

VILLAGE OF
BROOKFIELD, ILLINOIS

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT



FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2008

VILLAGE OF BROOKFIELD, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

Prepared by the
Finance Department

VILLAGE OF BROOKFIELD, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Brookfield including: List of Principal Officials, Organizational Chart, Certificate of Achievement for Excellence in Financial Reporting and Letter of Transmittal.

VILLAGE OF BROOKFIELD, ILLINOIS

List of Principal Officials

December 31, 2008

LEGISLATIVE

Village President: Michael J. Garvey

Village Clerk: Brigid Weber

BOARD OF TRUSTEES

C.P. Hall

Yvonne Trause

Catherine Colgrass-Edwards

Brian S. Oberhauser

Michael Towner

David LeClere

ADMINISTRATIVE

Village Manager

Riccardo F. Ginex

Assistant Village Manager/Treasurer

Keith R. Sbiral

Director of Public Works

William A. Heider

Director of Human Resources

Michelle Robbins

Chief of Police

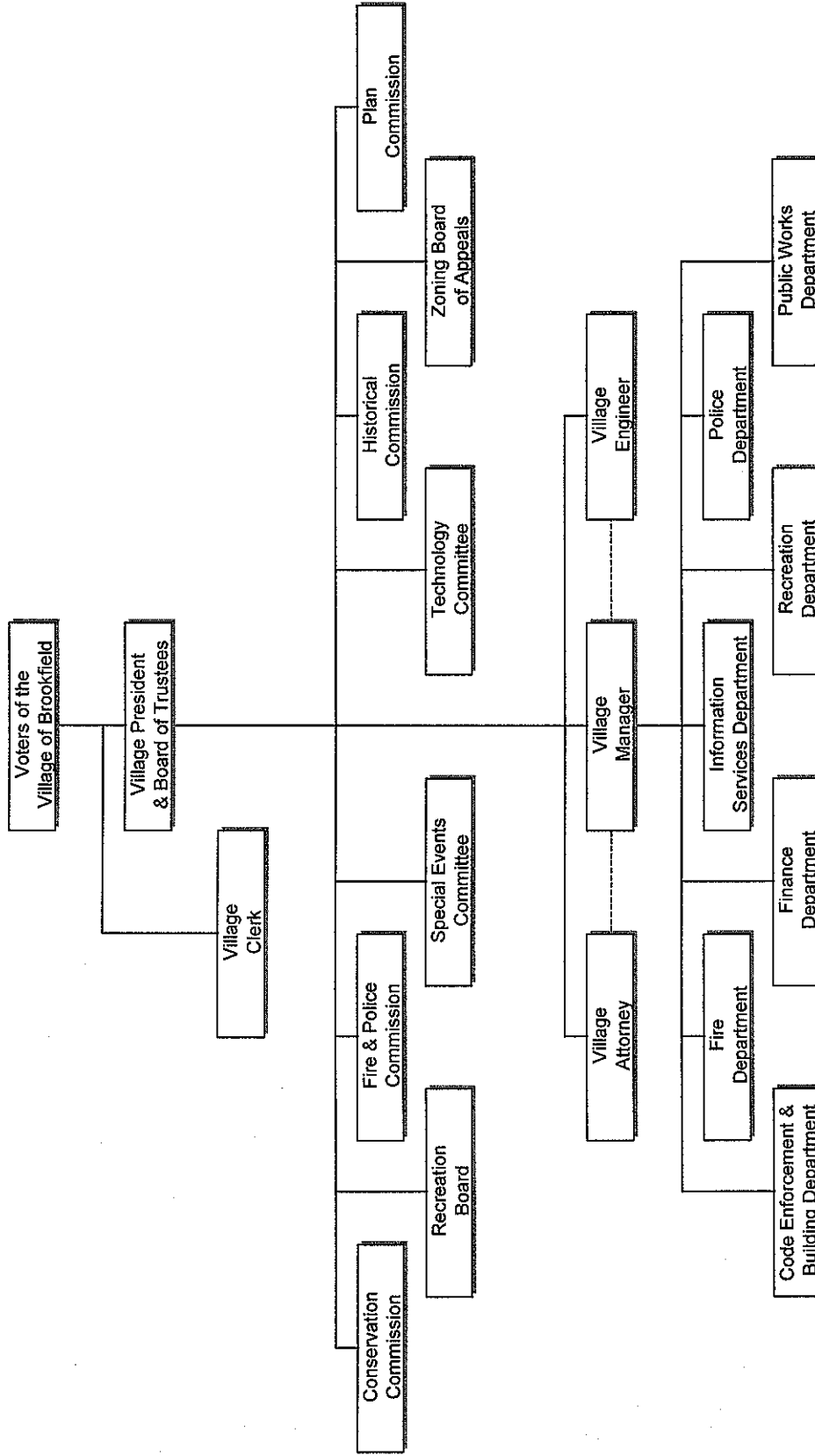
Steven Stelter

Fire Chief

Patrick Lenzi

VILLAGE OF BROOKFIELD, ILLINOIS

Organizational Chart
Elected and Appointed Offices
December 31, 2008



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Brookfield
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



Village of Brookfield

8820 Brookfield Avenue • Brookfield, Illinois 60513-1688
(708) 485-7344 • FAX (708) 485-4971
www.brookfieldil.gov

VILLAGE PRESIDENT
Michael J. Garvey

VILLAGE CLERK
Brigid Weber

BOARD OF TRUSTEES
Cathy A. Colgrass-Edwards
C. P. Hall, II
David P. LeClere
Brian S. Oberhauser
Yvonne Prause
Michael A. Towner

VILLAGE MANAGER
Riccardo F. Ginex

MEMBER OF
Illinois Municipal League
Proviso Township
Municipal League
West Central
Municipal Conference

TREE CITY U.S.A. Since 1981

HOME OF THE CHICAGO
ZOOLOGICAL SOCIETY

July 15, 2009

To President Michael J. Garvey,
Honorable Members of the Village Board of Trustees
Citizens of the Village of Brookfield, Illinois

Illinois statutes require the Village to annually report on its financial position and activity, and that this report is audited by an independent certified public accountant. Pursuant to that requirement, the comprehensive annual financial report of the Village of Brookfield, Illinois for the fiscal year ended December 31, 2008 is hereby submitted.

This report consists of management's representations concerning the finances of the Village of Brookfield. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Brookfield's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Brookfield's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Brookfield's financial statements have been audited by Lauterbach & Amen., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Brookfield for the fiscal year ended December 31, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village of Brookfield's financial statements for the fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Brookfield's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Village is a predominately residential, commuter suburb located 14 miles west of downtown Chicago, with a historically stable population of approximately 19,000 residents. The Village has a land area of 3 square miles and is completely developed. Light to medium industry and retail establishments are located on the Village's major thoroughfares, while a combined freight and commuter rail line bisects the community. In addition to 64 acres of Village parks, Brookfield is also home of the internationally famous Brookfield Zoo.

