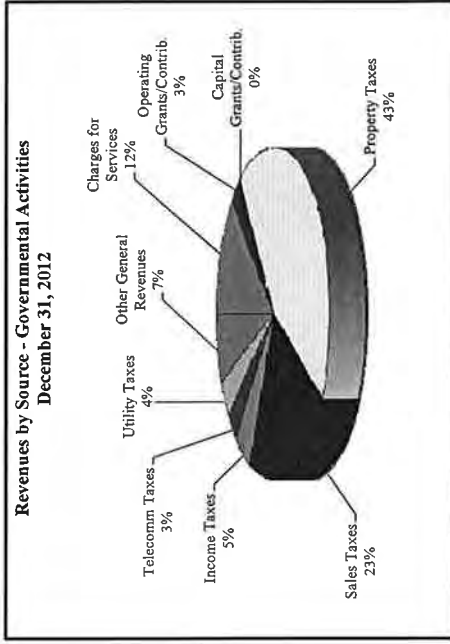
Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and sales taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from income taxes, telecommunication taxes, and utility taxes



Village of Glenview, Illinois

Management's Discussion and Analysis  
December 31, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

For the year ended December 31, 2012, governmental activities expenses totaled \$83,394,037, an increase of \$1,670,547, or 2.0% over the 2011 expenses of \$81,723,490. A portion of this increase was an increase of \$1,831,678 for Make-Whole payments to the core jurisdictions within the boundaries of The Glen, a Tax Increment Financing (TIF) District. Additionally, during 2012 the Village incurred a one-time expense of \$4,300,000 to a car dealership for an economic incentive fee coupled with additional funds to facilitate the construction of a new dealership. These increases were offset by a reduction of \$983,557 in development expenses as the Village contributed to the Library debt service obligation in 2011 and there was no contribution in 2012. \$369,348 reduction in interest expense on outstanding bond issuances, an approximate \$400,000 reduction in self-insured claim expenses and approximately a \$475,000 reduction in snow and ice removal costs (includes salt) due to the mild winter climate the last quarter of 2012.

Business-Type activities

Business-Type activities posted total revenues of \$24,770,287, while the cost of all business-type activities totaled \$21,076,506. This results in a surplus of \$3,693,781 prior to net transfers out of \$827,016. In 2011, revenues of \$22,930,435 exceeded expenses of \$18,300,910, resulting in a surplus of \$4,629,525 prior to net transfers in of \$2,755,391.

Revenues

For the fiscal year ended December 31, 2012, revenues for the business-type activities totaled \$24,770,287, an increase of \$1,839,852, or 8.0%, due primarily to increased charges for services (\$24,694,550 in 2012 compared to \$22,868,295 in 2011).

Expenses

Expenses for the year ended December 31, 2012 totaled \$21,076,506, an increase of \$2,775,596, or 15.2%, primarily as a result of a combined increase of \$1,919,132 in operational expenses in the Enterprise Funds of Glenview Water Fund, North Maine Water and Sewer Fund, Glenview Sanitary Sewer Fund and Commuter Parking Fund.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$71,802,748, which is \$4,673,078, or 6.1%, lower than last year's total of \$76,475,826. Of the \$71,802,748 total, \$25,564,806, or approximately 35.6%, of the fund balance constitutes unassigned fund balance.

General Fund

The General Fund reported a surplus for the year of \$1,542,060, an increase of 6.4%. The a result of operations was primarily the effect of receiving higher than anticipated property and income tax revenues, refuse and recycling charges, and other fees combined with reduced expenditures as a result of cost containment efforts and some expenditures that were not incurred or delayed. Specifically, total expenditures were \$774,125 lower than budget.

The General Fund is the chief operating fund of the Village. At December 31, 2012, unassigned fund balance in the General Fund was \$25,564,806, which represents 95.2% of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 46.9% of total General Fund expenditures (including transfers).

Other Major Funds

The Special Tax Allocation Fund is used to account for the incremental property tax revenue that is generated through the growth of the assessed valuation at The Glen, (formally referred to as Glenview Naval Air Station) and the 'Make-Whole' payments to core jurisdictions within the boundaries of the TIF District. The core jurisdictions consist of: the Village of Glenview, School District 34, School District 225, the Glenview Park District, and the Glenview Public Library, a discretely presented component unit of the Village. This fund also accounts for the service and incentive fees within the Tax Increment Financing District. At December 31, 2012 the Special Tax Allocation Fund reported expenditures in excess of revenues by \$6,283,705, which was anticipated due to the timing of the expenditures and is on target with the financial projection of the Fund.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

Other Major Funds – Continued

The Village Permanent Fund, reported as a capital projects fund, was formed from 20% of the land sales proceeds of The Glen. Ongoing, the resources are used for Village-wide improvements and economic development initiatives as well as short-term liquidity for the Village's TIF District projects at The Glen. For the year ended December 31, 2012 the Village Permanent Fund reported expenditures in excess of revenues by \$65,213, primarily the result of a budgeted transfer to the Capital Projects Fund of \$269,204 for capital projects including storm water capital projects and a transfer to the Glenview Sanitary Sewer Fund for \$74,555.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Glenview Water, the North Maine Water, and Sewer, and the Glenview Sanitary Sewer Funds as major proprietary funds. The Village also reports two nonmajor proprietary funds, the Wholesale Water Fund and the Commuter Parking Fund. The Glenview Water Fund accounts for the provision of water services to the property owners in the Village. The North Maine Water Fund accounts for the provision of water and sewer services to the property owners in an unincorporated area southwest of the Village. The Glenview Sanitary Sewer Fund accounts for the provision of sanitary sewer services to property owners in both incorporated and unincorporated areas of the Village.

The Village purchases Lake Michigan water from neighboring Wilmette. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The surplus in the Glenview Water Fund during the current fiscal year was \$1,021,709, the previous fiscal year also reported a surplus of \$1,874,179. The surplus in this fund is the result of management and staff continuing to review all revenue and expense components of the Water Fund. Charges for sales and services of \$11,101,792 were \$1,588,332 or 16.7%, higher than last year while operating expenses were \$1,557,025, or 20.9%, higher than last year. Unrestricted net position in the Glenview Water Fund totaled \$3,594,596 at December 31, 2012.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds – Continued

The North Maine Water and Sewer Fund reported a surplus for the current year of \$725,971 and also reported a surplus in the prior year of \$1,929,840. The majority of the current year surplus is due to lower than anticipated operating expenses. Operating revenues of \$6,229,828 were \$109,793 higher than last year and operating expenses of \$7,206,929 were \$1,220,095 higher than last year. Total net position at December 31, 2012 was \$4,836,420.

The surplus in the current year in the Glenview Sanitary Sewer Fund was \$895,776, resulting in ending net position of \$17,059,096. In the prior year the Glenview Sanitary Sewer Fund also reported a surplus of \$2,074,968. The current year surplus was due in large part to lower than anticipated operating expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2012 the Village Board approved four budget amendments. The first amendment was to increase the Corporate Fund Transfer to Capital Projects Fund in the amount of \$350,000 to provide for additional street resurfacing. The second amendment was approved by the Board for \$179,000 to undertake additional concrete services. Specifically, \$75,000 was used for additional sidewalk replacement and \$104,000 for additional concrete minor area resurfacing work. The third and fourth amendments increased Corporate Fund 2012 expenditures by \$669,446 due to the Board approving a five year contract with the Village of Niles and Village of Morton Grove for public safety dispatch services. The Village of Niles provided offsetting revenues of \$377,815 and the Village of Morton Grove provided offsetting revenues of \$291,631, which resulted in \$0 impact to the Village of Glenview Corporate Fund total budget.

The General Fund actual revenues (including transfers) for the year totaled \$59,046,340 compared to budgeted amounts of \$54,715,342, an overage of \$1,330,998. The excess of actual revenues over budgeted revenues is due to an increase in several revenue sources. The largest contributor to this overage was in the income taxes collected being \$570,000 higher than budget. Income tax is distributed by the state and the original income tax projection for the year was lower than the increasing trend realized throughout 2012. Additionally, property tax revenue was \$138,500 higher than budget as tax collections were slightly higher than anticipated. Also higher than budget by \$161,000 was the tipping fees received during the year as the budgeted amount was too low. The budget amount for 2013 has been established \$170,000 higher than in 2012. Lastly, fines and forfeitures were \$101,000 higher than budget particularly within other fines which capture the court ordered property related fines. Local use tax was \$102,000 over budget due to an increase in the efforts by the state to collect use taxes.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

GENERAL FUND BUDGETARY HIGHLIGHTS - Continued

The General Fund actual expenditures (including transfers) for the year of \$54,504,280 were \$755,234 lower than budgeted amounts of \$55,259,514. Personnel costs were higher than budget by only \$41,182 which is only 1% of budget. Contractual expenditures were \$507,448 lower than budget due to a combination of budgeted expenditures either not incurred or delayed. Some of the expenditures not incurred, such as snow and ice maintenance and vehicle maintenance were due to the very mild weather experienced in November and December 2012 while recycling costs were lower than anticipated which was consistent with other communities in northern Cook County. The commodities expenditures were \$416,090 lower than budget partially due to the very mild November and December resulting in lower than anticipated natural gas usage in facilities. Another contributing factor was lower electricity expenditures incurred as electrical costs and usage were lower than budgeted. Other charges were \$214,169 higher than budget due primarily to the public safety pension expenditure being close to \$110,000 over the budget amount.

Table 3

|                                      | General Fund Budgetary Highlights |                     | Actual              |
|--------------------------------------|-----------------------------------|---------------------|---------------------|
|                                      | Original Budget                   | Final Budget        |                     |
| Revenues                             |                                   |                     |                     |
| Taxes                                | \$ 24,276,584                     | \$ 24,276,584       | \$ 24,487,544       |
| Intergovernmental                    | 21,516,245                        | 21,516,245          | 22,211,809          |
| Other                                | 7,544,037                         | 8,213,483           | 8,637,957           |
| Total revenues                       | 53,336,866                        | 54,006,312          | 55,337,310          |
| Expenditures                         | (49,592,650)                      | (50,192,710)        | (49,418,585)        |
| Transfers in                         | 709,030                           | 709,030             | 709,030             |
| Transfers out                        | (4,468,426)                       | (5,066,804)         | (5,065,895)         |
| Total expenditures and net transfers | (53,352,046)                      | (54,550,484)        | (53,795,250)        |
| <b>Net change in fund balance</b>    | <b>\$ (15,180)</b>                | <b>\$ (544,172)</b> | <b>\$ 1,542,060</b> |

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of December 31, 2012, was \$260,725,054 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment, and vehicles, water and sanitary sewer system improvements, and other infrastructure improvements.

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

Table 4  
Capital Assets at Year End  
Net of Depreciation

|                                   | Governmental Activities |                       | Business-Type Activities |                      | Total Primary Government |                       |
|-----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|--------------------------|-----------------------|
|                                   | 2012                    | 2011                  | 2012                     | 2011                 | 2012                     | 2011                  |
| Land                              | \$ 6,935,698            | \$ 6,935,698          | \$ 802,851               | \$ 802,851           | \$ 7,738,549             | \$ 7,738,549          |
| Land right of way                 | 55,238,798              | 55,145,791            | -                        | -                    | 55,238,798               | 55,145,791            |
| Buildings and improvements        | 56,313,043              | 58,954,028            | 1,864,023                | 1,935,088            | 60,177,066               | 60,889,096            |
| Machinery, equipment and vehicles | 4,466,759               | 3,359,412             | 541,300                  | 641,386              | 5,008,059                | 4,010,789             |
| Infrastructure                    | 75,413,668              | 77,163,366            | -                        | -                    | 75,413,668               | 77,163,366            |
| Water system                      | -                       | -                     | 39,298,083               | 39,682,255           | 39,298,083               | 39,682,255            |
| Sanitary sewer system             | -                       | -                     | 17,850,831               | 17,552,688           | 17,850,831               | 17,552,688            |
| <b>Total</b>                      | <b>\$ 200,867,966</b>   | <b>\$ 201,568,315</b> | <b>\$ 60,357,088</b>     | <b>\$ 60,614,248</b> | <b>\$ 260,725,054</b>    | <b>\$ 262,182,563</b> |

This year's major additions included:

|   | Additions           |
|---|---------------------|
| Building and improvements               | \$ 1,011,090        |
| Infrastructure, including roadways, etc | 1,400,675           |
| Machinery, equipment and vehicles       | 1,953,855           |
| Sanitary sewer system                   | 751,260             |
| Water system                            | 857,979             |
| <b>Total</b>                            | <b>\$ 5,974,859</b> |

Additional information on the Village's capital assets can be found in Note 5 on pages 55-58 of this report.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$93,613,854 as compared to \$104,370,273 the previous year, a decrease of \$10,756,419, or 10.3%, which included advance refundings of Series 2004A, 2004B and 2005 General Obligation Bonds during the year coupled with principal retirements that reduced the outstanding liability on the bonds. The following is a comparative statement of outstanding debt:

|                          | Governmental Activities |                      | Business-Type Activities |                     | Total Primary Government |                       |
|--------------------------|-------------------------|----------------------|--------------------------|---------------------|--------------------------|-----------------------|
|                          | 2011                    | 2012                 | 2011                     | 2012                | 2011                     | 2012                  |
| General obligation bonds | \$ 89,415,000           | \$ 99,115,000        | \$ 2,950,000             | \$ 3,860,000        | \$ 92,365,000            | \$ 102,975,000        |
| Corporate purpose notes  | -                       | -                    | 1,248,854                | 1,248,854           | 1,248,854                | 1,395,273             |
| <b>Total assets</b>      | <b>\$ 89,415,000</b>    | <b>\$ 99,115,000</b> | <b>\$ 4,198,854</b>      | <b>\$ 5,255,273</b> | <b>\$ 93,613,854</b>     | <b>\$ 104,370,273</b> |

The Village maintains an Aaa rating from Moody's for general obligation debt. This rating has not changed in the past eight years. As the Village is a home rule community, there is no legal limit for outstanding debt.

Additional information on the Village's long-term debt can be found in Note 7 on pages 61-68 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2013 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. While some economic indicators are pointing to a slow recovery out of the 2008/2009 recession such as the unemployment rates for the Village dropping slightly from 6.8% in 2011 to 6.2% in 2012, interest rates have remained very low and show no immediate signs of increasing. Also, as stated earlier the Village revenues have shown some signs of stabilizing, but are still slightly lower than 2008 levels. All of these indicators were taken into account when adopting the budget for 2013. At the time of preparing the budget, it was projected that the Village would continue to experience little or no growth in revenues. The goal remained to minimize the financial burden on Glenview taxpayers, identify cost cutting strategies and opportunities, responsibly utilize Village reserves when necessary, and proactively structure the Village in a way that will maximize the level of service that can be provided with a stagnant level of resources. Plans for beyond 2013 are also continually being analyzed to ensure the Village's long term economic sustainability.

Village of Glenview, Illinois

Management's Discussion and Analysis (Continued)  
December 31, 2012

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Glenview's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Administrative Services Department, Village of Glenview, 1225 Waukegan Road, Glenview, Illinois 60025.

**Village of Glenview, Illinois**

Statement of Net Position  
December 31, 2012

|                                 | Primary Government |                   |                    | Component         |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                 | Governmental       | Business-type     | Total              | Unit              |
|                                 | Activities         | Activities        |                    | Glenview          |
|                                 |                    |                   |                    | Library           |
| <b>Assets</b>                   |                    |                   |                    |                   |
| Cash and cash equivalents       | \$ 20,590,329      | \$ 4,993,516      | \$ 25,583,845      | \$ 1,160,017      |
| Investments                     | 47,927,911         | 4,606,975         | 52,534,886         | 3,216,948         |
| Receivables, net of allowances  |                    |                   |                    |                   |
| Taxes                           | 18,478,299         | -                 | 18,478,299         | 7,429,517         |
| Accounts                        | 465,919            | 3,727,191         | 4,193,110          | -                 |
| Other                           | 705,294            | -                 | 705,294            | -                 |
| Prepaid expenses                | 1,161,354          | -                 | 1,161,354          | -                 |
| Inventory                       | 519,397            | 55,004            | 574,401            | -                 |
| Land held for resale            | 30,391,262         | -                 | 30,391,262         | -                 |
| Internal balances - advances    | 3,211,647          | (3,211,647)       | -                  | -                 |
| Due from other governments      | 92,513             | 3,473             | 95,986             | -                 |
| Total current assets            | <u>123,543,925</u> | <u>10,174,512</u> | <u>133,718,437</u> | <u>11,806,482</u> |
| Noncurrent assets               |                    |                   |                    |                   |
| Deferred charges                | 171,772            | -                 | 171,772            | -                 |
| Notes receivable                | 1,958,667          | -                 | 1,958,667          | -                 |
| Net pension asset               | 3,025,402          | -                 | 3,025,402          | -                 |
| Capital assets                  |                    |                   |                    |                   |
| Not being depreciated           | 62,174,496         | 802,851           | 62,977,347         | 5,426,987         |
| Net of accumulated depreciation | 138,193,470        | 59,554,237        | 197,747,707        | 26,955,799        |
| Total noncurrent assets         | <u>205,523,807</u> | <u>60,357,088</u> | <u>265,880,895</u> | <u>32,382,786</u> |
| Total assets                    | <u>329,067,732</u> | <u>70,531,600</u> | <u>399,599,332</u> | <u>44,189,268</u> |

(Continued)

See Notes to Financial Statements.

**Village of Glenview, Illinois**

Statement of Net Position (Continued)  
December 31, 2012

|  | Primary Government         |                             |                       | Component                   |
|--|----------------------------|-----------------------------|-----------------------|-----------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                 | Unit<br>Glenview<br>Library |
| <b>Liabilities</b>                                   |                            |                             |                       |                             |
| Accounts payable                                     | \$ 18,269,637              | \$ 2,556,456                | \$ 20,826,093         | \$ 357,900                  |
| Accrued payroll                                      | 621,394                    | 67,319                      | 688,713               | 97,353                      |
| Accrued interest payable                             | 225,057                    | 29,944                      | 255,001               | 73,236                      |
| Claims payable                                       | 1,802,990                  | -                           | 1,802,990             | -                           |
| Other payables                                       | 5,464,877                  | 443                         | 5,465,320             | -                           |
| Unearned revenues                                    | 10,975,566                 | -                           | 10,975,566            | 7,392,863                   |
| Due to pension trusts                                | 23,114                     | -                           | 23,114                | -                           |
| Current portion of long-term liabilities             | 31,252,831                 | 872,648                     | 32,125,479            | 1,125,829                   |
| <b>Total current liabilities</b>                     | <b>68,635,466</b>          | <b>3,526,810</b>            | <b>72,162,276</b>     | <b>9,047,181</b>            |
| Noncurrent liabilities                               |                            |                             |                       |                             |
| Long-term liabilities -<br>due in more than one year | 62,245,045                 | 3,197,809                   | 65,442,854            | 22,928,318                  |
| <b>Total liabilities</b>                             | <b>130,880,511</b>         | <b>6,724,619</b>            | <b>137,605,130</b>    | <b>31,975,499</b>           |
| <b>Net Position</b>                                  |                            |                             |                       |                             |
| Net investment in capital assets                     | 109,488,722                | 56,331,598                  | 165,820,320           | 8,607,786                   |
| Restricted   |                            |                             |                       |                             |
| Street improvements                                  | 1,084,042                  | -                           | 1,084,042             | -                           |
| Debt service   | 139,678                    | -                           | 139,678               | -                           |
| Public safety  | 341,136                    | -                           | 341,136               | -                           |
| Economic development                                 | 3,046,893                  | -                           | 3,046,893             | -                           |
| Capital projects                                     | 41,366,405                 | -                           | 41,366,405            | -                           |
| Culture and recreation                               | -                          | -                           | -                     | 1,018,829                   |
| Unrestricted   | 42,720,345                 | 7,475,383                   | 50,195,728            | 2,587,154                   |
| <b>Total net position</b>                            | <b>\$ 198,187,221</b>      | <b>\$ 63,806,981</b>        | <b>\$ 261,994,202</b> | <b>\$ 12,213,769</b>        |

See Notes to Financial Statements.



