

VILLAGE OF WILMETTE, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

**VILLAGE OF WILMETTE,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016**

Prepared by Department of Finance

Melinda Molloy, Director of Finance/Village Treasurer

Robert Amoruso, CPA, Accountant

Michael Braiman, Assistant Village Manager

VILLAGE OF WILMETTE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Wilmette including the list of principal officials, the organizational structure, the letter of transmittal and certificate of achievement for excellence in financial reporting.

VILLAGE OF WILMETTE, ILLINOIS

**Principal Officials
December 31, 2016**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Robert T. Bielinski – President

Carol Ducommun – Trustee

Senta Plunkett – Trustee

Cameron Krueger – Trustee

Daniel E. Sullivan, Jr. – Trustee

Ted McKenna – Trustee

Julie Wolf – Trustee

ADMINISTRATIVE

Timothy J. Frenzer, Village Manager

Michael Braiman, Assistant Village Manager

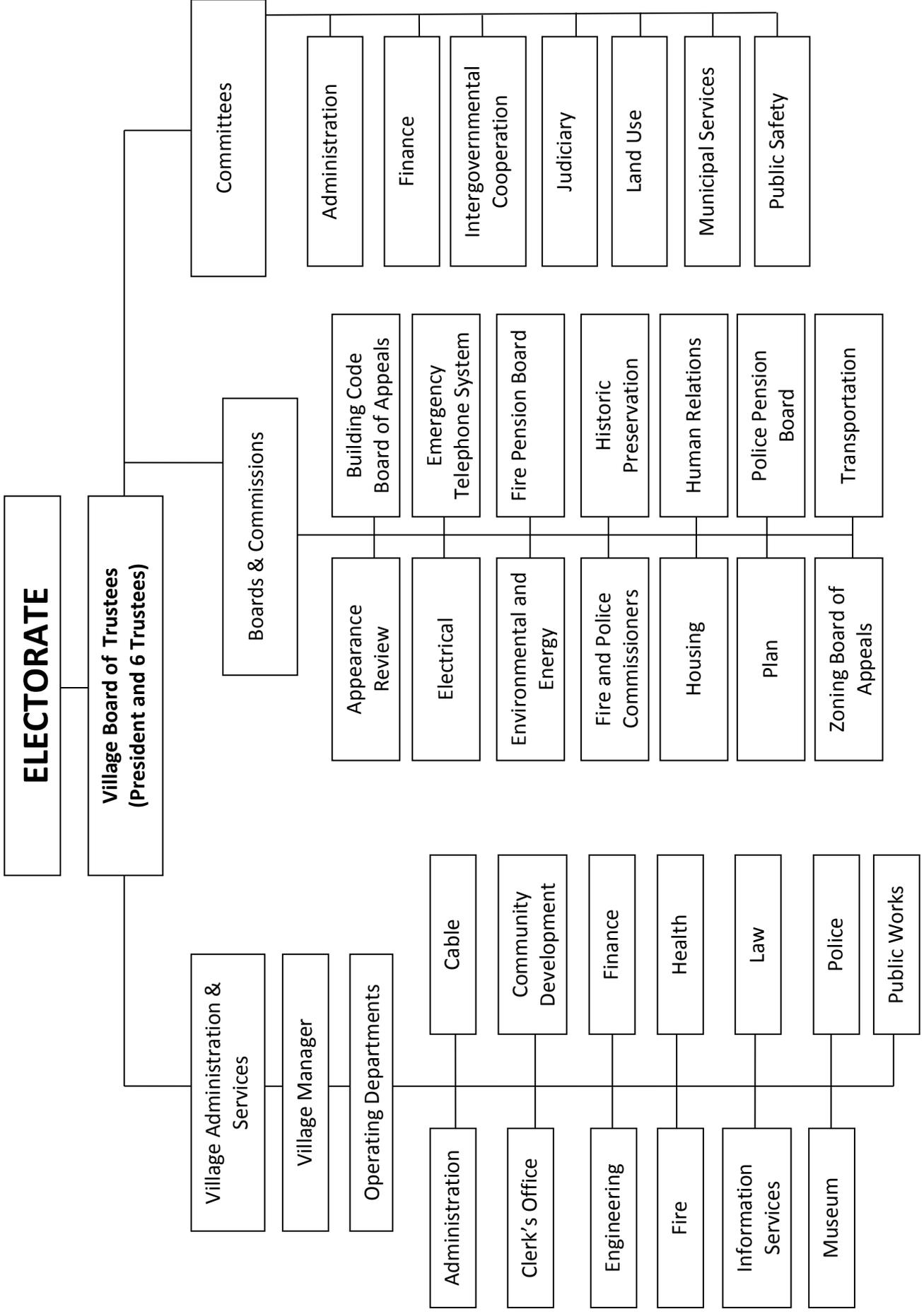
FINANCE DEPARTMENT

Melinda Molloy, Finance Director/Village Treasurer

John Risko, Assistant Finance Director

Robert Amoruso, Accountant

VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE





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WILMETTE, ILLINOIS 60091-0040

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June 2, 2017

President and Board of Trustees
and Citizens of the Village of Wilmette, Illinois

The Comprehensive Annual Financial Report (CAFR) for the Village of Wilmette, Illinois, for the year ended December 31, 2016 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue an annual report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP), and that an independent firm of certified public accountants audit this report in accordance with generally accepted auditing standards. Although formally addressed to the elected officials and citizens of Wilmette, this financial report has numerous other users. Foremost among these other users are the bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other governmental entities.

The Finance Department has prepared the report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. We believe the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the Village and the results of its operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial affairs have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Village's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The Reporting Entity and its Services

The Village of Wilmette, incorporated in 1872, is located approximately 16 miles from downtown Chicago in New Trier Township. It is one of eight Chicago suburban communities north of Chicago fronting on Lake Michigan and collectively referred to as the "North Shore."

The Village operates under the council/manager form of government with a legislative body consisting of the Village President and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. The Village Manager is responsible for the day-to-day operation of the Village. The Village occupies a land area of 5.1 square miles and has a population of 27,087 per the 2010 census. The Village is a home rule municipality as defined by the Illinois constitution. Additional demographic information may be found in the statistical section of this report.

The Village provides a full range of governmental services, which include:

Police Protection	Fire Protection
Emergency Medical Services	Water Production and Distribution
Sewer Service	Street and Parkway Maintenance
Street Lighting	Refuse Disposal and Recycling
Forestry	Commuter and Retail Parking
Planning, Building and Zoning	Economic Development
Public Health	Historical Museum
Cable TV Productions	Wilwork (youth employment referral service)

The reporting entity of the Village of Wilmette is comprised of all funds of the primary government (i.e. the Village of Wilmette as legally defined) and its pension trust funds: the Wilmette Police Pension Fund and Wilmette Firefighters Pension Fund. These funds were determined to be pension trust funds due to their fiduciary and fiscal relationships with the Village as their sole purpose is to provide retirement benefits to the Village's sworn police officers and firefighters. There are no legally separate entities that qualify as component units of the Village.

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, and the operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the liability incurred. Accounting records for the Village's enterprise funds, internal service funds, agency funds, and pension trust funds are maintained on the accrual basis of accounting.

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. This system should ensure that: (1) the assets of the Village are protected from loss, theft or misuse; and (2) adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Additionally, there are budgetary controls in place to ensure compliance with legal provisions embodied in the annual appropriation ordinance approved by the Village Board of Trustees. Expenditures may not exceed appropriated amounts at the individual fund level. The Village also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Factors Affecting Financial Condition

Economic Outlook. The Village has long been known as one of the most prestigious residential areas in Chicagoland. Per the U.S. Census Bureau 5-year estimated survey, the median household income for the Village was over \$132,000. This compares to approximately \$55,200 for Cook County and \$57,500 for the State of Illinois. Wilmette ranks as the wealthiest community in the State of Illinois among communities with populations over 25,000. Unemployment has never been as serious as has been the case nationally or statewide. The rate for the Village was 3.8% at the end of 2016 which is below the State's unemployment rate of 5.6%.

Locally, the national economic downturn has had its most significant impact on real estate activity. The tax base for the Village shrank approximately 38% from 2009. Since 2010 however, real estate transfer as well as home remodeling activity has been growing in the Village. Revenue from transfer taxes increased 106% in 2016 compared to 2009. Additionally, permit revenue was up 210% compared to 2009.

While primarily a residential community, the Village has an established business base made up of eight business areas, highlighted by the downtown area known as Village Center, Plaza del Lago, and Eden's Plaza. Eden's Plaza, the Village's largest taxpayer, was entirely redeveloped in 1994-1995. The primary anchor store, Carson Pirie Scott & Company, was completely refurbished. The remainder of the shopping center was demolished and rebuilt with several new anchor stores, including Bed, Bath & Beyond, Carson Furniture Gallery and The Fresh Market grocery store. The loss of the Crate & Barrel store at Plaza del Lago and a Borders bookstore at Eden's Plaza in 2011 were replaced by a CVS Pharmacy and a Walgreen's Pharmacy in 2012.

Rising pension costs have become problematic throughout the nation. The Village is covered by three defined-benefit pension plans that cover all qualifying employees. These include two locally managed funds: the Police Pension Fund (covering sworn police officers) and the Firefighters Pension Fund (covering sworn members of the Fire Department); and one statewide fund: the Illinois Municipal Retirement Fund (IMRF), which covers all other qualified public employees. The benefits of all three of these pension plans are governed by state law and may only be amended through acts of the Illinois General Assembly. The Village continues to fund future benefit obligations based on conservative actuarial assumptions and methods designed to meet, if not exceed, state requirements. The combined actuarial value of assets for the two locally managed funds increased 1.9% to \$87,951,182 during the year.

The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, was implemented in FY 2015. The statement has had a

material impact on the Village's Government-wide financial statements. The primary objective of GASB 68 was to improve reporting by state and local governments for pensions. The statement establishes new standards for measuring and recognizing liabilities and expenditures, as well as, expanding note disclosures and other information about the Village's pensions.

State legislation is a continuing concern. The State of Illinois' budget problems (much of which is pension related) could trickle down to local agencies through legislative actions that could reduce municipal revenues.

Long-Term Financial Planning. The Village's budget process for all of the operating funds includes cash flow projections for two years beyond the budget under consideration including capital budgets for the "spending down" of bond proceeds. The Village utilizes a Ten Year Capital Improvements Program to address major capital and infrastructure improvements as well as new and replacement equipment in excess of \$10,000. The financing source for these items is projected in conjunction with the future expenditure. This information is used to ensure sufficient cash flow for a project that will be financed in the operating budget or to determine if additional debt will be necessary for a project that is to be included in the capital budget.

Major Initiatives

In responding to the nation's economic recession, the Village Board and the Village staff have endeavored to reduce costs and refocus Village government on its core municipal functions. 2016 was the fifth consecutive year that the Village was able to improve its net revenue picture from the budget and use its conservative projections to its advantage, enabling it to set aside funds for future vehicle and equipment purchases for critical public safety needs through the Village's Capital Equipment Replacement Fund. Further, the Village was able to advance engineering design of the 2017 and 2018 road and alley programs to ensure timely and competitive bidding processes, and to utilize reserve funds for the Fiscal Year 2017 budget to enhance funding of engineering capital projects including road improvements, sidewalk and curb repair, pavement marking, and crack sealing. In all, the Village was able to supplement the General Fund Reserve and add an additional 5.5% to the reserve balance.

While surpluses in the past few years have enabled the Village to address some of its most urgent capital needs in the short term, the Village's capital investment lagged. To address capital needs on a more consistent basis, the Village Board unanimously voted to increase the Home Rule Sales Tax from 0.25% to 1.00%, effective January 1, 2015. With the majority of the new revenues earmarked for critical Village infrastructure programs, and critical police, fire and public works vehicles and equipment, the Village will have a reliable, recurring revenue source dedicated to capital improvements. During the course of 2016 the Village Board re-evaluated its engineering program funding strategy and committed to steadily improving the condition of the Village's roadways in a fiscally responsible manner. To that end, the Village will be striving to fund the annual road improvement program at \$2 million per year through 2023 through an incremental increase in the property tax and a three cent increase in the local fuel tax. It is anticipated that additional funding will be dedicated to the annual road program beginning in 2023 as existing debt is retired.

Development Initiatives

Village Center - In 2011 two properties were purchased by the Village toward redevelopment in the Village Center district. A Master Plan of the Village Center was completed which articulated the goal to re-sell these properties for development in line with this Plan. On November 13, 2015, the Village closed on the sale of one of the properties, 611 Green Bay Road, to M&R Development. Under the terms of the sale, the Village sold the property for \$3.1 million. M&R has embarked on a five-story luxury apartment development, with retail and amenity spaces on the first floor. The development will have approximately 75 residences and over 6,300 square feet of first floor commercial retail space. Occupancy is anticipated in Fall 2017. The remaining property the Village purchased is scheduled for demolition in 2017 and will serve as public parking on a temporary basis.

Marriott Residence Inn - The Village's first hotel broke ground in 2013 and opened in May 2014. The 2016 occupancy levels, were 7% better than originally projected by the operator.

Capital Improvements - With the economic declines noted previously, capital spending was reduced for several years. Grants and the spending down of existing bond proceeds provided nearly all of the capital spending for governmental activities in 2011 and 2012. In 2013, a new \$1 million issuance funded the reconstruction of eight alleys, the bulk of which was completed in 2013 and the remainder in 2014. There were no new general fund bond financed projects in 2015 or 2016. In 2017 it is anticipated that nearly \$5 million in long deferred facility repairs will be completed, including reconstruction of the public works yard, roof replacement at village hall, and generator replacement at various Village facilities.

Street Resurfacing Program -In 2016, \$2.8 million was allocated to resurface 0.95 miles of street, as well as curb, and sidewalk projects throughout the town. These improvements were funded from State grants, the State-shared motor fuel tax, and dedicated operating revenues in the General Fund (vehicle license revenues, the increased home rule sales tax, a local fuel tax and a pavement degradation fee).

Equipment replacements and upgrades -A number of other capital projects were completed in 2016 including: Police Squad Car Replacement (5 cars), Fire Department AED Replacement, Public Works Pick-Up Truck, Large Dump Truck, Sidewalk Snowplow, and Hot Patch Kettle.

Sewer improvements - In July of 2013, the Village Board determined to embark on an aggressive \$24 million sewer improvement program. Over \$8.4 million worth of work was completed in 2014 and an additional \$13 million by the end of 2015. The program was completed in 2016 and is fully operational. The improvements were funded by bond issues, the first of which occurred in October 2013 and the second in November of 2014. In 2013, the Village Board approved an Ordinance increasing the sewer rate by forty cents in 2014 and by forty cents in 2015 to pay the debt service associated with this program. In 2017 the Village will be considering improvements to the Village's stormwater system west of Ridge Road to reduce the frequency and duration of street flooding.

Water improvements –In 2014, the Villages of Wilmette and Glenview agreed to extend the wholesale water contract for 30 years (from 2020 to 2050). As part of the extension, Glenview will begin purchasing Wilmette water in 2020 to supply North Maine Utilities. The addition of North Maine will increase Wilmette’s wholesale delivery by approximately 20%, without requiring any improvements to the Wilmette Water Plant or distribution system. It is anticipated that North Maine will provide additional net wholesale revenue of approximately \$1 million. In 2016 the Village added two new wholesale water customers: Village of Kenilworth and the Village of Golf which is supplied through Glenview. In 2017 the Village will be embarking on a three-year electrical improvement project at the Water Plant to ensure the safe and reliable delivery of drinking water. The project is estimated to cost \$7.7 million and will be funded through Illinois Environmental Protection Agency low interest loans.

Independent Audit

Illinois Municipal Auditing Law requires an annual audit of the Village by independent certified public accountants selected by the Village Board of Trustees. This audit requirement has been complied with, and the Board selected the accounting firm of Lauterbach and Amen, LLP. The auditors’ report on the basic financial statements, the combining and individual fund schedules as well as the information listed as supplemental is included in the financial section of this report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for the year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

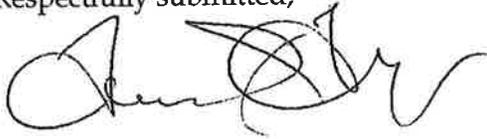
In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The Village was awarded the Distinguished Budget Presentation Award by the GFOA for its 2016 budget document. This was the eighteenth consecutive year that the Village has achieved this honor. In order to receive the Distinguished Budget Presentation Award the document must meet specific criteria as an operations guide, a policy document, a financial plan and a communications device. This award is also valid for a one-year period. The fiscal year 2017 Budget has been submitted to the GFOA to determine its eligibility for another award.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would also like to thank the President and Trustees of the Village Board for their support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Finally, I would like to express my appreciation to the firm of Lauterbach and Amen, LLP for their professionalism and expertise in their assistance in the preparation of this report.

Respectfully submitted,



Timothy J. Frenzer
Village Manager



Melinda Molloy
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Wilmette
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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



INDEPENDENT AUDITORS' REPORT

June 2, 2017

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilmette, Illinois, as of and for the year ended December 31, 2016, 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilmette, Illinois, as of December 31, 2016, 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 as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 of Wilmette, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF WILMETTE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

This section of the Village of Wilmette's (the "Village") Comprehensive Annual Financial Report (CAFR) presents Management's Discussion and Analysis (MD&A) of the Village's financial activities during the fiscal year ended December 31, 2016. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iii) and the Village's financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The Village's total net position was \$36,679, an increase of \$2,383 (6%) from the prior fiscal year. The governmental net position decreased by \$55 (less than one percent). The business-type net position increased by \$2,438 (4%).
- Village-wide revenues were \$55,030, of which \$41,203 were generated by governmental activities and \$13,827 were generated by business-type activities.
- Village-wide expenses were \$52,647, of which \$42,258 were incurred by governmental activities and \$10,389 were incurred by business-type activities.
- Governmental Fund balances increased \$2,718 to \$14,769. Of this amount \$10,019 (68%) was unassigned fund balance available for spending at the Village's discretion.
- Governmental Fund revenues were \$41,202, an increase of \$1,472 from fiscal year 2015. Governmental Fund expenditures were \$39,484, a decrease of \$211 from fiscal year 2015.
- Enterprise Fund net position increased \$2,438 to \$55,447. Of this amount \$7,839 (14%) was unassigned fund balance available for spending at the Village's discretion.
- Enterprise Fund operating revenues were \$13,810, an increase of \$653 from the prior fiscal year. Enterprise Fund operating expenditures were \$8,490, a decrease of \$22 from the prior fiscal year.

OVERVIEW OF THE ANNUAL REPORT

The MD&A is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements. The Village is not accountable for any outside organizations and therefore, no adjustments were made to blend financial information from other legally separate entities into this report. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 3-6) are designed to emulate the private sector in that all governmental and business-type activities are consolidated into columns that total the Village as a whole. Such a presentation allows for a broad overview of the Village's finances. The Governmental Activities reflect the Village's basic services, including public safety (police and fire), streets and sanitation, other public works, public health, community development and general government. Property taxes, shared State sales taxes, home-rule sales taxes, local utility taxes, shared State income taxes, and local real estate transfer taxes finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Water Fund, Sewer Fund and Parking Meter Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and therefore are not included in the government-wide statements.

The Village's annual report includes two government-wide financial statements. These statements provide long-term information about the Village's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Inter-fund activity is eliminated and the cost of assets with long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when benefits are realized.

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have neither been reported nor depreciated in the governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally-established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered a recurring cost that does not extend the road's original life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

The first government-wide statement is the Statement of Net Position. This statement presents information about all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village is improving or deteriorating. Additionally, one would need to evaluate non-financial factors, such as the condition of the Village's infrastructure, the satisfaction of the residents and other information beyond the scope of this report to make a more complete assessment of the overall health of the Village.

The second government-wide statement is the Statement of Activities. This statement presents information about all of the Village's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenue or expense of each of the Village's activities. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless to 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). The Statement of Activities explains in detail the change in net position for the year.

Fund Financial Statements

The fund financial statements report the Village's operations in more detail than the government-wide statement and focus primarily on the short-term activities of the Village's General Fund and other major funds. The fund financial statements measure only current revenues and expenditures, current assets, liabilities and fund balances; they exclude capital assets, long-term debt and other long-term amounts. 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 fund financial statements allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. The governmental funds presentation (see pages 7-11) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The governmental funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected. the flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. the reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bond and others) into the governmental activities column (in the government-wide statements).

The Village maintains four 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, the Capital Projects Fund (the 2014 General Obligation Bond Issues) and General Debt Service Fund, which are considered to be major funds. The financial data from non-major funds are combined into a single aggregated presentation. The Village's Motor Fuel Tax Fund is its only non-major governmental fund in 2016.

Proprietary Funds. The Village maintains two different types of proprietary funds. **Enterprise Funds** are used to report the same functions presented in business-type activities in the government-wide financial statements. **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 vehicle repair and maintenance and to account for employee fringe benefit expenses (e.g. employer expense for health insurance and pension plan contributions). As Internal Service Funds serve governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary Fund Financial Statements (see pages 12-16) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water and Sewer Funds are considered to be major funds of the Village and are presented in separate columns in the Fund Financial Statements. Currently, the Parking Meter Fund is the only non-major enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for non-major enterprise and internal service funds are presented elsewhere in this report.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government (see pages 17-18). Fiduciary funds are not reflected in the government-wide financial statements because these assets are restricted in purpose and do not represent discretionary assets of the government. The Village maintains two types of fiduciary funds: two pension trust funds (Police Pension Fund and Firefighters Pension Fund) and one agency fund (Foreign Fire Insurance Tax Fund).

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 19-71 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including budgetary basis schedules (with reconciliations to GAAP basis information) and the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 72-80 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, Table 1 shows total assets/deferred outflows exceed liabilities/deferred inflows by \$36,679 as of December 31, 2016. The overall net position increased \$2,383, or 6%, from a restated \$34,296 in FY 2015. The following table reflects the condensed Statement of Net Position. For more detailed information see the Statement of Net Position (pages 3-4).

Table 1: Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current / Other Assets	\$ 35,854	\$ 32,115	\$ 9,335	\$ 11,233	\$ 45,189	\$ 43,348
Capital Assets	46,545	47,144	99,885	99,608	146,430	146,752
Total Assets	\$ 82,399	\$ 79,259	\$ 109,220	\$ 110,841	\$ 191,619	\$ 190,100
Deferred Outflows	\$ 12,069	\$ 15,895	\$ -	\$ -	\$ 12,069	\$ 15,895
Total Assets/Deferred Outflows	\$ 94,468	\$ 95,154	\$ 109,220	\$ 110,841	\$ 203,688	\$ 205,995
Liabilities						
Current Liabilities	\$ 7,105	\$ 6,800	\$ 4,702	\$ 5,738	\$ 11,807	\$ 12,538
Non-Current Liabilities	86,581	90,531	49,042	52,037	135,623	142,568
Total Liabilities	\$ 93,686	\$ 97,331	\$ 53,744	\$ 57,775	\$ 147,430	\$ 155,106
Deferred Inflows	\$ 19,550	\$ 16,705	\$ 29	\$ 57	\$ 19,579	\$ 16,762
Total Liabilities/ Deferred Inflows	\$ 113,236	\$ 114,036	\$ 53,773	\$ 57,832	\$ 167,009	\$ 171,868
Net Position:						
Net Investment in Capital Assets	\$ 18,951	\$ 17,262	\$ 47,608	\$ 46,156	\$ 66,559	\$ 63,418
Restricted	450	636	-	-	450	636
Unrestricted	(38,169)	(36,780)	7,839	6,853	(30,330)	(29,927)
Total Net position	\$ (18,768)	\$ (18,882)	\$ 55,447	\$ 53,009	\$ 36,679	\$ 34,127

Current assets within the governmental activities increased \$3,739 primarily as a result of an increase in cash. The increase in cash is mainly attributed to robust permit activity as well as the planned growth in the property tax levy.

Current assets within the business-type activities decreased \$1,898 mainly reflecting the continued spend down of the bond proceeds associated with the Sewer Fund \$24 million multi-year sewer improvement program.

Total liabilities for governmental activities decreased \$3,645 from the prior fiscal year mainly due to the pay down of long-term debt as well as a 2.5% reduction in net pension liabilities from \$59,060 to \$57,612. Total liabilities for business type activities decreased \$4,031 from the prior fiscal year mainly due to the pay down of long-term debt and a decrease in accounts payables as the sewer improvement program nears completion.

The largest portion of the Village's net position, \$66,559, is its investment in capital assets (e.g. land, infrastructure, buildings, machinery & equipment), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens and thus these assets are not available for future spending. Although the Village's investment in its capital assets is shown 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 restricted portion of the Village's net position, \$450, represents resources held for specific purposes. The largest portion is from the Motor Fuel Tax Fund that is restricted for roadway improvements, a portion is for seized and forfeited assets resulting from Police actions and there a small portion for future debt payments.

The unrestricted portion of the Village's net position may be used to meet the Village's ongoing obligations to citizens and creditors. Due to the implementation of GASB 68 and the recording of net pension liability, the unrestricted net position was (\$30,330).

At the end of fiscal year 2016, the Village is able to report positive balances in all categories of net position, for the government as a whole, except for unrestricted, due to the implementation of GASB 68 and the recording of the net pension liability.

Statement of Activities

As noted before, the Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. Table 2 provides details of changes in net position for both 2016 and 2015 broken out by governmental activities and business-type activities. The net position of the Village's governmental activities decreased to (\$18,768) in 2016 compared to (\$18,882) in 2015. The recognition of sales tax collections from prior years resulted in a positive \$169 restatement of the governmental activities net position. The net position of business-type activities increased by \$2,438 to \$55,447 in 2016.