The Village was incorporated in 1893 as Grossdale, and was renamed Brookfield in 1905. The Village is organized as a non-home rule municipality with authority and power as established under the Illinois Municipal Code chapter of the Illinois Compiled Statutes. Policy making and legislative authority are vested in the corporate authorities which consist of a Village President (Chief Executive Officer) and six members Board of Trustees. The Board is responsible, among other things, for passing ordinances, adopting the annual appropriations ordinance, appointing advisory boards and commissions, and appointing the Village Manager (Chief Administrative Officer). The Village Manager is responsible for carrying out the policies and ordinances of the Board, for overseeing the day-to-day operations of the Village, and for recruiting and selecting staff. The Board is elected at-large to four year staggered terms with three Trustees elected every two years. The President and Village Clerk are also elected to four year terms.

The Village provides a full range of services, including police and fire protection; maintenance of streets and other infrastructure; operation of a water and sewer enterprise; and recreational activities and community events. The Village is also financially accountable for a legally separate library district, which is reported separately on the Village's financial statements.

The annual appropriations ordinance serves as the foundation for the Village's financial planning and control. Each year all departments of the Village are required to submit requests for appropriation to the Village Manager and these requests serve as the basis for development of a proposed appropriation ordinance. The Village Manager then presents this proposal to the Village President and Board of Trustees. The Village Board is required to hold at least one public hearing on the proposed appropriation and adopt a final appropriations ordinance no later than the end of the first quarter of the fiscal year. The appropriation is prepared by fund, department and object. The Corporate Authorities, by a two-thirds vote, may make transfers from one object to another so long as no appropriation falls below an amount sufficient to cover all obligations incurred against the appropriation. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriation has been adopted. For the General Fund, and other governmental funds this comparison is presented in the "Other Supplementary Information" subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Village of Brookfield operates.

Local economy—like many of the metropolitan area's older first and second ring suburbs, Brookfield's economy contains a mix of small retail and service business that primarily serve residents of the Village and a few adjoining communities, and some light to medium manufacturing and industry. Brookfield's most unique economic asset is the

Chicago Zoological Park. The zoo ranks as the Village's largest employer with approximately 970 employees and attracts more than two million visitors annually.

Although some Village businesses have begun the conversion of adaptation to a new economy, one weakness that has manifested itself is the obsolescence, age of buildings and infrastructure within the Village. This is particularly true of non-residential property. The overall challenge in the near term for the Village then is to create an environment and/or provide assistance or tools which will allow for the redevelopment of aging manufacturing properties. To respond to this challenge, the Village has just completed a new comprehensive master plan to serve as the Village's official policy guide for physical improvement and development in terms of land use, community facilities, residential and business development.

During 2008 the Village also authorized the formation of the Ogden Avenue tax increment financing district. The development within this TIF will provide Brookfield with an update, viable business district located along the busiest thoroughfare in the Village. Staff has also been extremely active in discussions with potentially new enterprises seeking to set up or relocate in the Village.

Long-term financial planning--management's top priority for the next several years will continue to center on the rehabilitation of the Village's aging infrastructure through the development of a Long Term Capital Improvements Program. The Village Administrative staff along with our consulting engineer will develop the long-term preprogram. Additionally, the year 2009 will be the final year that the 2006 bond proceeds will be used to rehabilitate our residential streets. After 2009, the Village's major challenge in this pursuit will be to develop a funding plan that will enable the Village to maintain a recurring infrastructure replacement schedule in the years thereafter. For the year 2009, the Village's major road program involves the rehabilitation of the Grand Ave. street and underground utility system. Funding for this project consists mainly of a grant through the Illinois Department of Transportation in the amount of \$1,000,000 with additional funding from the Village utilizing the remaining bond proceeds.

Cash Management policies and practices—in accordance with guidelines of State statutes, the Village deposited temporarily idle cash in interest bearing bank accounts, certificates of deposit, obligations of the U.S. Treasury, and Illinois Funds. Pension fund investments were also placed in U.S. government agency securities, and managed equity portfolios. Maturities on Village investments were generally in the 3 to 6 month range. Investments of the pension funds remained generally intermediate term, with most maturities in the three to six year range. The Village's policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, most deposits were either insured by federal deposit insurance or collateralized.

Risk Management—the Village remains a member of the Intergovernmental Risk Management Agency (IRMA), a joint venture risk pool of 75 governmental units. IRMA provides the Village with coverage for general, property damage, public officials and

worker's compensation liabilities. Additional information on the Village's risk management activity can be found in the notes to the financial statements

Pension and other post-employment benefits—the Village of Brookfield sponsors single-employer defined benefit pension plans for both sworn police officers and firefighters. At least biannually an independent actuary calculates the amount of annual contributions that the Village must make to the pension plans to ensure that they will be able to fully meet their obligations to retired employees on a timely basis. As a matter of policy the Village funds each year's annual required contribution to the pension plans as determined by the actuary. As a result of its funding policy, as of December 31, 2007 the Village has funded 53.2% and 79.6% of the present value of the projected benefits earned by employees covered by the Police Pension Fund and Firefighters Pension Fund, respectively. The remaining unfunded amount is being systematically funded over 28 years as part of the annual required contribution calculated by the actuary.

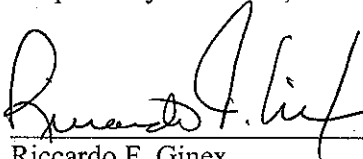
The Village also provides pension benefits for its non-public safety employees through the Illinois Municipal Retirement Fund. The Village is required to contribute monthly to the Fund at an actuarial determined rate.

The Village also provides post-employment health and dental care benefits for certain retirees and the dependents. As of the end of the fiscal year, 21 retirees participated in the health care plan and 18 in the dental care plan. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Acknowledgments.

The preparation of this report could not have been accomplished without the dedicated services of the Finance Department staff. We also express our appreciation to all the Village departments that helped to compile historical trend information. We would also like to thank Lauterbach & Amen, LLP for their technical advice in preparing the comprehensive annual financial report this year. Recognition and appreciation are extended to the Village President Michael Garvey and the Board of Trustees for their interest and support of staff recommendations in regards to improvements to the Village's financial condition and reporting process.

Respectfully submitted,



Riccardo F. Ginex
Village Manager



Keith Sbiral
Treasurer

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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

INDEPENDENT AUDITORS' REPORT

July 15, 2009

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

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Brookfield, Illinois as of and for the year ended December 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Brookfield, Illinois' management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

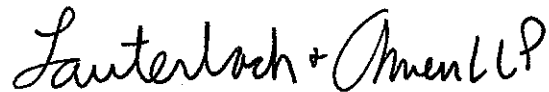
In our opinion, the basic financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Brookfield, Illinois as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund statements and schedules, as well as the information listed as supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Brookfield, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Village of Brookfield, Illinois
July 15, 2009
Page 2

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

A handwritten signature in cursive script that reads "Lauterbach + Amen LLP".

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

As management of the Village of Brookfield, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Village of Brookfield for the twelve months ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found in the introductory section of this report.

Financial Highlights

The assets of the Village of Brookfield exceeded its liabilities at the close of the most recent fiscal year by \$27,580,175 (net assets). Of this amount, \$648,843 (unrestricted net assets) may be used to meet the Village's ongoing obligations to citizens and creditors.

The Village's total net assets increased by \$509,878. This net increase is due mainly to cost cutting measures which occurred late in 2008 in order to meet the Village's cash flow responsibilities, particularly in the area of highways and streets. The Village also realized more in reimbursements from the state to cover specific project costs. Governmental activities increased by \$1,382,076 from \$11,026,240 to \$12,408,316. Business-type Activities decreased by \$872,198, from \$16,044,057 to \$15,171,859.