**Village of Glenview, Illinois**

Statement of Activities  
For the Year Ended December 31, 2012

| Functions/Program              | Expenses       | Program Revenues     |                                    |                                  |
|--------------------------------|----------------|----------------------|------------------------------------|----------------------------------|
|                                |                | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary government</b>      |                |                      |                                    |                                  |
| Governmental activities        |                |                      |                                    |                                  |
| General government             | \$ 40,172,192  | \$ 3,564,720         | \$ 29,750                          | \$ -                             |
| Public works                   | 6,670,428      | 945,812              | 1,704,177                          | 93,007                           |
| Public safety                  | 27,145,548     | 4,967,056            | 82,984                             | -                                |
| Development                    | 6,421,304      | 850,749              | 143,182                            | 653,980                          |
| Interest                       | 2,984,565      | -                    | -                                  | -                                |
| Total governmental activities  | 83,394,037     | 10,328,337           | 1,960,093                          | 746,987                          |
| Business-type activities       |                |                      |                                    |                                  |
| Water services                 | 10,339,739     | 11,351,729           | -                                  | -                                |
| North Maine water and sewer    | 7,399,749      | 8,229,828            | -                                  | -                                |
| Sanitary sewerage              | 1,729,509      | 2,523,022            | -                                  | -                                |
| Wholesale water                | 1,157,835      | 2,063,759            | -                                  | -                                |
| Commuter parking               | 449,674        | 526,212              | -                                  | -                                |
| Total business-type activities | 21,076,506     | 24,694,550           | -                                  | -                                |
| Total primary government       | \$ 104,470,543 | \$ 35,022,887        | \$ 1,960,093                       | \$ 746,987                       |
| <b>Component Unit</b>          |                |                      |                                    |                                  |
| Public library                 | \$ 9,105,470   | \$ 249,741           | \$ 894,964                         | \$ -                             |

**General revenues and transfers**

|   |  |
|---|--|
| Taxes                                     |  |
| Property                                  |  |
| Home rule sales                           |  |
| Telecommunication                         |  |
| Utility                                   |  |
| Other                                     |  |
| Intergovernmental revenues - unrestricted |  |
| Taxes                                     |  |
| Sales                                     |  |
| Income                                    |  |
| Local use                                 |  |
| Other taxes                               |  |
| Investment income                         |  |
| Miscellaneous                             |  |
| Transfers - internal activity             |  |
| Total general revenues and transfers      |  |
| Change in net position                    |  |

Net position – beginning of year

Net position – end of year

See Notes to Financial Statements.

| Net (Expense) Revenue and Changes in Net Position |                             |                 |                     |
|---|-----------------------------|-----------------|---------------------|
| Primary Government                                |                             |                 | Component Unit      |
| Governmental<br>Activities                        | Business-type<br>Activities | Total           | Glenview<br>Library |
| \$ (36,577,722)                                   | \$ -                        | \$ (36,577,722) | \$ -                |
| (3,927,432)                                       | -                           | (3,927,432)     | -                   |
| (22,095,508)                                      | -                           | (22,095,508)    | -                   |
| (4,773,393)                                       | -                           | (4,773,393)     | -                   |
| (2,984,565)                                       | -                           | (2,984,565)     | -                   |
| (70,358,620)                                      | -                           | (70,358,620)    | -                   |
| -   | 1,011,990                   | 1,011,990       | -                   |
| -   | 830,079                     | 830,079         | -                   |
| -   | 793,513                     | 793,513         | -                   |
| -   | 905,924                     | 905,924         | -                   |
| -   | 76,538                      | 76,538          | -                   |
| -   | 3,618,044                   | 3,618,044       | -                   |
| (70,358,620)                                      | 3,618,044                   | (66,740,576)    | -                   |
|   |                             |                 | \$ (7,960,765)      |
| 37,275,705  | -                           | 37,275,705      | 7,317,670           |
| 6,709,580   | -                           | 6,709,580       | -                   |
| 2,771,970   | -                           | 2,771,970       | -                   |
| 3,177,929   | -                           | 3,177,929       | -                   |
| 836,019   | -                           | 836,019         | -                   |
| 13,091,218  | -                           | 13,091,218      | -                   |
| 3,962,313   | -                           | 3,962,313       | -                   |
| 702,009   | -                           | 702,009         | -                   |
| 1,912,365   | -                           | 1,912,365       | -                   |
| 860,108   | 33,790                      | 893,898         | 31,601              |
| 1,562,876   | 41,947                      | 1,604,823       | -                   |
| 827,016   | (827,016)                   | -               | -                   |
| 73,689,108  | (751,279)                   | 72,937,829      | 7,349,271           |
| 3,330,488   | 2,866,765                   | 6,197,253       | (611,494)           |
| 194,856,733                                       | 60,940,216                  | 255,796,949     | 12,825,263          |
| \$ 198,187,221                                    | \$ 63,806,981               | \$ 261,994,202  | \$ 12,213,769       |

**Village of Glenview, Illinois**

**Governmental Funds**

Balance Sheet

December 31, 2012

| <b>Assets</b>                  | General<br>Fund      | Special Tax<br>Allocation<br>Fund | Village<br>Permanent<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|----------------------|-----------------------------------|------------------------------|-----------------------------------|--------------------------------|
| Cash and cash equivalents      | \$ 3,207,103         | \$ 9,412,185                      | \$ 1,826,861                 | \$ 3,447,495                      | \$ 17,893,644                  |
| Investments                    | 16,812,053           | 2,758,050                         | 3,772,834                    | 9,939,403                         | 33,282,340                     |
| Receivables, net of allowances |                      |                                   |                              |                                   |                                |
| Taxes                          | 18,478,299           | -                                 | -                            | -                                 | 18,478,299                     |
| Accounts                       | 299,733              | -                                 | -                            | 77,377                            | 377,110                        |
| Other                          | 296,480              | 620                               | 788                          | 319,767                           | 617,655                        |
| Prepaid items                  | 15,000               | 64,508                            | -                            | -                                 | 79,508                         |
| Inventory                      | 180,280              | -                                 | -                            | -                                 | 180,280                        |
| Due from other funds           | -                    | -                                 | -                            | 9,675                             | 9,675                          |
| Due from other governments     | -                    | -                                 | -                            | 92,513                            | 92,513                         |
| Land held for resale           | -                    | 23,891,262                        | 6,500,000                    | -                                 | 30,391,262                     |
| Notes receivable               | 85,000               | 1,873,667                         | -                            | -                                 | 1,958,667                      |
| Advance to other funds         | -                    | -                                 | 18,437,001                   | -                                 | 18,437,001                     |
| Total assets                   | <u>\$ 39,373,948</u> | <u>\$ 38,000,292</u>              | <u>\$ 30,537,484</u>         | <u>\$ 13,886,230</u>              | <u>\$ 121,797,954</u>          |

**Liabilities and Fund Balances**

|  |                      |                      |                      |                      |                       |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Liabilities</b>                     |                      |                      |                      |                      |                       |
| Accounts payable                       | \$ 1,668,985         | \$ 15,362,250        | \$ -                 | \$ 844,205           | \$ 17,875,440         |
| Accrued payroll                        | 601,799              | 7,950                | -                    | -                    | 609,749               |
| Other payables                         | 524,322              | 4,300,000            | -                    | 483,091              | 5,307,413             |
| Due to other funds                     | 9,675                | -                    | -                    | -                    | 9,675                 |
| Due to pension trusts                  | 23,114               | -                    | -                    | -                    | 23,114                |
| Deferred revenue                       | 10,785,967           | 3,750                | -                    | 165,157              | 10,954,874            |
| Advances from other funds              | -                    | 15,214,941           | -                    | -                    | 15,214,941            |
| Total liabilities                      | <u>13,613,862</u>    | <u>34,888,891</u>    | <u>-</u>             | <u>1,492,453</u>     | <u>49,995,206</u>     |
| <b>Fund balances</b>                   |                      |                      |                      |                      |                       |
| Nonspendable                           | 195,280              | 64,508               | -                    | -                    | 259,788               |
| Restricted                             | -                    | 3,046,893            | 30,537,484           | 12,393,777           | 45,978,154            |
| Unassigned                             | 25,564,806           | -                    | -                    | -                    | 25,564,806            |
| Total fund balances                    | <u>25,760,086</u>    | <u>3,111,401</u>     | <u>30,537,484</u>    | <u>12,393,777</u>    | <u>71,802,748</u>     |
| Total liabilities and<br>fund balances | <u>\$ 39,373,948</u> | <u>\$ 38,000,292</u> | <u>\$ 30,537,484</u> | <u>\$ 13,886,230</u> | <u>\$ 121,797,954</u> |

See Notes to Financial Statements.

**Village of Glenview, Illinois**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2012

---

Total fund balances – governmental funds \$ 71,802,748

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. 200,367,966

Unamortized bond issuance costs are not considered to represent a financial resource and, therefore, are not reported in the funds. 171,772

An internal service fund is used by the Village to charge the costs of vehicle and equipment management and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal service fund net assets are: 16,542,266

Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:

|  |              |                       |
|--|--------------|-----------------------|
| Compensated absences payable                                   | (1,464,154)  |                       |
| Net other postemployment benefit obligation payable            | (1,154,478)  |                       |
| Net pension asset  | 3,025,402    |                       |
| General obligation bond payable, net of unamortized items      | (90,879,244) |                       |
| Accrued interest payable                                       | (225,057)    |                       |
| Total long-term liabilities not reported in governmental funds |              | <u>(90,697,531)</u>   |
| Net position of governmental activities                        |              | <u>\$ 198,187,221</u> |

See Notes to Financial Statements.

Village of Glenview, Illinois

**Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2012

|  | General<br>Fund      | Special Tax<br>Allocation<br>Fund | Village<br>Permanent<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-----------------------------------|------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>  |                      |                                   |                              |                                   |                                |
| <b>Taxes</b>   |                      |                                   |                              |                                   |                                |
| Property   | \$ 10,992,046        | \$ 26,283,659                     | \$ -                         | \$ -                              | \$ 37,275,705                  |
| Other  | 13,495,498           | -                                 | -                            | -                                 | 13,495,498                     |
| Licenses and permits   | 1,923,238            | -                                 | -                            | -                                 | 1,923,238                      |
| Charges for services   | 6,346,445            | 17,180                            | 156,000                      | -                                 | 6,519,625                      |
| Fines and forfeitures  | 224,198              | -                                 | -                            | -                                 | 224,198                        |
| Intergovernmental  | 22,211,809           | 143,182                           | -                            | 2,441,141                         | 24,796,132                     |
| Investment income  | 115,402              | 133,801                           | 122,546                      | 51,002                            | 422,751                        |
| Other revenues   | 28,674               | -                                 | -                            | 681,324                           | 709,998                        |
| <b>Total revenues</b>  | <b>55,337,310</b>    | <b>26,577,822</b>                 | <b>278,546</b>               | <b>3,173,467</b>                  | <b>85,367,145</b>              |
| <b>Expenditures</b>  |                      |                                   |                              |                                   |                                |
| <b>Current</b>   |                      |                                   |                              |                                   |                                |
| General government   | 15,147,824           | 23,263,828                        | -                            | -                                 | 38,411,652                     |
| Public works   | 7,036,995            | -                                 | -                            | -                                 | 7,036,995                      |
| Public safety  | 26,266,737           | -                                 | -                            | 102,936                           | 26,369,673                     |
| Development  | 967,029              | -                                 | -                            | 294,299                           | 1,261,328                      |
| Capital outlay   | -                    | -                                 | -                            | 6,060,977                         | 6,060,977                      |
| <b>Debt service</b>  |                      |                                   |                              |                                   |                                |
| Bond issuance costs  | -                    | 92,160                            | -                            | 46,884                            | 139,044                        |
| Principal  | -                    | 7,045,000                         | -                            | 1,163,235                         | 8,208,235                      |
| Interest and fiscal charges                                  | -                    | 2,460,539                         | -                            | 818,925                           | 3,279,464                      |
| <b>Total expenditures</b>                                    | <b>49,418,585</b>    | <b>32,861,527</b>                 | <b>-</b>                     | <b>8,487,256</b>                  | <b>90,767,368</b>              |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>5,918,725</b>     | <b>(6,283,705)</b>                | <b>278,546</b>               | <b>(5,313,789)</b>                | <b>(5,400,223)</b>             |
| <b>Other financing sources (uses)</b>                        |                      |                                   |                              |                                   |                                |
| Payment to bond escrow agent                                 | -                    | (27,796,231)                      | -                            | (16,882,653)                      | (44,678,884)                   |
| Proceeds from bond issuance                                  | -                    | 25,820,000                        | -                            | 14,575,000                        | 40,395,000                     |
| Premium on bond issuance                                     | -                    | 2,075,642                         | -                            | 2,356,749                         | 4,432,391                      |
| Transfers in   | 709,030              | -                                 | -                            | 5,572,441                         | 6,281,471                      |
| Transfers (out)  | (5,085,695)          | (273,379)                         | (343,759)                    | -                                 | (5,702,833)                    |
| <b>Total other financing sources<br/>(uses)</b>              | <b>(4,376,665)</b>   | <b>(173,968)</b>                  | <b>(343,759)</b>             | <b>5,621,537</b>                  | <b>727,145</b>                 |
| <b>Net change in fund balances</b>                           | <b>1,542,060</b>     | <b>(6,457,673)</b>                | <b>(65,213)</b>              | <b>307,748</b>                    | <b>(4,673,078)</b>             |
| <b>Fund balances – beginning of year</b>                     | <b>24,218,026</b>    | <b>9,569,074</b>                  | <b>30,602,697</b>            | <b>12,086,029</b>                 | <b>76,475,826</b>              |
| <b>Fund balances – end of year</b>                           | <b>\$ 25,760,086</b> | <b>\$ 3,111,401</b>               | <b>\$ 30,537,484</b>         | <b>\$ 12,393,777</b>              | <b>\$ 71,802,748</b>           |

See Notes to Financial Statements.

**Village of Glenview, Illinois**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the Statement of Activities  
For the Year Ended December 31, 2012**

Net changes in fund balances—total governmental funds \$ (4,673,078)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets.

|  |             |             |
|--|-------------|-------------|
| Capital outlays                                    | 4,264,990   |             |
| Depreciation expense                               | (5,431,452) |             |
| Loss on disposal of capital assets                 | (33,887)    |             |
| Depreciation and loss expense over capital outlays | (1,200,349) | (1,200,349) |

A net pension asset is considered to represent a financial resource and, therefore, is not reported in the funds. (50,660)

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.

|   |              |           |
|---|--------------|-----------|
| Reductions to compensated absences payable      | 18,868       |           |
| Retirement of debt                              | 50,095,000   |           |
| Issuance of bonds, including premium            | (44,827,391) |           |
| Debt issuance costs incurred                    | 27,848       |           |
| Amortization of unamortized premium/discount    | 338,508      |           |
| Amortization of unamortized bond issuance costs | (57,880)     |           |
| Change in deferred charges                      | 2,865,040    |           |
| Change in other postemployment benefits         | (237,600)    |           |
| Net affect of long-term debt                    | 8,222,393    | 8,222,393 |

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. 52,545

Internal service funds are used by the Village to charge the cost of vehicle and equipment management and insurance to individual funds. A portion of the net revenue of the internal service fund is reported with governmental activities. 979,637

Change in net position of governmental activities – statement of activities \$ 3,330,488

See Notes to Financial Statements.

Village of Glenview, Illinois

Proprietary Funds  
Statement of Net Position  
December 31, 2012

| Assets  | Business-type Activities |                                  |                              |
|---|--------------------------|----------------------------------|------------------------------|
|   | Glenview Water Fund      | North Maine Water and Sewer Fund | Glenview Sanitary Sewer Fund |
| <b>Current assets</b>                           |                          |                                  |                              |
| Cash and cash equivalents                       | \$ 951,691               | \$ 2,184,028                     | \$ 423,516                   |
| Investments                                     | 1,833,229                | 1,456,724                        | 835,671                      |
| Receivables                                     |                          |                                  |                              |
| Accounts, net                                   | 1,805,257                | 1,074,063                        | 678,779                      |
| Interest  | -                        | -                                | -                            |
| Other   | -                        | -                                | -                            |
| Prepaid items                                   | -                        | -                                | -                            |
| Inventory                                       | 55,004                   | -                                | -                            |
| Due from other governments                      | -                        | -                                | -                            |
| <b>Total current assets</b>                     | <b>4,645,181</b>         | <b>4,714,815</b>                 | <b>1,937,966</b>             |
| <b>Noncurrent assets</b>                        |                          |                                  |                              |
| Capital assets, not being depreciated           | 67,851                   | 235,000                          | -                            |
| Capital assets being depreciated - net          | 34,142,753               | 5,901,123                        | 16,458,401                   |
| <b>Total noncurrent assets</b>                  | <b>34,210,604</b>        | <b>6,136,123</b>                 | <b>16,458,401</b>            |
| <b>Total assets</b>                             | <b>38,855,785</b>        | <b>10,850,938</b>                | <b>18,396,367</b>            |
|   |                          |                                  |                              |
|   | <b>Liabilities</b>       |                                  |                              |
| <b>Current liabilities</b>                      |                          |                                  |                              |
| Accounts payable                                | 961,323                  | 1,174,757                        | 253,462                      |
| Accrued payroll                                 | 40,260                   | 17,397                           | 8,134                        |
| Accrued interest payable                        | 4,035                    | 22,739                           | 3,170                        |
| Accrued expenses                                | -                        | -                                | -                            |
| Claims payable                                  | -                        | -                                | -                            |
| Unearned revenues                               | -                        | -                                | -                            |
| Advances from other funds                       | -                        | 3,211,647                        | -                            |
| Current portion of long-term liabilities        | 330,993                  | 288,655                          | 253,000                      |
| <b>Total current liabilities</b>                | <b>1,336,611</b>         | <b>4,715,195</b>                 | <b>517,766</b>               |
| <b>Noncurrent liabilities</b>                   |                          |                                  |                              |
| Long-term liabilities due in more than one year | 1,078,981                | 1,299,323                        | 819,505                      |
| <b>Total liabilities</b>                        | <b>2,415,592</b>         | <b>6,014,518</b>                 | <b>1,337,271</b>             |
|   |                          |                                  |                              |
|   | <b>Net Position</b>      |                                  |                              |
| Net investment in capital assets                | 32,845,597               | 4,548,145                        | 15,385,896                   |
| Unrestricted                                    | 3,594,596                | 288,275                          | 1,673,200                    |
| <b>Total net position</b>                       | <b>\$ 36,440,193</b>     | <b>\$ 4,836,420</b>              | <b>\$ 17,059,096</b>         |