Table 2: Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services	\$ 8,864	\$ 7,989	\$ 13,810	\$ 13,157	\$ 22,674	\$ 21,146
Grants / Contributions	888	970	-	101	888	1,071
General Revenues						
Property Taxes	16,500	15,859	-	-	16,500	15,859
Sales Taxes	5,716	5,736	-	-	5,716	5,736
Income Taxes	2,637	2,882	-	-	2,637	2,882
Utility Taxes	2,226	2,265	-	-	2,226	2,265
Other Taxes	2,355	2,436	-	-	2,355	2,436
Other General Revenues	2,017	1,594	17	182	2,034	1,776
Total Revenues	\$ 41,203	\$ 39,731	\$ 13,827	\$ 13,440	\$ 55,030	\$ 53,171
Expenses						
General Government	\$ 4,214	\$ 4,345	\$ -	\$ -	\$ 4,214	\$ 4,345
Public Safety	23,274	28,126	-	-	23,274	28,126
Streets and Sanitation	9,723	10,265	-	-	9,723	10,265
Other Public Works	1,607	1,861	-	-	1,607	1,861
Public Health	257	247	-	-	257	247
Community Development	2,027	2,673	-	-	2,027	2,673
Interest	1,156	1,259	-	-	1,156	1,259
Water	-	-	6,132	6,118	6,132	6,118
Sewer	-	-	3,749	3,790	3,749	3,790
Parking	-	-	508	533	508	533
Total Expenses	\$ 42,258	\$ 48,776	\$ 10,389	\$ 10,441	\$ 52,647	\$ 59,217
Change in Net Position						
Before Transfers	(1,055)	(9,045)	3,438	2,999	2,383	(6,046)
Transfers	1,000	1,100	(1,000)	(1,100)	-	-
Change in Net Position	(55)	(7,945)	2,438	1,899	2,383	(6,046)
Net Position January 1	(18,882)	(10,937)	53,009	51,110	34,127	40,173
Restatement - sales tax	169	-	-	-	169	-
Net Position December 31	\$ (18,768)	\$ (18,882)	\$ 55,447	\$ 53,009	\$ 36,679	\$ 34,127

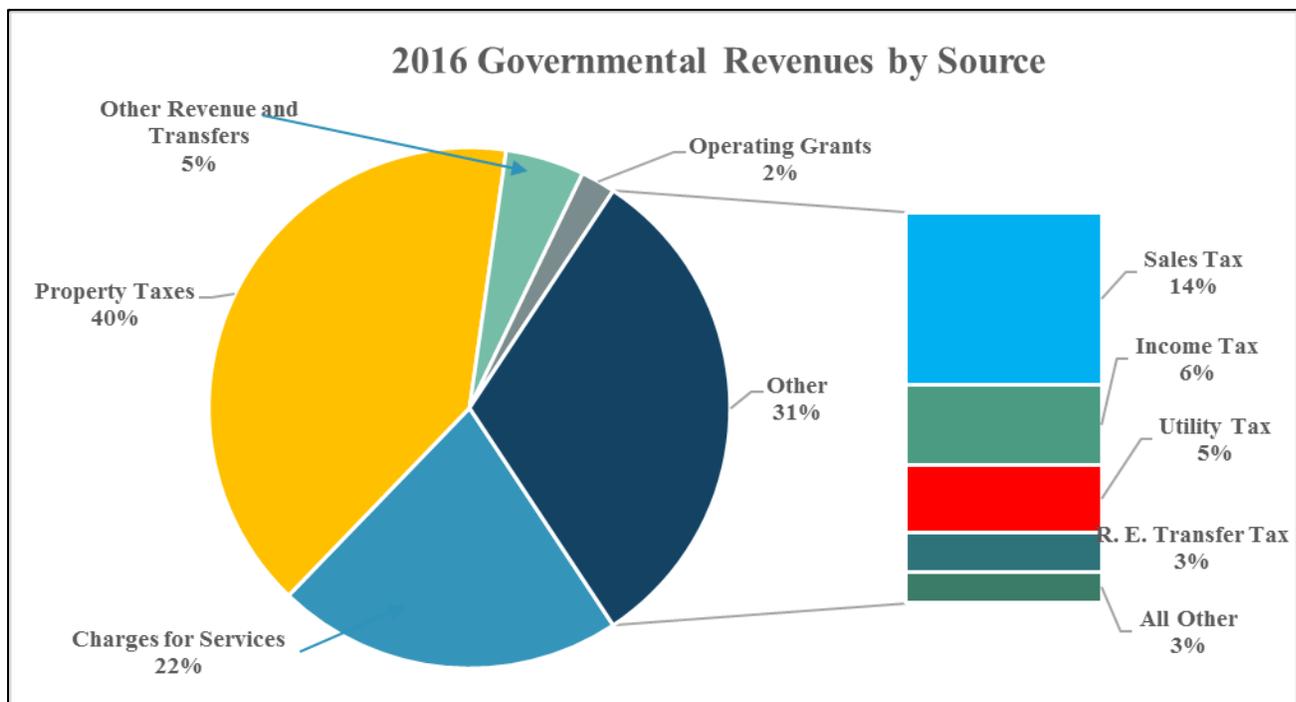
Governmental Activities – Revenues

Total governmental activities revenues amounted to \$41,203 for 2016, an increase of \$1,472 or 3.7% over 2015.

Program revenues in aggregate were up \$793 when comparing 2016 to 2015. Program revenues from grants and contributions decreased \$82. Because grants often occur irregularly, this revenue fluctuates from year to year. The Village did receive \$27 from IRMA for the purchase of two ambulance power cots, and \$16 from the State Fire Marshal to reimburse for fire training. More importantly, revenues received from governmental service charges increased \$875, or 11%, from 2015. Almost all of the increase was the result of robust permit activity, and there was an uptick in vehicle sticker collections as well.

General revenues in aggregate were up \$679 from 2015. General revenues from property taxes increased, \$641 or 4.0% in 2016. The growth in property tax revenues was expected as the Village’s 2015 tax levy included a 3.34% increase. General revenues from all other taxes and revenues increased, \$38 or 0.3%, in 2016. The increase is mainly due to the sale of a storage facility \$425 netted against decreases in all the other non-property taxes revenues. The largest decrease was income tax, \$245.

The following graph depicts the major governmental revenue sources of the Village. The composition of the Village’s 2016 governmental activities revenues is similar to the prior year. The graph highlights the importance of property taxes to fund governmental activities.



Governmental Activities - Expense

Total governmental activities expenses amounted to \$42,258 for 2016, a decrease of \$6,518 or 13.4% from 2015.

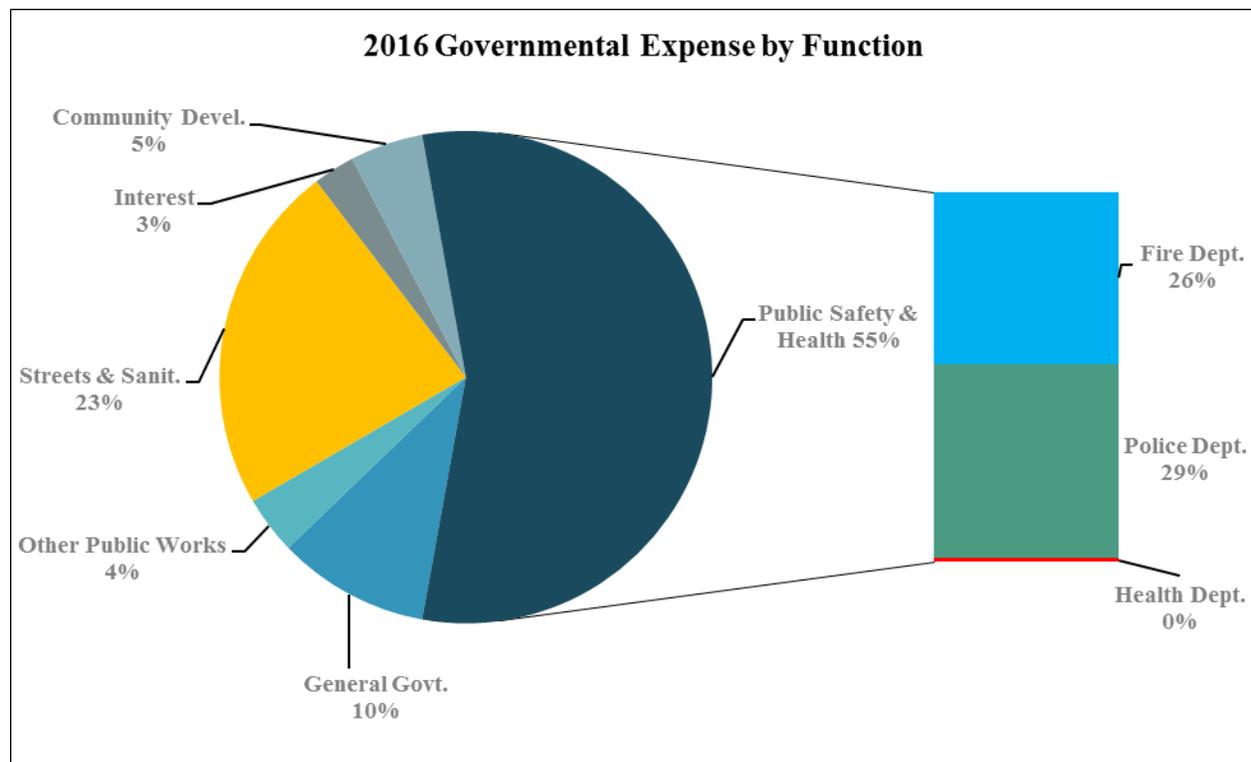
General Government expenses declined \$131 or 3.0% from 2015. The main cause of the decline was the current year adjustment for GASB 68.

Public Safety expenses declined \$4,852 or 17.3% from 2015. The current year adjustment for GABB 68 alone resulted in a decrease in expenses of \$5,523. That decrease was offset by fixed asset capitalization and depreciation.

Streets and Sanitation expenses declined \$542 or 5.3% from 2015. Almost all the decline, \$433, was related to the adjustment for GASB 68.

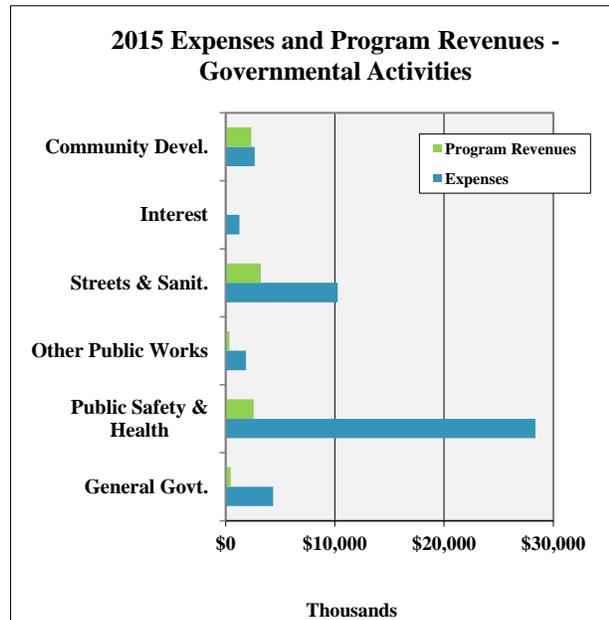
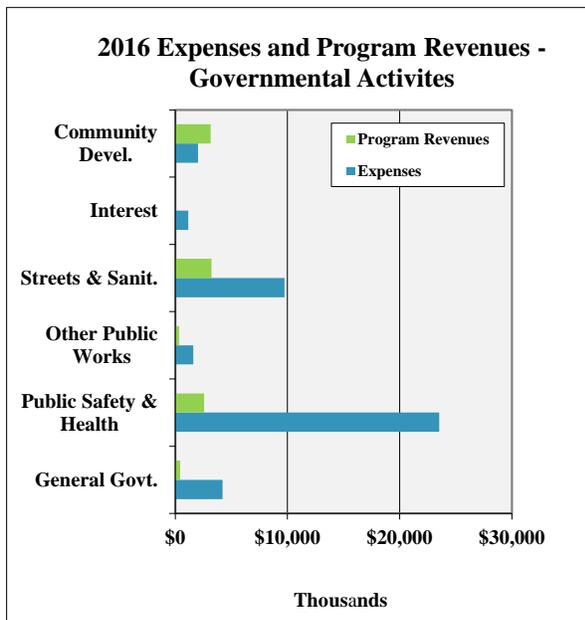
Community Development expenses declined \$646 or 24.2% from 2015. The main reason for the decline was a \$631 decline in Land held for Resale costs incurred in 2015 for the sale of 611 Green Bay Road.

The following graph depicts the major governmental expense by function of the Village. The composition of the Village's 2016 governmental activities expenses is similar to 2015. The graph highlights the importance of public safety and street & sanitation services provided to Village residents.



Governmental Activities – By Program

The next two graphs provide a visual of how governmental revenues and expenses match up for each of the years 2016 and 2015. For governmental activities, program revenues covered approximately 23% of expenses. This is a slight increase from 2015. Community Development revenues were sufficient to match the related program expenses. All of the other programs categories are substantially subsidized by general revenues-consistent with prior years.



Business-Type Activities

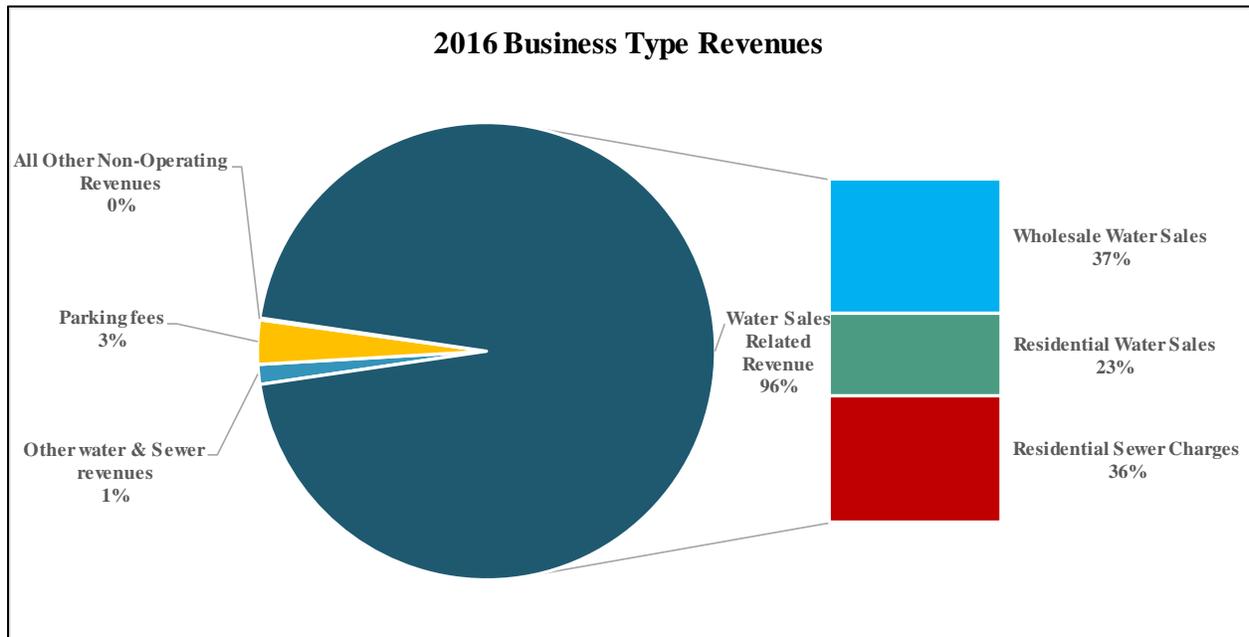
As noted previously, the business-type activities reflect private sector-type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation. For the Village that applies to the Water Fund, and Sewer Fund but not the Parking Meter Fund.

Business-Type Activities – Revenues

Total business-type activities revenues amounted to \$13,827 for 2016, an increase of \$387 or 2.9% compared to 2015.

Program revenues are nearly all from service charges related to the sales of water and sewer. A small percentage is from parking related revenues. These service charges increased by \$653 or 5.0% from 2015. A majority of the increase, \$501, is the result of a residential water rate increase as well as an increase in water consumption over the prior year. The increase in consumption had a positive impact on sewer collections as well, contributing \$139 to the service charges increase.

The following graph depicts the major business-type revenue sources of the Village. The composition of the Village’s 2016 business-type activities revenues is similar to 2015.



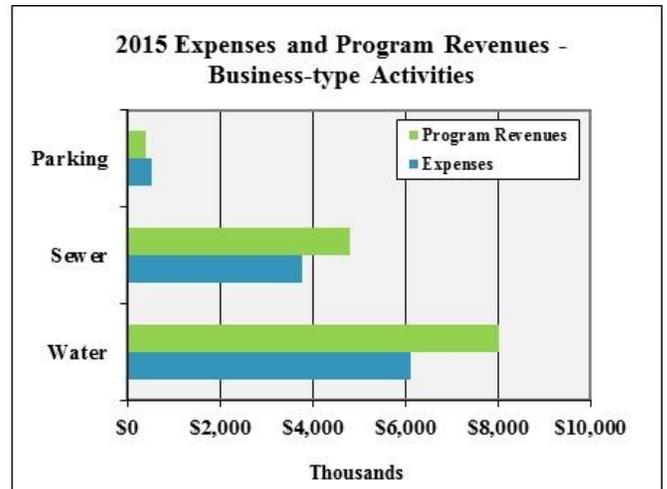
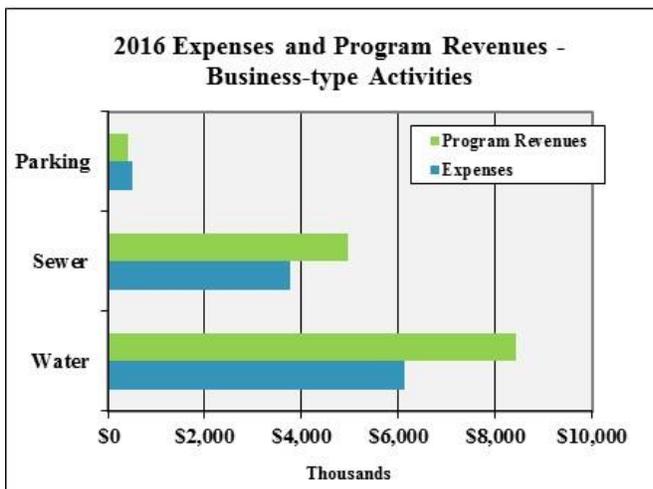
Business Type Activities – Expenses

Total business-type activities expenses amounted to \$10,389 for 2016, a decrease of \$52 or 0.5% from 2015.

Expenses for the Water Fund were relatively flat with only a \$14 or 0.2% increase compared to 2015. The Sewer Fund expenses were down slightly \$41 or 1.1% from 2015. The decrease is mainly attributable to the cost of a one-time study done in 2015.

Business Type Activities – Programs

The next two graphs provide a visual of how business-type revenues and expenses match up for each of the years 2016 and 2015. As expected, program revenues exceed expenses in the Water and Sewer Funds. The Parking Meter Fund generally operates very close to “break-even.”



FINANCIAL ANALYSIS OF THE VILLAGE'S 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Village's governmental funds reported combining fund balances of \$14,769, which is \$2,718, or 22%, higher than last year's total of \$12,051. Of the total, \$10,019 or approximately 68%, of the fund balance is unassigned fund balance.

General Fund

The General Fund is the primary operating fund of the Village. At year-end, unassigned fund balance was \$10,019, which was 70% of the total fund balance of the 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 represents approximately 29% of total General Fund expenditures. The total fund balance in the fund increased by \$2,963, or 26%.

Other Major Funds

The Village's other major governmental funds include the Debt Service Fund and the Series 2013 and 2014 General Obligation Bonds Capital Projects Fund. The Debt Service Fund is used to account for the periodic payment of principal and interest on general long-term debt. This fund had a fund balance at year-end of \$49, which is an increase from last year of \$15, or 46%. Over the past several years, the Debt Service Fund has been adversely impacted by property tax refunds. To help correct a structural funding issue, the Board agreed to transfer \$65 from the General Fund. Additionally, the tax levy loss in collection amount for the Debt Service Fund has been increased. The Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities. This fund had a fund balance at year-end of \$0, which is the same as the prior year.

Non-major Fund

The Motor Fuel Tax Fund is the only non-major governmental fund. This fund accounts for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of the State motor fuel tax. The fund balance at year-end was \$350, which was a decrease of \$260, or 43% from last year. The decrease is mainly attributable to the planned spend down of fund balance.

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 Water Fund and the Sewer Fund as major proprietary funds. These two funds are enterprise funds. The Village has one non-major proprietary fund, the Parking Meter Fund, which is also an enterprise fund.

The Village's wholesale water rate is set by contract and is recalculated every other year. The residential water and sewer rates are determined by the Village Board of Trustees. The commuter

parking rates are also set by the Village Trustees in conjunction with the Union Pacific railroad and the Chicago Transit Authority (CTA). If activity volumes were similar from year to year, the expectation would be that revenue would grow in line with rate changes.

The rates in effect for 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Wholesale Water Rate	\$ 1.331 / ccf	\$ 1.331 / ccf	0.0%
Residential Water Rate	\$ 2.61 / ccf	\$ 2.49 / ccf	4.8%
Residential Sewer Rate	\$ 4.24 / ccf	\$ 4.24 / ccf	0.0%
METRA Commuter Parking Rates	\$ 2.00 per day	\$ 2.00 per day	0.0%
CTA Commuter Parking Rates	\$ 4.00 per day	\$ 4.00 per day	0.0%

The Water Fund reflects all revenue and expense related to supplying water to the residents of Wilmette as well as to the Village of Glenview and to the Illinois American Water Company. The intent of the Fund is that it not only be self-supporting but also achieve a surplus to help support general operations and services of the Village. The Fund experienced an income gain before transfers of \$2,311 which was \$339 more than last year. The unrestricted net position increased to \$3,078. Environmental factors impact the amount of water required by the system each year.

The Sewer Fund reflects all the revenue and expense related to supplying sewer services to the residents of Wilmette. The intent of the Fund is that it is self-supporting. The Fund experienced a planned increase in net position of \$1,203 which was due mainly from rate increases in 2014 and 2015. The unrestricted net position increased 5% from last year to \$3,928.

The Parking Meter Fund had a year-end Net Position of \$4,330 which is a decrease of \$76 from last year. The decrease was mainly driven by \$127 in recognized depreciation.

The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements and reflect the goods and services provided by an activity to other departments on a cost-reimbursement basis. The Village has five internal service funds, the Municipal Garage Fund, the Employee Insurance Fund, the Workers' Compensation Fund the Section 105 sick leave Fund, and the Illinois Municipal Retirement Fund.

General Fund Budgetary Highlights

The Village adopts an annual appropriation ordinance for all of its funds. A budget amending ordinance was adopted for the 2016 Budget. The ordinance added \$30 to the Employee Insurance Fund, \$8 to the Workers' Comp Fund, \$103 to the Motor Fuel Tax Fund and \$190 to the Firefighters' Pension Fund.

Table 3: General Fund Budgetary Highlights - I

	Original and Final Budget	Actual GAAP Basis
Revenues	\$ 35,283	\$ 37,122
Expenditures	<u>36,243</u>	<u>35,094</u>
Excess (Deficiency) of Revenues over Expenditures	(960)	2,028
Other Financing Sources (Uses):		
Transfers in	1,000	1,000
Transfers out	<u>(65)</u>	<u>(65)</u>
Net Changes in Fund Balance	<u>\$ (25)</u>	<u>\$ 2,963</u>

The principal goal in setting the 2016 budget was to maintain service levels and keep fund operating reserves stable. While the above table would indicate a \$25 reduction in fund balance, the use of escrowed monies and anticipated expenditure savings were expected to produce a balanced budget. Ultimately, improved 2016 revenues resulted in the \$2,963 increase in the General Fund balance. An improving economy boosted licenses, permits and fees which in total performed better than budgeted by \$1,474. Investment earnings from the IRMA excess surplus reserve, which are not budgeted, were \$284 of the positive variance. Additionally, the Village sold a storage facility which added \$425 in unanticipated revenue. As for expenditures, wage and benefit savings amounted to \$563 of expenditure reductions. Automotive savings tied lower gas prices reduced expenditures by \$120. Unused contingency appropriation resulted in \$106 of budgetary savings.

CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2016 total \$146,430. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a decrease of \$322 (reflecting additions, disposals and depreciation). Detailed information regarding the change in capital assets for Government and Business-Type Activities is included in the Notes to the Financial Statements on pages 39-40.

The Governmental Activities net investment in capital assets increased from last year by \$1,689. The increase consists of capital additions of \$3,192 and debt repayment of \$2,397 netted with depreciation of \$3,790 and a change in unamortized bond discounts and unexpended bond proceeds of \$109.

Business-Type Activities net investment in capital assets increased by \$1,452. The increase consists of capital additions of \$2,553 and additional debt repayment of \$2,541 which were netted against unexpended bond proceeds of \$1,366 and depreciation of \$2,276. Net capital assets increased in the Sewer Fund with asset additions of \$2,065. Note that the additions were primarily financed from existing debt and new IEPA Loan debt. Water capital additions totaled \$499. The Parking Meter Fund had no change.

DEBT OUTSTANDING

The Village has six general obligation (G.O.) bond issues and eight EPA loans outstanding. The following table summarizes the Village's long-term debt outstanding (excluding unamortized bond discount and loss on refunding and compensated absences).

Table 5: Bonded and Similar Indebtedness

	Outstanding at Dec 31, 2015	Issued in 2016	Retired in 2016	Outstanding at Dec 31, 2016
General Obligation Bond:	82,870	-	(5,475)	77,395
E.P.A. Loans	3,253	701	(181)	3,773
State Loans	212	-	(12)	200
Totals	86,335	701	(5,668)	81,368
Governmental Activities	31,082	-	(2,397)	28,685
Business-Type Activities	55,253	701	(3,271)	52,683
Totals	86,335	701	(5,668)	81,368

As noted in Table 5, the Village continued to avail itself of the Illinois EPA Water Pollution Control Loan Program and received approval for \$701 for local sewer lining and rehabilitation work. The debt retirements noted above were the required amounts per the amortization schedules for the debt issuances.

The Village, under its home rule authority, does not have a legal debt limit. The Village's Aaa bond rating was reaffirmed by Moody's Investors Service in 2016 citing the Village's strong socioeconomic profile, healthy financial position and operating flexibility, and moderate debt burden. The Village will continue to attempt to secure EPA loans due to their favorable terms and will also pursue grants whenever possible. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 41-50.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's elected and appointed officials considered many factors when setting the 2017 budget, tax rates, and fees that will be charged for its governmental and business type activities. While 2016 actuals showed signs of an improving economy, most economists refer to current economic improvement as restrained when compared with past deep recession recovery cycles. Additionally, there are concerns that the State of Illinois budget problems (much of which is pension related) may trickle down to local agencies through legislative actions that could reduce revenues received from the State. With these factors in mind, the Village took a conservative approach with revenue projections, with a few exceptions, and estimated little or no growth in revenue from the estimated actuals for 2016 at the time the Budget was formulated.

The Fiscal Year 2017 Budget as adopted by the Village Board assumes no reductions in state shared revenues or limitations to property tax levels. That being said, staff has diligently prepared for the possibility of these reductions, and contingency plans are in place to get the Village through FY 2017 should the need arise.