As of the close of the current fiscal year the Village's governmental funds reported combined ending fund balances of \$764,504 a decrease of \$2,408,539 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$(93,314) or (.06)% of total General Fund expenditures. For the twelve months ended December 31, 2008, General Fund revenues exceeded General fund expenditures in the amount of \$568,267, prior to other financing sources and uses.

During Fiscal Year 2008, the Village issued no new debt. Scheduled Debt Service Payments were made in a timely manner resulting in a total debt decrease of \$1,203,083 including Village, Special Service Area and Water and Sewer Debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Brookfield's basic financial statements. The Village's basic financial statements are comprised of three components: 1) governmental-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The governmental-wide financial statements are designed to provide readers with a broad overview of the Village of Brookfield's finances, in a manner similar to a private sector business.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

The Statement of Net Assets presents information on all the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets 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.

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 safety, highways and street and culture and recreation. The business-type activities of the Village include water and sewer operations and residential waste hauling and recycling.

The government-wide financial statements include not only the Village of Brookfield itself (known as the primary government), but also a legally separate public library district for which the Village is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 3 - 6 of this report.

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 state and 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 - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

The Village of Brookfield maintains six individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Debt Service Fund and the Infrastructure Capital Project Fund, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The Village adopts an annual appropriations ordinance for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this ordinance. The basic governmental fund financial statements can be found on pages 7 - 12 of this report.

Proprietary funds - used by the Village are of the enterprise type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations and residential waste hauling operation.

Proprietary funds 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 Water and Sewer Fund and the Garbage Fund, of which the Water & Sewer Fund is considered to be a major fund of the Village. The basic proprietary fund financial statements can be found on pages 13 - 16 of this report.

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 17 - 18 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 19 - 58 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 progress in funding its obligation to provide pension benefits to its employees, and a budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 59 - 67 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 68 - 119 of this report.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Brookfield, assets exceeded liabilities by \$27,580,175 at December 31, 2008.

The largest portion of the Village of Brookfield's net assets (97.65%) reflects its investment in capital assets (land, buildings, infrastructure 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 investments 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. The Village has utilized alternate revenue sources to fund its debt service in place of any property taxes.

The remaining balance of unrestricted net assets (\$648,843) may be used to meet the Village's ongoing obligations to citizens and creditors.

At the end of the current fiscal year the Village is able to report positive balances in both categories of net assets, 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 prior fiscal year. Below is a schedule of the Village's Net Assets for both its Governmental and Business Type Activities as of December 31, 2008.

Village of Brookfield Net Assets

	Governmental activities		Business-type activities		Total	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Current assets	\$ 9,980,125	\$ 12,348,162	\$ 4,041,221	\$ 5,233,625	\$ 14,021,346	\$ 17,581,787
Capital assets, net	27,633,882	24,889,636	16,926,124	16,667,030	44,560,006	41,556,666
Total assets	\$ 37,614,007	\$ 37,237,798	\$ 20,967,345	\$ 21,900,655	\$ 58,581,352	\$ 59,138,453
Current liabilities	\$ 10,685,857	\$ 10,628,240	\$ 823,216	\$ 754,571	\$ 11,509,073	\$ 11,382,811
Long-term liabilities	14,519,834	15,583,317	4,972,270	5,102,027	19,492,104	20,685,344
Total liabilities	\$ 25,205,691	\$ 26,211,557	\$ 5,795,486	\$ 5,856,598	\$ 31,001,177	\$ 32,068,155
Net assets:						
Invested in capital assets net of related debt	\$ 15,055,208	\$ 12,532,444	\$ 11,876,124	\$ 11,487,030	\$ 26,931,332	\$ 24,019,474
Restricted	-	-	-	-	-	-
Unrestricted	(2,646,892)	(1,506,203)	3,295,735	4,557,027	648,843	3,050,824
Total net assets	\$ 12,408,316	\$ 11,026,241	\$ 15,171,859	\$ 16,044,057	\$ 27,580,175	\$ 27,070,298

The Village's net assets increased by \$509,878 during the current fiscal year. In 2008, the Village has started to feel the effects of the downturn in the economy. Both Sales and Income Taxes have decreased from levels in the previous year. However, the reduction in available resources was met with a similar reduction in costs.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

Under these circumstances, there has been an overall reduction in available resources. This trend has continued into Calendar Year 2009. As a result, the Village board of trustees and Village Management has had to make difficult decisions regarding the operations of the Village, including cost reductions in departmental personnel and non personnel costs.

The utilization of alternate revenue sources to finance the Village's Debt has also led to an overall reduction in net assets. Because the debt is financed through alternate revenue sources, the general decrease in these funds has limited any excess which would be available to the Village for other uses, including the increase in net assets.

During the 2009 budget process, staff and the Village Board began discussing the concept of building up Village reserves. Consequently, the 2009 Budget included a plan to build reserves by \$200,000. Several cost containment measures have been made, and will continue to be in place throughout 2009 in order to meet this goal.

In order to maintain fiscal viability, Staff has continued to investigate various methods of cost savings in order to avoid any fee increases. As the economy slowly improves, the Village will be able to benefit, but in the meantime the Village continues to actively search for available funding to supplement current revenue streams. The following table shows the revenues and expenses of the Village's activities:

Village of Brookfield Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Revenues:						
Program revenues:						
Charges for services	\$ 2,120,422	\$ 1,421,089	\$ 5,047,796	\$ 3,105,618	\$ 7,168,218	\$ 4,526,707
Operating grants & contributions	257,639	32,833	-	-	257,639	32,833
Capital grants & contributions	398,000	-	-	-	398,000	-
General revenues						
Property taxes	7,114,895	3,589,196	-	-	7,114,895	3,589,196
State shared taxes	4,700,503	3,052,669	-	-	4,700,503	3,052,669
Other taxes	969,108	442,877	-	-	969,108	442,877
Other revenues	857,851	617,594	99,867	64,255	957,718	681,849
Total revenues	\$ 16,418,418	\$ 9,156,258	\$ 5,147,663	\$ 3,169,873	\$ 21,566,081	\$ 17,898,906
Expenses:						
General government	\$ 4,641,217	\$ 2,675,068	\$ -	\$ -	\$ 4,641,217	\$ 2,675,068
Public safety	8,605,566	5,552,003	-	-	8,605,566	5,552,003
Highways & streets	1,786,564	2,030,350	-	-	1,786,564	2,030,350
Culture & recreation	424,551	337,067	-	-	424,551	337,067
Interest on long-term debt	569,441	376,973	-	-	569,441	376,973
Water & sewer	-	-	3,514,544	2,309,352	3,514,544	2,309,352
Garbage	-	-	1,514,321	1,000,309	1,514,321	1,000,309
Total expenses	\$ 16,027,339	\$ 10,971,461	\$ 5,028,865	\$ 3,309,661	\$ 21,056,204	\$ 14,281,122
Increase (decrease) in net assets before transfers	\$ 391,079	\$ (1,815,203)	\$ 118,798	\$ (139,788)	\$ 509,877	\$ (1,954,991)
Transfers	990,996	1,048,411	(990,996)	(1,048,411)	-	-
Increase (decrease) in net assets	1,382,075	(766,792)	(872,198)	(1,188,199)	509,877	(1,954,991)
Net assets - beginning	11,026,241	11,793,033	16,044,057	17,232,256	27,070,298	29,025,289
Net assets - end	\$ 12,408,316	\$ 11,026,241	\$ 15,171,859	\$ 16,044,057	\$ 27,580,175	\$ 27,070,298

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

Government activities

Governmental activities increased the Village's net assets by \$1,382,076 in the current fiscal year. Significant components of the fiscal year's activities included the following:

The Village received a number of grants during the year. A capital grant from the Illinois Department of Natural Resources in the amount of \$398,000 helped defray the costs of the Ehlert Park Renovation project. There were also various State and Federal reimbursements received by the Village for an additional \$424,000. These funds related to various road and bridge and other development projects within the Village including Brownfield Costs related to the TIF Development Area (\$135,000), Engineering Fees for several road projects (\$191,000), Village Hall/Library Equipment and Facility Upgrades (\$75,000) and other miscellaneous social service grants (\$23,000). The Village continues to aggressively seek outside funding for several projects in order to supplement its current revenue streams.