See Notes to Financial Statements.

| Nonmajor<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Governmental<br>Activities<br>Internal Service<br>Funds |
|---------------------------------|------------------------------|---|
| \$ 1,434,281                    | \$ 4,993,516                 | \$ 2,696,685  |
| 481,351                         | 4,606,975                    | 14,645,571  |
| 169,092                         | 3,727,191                    | 88,809  |
| -                               | -                            | 37,227  |
| -                               | -                            | 40,000  |
| -                               | -                            | 1,081,846   |
| -                               | 55,004                       | 339,117   |
| 3,473                           | 3,473                        | -   |
| <u>2,088,197</u>                | <u>13,386,159</u>            | <u>18,929,255</u>                                       |
| 500,000                         | 802,851                      | -   |
| 3,051,960                       | 59,554,237                   | -   |
| <u>3,551,960</u>                | <u>60,357,088</u>            | <u>-</u>  |
| 5,640,157                       | 73,743,247                   | 18,929,255  |
| 166,914                         | 2,556,456                    | 394,197   |
| 1,528                           | 67,319                       | 11,645  |
| -                               | 29,944                       | -   |
| 443                             | 443                          | 157,464   |
| -                               | -                            | 1,802,990   |
| -                               | -                            | 20,692  |
| -                               | 3,211,647                    | -   |
| -                               | 872,648                      | -   |
| <u>168,885</u>                  | <u>6,738,457</u>             | <u>2,386,988</u>  |
| -                               | 3,197,809                    | -   |
| <u>168,885</u>                  | <u>9,936,266</u>             | <u>2,386,988</u>  |
| 3,551,960                       | 56,331,598                   | -   |
| 1,919,312                       | 7,475,383                    | 16,542,267  |
| <u>\$ 5,471,272</u>             | <u>\$ 63,806,981</u>         | <u>\$ 16,542,267</u>                                    |



**Village of Glenview, Illinois**

**Proprietary Funds**

Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Year Ended December 31, 2012

|   | Business-type Activities - |  |                                    |
|---|----------------------------|--|------------------------------------|
|   | Glenview<br>Water<br>Fund  | North Maine<br>Water and<br>Sewer Fund | Glenview<br>Sanitary<br>Sewer Fund |
| Operating revenues                        |                            |  |                                    |
| Charges for sales and services            | \$ 11,101,792              | \$ 8,130,434                           | \$ 2,449,622                       |
| Miscellaneous                             | 249,937                    | 99,394                                 | 73,400                             |
| Total operating revenues                  | <u>11,351,729</u>          | <u>8,229,828</u>                       | <u>2,523,022</u>                   |
| Operating expenses                        |                            |  |                                    |
| Operations and maintenance                |                            |  |                                    |
| Insurance services                        | -                          | -                                      | -                                  |
| Parking services                          | -                          | -                                      | -                                  |
| Water services                            | 9,019,193                  | -                                      | -                                  |
| Sewerage services                         | -                          | -                                      | 1,259,552                          |
| North Maine water and sewer distribution  | -                          | 7,001,061                              | -                                  |
| Capital asset repair and replacement      | -                          | -                                      | -                                  |
| Depreciation and amortization             | 1,138,308                  | 205,868                                | 412,806                            |
| Total operating expenses                  | <u>10,157,501</u>          | <u>7,206,929</u>                       | <u>1,672,358</u>                   |
| Operating income                          | <u>1,194,228</u>           | <u>1,022,899</u>                       | <u>850,664</u>                     |
| Nonoperating revenues (expenses)          |                            |  |                                    |
| Other income                              | -                          | -                                      | 23,184                             |
| Investment income                         | 9,719                      | 12,780                                 | 4,524                              |
| Gain (loss) on sale of capital assets     | (123,657)                  | 18,763                                 | (11,123)                           |
| Reassignment of capital assets            | -                          | -                                      | -                                  |
| Interest and fiscal charges               | (58,581)                   | (192,820)                              | (46,028)                           |
| Total nonoperating revenues<br>(expenses) | <u>(172,519)</u>           | <u>(161,277)</u>                       | <u>(29,443)</u>                    |
| Income before transfers                   | 1,021,709                  | 861,622                                | 821,221                            |
| Transfers in                              | -                          | -                                      | 74,555                             |
| Transfers out                             | -                          | (135,651)                              | -                                  |
| Change in net position                    | 1,021,709                  | 725,971                                | 895,776                            |
| Net position – beginning of year          | <u>35,418,484</u>          | <u>4,110,449</u>                       | <u>16,163,320</u>                  |
| Net position – end of year                | <u>\$ 36,440,193</u>       | <u>\$ 4,836,420</u>                    | <u>\$ 17,059,096</u>               |

See Notes to Financial Statements.

| Enterprise Funds    |                      | Governmental         |
|---------------------|----------------------|----------------------|
| Nonmajor            | Total                | Activities           |
| Enterprise          | Enterprise           | Internal Service     |
| Funds               | Funds                | Funds                |
| \$ 2,580,971        | \$ 24,262,819        | \$ 11,181,828        |
| 9,000               | 431,731              | 534,022              |
| <u>2,589,971</u>    | <u>24,694,550</u>    | <u>11,715,850</u>    |
| -                   | -                    | 6,351,141            |
| 382,089             | 382,089              | -                    |
| 1,079,893           | 10,099,086           | -                    |
| -                   | 1,259,552            | -                    |
| -                   | 7,001,061            | -                    |
| -                   | -                    | 2,206,492            |
| 137,287             | 1,894,269            | -                    |
| <u>1,599,269</u>    | <u>20,636,057</u>    | <u>8,557,633</u>     |
| <u>990,702</u>      | <u>4,058,493</u>     | <u>3,158,217</u>     |
| -                   | 23,184               | -                    |
| 6,767               | 33,790               | 437,357              |
| -                   | (116,017)            | -                    |
| -                   | -                    | (2,864,315)          |
| <u>(8,240)</u>      | <u>(305,669)</u>     | <u>-</u>             |
| <u>(1,473)</u>      | <u>(364,712)</u>     | <u>(2,426,958)</u>   |
| 989,229             | 3,693,781            | 731,259              |
| -                   | 74,555               | 248,378              |
| <u>(765,920)</u>    | <u>(901,571)</u>     | <u>-</u>             |
| 223,309             | 2,866,765            | 979,637              |
| <u>5,247,963</u>    | <u>60,940,216</u>    | <u>15,562,630</u>    |
| <u>\$ 5,471,272</u> | <u>\$ 63,806,981</u> | <u>\$ 16,542,267</u> |

Village of Glenview, Illinois

Proprietary Funds

Statement of Cash Flows

For the Year Ended December 31, 2012

|  | Business-type Activities – |  |                                    |
|--|----------------------------|--|------------------------------------|
|  | Glenview<br>Water<br>Fund  | North Maine<br>Water and<br>Sewer Fund | Glenview<br>Sanitary<br>Sewer Fund |
| Cash flows from operating activities                           |                            |  |                                    |
| Cash received from customers and users                         | \$ 10,929,245              | \$ 8,325,369                           | \$ 2,411,414                       |
| Cash received from other sources                               | 30,650                     | -                                      | 95,213                             |
| Cash payments for goods and services                           | (7,070,840)                | (8,418,938)                            | (1,114,446)                        |
| Cash payments to employees                                     | (1,999,572)                | (823,925)                              | (414,894)                          |
| Net cash provided by (used in) operating activities            | 1,889,483                  | (917,494)                              | 977,287                            |
| Cash flows from noncapital financing activities                |                            |  |                                    |
| Transfers in   | -                          | -                                      | 74,555                             |
| Transfers out  | -                          | (608,302)                              | -                                  |
| Net cash provided by (used in) noncapital financing activities | -                          | (608,302)                              | 74,555                             |
| Cash flows from capital and related financing activities       |                            |  |                                    |
| Purchases of capital assets                                    | (863,037)                  | (95,573)                               | (751,259)                          |
| Proceeds from sales of capital assets                          | -                          | 18,763                                 | -                                  |
| Principal payments   | (308,000)                  | (281,419)                              | (242,000)                          |
| Interest payments  | (59,479)                   | (195,778)                              | (46,734)                           |
| Net cash used in capital and related financing activities      | (1,230,516)                | (554,007)                              | (1,039,993)                        |
| Cash flows from investing activities                           |                            |  |                                    |
| Purchase of investments  | (215,174)                  | (4,450)                                | (2,539)                            |
| Sale of investments  | -                          | -                                      | -                                  |
| Interest received  | 9,719                      | 12,780                                 | 4,524                              |
| Net cash provided by (used in) investing activities            | (205,455)                  | 8,330                                  | 1,985                              |
| Net increase (decrease) in cash and cash equivalents           | 453,512                    | (2,071,473)                            | 13,834                             |
| Cash and cash equivalents – beginning of year                  | 498,179                    | 4,255,501                              | 409,682                            |
| Cash and cash equivalents – end of year                        | \$ 951,691                 | \$ 2,184,028                           | \$ 423,516                         |

See Notes to Financial Statements

| Enterprise Funds    |                     | Governmental        |
|---------------------|---------------------|---------------------|
| Nonmajor            | Total               | Activities          |
| Enterprise          | Enterprise          | Internal Service    |
| Funds               | Funds               | Funds               |
| \$ 2,735,657        | \$24,401,685        | \$ 11,712,946       |
| -                   | 125,863             | -                   |
| (1,373,136)         | (17,977,360)        | (10,392,000)        |
| (76,831)            | (3,315,222)         | (848,604)           |
| <u>1,285,690</u>    | <u>3,234,966</u>    | <u>472,342</u>      |
| 694                 | 75,249              | 248,378             |
| (765,920)           | (1,374,222)         | -                   |
| <u>(765,226)</u>    | <u>(1,298,973)</u>  | <u>248,378</u>      |
| -                   | (1,709,869)         | (2,864,315)         |
| -                   | 18,763              | -                   |
| (225,000)           | (1,056,419)         | -                   |
| (8,962)             | (310,953)           | -                   |
| <u>(233,962)</u>    | <u>(3,058,478)</u>  | <u>(2,864,315)</u>  |
| (1,744)             | (223,907)           | (8,730,260)         |
| 200,000             | 200,000             | 11,070,497          |
| 6,767               | 33,790              | 409,206             |
| <u>205,023</u>      | <u>9,883</u>        | <u>2,749,443</u>    |
| 491,525             | (1,112,602)         | 605,848             |
| <u>942,756</u>      | <u>6,106,118</u>    | <u>2,090,837</u>    |
| <u>\$ 1,434,281</u> | <u>\$ 4,993,516</u> | <u>\$ 2,696,685</u> |

(Continued)

**Village of Glenview, Illinois**

**Proprietary Funds**

Statement of Cash Flows (Continued)

For the Year Ended December 31, 2012

|  | Business-type Activities – |  |                                    |
|--|----------------------------|--|------------------------------------|
|  | Glenview<br>Water<br>Fund  | North Maine<br>Water and<br>Sewer Fund | Glenview<br>Sanitary<br>Sewer Fund |
| Reconciliation of operating income to net cash provided by operating activities:                 |                            |  |                                    |
| Operating income   | \$ 1,194,228               | \$ 1,022,899                           | \$ 850,664                         |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities |                            |  |                                    |
| Depreciation and amortization  | 1,138,308                  | 205,868                                | 412,806                            |
| Other income   | -                          | -                                      | 23,184                             |
| Changes in assets and liabilities  |                            |  |                                    |
| Accounts receivable  | (403,520)                  | 93,641                                 | (60,067)                           |
| Other receivable   | 11,686                     | 1,900                                  | 20,488                             |
| Prepaid expense  | -                          | -                                      | -                                  |
| Inventory  | 4,409                      | -                                      | -                                  |
| Accounts payable   | (86,529)                   | (2,256,920)                            | (277,401)                          |
| Accrued payroll  | 35,720                     | 15,118                                 | 7,613                              |
| Accrued expenses   | -                          | -                                      | -                                  |
| Compensated absences   | (4,819)                    | -                                      | -                                  |
| Claims payable   | -                          | -                                      | -                                  |
| Unearned revenue   | -                          | -                                      | -                                  |
| Total adjustments  | 695,255                    | (1,940,393)                            | 126,623                            |
| Net cash provided by (used in) operating activities  | \$ 1,889,483               | \$ (917,494)                           | \$ 977,287                         |

See Notes to Financial Statements.

| <u>Enterprise Funds</u> |                     | <u>Governmental</u> |
|-------------------------|---------------------|---------------------|
| Nonmajor                | Total               | Activities          |
| Enterprise              | Enterprise          | Internal Service    |
| Funds                   | Funds               | Funds               |
| <u>\$ 990,702</u>       | <u>\$ 4,058,493</u> | <u>\$ 3,158,217</u> |
| 137,287                 | 1,894,269           | -                   |
| -                       | 23,184              | -                   |
| 145,686                 | (224,260)           | (23,596)            |
| -                       | 34,074              | -                   |
| -                       | -                   | (998,261)           |
| -                       | 4,409               | (57,570)            |
| 10,193                  | (2,610,657)         | (369,964)           |
| 1,379                   | 59,830              | 78,674              |
| 443                     | 443                 | 50,146              |
| -                       | (4,819)             | -                   |
| -                       | -                   | (1,385,996)         |
| -                       | -                   | 20,692              |
| <u>294,988</u>          | <u>(823,527)</u>    | <u>(2,685,875)</u>  |
| <u>\$ 1,285,690</u>     | <u>\$ 3,234,966</u> | <u>\$ 472,342</u>   |

**Village of Glenview, Illinois**

**Fiduciary Funds**

Statement of Fiduciary Net Position

December 31, 2012

| <b>Assets</b>                                   | Pension<br>Trust<br>Funds | Agency<br>Fund |
|---|---------------------------|----------------|
| Cash and cash equivalents                       | \$ 3,055,068              | \$ 536,013     |
| Investments                                     |                           |                |
| U.S. government and agency obligations          | 51,059,880                | -              |
| Municipal obligations                           | 2,675,912                 | -              |
| Corporate obligations                           | 2,040,756                 | -              |
| Equity mutual funds                             | 52,495,032                | -              |
| Money market funds and certificates of deposits | -                         | 3,295,776      |
| Receivables                                     |                           |                |
| Property taxes                                  | -                         | 273,008        |
| Accrued interest receivable                     | 232,189                   | 5,749          |
| Due from other funds                            | 23,114                    | -              |
| Prepaid expenses                                | 1,962                     | -              |
| Total assets                                    | 111,583,913               | 4,110,546      |
| <b>Liabilities</b>                              |                           |                |
| Accounts payable                                | -                         | 123,480        |
| Refundable deposits                             | -                         | 3,583,298      |
| Accrued expenses                                | 16,021                    | -              |
| Advances from other funds                       | -                         | 10,413         |
| Due to bond holders                             | -                         | 393,355        |
| Total liabilities                               | 16,021                    | 4,110,546      |
| <b>Net Position</b>                             |                           |                |
| Held in trust for pension benefits              | \$ 111,567,892            | \$ -           |

See Notes to Financial Statements.

**Village of Glenview, Illinois**

**Pension Trust Funds**

Statement of Changes in Plan Net Position

For the Year Ended December 31, 2012

---

|   |                       |
|---|-----------------------|
| Additions                                       |                       |
| Contributions                                   |                       |
| Employer  | \$ 4,738,702          |
| Participant                                     | <u>1,386,791</u>      |
| Total contributions                             | <u>6,125,493</u>      |
| Investment income                               |                       |
| Net appreciation in fair value of investments   | 6,213,709             |
| Interest income                                 | 2,899,490             |
| Less investment expenses                        | <u>(227,014)</u>      |
| Net investment income                           | <u>8,886,185</u>      |
| Total additions                                 | <u>15,011,678</u>     |
| Deductions                                      |                       |
| Retirement pension                              | 6,006,618             |
| Widow pensions                                  | 511,767               |
| Disability pensions                             | <u>503,696</u>        |
| Total deductions                                | <u>7,022,081</u>      |
| Change in net position                          | 7,989,597             |
| Net position held in trust for pension benefits |                       |
| Beginning                                       | <u>103,578,295</u>    |
| Ending  | <u>\$ 111,567,892</u> |

See Notes to Financial Statements.



**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 1. Summary of Significant Accounting Policies**

The Village of Glenview, Illinois, (Village) was incorporated in 1899. The Village operates under a Council-Manager form of government and provides services which include: police and fire safety, water utility, sanitary sewer utility, storm water management, street maintenance, community development, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the Village's more significant accounting policies:

**Reporting Entity**

As defined by accounting principles generally accepted in the United States of America established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (a) Appointment of a voting majority of the component unit's board, and either (1) the ability to impose will by the primary government, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or
- (b) Fiscal dependency on the primary government

Based on the above criteria, the Glenview Library (Library) is a component unit to the Village of Glenview. In the government-wide financial statements, the Library is presented in a separate column to emphasize that it is legally separate from the Village.

The Library operates and maintains the public library within the Village. The Library's seven-member board is separately elected by the voters of the Village and annually determines its budget and resulting tax levy, which is levied by the Village. The Library may not issue bonded debt without the approval of the Village.

Separate financial statements are disclosed in the component unit portion of this report. The Library does not issue separate financial statements.

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Government-wide and Fund Financial Statements**

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

The statement of net position presents the Village's nonfiduciary assets and liabilities with the difference reported in three categories:

*Investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* results when constraints are placed on net position use, either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of net position that does not meet the criteria of the two preceding categories.

The Village generally applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net resources are available. See additional information beginning on page 43.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational needs of the Village or 3) capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and business-type funds are reported as separate columns in the fund financial statements. Details for nonmajor funds are reported in the supplementary information.

**Fund Accounting**

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Note 1. Summary of Significant Accounting Policies (Continued)**  
**Fund Accounting (Continued)**

Funds are classified into three broad categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

**Governmental Funds**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in another fund. The following are the Village's governmental fund types and funds:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those not accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted, committed, or assigned to expenditures for specified purposes. The Village has the following special revenue funds:

- Special Tax Allocation Fund - a major fund
- Motor Fuel Tax Fund
- Foreign Fire Insurance Fund
- Police Department Special Account Funds

Debt Service Funds are used for the servicing of general long-term debt. The Village has the following debt service fund:

- Corporate Purpose Debt Service Fund

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by proprietary funds). The Village has the following capital project funds:

- Village Permanent Fund - a major fund
- Capital Projects Fund
- Glen Capital Projects Fund

**Proprietary Funds**

Proprietary funds are used to account for activities in a similar manner as those found in the private sector. The measurement focus is on the determination of net income. Activities of these funds include services provided to residents of the Village (such as water and sanitary sewer services) and services provided to other funds (such as self-insurance and vehicle maintenance). The following are the Village's proprietary fund types and funds:

**Note 1. Summary of Significant Accounting Policies (Continued)**  
**Fund Accounting (Continued)**

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the residents of the Village on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village has the following enterprise funds:

- Glenview Water Fund - a major fund
- North Maine Water and Sewer Fund - a major fund
- Glenview Sanitary Sewer Fund - a major fund
- Wholesale Water Fund
- Commuter Parking Lot Fund

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the Village on a cost-reimbursement basis. The Village has the following internal service funds:

- Capital Equipment Replacement Fund
- Municipal Equipment Repair Fund
- Insurance and Risk Fund
- Facilities Replacement Fund

**Fiduciary Funds**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a trust fund is used. The following are the Village's fiduciary fund types and funds:

Trust Funds are used to account for and report pension plans. The Village has the following pension trust funds:

- Police Pension Fund
- Firefighters' Pension Fund

Agency Funds are used to account for and report assets held on behalf of other parties and changes in the assets. The Village has the following agency funds:

- Special Service Area (SSA) Bond Fund
- Escrow Deposit Fund

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), which was adopted by the Village for the year ended December 31, 2011. In the fund financial statements, governmental funds now report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

*Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.