- While wages account for more than 30% of Village spending across all funds, wage growth across all funds in the FY 2017 Budget will be only 2.5%.
- The FY 2017 Budget, provides for no increase in the residential water rate. Additional new wholesale customers Kenilworth and Golf are expected to come on line in late 2016, and \$262,000 in wholesale revenue is budgeted in FY 2017.
- Following two consecutive years of sewer rate increases to fund a \$24 million program for major sewer projects intended to improve sewer performance in the Village's separate sewer area (west of Ridge Road), there was no increase to the sewer fee in 2016 and no increase is recommended in FY 2017. As the Village Board continues its review of the proposed \$77 million storm water improvement project to address overland flooding issues on the west side of the community, future sewer rate increases are not yet determined. Any new sewer projects will require additional revenue, whether through the sewer fee or a new source. In the event the Village Board elects to proceed with the project, \$120,000 has been budgeted in FY 2017 to conduct a quality assurance/quality control review by a third party engineer to confirm that the proposed improvements are appropriate and the budget estimate accurate.
- The property tax levy is projected to increase by 4.97% due to a number of components. The component the Village has full control over is operations, which is forecast to rise by a modest 1.27%. Pre-existing debt service cost increases (based on how long-term debt was financed in prior decades) will also impact the tax levy by 0.39%. The Village's pension expenses are largely determined by the State of Illinois, which defines the benefits municipal employers have to pay. Pension funding will increase the levy by 2.41%. Finally, the FY 2017 Budget includes an additional increase of 0.90% which will be solely dedicated to the annual road program.
- Following discussion of the road program at three separate budget workshops, the Village Board reached consensus to increase the annual funding level from \$1.5 million to \$2 million, thereby ensuring steady improvement of the Village's roadways in a fiscally responsible manner. In 2017 the additional \$500,000 in funding will be realized through a 0.90% increase to the property tax levy, a \$0.03 increase to the local gasoline tax, and the use of \$125,000 in reserves resulting from non-recurring permit revenues in FY 2016.
- Throughout the recession, critical repairs to Village facilities were deferred due to the lack of available funding. A number of these projects will be addressed with a planned \$4.85 million bond issuance; Public Works yard improvements, Village Hall roof and HVAC replacements, Police radio and generator replacements.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Melinda Molloy, Finance Director, Village of Wilmette, 1200 Wilmette Avenue, Wilmette, Illinois 60091.

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 WILMETTE, ILLINOIS

Statement of Net Position

December 31, 2016

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Net Position

December 31, 2016

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 12,874,611	6,338,091	19,212,702
Receivables - Net	18,246,492	2,322,181	20,568,673
Due from Other Governments	2,435,983	-	2,435,983
Internal Balances	3,295	(3,295)	-
Inventories/Prepays	68,356	60,318	128,674
Deposits	1,483,991	-	1,483,991
Restricted Assets - Cash and Investments	111,558	617,528	729,086
Total Current Assets	35,224,286	9,334,823	44,559,109
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	2,572,254	19,637,973	22,210,227
Depreciable Capital Assets	88,967,641	122,647,469	211,615,110
Depreciation	(44,995,118)	(42,400,108)	(87,395,226)
	46,544,777	99,885,334	146,430,111
Other Assets			
Land Held for Resale	630,000	-	630,000
Total Noncurrent Assets	47,174,777	99,885,334	147,060,111
Total Assets	82,399,063	109,220,157	191,619,220
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	1,091,038	-	1,091,038
Deferred Items - IMRF	4,027,365	-	4,027,365
Deferred Items - Police Pension	2,873,263	-	2,873,263
Deferred Items - Firefighters' Pension	4,077,077	-	4,077,077
Total Deferred Outflows of Resources	12,068,743	-	12,068,743
Total Assets and Deferred Outflows of Resources	94,467,806	109,220,157	203,687,963

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,822,772	725,038	2,547,810
Accrued Wages and Benefits	93,266	8,965	102,231
Accrued Interest Payable	80,533	158,041	238,574
Deposits Payable	610,615	135	610,750
Other Payables	1,217,676	250	1,217,926
Compensated Absences Payable	712,801	45,120	757,921
Current Portion of Long-Term Debt	2,567,500	3,764,399	6,331,899
Total Current Liabilities	<u>7,105,163</u>	<u>4,701,948</u>	<u>11,807,111</u>
Noncurrent Liabilities			
Compensated Absences Payable	2,851,206	180,480	3,031,686
Net Pension Liability - IMRF	7,502,617	-	7,502,617
Net Pension Liability - Police Pension	22,280,486	-	22,280,486
Net Pension Liability - Firefighters' Pension	27,829,056	-	27,829,056
EPA Loans Payable	-	3,573,479	3,573,479
Notes Payable	187,500	-	187,500
General Obligation Bonds Payable	25,930,000	45,288,000	71,218,000
Total Noncurrent Liabilities	<u>86,580,865</u>	<u>49,041,959</u>	<u>135,622,824</u>
Total Liabilities	<u>93,686,028</u>	<u>53,743,907</u>	<u>147,429,935</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	17,330,928	-	17,330,928
Gain on Refunding	-	28,750	28,750
Deferred Items - IMRF	106,899	-	106,899
Deferred Items - Police Pension	682,022	-	682,022
Deferred Items - Firefighters' Pension	1,430,216	-	1,430,216
Total Deferred Inflows of Resources	<u>19,550,065</u>	<u>28,750</u>	<u>19,578,815</u>
Total Liabilities and Deferred Inflows of Resources	<u>113,236,093</u>	<u>53,772,657</u>	<u>167,008,750</u>
NET POSITION			
Net Investment in Capital Assets	18,950,815	47,608,424	66,559,239
Restricted - Police Seizures	103,817	-	103,817
Restricted - Debt Service	49,207	-	49,207
Restricted - Highways and Streets	296,816	-	296,816
Unrestricted	(38,168,942)	7,839,076	(30,329,866)
Total Net Position	<u>(18,768,287)</u>	<u>55,447,500</u>	<u>36,679,213</u>

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended December 31, 2016**

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/ Contributions
Governmental Activities			
General Government	\$ 4,214,252	443,273	-
Public Safety	23,273,654	2,453,251	47,529
Streets and Sanitation	9,722,953	2,541,607	689,652
Other Public Works	1,607,339	197,663	150,598
Public Health	257,189	61,520	-
Community Development	2,026,595	3,166,999	-
Interest on Long-Term Debt	1,155,678	-	-
Total Governmental Activities	42,257,660	8,864,313	887,779
Business-Type Activities			
Water	6,132,147	8,427,635	-
Sewer	3,749,215	4,950,217	-
Parking	507,837	431,910	-
Total Business-Type Activities	10,389,199	13,809,762	-
Total Primary Government	52,646,859	22,674,075	887,779
General Revenues			
Taxes			
Property Taxes			
Home Rule Sales Taxes			
Utility Taxes			
Real Estate Transfer			
Other Taxes			
Intergovernmental - Unrestricted			
State Income Taxes			
Sales Taxes			
Investment Earnings			
Miscellaneous			
Transfers - Internal Activity			
Change in Net Position			
Net Position - Beginning as Restated			
Net Position - Ending			

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

Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(3,770,979)	-	(3,770,979)
(20,772,874)	-	(20,772,874)
(6,491,694)	-	(6,491,694)
(1,259,078)	-	(1,259,078)
(195,669)	-	(195,669)
1,140,404	-	1,140,404
(1,155,678)	-	(1,155,678)
(32,505,568)	-	(32,505,568)
-	2,295,488	2,295,488
-	1,201,002	1,201,002
-	(75,927)	(75,927)
-	3,420,563	3,420,563
(32,505,568)	3,420,563	(29,085,005)
16,500,301	-	16,500,301
2,052,250	-	2,052,250
2,225,629	-	2,225,629
1,303,787	-	1,303,787
1,051,368	-	1,051,368
2,636,758	-	2,636,758
3,663,967	-	3,663,967
313,939	17,723	331,662
1,702,662	-	1,702,662
1,000,000	(1,000,000)	-
32,450,661	(982,277)	31,468,384
(54,907)	2,438,286	2,383,379
(18,713,380)	53,009,214	34,295,834
(18,768,287)	55,447,500	36,679,213

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

VILLAGE OF WILMETTE, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2016

	General	Debt Service	Series 2013 and 2014 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 11,371,874	37,863	-	285,892	11,695,629
Receivables - Net of Allowances					
Property Taxes	13,948,093	3,438,041	-	-	17,386,134
Other Taxes	200,047	-	-	-	200,047
Accounts	649,580	-	-	-	649,580
Due from Other Governments	2,371,725	-	-	64,258	2,435,983
Due from Other Funds	12,467	-	-	-	12,467
Prepays	68,356	-	-	-	68,356
Deposits	1,483,991	-	-	-	1,483,991
Restricted Assets - Cash and Investments	101,308	-	10,250	-	111,558
Land Held for Resale	630,000	-	-	-	630,000
Total Assets	30,837,441	3,475,904	10,250	350,150	34,673,745

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

	General	Debt Service	Series 2013 and 2014 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
LIABILITIES					
Accounts Payable	\$ 1,781,594	-	10,250	-	1,791,844
Accrued Wages and Benefits	93,266	-	-	-	93,266
Deposits Payable	596,231	-	-	-	596,231
Other Prepayments	92,164	-	-	-	92,164
Total Liabilities	2,563,255	-	10,250	-	2,573,505
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	13,904,231	3,426,697	-	-	17,330,928
Total Liabilities and Deferred Inflows of Resources	16,467,486	3,426,697	10,250	-	19,904,433
FUND BALANCE					
Nonspendable	1,552,347	-	-	-	1,552,347
Restricted	103,817	49,207	-	296,816	449,840
Assigned	2,694,923	-	-	53,334	2,748,257
Unassigned	10,018,868	-	-	-	10,018,868
Total Fund Balances	14,369,955	49,207	-	350,150	14,769,312
Total Liabilities, Deferred Inflows of Resources and Fund Balances	30,837,441	3,475,904	10,250	350,150	34,673,745

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

VILLAGE OF WILMETTE, ILLINOIS

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

December 31, 2016

Total Governmental Fund Balances \$ 14,769,312

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. 46,544,777

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Deferred Items - IMRF 3,920,466

Deferred Items - Police Pension 2,191,241

Deferred Items - Firefighters' Pension 2,646,861

Internal service funds are used by the Village to charge the costs of
insurance to individual funds. The assets and liabilities of the
internal service fund are included in the governmental activities
in the Statement of Net Position. 9,717

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Net Pension Liability - IMRF (7,502,617)

Net Pension Liability - Police Pension (22,280,486)

Net Pension Liability - Firefighters' Pension (27,829,056)

Compensated Absences Payable (3,564,007)

General Obligation Bonds Payable - Net (27,393,962)

State Fire Truck Loan Payable (200,000)

Accrued Interest Payable (80,533)

Net Position of Governmental Activities (18,768,287)

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2016**

	General	Debt Service	Series 2013 and 2014 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
Revenues					
Taxes	\$ 19,743,931	3,389,404	-	-	23,133,335
Licenses, Permits and Fees	5,215,126	-	-	-	5,215,126
Intergovernmental	6,498,853	-	-	689,652	7,188,505
Charges for Services	3,338,934	-	-	-	3,338,934
Fines and Forfeitures	310,252	-	-	-	310,252
Investment Earnings	310,015	-	-	1,666	311,681
Miscellaneous	1,704,470	-	-	-	1,704,470
Total Revenues	37,121,581	3,389,404	-	691,318	41,202,303
Expenditures					
Current					
General Government	3,734,719	-	-	-	3,734,719
Public Safety	19,662,967	-	-	-	19,662,967
Streets and Sanitation	5,912,101	-	-	-	5,912,101
Other Public Works	3,210,852	-	-	-	3,210,852
Public Health	258,189	-	-	-	258,189
Community Development	1,790,405	-	-	-	1,790,405
Capital Outlay	511,929	-	-	951,890	1,463,819
Debt Service					
Principal Retirement	12,500	2,385,000	-	-	2,397,500
Interest and Fiscal Charges	-	1,053,797	-	-	1,053,797
Total Expenditures	35,093,662	3,438,797	-	951,890	39,484,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,027,919	(49,393)	-	(260,572)	1,717,954
Other Financing Sources					
Transfers In	1,000,000	65,000	-	-	1,065,000
Transfers Out	(65,000)	-	-	-	(65,000)
	935,000	65,000	-	-	1,000,000
Net Change in Fund Balances	2,962,919	15,607	-	(260,572)	2,717,954
Fund Balances - Beginning as Restated	11,407,036	33,600	-	610,722	12,051,358
Fund Balances - Ending	14,369,955	49,207	-	350,150	14,769,312

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

VILLAGE OF WILMETTE, ILLINOIS

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

For the Fiscal Year Ended December 31, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 2,717,954
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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	3,192,366
Depreciation Expense	(3,789,771)
Disposals - Cost	(150,212)
Disposals - Accumulated Depreciation	148,404

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

Change in Deferred Items - IMRF	(1,326,159)
Change in Deferred Items - Police Pension	(1,599,612)
Change in Deferred Items - Firefighters' Pension	(2,910,908)

Internal service funds are used by the Village to charge the costs of
insurance to individual funds. The net revenue of certain activities
of internal service funds is reported with governmental activities.

1,746

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.

Increase to Compensated Absences Payable	(83,080)
Increase to Net Pension Liability - IMRF	(198,438)
Decrease to Net Pension Liability - Police Pension	360,580
Decrease to Net Pension Liability - Firefighters' Pension	1,286,604
Retirement of Debt	2,397,500
Amortization of Loss on Refunding	(109,102)

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.

7,221

Changes in Net Position of Governmental Activities

(54,907)

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Fund Net Position - Proprietary Funds
December 31, 2016**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Fund Net Position - Proprietary Funds
December 31, 2016**

	Business-Type Activities			Totals	Governmental
	Water	Sewer	Nonmajor Parking Meter		Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 2,651,324	2,823,905	862,862	6,338,091	1,178,982
Restricted Assets					
Cash and Investments	-	617,528	-	617,528	-
Receivables - Net of Allowances					
Accounts	822,826	1,499,235	120	2,322,181	10,731
Inventory	60,078	-	-	60,078	-
Prepays	240	-	-	240	-
Total Current Assets	<u>3,534,468</u>	<u>4,940,668</u>	<u>862,982</u>	<u>9,338,118</u>	<u>1,189,713</u>
Noncurrent Assets					
Nondepreciable Capital Assets	440,125	18,538,744	659,104	19,637,973	-
Depreciable Capital Assets	51,678,182	65,997,393	4,971,894	122,647,469	-
Depreciation	(21,790,098)	(18,476,602)	(2,133,408)	(42,400,108)	-
Total Noncurrent Assets	<u>30,328,209</u>	<u>66,059,535</u>	<u>3,497,590</u>	<u>99,885,334</u>	<u>-</u>
Total Assets	<u>33,862,677</u>	<u>71,000,203</u>	<u>4,360,572</u>	<u>109,223,452</u>	<u>1,189,713</u>

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

	Business-Type Activities				Governmental
	Water	Sewer	Nonmajor	Totals	Activities
			Parking Meter		Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 226,663	468,379	29,996	725,038	30,928
Accrued Wages and Benefits	8,415	550	-	8,965	-
Accrued Interest Payable	40,910	117,131	-	158,041	-
Due to Other Funds	3,295	-	-	3,295	9,172
Deposits Payable	135	-	-	135	14,384
Retiree Benefits Payable	-	-	-	-	1,125,512
Other Prepayments	-	-	250	250	-
Compensated Absences Payable	35,440	9,680	-	45,120	-
EPA Loans Payable	-	199,399	-	199,399	-
General Obligation Bonds Payable	1,780,000	1,785,000	-	3,565,000	-
Total Current Liabilities	2,094,858	2,580,139	30,246	4,705,243	1,179,996
Noncurrent Liabilities					
Compensated Absences Payable	141,760	38,720	-	180,480	-
General Obligation Bonds Payable	12,455,000	32,833,000	-	45,288,000	-
EPA Loans Payable	-	3,573,479	-	3,573,479	-
Total Noncurrent Liabilities	12,596,760	36,445,199	-	49,041,959	-
Total Liabilities	14,691,618	39,025,338	30,246	53,747,202	1,179,996
DEFERRED INFLOWS OF RESOURCES					
Gain of refunding	28,750	-	-	28,750	-
Total Liabilities and Deferred Inflows of Resources	14,720,368	39,025,338	30,246	53,775,952	1,179,996
NET POSITION					
Net Investment in Capital Assets Unrestricted	16,064,459 3,077,850	28,046,375 3,928,490	3,497,590 832,736	47,608,424 7,839,076	- 9,717
Total Net Position	19,142,309	31,974,865	4,330,326	55,447,500	9,717

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2016**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Nonmajor Parking Meter	Totals	Activities Internal Service
Operating Revenues					
Charges for Services	\$ 8,427,635	4,950,217	431,910	13,809,762	-
Interfund Services	-	-	-	-	6,597,035
Total Operating Revenues	8,427,635	4,950,217	431,910	13,809,762	6,597,035
Operating Expenses					
Administration	691,761	-	-	691,761	-
Operations	3,863,510	1,277,636	381,138	5,522,284	6,597,547
Depreciation	1,070,202	1,079,321	126,699	2,276,222	-
Total Operating Expenses	5,625,473	2,356,957	507,837	8,490,267	6,597,547
Operating Income (Loss)	2,802,162	2,593,260	(75,927)	5,319,495	(512)
Nonoperating Revenues (Expenses)					
Investment Earnings	15,076	2,647	-	17,723	2,258
Interest Expense	(506,674)	(1,392,258)	-	(1,898,932)	-
	(491,598)	(1,389,611)	-	(1,881,209)	2,258
Income (Loss) Before Transfers	2,310,564	1,203,649	(75,927)	3,438,286	1,746
Transfers Out	(1,000,000)	-	-	(1,000,000)	-
Change in Net Position	1,310,564	1,203,649	(75,927)	2,438,286	1,746
Net Position - Beginning	17,831,745	30,771,216	4,406,253	53,009,214	7,971
Net Position - Ending	19,142,309	31,974,865	4,330,326	55,447,500	9,717

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2016**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended December 31, 2016

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 8,430,708
Receipts from Interfund Services	-
Payments to Employees	(2,263,773)
Payments to Suppliers	<u>(2,209,137)</u>
	<u>3,957,798</u>
Cash Flows from Non-Capital Financing Activities	
Transfers Out	(1,000,000)
Change in Interfund Activity	-
	<u>(1,000,000)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(488,665)
Principal Issued on Debt	-
Principal Paid on Debt	(1,340,000)
Interest Paid on Debt	<u>(506,674)</u>
	<u>(2,335,339)</u>
Cash Flows from Investing Activities	
Interest Received	<u>15,076</u>
Net Change in Cash and Cash Equivalents	637,535
Cash and Cash Equivalents - Beginning	<u>2,013,789</u>
Cash and Cash Equivalents - Ending	<u><u>2,651,324</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.	
Operating Income (Loss)	<u>2,802,162</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation Expense	1,070,202
Other Expenses - IMRF	
(Increase) Decrease in Current Assets	3,073
Increase (Decrease) in Current Liabilities	<u>82,361</u>
Net Cash Provided by Operating Activities	<u><u>3,957,798</u></u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u><u>94,793</u></u>

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

Business-Type Activities - Enterprise Funds			Governmental
	Nonmajor		Activities
Sewer	Parking Meter	Totals	Internal Service
4,195,645	431,790	13,058,143	-
-	-	-	6,586,304
(589,367)	(124,979)	(2,978,119)	(693,332)
(2,256,590)	(257,528)	(4,723,255)	(5,817,489)
1,349,688	49,283	5,356,769	75,483
-	-	(1,000,000)	-
-	-	-	-
-	-	(1,000,000)	-
(2,064,845)	-	(2,553,510)	-
701,187	-	701,187	-
(1,930,868)	-	(3,270,868)	-
(1,392,258)	-	(1,898,932)	-
(4,686,784)	-	(7,022,123)	-
2,647	-	17,723	2,258
(3,334,449)	49,283	(2,647,631)	77,741
6,775,882	813,579	9,603,250	1,101,241
3,441,433	862,862	6,955,619	1,178,982
2,593,260	(75,927)	5,319,495	(512)
1,079,321	126,699	2,276,222	-
(754,572)	(120)	(751,619)	(10,731)
(1,568,321)	(1,369)	(1,487,329)	86,726
1,349,688	49,283	5,356,769	75,483
-	-	94,793	-

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2016**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 3,287,818	627,129
Investments		
U.S. Government and Agency Securities	15,291,338	-
Mutual Funds	42,167,113	-
Corporate Bonds	10,265,742	-
Common Stock	14,666,551	-
Receivables		
Accrued Interest	<u>188,728</u>	<u>-</u>
Total Assets	<u>85,867,290</u>	<u>627,129</u>
LIABILITIES		
Accounts Payable	51,272	-
Deposits Payable	<u>-</u>	<u>627,129</u>
Total Liabilities	<u>51,272</u>	<u>627,129</u>
NET POSITION		
Net Position Restricted for Pensions	<u>85,816,018</u>	

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2016

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 4,313,000
Contributions - Plan Members	878,898
Total Contributions	<u>5,191,898</u>
Investment Income	
Investment Earnings	2,269,965
Net Change in Fair Value	4,355,265
	<u>6,625,230</u>
Less Investment Expenses	(153,061)
Net Investment Income	<u>6,472,169</u>
Total Additions	<u>11,664,067</u>
Deductions	
Administration	111,181
Benefits and Refunds	6,312,555
Total Deductions	<u>6,423,736</u>
Change in Fiduciary Net Position	5,240,331
Net Position Restricted for Pensions	
Beginning	<u>80,575,687</u>
Ending	<u><u>85,816,018</u></u>

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Wilmette, Illinois (Village) was incorporated in 1872. The Village is a municipal corporation governed by an elected mayor and six-member Board of Trustees. The Village's major operations include police and fire protection, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water, sewer and parking meter services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage and parking activities are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, community development, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

The Village allocates indirect costs to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid for through the General Fund.

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

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

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

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one nonmajor special revenue fund, the Motor Fuel Tax Fund. The Motor Fuel Tax Fund accounts for the revenues and expenditures for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of State gasoline taxes.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one major debt service fund, which accounts for the accumulation of monies for the payment of the following bond issues: \$11,735,000 of Series 2007 General Obligation Refunding and Improvements, \$1,590,000 of Series 2009 General Obligation Improvements, \$23,280,000 of Series 2010 General Obligation Refunding and Improvements, and \$1,000,000 of Series 2013 General Obligation.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, 2013 and 2014 General Obligation Bonds Fund, which is used to account for revenues and expenditures for road resurfacing, alley and other infrastructure improvements, public works facility improvements and large equipment replacements.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major proprietary funds, the Water Fund and the Sewer Fund, which accounts for the provision of water and sewer services to the residents of 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, billing and collections. The Village also maintains one nonmajor enterprise fund, the Parking Meter Fund, which accounts for all activity necessary for provision of parking in the Village, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the District on a cost-reimbursement basis. The Village maintains five internal service funds, the Municipal Garage Fund, the Employee Insurance Fund, the Workers' Compensation Fund, the Illinois Municipal Retirement Fund, and the Section 105 Sick Leave Fund.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Pension trust funds are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village’s police force. The Firefighters’ Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village’s Fire Department.

Agency funds are used to account for assets held by the Village in a purely custodial capacity. The Village maintains one agency fund, the Fire Insurance Tax Fund, which is used to account for foreign fire insurance tax receipts held on behalf of retiring Village firefighters to be applied to their retiree health insurance premiums.

The Village’s fiduciary fund is presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

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

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

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 Village’s enterprise funds are charges to customers for sales and services.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds 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.

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

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

Prepays/Inventories – Land Held for Resale

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Restricted Assets

Certain proceeds of enterprise fund revenue bonds and capital projects fund general obligation bonds, as well as certain resources set aside for this repayment, are classified as restricted assets on the financial statements because their use is limited by applicable bond covenants. See the note on long-term debt for additional disclosures.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, storm sewers and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

Buildings	75 Years
Improvements Other Than Buildings	20 Years
Water System Improvements	20 - 100 Years
Sewer System Improvements	25 - 75 Years
Storm Water Pump Stations	25 - 50 Years
Machinery, Equipment and Vehicles	3 - 20 Years
Parking Facilities/Improvements	10 - 40 Years
Infrastructure	20 Years

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the 2004 fiscal year. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period; the Village elected to implement retroactive infrastructure reporting during the 2004 fiscal year.

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Deferred Outflows/Inflows of Resources

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Net Position

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service, and pension trust funds. All annual appropriations lapse at fiscal year-end.

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

The budget may be amended only by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had excess of actual expenditures/expenses over budget, exclusive of depreciation, at year end:

Fund	Excess
Employee Insurance	\$ 39,370
Workers' Compensation	70

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

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

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

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

Village Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Village's deposits for governmental and business-type activities totaled \$19,941,552 and the bank balances totaled \$20,198,449. At year-end the Village also has \$236 invested in the Illinois Funds, which is measured at the net asset value per share determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

The Village's investment policy states the "portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated." The Village's investment in the Illinois Funds has an average maturity of less than one year.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's policy states "the Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. At year-end, the Village does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps limit its exposure to credit risk by investing in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. The Village’s investment policy limits authorized investments to the following:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America.
- Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits, or any investment constituting direct obligations of any institution as authorized by the Village Board
- Illinois Funds
- Illinois Metropolitan Investment Fund

The Village’s investment policy also prescribes to the “prudent person” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived. At December 31, 2016, the Village’s investments in the Illinois Funds are AAAM rated by Standard & Poor’s.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. At December 31, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Village’s investment policy further limits the custodial credit risk for deposits as follows: The Village requires that its primary depository pledge collateral for all deposits in excess of \$250,000. This collateral is to be held by the Village or by a third party in the Village’s name and may not be released or modified without Village approval. The value of the collateral shall be determined by the Village or by the third party custodian. The necessary amount (ranging from 102% to 115% of excess FDIC insured deposits) of collateral is determined under the Village’s custodial agreement with its depository bank.

Custodial Credit Risk – Investments. For an investment, this 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. At December 31, 2016, the Village’s investment in the Illinois Funds is not subject to custodial credit risk.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Police Pension Fund’s deposits totaled \$1,760,022 and the bank balances totaled \$1,772,863.