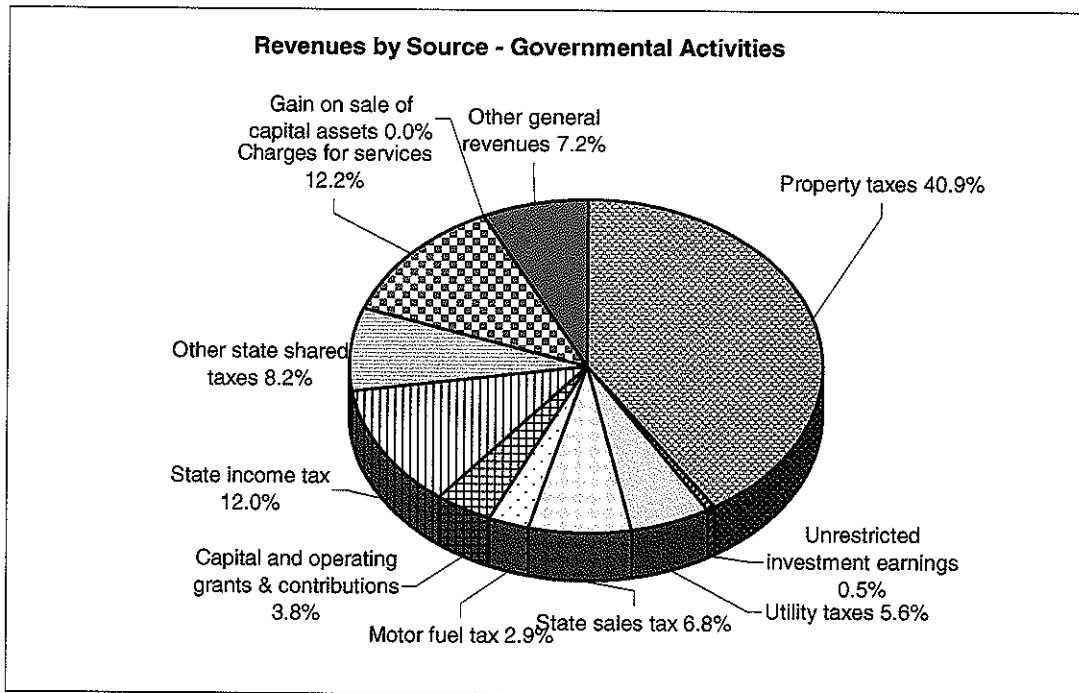
As the Village moves forward, several initiatives have been implemented by staff to ensure the vibrancy and enhancement of Brookfield's existing resources. The Ogden Avenue TIF Project is probably the most sweeping of these initiatives, providing a focal point of development along one of Brookfield's busiest thoroughfares. The Village is currently seeking to develop a parcel of land on the west end of the TIF which has been described as the gateway to Brookfield. During the year the Village also received a grant to provide funding for various entry signs placed at major routes into the Village. The Village hopes to eventually incorporate this design into other Village signs throughout the community in order to provide a distinctive Brookfield identity.

The following charts highlight revenues and expenditures by source and function for the Village's Governmental Activities.

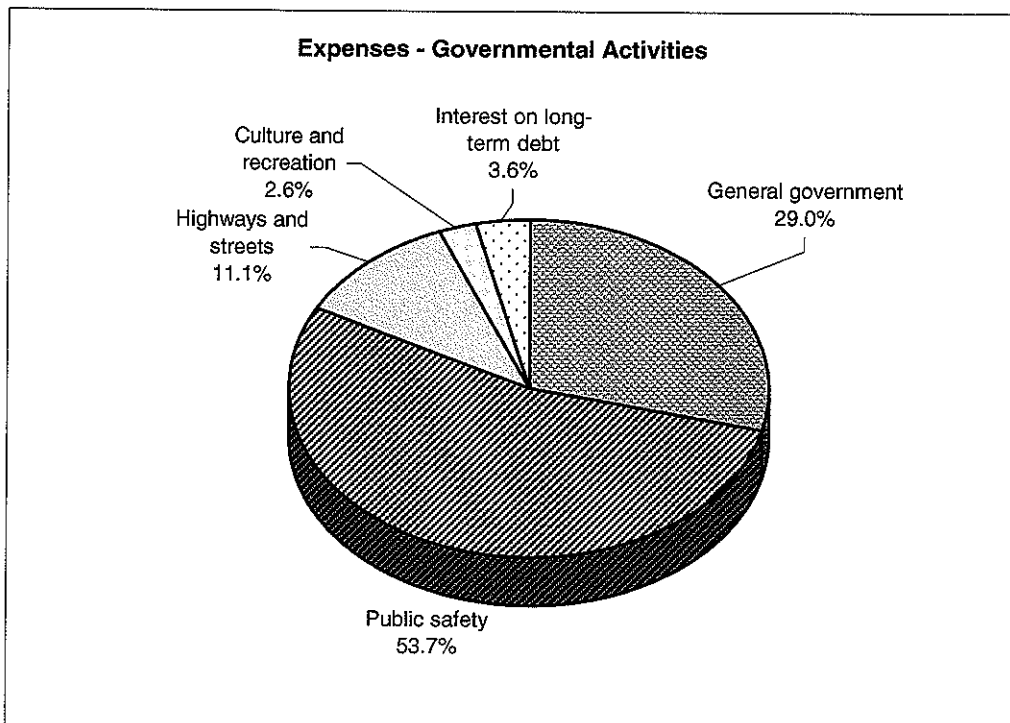
The largest single source revenue for the Village is the annual property tax levy. For 2008, this revenue source represented approximately 40.9% of total revenues.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008



The chart below shows graphically the breakdown of Governmental Expenditures by Department. The most significant expenses this fiscal year, both from a financial and a delivery of service standpoint occurred in the area of capital assets and are highlighted below in a separate section in this analysis.