*Restricted* - includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of the 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* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority (the Board or Trustees). The Board of Trustees commits fund balance by passing a resolution. Amounts committed cannot be used for any other purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds.

*Assigned* - refers to amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Trustees or the individual the Board of Trustees delegates the authority to assign amounts to be used for specific purposes. The Board of Trustees delegated this authority to the Village Manager.

*Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

In the General Fund, the Village considers restricted amounts to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, followed by committed amounts, then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

In governmental funds other than the General Fund, the Village considers restricted amounts to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will first use assigned amounts, followed by committed amounts then restricted amounts.

See Note 14 for additional detail on the components of the General Fund's fund balance at December 31, 2012.

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied in December 2012 to finance the Village's 2013 calendar year. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Earned revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A sixty day availability period is used for revenue recognition of property tax revenues and a ninety day period is generally used for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, charges for services, grants, franchise taxes, licenses, and interest. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The *General Fund* is the general operating fund of the Village. It is used to account for all financial resources not accounted for in other funds.

The *Special Tax Allocation Fund*, a special revenue fund, is used to account for the incremental property tax revenue that is generated through the growth of the assessed valuation at The Glen, (formerly referred to as Glenview Naval Air Station) and the "Make-Whole" payments to core jurisdictions within the boundaries of the Tax Increment District. The core jurisdictions consist of: the Village of Glenview, School District 34, High School District 225, the Glenview Park District, and the Glenview Public Library, a component unit of the Village. This fund also accounts for the service and incentive fees within the Tax Increment District.

The *Village Permanent Fund*, a capital projects fund used to accumulate and account for a specific portion of the land sales proceeds of The Glen. Twenty percent of the land sale revenues are restricted for capital expenditures throughout the Village (outside of the Glen). Additionally, Permanent Fund assets can be loaned for short-term liquidity to other Village funds as a result of exhaustion of cash reserves.

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Village reports the following major proprietary funds:

The *Glenview Water Fund* (formerly called the *Waterworks Fund*) accounts for the provision of water services to the property owners in the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections.

The *North Maine Water and Sewer Fund* accounts for the provision of water and sewer services to the property owners in an unincorporated area southwest of the Village. This area was formerly served by the North Suburban Public Utilities Company. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections.

The *Glenview Sanitary Sewer Fund* (formerly called the *Sewerage Fund*) accounts for the provision of sanitary sewer services to property owners in both incorporated and unincorporated areas of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, transmissions, maintenance, financing and related debt service, and billing and collections. Treatment is performed by another agency.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include: 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and of the Village's internal service fund are charges to customers for sales and services. Operating expenses for an enterprise fund and an internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Cash Equivalents**

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments with maturities of three months or less, at the date of purchase, to be cash equivalents.

**Investments**

Investments are carried at fair value based on quoted market prices.

**Receivables**

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government-mandated or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all eligibility requirements have been met.

**Inventory and Prepaid Items**

Inventory is accounted for at cost, using the first-in, first-out method. Inventories of governmental funds are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged to expenditures when used.

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

**Unbilled Services**

Unbilled revenue in the proprietary funds is recognized as earned when the services are provided.

**Capital Assets**

Capital assets, which include property, buildings, vehicles, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds statements. Capital assets are defined as those having an estimated useful life greater than one year with an initial, individual cost of more than \$25,000. Additionally, the Library reports its collection of books and materials as a capital asset. Capital assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

|                                       |               |
|---------------------------------------|---------------|
| Buildings and improvements            | 10 - 80 years |
| Infrastructure*                       | 25 - 80 years |
| Water system                          | 50 years      |
| Sanitary sewer system                 | 50 years      |
| Machinery and equipment, and vehicles | 5 - 10 years  |
| Library books and materials           | 7 years       |

\*Infrastructure includes roads, curbs, gutters, storm sewers, recreational paths, street lights, field lights, bridges, and traffic control signals.

**Accrued Vacation and Sick Leave (Compensated Absences)**

Compensated Absences include accumulated vacation and compensatory time as employees are not paid for sick time in the event of termination. Employees are required to use one-half of the vacation days they earn each year or they lose it and the remaining days can be used, saved, or carried over into the next year in the employee's vacation "bank". Employees may not accumulate more than 30 days worth of unused vacation time in their vacation "bank". Employees are allowed to accumulate compensatory time to a maximum amount specified in their union contracts or Village personnel manual as follows.

|                     |           |
|---------------------|-----------|
| Non-Union Personnel | 80 hours  |
| Public Works Union  | 120 hours |
| Dispatch Union      | 84 hours  |
| Police Union        | 84 hours  |
| Firefighter Union   | N/A       |

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts are reported net of the associated debt and are deferred and amortized over the life of the bonds on a straight-line basis. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Long-Term Obligations (Continued)**

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds' debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due or when resources have been accumulated for payment early in the following year.

**Claims and Judgments**

Liabilities resulting from claims and judgments, including claims incurred but not reported, have been reflected in the financial statements.

**Capital Contributions**

Capital contributions, if any, reported in the Statement of Activities and proprietary funds represent capital assets donated from outside parties, principally developers.

**Interfund Transactions**

The Village has the following types of transactions between funds:

**Loans** - amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings. Advances to other funds are reported in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net position.

**Services provided and used** - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net position.

**Reimbursements** - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported as a separate category after nonoperating revenues and expenses.

**Use of Estimates**

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 2 Deposits and Investments**

The Village maintains a cash and investment pool that is available for use by most funds. Each fund's portion of this pool is displayed on the balance sheet/statement of net position as "cash and cash equivalents" and "investments." In addition, investments are separately held by several of the Village's funds. The Village's investment policy and state statutes allow the Village to invest in the following:

- Interest-bearing accounts of banks and savings and loan associations insured by the Federal Deposit Insurance Corporation.
- Obligations of the U.S. Treasury and U.S. agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.
- Short-term obligations of U.S. corporations rated in the three highest classifications by at least two standard rating agencies.
- The Illinois Funds
- Illinois Metropolitan Investment Fund

The Village's investment policy limits the Village from investing in any financial institution in which the Village's funds on deposit are in excess of 7.5% of the institution's capital stock and surplus.

The deposits and investments of the Police Pension Fund and the Firefighters' Fund are held separately from each other and from those of other Village funds. In addition to the aforementioned investments, these pension funds are also permitted to invest in the following instruments:

- Bonds issued by any county, city, township, village, incorporated town, municipal corporation, or school district in Illinois.
- Direct obligations of the State of Israel.
- Separate accounts of Illinois-licensed insurance companies.
- Common and preferred stock.

As of December 31, 2012, cash and investments consisted of the following:

|                                       | Fiduciary Activities |                       |                     | Total               |
|---------------------------------------|----------------------|-----------------------|---------------------|---------------------|
|                                       | Village              | Pension Trust Funds   | Agency Funds        |                     |
| Demand deposits                       | \$ 25,791,321        | \$ 2,664,335          | \$ 536,013          | \$ 30,147,207       |
| Certificates of deposit               | 19,977,039           | -                     | 1,696,432           | 21,673,471          |
| The Illinois Funds                    | 201,499              | 390,733               | -                   | 596,711             |
| Illinois Metropolitan Investment Fund | 8,167,875            | 20,758,302            | 1,599,344           | 28,797,289          |
| U.S. treasury obligations             | -                    | 30,301,578            | -                   | 30,301,578          |
| U.S. agency obligations               | -                    | 2,675,912             | -                   | 2,675,912           |
| Municipal obligations                 | -                    | 2,040,756             | -                   | 2,040,756           |
| Corporate obligations                 | -                    | 52,495,032            | -                   | 52,495,032          |
| Mutual funds - equity                 | -                    | -                     | -                   | -                   |
| <b>Total</b>                          | <b>\$ 78,118,731</b> | <b>\$ 111,326,648</b> | <b>\$ 3,831,789</b> | <b>\$ 4,376,965</b> |

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 2 Deposits and Investments (Continued)**

The Illinois Funds

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

Illinois Metropolitan Investment Fund

The Illinois Metropolitan Investment Fund (IMET) is not registered with the SEC. Oversight for IMET is provided by the IMET Board. The Board is responsible for policy information, as well as policy and administration oversight. The fair value of the positions in the pool is the same as the value of the pool shares.

Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village's investment policy requires that deposits that exceed the amount insured by the FDIC insurance protection be secured by some form of collateral at the rate of 110% of such deposits by U.S. Government Securities, obligations of Federal instrumentalities, obligations of the State of Illinois, or general obligation municipal bonds rated "AA" or better. As of December 31, 2012, the Village was not exposed to custodial credit risk on deposits.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio so that securities or other allowable investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities or other allowable investments on the open market prior to maturity and by investing operating funds primarily in shorter-term securities or other allowable investments. The policy was put in place to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. As of December 31, 2012 the Village and the Library (component unit) had the following investments and maturities (excluding the pension funds):

| Investment Type                       | Fair Value           | Investment Maturities (in years) |                     |                |
|---------------------------------------|----------------------|----------------------------------|---------------------|----------------|
|                                       |                      | Less than 1                      | 1-5                 | Greater than 5 |
| U.S. treasury obligations             | \$ 8,167,875         | \$ 8,167,875                     | \$ -                | \$ -           |
| Illinois Metropolitan Investment Fund | 28,797,289           | 24,021,569                       | 4,775,720           | -              |
| <b>Totals</b>                         | <b>\$ 36,965,164</b> | <b>\$ 32,189,444</b>             | <b>\$ 4,775,720</b> | <b>\$ -</b>    |

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 2 Deposits and Investments (Continued)**

Interest Rate Risk (continued)

In accordance with their investment policies, the pension funds limit their exposure to interest rate risk by structuring the portfolios to provide liquidity for short-and long-term cash flow needs while providing a reasonable rate of return based on the current market.

As of December 31, 2012, the Police Pension Fund had the following investments and maturities:

| Investment Type           | Fair Value           | Investment Maturities (in years) |                      |                     | Greater than 10     |
|---------------------------|----------------------|----------------------------------|----------------------|---------------------|---------------------|
|                           |                      | Less than 1                      | 1-5                  | 6-10                |                     |
| U.S. treasury obligations | \$ 14,602,846        | \$ 625,833                       | \$ 10,483,773        | \$ 3,102,958        | \$ 390,282          |
| U.S. agency obligations   | 13,160,964           | 964,967                          | 2,277,447            | 4,122,058           | 5,796,492           |
| Municipal obligations     | 186,048              | -                                | 143,751              | 52,297              | -                   |
| Corporate obligations     | 2,040,756            | 220,137                          | 809,485              | 1,011,134           | -                   |
| <b>Totals</b>             | <b>\$ 30,000,614</b> | <b>\$ 1,810,937</b>              | <b>\$ 13,714,456</b> | <b>\$ 8,286,447</b> | <b>\$ 6,186,774</b> |

As of December 31, 2012, the Firefighters' Pension Fund had the following investments and maturities:

| Investment Type           | Fair Value           | Investment Maturities (in years) |                      |                      | Greater than 10   |
|---------------------------|----------------------|----------------------------------|----------------------|----------------------|-------------------|
|                           |                      | Less than 1                      | 1-5                  | 6-10                 |                   |
| U.S. treasury obligations | \$ 6,155,456         | \$ 101,641                       | \$ 4,453,845         | \$ 1,599,970         | \$ -              |
| U.S. agency obligations   | 17,140,614           | 251,653                          | 7,766,091            | 9,120,870            | -                 |
| Municipal obligations     | 2,479,864            | -                                | 544,830              | 1,825,729            | 109,205           |
| <b>Totals</b>             | <b>\$ 25,775,934</b> | <b>\$ 353,294</b>                | <b>\$ 12,766,666</b> | <b>\$ 12,546,569</b> | <b>\$ 109,205</b> |

Credit Risk

Credit risk is the risk that the Village, Pension Funds or Library will not recover their investments due to the ability of the counterparty to fulfill its obligation.

The Village limits its exposure to credit risk, by investing mainly in external investment pools. The Illinois Funds Money Market Fund and Prime Fund are rated AAA by Standard and Poor's. The Illinois Metropolitan Investment Fund (IME T) 1-3 Year Series and Convenience Fund are depository vehicles that are 100 percent collateralized with obligations of the United States Treasury and its agencies. All collateral securities are held in the name of the Illinois Metropolitan Investment Fund at the Federal Reserve Bank of New York. IMET has been rated Aaa by Moody's.

The Pension Funds general investment policies follow the prudent person rule subject to the specific restrictions of the Illinois Pension Code and the Pension Funds' asset allocation policy. Under the prudent person rule, investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund or like character and with like aims.

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 2 Deposits and Investments (Continued)**

Credit Risk (Continued)

The Illinois Funds Money Market Fund and Prime Fund are rated AAA by Standard and Poor's. U.S. Treasury obligations are backed by the full faith and credit of the U.S. Government and are not considered to have credit risk.

As of December 31, 2012, the Pension Funds had the following fixed income investments which are rated by Standard and Poor's as follows:

|                         | Fair Value           | AAA                  | AA                  | A                 | BBB                 |
|-------------------------|----------------------|----------------------|---------------------|-------------------|---------------------|
| U.S. agency obligations | \$ 30,301,578        | \$ 30,301,578        | -                   | -                 | -                   |
| Municipal obligations   | 2,675,912            | 151,835              | 2,524,077           | -                 | -                   |
| Corporate obligations   | 2,040,756            | 54,710               | 86,649              | 890,545           | 1,008,852           |
| <b>Totals</b>           | <b>\$ 35,018,246</b> | <b>\$ 30,508,123</b> | <b>\$ 2,610,726</b> | <b>\$ 890,545</b> | <b>\$ 1,008,852</b> |

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Village's investment policy requires all investments to be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors, and soundly diversified. The Illinois Funds and Illinois Metropolitan Investment Fund are not subject to custodial credit risk. The bank balance of the Village's deposits with financial institutions was not exposed to custodial credit risk as it is fully insured or collateralized as of December 31, 2012.

The Police Pension Fund's investment policy requires all securities that are exposed to custodial credit risk to be held by a third-party agent. The Firefighters' Pension Fund's investment policy requires all investments to be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors, and soundly diversified. The Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in an overconcentration in a security, maturity, issuer, or class of securities. The Village was not exposed to concentration of credit risk as of December 31, 2012.

The Pension Funds' investment policies require diversification of investment to avoid unreasonable risk. As of December 31, 2012, the Police Pension Fund and the Firefighters' Pension Fund had the following investments (other than those explicitly guaranteed by the U.S. government) that exceeded 5% of Plan net position.

**Village of Glenview, Illinois**  
Notes to Financial Statements  
December 31, 2012

**Note 2. Deposits and Investments (Continued)**  
**Concentration of Credit Risk (Continued)**

|                          |                     |                      |
|--------------------------|---------------------|----------------------|
|                          | Police Pension      | Fire Pension         |
| Federal Home Loan Bank   | \$ 3,898,288        | \$ 11,181,172        |
| Federal Farm Credit Bank | -                   | 4,691,550            |
|                          | <u>\$ 3,898,288</u> | <u>\$ 15,872,822</u> |

**Note 3. Receivables**  
**Property Tax Receivables**

The Village's property taxes are levied in December of each calendar year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on January 1 of the same levy year. Tax bills are prepared by the County and issued on or about February 1 and September 1 of the following calendar year, and are payable in two installments on or about March 1 and October 1 in that following calendar year. The County collects such taxes and remits them periodically. An allowance for uncollectible taxes has been established based on historical experience. Taxes levied in December 2012 are intended to finance the Village's subsequent fiscal year and have been recorded as unearned revenue. The Village has recognized the 2011 tax levy as revenue in fiscal year 2012.

**Taxes Receivable**

The following receivables are included in Receivables - Taxes on the Governmental Funds Balance Sheet and Statement of Net Position - Governmental Activities:

|                        |                      |
|------------------------|----------------------|
| Property               | \$ 10,382,849        |
| Sales                  | 5,472,355            |
| Utility                | 885,420              |
| Income                 | 1,243,244            |
| Use                    | 174,360              |
| Franchise              | 162,170              |
| Hotel                  | 48,764               |
| Amusement              | 9,137                |
| Total taxes receivable | <u>\$ 18,478,299</u> |

**Village of Glenview, Illinois**  
Notes to Financial Statements  
December 31, 2012

**Note 3. Receivables (Continued)**  
**Other Receivables**

The following receivables are included in Receivables - Other on the Governmental Funds Balance Sheet and Statement of Net Position - Governmental Activities:

|   |                   |
|---|-------------------|
| Court fines                                       | \$ 18,201         |
| Tipping fees                                      | 42,489            |
| 911 surcharge fees                                | 126,113           |
| Grants  | 334,847           |
| Interest  | 33,129            |
| Licenses  | 21,222            |
| Other   | 41,654            |
| Total other receivables - Governmental Funds      | <u>617,655</u>    |
| Internal Service Funds and other adjustments      | 87,639            |
| Total other receivables - Governmental Activities | <u>\$ 705,294</u> |

**Due From Other Governments**

The following amount due from another government is included in Due From Other Governments on the Governmental Funds Balance Sheet and the Statement of Net Position - Governmental Activities:

|  |           |
|--|-----------|
| Illinois Department of Transportation - motor fuel taxes | \$ 92,513 |
|--|-----------|

**Note 4. Land Held for Resale**

The Village reports land held for resale totaling \$30,391,262 which consists of two parcels. The first parcel reported at \$23,891,262 consists of 41-acres of Village-owned property in The Glen TIF in an area near West Lake Avenue and Sherman Road. This land was declared surplus to the needs of the US Navy and was sold to the Village in 2007 for development purposes. Proceeds of the General Obligation Bonds, Taxable Series 2006B, provided funds for this land purchase; the Village is currently evaluating purchase proposals for the property with closing anticipated by October 2013. The second parcel reported at \$6,500,000 is for the former Dominick's leased property (1020 Waukegan Road). The Village purchased this property in 2007 and continued to lease this property to Dominick's through the lease expiration date of December 31, 2012. The Village entered into an agreement in December 2012 to lease the land over a ten year period to a high quality, full-service grocer. This agreement contains a contingency period during which the grocer could terminate the agreement for reasons including inability to secure satisfactory easements and lack of project feasibility. Additionally, under the agreement the Village is responsible for demolishing the existing Dominick's store and site preparation. The original agreement was amended in February 2013 to extend the contingency period through March 15, 2013. It is anticipated that the lease will commence on November 1, 2013 and will qualify as a capital lease at that time.



Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

**Note 5. Capital Assets**  
**Governmental Activities**

A summary of changes in capital assets for governmental activities of the Village is as follows:

|  | Balance<br>January 1,<br>2012 | Additions      | Deletions | Balance<br>December 31,<br>2012 |
|--|-------------------------------|----------------|-----------|---------------------------------|
| Capital assets not being depreciated         |                               |                |           |                                 |
| Land   | \$ 6,935,698                  | \$ -           | \$ -      | \$ 6,935,698                    |
| Land right of way                            | 55,145,791                    | 93,007         | -         | 55,238,798                      |
| Total capital assets not being depreciated   | 62,081,489                    | 93,007         | -         | 62,174,496                      |
| Capital assets being depreciated             |                               |                |           |                                 |
| Buildings and improvements                   | 75,688,788                    | 1,011,090      | -         | 76,699,878                      |
| Machinery and equipment                      | 10,396,904                    | 1,853,225      | 476,667   | 11,773,462                      |
| Infrastructure                               | 132,342,461                   | 1,307,668      | 78,319    | 133,571,810                     |
| Total capital assets being depreciated       | 218,428,153                   | 4,171,983      | 554,986   | 222,045,150                     |
| Less accumulated depreciation                |                               |                |           |                                 |
| Buildings and improvements                   | 16,734,760                    | 1,652,075      | -         | 18,386,835                      |
| Machinery and equipment                      | 7,027,492                     | 721,991        | 442,780   | 7,306,703                       |
| Infrastructure                               | 55,179,075                    | 3,057,386      | 78,319    | 58,158,142                      |
| Total accumulated depreciation               | 78,941,327                    | 5,431,452      | 521,099   | 83,851,680                      |
| Total capital assets being depreciated, net  | 139,486,826                   | (1,259,469)    | 33,887    | 138,193,470                     |
| Governmental activities, capital assets, net | \$ 201,568,315                | \$ (1,166,462) | \$ 33,887 | \$ 200,367,566                  |

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

**Note 5. Capital Assets (Continued)**  
**Business-type Activities**

A summary of changes in capital assets for business-type activities of the Village is as follows:

|   | Balance<br>January 1,<br>2012 | Additions    | Deletions  | Balance<br>December 31,<br>2012 |
|---|-------------------------------|--------------|------------|---------------------------------|
| Capital assets not being depreciated          |                               |              |            |                                 |
| Land  | \$ 802,851                    | \$ -         | \$ -       | \$ 802,851                      |
| Total capital assets not being depreciated    | 802,851                       | -            | -          | 802,851                         |
| Capital assets being depreciated              |                               |              |            |                                 |
| Buildings and improvements                    | 2,613,425                     | -            | -          | 2,613,425                       |
| Water system                                  | 56,431,684                    | 857,979      | 234,452    | 57,055,211                      |
| Sanitary sewer system                         | 22,256,690                    | 751,260      | 34,186     | 22,973,764                      |
| Equipment and vehicles                        | 4,324,597                     | 100,630      | 47,929     | 4,377,298                       |
| Total capital assets being depreciated        | 85,626,396                    | 1,709,869    | 316,567    | 87,019,698                      |
| Less accumulated depreciation                 |                               |              |            |                                 |
| Buildings and improvements                    | 678,357                       | 71,045       | -          | 749,402                         |
| Water system                                  | 16,749,429                    | 1,118,494    | 110,795    | 17,757,128                      |
| Sanitary sewer system                         | 4,704,002                     | 441,995      | 23,064     | 5,122,933                       |
| Equipment and vehicles                        | 3,683,211                     | 200,716      | 47,929     | 3,835,998                       |
| Total accumulated depreciation                | 25,814,999                    | 1,832,250    | 181,788    | 27,465,461                      |
| Total capital assets being depreciated, net   | 59,811,397                    | (122,381)    | 134,779    | 59,554,237                      |
| Business-type activities, capital assets, net | \$ 60,614,248                 | \$ (122,381) | \$ 134,779 | \$ 60,357,088                   |

**Note 5. Capital Assets (Continued)**  
**Depreciation Expense**

Depreciation expense was charged to functions/programs of the primary government's governmental activities as follows:

|   |                     |
|---|---------------------|
| General government  | \$ 3,164,406        |
| Public safety   | 1,065,003           |
| Public works  | 768,773             |
| Development   | 433,270             |
| <b>Total governmental activity depreciation expense</b>               | <b>\$ 5,431,452</b> |
|   |                     |
| Depreciation expense for the business-type activities are as follows: |                     |
| Glenview Water Fund   | 1,130,512           |
| North Maine Water and Sewer Fund                                      | 167,415             |
| Glenview Sanitary Sewer Fund  | 403,922             |
| Wholesale Water Fund  | 62,816              |
| Commuter Parking Fund   | 67,585              |
| <b>Total business-type activity depreciation expense</b>              | <b>\$ 1,832,250</b> |

**Note 5. Capital Assets (Continued)**  
**Component Unit – Glenview Library**

A summary of changes in capital assets for the Library is as follows:

|  | Balance<br>January 1,<br>2012 | Additions             | Deletions         | Balance<br>December 31,<br>2012 |
|--|-------------------------------|-----------------------|-------------------|---------------------------------|
| Capital assets not being depreciated:              |                               |                       |                   |                                 |
| Land   | \$ 5,426,987                  | \$ -                  | \$ -              | \$ 5,426,987                    |
| Capital assets being depreciated:                  |                               |                       |                   |                                 |
| Buildings and improvements                         | 26,901,546                    | -                     | -                 | 26,901,546                      |
| Equipment and vehicles                             | 113,402                       | -                     | -                 | 113,402                         |
| Library books and materials                        | 6,634,790                     | 520,932               | 383,082           | 6,772,640                       |
| <b>Total capital assets being depreciated</b>      | <b>33,649,738</b>             | <b>520,932</b>        | <b>383,082</b>    | <b>33,787,588</b>               |
| Less accumulated depreciation:                     |                               |                       |                   |                                 |
| Buildings and improvements                         | 1,026,987                     | 538,031               | -                 | 1,565,018                       |
| Equipment and vehicles                             | 43,153                        | 22,081                | -                 | 65,234                          |
| Library books and materials                        | 4,234,017                     | 1,022,246             | 54,726            | 5,201,537                       |
| <b>Total accumulated depreciation</b>              | <b>5,304,157</b>              | <b>1,582,358</b>      | <b>54,726</b>     | <b>6,891,789</b>                |
| <b>Total capital assets being depreciated, net</b> | <b>28,345,581</b>             | <b>(1,061,426)</b>    | <b>328,356</b>    | <b>26,955,799</b>               |
| <b>Total capital assets, net</b>                   | <b>\$ 33,772,568</b>          | <b>\$ (1,061,426)</b> | <b>\$ 328,356</b> | <b>\$ 32,362,786</b>            |

**Note 6. Risk Management (Continued)**

**Intergovernmental Personnel Benefit Cooperative (IPBC) (Continued)**

Management consists of a board of directors, comprised of one representative from each member. In addition, there are three officers, a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

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

The Village participates in the High-Level Excess Liability Pool (HELP). HELP is a pool with a membership of thirteen municipalities in Illinois to provide excess liability coverage (\$10,000,000 of coverage after a \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenses in the Insurance Fund.

The High-Level Excess Liability Pool was organized on April 1, 1987. The Term II agreement expired on April 30, 2008, and was extended for another ten-year term (Term III), with an expiration date of April 30, 2018. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions and employers' liability made against the members and other parties included within the scope of its coverage.

Each municipality has one member on the HELP Board of Directors and all budgeting and finance decisions are approved by the Board. Each director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of any debt by HELP, adopts bylaws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws. The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

**Note 6. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and illnesses of and injuries to the Village's employees. The Village is self-insured (and participates in two public employee risk pools for health claims) for general liability, auto, property, and workers' compensation risks. Commercial insurance is carried for amounts in excess of the self-insured amounts. For all insured programs, settlement amounts have not exceeded insurance coverage for the current or three prior years.

**Self-Insurance**

The Village established the Insurance and Risk Fund (an internal service fund) to report self-insurance activities. The Village's policy is to finance currently in this fund all claims paid, estimated future payments with respect to claims made, and estimated claims incurred but not reported. The Insurance and Risk Fund provides coverage up to a maximum of \$200,000 for each general liability claim, \$550,000 for each workers' compensation claim, and \$100,000 for each property damage claim. Such payments are displayed on the fund financial statements as insurance services expenses.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The total estimated claim liability as of December 31, 2012 was \$1,802,990.

A reconciliation of the claims liability for the current year and that of the preceding year is reported below:

|   |                     |
|---|---------------------|
| Unpaid claims liability - January 1, 2011   | \$ 3,195,059        |
| Claims incurred - calendar year 2011        | 800,326             |
| Claims paid - calendar year 2011            | <u>(806,409)</u>    |
| Unpaid claims liability - December 31, 2011 | 3,188,986           |
| Claims incurred - calendar year 2012*       | (312,207)           |
| Claims paid - calendar year 2012            | <u>(1,073,789)</u>  |
| Unpaid claims liability - December 31, 2012 | <u>\$ 1,802,990</u> |

\*The Village changed their policy relating to the IBNR estimate in 2012 which led to a decrease in the estimate for 2012.

**Intergovernmental Personnel Benefit Cooperative (IPBC)**

The Village participates in the intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool with a membership of thirteen local governments in Illinois to administer some or all of the personnel benefit programs (such as medical, dental, and life insurance coverage) offered by its members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental, and nonprofit public service entities. Risk of loss is retained by the Village, except that IPBC purchases excess insurance coverage.

Village of Glenview, Illinois  
Notes to Financial Statements  
December 31, 2012

Note 7. Long-Term Debt  
*Changes in Long-Term Liabilities*

The following is a summary of changes in the Village's long-term liabilities in 2012:

| Issue                                    | Balance January 1, 2012 | Additions     | Deductions    | Balance December 31, 2012 | Amounts due within one year |
|--|-------------------------|---------------|---------------|---------------------------|-----------------------------|
| <b>Governmental activities:</b>          |                         |               |               |                           |                             |
| General obligation bonds                 | \$ 98,115,000           | \$ 40,395,000 | \$ 50,095,000 | \$ 88,415,000             | \$ 30,960,000               |
| Unamortized                              | (200,651)               | -             | (124,613)     | (75,938)                  | -                           |
| Bond discount                            | 4,432,391               | 4,463,122     | 4,405,222     | 4,490,291                 | -                           |
| Bond premium                             | (2,989,171)             | (2,989,171)   | (2,989,171)   | (5,967,513)               | -                           |
| Loss on refunding                        | 1,463,022               | 99,716        | 118,586       | 1,444,154                 | 292,631                     |
| Compensated absences                     | 916,878                 | 237,600       | -             | 1,154,478                 | -                           |
| Other postemployment benefits            | 101,750,302             | 42,175,538    | 50,427,964    | 93,497,876                | 31,252,831                  |
| Total governmental activities            | 3,860,000               | -             | 910,000       | 2,950,000                 | 710,000                     |
| <b>Business-type activities:</b>         |                         |               |               |                           |                             |
| General obligation bonds                 | 1,395,273               | -             | 146,419       | 1,248,854                 | 153,655                     |
| Notes payable                            | (3,688)                 | -             | (2,395)       | (6,083)                   | -                           |
| Unamortized                              | 15,994                  | -             | 3,482         | 12,512                    | -                           |
| Bond premium                             | (219,629)               | -             | (35,046)      | (254,675)                 | -                           |
| Loss on refunding                        | 49,766                  | 13,726        | 18,545        | 44,947                    | 8,993                       |
| Compensated absences                     | 5,037,736               | 13,726        | 1,041,005     | 4,070,457                 | 872,648                     |
| Total business-type activities           | \$ 106,848,038          | \$ 42,189,264 | \$ 51,468,969 | \$ 97,568,333             | \$ 32,125,479               |
| Total Village long-term liabilities      | \$ 24,820,000           | \$ -          | \$ 1,045,000  | \$ 23,775,000             | \$ 1,070,000                |
| <b>Component Unit - Glenview Library</b> |                         |               |               |                           |                             |
| General obligation bonds                 | 252,347                 | 69,626        | 41,826        | 279,147                   | 58,629                      |
| Compensated absences                     | -                       | -             | -             | -                         | -                           |
| Total component unit - Glenview Library  | \$ 25,072,347           | \$ 69,626     | \$ 1,086,826  | \$ 24,054,147             | \$ 1,125,829                |

Village of Glenview, Illinois  
Notes to Financial Statements  
December 31, 2012

Note 7. Long-Term Debt (Continued)  
*Changes in Long-Term Liabilities (Continued)*

The following changes in the Village's general obligation bonded debt occurred in 2012:

| Issue   | Beginning Balance | Issuances     | Retirements   | Ending Balance | Due Within One Year |
|---|-------------------|---------------|---------------|----------------|---------------------|
| <b>Governmental activities:</b>                             |                   |               |               |                |                     |
| \$25,000,000 General Obligation Bond Series 2004A           | \$ 18,300,000     | -             | \$ 18,300,000 | \$ -           | \$ -                |
| \$22,315,000 General Obligation Bond Series 2004B           | 19,150,000        | -             | 16,750,000    | 2,400,000      | 1,175,000           |
| \$10,000,000 General Obligation Refunding Bond Series 2005  | 9,975,000         | -             | 8,700,000     | 1,275,000      | 1,275,000           |
| \$10,000,000 General Obligation Bond Series 2006A           | 10,000,000        | -             | -             | 10,000,000     | -                   |
| \$11,290,000 General Obligation Bond Series 2009D           | 8,105,000         | -             | 865,000       | 7,220,000      | 385,000             |
| \$28,125,000 General Obligation Bond Series 2009E           | 28,125,000        | -             | -             | 28,125,000     | 28,125,000          |
| \$11,035,000 General Obligation Refunding Bond Series 2011  | 5,460,000         | -             | 5,460,000     | -              | -                   |
| \$18,090,000 General Obligation Refunding Bond Series 2012A | -                 | 18,090,000    | -             | 18,090,000     | -                   |
| \$14,575,000 General Obligation Refunding Bond Series 2012B | -                 | 14,575,000    | -             | 14,575,000     | -                   |
| \$7,730,000 General Obligation Refunding Bond Series 2012C  | -                 | 7,730,000     | -             | 7,730,000      | -                   |
| Total governmental general obligation bonded debt           | \$ 98,115,000     | \$ 40,395,000 | \$ 50,095,000 | \$ 88,415,000  | \$ 30,960,000       |

**Note 7. Long-Term Debt (Continued)**  
**Changes in Long-Term Liabilities (Continued)**

| Issue  | Beginning Balance | Issuances     | Retirements   | Ending Balance | Due Within One Year |
|--|-------------------|---------------|---------------|----------------|---------------------|
| <b>Business-type activities</b>                                  |                   |               |               |                |                     |
| \$1,985,000 General Obligation Refunding Bond Series 2003B       | \$ 225,000        | \$ -          | \$ 225,000    | \$ -           | \$ -                |
| <b>\$5,000,000 General Obligation Bond Series 2007A</b>          |                   |               |               |                |                     |
| Debt retired by:   |                   |               |               |                |                     |
| Glenview Sewer Fund  | 1,309,000         | -             | 242,000       | 1,067,000      | 253,000             |
| Glenview Water Fund  | 1,666,000         | -             | 308,000       | 1,358,000      | 322,000             |
|  | 2,975,000         | -             | 550,000       | 2,425,000      | 575,000             |
| <b>\$1,200,000 General Obligation Bond Series 2007B</b>          | 660,000           | -             | 135,000       | 525,000        | 135,000             |
| <b>Total general obligation bonds</b>                            | 3,860,000         | -             | 910,000       | 2,950,000      | 710,000             |
| <b>\$2,850,000 Corporate Purpose Note Series 1997</b>            | 1,395,273         | -             | 146,419       | 1,248,854      | 153,655             |
| <b>Total business-type general obligation bonded debt</b>        | \$ 5,255,273      | \$ -          | \$ 1,056,419  | \$ 4,198,854   | \$ 863,655          |
| <b>Component Unit-Glenview Library Bond Taxable Series 2009A</b> | \$ 24,820,000     | \$ -          | \$ 1,045,000  | \$ 23,775,000  | \$ 1,070,000        |
| <b>Total general obligation bonded debt</b>                      | \$ 129,190,273    | \$ 40,395,000 | \$ 52,198,419 | \$ 117,388,854 | \$ 32,893,655       |

**Note 7. Long-Term Debt (Continued)**  
**General Long-Term Debt**

| At December 31, 2012, general obligation bonded debt is comprised of the following:   | Remaining Balance |
|---|-------------------|
| \$22,315,000 General Obligation Bond Series 2004B<br>Dated August 1, 2004 and partially defeased on December 18, 2012.<br>The remaining debt service is due in annual installments of \$1,175,000 to \$1,225,000 plus interest at 4.0% through December 1, 2014.<br>Debt is retired by proceeds from a property tax levy. | \$ 2,400,000      |
| \$10,000,000 General Obligation Refunding Bond Series 2005<br>Dated November 1, 2005 and partially defeased on December 18, 2012.<br>The remaining debt service is due in one annual installment of \$1,275,000 plus interest at 3.75% through December 1, 2013. Debt is retired by the Special Tax Allocation Fund       | 1,275,000         |
| \$10,000,000 General Obligation Refunding Bond Series 2006A<br>Dated December 1, 2006. Due in annual installments of \$2,350,000 to \$2,650,000 plus interest at 3.75% through December 1, 2018. Debt is retired by the Special Tax Allocation Fund.  | 10,000,000        |
| \$5,000,000 General Obligation Bond Series 2007A<br>Dated December 15, 2007. Due in annual installments of \$475,000 to \$635,000 plus interest at 3.50% to 3.75% through December 1, 2016. Debt is retired by the Glenview Water Fund and the Glenview Sanitary Sewer Fund.  | 2,425,000         |
| \$1,200,000 General Obligation Bond Series 2007B<br>Dated December 15, 2007. Due in annual installments of \$130,000 to \$135,000 plus interest at 4.80% to 5.00% through December 1, 2016. Debt is retired by the North Maine Water and Sewer Fund   | 525,000           |
| \$26,300,000 General Obligation Bond Taxable Series 2009A<br>Dated May 5, 2009. Due in annual installments of \$460,000 to \$1,860,000 plus interest at 3.00% to 4.25% through December 1, 2029. Debt is retired by proceeds from a Library property tax levy.  | 23,775,000        |
| \$11,290,000 General Obligation Refunding Series 2009D<br>Dated October 21, 2009. Due in annual installments of \$385,000 to \$1,640,000 plus interest at 2.0% to 4.0% through December 1, 2018. Debt is retired by the Special Tax Allocation Fund.  | 7,220,000         |

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 7. Long-Term Debt (Continued)**  
**General Long-Term Debt (Continued)**

\$28,125,000 General Obligation Bond Series 2009E  
Dated October 21, 2009. Due in one installment of \$28,125,000 on  
December 1, 2013, plus interest at 2.0% to 4.0%. Debt is  
retired by the Special Tax Allocation Fund.