Investments. At year-end the Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 5,839,040	1,511,811	1,069,690	1,296,943	1,960,596
U.S Agency Obligations	1,777,906	901,557	5,463	186,309	684,577
Corporate Bonds	5,184,669	520,306	2,553,116	877,878	1,233,369
Total	12,801,615	2,933,674	3,628,269	2,361,130	3,878,542

The Fund has the following recurring fair value measurements as of December 31, 2016:

Investments by Fair Value Level	December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 5,839,040	5,839,040	-	-
U.S. Agencies	1,777,906	-	1,777,906	-
Corporate Bonds	5,184,669	-	5,184,669	-
Equity Securities				
Mutual Funds	20,968,448	20,968,448	-	-
Common Stock	7,304,934	7,304,934	-	-
Total Investments by Fair Value Level	41,074,997	34,112,422	6,962,575	-

Interest Rate Risk. The Fund’s investment policy limits exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The investment policy does not limit the maximum maturity length of investments.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Credit Risk. The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. agencies were all rated triple A by Standard & Poor's. The Fund's investment in Corporate Bonds are rated all rated A1 by Moody's. The investments in common stock and mutual funds are not rated.

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. The Fund's investment policy does not limit custodial credit risk for investments. At December 31, 2016, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Concentration of Credit Risk. At year-end, the Fund does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The Fund also has \$7,304,935 invested in common stock and \$20,968,448 invested in mutual funds at year-end.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	42%	0.70% - 2.25%
International Equities	20%	0.75% - 1.00%
Bonds	35%	1.71%
Private Real Estate	3%	0.24%
Cash and Cash Equivalents	0%	N/A

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration of Credit Risk continued. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the table above.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Firefighters' Pension Fund's deposits totaled \$1,527,796 and the bank balances totaled \$2,203,893.

Investments. At year-end the Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 5,900,079	1,357,475	1,359,131	1,202,710	1,980,763
U.S Agency Obligations	1,774,313	901,557	1,870	186,309	684,577
Corporate Bonds	5,081,073	520,306	2,553,117	877,878	1,129,772
Total	12,755,465	2,779,338	3,914,118	2,266,897	3,795,112

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

The Fund has the following recurring fair value measurements as of December 31, 2016:

	December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	\$ 5,900,079	5,900,079	-	-
U.S. Agencies	1,774,313	-	1,774,313	-
Corporate Bonds	5,081,073	-	5,081,073	-
Equity Securities				
Mutual Funds	21,198,665	21,198,665	-	-
Common Stock	7,361,617	7,361,617	-	-
Total Investments by Fair Value Level	41,315,747	34,460,361	6,855,386	-

Interest Rate Risk. The Fund’s investment policy limits exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The investment policy does not limit the maximum maturity length of investments.

Credit Risk. The Fund’s investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. agencies were all rated triple A by Standard & Poor’s. The Fund’s investment in Corporate Bonds are all rated A1 by Moody’s. The investments in common stock and mutual funds are not rated.

Custodial Credit Risk – Deposits. The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. The Fund’s investment policy does not limit custodial credit risk for investments. At December 31, 2016, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name.

Concentration of Credit Risk. At year-end, the Fund does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The Fund also has \$7,361,617 invested in common stock and \$21,198,665 invested in mutual funds at year-end.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Concentration of Credit Risk – Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	42%	0.70% - 2.25%
International Equities	20%	0.75% - 1.00%
Bonds	35%	1.71%
Private Real Estate	3%	0.24%
Cash and Cash Equivalents	0%	N/A

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the table above.

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2017, and September 1, 2017. The County collects such taxes and remits them periodically. Since the 2016 levy is intended to finance the 2017 fiscal year, the levy has been recorded as receivable and deferred revenue.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 3,295
General	Workers' compensation	<u>9,172</u>
		<u><u>12,467</u></u>

Interfund balances are in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Water	\$ 1,000,000
Debt Service	General	<u>65,000</u>
		<u><u>1,065,000</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,838,262	-	1,808	1,836,454
Construction in Progress	350,544	385,256	-	735,800
	<u>2,188,806</u>	<u>385,256</u>	<u>1,808</u>	<u>2,572,254</u>
Depreciable Capital Assets				
Buildings	19,911,994	126,740	-	20,038,734
Improvements Other Than Buildings	54,602,471	2,222,130	-	56,824,601
Motor Equipment	8,433,030	425,573	148,404	8,710,199
Office Furniture and Equipment	922,084	-	-	922,084
Other Equipment	2,439,356	32,667	-	2,472,023
	<u>86,308,935</u>	<u>2,807,110</u>	<u>148,404</u>	<u>88,967,641</u>
Less Accumulated Depreciation				
Buildings	6,107,152	510,829	-	6,617,981
Improvements Other Than Buildings	27,421,200	2,551,947	-	29,973,147
Motor Equipment	5,672,005	470,515	148,404	5,994,116
Office Furniture and Equipment	585,932	66,940	-	652,872
Other Equipment	1,567,462	189,540	-	1,757,002
	<u>41,353,751</u>	<u>3,789,771</u>	<u>148,404</u>	<u>44,995,118</u>
Total Depreciable Capital Assets	<u>44,955,184</u>	<u>(982,661)</u>	<u>-</u>	<u>43,972,523</u>
Total Capital Assets	<u>47,143,990</u>	<u>(597,405)</u>	<u>1,808</u>	<u>46,544,777</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 168,997
Streets and Sanitation	3,062,146
Public Safety - Police	266,383
Public Safety - Fire	<u>292,245</u>
	<u>3,789,771</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 832,453	-	-	832,453
Landscaping	60,231	-	-	60,231
Construction in Progress	17,770,238	1,115,208	140,157	18,745,289
	<u>18,662,922</u>	<u>1,115,208</u>	<u>140,157</u>	<u>19,637,973</u>
Depreciable Capital Assets				
Water System Improvements	29,883,354	282,559	-	30,165,913
Sewer System Improvements	61,492,010	969,085	-	62,461,095
Storm Water Pump Stations	2,001,674	-	-	2,001,674
Buildings	12,904,049	262,802	-	13,166,851
Machinery, Equipment, and Vehicles	9,839,226	64,012	-	9,903,238
Parking Facilities/Improvements	4,948,698	-	-	4,948,698
	<u>121,069,011</u>	<u>1,578,458</u>	<u>-</u>	<u>122,647,469</u>
Less Accumulated Depreciation				
Water System Improvements	9,906,819	491,363	-	10,398,182
Sewer System Improvements	15,614,961	974,046	-	16,589,007
Storm Water Pump Stations	1,119,286	37,190	-	1,156,476
Buildings	5,832,670	304,304	-	6,136,974
Machinery, Equipment, and Vehicles	5,657,331	344,481	-	6,001,812
Parking Facilities/Improvements	1,992,819	124,838	-	2,117,657
	<u>40,123,886</u>	<u>2,276,222</u>	<u>-</u>	<u>42,400,108</u>
Total Depreciable Capital Assets	<u>80,945,125</u>	<u>(697,764)</u>	<u>-</u>	<u>80,247,361</u>
Total Capital Assets	<u>99,608,047</u>	<u>417,444</u>	<u>140,157</u>	<u>99,885,334</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 1,070,202
Sewer	1,079,321
Parking Meter	<u>126,699</u>
	<u>2,276,222</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$19,850,000 General Obligation Refunding Bonds of 2007, due in annual installments of \$320,000 to \$3,475,000 plus interest at 4.00% to 4.25% through December 1, 2021.	Debt Service	6,055,000	-	1,800,000	4,255,000
	Sewer	2,030,000	-	250,000	1,780,000
	Water	5,055,000	-	660,000	4,395,000
\$9,010,000 General Obligation Refunding Bonds of 2009, due in annual installments of \$375,000 to \$960,000 plus interest at 2.00% to 3.65% through December 1, 2023.	Debt Service	855,000	-	130,000	725,000
	Sewer	845,000	-	130,000	715,000
	Water	2,600,000	-	100,000	2,500,000
\$25,895,000 General Obligation Refunding Bonds of 2010, due in annual installments of \$190,000 to \$4,430,000 plus interest at 2.00% to 4.00% through December 1, 2026.	Debt Service	23,075,000	-	395,000	22,680,000
	Sewer	1,485,000	-	-	1,485,000
	Water	1,130,000	-	-	1,130,000
\$13,605,000 General Obligation Refunding Bonds of 2011, due in annual installments of \$740,000 to \$2,305,000 plus interest at 2.00% to 3.00% through December 1, 2023.	Sewer	6,540,000	-	820,000	5,720,000
	Water	4,050,000	-	125,000	3,925,000

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$9,920,000 General Obligation Bonds of 2013, due in annual installments of \$55,000 to \$1,00,000 plus interest at 2.00% to 4.35% through December 1, 2037.	Debt Service	\$ 885,000	-	60,000	825,000
	Sewer	8,920,000	-	-	8,920,000
\$20,315,000 General Obligation Bonds of 2014, due in annual installments of \$100,000 to \$1,850,000 plus interest at 3.00% to 4.00% through December 1, 2043.	Sewer	16,605,000	-	550,000	16,055,000
	Water	2,740,000	-	455,000	2,285,000
		<u>82,870,000</u>	<u>-</u>	<u>5,475,000</u>	<u>77,395,000</u>

IEPA Revenue Bonds

The Village has entered into an agreement with the IEPA to provide low interest financing for Sewerage improvements. IEPA revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bonds of 2006, due in annual installments of \$27,847 at 2.500% interest of 2.500% through September 13, 2026.	Sewer	\$ 266,365	-	21,320	245,045
IEPA Revenue Bonds of 2007, due in annual installments of \$41,495 at 2.500% interest at 2.500% through October 21, 2027.	Sewer	427,202	-	31,008	396,194

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Revenue Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bonds of 2010, due in annual installments of \$8,822 at 0.00% interest through April 7, 2030.	Sewer	\$ 127,918	-	8,822	119,096
IEPA Revenue Bonds of 2011, due in annual installments of \$42,888 at 1.25% interest through July 18, 2031.	Sewer	620,180	-	35,245	584,935
IEPA Revenue Bonds of 2012, due in annual installments of \$47,414 at 2.295% interest through August 5, 2032.	Sewer	664,296	-	32,353	631,943
IEPA Revenue Bonds of 2013, due in semi annual installments of \$17,634 at 1.930% interest through December 1, 2033.	Sewer	530,389	-	25,154	505,235
IEPA Revenue Bonds of 2014, due in semi annual installments of \$19,563 at 1.995% interest through December 3, 2034.	Sewer	616,209	-	26,966	589,243
IEPA Revenue Bonds of 2016, due in semi annual installments of \$21,519 at 1.860% interest through July 19, 2036.	Sewer	-	701,187	-	701,187
		3,252,559	701,187	180,868	3,772,878

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts/Notes Payable

In June 2013, the Village received formal notification from the Office of the State Fire Marshal and the Illinois Finance Authority that the Village had been approved for a \$250,000 interest free loan for the purchase of a fire truck. The loan is from the Fire Trust Revolving Loan Program and is to be paid back in equal installments over 20 years. The Village is using the loan to help defray the cost of the purchase of a new Emergency One Fire Pumping Apparatus to replace an approximately 25 year old pumper. As of December 31, 2016, the loan outstanding balance is \$200,000. Installment contracts/notes payable currently outstanding are governmental and are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$250,000 Installment Contract of 2012 - due in annual installments of \$12,500 through November 1, 2032.	General	\$ 212,500	-	12,500	200,000

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions/ Transfers	Deductions/ Transfers	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 3,480,927	91,400	8,320	3,564,007	712,801
Net Pension Liability					
Police Pension Fund	22,641,066	-	360,580	22,280,486	-
Firefighters' Pension Fund	29,115,660	-	1,286,604	27,829,056	-
IMRF	7,304,179	198,438	-	7,502,617	-
General Obligation Bonds Payable	30,870,000	-	2,385,000	28,485,000	2,555,000
Installment Contracts	212,500	-	12,500	200,000	12,500
	<u>93,624,332</u>	<u>289,838</u>	<u>4,053,004</u>	<u>89,861,166</u>	<u>3,280,301</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances	Additions/ Transfers	Deductions/ Transfers	Ending Balances	Due within One Year
Business-Type Activities					
Compensated Absences	\$ 211,300	14,300	-	225,600	45,120
General Obligation Bonds Payable	52,000,000	-	3,090,000	48,910,000	3,565,000
Unamortized					
Bond Discounts	(114,000)	-	(57,000)	(57,000)	-
IEPA Loans Payable	3,252,559	701,187	180,868	3,772,878	199,399
	<u>55,349,859</u>	<u>715,487</u>	<u>3,213,868</u>	<u>52,851,478</u>	<u>3,809,519</u>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, the net other post-employment benefit obligation, and the installment contracts/notes payable. The Debt Service Fund makes payments on the general obligation bonds payable.

For the business-type activities compensated absences are retired by the Water and Sewer Funds. The Sewer Fund makes payments on the IEPA loans payable. The Water and Sewer Funds make payments on the general obligation bonds payable.

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds Payable		Installment Contracts/ Notes Payable	
	Principal	Interest	Principal	Interest
2017	2,555,000	965,800	12,500	-
2018	2,675,000	866,117	12,500	-
2019	2,780,000	762,884	12,500	-
2020	2,885,000	679,772	12,500	-
2021	2,985,000	593,349	12,500	-
2022	3,120,000	503,587	12,500	-
2023	3,315,000	410,311	12,500	-
2024	3,370,000	303,099	12,500	-
2025	3,095,000	189,624	12,500	-
2026	1,550,000	66,526	12,500	-
2027	75,000	5,200	12,500	-
2028	80,000	2,800	12,500	-
2029	-	-	12,500	-
2030	-	-	12,500	-
2031	-	-	12,500	-
2032	-	-	12,500	-
Totals	28,485,000	5,349,069	200,000	-

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year	Business-Type Activities			
	General Obligation Bonds Payable		IEPA Loans Payable	
	Principal	Interest	Principal	Interest
2017	3,565,000	1,721,099	199,399	64,979
2018	3,665,000	1,606,824	218,426	67,473
2019	3,785,000	1,487,255	222,685	63,214
2020	3,560,000	1,360,868	227,030	58,869
2021	3,620,000	1,238,797	231,466	54,433
2022	3,310,000	1,117,372	236,000	49,899
2023	2,460,000	1,013,646	240,628	45,271
2024	1,730,000	934,498	245,356	40,543
2025	605,000	878,359	250,184	35,715
2026	600,000	860,210	255,115	30,784
2027	605,000	841,711	231,182	25,924
2028	605,000	822,550	194,791	21,766
2029	1,000,000	801,876	198,271	18,286
2030	1,050,000	768,125	197,404	14,741
2031	1,100,000	730,937	196,610	11,125
2032	1,100,000	691,437	157,276	7,571
2033	1,200,000	651,187	107,492	4,625
2034	1,250,000	606,687	79,450	2,714
2035	1,300,000	560,437	41,666	1,372
2036	1,350,000	508,063	42,447	593
2037	1,400,000	452,875	-	-
2038	1,500,000	394,375	-	-
2039	1,550,000	338,125	-	-
2040	1,650,000	280,000	-	-
2041	1,700,000	214,000	-	-
2042	1,800,000	146,000	-	-
2043	1,850,000	74,000	-	-
Totals	48,910,000	21,101,313	3,772,878	619,897

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding

General Obligation Bonds of 2007

On September 1, 2007, the Village passed an ordinance providing for the issuance of \$19,850,000 General Obligation Refunding and Improvements Bond Series 2007 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued for sewer and water improvements and in order to refund the General Obligation Refunding Bond Series of 2000, issued by the Village and outstanding in the aggregate principal amount of \$7,300,000.

This advance refunding was undertaken to reduce principal and interest payments by a total of \$761,639 from 2007 through 2021 and to obtain an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$568,492.

Proceeds in the amount of \$7,406,974 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2007 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

General Obligation Bonds of 2009

On October 27, 2009, the Village passed an ordinance providing for the issuance of \$9,010,000 General Obligation Refunding and Improvements Bond Series 2009 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued to complete the Sheridan Road reconstruction project and for a current refunding of the General Obligation Refunding Bond Series of 1999, issued by the Village and outstanding in the aggregate principal amount of \$4,750,000.

This current refunding was undertaken to extend debt service by seven years to improve cash flow in the Water Fund. From 2010 through the new 2023 maturity additional debt service of \$405,119 will be paid. In spite of the additional debt service, there is a net present value savings of \$276,655.

Proceeds in the amount of \$5,870,137 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2009 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2010

On November 30, 2010, the Village passed an ordinance providing for the issuance of \$23,280,000 General Obligation Refunding and Improvements Bond Series 2010 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued to complete various street resurfacing and alley improvements and for a current refunding of the General Obligation Refunding Bond Series of 2002, issued by the Village and outstanding in the aggregate principal amount of \$18,075,000.

This current refunding was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of debt. From 2011 through the new 2024 maturity additional debt service of \$1,863,274 will be paid. In spite of the additional debt service, there is a net present value savings of \$326,645.

Proceeds in the amount of \$21,788,540 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2010 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

General Obligation Bonds of 2011

On December 1, 2011, the Village passed an ordinance providing for the issuance of \$13,605,000 General Obligation Refunding Bond Series 2011 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. \$6,375,000 of the bonds were issued for an advance refunding of the Water Fund and Sewer Fund portions of the General Obligation Bond Series 2002 and \$7,230,000 were issued for a current refunding of IEPA Revenue Bonds of 1993, 1995, 1996 and 1997, issued by the Village and outstanding in the aggregate principal amount of \$11,262,794.

The advance refunding portion was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of the debt. From 2013 through 2023 total debt service for this portion of the bond issue will be reduced by \$969,878 reflecting net present value savings of \$850,600. Proceeds in the amount of \$6,378,904 were used to execute the escrow agreement for the advance refunding.

The current refunding portion was undertaken to lengthen the overall maturities of the four IEPA Loans and to benefit from lower interest rates. From 2013 through 2023 total debt service for this portion of the bond issue will increase by \$812,066 but still reflecting net present value savings of \$32,500. The restructuring of this debt in this manner will provide \$3.6 million in cash flow savings through 2016.

The long-term debt for the General Obligation Refunding Bond Series 2011 is recorded in the non-current liabilities in the Water and Sewer Funds.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2014

On October 7 2014, the Village passed an ordinance providing for the issuance of \$20,315,000 General Obligation Bond Series 2014 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued for capital improvements and for a current refunding of the General Obligation Refunding Bond Series of 2004, issued by the Village and outstanding in the aggregate principal amount of \$6,630,000.

This current refunding was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of debt. From 2015 through the new 2020 maturity there is a reduction in debt service of \$327,514. There is a net present value savings of \$317,628.

Proceeds in the amount of \$5,018,077 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2014 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2016:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 46,544,777
Less Capital Related Debt:	
General Obligation Bonds Payable	(28,485,000)
Loss on Refunding	1,091,038
Installment Contracts/Notes Payable	<u>(200,000)</u>
Net Investment in Capital Assets	<u><u>18,950,815</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	99,885,334
Plus Unspent Bond Proceeds	377,718
Less Capital Related Debt:	
Net General Obligation Bonds Payable	(48,881,750)
IEPA Loans Payable	<u>(3,772,878)</u>
Net Investment in Capital Assets	<u><u>47,608,424</u></u>

NET POSITION/FUND BALANCE RESTATEMENT

Beginning net position/fund balance was restated to correct an error in recognition of receivables and payables. The following is a summary of the net position as originally reported and as restated:

Fund Balance	As Reported	As Restated	(Decrease) Increase
Governmental Activities	\$ (18,882,540)	(18,713,380)	169,160
General Fund	11,237,876	11,407,036	169,160

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

	General	Debt Service	Series 2013 and 2014 General Obligation Bonds	Nonmajor	Totals
Fund Balances					
Nonspendable					
Prepays	\$ 68,356	-	-	-	68,356
IRMA Insurance Deposit	1,483,991	-	-	-	1,483,991
	<u>1,552,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,552,347</u>
Restricted					
Police Seizures	103,817	-	-	-	103,817
Debt Service	-	49,207	-	-	49,207
Motor Fuel Tax	-	-	-	296,816	296,816
	<u>103,817</u>	<u>49,207</u>	<u>-</u>	<u>296,816</u>	<u>449,840</u>
Assigned					
Road Maintenance	837,160	-	-	-	837,160
Capital Projects	1,857,763	-	-	-	1,857,763
Motor Fuel Tax	-	-	-	53,334	53,334
	<u>2,694,923</u>	<u>-</u>	<u>-</u>	<u>53,334</u>	<u>2,748,257</u>
Unassigned	<u>10,018,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,018,868</u>
Total Fund Balances	<u>14,369,955</u>	<u>49,207</u>	<u>-</u>	<u>350,150</u>	<u>14,769,312</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Assigned Fund Balance. The Village reports assigned fund balance in the General Fund, a major fund, and in the Motor Fuel Tax Fund, a nonmajor fund. The Village's Board, through the fund balance policy, has given authority to management (Village Manager) to assign funds in the General Fund as listed above based on approved management and Board expenditures as determined through the annual budget process.

Minimum Fund Balance Policy. The Village's policy is cash flow based. It states that the General Fund should maintain a minimum fund balance equal to double the projected difference of expenditures in excess of revenues in the first two months of the following year. In practice this is about 15% of annual General Fund expenditures. When actual fund balance exceeds 25% of projected annual expenditures, such excess balances may be transferred to the capital projects fund. For the Motor Fuel Tax Fund, the minimum fund balance should equal two months' worth of revenue.

Although the Village has reported land held for resale of \$630,000 in the General Fund at year-end, the Village also secured a line of credit related to the purchase of the land which it has not exercised at December 31, 2016. Due to the fact that the Village can exercise the line of credit at any time and immediately replenish the cash in the General Fund used to purchase the land, the land held for resale is not reported as nonspendable fund balance at December 31, 2016.

NOTE 4 – OTHER INFORMATION

COMMITMENTS

Tax Abatements

The Village of Wilmette established a hotel-motel occupancy tax in 2011. Concurrently, the Village entered into an economic incentive agreement with a corporation for the development of the Village's only hotel on property where no development existed. The agreement provides for the rebate of a portion of the hotel-motel taxes for ten years or up to a maximum cap of \$3.2 million. For the fiscal year ended December 31, 2016, the Village rebated a total of \$294,607 in taxes under this agreement.

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses to employees; and natural disasters. These risks are provided for through participation in the Intergovernmental Risk Management Agency and the North Suburban Employee Benefit Cooperative. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration /litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence for years prior to 2004 and \$2,500 for each occurrence in 2004 and subsequent years. Beginning in 2005, members were given the option to assume higher deductibles. IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

North Suburban Employee Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the Employee Insurance Fund. The Village's total payments for the year ended December 31, 2016 were \$1,945,240.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

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

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 although the Village expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and is available by contacting the Village. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date.)

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	151
Inactive Plan Members Entitled to but not yet Receiving Benefits	68
Active Plan Members	<u>117</u>
Total	<u><u>336</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 was 11.98% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, while the prior year used a valuation discount rate of 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 15,556,611	7,502,617	851,362

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 62,903,181	55,599,002	7,304,179
Changes for the Year:			
Service Cost	1,005,179	-	1,005,179
Interest on the Total Pension Liability	4,621,314	-	4,621,314
Difference Between Expected and Actual Experience of the Total Pension Liability	540,685	-	540,685
Changes of Assumptions	(149,306)	-	(149,306)
Contributions - Employer	-	1,137,869	(1,137,869)
Contributions - Employees	-	459,710	(459,710)
Net Investment Income	-	3,828,013	(3,828,013)
Benefit Payments, including Refunds of Employee Contributions	(3,246,994)	(3,246,994)	-
Other (Net Transfer)	-	393,842	(393,842)
Net Changes	2,770,878	2,572,440	198,438
Balances at December 31, 2016	65,674,059	58,171,442	7,502,617

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

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

For the year ended December 31, 2016, the Village recognized pension expense of \$2,662,467. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 666,283	-	666,283
Change in Assumptions	470,031	(106,899)	363,132
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>2,891,051</u>	-	<u>2,891,051</u>
Total Deferred Amounts Related to IMRF	<u><u>4,027,365</u></u>	<u><u>(106,899)</u></u>	<u><u>3,920,466</u></u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 1,839,925
2018	1,121,538
2019	900,039
2020	58,964
2021	-
Thereafter	<u>-</u>
Total	<u><u>3,920,466</u></u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>44</u>
Total	<u><u>89</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2016, the Village's contribution was 41.66% of covered payroll.

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	5.50%
Cost of Living Adjustments	3.00%
Inflation	2.50%

RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, Projected to Valuation Date using Scale AA.

Discount Rate

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 31,036,960	22,280,486	15,069,188

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 62,735,854	40,094,788	22,641,066
Changes for the Year:			
Service Cost	1,100,542	-	1,100,542
Interest on the Total Pension Liability	4,529,260	-	4,529,260
Difference Between Expected and Actual Experience of the Total Pension Liability	(453,275)	-	(453,275)
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,891,000	(1,891,000)
Contributions - Employees	-	449,131	(449,131)
Net Investment Income	-	3,231,460	(3,231,460)
Benefit Payments, including Refunds of Employee Contributions	(2,727,692)	(2,727,692)	-
Administrative Expense	-	(34,484)	34,484
Net Changes	2,448,835	2,809,415	(360,580)
Balances at December 31, 2016	65,184,689	42,904,203	22,280,486

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,239,032. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 69,390	(428,758)	(359,368)
Change in Assumptions	162,636	-	162,636
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,641,237	(253,264)	2,387,973
Total Deferred Amounts Related to Police Pension	<u>2,873,263</u>	<u>(682,022)</u>	<u>2,191,241</u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2017	\$ 829,757
2018	829,757
2019	685,698
2020	(153,971)
2021	-
Thereafter	-
Total	<u>2,191,241</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan

Plan Descriptions

Plan Administration. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>45</u>
Total	<u><u>104</u></u>

Benefits Provided. The following is a summary of the Firefighters’ Pension Plan as provided for in Illinois State Statutes.

The Firefighters’ Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 firefighter 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 percent of the original pension and 3percent compounded annually thereafter.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2016, the Village's contribution was 54.05% of covered payroll.

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	5.50%
Cost of Living Adjustments	3.00%
Inflation	2.50%

RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, Projected to Valuation Date using Scale AA.