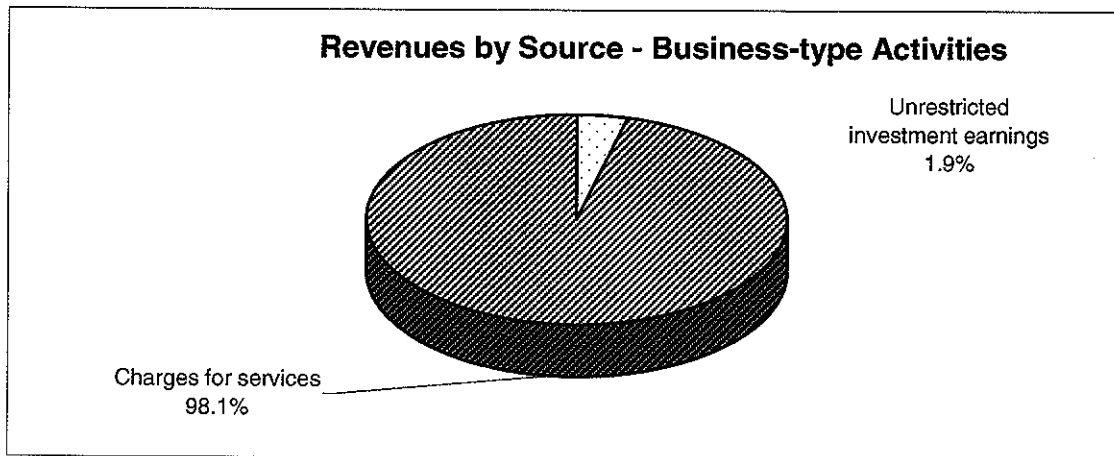
VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

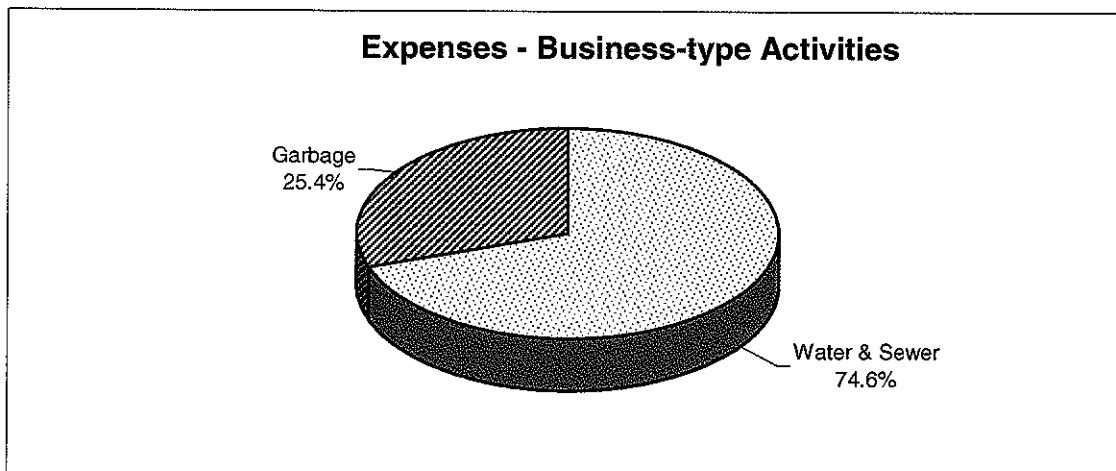
Business-type activities

Business-type activities decreased the Village's net assets by \$872,129. While the Village's Water system showed an increase in income before transfers, the Garbage Fund incurred a loss of \$221,044. The Garbage rates charged for residential service has not maintain pace with the increased costs associated with the disposal cost of refuse—mainly dumping fees. In 2009, the Village will enter into a new refuse pickup contract. Based on the new rate structure charged to the Village, staff will review its current user fees and make a recommendation to the board in connection with the 2009 budget process.

Significant components of the fiscal year's activities included the following:



Continued replacement of water and sewer mains as part of the Village's infrastructure rehabilitation program (as noted in capital assets below) are expected to provide a service benefit to water system customers through reduced main breaks and better fire flows in areas where main sizes were increased.



VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

Financial Analysis of the Government's Funds

As noted earlier, the Village of Brookfield 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. Such information is useful in assessing the Village's financing requirements. 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.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$764,504, a decrease of \$2,408,539 from the prior year. This decrease is due mainly in spending down of bond proceeds for both the Village-wide Road Program as well as the Elhert Park Renovation Program. Major revenue sources for the Governmental Funds are Property Taxes (30%) which are stable, State Distributions – including Sales, Income, Motor Fuel Tax Disbursements, and other State Distributions (36%) which increased over the previous year by 4.7%. The remaining 33 % of revenues consist of User Fees, Licenses, Permits and Fines, and other items. State Distribution Revenues began to decline from previous year amount by the fall of 2008. This trend has carried into the 2009 calendar Year and is being addressed by management in the form of cost savings. As the 2010 Budget year approaches, Village management will continue to stress the need for fiscal conservatism by its department heads in order to maintain the economic viability of the Village.

The General Fund is the chief operating fund of the Village. The Fund finished the year with an excess of revenues over expenditures of \$568,267, prior to other financing sources and uses. As a result of some deficit reserves in other governmental funds, the Village's General Fund transferred additional funds for the Road Program Costs and the Park Project Costs; the original financing proceeds were placed in the General Fund and the reimbursement of Capital Fund expenditures was made in 2008. The Elhert Park renovation project was essentially completed in 2008.

At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$(93,314) while total fund balance was \$355,906. Unreserved fund balance represents -.06% of total General Fund expenditures, while total fund balance represents 2.50% of that same amount.

The Motor Fuel Tax Fund continued in its traditional role as the funding source for the Village's street maintenance. During the 2008 Fiscal year, the General Fund transferred in funds to offset a deficit which existed in the beginning of the year. Future MFT Transfers to the General Fund will be based on available funds.

The Village's Debt is financed through Property Taxes for its Special Service Area Debt, or through funding transfers from the General Fund for its other Alternate Revenue Debt. All 2008 Debt Service payments were made on a timely basis. In the 2007 fiscal year the Debt Service Fund ended the year in a deficit position. During 2008, the Village's General Fund transferred in a necessary amount to bring the fund into a positive position.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

The Infrastructure Project Fund is designated to account for the costs of the Village's long-term infrastructure and street rehabilitation program. During 2008, the Village expended \$2.1 million on various street and other infrastructure projects in the Village, including the Prairie Ave. and Broadway Road Program, and the Salt Creek Pedestrian Overpass on Brookfield Ave.

Proprietary funds - The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water & Sewer Fund at the end of the current fiscal year amounted to \$3,185,797 and for the Garbage Fund amounted to \$109,938. The decrease in net assets for the Water & Sewer Fund was \$569,107 and decrease in net assets for the Garbage Fund was \$303,091.