\$18,090,000 General Obligation Refunding Bond Series 2012A  
Dated June 14, 2012. Due in annual installments of \$5,850,000 to  
\$6,210,000 plus interest at 3.0% to 4.0% through December 1, 2021.  
Debt is retired by the Special Tax Allocation Fund.

\$14,575,000 General Obligation Refunding Bond Series 2012B  
Dated December 18, 2012. Due in annual installments of \$1,200,000  
to \$1,750,000 plus interest at 3.0% to 4.0% through December 1, 2024.  
Debt is retired by proceeds from a property tax levy.

\$7,730,000 General Obligation Refunding Bond Series 2012C  
Dated December 18, 2012. Due in annual installments of \$1,365,000 to  
\$1,735,000 plus interest at 2.0% to 3.0% through December 1, 2018.  
Debt is retired by the Special Tax Allocation Fund.

At December 31, 2012, notes payable is comprised of the following:

\$2,850,000 Corporate Purpose Notes Series 1997  
Dated September 2, 1997. Due in annual installments of \$215,377 including  
interest of 4.942% through September 1, 2019. Debt is retired by  
the North Maine Water and Sewer Fund.

Total general obligation bonded debt

|                          |  |
|--------------------------|--|
| <u>Remaining Balance</u> |  |
| \$ 28,125,000            |  |
| 18,090,000               |  |
| 14,575,000               |  |
| 7,730,000                |  |
| <u>1,248,854</u>         |  |
| <u>\$ 117,366,854</u>    |  |

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 7. Long-Term Debt (Continued)**  
**Advance Refunding**

On June 14, 2012, the Village issued \$18,090,000 in general obligation refunding bonds, Series 2012A with a varying interest rate of 3.0 to 4.0 percent in order to advance refund \$18,300,000 of outstanding general obligation bonds, Series 2004A, with an average interest rate of 4.0 percent. The net proceeds of \$19,508,726 (includes premium of \$1,852,772 less issuance costs of \$434,047) were deposited in an irrevocable trust with an escrow agent.

On December 18, 2012, the Village issued \$14,575,000 in general obligation refunding bonds, Series 2012B, with varying interest rates of 3.0 to 4.0 percent in order to advance refund \$15,600,000 of outstanding general obligation bonds, Series 2004B, with an average interest rate of 4.3 percent. The net proceeds of \$16,862,653 (including premium of \$2,455,059, less issuance costs of \$147,406) were deposited in an irrevocable trust with an escrow agent.

On December 18, 2012, the Village issued \$7,730,000 in general obligation refunding bonds, Series 2012C, with varying interest rates of 2.0 to 3.0 percent in order to advance refund \$8,000,000 of outstanding general obligation bonds, Series 2005, with an average interest rate of 3.75 percent. The net proceeds of \$6,287,505 (including premium of \$620,711, less issuance costs of \$63,206) were deposited in an irrevocable trust with an escrow agent.

As a result, the Series 2004A, 2004B and 2005 bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The Village defeased the Series 2004A bonds in order to defer cash flows to future fiscal years. The Village defeased the Series 2004B and 2005 bonds in order to take advantage of more favorable interest rates which provide the Village with cost savings. The Village reduced its total debt service payments for 2004B and 2005 over the next 12 years by approximately \$2,764,534 and achieved an economic gain of approximately \$2,531,333 (difference between the net present value of the debt service payments on the old and the new debt).

**Debt Service Requirements to Maturity**

Governmental Activity

Annual general obligation bond debt service requirements to maturity for the Village's governmental activities are as follows:

| Fiscal Year Ending<br>December 31, | Principal            | Interest             |
|------------------------------------|----------------------|----------------------|
| 2013                               | \$ 30,960,000        | \$ 2,737,020         |
| 2014                               | 3,970,000            | 2,009,900            |
| 2015                               | 6,390,000            | 1,899,100            |
| 2016                               | 6,600,000            | 1,693,076            |
| 2017                               | 6,855,000            | 1,464,250            |
| 2018-2022                          | 31,230,000           | 3,605,426            |
| 2023-2024                          | 3,440,000            | 172,600              |
| Totals                             | <u>\$ 89,415,000</u> | <u>\$ 13,581,372</u> |

**Village of Glenview, Illinois**  
Notes to Financial Statements  
December 31, 2012

**Note 7. Long-Term Debt (Continued)**

**Debt Service Requirements to Maturity (continued)**

Business-type Activity

Annual general obligation bond and corporate purpose notes payable debt service requirements to maturity for the Village's business-type activities are as follows:

| Year Ending<br>December 31, | General Obligation Bonds |            | Corporate Purpose Notes |            |
|-----------------------------|--------------------------|------------|-------------------------|------------|
|                             | Principal                | Interest   | Principal               | Interest   |
| 2012                        | \$ 710,000               | \$ 112,446 | \$ 153,655              | \$ 61,722  |
| 2013                        | 730,000                  | 85,708     | 161,249                 | 54,128     |
| 2014                        | 745,000                  | 58,272     | 169,219                 | 46,156     |
| 2015                        | 765,000                  | 30,312     | 177,582                 | 37,795     |
| 2016                        | -                        | -          | 186,359                 | 29,018     |
| 2017-2019                   | -                        | -          | 400,780                 | 29,951     |
| Totals                      | \$ 2,950,000             | \$ 286,738 | \$ 1,248,854            | \$ 258,772 |

Component Unit — Glenview Library

Annual general obligation bond debt service requirements to maturity for the Village's component unit are as follows:

| Year Ending<br>December 31, | Principal     | Interest     |
|-----------------------------|---------------|--------------|
| 2013                        | \$ 1,070,000  | \$ 878,631   |
| 2014                        | 1,095,000     | 846,731      |
| 2015                        | 1,125,000     | 813,661      |
| 2016                        | 1,155,000     | 780,131      |
| 2017                        | 1,190,000     | 745,481      |
| 2018-2022                   | 6,575,000     | 3,065,055    |
| 2023-2027                   | 7,920,000     | 1,723,930    |
| 2028-2029                   | 3,645,000     | 227,081      |
| Totals                      | \$ 23,775,000 | \$ 9,081,121 |

**Noncommitment Debt — Special Service Area Bonds**

The special service area bonds outstanding as of December 31, 2012 totaled \$417,996. These bonds are not an obligation of the Village and are secured by the levy of special debt service on the real property within each special service area. The Village is in no way liable for repayment, but is only acting as the agent for the property owners in levying and collecting the assessments and forwarding the collections to the bondholders.

**Village of Glenview, Illinois**  
Notes to Financial Statements  
December 31, 2012

**Note 7. Long-Term Debt (Continued)**

**Compensated Absences and Other Postemployment Benefits**

The General Fund is used to liquidate any liability for compensated absences or other postemployment benefits of governmental activities.

**Revolving Line of Credit**

The Village has available a \$15,000,000 line of credit with Glenview State Bank, which expires on October 31, 2013. The line of credit was not used during 2012, and there was no outstanding balance as of December 31, 2012.

**Note 8. Interfund Balances and Transfers**

**Interfund Balances**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are intended to be repaid currently from other resources of respective funds. Individual interfund balances at December 31, 2012 are shown as follows:

**Due to/from Other Funds**

|                             | Receivable Fund | Payable Fund | Due From/To<br>Other Funds |        |
|-----------------------------|-----------------|--------------|----------------------------|--------|
|                             |                 |              |                            |        |
| Nonmajor Governmental Funds |                 | General Fund | \$                         | 9,675  |
| Pension Trust Funds         |                 | General Fund |                            | 23,114 |
| Total                       |                 |              | \$                         | 32,789 |

**Advances to/from Other Funds**

|                                  | Advance From | Advance To             | Advance From/To<br>Other Funds |            |
|----------------------------------|--------------|------------------------|--------------------------------|------------|
|                                  |              |                        |                                |            |
| Special Tax Allocation Fund      |              | Village Permanent Fund | \$                             | 15,214,941 |
| North Maine Water and Sewer Fund |              | Village Permanent Fund |                                | 3,211,647  |
| Fiduciary Fund                   |              | Village Permanent Fund |                                | 10,413     |
| Total                            |              |                        | \$                             | 18,437,001 |

**Village of Glenview, Illinois**  
Notes to Financial Statements  
December 31, 2012

**Note 8. Interfund Balances and Transfers (Continued)**  
**Interfund Transfers**

Transfers are used to (1) move revenues from the fund with collection authorization to the capital project fund or enterprise fund as debt service and interest payments become due, or (2) move restricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization. Interfund transfers are recorded for permanent transfers between funds which are not expected to be repaid. Individual interfund transfers during the fiscal year ended December 31, 2012, were as follows:

Primary Government

| Transfers In            | Transfers Out               | Amount              |
|-------------------------|-----------------------------|---------------------|
| General                 | Special Tax Allocation      | \$ 273,379          |
| General                 | Nonmajor Enterprise         | 300,000             |
| General                 | North Maine Water and Sewer | 135,651             |
| Nonmajor Governmental   | General                     | 4,837,317           |
| Nonmajor Governmental   | Village Permanent           | 269,204             |
| Nonmajor Governmental   | Nonmajor Enterprise         | 465,920             |
| Glenview Sanitary Sewer | Village Permanent           | 74,555              |
| Internal Service        | General                     | 248,378             |
|                         |                             | <u>\$ 6,604,404</u> |

Component Unit

| Component Unit       | Transfers Out       | Amount            |
|----------------------|---------------------|-------------------|
| Library New Building | Library Watson Gift | \$ 65,154         |
| Library Debt Service | Library Operating   | 488,795           |
|                      |                     | <u>\$ 553,949</u> |

**Village of Glenview, Illinois**  
Notes to Financial Statements  
December 31, 2012

**Note 9. Contractual Commitments**  
**High-Level Excess Liability Pool (HELP)**

The Village is a member of a joint venture, the High-Level Excess Liability Pool (HELP). The contract with HELP provides excess liability insurance (see Note 10).

**Solid Waste Agency of Northern Cook County (SWANCC)**

The Village is a member of a joint venture, the Solid Waste Agency of Northern Cook County (SWANCC). The contract with SWANCC provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members (see Note 10).

**Economic Development Agreement**

In 2000, the Village entered into an economic development agreement with a local retailer who wished to relocate its operations to the Village. Under the terms of the agreement, the Village will rebate a portion of local sales tax receipts generated by the retailer over a base amount. The agreement is contingent on the retailer maintaining their facility within the Village for a period of at least fifteen years from the effective date of the agreement. In fiscal year 2012, the Village made payments to the retailer totaling \$1,225,662 in accordance with the terms of this agreement.

**Construction Commitments**

The Village has certain contracts in various funds for construction projects which were in progress at December 31, 2012. Remaining commitments under these contracts approximated \$3,000.

**Note 10. Joint Ventures**

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

The Village has committed to purchase excess liability insurance from the High-Level Excess Liability Pool (HELP). The amount owed has been calculated using the Village's current allocation percentage of 9.51%. In future years, this allocation percentage will be subject to change because the HELP agreement provides that each member will be assessed an amount based upon a formula that uses the following criteria for allocating premium costs:

- Miles of streets
- Number of full-time equivalent employees
- Number of motor vehicles
- Operating revenues

The Village's agreement with HELP also provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members (See Note 6 for more detail regarding HELP.)



**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 10. Joint Ventures (Continued)**

**Solid Waste Agency of Northern Cook County**

The Village is a member of Solid Waste Agency of Northern Cook County (SWANCC), which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended, (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members.

The members form a contiguous geographic service area, which is located northwest of downtown Chicago. Under the SWANCC Agreement, additional members may join SWANCC upon the approval of each member.

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

In accordance with the joint venture agreement, the Village remitted \$544,367 to SWANCC for the year ended December 31, 2012. The payments are recorded in the General Fund. The Village does not have an equity interest in SWANCC at December 31, 2012.

Complete financial statements for SWANCC can be obtained from SWANCC's administrative office at 2700 Patriot Boulevard, Suite 110, Glenview, Illinois 60028, or from SWANCC's web site, [www.swancc.org](http://www.swancc.org).

**Note 11. Employee Retirement Systems**

**Illinois Municipal Retirement Fund**

Plan Description

The Village's defined benefit pension plan, for regular employees, provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 11. Employee Retirement Systems (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

Funding Policy

As set by state statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village annual required contribution rate for calendar year 2012 was 13.67 percent. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost

The Village's required contribution and annual pension cost for calendar year 2012 was \$2,004,351.

Three-Year Trend Information for the Regular Plan - Illinois Municipal Retirement Fund

| Fiscal Year Ending | Annual Pension Cost (APC) \$ | Percentage of APC Contributed | Net Pension Obligation \$ |
|--------------------|------------------------------|-------------------------------|---------------------------|
|                    |                              |                               |                           |
| 12/31/12           | 2,004,351                    | 100                           | -                         |
| 12/31/11           | 2,073,818                    | 100                           | -                         |
| 12/31/10           | 1,988,818                    | 100                           | -                         |

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the Village regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The employer regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30-year basis.

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 11. Employee Retirement Systems (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the regular plan was 65.56 percent funded. The actuarial accrued liability for benefits was \$44,133,853 and the actuarial value of assets was \$28,933,961, resulting in an underfunded actuarial accrued liability (UAAL) of \$15,199,892. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$14,662,408, and the ratio of the UAAL to covered payroll was 104 percent.

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

**Police Pension Fund**

Plan Description

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of December 31, 2012, and, accordingly, the most recent available information has been presented.

At December 31, 2012, the Police Pension Plan membership consisted of:

|  |                   |
|--|-------------------|
|  | <u>Membership</u> |
| Retirees and beneficiaries currently receiving benefits              | 45                |
| Terminated employees entitled to benefits but not yet receiving them | -                 |
| Current employees:   |                   |
| Vested   | 59                |
| Nonvested  | 13                |
| Total membership   | <u>117</u>        |

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes. The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

**Note 11. Employee Retirement Systems (Continued)**

**Police Pension Fund (Continued)**

Plan Description (Continued)

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter. Effective January 1, 1993, the second and subsequent pension increases (other than disability pension increases) will be computed on the current pension rather than the original pension.

Funding Policy

State-mandated police employees are required to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the Village's contributions must accumulate to the point where the past service cost for the plan is fully funded. This calculation is based upon a level percent amortization for a closed period.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. No stand-alone statements are issued for the defined benefit pension plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

**Note 11. Employee Retirement Systems (Continued)**  
**Police Pension Fund (Continued)**

**Note 11. Employee Retirement Systems (Continued)**  
**Police Pension Fund (Continued)**

Methods and Assumptions

Funding Status and Funding Progress

|                               |   |  |                 |
|-------------------------------|---|--|-----------------|
| Valuation date                | January 1, 2012   | Valuation date   | January 1, 2012 |
| Actuarial cost method         | Projected Unit Credit (Effective 1/1/2011)  | Percent funded   | 85.12%          |
| Actuarial value of assets     | Smoothed Market Value   | Actuarial accrued liability for benefits                                 | \$ 63,376,050   |
| Amortization method           | Level Percentage of Payroll Closed  | Actuarial value of assets  | \$ 53,944,719   |
| Remaining amortization period | 21.5 Years  | Unfunded actuarial accrued liability (UAAL)                              | \$ 9,431,331    |
| Actuarial assumptions:        | 7.25% per year  | Covered payroll (annual payroll of active employees covered by the Plan) | \$ 6,740,053    |
| Investment rate of return     | TCG Basic Salary Table providing graded increases from 1.12% to 4.86% varying by age, plus inflation rate shown below   | Ratio of UAAL covered payroll  | 139.93%         |
| Projected salary increases    | 4.5% per year   |  |                 |
| Payroll growth                | 2.5% per year   |  |                 |
| Inflation rate                | 3.0% per year   |  |                 |
| Cost of living increases      | RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over. |  |                 |
| Assumed mortality             |   |  |                 |

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

*Significant Investments*

Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

Note 11. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation was performed as of January 1, 2012, for fiscal year ending December 31, 2012. The Village's annual pension cost and net pension benefit to the Police Pension Fund were as follows:

|   |                     |
|---|---------------------|
| Annual required contribution                  | \$ 1,812,556        |
| Interest on net pension obligation            | (74,779)            |
| Adjustment to annual required contribution    | 70,173              |
| <b>Annual pension cost</b>                    | <b>1,807,950</b>    |
| Contributions made                            | 1,812,692           |
| Increase in net pension asset                 | 4,742               |
| Net pension asset at January 1, 2012          | 1,437,391           |
| <b>Net pension asset at December 31, 2012</b> | <b>\$ 1,442,133</b> |

Trend Information

Three-Year Trend Information - Police Pension Trust Fund

| Fiscal Year Ending | Annual Pension Cost (APC) | Actual Contribution | Percentage of APC Contributed | Net Pension Asset |
|--------------------|---------------------------|---------------------|-------------------------------|-------------------|
| 12/31/12           | \$ 1,807,950              | \$ 1,812,692        | 100.26 %                      | \$ 1,442,133      |
| 12/31/11           | 1,342,278                 | 1,767,986           | 131.72                        | 1,437,391         |
| 12/31/10           | 1,340,760                 | 1,802,629           | 134.45                        | 1,011,683         |

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

Note 11. Employee Retirement Systems (Continued)

Firefighters' Pension Fund

Plan Description

Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The Village accounts for the plan as a pension trust fund. The Village's most recent actuarial valuation was performed as of December 31, 2012, and, accordingly, the most recent available information has been presented.

At December 31, 2012, the Firefighters' Pension Plan membership consisted of:

|  |            |
|--|------------|
| Retirees and beneficiaries currently receiving benefits              | 77         |
| Terminated employees entitled to benefits but not yet receiving them | -          |
| Current employees:   |            |
| Vested   | 56         |
| Nonvested  | 26         |
| <b>Total membership</b>  | <b>159</b> |

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a Firefighters' officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter. Effective January 1, 1993, the second and subsequent pension increases (other than disability pension increases) will be computed on the current pension rather than the original pension.

Covered firefighter employees are required to contribute 9.455% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the Village's contributions must accumulate to the point where the past service cost for the plan is fully funded. This calculation is based upon a level percent amortization for a closed period.

**Note 11. Employee Retirement Systems (Continued)**  
**Firefighters' Pension Fund (Continued)**

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. No stand-alone statements are issued for the defined benefit pension plan.

**Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

**Methods and Assumptions**

|                               |  |
|-------------------------------|--|
| Valuation date                | January 1, 2012                            |
| Actuarial cost method         | Projected Unit Credit (Effective 1/1/2011) |
| Actuarial value of assets     | Smoothed Market Value                      |
| Amortization method           | Level Percentage of Payroll Closed         |
| Remaining amortization period | 21.5 Years                                 |

|   |   |
|---|---|
| Actuarial assumptions:<br>Investment rate of return | 7.25% per year  |
| Projected salary increases<br>(seniority and merit) | TCG Basic Salary Table providing graded increases from 1.12% to 4.86% varying by age, plus inflation rate shown below   |
| Payroll growth                                      | 4.5% per year   |
| Inflation rate                                      | 2.5% per year   |
| Cost of living increases                            | 3.0% per year   |
| Assumed mortality                                   | RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over. |

**Note 11. Employee Retirement Systems (Continued)**  
**Firefighters' Pension Fund (Continued)**

**Funding Status and Funding Progress**

|  |                 |
|--|-----------------|
| Valuation date   | January 1, 2012 |
| Percent funded   | 67.24%          |
| Actuarial accrued liability for benefits                                 | \$ 79,294,776   |
| Actuarial value of assets  | \$ 53,317,305   |
| Unfunded actuarial accrued liability (UAAL)                              | \$ 25,977,471   |
| Covered payroll (annual payroll of active employees covered by the Plan) | \$ 7,639,169    |
| Ratio of UAAL Covered Payroll  | 340.06%         |

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

**Significant Investments**

Information on significant investments is presented in Note 2 under "Concentration of Credit Risk."