Discount Rate

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 37,062,440	27,829,056	20,234,403

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 69,596,559	40,480,899	29,115,660
Changes for the Year:			
Service Cost	1,180,425	-	1,180,425
Interest on the Total Pension Liability	5,001,380	-	5,001,380
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,452,630)	-	(1,452,630)
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,422,000	(2,422,000)
Contributions - Employees	-	429,767	(429,767)
Net Investment Income	-	3,240,709	(3,240,709)
Benefit Payments, including Refunds of Employee Contributions	(3,584,863)	(3,584,863)	-
Administrative Expense	-	(76,697)	76,697
Net Changes	1,144,312	2,430,916	(1,286,604)
Balances at December 31, 2016	70,740,871	42,911,815	27,829,056

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,624,304. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,185,495	(1,162,104)	23,391
Change in Assumptions	194,028	-	194,028
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>2,697,554</u>	<u>(268,112)</u>	<u>2,429,442</u>
Total Deferred Amounts Related to Firefighters' Pension	<u><u>4,077,077</u></u>	<u><u>(1,430,216)</u></u>	<u><u>2,646,861</u></u>

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

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2017	\$ 1,123,138
2018	1,123,138
2019	758,139
2020	(357,554)
2021	-
Thereafter	<u>-</u>
Total	<u><u>2,646,861</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2016

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides certain health care insurance benefits for retired employees. Until 2016, in accordance with the personnel policy substantially all of the Village's employees could become eligible for those benefits if they reached normal retirement age while working for the Village. Starting in 2016, the policy was changed and the Village no longer offers this benefit to new hires except firefighters. The retirees pay 100 percent of the annual premium for health insurance. The Village's health insurance provider, North Suburban Employee Benefit Cooperative utilizes community based rates, which adjust for the demographics of the Village's pool of participants, including age, etc. Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy as of December 31, 2016.

SUBSEQUENT EVENT

On March 28, 2017, the Village authorized the borrowing of funds of not to exceed \$9,000,000 from the Illinois Environmental Protection Agency revolving loan fund for the Water Plant Electrical Improvements Project. The estimated total cost of this project is \$7,700,000.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Employer Contributions
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2016**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 1,072,680	\$ 1,072,680	\$ -	\$ 9,335,774	11.49%
2016	1,137,869	1,137,869	-	9,498,079	11.98%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 (base year 2012)

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2016**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 1,775,948	\$ 1,800,000	\$ 24,052	\$ 4,263,576	42.22%
2015	1,763,100	1,763,100	-	4,385,426	40.20%
2016	1,890,902	1,891,000	98	4,539,433	41.66%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	3-Year Smoothed Market
Inflation	2.50%
Salary Increases	5.50%
Investment Rate of Return	7.25%
Retirement Age	50-70
Mortality	RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, Projected to the Valuation Date using Scale AA

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2016**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 2,177,181	\$ 2,200,000	\$ 22,819	\$ 4,333,254	50.77%
2015	2,295,995	2,296,000	5	4,464,767	51.42%
2016	2,421,031	2,422,000	969	4,481,012	54.05%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	3-Year Smoothed Market
Inflation	2.50%
Salary Increases	5.50%
Investment Rate of Return	7.25%
Retirement Age	50-70
Mortality	RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, Projected to the Valuation Date using Scale AA

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2016

	2015	2016
Total Pension Liability		
Service Cost	\$ 1,001,981	1,005,179
Interest	4,446,817	4,621,314
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	12,304	540,685
Change of Assumptions	72,972	(149,306)
Benefit Payments, Including Refunds of Member Contributions	(2,999,904)	(3,246,994)
Net Change in Total Pension Liability	2,534,170	2,770,878
Total Pension Liability - Beginning	60,369,011	62,903,181
Total Pension Liability - Ending	62,903,181	65,674,059
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,072,680	1,137,869
Contributions - Members	420,111	459,710
Net Investment Income	278,943	3,828,013
Benefit Payments, Including Refunds of Member Contributions	(2,999,904)	(3,246,994)
Other (Net Transfer)	284,970	393,842
Net Change in Plan Fiduciary Net Position	(943,200)	2,572,440
Plan Net Position - Beginning	56,542,202	55,599,002
Plan Net Position - Ending	55,599,002	58,171,442
Employers Net Pension Liability	\$ 7,304,179	7,502,617
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.39%	88.58%
Covered-Employee Payroll	\$ 9,335,774	9,498,079
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	78.24%	78.99%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2016**

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 1,028,254	1,076,377	1,100,542
Interest	4,128,751	4,304,465	4,529,260
Differences Between Expected and Actual Experience	(165,348)	115,649	(453,275)
Change in Assumptions	-	271,061	-
Benefit Payments, Including			
Refunds of Member Contributions	(2,577,760)	(2,654,506)	(2,727,692)
Net Change in Total Pension Liability	2,413,897	3,113,046	2,448,835
Total Pension Liability - Beginning	57,208,911	59,622,808	62,735,854
Total Pension Liability - Ending	59,622,808	62,735,854	65,184,689
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,800,000	1,763,100	1,891,000
Contributions - Members	423,565	439,929	449,131
Net Investment Income	1,985,708	(827,422)	3,231,460
Benefit Payments, Including			
Refunds of Member Contributions	(2,577,761)	(2,654,506)	(2,727,692)
Administrative Expense	(24,963)	(27,269)	(34,484)
Net Change in Plan Fiduciary Net Position	1,606,549	(1,306,168)	2,809,415
Plan Net Position - Beginning	39,794,407	41,400,956	40,094,788
Plan Net Position - Ending	41,400,956	40,094,788	42,904,203
Employers Net Pension Liability	\$ 18,221,852	22,641,066	22,280,486
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.44%	63.91%	65.82%
Covered-Employee Payroll	\$ 4,263,576	\$ 4,385,426	\$ 4,539,433
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	427.38%	516.28%	490.82%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2016**

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 1,353,552	1,354,485	1,180,425
Interest	4,447,479	4,701,473	5,001,380
Differences Between Expected and Actual Experience	915,150	1,365,723	-
Change in Assumptions	-	323,382	(1,452,630)
Benefit Payments, Including			
Refunds of Member Contributions	(3,143,670)	(3,283,837)	(3,584,863)
Net Change in Total Pension Liability	3,572,511	4,461,226	1,144,312
Total Pension Liability - Beginning	61,562,822	65,135,333	69,596,559
Total Pension Liability - Ending	65,135,333	69,596,559	70,740,871
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,200,000	2,296,000	2,422,000
Contributions - Members	404,901	427,887	429,767
Net Investment Income	2,008,758	(869,293)	3,240,709
Benefit Payments, Including			
Refunds of Member Contributions	(3,143,670)	(3,283,837)	(3,584,863)
Administrative Expense	(67,965)	(51,846)	(76,697)
Net Change in Plan Fiduciary Net Position	1,402,024	(1,481,089)	2,430,916
Plan Net Position - Beginning	40,559,964	41,961,988	40,480,899
Plan Net Position - Ending	41,961,988	40,480,899	42,911,815
Employers Net Pension Liability	\$ 23,173,345	29,115,660	27,829,056
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.42%	58.17%	60.66%
Covered-Employee Payroll	\$ 4,333,254	4,464,767	4,481,012
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	534.78%	652.12%	621.04%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2016**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	5.01%
2015	(2.00)%
2016	8.24%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2016**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.99%
2015	(2.09)%
2016	8.23%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 19,651,700	19,743,931
Licenses, Permits and Fees	3,741,100	5,215,126
Intergovernmental	7,091,200	6,498,853
Charges for Services	3,168,500	3,338,934
Fines and Forfeitures	358,700	310,252
Investment Earnings	10,000	310,015
Miscellaneous	1,261,500	1,704,470
Total Revenues	<u>35,282,700</u>	<u>37,121,581</u>
Expenditures		
General Government	3,781,289	3,734,719
Public Safety	20,141,705	19,662,967
Streets and Sanitation	6,221,090	5,912,101
Other Public Works	3,500,449	3,210,852
Public Health	259,365	258,189
Community Development	1,836,900	1,790,405
Capital Outlay	489,285	511,929
Debt Service		
Principal Retirement	12,500	12,500
Total Expenditures	<u>36,242,583</u>	<u>35,093,662</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(959,883)</u>	<u>2,027,919</u>
Other Financing Sources		
Transfers In	1,000,000	1,000,000
Transfers Out	(65,000)	(65,000)
	<u>935,000</u>	<u>935,000</u>
Net Change in Fund Balance	<u>(24,883)</u>	2,962,919
Fund Balance - Beginning as Restated		<u>11,407,036</u>
Fund Balance - Ending		<u><u>14,369,955</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
- Budgetary Comparison Schedules – Major Enterprise Funds
- Budgetary Comparison Schedules – Nonmajor Enterprise Fund
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Combining Statement of Changes in Assets and Liabilities – Agency Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

DEBT SERVICE FUND

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Series 2013 and 2014 General Obligation Bonds Fund

The Series 2013 and 2014 General Obligation Bonds Fund is used to account for revenue and expenditures for road resurfacing, alley and other infrastructure improvements, Public Works facility improvements and large equipment replacements.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been 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 purpose.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS - Continued

Water Fund

The Water Fund is used to account for the provision of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Sewer Fund

The Water Fund is used to account for the provision of the sewer system to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Parking Meter Fund

The Parking Meter Fund is used to account for the provision of parking to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Municipal Garage Fund

The Municipal Garage Fund is used to account for the activity necessary to operate and maintain the Village's automotive fleet. User departments are charged a proportionate share determined by the number and types of vehicles in each department.

Employee Insurance Fund

The Employee Insurance Fund is used to for account employer provided health and life insurance, employer flexible benefit contributions, and unemployment compensation. User departments are charged the expense incurred on behalf of their employees.

Workers' Compensation Fund

The Workers' Compensation Fund is used to account for employer workers' compensation expense. User departments are charged a proportionate share of this expense determined by the employees in each department.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS – Continued

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for employer Social Security and Medicare contributions as well as employer pension contributions to the Illinois Municipal Retirement Fund (the statewide pension plan for the Village's full-time employees other than sworn police and fire personnel.) User departments are charged a proportionate share of this expense determined by the employees in each department.

Section 105 Sick Leave Fund

The Section 105 Sick Leave Fund is used to account for employer Section 105 sick leave expense. User departments are charged a proportionate share of this expense determined by the employees in each department.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees in the firefighting service at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

AGENCY FUND

Fire Insurance Tax Fund

The Fire Insurance Tax Fund is used to account for foreign fire insurance tax receipts held on behalf of retiring Village firefighters' to be applied to their retiree health insurance premiums.

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Taxes		
Property Taxes	\$ 12,980,600	13,110,897
Municipal Sales Tax - Home Rule	2,058,600	2,052,250
Real Estate Transfer Tax	1,181,000	1,303,787
Utility Tax	2,293,400	2,225,629
E-911 Surcharge	202,600	-
Wireless 911 Tax	195,900	341,972
Personal Property Replacement Tax	275,300	249,816
Hotel Tax	387,300	383,104
Fuel Use Tax	77,000	76,476
Total Taxes	19,651,700	19,743,931
Licenses, Permits and Fees		
Licenses		
Animal	1,500	1,670
Business	254,000	248,125
Vehicle	1,440,400	1,521,438
Taxi	15,100	7,480
Liquor Licenses	84,000	91,322
Permits		
Building	1,107,200	2,211,888
Demolition	158,000	164,633
Electric	67,000	109,491
Plumbing	46,400	65,333
Right-of Way	19,600	20,274
Other	123,500	132,962
Fees		
Plan Review	78,300	87,378
Pavement Degradation Fee	60,000	95,326
Inspections	252,400	402,863
Filing	23,700	28,551
Permit Penalties	10,000	26,392
Total Licenses, Permits, and Fees	3,741,100	5,215,126

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Intergovernmental		
Municipal Sales Tax	\$ 3,757,500	3,663,967
State Income Tax	2,764,700	2,636,758
Police Grants	20,000	4,176
Fire Grants	20,000	43,353
State Grant - Skokie / Hibbard Improvements	136,000	150,599
State Grant - Locust Rd. Improvements	137,000	-
Miscellaneous Grant Revenue	256,000	-
Total Intergovernmental	7,091,200	6,498,853
Charges for Services		
Refuse Collection Charges	2,403,900	2,430,901
Sales of Yard Waste Bags	90,300	83,617
Ambulance Transport Charges	405,400	485,460
Fire Alarms	4,000	1,275
Burglar Alarms	20,000	19,925
Elevator Inspections	15,000	12,981
Sanitarian Services	68,400	52,890
Computer Aided Dispatch Services	500	67,221
Damage to Village Property	30,000	27,089
Shore Line Place Services	20,300	22,889
Fairfield Court Services	35,000	72,381
French Market Services	2,100	2,175
Engineering & Consulting Reimbursements	-	4,415
Park District Personnel Reimbursements	58,000	37,979
School & Park District Ethernet Reimbursements	6,600	6,564
Other Police Service Charges	800	550
Health Department Charges	8,200	8,629
Other Professional Services Reimbursements	-	1,993
Total Charges for Services	3,168,500	3,338,934

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Fines and Forfeitures		
Court Fines	\$ 75,000	35,320
Vehicle License and Parking	280,000	269,171
Animal and Impounding Fees	3,700	5,761
Total Fines and Forfeitures	<u>358,700</u>	<u>310,252</u>
Investment Earnings		
Interest	10,000	26,525
I.R.M.A. Excess Surplus Investment Earnings	-	283,490
Total Investment Earnings	<u>10,000</u>	<u>310,015</u>
Miscellaneous		
Rental Income		
Wilmette Park District	55,000	54,767
Cellular Antennae Leases	370,000	315,616
Depot Nuevo	48,200	48,887
1225 Central	31,200	22,800
3545 Lake Avenue	2,400	2,400
Sale of General Capital Assets	20,000	7,233
Sale of Land	-	425,000
Cable TV Franchise Fees	545,000	568,353
Cable PEG Fees	42,500	42,839
Commercial Waste Collection Franchise Fees	79,200	88,424
Interest Payments from Property Tax Collections	1,000	465
Other	21,000	27,613
RED Center Fee Refund	-	22,648
Insurance Reimbursements	-	32,689
Police Seizures	20,000	12,447
Section 125 Plan Liability Write-offs	-	2,586
Contribution from Wilmette Historical Society	26,000	29,703
Total Miscellaneous	<u>1,261,500</u>	<u>1,704,470</u>
Total Revenues	<u>35,282,700</u>	<u>37,121,581</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
General Government		
Legislative		
Memberships	\$ 18,650	17,613
Annual Audit	10,700	8,000
Professional Services	-	650
Incidentals	2,000	409
Total Legislative	31,350	26,672
General Administration		
Salaries - Regular	451,825	456,190
Employee Benefits	145,560	145,330
Memberships	5,555	4,945
Professional Services	9,150	11,908
Community Notification System	4,500	3,981
Lease/Purchase - Copier	8,650	8,539
Pre-employment Exams	4,000	4,999
Office Supplies	3,000	2,129
Incidentals	1,500	751
Training	9,630	11,896
Personnel Training	500	-
Employee Recognition Program	6,800	5,803
Newsletters	14,000	15,188
Publishing Legal Notices	2,000	372
Classified Advertisements	4,200	3,001
Total General Administration	670,870	675,032

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
General Government - Continued		
Information Services		
Salaries - Regular	\$ 258,600	258,181
Employee Benefits	91,345	90,253
Memberships	250	250
Professional Services	15,500	12,352
Geographic Information System	31,670	32,006
Contractual Hardware Support	5,200	6,459
Contractual Software Support	204,410	203,301
PC Software Subscription	38,925	40,903
Contractual Internet Expenditures	5,580	6,326
Computer Communications	31,500	34,805
Computer Parts	11,900	13,926
Computer Software	2,000	530
Office Supplies	500	437
Automotive	4,100	3,650
Incidentals	200	55
Training	10,125	7,376
Motor Equipment	12,000	11,995
Office Furniture and Equipment	36,250	31,490
Total Information Services	760,055	754,295
Finance Department		
Salaries - Regular	735,975	713,332
Employee Benefits	230,065	232,880
Memberships	1,500	1,348
Professional Services	30,500	29,420
Lease/Purchase - Copier	16,750	16,230
Bank Charges	52,500	82,728
Postage - General Office	40,500	28,139
Contractual Services	18,000	18,321
Maintenance of Office Equipment	2,000	1,920
Telephone - Office Service	42,100	25,606
Telephone - Maintenance	5,500	5,400

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
General Government - Continued		
Finance Department - Continued		
Telephone - Cellular Service	\$ 29,000	30,822
Telephone - Long Distance	200	128
Office Supplies	19,100	10,188
Supplies Other than Office	9,600	10,705
Incidentals	200	184
Training	3,000	1,775
Publishing Legal Notices	2,000	772
Total Finance Department	1,238,490	1,209,898
Law Department		
Memberships	1,285	1,380
Code Revision service	4,000	495
Special Attorney Fees	100,000	122,487
Contractual Corporation Counsel Services	208,200	205,200
Supplies - Legal	750	466
Incidentals	150	-
Litigation Costs	5,000	39,883
Total Law Department	319,385	369,911
Boards and Commissions		
Incidentals	500	-
Housing Commission	3,000	1,017
Historic Preservation Commission	1,600	89
Human Relations Commission	3,200	1,340
Bicycle Task Force	2,000	1,736
Total Boards and Commissions	10,300	4,182
Historical Museum		
Salaries - Regular	125,675	129,664
Employee Benefits	27,710	27,707
Total Historical Museum	153,385	157,371

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
General Government - Continued		
Cable Programming Services		
Salaries - Regular	\$ 89,450	87,063
Salaries - Other	-	566
Employee Benefits	33,340	32,820
Memberships	190	185
Contractual Website Services	7,500	5,127
Maintenance - Office Equipment	3,500	290
Hi-Speed Ethernet Service	17,600	18,053
Supplies - Office	250	276
Supplies - Video	2,500	1,635
Incidentals	300	-
Training	600	-
Office Space Rent	13,200	12,201
Office Furniture and Equipment	5,000	4,179
Total Cable Programming Services	173,430	162,395
Insurance		
General Liability and Property Insurance		
Fixed Premiums	175,000	125,220
Village Use of IRMA Excess Surplus Reserve	-	108,634
Deductible Payments	30,000	28,334
Total Insurance	205,000	262,188
Contingencies		
Regular	311,000	75,375
2017 Road / Alley Engineering Design	-	129,376
Total Contingencies	311,000	204,751
Total General Government	3,873,265	3,826,695
NonGAAP Activity		
Plus Prior Year Encumbrances	8,310	8,310
Less Current Year Encumbrances	(100,286)	(100,286)
Total General Government	3,781,289	3,734,719

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Public Safety		
Fire and Police Commission		
Salaries - Regular	\$ 45,300	45,198
Employee Benefits	16,695	16,003
Professional Services	17,500	14,459
Total Fire and Police Commission	<u>79,495</u>	<u>75,660</u>
Police		
General Operations		
Salaries - Regular	4,701,700	4,596,875
Salaries - Overtime	321,750	329,585
Employee Benefits	2,921,060	2,781,231
Memberships	1,375	1,425
Professional Services	-	60
Physical Exams	15,000	7,965
Contractual Animal Observation	18,000	16,361
Maintenance - Equipment	31,400	25,873
Maintenance - Radios	19,350	10,293
Uniforms	40,140	36,884
Range Supplies	9,000	8,804
Supplies Other than Office	13,800	13,333
Community Relations Materials	2,000	1,869
Automotive	259,200	231,380
Incidentals	4,600	3,356
Training	41,000	38,519
Police Seizure Expense	20,000	21,696
Crime Lab Contributions	41,100	39,113
NIPAS Contribution	4,850	6,205
Major Crimes Task Force	4,300	4,100
NIPSTA Contribution	8,140	7,304
C.E.R.F. Contribution	114,000	114,000
Other Equipment	6,875	6,875
Total General Operations	<u>8,598,640</u>	<u>8,303,106</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
General Services		
Salaries - Regular	\$ 513,075	499,485
Salaries - Overtime	300	980
Employee Benefits	190,000	181,257
Memberships	500	305
Professional Services	19,025	15,010
Lease/Purchase - Copier	6,100	5,996
Maintenance - Office Equipment	500	376
Reaccreditation Fees	7,000	2,857
L.E.A.D.S./P.I.M.S. Program	3,000	3,000
Professional Services - Police Grant Work	1,500	-
Towing - Contractual	800	380
Computer Communications	3,000	2,891
Uniforms	300	-
Office Supplies	8,000	7,647
Supplies Other than Office	2,000	1,002
Incidentals	300	-
Training	1,200	870
Care of Prisoners	1,500	1,462
Total General Services	758,100	723,518
Public Safety Communications		
Salaries - Regular	710,700	683,112
Salaries - Overtime	64,000	61,543
Employee Benefits	268,880	263,050
Memberships	160	167
Professional Services	7,000	3,500
Contractual Regional Fire Dispatch	220,300	198,856
Contractual Software Support - C.A.D.	81,440	81,485
Software - 911 System	-	6,964
Maintenance - Office Equipment	5,600	5,580

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
Public Safety Communications - Continued		
Maintenance - E-911 System	\$ 61,050	25,877
Maintenance - NORCOM Network	80,250	89,517
IWIN Program	9,000	9,059
Computer Communications	8,340	6,279
Uniforms	3,000	2,270
Incidentals	200	-
Training	2,300	480
Total Public Safety Communications	1,522,220	1,437,739
School Crossing Protection		
Salaries - Regular	240,600	224,993
Employee Benefits	22,275	21,550
Uniforms	1,000	186
Supplies Other than Office	500	227
Total School Crossing Protection	264,375	246,956
Total Police	11,143,335	10,711,319
Emergency Fire and Medical Services		
Salaries - Regular	4,692,450	4,660,787
Salaries - Overtime	305,000	359,908
Salaries - Off-Duty Response	21,800	6,163
Employee Benefits	3,444,280	3,445,831
Memberships	3,895	3,262
Lease/Purchase - Copier	5,000	4,137
Physical Exams	16,675	16,303
Maintenance - Equipment	5,650	5,521
Maintenance - Radios	1,450	147
Maintenance - Breathing Equipment	7,500	7,631

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Public Safety - Continued		
Emergency Fire and Medical Services - Continued		
Maintenance - Telemetry Equipment	\$ 750	485
Maintenance - Special Rescue Equipment	8,100	8,151
Rec accreditation Fees	7,500	7,895
Computer Communications	24,150	26,682
Uniforms	25,125	25,186
Protective Clothing	23,000	23,297
Supplies - Fire Hose	9,500	9,514
Supplies - Medical	9,700	9,899
Supplies - Emergency Equipment	7,600	7,186
Supplies - Office	2,000	1,990
Supplies - Other than Office	7,500	5,160
Materials - Public Education Programming	4,500	3,932
Automotive	290,500	259,400
Incidentals	950	877
Training	48,900	61,068
NIPSTA Contribution	8,325	7,304
MABAS Contribution	5,500	5,275
Rent - Commonwealth Edison	575	575
C.E.R.F. Contribution	114,000	114,000
Other Equipment	45,000	16,422
Total Emergency Fire and Medical Services	9,146,875	9,103,988
Total Public Safety	20,369,705	19,890,967
NonGAAP Activity		
Less C.E.R.F. Contributions	(228,000)	(228,000)
Total Public Safety	20,141,705	19,662,967

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Streets and Sanitation		
Streets Department		
Salaries - Regular	\$ 993,550	942,677
Salaries - Overtime	85,000	75,392
Employee Benefits	360,220	348,573
Memberships	1,745	1,680
Professional Services	400	-
G.P.S. Fleet Management	11,600	8,060
Lease/Purchase - Copier	5,000	4,428
Contractual Services	48,460	31,860
Contractual Snow Removal	73,110	41,245
J.U.L.I.E. Expenditures	6,406	6,405
Landscaping and Maintenance of Public Right of Way	34,000	32,374
Reaccreditation Fees	5,500	-
Lease Leaf Packers	-	8,400
Leaf Disposal	137,640	106,880
Uniforms	6,500	6,499
Supplies - Miscellaneous Tools and Equipment	3,125	1,346
Supplies - Office	3,300	2,385
Supplies - Other than Office	1,000	1,604
Materials - Traffic Signs	16,400	13,415
Materials - Salt	179,205	148,021
Materials - Street Repair and Landscaping	35,000	33,425
Materials - Leaf Pans	5,250	5,000
Automotive	562,000	501,734
Incidentals	1,000	1,178
Training	9,245	4,761
NIPSTA Contribution	1,500	1,500
C.E.R.F. Contribution	114,000	114,000
Other Equipment	31,000	55,976
Total Streets Department	2,731,156	2,498,818

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Refuse Collection and Disposal		
Contractual Refuse Collection	\$ 980,000	997,275
Recycling Collection	762,500	761,904
Landfill Tipping Fees	433,800	415,985
Contractual Yard Waste Collection	206,500	206,522
Prescription Drug Disposal	15,000	-
Yard Waste Supplies	2,550	960
Promotional and Educational	600	-
Total Refuse Collection and Disposal	2,400,950	2,382,646
Maintenance of Trees		
Salaries - Regular	279,350	275,701
Salaries - Overtime	8,150	5,167
Employee Benefits	119,725	118,335
Contractual Services	2,000	241
Tree Planting Program	61,000	60,855
Contractual Tree Pruning	316,570	303,632
Emerald Ash Borer - Tree Removals	43,600	29,580
Uniforms	1,250	1,234
Materials	2,100	1,989
Automotive	28,600	25,590
Training	2,000	1,282
Total Maintenance of Trees	864,345	823,606
Street Lighting		
Salaries - Regular	117,425	118,605
Salaries - Overtime	5,950	1,848
Employee Benefits	49,500	43,589
Contractual Services	4,100	2,360
Maintenance & Disposal of Transformers	1,000	544
Uniforms	600	598
Street Light Pole Painting	25,000	12,642
Supplies	23,700	19,464