General Fund Budgetary Highlights

Overall actual revenues of \$14,815,173 were \$3,048,760 in excess of the budgeted amount of \$11,766,413. Overall actual expenditures of \$14,246,906 were \$1,756,901 more than budgeted expenditures of \$12,490,005. The Village did not make any significant changes to the adopted budget for the twelve months ended December 31, 2008.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Taxes	\$ 5,699,373	\$ 7,703,870	\$ 2,004,497
Licenses and Permits	834,785	983,003	148,218
Intergovernmental	4,120,040	4,455,009	334,969
Charges for Services	583,090	755,066	171,976
Fines and Forfeitures	201,200	379,359	178,159
Interest Income	135,500	70,168	(65,332)
Miscellaneous	192,425	468,698	276,273
Total Revenues	<u>\$ 11,766,413</u>	<u>\$ 14,815,173</u>	<u>\$ 3,048,760</u>
Expenditures:			
General government	\$ 3,804,840	\$ 4,506,731	\$ (701,891)
Public safety	7,257,567	8,326,804	(1,069,237)
Highways & streets	546,700	747,778	(201,078)
Culture & recreation	488,348	389,459	98,889
Capital Outlay	392,550	259,079	133,471
Debt Service	-	17,055	(17,055)
Total Expenditures	<u>\$ 12,490,005</u>	<u>\$ 14,246,906</u>	<u>\$ (1,756,901)</u>
Transfers	<u>(221,047)</u>	<u>(7,264,706)</u>	<u>(7,043,659)</u>
Change in Fund Balance	<u>\$ (944,639)</u>	<u>\$ (6,696,439)</u>	<u>\$ (5,751,800)</u>

Budgeted General Fund revenues were above the expected amount in all categories. The major items to note are that there were higher than expected receipts in the state distributions of income tax and sales tax. Also, service charges for ambulance service came in higher than expected. The Property Tax budget and the Public Safety budget did not include any estimates for the Police and Firefighter Pension Fund contributions. The Village also was required to fund a portion of the Library (Component Unit) property taxes in the amount of \$600,000. The initial levy to the county was in error.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

General Fund expenditures were closely monitored throughout the period to adhere to the budgeted amounts.

Capital Asset and Debt Administration

Capital assets - The Village of Brookfield's investment in capital assets for its governmental and business-type activities as of December 31, 2008, amounts to \$44,560,006 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, systems, machinery and equipment, park facilities, streets and bridges. The total increase in the Village's investment in capital assets for the current fiscal year was 10.07% (15.79% for governmental activities and a increase of 1.55% for business-type activities).

Major capital asset events during the current fiscal year included the following:

In 2008, the Village completed work on the Prairie Avenue improvements. The improvements included the installation of new storm sewers and the replacement of the curb and gutter and replacement of the existing pavement. The Village also, in cooperation with the Burlington Northern Santa Fe replaced the deteriorating Pedestrian Bridge over the Salt Creek. The 2008 Road Program was also completed with work performed on both Southview and Grant. The completion of street, water main and sewer main projects are continuously part of the Village's long-term infrastructure rehabilitation program.

Village of Brookfield Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
Land	\$ 4,350,000	\$ 4,350,400	\$ -	\$ -	\$ 4,350,400	\$ 4,350,400
Land improvements	2,118,018	641,007	-	-	2,118,018	641,007
Buildings	2,423,026	2,176,763	-	-	2,423,026	2,176,763
Water & sewer system	-	-	16,881,413	16,167,019	16,881,413	16,167,019
Vehicles & equipment	689,163	1,085,954	44,711	500,011	733,874	1,585,965
Construction in Progress	-	215,666	-	-	-	215,666
Infrastructure	18,053,275	16,419,846	-	-	18,053,275	16,419,846
Total	<u>\$ 27,633,482</u>	<u>\$ 24,889,636</u>	<u>\$ 16,926,124</u>	<u>\$ 16,667,030</u>	<u>\$ 44,560,006</u>	<u>\$ 41,556,666</u>

Additional information on the Village's capital assets can be found in the note 3 to the financial statements of this report on pages 35 – 37.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

Long-term debt - At the end of the current fiscal year, the Village of Brookfield had total outstanding bonded debt of \$18,228,967. This entire amount is comprised of debt backed by the full faith and credit of the Village.

Village of Brookfield Outstanding Debt

	Governmental activities		Business-type activities		Total	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
General obligation bonds	\$ 6,130,274	\$ 6,670,777	\$ 5,050,000	\$ 5,180,000	\$ 11,180,274	\$ 11,850,777
General obligation debt certificates	6,235,000	6,620,000	-	-	6,235,000	6,620,000
Line of credit	671,393	700,000	-	-	671,393	700,000
Installment notes	813,699	959,672	-	-	813,699	959,672
Total	\$ 13,850,366	\$ 14,950,449	\$ 5,050,000	\$ 5,180,000	\$ 18,900,366	\$ 20,130,449

The Village's paid down its total debt by \$1,203,083 during the current fiscal year. Of the current year's debt service payments, two thirds is funded through alternate revenue funds and not property taxes. The remaining debt service is Special Service Area debt financed through a property tax assessed only to those residents directly benefiting from these Special Service Areas. Total interest paid on Village Debt, both Governmental and Proprietary amounted to \$748,217 for the year. The Village budgets its debts service based on the issuing ordinances or the financing agreements, and has made all 2008 debt payments on a timely basis. During 2008 the Village renewed its line of credit with the First National bank of Brookfield at a rate of 6.5%. In 2009, the Village renewed the note again at 6%; the Village paid this balance down to 104,000 by July 2009, and has plans to pay the entire amount off by September 2009.

The Village's credit was last rated during fiscal year 2005-06 when its A1 rating was reaffirmed for its general obligation debt by Moody's Investor Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total equalized assessed valuation. The current debt limitation for the Village of Brookfield is \$34,778,953, which is significantly in excess of the Village's outstanding general obligation debt.

Additional information on the Village's long-term debt can be found in the notes to the financial statements of this report on pages 39 - 46.

Economic Factors

As previously stated the Village receives approximately 36% of its Governmental Revenues through State Distributions. Beginning in mid to late 2008, the failing economy began to effect these distributions and the Village has seen a noticeable drop in its income tax distributions as well as its sales tax distributions. The Village has taken specific steps to address this loss of revenue, specifically eliminating and reducing certain operating expenditures through the reduction in staff levels, as well as the reduction in service level available to the residents, including the reduction of office hours, and other labor saving initiatives. It is hoped that as the economy swings back, the Village will be able to restore these cutbacks.

VILLAGE OF BROOKFIELD

Management's Discussion and Analysis December 31, 2008

Staff is continuing to solicit new businesses which would begin operations in the Village in order to continue to strengthen its economic base, and provide employment to residents. Staff will also continue to develop alternate means of revenues including grants and reimbursements from outside sources.

Requests for Information

This financial report is designed to provide a general overview of the Village of Brookfield'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 financial information should be addressed to the Village Manager, Village of Brookfield, 8820 Brookfield Avenue, Brookfield, Illinois 60513.

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

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

VILLAGE OF BROOKFIELD, ILLINOIS

**Statement of Net Assets
December 31, 2008**

See Following Page

VILLAGE OF BROOKFIELD, ILLINOIS

**Statement of Net Assets
December 31, 2008**

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Unit Public Library
ASSETS				
Current Assets				
Cash and Investments	\$ 693,539	3,123,896	3,817,435	1,474,022
Receivables - Net of Allowances	8,837,366	837,100	9,674,466	1,843,702
Inventory/Prepays	449,220	80,225	529,445	310,000
Total Current Assets	9,980,125	4,041,221	14,021,346	3,627,724
Noncurrent Assets				
Capital Assets				
Land	4,350,400	-	4,350,400	428
Construction in Progress	-	-	-	-
Land Improvements	3,153,224	-	3,153,224	-
Buildings and Improvements	4,317,034	-	4,317,034	1,462,954
Equipment and Vehicles	6,057,577	763,419	6,820,996	586,611
Infrastructure	40,125,636	-	40,125,636	-
Water and Sewer System	-	26,473,471	26,473,471	-
	58,003,871	27,236,890	85,240,761	2,049,993
Accumulated Depreciation	(30,369,989)	(10,310,766)	(40,680,755)	(1,009,356)
Total Noncurrent Assets	27,633,882	16,926,124	44,560,006	1,040,637
Total Assets	37,614,007	20,967,345	58,581,352	4,668,361