Village of Glenview, Illinois  
Notes to Financial Statements  
December 31, 2012

Note 11. Employee Retirement Systems (Continued)

Firefighters' Pension Fund (Continued)

Annual Pension Cost and Net Pension Benefit

The Village's most recent actuarial valuation was performed as of December 31, 2012. The Village's annual pension cost and net pension benefit to the Firefighters' Pension Fund were as follows:

|  |                  |
|--|------------------|
| Annual required contribution               | \$ 2,985,212     |
| Interest on net pension obligation         | (61,684)         |
| Adjustment to annual required contribution | 57,884           |
| <b>Annual pension cost</b>                 | <b>2,981,412</b> |

|   |                     |
|---|---------------------|
| Contributions made                            | 2,926,010           |
| Decrease in net pension asset                 | (55,402)            |
| Net pension asset at January 1, 2012          | 1,638,671           |
| <b>Net pension asset at December 31, 2012</b> | <b>\$ 1,563,269</b> |

Trend Information

Three-Year Trend Information - Firefighters' Pension Trust Fund

| Fiscal Year Ending | Annual Pension Cost (APC) | Actual Contribution | Percentage of APC Contributed | Net Pension Asset |
|--------------------|---------------------------|---------------------|-------------------------------|-------------------|
| 12/31/12           | \$ 2,981,412              | \$ 2,926,010        | 98.14 %                       | \$ 1,563,269      |
| 12/31/11           | 2,165,041                 | 2,806,961           | 129.65                        | 1,638,671         |
| 12/31/10           | 2,159,246                 | 2,541,870           | 102.31                        | 996,751           |

Village of Glenview, Illinois  
Notes to Financial Statements  
December 31, 2012

Note 12. Other Postemployment Benefits (OPEB)

Plan Description

The Village provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

To be eligible for benefits under the plan, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching Medicare eligible age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

At December 31, 2012, membership in the Plan consisted of the following:

|   | Membership |
|---|------------|
| Retirees and beneficiaries receiving benefits                   | 64         |
| Terminated employees entitled to but not yet receiving benefits | -          |
| Active vested plan members                                      | 207        |
| Active nonvested plan members                                   | 87         |
| Total membership  | <u>358</u> |

Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan and the Village contributes the remainder to cover the cost of providing the benefits to the retirees via the self-insurance plan (pay-as-you-go). Since the Village is self-insured, this amount fluctuates on an annual basis. Active employees do not contribute to the plan until retirement.

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

Note 12. Other Postemployment Benefits (OPEB) (Continued)

**Annual OPEB Cost and Net OPEB Obligation**

The Village's most recent actuarial valuation was performed for the plan as of December 31, 2012. The Village's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer. The contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation for retired employees as of December 31, 2012.

|   |                     |
|---|---------------------|
| Annual required contribution                    | \$ 563,665          |
| Interest on net pension obligation              | 45,844              |
| Adjustment to annual required contribution      | (30,563)            |
| <b>Annual OPEB cost</b>                         | <b>578,966</b>      |
| Contributions made                              | 341,366             |
| Increase in net OPEB Obligation                 | 237,600             |
| Net OPEB obligation at January 1, 2012          | 916,878             |
| <b>Net OPEB obligation at December 31, 2012</b> | <b>\$ 1,154,478</b> |

**Trend Information**

The Village's annual OPEB Cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2012 is as follows:

| Fiscal Year Ending | Annual OPEB Cost | Percentage of OPEB Contributed | Net OPEB Obligation |
|--------------------|------------------|--------------------------------|---------------------|
| 12/31/12           | \$ 578,966       | 59.00%                         | \$ 1,154,478        |
| 12/31/11           | 571,999          | 59.70                          | 916,878             |
| 12/31/10           | 568,219          | 60.10                          | 686,245             |

**Funding Policy and Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Village of Glenview, Illinois

Notes to Financial Statements  
December 31, 2012

Note 12. Other Postemployment Benefits (OPEB) (Continued)

**Funding Policy and Actuarial Assumptions (continued)**

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

The following simplifying assumptions were made:

|   |   |
|---|---|
| Contribution rates:                                     |   |
| Village   |   |
| Plan members  | 1.17%   |
| Actuarial valuation date                                | December 31, 2011   |
| Actuarial cost method                                   | Entry Age   |
| Amortization period                                     | Level percentage of pay, open   |
| Amortization period                                     | 30 years  |
| Asset valuation method                                  | Market  |
| Actuarial assumptions:                                  |   |
| Investment rate of return*                              | 5.00%   |
| Projected salary increases                              | 5.00%   |
| Healthcare inflation rate                               | 8.00% initial<br>6.00% ultimate   |
| Mortality, Turnover, Disability, Retirement ages        | Same rates utilized for IMRF, Police and Firefighter Pension Funds  |
| Percentage of active employees Assumed to elect benefit | 75%   |
| Employer provided benefit                               | Explicit (eligible disabled pensioners): 100% of premium for life<br>Implicit: 40% of premium to age 65 (60% of \$620/mo + 50% of \$1,235/mo) |

\*Includes inflation at 3.00%

**Note 12. Other Postemployment Benefits (OPEB) (Continued)**  
**Funding Status and Funding Progress**

The funded status of the plan as of December 31, 2011, the date of the latest valuation, was as follows:

|   |              |
|---|--------------|
| Actuarial Accrued Liability (AAL)                 | \$ 9,556,094 |
| Actuarial Value of Plan Assets                    | \$ -         |
| Unfunded Actuarial Accrued Liability (UAAL)       | \$ 9,556,094 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.00%        |
| Covered payroll (active plan members)             | \$29,228,867 |
| UAAL as a percentage of covered payroll           | 32.70%       |

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

**Note 13. Pension Trust Funds – Financial Data**  
**Schedule of Fiduciary Net Plan Position as of December 31, 2012**

| Assets                                 | Police Pension Fund  | Firefighters' Pension Fund | Total Pension Trust Funds |                           |
|--|----------------------|----------------------------|---------------------------|---------------------------|
|  |                      |                            | Pension Trust Funds       | Total Pension Trust Funds |
| Cash and cash equivalents              | \$ 2,646,456         | \$ 408,612                 | \$ 408,612                | \$ 3,055,068              |
| Investments                            |                      |                            |                           |                           |
| U.S. government and agency obligations | 27,763,811           | 23,296,069                 | 51,059,880                | 51,059,880                |
| Municipal obligations                  | 196,048              | 2,479,864                  | 2,675,912                 | 2,675,912                 |
| Corporate obligations                  | 2,040,756            | -                          | 2,040,756                 | 2,040,756                 |
| Equity mutual funds                    | 23,618,884           | 28,876,148                 | 52,495,032                | 52,495,032                |
| Accrued interest receivable            | 111,144              | 121,045                    | 232,189                   | 232,189                   |
| Due from other funds                   | 8,559                | 14,555                     | 23,114                    | 23,114                    |
| Prepaid expenses                       | -                    | 1,862                      | 1,862                     | 1,862                     |
| <b>Total assets</b>                    | <b>56,385,658</b>    | <b>55,198,255</b>          | <b>111,583,913</b>        | <b>111,583,913</b>        |
| Liabilities                            |                      |                            |                           |                           |
| Accrued expenses                       | 14,333               | 1,688                      | 16,021                    | 16,021                    |
| <b>Net Position</b>                    | <b>\$ 56,371,325</b> | <b>\$ 55,196,567</b>       | <b>\$ 111,567,892</b>     | <b>\$ 111,567,892</b>     |

**Note 13. Pension Trust Funds – Financial Data (Continued)**  
**Schedule of Changes in Fiduciary Net Plan Position as of December 31, 2012**

| Additions                                       | Police Pension Fund | Firefighters' Pension Fund | Total Pension Trust Funds |                           |
|---|---------------------|----------------------------|---------------------------|---------------------------|
|   |                     |                            | Pension Trust Funds       | Total Pension Trust Funds |
| Contributions                                   |                     |                            |                           |                           |
| Employer  | \$ 1,812,682        | \$ 2,926,010               | \$ 4,738,702              | \$ 4,738,702              |
| Participant                                     | 663,702             | 723,089                    | 1,386,791                 | 1,386,791                 |
| <b>Total contributions</b>                      | <b>2,476,384</b>    | <b>3,649,099</b>           | <b>6,125,483</b>          | <b>6,125,483</b>          |
| Investment income                               |                     |                            |                           |                           |
| Net appreciation in fair value of investments   | 2,480,278           | 3,733,431                  | 6,213,709                 | 6,213,709                 |
| Interest income                                 | 1,406,963           | 1,492,527                  | 2,899,490                 | 2,899,490                 |
| Less investment expense                         | (88,696)            | (138,318)                  | (227,014)                 | (227,014)                 |
| <b>Net investment income</b>                    | <b>3,798,545</b>    | <b>5,087,640</b>           | <b>8,886,185</b>          | <b>8,886,185</b>          |
| <b>Total additions</b>                          | <b>6,274,939</b>    | <b>8,736,739</b>           | <b>15,011,678</b>         | <b>15,011,678</b>         |
| Deductions                                      |                     |                            |                           |                           |
| Retirement pensions                             | 2,300,198           | 3,706,420                  | 6,006,618                 | 6,006,618                 |
| Widow pensions                                  | 246,438             | 265,329                    | 511,767                   | 511,767                   |
| Disability pensions                             | 48,593              | 455,103                    | 503,696                   | 503,696                   |
| <b>Total deductions</b>                         | <b>2,595,229</b>    | <b>4,426,852</b>           | <b>7,022,081</b>          | <b>7,022,081</b>          |
| <b>Changes in net position</b>                  | <b>3,679,710</b>    | <b>4,309,887</b>           | <b>7,989,597</b>          | <b>7,989,597</b>          |
| Net position held in trust for pension benefits |                     |                            |                           |                           |
| Beginning                                       | 52,681,615          | 50,886,680                 | 103,578,295               | 103,578,295               |
| Ending  | \$ 56,371,325       | \$ 55,196,567              | \$ 111,567,892            | \$ 111,567,892            |



**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Village of Glenview, Illinois**

Notes to Financial Statements  
December 31, 2012

**Note 14. Fund Balance Reporting**

As of December 31, 2012, the Village's fund balances were classified as follows:

|                            | Special Tax Allocation |                     | Village Permanent Fund |                      | Nonmajor Governmental Funds |                      | Totals               |
|----------------------------|------------------------|---------------------|------------------------|----------------------|-----------------------------|----------------------|----------------------|
|                            | General Fund           | Fund                | Fund                   | Fund                 | Funds                       | Funds                |                      |
| <b>Nonspendable:</b>       |                        |                     |                        |                      |                             |                      |                      |
| Prepays                    | \$ 15,000              | \$ 64,508           | \$ -                   | \$ -                 | \$ -                        | \$ -                 | \$ 79,508            |
| Inventory                  | 180,280                | -                   | -                      | -                    | -                           | -                    | 180,280              |
| <b>Total Nonspendable</b>  | <b>195,280</b>         | <b>64,508</b>       | <b>-</b>               | <b>-</b>             | <b>-</b>                    | <b>-</b>             | <b>259,788</b>       |
| <b>Restricted purpose:</b> |                        |                     |                        |                      |                             |                      |                      |
| Debt Service               | -                      | -                   | -                      | -                    | 139,678                     | -                    | 139,678              |
| Public Safety              | -                      | -                   | -                      | -                    | 341,136                     | -                    | 341,136              |
| Street Improvements        | -                      | -                   | -                      | -                    | 1,084,042                   | -                    | 1,084,042            |
| Economic Development       | -                      | 3,046,893           | -                      | -                    | -                           | -                    | 3,046,893            |
| Capital Projects           | -                      | -                   | 30,537,484             | -                    | 10,828,921                  | -                    | 41,366,405           |
| <b>Total Restricted</b>    | <b>-</b>               | <b>3,046,893</b>    | <b>30,537,484</b>      | <b>-</b>             | <b>12,993,777</b>           | <b>-</b>             | <b>45,978,154</b>    |
| <b>Total Unassigned</b>    | <b>25,564,806</b>      | <b>-</b>            | <b>-</b>               | <b>-</b>             | <b>-</b>                    | <b>-</b>             | <b>25,564,806</b>    |
| <b>Total Fund Balances</b> | <b>\$ 25,760,086</b>   | <b>\$ 3,111,401</b> | <b>\$ 30,537,484</b>   | <b>\$ 12,993,777</b> | <b>\$ 12,993,777</b>        | <b>\$ 12,993,777</b> | <b>\$ 71,802,748</b> |

**Note 15. Contingencies**

**Grants**

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

**Litigation**

The Village has several pending legal proceedings that, in the opinion of management, are ordinary routine matters incidental to the normal business conducted by the Village. In the opinion of management, the outcome is neither probable nor estimable, and the ultimate dispositions of such proceedings are not expected to have a material adverse effect on the Village's net position or activities.

**Note 16. New Accounting Pronouncements**

GASB Statement No. 61, *The Financial Reporting Entity, Omnibus—an amendment of GASB Statements No. 14 and No. 34*, will be effective for the Village beginning with its year ending December 31, 2014. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB Statement No. 65, *Items Previously Recorded as Assets and Liabilities* reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses) or inflows of resources (revenues), items that were previously reported as assets or liabilities. This will be effective for the Village for the year ending December 31, 2013.

GASB Statement No. 66, *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No. 62* resolves conflicting guidance that resulted from the issuance of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement removes the provisions that limits fund based reporting of risk financing activities. This Statement also modifies specific guidance on accounting for certain operating leases and certain loans. This will be effective for the Village for the year ending December 31, 2013.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ended December 31, 2014. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ended December 31, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

**Village of Glenview, Illinois**

Required Supplementary Information –  
Schedules of Funding Progress  
Last Six Fiscal Years

| Actuarial Valuation Date                   | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (assets in excess of) AAL (b-a) (b-a) | Funded Ratio (a/b) (a/b) | Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) ((b-a)/c) |
|--|-------------------------------|---------------------------------------|--|--------------------------|---------------------|---|
| <b>Illinois Municipal Retirement Fund:</b> |                               |                                       |  |                          |                     |   |
| 12/31/2012                                 | \$ 28,893,961                 | \$ 44,133,853                         | \$ 15,199,892                                  | 65.56 %                  | \$ 14,662,408       | 103.67 %  |
| 12/31/2011                                 | 25,605,004                    | 41,668,646                            | 16,063,642                                     | 61.45                    | 15,430,197          | 104.11  |
| 12/31/2010                                 | 25,016,549                    | 40,760,603                            | 15,744,054                                     | 61.37                    | 15,393,325          | 102.28  |
| 12/31/2009                                 | 22,392,289                    | 37,187,807                            | 10,392,189                                     | 60.21                    | 15,460,203          | 87.22   |
| 12/31/2008                                 | 17,094,534                    | 33,814,187                            | 16,719,653                                     | 50.55                    | 16,344,000          | 102.30  |
| 12/31/2007                                 | 32,021,085                    | 39,682,349                            | 7,661,254                                      | 80.69                    | 16,761,560          | 45.71   |

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$30,434,491. On a market basis, the funded ratio would be 66.96%.

**Police Pension Plan:**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (assets in excess of) AAL (b-a) (b-a) | Funded Ratio (a/b) (a/b) | Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) ((b-a)/c) |
|--------------------------|-------------------------------|---------------------------------------|--|--------------------------|---------------------|---|
| 1/1/2012*                | \$ 53,944,719                 | \$ 63,376,050                         | \$ 9,431,331                                   | 85.12 %                  | \$ 6,740,053        | 139.93 %  |
| 1/1/2011                 | 53,786,060                    | 59,435,239                            | 5,647,179                                      | 90.50                    | 6,603,509           | 85.52   |
| 1/1/2010                 | 49,768,625                    | 58,424,453                            | 8,655,828                                      | 85.18                    | 6,310,520           | 137.17  |
| 1/1/2009                 | 46,437,539                    | 55,244,848                            | 8,807,309                                      | 84.06                    | 6,584,950           | 133.75  |
| 1/1/2008                 | 41,723,979                    | 47,510,348                            | 5,786,369                                      | 87.82                    | 5,853,046           | 96.86   |
| 1/1/2007                 | 38,840,397                    | 45,524,891                            | 6,684,494                                      | 85.32                    | 5,591,810           | 119.54  |

**Firefighters' Pension Plan:**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (assets in excess of) AAL (b-a) (b-a) | Funded Ratio (a/b) (a/b) | Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) ((b-a)/c) |
|--------------------------|-------------------------------|---------------------------------------|--|--------------------------|---------------------|---|
| 1/1/2012*                | \$ 53,317,305                 | \$ 79,294,776                         | \$ 25,977,471                                  | 67.24 %                  | \$ 7,639,169        | 340.06 %  |
| 1/1/2011                 | 57,176,587                    | 75,563,246                            | 18,386,679                                     | 75.67                    | 7,195,162           | 255.54  |
| 1/1/2010                 | 54,396,082                    | 73,324,302                            | 18,928,220                                     | 74.19                    | 7,049,374           | 268.51  |
| 1/1/2009                 | 52,055,144                    | 68,871,887                            | 16,816,743                                     | 75.58                    | 6,589,276           | 255.21  |
| 1/1/2008                 | 48,535,292                    | 65,958,874                            | 17,422,382                                     | 73.59                    | 6,550,595           | 265.97  |
| 1/1/2007                 | 47,854,287                    | 61,763,243                            | 13,908,956                                     | 77.43                    | 6,194,548           | 224.90  |

\* Most recent actuarial valuation date.

**Village of Glenview, Illinois**

Required Supplementary Information –  
Schedules of Funding Progress (Continued)  
Last Six Fiscal Years

| Actuarial Valuation Date                  | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded (assets in excess of) AAL (b-a) (b-a) | Funded Ratio (a/b) (a/b) | Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) ((b-a)/c) |
|---|-------------------------------|---|--|--------------------------|---------------------|---|
| <b>Other Postemployment Benefit Plan:</b> |                               |   |  |                          |                     |   |
| 2012*                                     | \$ -                          | \$ 9,556,094                                    | \$ 9,556,094                                   | -                        | \$ 29,228,867       | 32.69 %   |
| 2011                                      | -                             | 9,556,094                                       | 9,556,094                                      | -                        | 29,228,867          | 32.69   |
| 2010                                      | -                             | 8,695,668                                       | 8,695,668                                      | -                        | 26,967,070          | 32.25   |
| 2009                                      | -                             | 8,695,668                                       | 8,695,668                                      | -                        | NA                  | NA  |
| 2008                                      | -                             | NA  | NA   | NA                       | NA                  | NA  |
| 2007                                      | -                             | 12,391,000                                      | 12,391,000                                     | -                        | 24,911,602          | 49.74   |

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2007. Information for prior years is not available.