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Street Lighting - Continued		
Supplies - Light Poles and Parts	\$ 25,000	24,169
Commonwealth Edison Leased Lighting	20,000	22,407
Street Light Power - Village System	73,000	83,643
Automotive	19,100	17,060
Training	370	208
Total Street Lighting	<u>364,745</u>	<u>347,137</u>
Total Streets and Sanitation	6,361,196	6,052,207
NonGAAP Activity		
Less C.E.R.F. Contributions	(114,000)	(114,000)
Less Current Year Encumbrances	<u>(26,106)</u>	<u>(26,106)</u>
Total Streets and Sanitation	<u>6,221,090</u>	<u>5,912,101</u>
Other Public Works		
Village Engineer		
Salaries - Regular	349,450	299,088
Salaries - Overtime	500	18
Employee Benefits	123,210	99,711
Memberships	1,485	975
Professional Services	22,500	195,512
Plan Review Services	57,750	69,118
Plan Review Services -- Non-Operating	55,000	6,997
Maintenance - Office Equipment	1,600	1,305
Maintenance - Traffic Signals	50,200	41,757
Sidewalk Replacement Program	70,000	68,431
Curb Replacement Program	40,000	38,137
Street and Alley Maintenance Program	515,000	486,429
Pavement Marking Program	50,000	50,000
Brick Street Maintenance	136,000	122,711
Brick Street Renovations	240,000	355,913
Crack Sealing Program	40,000	40,000

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Other Public Works - Continued		
Village Engineer - Continued		
Street Resurfacing Program	\$ 360,000	303,334
Skokie / Hibbard Road Improvements	136,000	150,599
Locust Road Improvements	211,700	1,322
Central Avenue Reconstruction	340,000	178,556
1199 Wilmette Ave. Parking Lot	-	50,543
Skokie Valley Bicycle Trail	-	13,584
Supplies - Office	1,300	1,495
Supplies - Other than Office	2,300	2,194
Automotive	10,200	9,120
Incidentals	2,400	293
Training	4,400	4,121
Total Village Engineer	2,820,995	2,591,263
Building and Grounds		
Salaries - Regular	192,350	193,413
Salaries - Overtime	9,825	10,125
Employee Benefits	78,130	77,491
Memberships	400	301
Contractual Services	91,690	90,335
Contractual Custodial Services	74,000	70,994
Heating and Cooling System Repairs	62,500	56,400
Uniforms	1,300	1,125
Supplies - Building	48,800	55,229
Supplies - Grounds	2,500	3,087
Supplies - Printing	6,000	5,175
Building and Furniture Repairs	65,000	61,540
Heating - Gas	30,000	25,941

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Other Public Works - Continued		
Building and Grounds - Continued		
Automotive	\$ 8,900	7,920
Incidentals	-	519
Training	1,000	-
Total Building and Grounds	<u>672,395</u>	<u>659,595</u>
Total Other Public Works	3,493,390	3,250,858
NonGAAP Activity		
Plus Prior Year Encumbrances	181,946	152,931
Less Current Year Encumbrances	<u>(174,887)</u>	<u>(192,937)</u>
Total Other Public Works	<u>3,500,449</u>	<u>3,210,852</u>
Public Health		
Salaries - Regular	177,950	178,165
Employee Benefits	65,415	64,551
Memberships	600	629
Lab Services - Contractual	1,300	657
Maintenance - Office Equipment	200	22
Supplies - Laboratory	6,000	7,409
Supplies - Office	300	514
Automotive	4,800	4,270
Incidentals	700	512
Training	1,000	535
C.P.R. Program	<u>1,100</u>	<u>925</u>
Total Public Health	<u>259,365</u>	<u>258,189</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Community Development		
Community Development		
Salaries - Regular	\$ 868,500	844,216
Salaries - Overtime	500	529
Employee Benefits	298,120	281,108
Memberships	3,090	2,241
Professional Services	5,450	3,950
Digital Records Conversion	3,500	3,258
Contractual Planning & Inspection Services	86,000	80,320
Contractual Planning & Inspection Services - Non-Operating	8,000	-
Plan Review & Inspection Services -- 611 Greenbay Rd.	-	16,590
Contractual Elevator Inspection Services	8,000	14,100
Maintenance - Office Equipment	200	-
Supplies - Office	2,500	2,757
Supplies - Other than Office	1,385	1,502
Automotive	14,300	12,800
Incidentals	300	151
Training	3,050	1,564
Publishing Legal Notices	2,000	1,576
Total Community Development	1,304,895	1,266,662
Business Development		
Salaries - Regular	55,075	55,141
Employee Benefits	16,905	16,088
Memberships	1,425	1,395
Business Promotion Activities	89,150	90,368
Incidentals	650	455
Property Taxes - Depot Nuevo and 1225 Central	69,000	64,889
Hotel Tax Rebate	297,850	294,607
Land Held for Resale - Holding Costs		
Total Business Development	530,055	522,943
Total Community Development	1,834,950	1,789,605
NonGAAP Activity		
Plus Prior Year Encumbrances	1,950	800
Total Community Development	1,836,900	1,790,405

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Capital Outlay - C.E.R.F. Program:		
Motor Equipment	\$ 516,500	539,144
Total Capital Outlay	516,500	539,144
NonGAAP Activity		
Less Current Year Encumbrances	(27,215)	(27,215)
Total Capital Outlay	489,285	511,929
Debt Service		
Fire Truck Loan Principal Retirement	12,500	12,500
Total Expenditures	36,242,583	35,093,662

VILLAGE OF WILMETTE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 3,346,900	3,389,404
Expenditures		
Debt Service		
Principal Retirement	2,386,000	2,385,000
Interest and Fiscal Charges	1,055,000	1,053,797
Total Expenditures	3,441,000	3,438,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,100)	(49,393)
Other Financing Sources		
Transfers In	65,000	65,000
Net Change in Fund Balance	<u>(29,100)</u>	15,607
Fund Balance - Beginning		<u>33,600</u>
Fund Balance - Ending		<u>49,207</u>

VILLAGE OF WILMETTE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 640,000	640,000	689,652
Investment Earnings	2,000	2,000	1,666
Total Revenues	<u>642,000</u>	<u>642,000</u>	<u>691,318</u>
Expenditures			
Capital Outlay			
Road Resurfacing Improvements	820,000	923,500	923,500
NonGAAP Activity			
Plus Prior Year Encumbrances	81,724	81,724	81,724
Less Current Year Encunbrances	(53,334)	(53,334)	(53,334)
Total Capital Outlay	<u>848,390</u>	<u>951,890</u>	<u>951,890</u>
Net Change in Fund Balance	<u>(206,390)</u>	<u>(309,890)</u>	(260,572)
Fund Balance - Beginning			<u>610,722</u>
Fund Balance - Ending			<u><u>350,150</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales		
Residential	\$ 3,214,300	3,145,608
Unbilled Water Sales	-	10,000
Village of Glenview	3,873,000	4,048,257
Illinois American Water Company	969,000	1,072,550
Other Water Sales	-	10,697
Other	175,000	140,523
Total Operating Revenues	<u>8,231,300</u>	<u>8,427,635</u>
Operating Expenses		
Administration		
General	161,900	168,242
Administrative	517,445	523,519
Operations		
Water Plant Operations	2,800,345	2,614,049
Distribution	1,081,535	933,604
Meter and Reservoir Maintenance	321,805	315,857
Depreciation	-	1,070,202
Total Operating Expenses	<u>4,883,030</u>	<u>5,625,473</u>
Operating Income	<u>3,348,270</u>	<u>2,802,162</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	15,000	15,076
Interest Expense	(539,500)	(506,674)
	<u>(524,500)</u>	<u>(491,598)</u>
Income Before Transfers	2,823,770	2,310,564
Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Change in Net Position	<u>2,823,770</u>	1,310,564
Net Position - Beginning		<u>17,831,745</u>
Net Position - Ending		<u>19,142,309</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Administration		
General		
Salaries - Regular	\$ 64,800	67,708
Salaries - Overtime	500	-
Employee Benefits	16,150	29,218
Annual Audit	14,000	14,000
Bank Charges	37,100	32,072
Postage	22,350	17,186
Supplies - Office - Administrative	4,000	5,566
Supplies - Office - Water Plant	2,400	2,385
Incidentals	100	80
Training	500	27
Total General	161,900	168,242
Administrative		
Salaries - Regular	282,250	276,342
Employee Benefits	89,585	84,233
Memberships	2,960	2,253
Telephone - Regular Service	23,000	39,675
Telephone - Maintenance	1,500	1,245
Telephone - Cellular	6,000	9,390
Supplies - Building	8,000	7,781
Building Furniture and Repairs	7,000	7,128
Training	6,950	5,272
General Liability and Property Insurance	90,200	90,200
Total Administrative	517,445	523,519

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operations		
Water Plant Operations		
Salaries - Regular	\$ 1,306,750	1,286,866
Salaries - Accrued Vacation	-	(1,800)
Salaries - Overtime	34,100	24,756
Employee Benefits	544,735	527,474
Professional Services - SCADA System Maintenance	2,400	1,410
Contractual Services	38,700	30,905
Contractual Custodial Services	11,000	10,980
Maintenance of Equipment	34,900	35,854
Maintenance of Intake		
Video Communications	460	1,174
Uniforms	5,800	5,894
Supplies	29,000	36,843
Supplies - Computer Parts	1,000	163
Supplies - Laboratory	15,300	14,314
Equipment Repair Materials	33,000	35,369
Power	390,000	347,592
Heating Gas	55,000	19,386
Chemicals	172,000	136,075
Automotive	10,200	9,120
Incidentals	1,000	1,535
Water Reclamation District User Charges	85,000	7,759
Park District Lab Testing Supplies	30,000	28,932
Water System Study	-	53,448
Filter Valve Improvements	75,000	37,457
Basins #1 & #2 Improvements	-	9,189
Building Renovations and Piping Improvements	33,890	22,846
	2,909,235	2,683,541
Less Nonoperating Items		
Capital Outlay	(108,890)	(69,492)
Total Water Plant Operations	2,800,345	2,614,049

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operations - Continued		
Distribution		
Salaries - Regular	\$ 448,025	442,728
Salaries - Accrued Vacation	-	8,050
Salaries - Overtime	34,900	25,306
Employee Benefits	203,440	198,965
Geographic Information System	31,670	29,857
Contractual Services	116,725	62,576
Unidirectional Main Flushing	59,000	-
Maintenance - Distribution System	11,000	5,223
Uniforms	3,825	3,506
Supplies - Miscellaneous Tools and Equipment	2,625	3,185
Materials	66,600	48,780
Automotive	71,600	63,950
Incidentals	250	422
Training	3,575	1,587
Fire Hydrant Painting	6,500	6,522
Replacement Fire Hydrants	21,800	21,877
Wholesale Water Study	-	11,070
Other Equipment	30,000	26,556
Distribution Improvements	62,500	177,355
	1,174,035	1,137,515
Less Nonoperating Items		
Capital Outlay	(92,500)	(203,911)
Total Distribution	1,081,535	933,604
Meter and Reservoir Maintenance		
Salaries - Regular	133,075	133,816
Salaries - Overtime	625	-
Employee Benefits	45,605	45,399
Contractual Services	9,000	9,427
Maintenance - Reservoir/Pumping Station	3,500	2,092
Maintenance - Standpipe	4,600	4,453
Uniforms	700	661
Supplies	2,300	2,434

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operations - Continued		
Meter and Reservoir Maintenance - Continued		
Supplies - Reservoir	\$ 3,000	3,690
Water Meters - Cost of Sales	20,000	17,408
Water Meters - Repair Parts	2,200	1,810
Water Meter Replacement Program	88,000	86,747
Automotive	8,900	7,920
Training	300	-
Total Meter and Reservoir Maintenance	321,805	315,857
Capital Outlay		
Building Renovations and Piping Improvements	221,117	195,814
Water Plant Electrical Improvements	-	19,448
	221,117	215,262
Less Nonoperating Items		
Capital Outlay	(221,117)	(215,262)
Total Capital Outlay	-	-
Debt Service		
Principal Retirement	1,340,000	1,340,000
Interest Expense	538,000	504,674
Bond Registrar Fees	1,500	2,000
	1,879,500	1,846,674
Less Nonoperating Items		
Debt Service	(1,879,500)	(1,846,674)
Total Debt Service	-	-
Depreciation	-	1,070,202
Total Operating Expenses	4,883,030	5,625,473

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Sewer Charges	\$ 5,082,900	4,912,549
Sewer Charges - Unbilled	-	(5,000)
Other Income	45,000	42,668
Total Operating Revenues	<u>5,127,900</u>	<u>4,950,217</u>
Operating Expenses		
Operations		
Maintenance of Sewers	1,319,420	1,169,241
Storm Water Pumping Station	62,000	74,844
Capital Outlay	-	33,551
Depreciation	-	1,079,321
Total Operating Expenses	<u>1,381,420</u>	<u>2,356,957</u>
Operating Income	<u>3,746,480</u>	<u>2,593,260</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	-	2,647
Interest Expense	(1,355,000)	(1,392,258)
	<u>(1,355,000)</u>	<u>(1,389,611)</u>
Change in Net Position	<u><u>2,391,480</u></u>	1,203,649
Net Position - Beginning		<u>30,771,216</u>
Net Position - Ending		<u><u>31,974,865</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operations		
Maintenance of Sewers		
Salaries - Regular	\$ 544,275	533,680
Salaries - Accrued Vacation	-	8,050
Salaries - Overtime	9,850	8,813
Employee Benefits	229,225	222,798
Professional Services	-	9,035
Geographic Information System	31,670	29,858
Contractual Services	120,300	76,950
Contractual Sewer Maintenance	224,000	174,480
Sewer Flow Monitoring	40,000	-
N.P.D.E.S. Phase II	6,000	6,000
Uniforms	3,825	3,185
Supplies - Miscellaneous Tools and Equipment	2,625	3,185
Materials	33,725	26,465
Automotive	71,600	63,950
Incidentals	500	522
Training	1,825	2,270
Sewer Main Improvements	300,000	267,898
Total Maintenance of Sewers	1,619,420	1,437,139
Less Nonoperating Items		
Capital Outlay	(300,000)	(267,898)
Total Maintenance of Sewers	1,319,420	1,169,241
Storm Water Pumping Station		
Salaries - Overtime	9,650	13,518
Employee Benefits	2,050	2,660
Contractual Services	2,500	6,241
Maintenance - Equipment	2,400	4,179
Supplies	1,200	4,929
Supplies - Outfall Control	500	-
Power	38,000	40,697
Heating Gas	5,700	2,620
Total Storm Water Pumping Station	62,000	74,844

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Operations - Continued		
Capital Outlay		
Sewer Lining and Rehabilitation	\$ 1,640,000	701,187
Separate Sewer System Study	-	33,551
Princeton Place Outfall	60,000	132,854
Harms Road Pump Station	1,250,000	962,906
	<u>2,950,000</u>	<u>1,830,498</u>
Less Nonoperating Items		
Capital Outlay	(2,950,000)	(1,796,947)
Total Capital Outlay	<u>-</u>	<u>33,551</u>
Debt Service		
EPA Loan Proceeds	(1,640,000)	(701,187)
Principal Retirement	1,976,000	1,930,867
Interest Expense	1,355,000	1,391,508
Bond Registrar Fees	1,000	750
	<u>1,692,000</u>	<u>2,621,938</u>
Less Nonoperating Items		
Debt Service	(1,692,000)	(2,621,938)
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>1,079,321</u>
Total Operating Expenses	<u><u>1,381,420</u></u>	<u><u>2,356,957</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Parking Fees	\$ 380,860	431,910
Operating Expenses		
Operations		
Central Business District	256,950	231,854
CTA Station	156,080	143,651
Burmeister Parking Facility	13,740	5,633
Depreciation	-	126,699
Total Operating Expenses	426,770	507,837
Change in Net Position	<u>(45,910)</u>	(75,927)
Net Position - Beginning		<u>4,406,253</u>
Net Position - Ending		<u>4,330,326</u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Charges for Services		
Central Business District		
Parking Meter Revenue	\$ 168,500	185,937
Debit Card Revenue	-	(405)
Permit Fees	42,660	44,650
METRA Station Rent	3,000	3,000
Total Central Business District	<u>214,160</u>	<u>233,182</u>
CTA Station		
Commuter Daily Drop Box	120,000	151,161
Commuter Permit Fees	18,000	17,760
Merchant Permit Fees	4,200	4,212
Residential Permit Fees	2,000	5,520
Total CTA Station	<u>144,200</u>	<u>178,653</u>
Burmeister Parking Facility		
Permit Fees	<u>22,500</u>	<u>20,075</u>
Total Operating Revenues	<u><u>380,860</u></u>	<u><u>431,910</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operations		
Central Business District		
Salaries - Regular	\$ 80,375	80,507
Salaries - Overtime	2,250	328
Employee Benefits	31,770	29,807
Bank Charges	22,000	25,923
Contractual Services - Railroad Property	29,150	28,742
Contractual Snow Plowing	17,545	9,745
Building Supplies - Railroad Property	315	435
Grounds Supplies - Village Property	4,370	1,733
Grounds Supplies - Railroad Property	2,000	2,000
Power - METRA Station	5,000	4,990
Heating Gas - Railroad Property	1,500	1,022
Lighting	5,400	4,008
Parking Meter Parts - Village Property	400	-
Parking Meter Parts - Railroad Property	1,500	1,318
Rent - Commuter Lot	47,500	32,407
Rent - Poplar Drive Lots	2,800	5,654
Rent - St. Augustine Lot	2,400	2,400
Rent - Masonic Temple Lot	675	835
Total Central Business District	256,950	231,854
CTA Station		
Salaries - Regular	44,050	44,144
Salaries - Overtime	3,575	-
Employee Benefits	20,230	18,317
Bank Charges	2,800	4,258
Contractual Services	2,155	2,006
Contractual Grounds Maintenance	4,120	1,276

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operations - Continued		
CTA Station - Continued		
Contractual Snow Plowing	\$ 9,950	5,797
Equipment Repairs	1,900	1,329
Materials	2,800	1,299
Rent - CTA	64,500	65,225
Total CTA Station	<u>156,080</u>	<u>143,651</u>
 Burmeister Parking Facility		
Contractual Services	4,690	2,417
Materials	1,150	979
Lighting	7,900	2,237
Total Burmeister Parking Facility	<u>13,740</u>	<u>5,633</u>
 Depreciation	<u>-</u>	<u>126,699</u>
 Total Operating Expenses	<u><u>426,770</u></u>	<u><u>507,837</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Net Position

Internal Service Funds

December 31, 2016

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Net Position

Internal Service Funds

December 31, 2016

	<u>Municipal Garage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ -
Receivables - Net of Allowances Accounts	<u>-</u>
Total Assets	<u>-</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Deposits Payable	-
Other Retiree Deposits Payable	-
Due to Other Funds	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Unrestricted	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
13,986	-	9,659	1,155,337	1,178,982
-	10,731	-	-	10,731
13,986	10,731	9,659	1,155,337	1,189,713
13,986	1,559	9,659	5,724	30,928
-	-	-	14,384	14,384
-	-	-	1,125,512	1,125,512
-	9,172	-	-	9,172
13,986	10,731	9,659	1,145,620	1,179,996
-	-	-	9,717	9,717

VILLAGE OF WILMETTE, ILLINOIS

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

Internal Service Funds

For the Fiscal Year Ended December 31, 2016

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 1,225,753
Operating Expenses	
Operations	<u>1,225,753</u>
Operating (Loss)	-
Nonoperating Revenues	
Investment Earnings	<u>-</u>
Change in Net Position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,794,105	328,770	2,000,407	248,000	6,597,035
2,794,105	328,770	2,000,407	248,512	6,597,547
-	-	-	(512)	(512)
-	-	-	2,258	2,258
-	-	-	1,746	1,746
-	-	-	7,971	7,971
-	-	-	9,717	9,717

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended December 31, 2016

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 1,225,753
Payments to Employees	(554,852)
Payments to Suppliers	(670,901)
	<u>-</u>
Cash Flows from Investing Activities	
Interest	<u>-</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u><u>-</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>-</u>
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities	
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,794,105	318,039	2,000,407	248,000	6,586,304
(138,480)	-	-	-	(693,332)
(2,647,230)	(321,855)	(1,996,882)	(180,621)	(5,817,489)
8,395	(3,816)	3,525	67,379	75,483
-	-	-	2,258	2,258
8,395	(3,816)	3,525	69,637	77,741
5,591	3,816	6,134	1,085,700	1,101,241
13,986	-	9,659	1,155,337	1,178,982
-	-	-	(512)	(512)
-	(10,731)	-	-	(10,731)
8,395	6,915	3,525	67,891	86,726
8,395	(3,816)	3,525	67,379	75,483

VILLAGE OF WILMETTE, ILLINOIS

Municipal Garage - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 1,201,700	1,072,924
Sewer Fund Billings	71,600	63,950
Water Fund Billings	90,700	80,990
Insurance Reimbursements	10,170	7,889
Total Operating Revenues	<u>1,374,170</u>	<u>1,225,753</u>
Operating Expenses		
Operations		
Maintenance		
Regular Salaries	553,625	552,980
Overtime Salaries	2,600	1,872
Employee Benefits	209,210	215,416
Contractual Services	40,000	37,678
Contractual Maintenance - Emergency Vehicles	56,395	48,881
Maintenance - Radios	200	-
Contractual Services - Vehicle Washing	1,170	500
Automobile Insurance and Claims	59,000	59,000
Uniforms	3,700	2,934
Supplies - Automotive Parts	145,500	145,298
Supplies - Auto Shop	15,000	15,114
Supplies - Vehicle Striping and Safety	2,200	1,150
Gasoline and Oil	272,230	133,376
Mechanics' Tool Allowance	2,700	2,700
Incidentals	250	309
Training	3,100	2,440
Licenses, Titles and Inspection Fees	5,240	4,024
Squad Car Transfer Rehabilitation	2,050	2,081
Total Operating Expenses	<u>1,374,170</u>	<u>1,225,753</u>
Change in Net Position	<u>-</u>	-
Net Position - Beginning		<u>-</u>
Net Position - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Employee Insurance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 2,129,075	2,129,075	2,194,347
Municipal Garage Fund Billings	91,850	91,850	91,515
Parking Meter Fund Billings	22,330	22,330	21,904
Sewer Fund Billings	103,130	103,130	98,527
Water Fund Billings	378,350	378,350	387,812
Total Operating Revenues	<u>2,724,735</u>	<u>2,724,735</u>	<u>2,794,105</u>
Operating Expenses			
Operations			
Flexible Benefit Program Contributions	139,860	139,860	138,480
Employee Health Insurance			
North Suburban Employee Benefit Co-Op	1,307,450	1,307,450	1,320,686
HMO - Illinois	1,207,425	1,237,425	1,235,797
Employee Life Insurance	40,000	40,000	37,470
Unemployment Compensation	30,000	30,000	25,799
Other Insurance Expense	-	-	35,873
Total Operating Expenses	<u>2,724,735</u>	<u>2,754,735</u>	<u>2,794,105</u>
Change in Net Position	<u>-</u>	<u>(30,000)</u>	-
Net Position - Beginning			<u>-</u>
Net Position - Ending			<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Workers' Compensation - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 263,380	263,380	250,582
Municipal Garage Fund Billings	8,940	8,940	8,910
Parking Meter Fund Billings	2,090	2,090	2,010
Sewer Fund Billings	8,910	8,910	8,730
Water Fund Billings	37,380	37,380	35,900
Insurance Reimbursements	-	-	22,638
Total Operating Revenues	<u>320,700</u>	<u>320,700</u>	<u>328,770</u>
Operating Expenses			
Operations			
Workers' Compensation			
Fixed Premium Portion	278,800	278,800	278,800
Payment of Deductibles	41,900	49,900	49,970
Total Operating Expenses	<u>320,700</u>	<u>328,700</u>	<u>328,770</u>
Change in Net Position	<u>-</u>	<u>(8,000)</u>	-
Net Position - Beginning			<u>-</u>
Net Position - Ending			<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 1,386,010	1,323,065
Municipal Garage Fund Billings	99,830	108,282
Parking Meter Fund Billings	25,570	24,210
Sewer Fund Billings	108,060	110,933
Water Fund Billings	452,490	433,917
Total Operating Revenues	<u>2,071,960</u>	<u>2,000,407</u>
Operating Expenses		
Operations		
Employer IMRF Contributions	1,166,160	1,139,374
Employer FICA Contributions	616,090	583,118
Employer Medicare Contributions	289,710	277,915
Total Operating Expenses	<u>2,071,960</u>	<u>2,000,407</u>
Change in Net Position	<u>-</u>	-
Net Position - Beginning		<u>-</u>
Net Position - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Section 105 Sick Leave - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 210,510	206,362
Municipal Garage Fund Billings	8,050	6,710
Sewer Fund Billings	8,050	7,268
Water Fund Billings	34,090	27,660
Total Operating Revenues	<u>260,700</u>	<u>248,000</u>
Operating Expenses		
Administration	<u>260,000</u>	<u>248,512</u>
Operating Income (Loss)	700	(512)
Nonoperating Revenues		
Investment Earnings	<u>4,000</u>	<u>2,258</u>
Change in Net Position	<u><u>4,700</u></u>	1,746
Net Position - Beginning		<u>7,971</u>
Net Position - Ending		<u><u>9,717</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
December 31, 2016**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,760,022	1,527,796	3,287,818
Investments			
U.S. Government and Agency Securities	7,616,946	7,674,392	15,291,338
Mutual Funds	20,968,448	21,198,665	42,167,113
Corporate Bonds	5,184,669	5,081,073	10,265,742
Common Stock	7,304,934	7,361,617	14,666,551
Receivables			
Accrued Interest	94,542	94,186	188,728
Total Assets	42,929,561	42,937,729	85,867,290
LIABILITIES			
Accounts Payable	25,358	25,914	51,272
NET POSITION			
Net Position Restricted for Pensions	42,904,203	42,911,815	85,816,018

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2016**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,891,000	2,422,000	4,313,000
Contributions - Plan Members	449,131	429,767	878,898
Total Contributions	2,340,131	2,851,767	5,191,898
Investment Income			
Investment Earnings	1,123,027	1,146,938	2,269,965
Net Change in Fair Value	2,184,725	2,170,540	4,355,265
	3,307,752	3,317,478	6,625,230
Less Investment Expenses	(76,292)	(76,769)	(153,061)
Net Investment Income	3,231,460	3,240,709	6,472,169
Total Additions	5,571,591	6,092,476	11,664,067
Deductions			
Administration	34,484	76,697	111,181
Benefits and Refunds	2,727,692	3,584,863	6,312,555
Total Deductions	2,762,176	3,661,560	6,423,736
Change in Fiduciary Net Position	2,809,415	2,430,916	5,240,331
Net Position Restricted for Pensions			
Beginning	40,094,788	40,480,899	80,575,687
Ending	42,904,203	42,911,815	85,816,018