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

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Unit Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	218,024	218,762	436,786	36,093
Accrued Payroll	269,221	22,365	291,586	15,333
Deposits Payable	25,833	314,641	340,474	-
Due to Other Governments	389,329	-	389,329	-
Interest Payable	41,196	22,127	63,323	-
Unearned/Deferred Revenues	7,633,479	96,003	7,729,482	1,832,914
Line of Credit Payable	671,393	-	671,393	-
Current Portion of Long-Term Debt	1,437,382	149,318	1,586,700	29,568
Total Current Liabilities	10,685,857	823,216	11,509,073	1,913,908
Noncurrent Liabilities				
Net Pension Obligation	1,078,680	-	1,078,680	-
Net Other Postemployment Benefit Obligation Payable	20,649	-	20,649	-
Compensated Absences Payable	1,343,131	57,270	1,400,401	30,951
Installment Contracts Payable	663,526	-	663,526	467,123
General Obligation Bonds Payable	5,573,848	4,915,000	10,488,848	-
Debt Certificates Payable	5,840,000	-	5,840,000	-
Total Noncurrent Liabilities	14,519,834	4,972,270	19,492,104	498,074
Total Liabilities	25,205,691	5,795,486	31,001,177	2,411,982
NET ASSETS				
Invested in Capital Assets -				
Net of Related Debt	15,055,208	11,876,124	26,931,332	750,132
Unrestricted	(2,646,892)	3,295,735	648,843	1,506,247
Total Net Assets	12,408,316	15,171,859	27,580,175	2,256,379

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

VILLAGE OF BROOKFIELD, ILLINOIS

Statement of Activities
Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,641,217	483,208	191,297	398,000
Public Safety	8,605,566	1,028,009	60,348	-
Highways and Streets	1,786,564	453,336	5,994	-
Culture and Recreation	424,551	155,870	-	-
Interest on Long-Term Debt	569,441	-	-	-
Total Governmental Activities	16,027,339	2,120,423	257,639	398,000
Business-Type Activities				
Water and Sewer	3,514,544	3,767,489	-	-
Garbage	1,514,321	1,280,307	-	-
Total Business-Type Activities	5,028,865	5,047,796	-	-
	21,056,204	7,168,219	257,639	398,000
Component Unit - Public Library	1,253,469	30,451	48,106	-

- General Revenues
 - Taxes
 - Property Taxes
 - Utility Taxes
 - Intergovernmental - Unrestricted
 - State Income Taxes
 - State Sales Taxes
 - Personal Property Replacement Tax
 - Telecommunications Tax
 - Other State Taxes
 - Interest Income
 - Miscellaneous
 - Transfers - Internal Activity

- Change in Net Assets
- Net Assets - Beginning
- Net Assets - Ending

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

Net Expense/Revenue			
Governmental Activities	Primary Governmental Business-Type Activities	Total	Component Unit Public Library
(3,568,712)	-	(3,568,712)	-
(7,517,209)	-	(7,517,209)	-
(1,327,234)	-	(1,327,234)	-
(268,681)	-	(268,681)	-
(569,441)	-	(569,441)	-
(13,251,277)	-	(13,251,277)	-
-	252,945	252,945	-
-	(234,014)	(234,014)	-
-	18,931	18,931	-
(13,251,277)	18,931	(13,232,346)	-
-	-	-	(1,174,912)
7,114,895	-	7,114,895	1,451,170
969,108	-	969,108	-
2,089,485	-	2,089,485	-
1,190,482	-	1,190,482	-
64,911	-	64,911	15,156
746,692	-	746,692	-
608,933	-	608,933	-
87,414	99,867	187,281	26,860
770,437	-	770,437	2,396
990,996	(990,996)	-	-
14,633,353	(891,129)	13,742,224	1,495,582
1,382,076	(872,198)	509,878	320,670
11,026,240	16,044,057	27,070,297	1,935,709
12,408,316	15,171,859	27,580,175	2,256,379

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

VILLAGE OF BROOKFIELD, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2008

	<u>General</u>
ASSETS	
Cash and Investments	\$ 296,132
Receivables - Net of Allowances	
Property Taxes	7,248,292
Other Taxes	897,155
Accounts	166,931
Due from Other Funds	8,999
Due from Other Governments	-
Prepays	<u>449,220</u>
 Total Assets	 <u><u>9,066,729</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	150,609
Accrued Payroll	269,221
Deposits Payable	25,833
Line of Credit Payable	671,393
Accrued Interest	8,342
Due to Other Funds	389,329
Unearned/Deferred Revenues	<u>7,196,096</u>
Total Liabilities	<u>8,710,823</u>
Fund Balances	
Reserved - Prepays	449,220
Unreserved - General	(93,314)
Unreserved - Special Revenue	-
Unreserved - Debt Service	-
Unreserved - Capital Projects	<u>-</u>
Total Fund Balances	<u>355,906</u>
 Total Liabilities and Fund Balances	 <u><u>9,066,729</u></u>

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

Debt Service	Capital Project Infrastructure Project	Nonmajor Governmental Funds	Total
3,545	59,097	334,765	693,539
437,383	-	-	7,685,675
-	-	-	897,155
-	-	-	166,931
-	-	-	8,999
-	-	87,605	87,605
-	-	-	449,220
440,928	59,097	422,370	9,989,124
-	54,723	12,692	218,024
-	-	-	269,221
-	-	-	25,833
-	-	-	671,393
-	-	-	8,342
-	-	8,999	398,328
437,383	-	-	7,633,479
437,383	54,723	21,691	9,224,620
-	-	-	449,220
-	-	-	(93,314)
-	-	78,606	78,606
3,545	-	-	3,545
-	4,374	322,073	326,447
3,545	4,374	400,679	764,504
440,928	59,097	422,370	9,989,124

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

VILLAGE OF BROOKFIELD, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Assets - Governmental Activities**

December 31, 2008

Total Governmental Fund Balances	\$ 764,504
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	27,633,882
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Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Net Pension Obligation Payable	(1,078,680)
Net Other Postemployment Benefit Obligation Payable	(20,649)
Compensated Absences Payable	(1,678,914)
General Obligation Bonds Payable	(6,130,274)
Debt Certificates Payable	(6,235,000)
Installment Contracts Payable	(813,699)
Accrued Interest Payable	<u>(32,854)</u>

Net Assets of Governmental Activities	<u>12,408,316</u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF BROOKFIELD, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2008**

See Following Page

VILLAGE OF BROOKFIELD, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2008

	<u>General</u>
Revenues	
Taxes	\$ 7,703,870
Licenses and Permits	983,003
Intergovernmental	4,455,009
Charges for Services	755,066
Fines and Forfeitures	379,359
Interest Income	70,168
Miscellaneous	468,698
Total Revenues	<u>14,815,173</u>
Expenditures	
Current	
General Government	4,506,731
Public Safety	8,326,804
Highways and Streets	747,778
Culture and Recreation	389,459
Capital Outlay	259,079
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	17,055
Total Expenditures	<u>14,246,906</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>568,267</u>
Other Financing Sources (Uses)	
Transfers In	422,908
Transfers Out	(7,687,614)
	<u>(7,264,706)</u>
Net Change in Fund Balances	(6,696,439)
Fund Balances - Beginning	<u>7,052,345</u>
Fund Balances - Ending	<u><u>355,906</u></u>