\* Results from prior year.

**Village of Glenview, Illinois**

Required Supplementary Information  
Schedules of Employer Contributions  
Last Six Fiscal Years

**Police Pension Plan**

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percentage Contributed |
|-------------|------------------------|------------------------------|------------------------|
| 2012        | \$ 1,812,692           | \$ 1,812,556                 | 100.01 %               |
| 2011        | 1,767,966              | 1,347,587                    | 131.20                 |
| 2010        | 1,802,629              | 1,370,885                    | 131.49                 |
| 2009        | 1,168,933              | 933,477                      | 125.22                 |
| 2008        | 1,393,628              | 1,081,786                    | 128.83                 |
| 2007        | 1,157,437              | 918,552                      | 126.01                 |

**Firefighters' Pension Plan**

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percentage Contributed |
|-------------|------------------------|------------------------------|------------------------|
| 2012        | \$ 2,926,010           | \$ 2,985,212                 | 98.02 %                |
| 2011        | 2,806,961              | 2,160,105                    | 129.95                 |
| 2010        | 2,541,870              | 1,941,060                    | 130.95                 |
| 2009        | 1,985,871              | 1,987,548                    | 99.92                  |
| 2008        | 1,805,026              | 1,712,540                    | 105.40                 |
| 2007        | 1,416,463              | 1,556,654                    | 90.99                  |

**Village of Glenview, Illinois**

General Fund  
Required Supplementary Information  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
For the Year Ended December 31, 2012

|   | Budget             |                     | Actual               | Variance            |
|---|--------------------|---------------------|----------------------|---------------------|
|   | Original           | Final               |                      |                     |
| <b>Revenues</b>                             |                    |                     |                      |                     |
| Taxes                                       |                    |                     |                      |                     |
| Property                                    | \$ 10,853,538      | \$ 10,853,538       | \$ 10,992,046        | \$ 138,508          |
| Other                                       | 13,423,046         | 13,423,046          | 13,495,488           | 72,452              |
| Licenses and permits                        | 2,014,000          | 2,014,000           | 1,923,238            | (90,762)            |
| Charges for services                        | 5,323,231          | 5,992,677           | 6,346,445            | 353,768             |
| Fines and forfeitures                       | 122,806            | 122,806             | 224,198              | 101,392             |
| Intergovernmental                           | 21,516,245         | 21,516,245          | 22,211,809           | 695,564             |
| Investment income                           | 84,000             | 84,000              | 115,402              | 31,402              |
| Other revenues                              | -                  | -                   | 29,674               | 29,674              |
| <b>Total revenues</b>                       | <b>53,336,866</b>  | <b>54,006,312</b>   | <b>55,337,310</b>    | <b>1,330,998</b>    |
| <b>Expenditures</b>                         |                    |                     |                      |                     |
| Current                                     |                    |                     |                      |                     |
| General government                          | 14,912,500         | 15,033,497          | 15,147,824           | (114,327)           |
| Public works                                | 7,654,984          | 7,859,228           | 7,036,995            | 822,233             |
| Public safety                               | 26,124,568         | 26,286,795          | 26,286,737           | 20,058              |
| Development                                 | 900,598            | 1,013,190           | 967,029              | 46,161              |
| <b>Total expenditures</b>                   | <b>49,592,650</b>  | <b>50,192,710</b>   | <b>49,418,585</b>    | <b>774,125</b>      |
| Excess of revenues over expenditures        | 3,744,216          | 3,813,602           | 5,918,725            | 2,105,123           |
| Other financing sources (uses)              |                    |                     |                      |                     |
| Transfers in                                | 709,030            | 709,030             | 709,030              | -                   |
| Transfers out                               | (4,468,426)        | (5,066,804)         | (5,066,695)          | (18,891)            |
| <b>Total other financing sources (uses)</b> | <b>(3,759,396)</b> | <b>(4,357,774)</b>  | <b>(4,376,665)</b>   | <b>(18,891)</b>     |
| <b>Net change in fund balance</b>           | <b>\$ (15,180)</b> | <b>\$ (544,172)</b> | <b>1,542,060</b>     | <b>\$ 2,086,232</b> |
| Fund balance – beginning of year            |                    |                     | 24,218,026           |                     |
| Fund balance – end of year                  |                    |                     | <u>\$ 25,760,066</u> |                     |

Village of Glenview, Illinois

Special Tax Allocation Fund

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

For the Year Ended December 31, 2012

|   | Budget                |                       |                     | Actual                | Variance |
|---|-----------------------|-----------------------|---------------------|-----------------------|----------|
|   | Original              | Final                 | Actual              |                       |          |
| <b>Revenues</b>                             |                       |                       |                     |                       |          |
| Taxes                                       |                       |                       |                     |                       |          |
| Property                                    | \$ 27,200,000         | \$ 27,200,000         | \$ 26,283,659       | \$ (916,341)          |          |
| Charges for services                        | 14,180                | 14,180                | 17,180              | 3,000                 |          |
| Intergovernmental                           | -                     | -                     | 143,182             | 143,182               |          |
| Investment income                           | 25,000                | 25,000                | 133,801             | 108,801               |          |
| <b>Total revenues</b>                       | <b>27,239,180</b>     | <b>27,239,180</b>     | <b>26,577,822</b>   | <b>(661,358)</b>      |          |
| <b>Expenditures</b>                         |                       |                       |                     |                       |          |
| General government                          | 20,435,458            | 20,435,458            | 23,263,828          | (2,828,370)           |          |
| Debt service                                | -                     | -                     | 92,160              | (92,160)              |          |
| Bond issuance costs                         | 9,170,000             | 9,170,000             | 7,045,000           | 2,125,000             |          |
| Principal                                   | 2,518,500             | 2,518,300             | 2,460,539           | 57,761                |          |
| Interest and fiscal charges                 | -                     | -                     | -                   | -                     |          |
| <b>Total expenditures</b>                   | <b>32,123,758</b>     | <b>32,123,758</b>     | <b>32,861,527</b>   | <b>(737,769)</b>      |          |
| Deficiency of revenues over expenditures    | (4,884,578)           | (4,884,578)           | (6,283,705)         | (1,399,127)           |          |
| <b>Other financing sources (uses)</b>       |                       |                       |                     |                       |          |
| Payment to bond escrow agent                | -                     | -                     | (27,796,231)        | (27,796,231)          |          |
| Proceeds from bond issuance                 | -                     | -                     | 25,820,000          | 25,820,000            |          |
| Premium on bond issuance                    | -                     | -                     | 2,075,642           | 2,075,642             |          |
| Transfers out                               | (273,379)             | (273,379)             | (273,379)           | -                     |          |
| <b>Total other financing sources (uses)</b> | <b>(273,379)</b>      | <b>(273,379)</b>      | <b>(173,968)</b>    | <b>99,411</b>         |          |
| <b>Net change in fund balance</b>           | <b>\$ (5,157,957)</b> | <b>\$ (5,157,957)</b> | <b>(6,457,673)</b>  | <b>\$ (1,299,716)</b> |          |
| Fund balance – beginning of year            |                       |                       | 9,569,074           |                       |          |
| <b>Fund balance – end of year</b>           |                       |                       | <b>\$ 3,111,401</b> |                       |          |

Village of Glenview, Illinois

Required Supplementary Information (Unaudited)

Notes to Required Supplementary Information

December 31, 2012

Note 1. Legal Compliance – Budgets

A. Budgets

The Village follows the budget act and implements the following procedures noted below in establishing the budgetary data reflected in the financial statements.

1. All departments of the Village submit requests for budget to the Village's manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current estimates, and requested budgets for the next fiscal year.
2. The proposed budget is presented to the governing body, the Village Board, for review. The Village Board holds public hearings and may add to, subtract from, or change budgets, but may not change the form of the budget.
3. The budget is legally enacted by the Board of Trustees.
4. The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures/expenses of any fund must be approved by the Village Board.
5. The level of control (the level at which expenditures may not exceed the budget) is at the fund level. Expenditures may not legally exceed budgets at the fund level. The Village adopted the budget on December 20, 2012 and amended the budget at various times throughout the year.

Budgets are generally adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the General Fund, special revenue funds, debt service funds, and the capital project funds on the modified accrual basis. The enterprise, internal service, and pension trust funds on the accrual basis, except principal expense and capital expenditures are budgeted, and depreciation expense is not budgeted. All annual budgets lapse at the end of the fiscal year.

B. Excess of Actual Expenditures/Expenses over Budget in Individual Funds

The following funds had an excess of actual expenditures and transfers out over final budget

| Fund                           | Excess     |
|--------------------------------|------------|
| Special Tax Allocation         | \$ 737,769 |
| Corporate Purpose Debt Service | 46,883     |
| Capital Equipment Replacement  | 54,861     |
| Police Pension                 | 193,214    |
| Firefighters' Pension          | 174,980    |

**FORM OF LEGAL OPINION**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the President and Board of Trustees of the Village of Glenview, Cook County, Illinois (the “*Village*”), passed preliminary to the issue by the Village of its fully registered General Obligation Bonds, Series 2013A (the “*Bonds*”) to the amount of \$\_\_\_\_\_, dated the date hereof, of the denomination of \$5,000 or authorized integral multiples thereof, and due serially on December 1 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

| YEAR | AMOUNT (\$) | RATE (%) |
|------|-------------|----------|
| 2014 |             |          |
| 2015 |             |          |
| 2016 |             |          |
| 2017 |             |          |
| 2018 |             |          |
| 2019 |             |          |
| 2020 |             |          |
| 2021 |             |          |
| 2022 |             |          |
| 2023 |             |          |
| 2024 |             |          |
| 2025 |             |          |
| 2026 |             |          |
| 2027 |             |          |
| 2028 |             |          |
| 2029 |             |          |
| 2030 |             |          |
| 2031 |             |          |
| 2032 |             |          |
| 2033 |             |          |

Each Bond bears interest from the later of the dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of each Bond, respectively, is paid or duly provided for, such interest (computed upon

the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2014.

The Bonds coming due on December 1, 2023, and thereafter are subject to redemption prior to maturity at the option of the Village, from any available moneys, on December 1, 2022, and any date thereafter, in whole or in part, and if in part in such principal amounts and from such maturities as determined by the Village and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

The Bonds have been issued generally for the purpose of \_\_\_\_\_.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of Bond prescribed and find the same in due form of law, and in our opinion the Bonds, to the amount named, are valid and legally binding obligations of the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.



FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Village of Glenview, Cook County, Illinois (the “*Village*”) in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Series 2013A (the “*Bonds*”). The Bonds are being issued pursuant to an Ordinance adopted by the President and Board of Trustees of the Village (the “*Board*”) on December 10, 2013, relating to the Bonds (the “*Ordinance*”).

In consideration of the issuance of the Bonds by the Village and the purchase of such Bonds by the beneficial owners thereof, the Village covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Village represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means the financial information and operating data described in *Exhibit I*.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Village prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent’s successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*MSRB* means the Municipal Securities Rulemaking Board.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the Village pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds as set forth in *Exhibit III*. The Final Official Statement relating to the Bonds is dated December 10, 2013 (the "*Final Official Statement*"). The Village will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement

provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE VILLAGE TO PROVIDE INFORMATION. The Village shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Village to provide the information as required by this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Village by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Village (such as the Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Village shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Village shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the Village is changed, the Village shall disseminate such information to EMMA.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The Village shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The Village shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Village under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

VILLAGE OF GLENVIEW  
COOK COUNTY, ILLINOIS

---

By: Todd Hileman  
Its: Village Manager/Treasurer/Clerk  
Address: 1225 Waukegan Road  
Glenview, Illinois 60025

Date: December 19, 2013

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

“*Annual Financial Information*” means financial information and operating data of the type contained in the Official Statement under the following captions:

**TREND OF VALUATIONS**  
**LARGER TAXPAYERS**  
**STATEMENT OF INDEBTEDNESS**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**OVERLAPPING DEBT**  
**TAX LEVIES, COLLECTIONS AND TAX RATES**  
**SUMMARY FINANCIAL INFORMATION**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the Village’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (*i.e.*, as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of State law). Audited Financial Statements will be submitted to EMMA within 30 days after availability to Village.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Village will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village\*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

---

\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

**EXHIBIT III  
CUSIP NUMBERS**

BASE NUMBER IS 378892

| YEAR | SUFFIX |
|------|--------|
| 2014 |        |
| 2015 |        |
| 2016 |        |
| 2017 |        |
| 2018 |        |
| 2019 |        |
| 2020 |        |
| 2021 |        |
| 2022 |        |
| 2023 |        |
| 2024 |        |
| 2025 |        |
| 2026 |        |
| 2027 |        |
| 2028 |        |
| 2029 |        |
| 2030 |        |
| 2031 |        |
| 2032 |        |
| 2033 |        |



## APPENDIX E

### NOTICE OF SALE

#### **\$6,190,000\* GENERAL OBLIGATION BONDS, SERIES 2013A VILLAGE OF GLENVIEW, COOK COUNTY, ILLINOIS**

Bids for the purchase of \$6,190,000\* General Obligation Bonds, Series 2013A (the "Bonds") of the Village of Glenview, Cook County, Illinois (the "Village") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Financial Advisors to the Village, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on December 10, 2013, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Trustees for consideration for award by ordinance at a meeting to be held at 7:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the Village will be accepted unless all bids are rejected.

\* Preliminary, subject to change.

#### **PURPOSE**

Proceeds of the Bonds will provide funds to finance (i) Village Hall relocation, including an addition to the existing Police facility, interior renovation and repurposing of space and (ii) costs of issuance.

#### **DATES AND MATURITIES**

The Bonds will be dated December 19, 2013, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on December 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2014        | \$260,000      | 2021        | \$275,000      | 2028        | \$345,000      |
| 2015        | 250,000        | 2022        | 280,000        | 2029        | 355,000        |
| 2016        | 250,000        | 2023        | 290,000        | 2030        | 370,000        |
| 2017        | 255,000        | 2024        | 300,000        | 2031        | 385,000        |
| 2018        | 260,000        | 2025        | 310,000        | 2032        | 400,000        |
| 2019        | 265,000        | 2026        | 320,000        | 2033        | 420,000        |
| 2020        | 270,000        | 2027        | 330,000        |             |                |

#### **ADJUSTMENT OPTION**

\* The Village reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

#### **TERM BOND OPTION**

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

## INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2014, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%. The rate or rates named shall not exceed the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20-Year G.O. Bond Index of average municipal bond yields as published in the most recent edition of the Bond Buyer at the time of the sale of the Bonds.

## BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

## PAYING AGENT

The Village has selected Wells Fargo Bank, National Association, Minneapolis, Minnesota, to act as bond registrar and paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

## OPTIONAL REDEMPTION

At the option of the Village, Bonds maturing on or after December 1, 2023 shall be subject to redemption prior to maturity on December 1, 2022 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to redemption. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, the Village or Bond Registrar will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by mailing a notice not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Paying Agent prior to the giving of a notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Paying Agent on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption

date, the Village will deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given and described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Paying Agent at the redemption price.

### **DELIVERY**

On December 19, 2013, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the Village will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the Village, threatened. Payment for the Bonds must be received by the Village at its designated depository on the date of closing in immediately available funds.

### **LEGAL OPINION**

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Chapman and Cutler LLP, bond counsel to the Village, and will accompany the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

### **SUBMISSION OF BIDS**

Bids must not be for less than \$6,128,100 nor more than \$6,313,800 plus accrued interest on the principal sum of \$6,190,000 from date of original issue of the Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

- 1) In a sealed envelope as described herein; or
- 2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the Village nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit (the "Deposit") in the amount of \$123,800, complying with the provisions below, must be submitted with each bid. The Deposit must be in the form of a certified or cashier's check, or a financial surety bond or a wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. The Deposit will be retained by the Village as

liquidated damages if the bid is accepted and the bidder fails to comply therewith. The Deposit will be returned to the winning bidder at the closing for the Bonds.

The Deposit, payable to the Village, shall be retained in the offices of Ehlers with the same effect as if delivered to the Village. Alternatively, bidders may wire the Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. The Village and any bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the losing bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Illinois, and preapproved by the Village. Such bond must be submitted to Ehlers prior to the opening of the bids. Such bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder using a financial surety bond, then that bidder is required to submit its Deposit to Ehlers in the form of a certified or cashier's check or wire transfer as instructed by Ehlers not later than 3:00 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the Village to satisfy the Deposit requirement. The amount securing the successful bid will be retained as liquidated damages if the bid is accepted and the bidder fails to comply therewith. No bid can be withdrawn after the time set for receiving bids unless the meeting of the Village scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

## **AWARD**

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The Village's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The Village reserves the right to reject any and all bids and to waive any informality in any bid.

## **BOND INSURANCE**

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the Village requested and received a rating on the Bonds from a rating agency, the Village will pay that rating fee. Any rating agency fees not requested by the Village are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

## CUSIP NUMBERS

The Village will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

## QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

## CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the Village will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds. A description of the details and terms of the Undertaking is set forth in the Preliminary Official Statement. **There have been no instances in the previous five years in which the Village has failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule.**

## INFORMATION FROM WINNING BIDDER

The winning bidder will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

## PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the link to the Bond Sales. The Syndicate Manager will be provided with an electronic copy and up to 10 printed copies upon request of the Final Official Statement within seven business days of the bid acceptance. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Board of Trustees

Todd Hileman, Village Manager, Village Clerk and Village Treasurer  
Village of Glenview, Cook County, Illinois



# BID FORM

The Board of Trustees  
Village of Glenview, Cook County, Illinois

December 10, 2013

RE: \$6,190,000\* General Obligation Bonds, Series 2013A  
DATED: December 19, 2013

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Preliminary Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$6,128,100 nor more than \$6,313,800) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing December 1 in the stated years as follows:

|                  |                  |                  |
|------------------|------------------|------------------|
| _____ % due 2014 | _____ % due 2021 | _____ % due 2028 |
| _____ % due 2015 | _____ % due 2022 | _____ % due 2029 |
| _____ % due 2016 | _____ % due 2023 | _____ % due 2030 |
| _____ % due 2017 | _____ % due 2024 | _____ % due 2031 |
| _____ % due 2018 | _____ % due 2025 | _____ % due 2032 |
| _____ % due 2019 | _____ % due 2026 | _____ % due 2033 |
| _____ % due 2020 | _____ % due 2027 |                  |

\* The Village reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our good faith deposit in the amount of \$123,800, to be held by you pending delivery and payment. Alternatively, we have provided a financial surety bond or have wired our good faith deposit to the **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to the Preliminary Official Statement dated November 26, 2013. This bid is for prompt acceptance and is conditional upon deposit of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on December 19, 2013.

This bid is subject to the Village's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the Village with the reoffering price of the Bonds within 24 hours of the bid acceptance.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members:

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 19, 2013 of the above bid is \$\_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

-----  
The foregoing offer is hereby accepted by and on behalf of the Board of Trustees of the Village of Glenview, Cook County, Illinois, on December 10, 2013.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_