VILLAGE OF WILMETTE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 2,029,600	1,891,000
Contributions - Plan Members	447,000	449,131
Total Contributions	<u>2,476,600</u>	<u>2,340,131</u>
Investment Income		
Investment Earnings	2,400,000	1,123,027
Net Change in Fair Value	-	2,184,725
	<u>2,400,000</u>	<u>3,307,752</u>
Less Investment Expenses	(128,800)	(76,292)
Net Investment Income	<u>2,271,200</u>	<u>3,231,460</u>
Total Additions	<u>4,747,800</u>	<u>5,571,591</u>
Deductions		
Administration	15,500	34,484
Benefits and Refunds	<u>2,765,182</u>	<u>2,727,692</u>
Total Deductions	<u>2,780,682</u>	<u>2,762,176</u>
Change in Fiduciary Net Position	<u>1,967,118</u>	2,809,415
Net Position Restricted for Pensions		
Beginning		<u>40,094,788</u>
Ending		<u>42,904,203</u>

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ 2,486,700	2,486,700	2,422,000
Contributions - Plan Members	428,000	428,000	429,767
Total Contributions	<u>2,914,700</u>	<u>2,914,700</u>	<u>2,851,767</u>
Investment Income			
Investment Earnings	2,500,000	2,500,000	1,146,938
Net Change in Fair Value	-	-	2,170,540
	<u>2,500,000</u>	<u>2,500,000</u>	<u>3,317,478</u>
Less Investment Expenses	(168,800)	(168,800)	(76,769)
Net Investment Income	<u>2,331,200</u>	<u>2,331,200</u>	<u>3,240,709</u>
Total Additions	<u>5,245,900</u>	<u>5,245,900</u>	<u>6,092,476</u>
Deductions			
Administration	15,200	15,200	76,697
Benefits and Refunds	3,432,194	3,622,194	3,584,863
Total Deductions	<u>3,447,394</u>	<u>3,637,394</u>	<u>3,661,560</u>
Change in Fiduciary Net Position	<u>1,798,506</u>	<u>1,608,506</u>	2,430,916
Net Position Restricted for Pensions			
Beginning			<u>40,480,899</u>
Ending			<u>42,911,815</u>

VILLAGE OF WILMETTE, ILLINOIS

Agency Fund - Fire Insurance Tax

**Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2016**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 635,781	69,648	78,300	627,129
LIABILITIES				
Deposits Payable	635,781	69,648	78,300	627,129

SUPPLEMENTAL SCHEDULES

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2007
December 31, 2016**

Date of Issue	September 1, 2007
Date of Maturity	December 1, 2021
Authorized Issue	\$19,850,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 4.25%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 3,475,000	434,644	3,909,644
2018	3,430,000	291,300	3,721,300
2019	1,360,000	149,813	1,509,813
2020	1,205,000	92,013	1,297,013
2021	960,000	40,800	1,000,800
	<u>10,430,000</u>	<u>1,008,570</u>	<u>11,438,570</u>
	4,255,000	Debt Service Fund	
	1,780,000	Sewer Fund	
	<u>4,395,000</u>	Water Fund	
	<u>10,430,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2009
December 31, 2016**

Date of Issue	October 27, 2009
Date of Maturity	December 1, 2023
Authorized Issue	\$9,010,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.65%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 370,000	134,918	504,918
2018	380,000	123,355	503,355
2019	390,000	111,480	501,480
2020	495,000	98,806	593,806
2021	505,000	82,223	587,223
2022	900,000	64,800	964,800
2023	900,000	32,850	932,850
	<u>3,940,000</u>	<u>648,432</u>	<u>4,588,432</u>
	725,000	Debt Service Fund	
	715,000	Sewer Fund	
	<u>2,500,000</u>	Water Fund	
	<u><u>3,940,000</u></u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010

December 31, 2016

Date of Issue	November 9, 2010
Date of Maturity	December 1, 2026
Authorized Issue	\$25,895,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 190,000	827,626	1,017,626
2018	1,145,000	822,874	1,967,874
2019	3,295,000	788,524	4,083,524
2020	2,670,000	689,674	3,359,674
2021	2,765,000	609,574	3,374,574
2022	3,055,000	526,624	3,581,624
2023	3,245,000	434,974	3,679,974
2024	4,430,000	329,512	4,759,512
2025	3,025,000	180,000	3,205,000
2026	1,475,000	59,000	1,534,000
	25,295,000	5,268,382	30,563,382
	22,680,000	Debt Service Fund	
	1,485,000	Sewer Fund	
	1,130,000	Water Fund	
	25,295,000		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011
December 31, 2016**

Date of Issue	December 1, 2011
Date of Maturity	December 1, 2023
Authorized Issue	\$13,605,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 765,000	271,112	1,036,112
2018	775,000	255,813	1,030,813
2019	955,000	238,375	1,193,375
2020	1,375,000	214,500	1,589,500
2021	2,210,000	173,250	2,383,250
2022	2,305,000	106,950	2,411,950
2023	1,260,000	37,800	1,297,800
	9,645,000	1,297,800	10,942,800
	5,720,000	Sewer Fund	
	3,925,000	Water Fund	
	9,645,000		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013

December 31, 2016

Date of Issue	November 7, 2013
Date of Maturity	December 1, 2037
Authorized Issue	\$9,920,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.35%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 60,000	356,772	416,772
2018	65,000	355,572	420,572
2019	65,000	354,272	419,272
2020	165,000	352,972	517,972
2021	165,000	349,674	514,674
2022	170,000	345,960	515,960
2023	170,000	341,710	511,710
2024	570,000	337,460	907,460
2025	575,000	320,360	895,360
2026	575,000	303,110	878,110
2027	580,000	285,286	865,286
2028	585,000	266,726	851,726
2029	500,000	246,250	746,250
2030	500,000	227,500	727,500
2031	500,000	207,500	707,500
2032	500,000	187,500	687,500
2033	500,000	167,500	667,500
2034	500,000	147,500	647,500
2035	1,000,000	127,500	1,127,500
2036	1,000,000	86,000	1,086,000
2037	1,000,000	43,500	1,043,500
	<u>9,745,000</u>	<u>5,410,624</u>	<u>15,155,624</u>
	825,000	Debt Service Fund	
	<u>8,920,000</u>	Sewer Fund	
	<u>9,745,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2014
December 31, 2016**

Date of Issue	December 2, 2014
Date of Maturity	December 1, 2043
Authorized Issue	\$20,315,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 1,260,000	661,825	1,921,825
2018	545,000	624,025	1,169,025
2019	500,000	607,675	1,107,675
2020	535,000	592,675	1,127,675
2021	-	576,625	576,625
2022	-	576,625	576,625
2023	200,000	576,625	776,625
2024	100,000	570,625	670,625
2025	100,000	567,625	667,625
2026	100,000	564,625	664,625
2027	100,000	561,625	661,625
2028	100,000	558,625	658,625
2029	500,000	555,625	1,055,625
2030	550,000	540,625	1,090,625
2031	600,000	523,438	1,123,438
2032	600,000	503,938	1,103,938
2033	700,000	483,687	1,183,687
2034	750,000	459,187	1,209,187
2035	300,000	432,937	732,937
2036	350,000	422,062	772,062
2037	400,000	409,375	809,375
2038	1,500,000	394,375	1,894,375
2039	1,550,000	338,125	1,888,125
2040	1,650,000	280,000	1,930,000
2041	1,700,000	214,000	1,914,000
2042	1,800,000	146,000	1,946,000
2043	1,850,000	74,000	1,924,000
	18,340,000	12,816,574	31,156,574
	16,055,000	Sewer Fund	
	2,285,000	Water Fund	
	18,340,000		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2006

December 31, 2016

Date of Issue	March 13, 2007
Date of Maturity	September 13, 2026
Authorized Issue	\$420,715
Denomination of Bonds	Various
Interest Rate	2.500%
Interest Dates	March 13 and September 13
Principal Maturity Date	September 13
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 21,857	5,990	27,847
2018	22,407	5,440	27,847
2019	22,971	4,876	27,847
2020	23,548	4,299	27,847
2021	24,140	3,707	27,847
2022	24,747	3,100	27,847
2023	25,370	2,477	27,847
2024	26,008	1,839	27,847
2025	26,663	1,184	27,847
2026	27,334	513	27,847
	245,045	33,425	278,470
	245,045	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2007

December 31, 2016

Date of Issue	May 25, 2007
Date of Maturity	October 21, 2027
Authorized Issue	\$677,122
Denomination of Bonds	Various
Interest Rate	2.500%
Interest Dates	April 21 and October 21
Principal Maturity Date	April 21 and October 21
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 31,788	9,707	41,495
2018	32,588	8,907	41,495
2019	33,408	8,087	41,495
2020	34,248	7,247	41,495
2021	35,109	6,386	41,495
2022	35,993	5,502	41,495
2023	36,898	4,597	41,495
2024	37,826	3,669	41,495
2025	38,778	2,717	41,495
2026	39,752	1,743	41,495
2027	39,806	743	40,549
	<u>396,194</u>	<u>59,305</u>	<u>455,499</u>
	<u>396,194</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2010

December 31, 2016

Date of Issue	September 30, 2010
Date of Maturity	April 7, 2030
Authorized Issue	\$172,028
Denomination of Bonds	Various
Interest Rate	0.00%
Interest Date	N/A
Principal Maturity Date	April 7
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 8,822	-	8,822
2018	8,822	-	8,822
2019	8,822	-	8,822
2020	8,822	-	8,822
2021	8,822	-	8,822
2022	8,822	-	8,822
2023	8,822	-	8,822
2024	8,822	-	8,822
2025	8,822	-	8,822
2026	8,822	-	8,822
2027	8,822	-	8,822
2028	8,822	-	8,822
2029	8,822	-	8,822
2030	4,410	-	4,410
	119,096	-	119,096
	119,096	-	119,096
	119,096	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2011

December 31, 2016

Date of Issue	August 30, 2011
Date of Maturity	July 18, 2031
Authorized Issue	\$740,135
Denomination of Bonds	Various
Interest Rate	1.25%
Interest Dates	January 18 and July 18
Principal Maturity Date	July 18
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 35,687	7,201	42,888
2018	36,134	6,754	42,888
2019	36,588	6,300	42,888
2020	37,046	5,842	42,888
2021	37,511	5,377	42,888
2022	37,981	4,907	42,888
2023	38,457	4,431	42,888
2024	38,939	3,949	42,888
2025	39,427	3,461	42,888
2026	39,922	2,966	42,888
2027	40,422	2,466	42,888
2028	40,929	1,959	42,888
2029	41,443	1,445	42,888
2030	41,962	926	42,888
2031	42,487	401	42,888
	584,935	58,385	643,320
	584,935	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2012

December 31, 2016

Date of Issue	September 28, 2012
Date of Maturity	August 5, 2032
Authorized Issue	\$742,022
Denomination of Bonds	Various
Interest Rate	2.295%
Interest Dates	February 5 and August 5
Principal Maturity Date	August 5
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 33,100	14,314	47,414
2018	33,864	13,550	47,414
2019	34,646	12,768	47,414
2020	35,446	11,968	47,414
2021	36,263	11,151	47,414
2022	37,101	10,313	47,414
2023	37,957	9,457	47,414
2024	38,833	8,581	47,414
2025	39,729	7,685	47,414
2026	40,646	6,768	47,414
2027	41,585	5,829	47,414
2028	42,545	4,869	47,414
2029	43,526	3,888	47,414
2030	44,532	2,882	47,414
2031	45,559	1,855	47,414
2032	46,611	803	47,414
	631,943	126,681	758,624
	631,943	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2013

December 31, 2016

Date of Issue	November 26, 2013
Date of Maturity	December 1, 2033
Authorized Issue	\$582,886
Denomination of Bonds	Various
Interest Rate	1.930%
Interest Dates	June 1 and December 1
Principal Maturity Date	June 1 and December 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 25,642	9,627	35,269
2018	26,138	9,131	35,269
2019	26,645	8,624	35,269
2020	27,162	8,107	35,269
2021	27,688	7,581	35,269
2022	28,226	7,043	35,269
2023	28,773	6,496	35,269
2024	29,332	5,937	35,269
2025	29,900	5,369	35,269
2026	30,480	4,789	35,269
2027	31,070	4,199	35,269
2028	31,673	3,596	35,269
2029	32,288	2,981	35,269
2030	32,913	2,356	35,269
2031	33,552	1,717	35,269
2032	34,203	1,066	35,269
2033	29,550	403	29,953
	505,235	89,022	594,257
	505,235	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2014

December 31, 2016

Date of Issue	December 5, 2014
Date of Maturity	December 3, 2034
Authorized Issue	\$640,503
Denomination of Bonds	Various
Interest Rate	1.995%
Interest Dates	June 1 and December 1
Principal Maturity Date	June 1 and December 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 27,507	11,619	39,126
2018	28,058	11,068	39,126
2019	28,621	10,505	39,126
2020	29,195	9,931	39,126
2021	29,780	9,346	39,126
2022	30,377	8,749	39,126
2023	30,986	8,140	39,126
2024	31,607	7,519	39,126
2025	32,241	6,885	39,126
2026	32,888	6,238	39,126
2027	33,547	5,579	39,126
2028	34,220	4,906	39,126
2029	34,906	4,220	39,126
2030	35,605	3,521	39,126
2031	36,320	2,806	39,126
2032	37,047	2,079	39,126
2033	37,790	1,336	39,126
2034	38,548	578	39,126
	<u>589,243</u>	<u>115,025</u>	<u>704,268</u>
	<u>589,243</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2016

December 31, 2016

Date of Issue	December 22, 2016
Date of Maturity	July 19, 2036
Authorized Issue	\$701,187
Denomination of Bonds	Various
Interest Rate	1.860%
Interest Dates	January 19 and July 19
Principal Maturity Date	January 19 and July 19
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 14,998	6,521	21,519
2018	30,415	12,623	43,038
2019	30,984	12,054	43,038
2020	31,563	11,475	43,038
2021	32,153	10,885	43,038
2022	32,753	10,285	43,038
2023	33,365	9,673	43,038
2024	33,989	9,049	43,038
2025	34,624	8,414	43,038
2026	35,271	7,767	43,038
2027	35,930	7,108	43,038
2028	36,602	6,436	43,038
2029	37,286	5,752	43,038
2030	37,982	5,056	43,038
2031	38,692	4,346	43,038
2032	39,415	3,623	43,038
2033	40,152	2,886	43,038
2034	40,902	2,136	43,038
2035	41,666	1,372	43,038
2036	42,445	593	43,038
	701,187	138,054	839,241
	701,187	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2012

December 31, 2016

Date of Issue	July 24, 2012
Date of Maturity	November 1, 2032
Original Contract	\$250,000
Interest Rate	0.000%
Interest Dates	Monthly
Principal Maturity Date	Monthly
Payable at	Illinois Finance Authority

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 12,500	-	12,500
2018	12,500	-	12,500
2019	12,500	-	12,500
2020	12,500	-	12,500
2021	12,500	-	12,500
2022	12,500	-	12,500
2023	12,500	-	12,500
2024	12,500	-	12,500
2025	12,500	-	12,500
2026	12,500	-	12,500
2027	12,500	-	12,500
2028	12,500	-	12,500
2029	12,500	-	12,500
2030	12,500	-	12,500
2031	12,500	-	12,500
2032	12,500	-	12,500
	<u>200,000</u>	<u>-</u>	<u>200,000</u>
	<u>200,000</u>	General Fund	

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF WILMETTE, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
December 31, 2016 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 10,499,597	11,418,376	14,080,279	13,744,098	14,596,442	14,842,391	15,481,696	15,800,477	17,261,630	18,950,815
Restricted	450,725	1,189,728	331,412	632,132	385,231	549,806	560,482	749,557	636,365	449,840
Unrestricted	5,845,733	3,855,656	1,755,021	1,893,264	1,790,398	2,197,088	2,961,727	4,888,765	(36,780,535)	(38,168,942)
Total Governmental Activities Net Position	16,796,055	16,463,760	16,166,712	16,269,494	16,772,071	17,589,285	19,003,905	21,438,799	(18,882,540)	(18,768,287)
Business-Type Activities										
Net Investment in Capital Assets	37,956,144	39,036,902	40,104,715	41,149,679	42,287,795	41,954,891	43,766,118	44,837,017	46,156,060	47,608,423
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,884,158	2,262,176	2,034,508	2,838,742	3,509,342	6,162,747	6,382,765	6,272,753	6,853,154	7,839,077
Total Business-Type Activities Net Position	40,840,302	41,299,078	42,139,223	43,988,421	45,797,137	48,117,638	50,148,883	51,109,770	53,009,214	55,447,500
Total Net Position										
Net Investment in Capital Assets	48,455,741	50,455,278	54,184,994	54,893,777	56,884,237	56,797,282	59,247,814	60,637,494	63,417,690	66,559,238
Restricted	450,725	1,189,728	331,412	632,132	385,231	549,806	560,482	749,557	636,365	449,840
Unrestricted	8,729,891	6,117,832	3,789,529	4,732,006	5,299,740	8,359,835	9,344,492	11,161,518	(29,927,381)	(30,329,865)
Total Primary Government Net Position	57,636,357	57,762,838	58,305,935	60,257,915	62,569,208	65,706,923	69,152,788	72,548,569	34,126,674	36,679,213

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2016 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
General Government	3,395,790	3,341,486	3,104,396	3,381,500	3,041,952	3,266,556	3,303,014	3,432,230	6,138,251	4,214,252
Public Safety	15,071,445	16,501,474	16,704,907	17,608,075	17,968,456	18,405,275	18,979,618	19,306,629	27,886,999	23,273,654
Streets and Sanitation	8,270,333	8,413,098	7,764,833	7,907,842	8,522,586	8,353,031	8,740,030	8,952,573	9,070,216	9,722,953
Other Public Works	2,155,904	1,761,734	1,511,453	1,433,367	1,307,135	1,388,357	1,655,627	1,592,014	1,861,330	1,607,339
Community Development	177,124	170,743	187,546	205,587	225,314	228,675	237,168	1,678,387	2,313,551	2,026,595
Public Health	1,253,997	1,271,890	1,123,256	1,267,254	1,209,544	1,293,984	1,305,083	249,781	246,680	257,189
Interest	1,636,879	1,718,654	1,648,850	1,213,334	1,540,242	1,464,346	1,395,538	1,321,442	1,259,047	1,155,678
Total Governmental Activities Expenses	31,961,472	33,179,079	32,045,241	33,016,959	33,815,229	34,400,224	35,616,078	36,533,056	48,776,074	42,257,660
Business-Type Activities										
Water	6,146,053	6,207,177	6,155,509	5,950,487	6,241,730	6,417,546	6,150,922	6,229,920	6,117,781	6,132,147
Sewer	2,621,682	2,534,169	2,739,463	2,461,249	2,779,748	2,798,432	2,860,481	3,526,186	3,790,454	3,749,215
Parking	442,821	462,824	458,677	459,394	453,310	451,720	456,325	527,875	532,640	507,837
Total Business-Type Activities Net Position	9,210,556	9,204,170	9,353,649	8,871,130	9,474,788	9,667,698	9,467,728	10,283,981	10,440,875	10,389,199
Total Primary Government Expenses	41,172,028	42,383,249	41,398,890	41,888,089	43,290,017	44,067,922	45,083,806	46,817,037	59,216,949	52,646,859
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	288,614	292,394	297,132	368,144	374,785	394,563	416,400	439,014	468,820	443,273
Public Safety	1,993,313	2,131,372	2,147,962	2,245,337	2,181,609	2,245,305	2,307,524	2,440,980	2,375,151	2,453,251
Streets and Sanitation	1,729,235	1,840,135	1,946,202	2,177,599	2,244,027	2,286,245	2,390,723	2,494,038	2,547,578	2,541,607
Other Public Works	121,267	109,484	57,344	65,104	79,657	97,662	146,524	202,605	153,549	197,663
Community Development	1,769,744	1,434,373	1,036,375	58,451	64,193	68,483	71,738	2,318,366	2,347,760	3,166,999
Public Health	32,582	31,266	35,518	1,306,315	1,309,940	1,737,213	2,329,847	76,757	95,546	61,520
Operating Grants/Contributions	2,935,791	1,955,443	1,532,053	997,955	1,942,760	963,214	1,033,870	1,569,576	970,153	887,779
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	8,870,546	7,794,467	7,052,586	7,218,905	8,196,971	7,792,685	8,696,626	9,541,336	8,958,557	9,752,092
Program Revenue	-	-	-	-	-	-	-	-	-	-
Business-Type Activities										
Charges for Services										
Water	6,380,743	6,402,404	6,981,313	7,261,814	7,447,541	8,130,836	7,806,574	7,390,257	7,926,936	8,427,635
Sewer	3,468,473	3,491,359	3,606,066	4,032,632	4,167,069	4,647,206	4,423,168	4,317,893	4,810,735	4,950,217
Parking	308,102	320,670	412,436	404,036	397,304	393,697	397,322	369,977	419,424	431,910
Operating Grants/Contributions	155,024	13,145	119,527	-	293,550	192,168	94,793	5,230	101,403	-
Capital Grants/Contributions	-	-	-	-	-	-	-	47,218	-	-
Total Business-Type Activities	10,312,342	10,227,578	11,119,342	11,698,482	12,305,464	13,363,907	12,721,857	12,130,575	13,258,498	13,809,762
Program Revenue	-	-	-	-	-	-	-	-	-	-
Total Primary Government Program Revenue	19,182,888	18,022,045	18,171,928	18,917,387	20,502,435	21,156,592	21,418,483	21,671,911	22,217,055	23,561,854

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense) Revenue										
Governmental Activities	\$ (23,090,926)	(25,384,612)	(24,992,655)	(25,798,054)	(25,618,258)	(26,607,539)	(26,919,452)	(26,991,720)	(39,817,517)	(32,505,568)
Business-Type Activities	1,101,786	1,023,408	1,765,693	2,827,352	2,830,676	3,696,209	3,254,129	1,846,594	2,817,623	3,420,563
Total Net Revenue (Expense)	(21,989,140)	(24,361,204)	(23,226,962)	(22,970,702)	(22,787,582)	(22,911,330)	(23,665,323)	(25,145,126)	(36,999,894)	(29,085,005)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	11,580,802	12,032,926	12,765,894	13,335,569	13,885,934	14,326,855	14,782,567	15,355,548	15,859,278	16,500,301
Sales, Local Use	4,186,809	4,091,855	3,712,906	3,796,368	3,747,697	3,770,772	3,964,885	4,248,323	5,735,448	5,716,217
Utility	2,739,621	2,718,132	2,692,330	2,636,055	2,579,823	2,488,225	2,580,859	2,344,098	2,265,314	2,225,629
Income	2,447,409	2,617,554	2,247,445	2,176,193	2,146,830	2,380,064	2,481,566	2,593,413	2,882,144	2,636,758
Real Estate Transfer	1,366,260	880,317	634,160	910,128	717,780	937,983	1,081,380	1,285,913	1,311,792	1,303,787
Other	805,021	859,204	764,396	770,524	724,099	752,065	758,549	1,002,184	1,123,928	1,051,368
Investment Income	565,408	94,736	50,289	161,716	190,532	204,852	254,192	239,627	242,722	313,939
Miscellaneous	1,384,310	1,049,103	878,187	1,114,283	1,078,140	1,163,937	1,180,074	1,357,508	1,351,366	1,702,662
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers In (Out)	119,236	708,490	950,000	1,000,000	1,050,000	1,400,000	1,250,000	1,000,000	1,100,000	1,000,000
Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	25,194,876	25,052,317	24,695,607	25,900,836	26,120,835	27,424,753	28,334,072	29,426,614	31,871,992	32,450,661
Business-Type Activities										
Investment Income	402,847	143,858	24,452	21,846	28,040	24,292	27,116	30,175	34,134	17,723
Miscellaneous	-	-	-	-	-	-	-	84,118	147,687	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers In (Out)	(119,236)	(708,490)	(950,000)	(1,000,000)	(1,050,000)	(1,400,000)	(1,250,000)	(1,000,000)	(1,100,000)	(1,000,000)
Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	283,611	(564,632)	(925,548)	(978,154)	(1,021,960)	(1,375,708)	(1,222,884)	(885,707)	(918,179)	(982,277)
Total Primary Government	25,478,487	24,487,685	23,770,059	24,922,682	25,098,875	26,049,045	27,111,188	28,540,907	30,953,813	31,468,384
Changes in Net Position										
Governmental Activities	2,103,950	(332,295)	(297,048)	102,782	502,577	817,214	1,414,620	2,434,894	(7,945,525)	(54,907)
Business-Type Activities	1,385,397	458,776	840,145	1,849,198	1,808,716	2,320,501	2,031,245	960,887	1,899,444	2,438,286
Total Primary Government	3,489,347	126,481	543,097	1,951,980	2,311,293	3,137,715	3,445,865	3,395,781	(6,046,081)	2,383,379

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

	2007	2008	2009
General Fund			
Reserved	\$ 564,620	281,354	257,117
Unreserved	7,121,664	6,350,014	4,810,519
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	<u>7,686,284</u>	<u>6,631,368</u>	<u>5,067,636</u>
All Other Governmental Funds			
Reserved	200,000	1,261,330	-
Unreserved, Reported in:			
Special Revenues Funds	450,725	389,728	331,412
Debt Service Funds	(7,665)	(61,780)	(96,363)
Capital Projects Funds	8,444,739	3,787,249	1,383,335
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	<u>9,087,799</u>	<u>5,376,527</u>	<u>1,618,384</u>
Total All Governmental Funds	<u><u>16,774,083</u></u>	<u><u>12,007,895</u></u>	<u><u>6,686,020</u></u>

Data Source: Village Records

Note: The Village implemented GASB No. 54 at December 31, 2011.