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

Debt Service	Capital Project Infrastructure Project	Nonmajor Governmental Funds	Total
380,133	-	-	8,084,003
-	-	-	983,003
-	2,995	901,133	5,359,137
-	-	-	755,066
-	-	-	379,359
-	-	17,246	87,414
-	301,739	-	770,437
380,133	304,734	918,379	16,418,419
-	-	39,374	4,546,105
-	-	-	8,326,804
-	437,813	406,429	1,592,020
-	-	-	389,459
-	1,671,248	1,381,560	3,311,887
1,071,476	-	-	1,071,476
563,148	-	-	580,203
1,634,624	2,109,061	1,827,363	19,817,954
(1,254,491)	(1,804,327)	(908,984)	(3,399,535)
2,442,773	4,825,000	987,929	8,678,610
-	-	-	(7,687,614)
2,442,773	4,825,000	987,929	990,996
1,188,282	3,020,673	78,945	(2,408,539)
(1,184,737)	(3,016,299)	321,734	3,173,043
3,545	4,374	400,679	764,504

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

VILLAGE OF BROOKFIELD, ILLINOIS

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

Year Ended December 31, 2008

Net Change in Fund Balances - Total Governmental Funds \$ (2,408,539)

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

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

Capital Outlays	4,057,846
Depreciation Expense	(1,298,697)

The net effect of various transactions involving capital assets
is to decrease net assets

Disposals - Cost	(131,342)
Disposals - Accumulated Depreciation	116,440

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.

Additions to Net Pension Obligation	(26,453)
Additions to Net Other Postemployment Benefit Obligation Payable	(20,649)
Reduction of Compensated Absences Payable	11,232
Retirement of Debt	1,071,476

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.

10,762

Changes in Net Assets of Governmental Activities

1,382,076

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

VILLAGE OF BROOKFIELD, ILLINOIS

**Statement of Net Assets - Proprietary Funds
December 31, 2008**

See Following Page

VILLAGE OF BROOKFIELD, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2008

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 3,006,815	117,081	3,123,896
Receivables - Net of Allowances Accounts	741,379	95,721	837,100
Prepays	62,445	17,780	80,225
Total Current Assets	<u>3,810,639</u>	<u>230,582</u>	<u>4,041,221</u>
Noncurrent Assets			
Capital Assets			
Equipment and Vehicles	763,419	-	763,419
Water and Sewer System	26,473,471	-	26,473,471
Accumulated Depreciation	<u>(10,310,766)</u>	-	<u>(10,310,766)</u>
Total Noncurrent Assets	<u>16,926,124</u>	<u>-</u>	<u>16,926,124</u>
Total Assets	<u>20,736,763</u>	<u>230,582</u>	<u>20,967,345</u>

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

	Business-Type Activities - Enterprise		
	Waterworks and		
	Sewerage	Garbage	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 198,446	20,316	218,762
Accrued Payroll	18,040	4,325	22,365
Deposits Payable	314,641	-	314,641
Accrued Interest Payable	22,127	-	22,127
Unearned/Deferred Revenues	-	96,003	96,003
Compensated Absences Payable	14,318	-	14,318
General Obligation Bonds Payable	135,000	-	135,000
Total Current Liabilities	<u>702,572</u>	<u>120,644</u>	<u>823,216</u>
Noncurrent Liabilities			
Compensated Absences Payable	57,270	-	57,270
General Obligation Bonds Payable	4,915,000	-	4,915,000
Total Noncurrent Liabilities	<u>4,972,270</u>	<u>-</u>	<u>4,972,270</u>
Total Liabilities	<u>5,674,842</u>	<u>120,644</u>	<u>5,795,486</u>
NET ASSETS			
Invested in Capital Assets - Net			
of Related Debt	11,876,124	-	11,876,124
Unrestricted	3,185,797	109,938	3,295,735
Total Net Assets	<u>15,061,921</u>	<u>109,938</u>	<u>15,171,859</u>

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

VILLAGE OF BROOKFIELD, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended December 31, 2008**

	Business-Type Activities - Enterprise		
	Water and Sewer	Garbage	Total
Operating Revenues			
Charges for Services	\$ 3,673,744	1,280,307	4,954,051
Fines and Forfeitures	72,427	-	72,427
Miscellaneous	17,518	-	17,518
Total Operating Revenues	<u>3,763,689</u>	<u>1,280,307</u>	<u>5,043,996</u>
Operating Expenses			
Operations	2,864,702	1,514,321	4,379,023
Depreciation	482,306	-	482,306
Total Operating Expenses	<u>3,347,008</u>	<u>1,514,321</u>	<u>4,861,329</u>
Operating Income (Loss)	<u>416,681</u>	<u>(234,014)</u>	<u>182,667</u>
Nonoperating Revenues (Expenses)			
Interest Income	86,897	12,970	99,867
Connection Fees	3,800	-	3,800
Disposal of Capital Assets	6,594	-	6,594
Interest Expense and Fiscal Charges	(174,130)	-	(174,130)
	<u>(76,839)</u>	<u>12,970</u>	<u>(63,869)</u>
Income (Loss) Before Transfers	339,842	(221,044)	118,798
Transfers Out	<u>(908,949)</u>	<u>(82,047)</u>	<u>(990,996)</u>
Change in Net Assets	(569,107)	(303,091)	(872,198)
Net Assets - Beginning	<u>15,631,028</u>	<u>413,029</u>	<u>16,044,057</u>
Net Assets - Ending	<u>15,061,921</u>	<u>109,938</u>	<u>15,171,859</u>

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

VILLAGE OF BROOKFIELD, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2008**

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Garbage	Total
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 3,993,982	1,329,609	5,323,591
Payments to Employees	(465,643)	(98,157)	(563,800)
Payments to Suppliers	(2,314,757)	(1,431,578)	(3,746,335)
	<u>1,213,582</u>	<u>(200,126)</u>	<u>1,013,456</u>
Cash Flows from Noncapital Financing Activities			
Transfers Out	(908,949)	(82,047)	(990,996)
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(734,806)	-	(734,806)
Interest on Capital Debt	(174,130)	-	(174,130)
Principal on Capital Debt	(130,000)	-	(130,000)
	<u>(1,038,936)</u>	<u>-</u>	<u>(1,038,936)</u>
Cash Flows from Investing Activities			
Interest Received	86,897	12,970	99,867
Net Change in Cash and Cash Equivalents	(647,406)	(269,203)	(916,609)
Cash and Cash Equivalents - Beginning	3,654,221	386,284	4,040,505
Cash and Cash Equivalents - Ending	<u>3,006,815</u>	<u>117,081</u>	<u>3,123,896</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	416,681	(234,014)	182,667
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	482,306	-	482,306
Other Income	3,800	-	3,800
(Increase) Decrease in Current Assets	226,493	49,302	275,795
Increase (Decrease) in Current Liabilities	84,302	(15,414)	68,888
Net Cash Provided by Operating Activities	<u>1,213,582</u>	<u>(200,126)</u>	<u>1,013,456</u>

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