2010	2011	2012	2013	2014	2015	2016
97,544	-	-	-	-	-	-
5,258,531	-	-	-	-	-	-
-	75,589	961,697	1,067,921	1,222,557	1,378,759	1,552,347
-	-	128,968	64,251	64,712	107,367	103,817
-	247,056	503,336	198,348	816,646	359,773	2,694,923
-	5,212,176	5,171,969	6,701,690	7,856,971	9,391,977	10,018,868
5,356,075	5,534,821	6,765,970	8,032,210	9,960,886	11,237,876	14,369,955
340,915	-	-	-	-	-	-
407,836	-	-	-	-	-	-
-	-	-	-	-	-	-
2,492,901	-	-	-	-	-	-
-	385,231	669,561	577,842	717,918	562,598	346,023
-	675,683	437,095	554,643	69,638	81,724	53,334
-	(96,209)	-	-	-	-	-
3,241,652	964,705	1,106,656	1,132,485	787,556	644,322	399,357
8,597,727	6,499,526	7,872,626	9,164,695	10,748,442	11,882,198	14,769,312

VILLAGE OF WILMETTE, ILLINOIS

**General Governmental Revenues by Source - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

Source	2007	2008	2009	2010
Taxes	\$ 23,125,922	23,199,988	22,817,131	23,624,837
Licenses, Permits and Fees	3,382,726	3,034,314	2,661,327	3,005,663
Intergovernmental	2,935,791	1,955,443	1,532,053	997,955
Charges for Services	2,278,003	2,413,363	2,557,660	2,823,915
Fines and Forfeitures	274,026	391,347	301,546	391,372
Investment Earnings	497,251	273,773	33,656	25,329
Miscellaneous	1,384,310	1,049,103	878,187	1,114,283
Total	33,878,029	32,317,331	30,781,560	31,983,354

Data Source: Village Records

2011	2012	2013	2014	2015	2016
23,802,163	24,655,964	25,649,806	26,829,479	29,177,904	23,133,335
3,043,066	3,505,584	4,167,041	4,407,036	4,313,554	5,215,126
1,942,760	963,214	1,033,870	1,569,576	970,152	7,188,505
2,855,787	2,989,446	3,137,432	3,191,053	3,342,773	3,338,934
355,358	334,441	358,283	373,671	332,078	310,252
24,006	201,172	250,614	237,646	240,651	311,681
1,078,140	1,163,937	1,180,074	1,357,508	1,351,366	1,704,470
33,101,280	33,813,758	35,777,120	37,965,969	39,728,478	41,202,303

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years December 31, 2016 (Unaudited)

Function	2007	2008	2009	2010
General Government	\$ 3,147,259	3,195,090	2,892,303	2,925,964
Public Safety	14,863,098	15,844,052	16,155,101	16,900,426
Streets and Sanitation	6,795,616	6,346,863	5,807,962	5,567,467
Other Public Works	2,149,004	1,759,034	2,479,331	1,811,305
Public Health	177,824	170,243	187,046	205,787
Community Development	1,451,671	1,386,238	1,120,856	1,267,654
Capital Outlay	5,068,278	5,178,517	6,795,273	1,147,720
Debt Service				
Principal Retirement	1,254,235	2,208,316	1,578,609	1,588,176
Interest and Fiscal Charges	1,501,513	1,703,656	1,635,271	1,228,122
Total	36,408,498	37,792,009	38,651,752	32,642,621

Data Source: Village Records

2011	2012	2013	2014	2015	2016
2,818,641	3,054,387	3,267,339	3,258,505	3,588,764	3,734,719
17,591,397	18,599,081	18,691,624	19,061,947	19,749,081	19,662,967
5,761,344	5,832,631	5,905,510	6,156,261	6,352,641	5,912,101
2,341,132	1,909,400	2,382,792	1,951,515	3,085,813	3,210,852
215,689	226,412	235,339	244,963	249,180	258,189
1,174,544	1,274,590	1,280,804	1,675,987	2,307,447	1,790,405
2,910,803	918,493	1,676,552	1,655,988	1,013,861	1,463,819
2,020,000	1,720,000	2,027,500	2,157,500	2,212,500	2,397,500
1,415,931	1,338,899	1,267,591	1,219,556	1,135,435	1,053,797
36,249,481	34,873,893	36,735,051	37,382,222	39,694,722	39,484,349

VILLAGE OF WILMETTE, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

	2007	2008	2009	2010
Revenues				
Taxes	\$ 23,125,922	23,199,988	22,817,131	23,624,837
Licenses and Permits	3,382,726	3,034,314	2,661,327	3,005,663
Intergovernmental	2,935,791	1,955,443	1,532,053	997,955
Charges for Services and Fees	2,278,003	2,413,363	2,557,660	2,823,915
Fines and Forfeits	274,026	391,347	301,546	391,372
Investment Income	497,251	273,773	33,656	25,329
Miscellaneous	1,384,310	1,049,103	878,187	1,114,283
Total Revenues	33,878,029	32,317,331	30,781,560	31,983,354
Expenditures				
General Government	3,147,259	3,195,090	2,892,303	2,925,964
Public Safety	14,863,098	15,844,052	16,155,101	16,900,426
Streets and Sanitation	6,795,616	6,346,863	5,807,962	5,567,467
Other Public Works	2,149,004	1,759,034	2,479,331	1,811,305
Public Health	177,824	170,243	187,046	205,787
Community Development	1,451,671	1,386,238	1,120,856	1,267,654
Capital Outlay	5,068,278	5,178,517	6,795,273	1,147,720
Debt Service				
Principal	1,254,235	2,208,316	1,578,609	1,588,176
Interest and Fiscal Charges	1,501,513	1,703,656	1,635,271	1,228,122
Total Expenditures	36,408,498	37,792,009	38,651,752	32,642,621
Excess of Revenues Over (Under) Expenditures	(2,530,469)	(5,474,678)	(7,870,192)	(659,267)
Other Financing Sources (Uses)				
Proceeds from Bonds	11,673,827	-	1,590,000	23,280,000
Premium on Proceeds	-	-	8,317	16,635
Payments to Escrow Agent	(1,773,457)	-	-	(21,725,661)
Transfers In	600,000	850,000	950,000	1,000,000
Transfers Out	(480,764)	(141,510)	-	-
Total Other Financing Sources (Uses)	10,019,606	708,490	2,548,317	2,570,974
Net Change in Fund Balances	7,489,137	(4,766,188)	(5,321,875)	1,911,707
Debt Service as a Percentage of Noncapital Expenditures	9.07%	12.13%	10.58%	9.08%

Data Source: Village Records

2011	2012	2013	2014	2015	2016
23,802,163	24,655,964	25,649,806	26,829,479	29,177,904	23,133,335
3,043,066	3,505,584	4,167,041	4,407,036	4,313,554	5,215,126
1,942,760	963,214	1,033,870	1,569,576	970,152	7,188,505
2,855,787	2,989,446	3,137,432	3,191,053	3,342,773	3,338,934
355,358	334,441	358,283	373,671	332,078	310,252
24,006	201,172	250,614	237,646	240,651	311,681
1,078,140	1,163,937	1,180,074	1,357,508	1,351,366	1,704,470
33,101,280	33,813,758	35,777,120	37,965,969	39,728,478	41,202,303
2,818,641	3,054,387	3,267,339	3,258,505	3,588,764	3,734,719
17,591,397	18,599,081	18,691,624	19,061,947	19,749,081	19,662,967
5,761,344	5,832,631	5,905,510	6,156,261	6,352,641	5,912,101
2,341,132	1,909,400	2,382,792	1,951,515	3,085,813	3,210,852
215,689	226,412	235,339	244,963	249,180	258,189
1,174,544	1,274,590	1,280,804	1,675,987	2,307,447	1,790,405
2,910,803	918,493	1,676,552	1,655,988	1,013,861	1,463,819
2,020,000	1,720,000	2,027,500	2,157,500	2,212,500	2,397,500
1,415,931	1,338,899	1,267,591	1,219,556	1,135,435	1,053,797
36,249,481	34,873,893	36,735,051	37,382,222	39,694,722	39,484,349
(3,148,201)	(1,060,135)	(957,931)	583,747	33,756	1,717,954
-	250,000	1,000,000	150,000	-	-
-	-	-	20,000	-	-
-	-	-	(170,000)	-	-
1,050,000	1,400,000	1,250,000	1,060,000	1,130,000	1,065,000
-	-	-	(60,000)	(30,000)	(65,000)
1,050,000	1,650,000	2,250,000	1,000,000	1,100,000	1,000,000
(2,098,201)	589,865	1,292,069	1,583,747	1,133,756	2,717,954
10.62%	9.41%	9.75%	9.62%	9.15%	9.51%

VILLAGE OF WILMETTE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2016 (Unaudited)**

Tax Levy Year	Real Property New Trier Township	Real Property Northfield Township	Railroad Property New Trier Township	Total Equalized Assessed Value	Total Estimated Actual Value	Equalization Factor	Direct Tax Rate
2006	\$ 1,616,506,819	\$ 5,577,543	\$ 172,349	\$ 1,622,256,711	\$ 4,866,770,620	2.7076	\$ 0.689
2007	2,049,171,401	6,942,143	185,588	2,056,299,132	6,168,898,013	2.8439	0.597
2008	2,186,269,851	7,865,829	199,495	2,194,335,175	6,583,006,183	2.9786	0.593
2009	2,319,401,711	8,654,170	234,590	2,328,290,471	6,984,872,111	3.3701	0.581
2010	2,071,594,749	7,677,648	285,675	2,079,558,072	6,238,674,840	3.3000	0.674
2011	1,862,667,826	6,957,756	302,445	1,869,928,027	5,609,784,642	2.9706	0.778
2012	1,728,489,728	6,510,620	337,900	1,735,338,248	5,206,015,265	2.8056	0.867
2013	1,554,334,757	5,837,318	413,686	1,560,585,761	4,681,757,751	2.6621	0.996
2014	1,577,697,700	6,205,661	430,687	1,584,334,048	4,753,002,619	2.7253	1.015
2015	1,534,993,844	5,982,278	513,941	1,541,490,063	4,624,470,651	2.6685	1.077

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2016 (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village of Wilmette										
General Corporate Rate	\$ 0.530	0.432	0.448	0.449	0.530	0.615	0.679	0.785	0.803	0.856
Debt Service Rate	0.159	0.165	0.145	0.132	0.144	0.163	0.188	0.211	0.212	0.221
Total Direct Tax Rate	0.689	0.597	0.593	0.581	0.674	0.778	0.867	0.996	1.015	1.077
Overlapping										
School District #39	2.238	1.848	1.812	1.716	2.314	2.620	2.922	3.326	3.356	3.502
School District #203	1.621	1.299	1.290	1.237	1.474	1.674	1.864	2.111	2.268	2.380
Community College #535	0.161	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271
Wilmette Park District	0.440	0.360	0.348	0.332	0.390	0.451	0.493	0.548	0.546	0.518
Wilmette Public Library	0.315	0.245	0.241	0.230	0.266	0.302	0.335	0.381	0.381	0.395
Cook County	0.593	0.458	0.415	0.415	0.423	0.487	0.531	0.598	0.575	0.586
Sanitary District	0.347	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426
Forest Preserve District	0.060	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069
New Trier Township	0.039	0.034	0.034	0.033	0.041	0.047	0.053	0.054	0.055	0.066
Suburban T.B. Sanitarium	0.001	-	-	-	-	-	-	-	-	-
Mosquito Abatement Dist.	0.008	0.008	0.008	0.008	0.009	0.010	0.010	0.007	0.011	0.012
Total Tax Rate	6.512	5.306	5.184	5.002	6.076	6.943	7.727	8.763	8.964	9.302

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2016 (Unaudited)**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Joseph Freed & Associates	\$ 26,727,248	1	1.72%	\$ 36,795,328	1	2.28%
1630 Sheridan Corp.	8,165,215	2	0.53%	14,851,181	2	0.92%
Plaza del Lago, Inc.	7,283,121	3	0.47%	12,093,370	3	0.75%
Residence Inn Marriott	6,082,547	4	0.31%			
Albertson's	4,866,746	5	0.29%	5,872,682	5	0.36%
L.J. Thalmann & Co.	4,529,771	6	0.29%	6,702,644	4	0.43%
West Lake Plaza	4,457,804	7	0.23%	4,399,823	6	0.27%
Wilmette Commons	3,604,202	8	0.23%	4,184,263	7	0.26%
Chase Bank	3,562,514	9	0.23%			
GER Wilmette offices	3,234,865	10	0.20%			
Avergis				3,790,635	8	0.23%
Manor Health Care Corp.				3,516,566	9	0.22%
Wolin-Levin				3,465,728	10	0.21%
	<u>72,514,033</u>		<u>4.50%</u>	<u>95,672,220</u>		<u>5.93%</u>

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
December 31, 2016 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 12,272,800	\$ 11,841,358	96.48%	\$ 174,239	\$ 12,015,597	97.90%
2008	12,999,000	12,742,685	98.03%	41,068	12,783,753	98.34%
2009	13,513,000	13,232,984	97.93%	11,503	13,244,487	98.01%
2010	14,016,100	13,801,603	98.47%	(30,417)	13,771,186	98.25%
2011	14,533,400	14,379,235	98.94%	(4,361)	14,374,874	98.91%
2012	15,039,800	14,864,317	98.83%	65,926	14,930,244	99.27%
2013	15,548,900	15,355,103	98.75%	174,264	15,529,367	99.87%
2014	16,070,450	15,871,443	98.76%	141,856	16,013,299	99.64%
2015	16,607,923	16,502,688	99.37%	N/A	16,502,688	99.37%
2016	17,433,764	*	*	*	*	*

*Taxes are collected in two installments due in March and August of the following year.

N/A- Not available

Note: Levies for all Special Service Areas have been excluded from this table.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Contracts	Water General Obligation Bonds	Sewer General Obligation Bonds		Parking Meter General Obligation Bonds		IEPA Revolving Loans			
				General Obligation Bonds	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds				
2007	\$ 40,195,000	\$ 280,101	\$ 20,880,000	\$ 7,070,000	\$ 435,000	\$ 15,827,763	\$ 84,687,864	5.51%	\$ 3,063		
2008	38,030,000	236,785	20,215,000	7,020,000	310,000	14,031,016	79,842,801	5.19%	2,888		
2009	38,090,000	188,176	19,550,000	8,540,000	190,000	12,129,729	78,687,905	5.12%	2,846		
2010	39,950,000	40,000	20,075,000	9,805,000	65,000	10,326,541	80,261,541	4.27%	2,963		
2011	37,950,000	20,000	19,575,000	16,850,000	-	1,793,691	76,188,691	4.06%	2,813		
2012	36,250,000	250,000	18,810,000	16,035,000	-	2,462,695	73,807,695	3.93%	2,725		
2013	35,235,000	237,500	17,945,000	23,825,000	-	2,939,046	80,181,546	4.27%	2,960		
2014	33,070,000	225,000	16,745,000	37,880,000	-	3,428,688	91,348,688	4.86%	3,372		
2015	30,870,000	212,500	15,575,000	36,310,916	-	3,252,559	86,220,975	4.59%	3,183		
2016	28,485,000	200,000	14,235,000	34,618,000	-	3,772,878	81,310,878	4.33%	3,002		

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements. See Demographic and Economic Statistics schedule for personal income and population data.

VILLAGE OF WILMETTE, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years

December 31, 2016 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Debt Payable From Other Sources	Net General Obligation Bonds	Total Estimated Actual Value	Percentage of Actual Taxable Value of Property	Per Capita
2007	\$ 68,145,000	-	68,145,000	4,866,770,620	1.40%	2,464
2008	65,265,000	-	65,265,000	6,168,898,013	1.06%	2,360
2009	66,180,000	-	66,180,000	6,583,006,183	1.01%	2,393
2010	69,830,000	340,915	69,489,085	6,984,872,111	0.99%	2,578
2011	74,375,000	-	74,375,000	6,238,674,840	1.19%	2,746
2012	71,095,000	167,376	70,927,624	5,609,784,642	1.26%	2,625
2013	77,005,000	81,611	76,923,389	5,206,015,265	1.48%	2,843
2014	87,695,000	33,073	87,661,927	4,681,757,751	1.87%	3,238
2015	82,755,916	33,600	82,722,316	4,753,002,619	1.74%	3,055
2016	77,338,000	49,207	77,288,793	4,624,470,651	1.67%	2,855

Notes:

Details regarding the Village's outstanding debt can be found in the notes to the financial statements.
See Demographic and Economic Statistics schedule for personal income and population data.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2016 (Unaudited)**

Governmental Unit	**Gross Debt	*Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Wilmette	\$ 28,685,000	100.000 %	\$ 28,685,000
School Districts:			
Avoca School District #37	3,190,000	35.530 %	1,133,407
Kenilworth School District #38	6,975,000	2.470 %	172,283
Wilmette School District #39	10,855,000	95.200 %	10,333,960
Community College #535	30,895,000	8.250 %	2,548,838
New Trier Township High School District #203	93,465,000	34.360 %	32,114,574
Total School Districts	145,380,000		46,303,061
Other Agencies:			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	3,394,901,750	1.160 %	39,380,860
Wilmette Park District	15,265,000	100.000 %	15,265,000
Glenview Park District	19,567,000	.220 %	43,047
Wilmette Public Library District	-	100.000 %	-
Total Other Agencies	6,013,656,750		85,179,199
Total Overlapping Debt	6,159,036,750		131,482,260
Total Direct and Overlapping Debt	6,187,721,750		160,167,260

* Determined by the ratio of assessed value of property in the Village subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

** Does not include unamortized loss on refunding

Data Source: Cook County and Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

Legal Debt Margin

December 31, 2016 (Unaudited)

The Village is a home rule municipality.

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

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

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Pledged Revenue Coverage - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

General Obligation Bonds Serviced by Water, Sewer and Parking Revenues and Illinois Environmental Protection Agency Loans Serviced by Sewer Revenues						
Fiscal Year	Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue (3)	Debt Service		Coverage (4)
				Principal	Interest	
2007	\$ 10,157,318	\$ 5,538,804	\$ 4,618,514	\$ 2,483,118	\$ 1,780,847	1.08
2008	10,214,433	5,603,520	4,610,913	2,679,063	1,682,119	1.06
2009	10,999,815	5,770,446	5,229,369	2,756,585	1,604,963	1.20
2010	11,698,482	5,455,208	6,243,274	2,925,216	1,410,464	1.44
2011	12,011,914	5,796,545	6,215,369	14,617,985	1,429,651	0.39
2012	13,171,739	6,346,773	6,824,966	1,653,018	1,196,965	2.39
2013	12,627,064	6,080,132	6,546,932	2,101,536	1,199,973	1.98
2014	12,078,127	6,414,787	5,663,340	7,433,558	1,543,830	0.63
2015	13,304,781	6,297,453	7,007,328	2,744,129	1,973,201	1.49
2016	13,809,762	6,214,045	7,595,717	3,213,868	1,898,932	1.49

(1) As defined in applicable bond indentures and governing laws.

(2) Total expenses exclusive of depreciation and bond interest.

(3) Gross revenues minus expenses.

(4) Net revenue available for debt service divided by total debt requirements.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2016 (Unaudited)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2007	27,651	\$ 1,537,700	\$ 55,611	42.2	8,383	3.00%
2008	27,651	1,537,700	55,611	42.2	8,383	3.80%
2009	27,651	1,537,700	55,611	42.2	8,383	6.30%
2010	27,087	1,878,800	69,363	44.5	8,401	6.40%
2011	27,087	1,878,800	69,363	44.5	8,401	5.70%
2012	27,087	1,878,800	69,363	44.5	8,401	5.20%
2013	27,087	1,878,800	69,363	44.5	8,401	5.50%
2014	27,087	1,878,800	69,363	44.5	8,401	4.50%
2015	27,087	1,878,800	69,363	44.5	8,401	4.10%
2016	27,087	1,878,800	69,363	44.5	8,401	3.80%

Data Source: 2000 and 2010 census data

VILLAGE OF WILMETTE, ILLINOIS

**Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago
December 31, 2016 (Unaudited)**

Employer	2016			2007		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wilmette School District #39	540	1	N/A	565	1	N/A
Loyola Academy	275	2	N/A	283	2	N/A
Jewel	222	3	N/A	246	4	N/A
Carson, Pirie, Scott & Co.	220	4	N/A	250	3	N/A
Village of Wilmette	197	5	N/A	209	5	N/A
Chalet Nursery	100	6	N/A	130	6	N/A
ManorCare Health Services	90	7	N/A	100	7	N/A
Baker Demonstration School	80	8	N/A			
Wilmette Park District	71	9	N/A	82	9	N/A
Westmoreland Country Club	70	10	N/A	75	10	N/A
Koenig & Strey Inc.				100	8	N/A
	<u>1,865</u>		<u>N/A</u>	<u>2,040</u>		<u>N/A</u>

N/A - Not Available

Data Source: Illinois Manufacturer Directory, Illinois Services Directory, and selective telephone survey.

VILLAGE OF WILMETTE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration & Law	7.25	7.10	7.03	6.03	6.03	6.15	6.35	6.05	5.70	5.70
Finance & Information Services	12.51	12.51	11.75	11.45	11.45	11.95	11.95	12.78	13.35	13.35
Other	3.15	3.15	3.15	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Police										
Officers	46.00	45.00	45.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Telecommunicators	8.00	8.00	8.00	8.50	9.00	9.00	9.00	9.00	9.00	9.00
Other Civilians	17.50	17.50	16.50	14.80	14.70	14.33	14.33	14.33	14.83	14.83
Fire										
Firefighters and Officers	44.00	45.00	44.00	45.00	45.00	45.00	46.00	46.00	46.00	45.00
Civilians	2.45	2.45	2.25	2.25	2.25	2.25	2.25	2.35	2.60	2.60
Health										
	1.88	1.88	1.88	1.88	2.00	2.00	2.00	2.00	2.00	2.00
Public Works										
Streets and Sanitation	32.10	32.10	29.55	27.55	27.55	28.18	28.40	27.20	27.45	27.00
Water and Sewer	31.00	30.00	30.00	29.00	28.00	28.80	28.80	29.80	31.00	30.00
Engineering	7.55	7.55	7.05	5.85	5.85	5.55	5.55	5.55	5.50	4.50
Other	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00
Community Development										
	12.25	12.20	11.60	10.75	9.95	9.95	10.23	10.43	10.95	11.25
Total	229.14	227.94	221.26	213.66	212.38	213.76	215.46	216.09	218.48	215.33

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

Function/Program	2007	2008	2009
Police			
Part I Offenses	N/A	513	427
Other Offenses	N/A	630	485
Calls for Service	N/A	18,040	15,594
Felonies	367	N/A	N/A
Misdemeanors (Part II Crimes)	1,703	N/A	N/A
Miscellaneous Offenses (Incidents Reported)	15,116	N/A	N/A
Traffic Accidents	959	1,115	826
Fire			
Emergency Responses	4,104	3,679	3,221
Fires Extinguished	59	43	47
Inspections	1,250	1,037	720
Public Works			
Street Resurfacing (Miles)	2.10	0.75	3.79
Potholes Repaired	1,590	2,058	2,000
Water			
Average Daily Consumption (Thousands of Gallons)	12,207	11,931	11,244
Peak Daily Consumption (Thousands of Gallons)	22,545	24,474	19,325

N/A - Not Available

Data Source: Village Records

2010	2011	2012	2013	2014	2015	2016
390	318	417	251	354	415	351
512	486	350	410	342	341	412
18,930	20,178	18,712	18,320	18,540	19,045	17,655
N/A						
N/A						
N/A						
797	771	779	796	807	828	805
3,095	3,154	3,122	3,149	3,064	2,876	3,181
35	51	40	37	32	41	40
856	975	680	736	1,199	881	740
1.68	1.19	0.90	0.90	1.76	2.00	1.06
1,553	1,943	889	889	2,048	2,787	2,511
11,458	11,149	11,997	11,400	11,340	10,510	10,930
20,029	22,979	24,281	19,770	16,600	17,300	18,203

VILLAGE OF WILMETTE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2016 (Unaudited)**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	20	20	20	20	20	20	20	20	20	20
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (Miles)	87.8	87.8	89.4	89.4	89.4	89.4	89.4	89.4	89.5	89.5
Streetlights	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,581	2,583
Traffic Signals:										
Village Owned	9	9	10	10	10	10	11	11	11	11
Other	17	17	16	16	16	16	16	16	16	16
Water										
Water Mains (Miles)	91	91	91	91	91	91	91	91	91	91
Fire Hydrants	982	982	983	984	984	984	977	977	977	979
System Capacity	44	44	44	44	44	44	44	44	44	44
(Millions of Gallons)										

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016



June 2, 2017

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

In planning and performing our audit of the financial statements of the Village of Wilmette (Village), Illinois, for the year ended December 31, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Trustees, management, and others within the Village of Wilmette, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. **GASB STATEMENT NO. 74 FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS AND GASB STATEMENT NO. 75 ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Comment

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, *Financial Reporting for Post-Employment Benefits Plans Other Than Pension Plans*, which applies to individual postemployment benefit plans, and Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which applies to the state and local government employers that sponsor the plans. The Statements apply to the reporting of other post-employment benefits, including medical, dental, life, vision and other insurance coverages provided by the employer post-employment. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the other post-employment benefit plans, and specifically identify the methods and assumptions that are to be used in calculating and disclosing these OPEB accounts in the financial statements. The Statements also provide for additional note disclosures and required supplementary information and are intended to improve information provided by state and local government employers regarding financial support to their OPEB plans. GASB Statement No. 75 applies to the employer's reporting of other post-employment benefit plans and is applicable to the Village's financial statements for the year ended December 31, 2018.

Recommendation

We recommend that the Village reach out to the private pension actuary engaged to provide the OPEB actuarial calculations in order to confirm the timeline for implementation and to review requested materials that will be required in order to implement the provisions and requirements of the new Statements. Lauterbach & Amen, LLP will also work directly with the Village to assist in the implementation process, including assistance in determining the implementation timeline with the Village and private actuary, providing all framework for the financial statements in order to complete the implementation, and assist in answering any questions or concerns the Village might have related to the implementation process or requirements.

PRIOR RECOMMENDATIONS

1. FUNDS OVER BUDGET

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expense/expenditures over budget for the fiscal year:

Fund	12/31/16	12/31/15
General	\$ -	234,899
Series 2013 and 2014 General Obligation Bonds	-	9,999
Employee Insurance	39,370	-
Workers' Compensation	70	3,353
Section 105 Sick Leave	-	270,618

Recommendation

We recommended the Village investigate the causes of the funds over budget and adopt appropriate future funding measures.

Status

This comment has not been implemented and will be repeated in the future.

Management Responses

Two funds were noted as having expenses exceeding their 2016 budgets. This can be explained as follows:

The Employee Insurance Fund was \$39,370 over budget. This fund is an internal service type fund that accounts for all employee insurance expense. There was a 2016 Budget Ordinance adopted that increased the original budget by \$30,000. It was not sufficient to cover the additional costs driven by two retirements occurring much later than anticipated at the time the budget was drafted.

The Workers' Compensation Fund was \$70 over budget in 2016. This fund is also an internal service type fund which accounts for all employee workers' compensation expenses. There was a 2016 Budget Ordinance adopted that increased the original budget by \$8,000. The additional deductible expenses were more than offset by \$22,638 in unbudgeted insurance reimbursements.

Staff will continue to monitor expenses and recommend budget amending ordinances when appropriate to eliminate these items going forward.