

VILLAGE OF WILMETTE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

**VILLAGE OF WILMETTE,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

Prepared by Department of Finance

Melinda Molloy, Director of Finance/Village Treasurer

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, 2017**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Robert T. Bielinski – President

Kathy Dodd – Trustee

Joel Kurzman – Trustee

Stephen M. Leonard – Trustee

Senta Plunkett – Trustee

Daniel E. Sullivan, Jr. – Trustee

Julie Wolf – Trustee

ADMINISTRATIVE

Timothy J. Frenzer, Village Manager

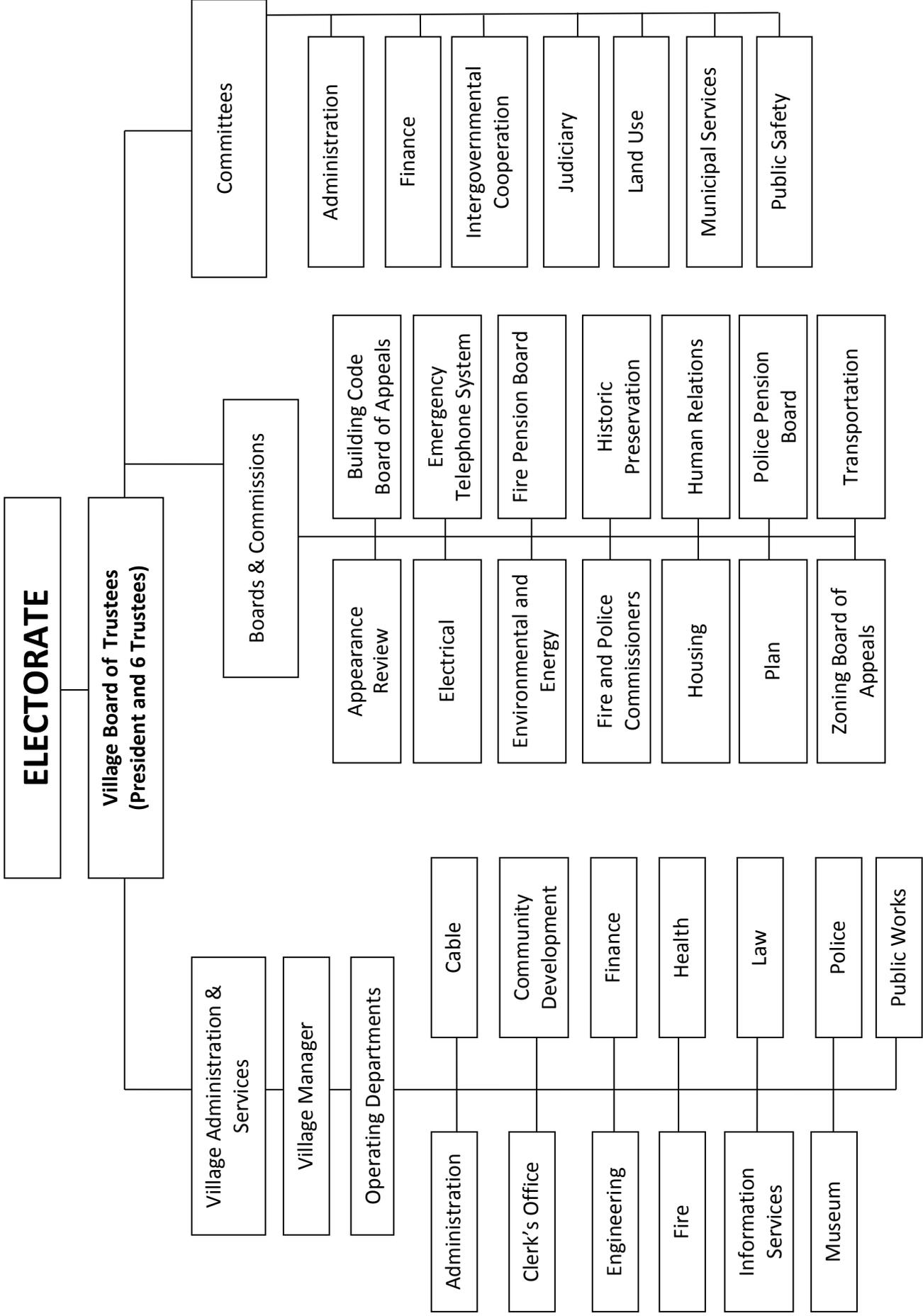
Michael Braiman, Assistant Village Manager

FINANCE DEPARTMENT

Melinda Molloy, Finance Director/Village Treasurer

John Risko, Assistant Finance Director

VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE





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WILMETTE, ILLINOIS 60091-0040

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Fax (847) 853-7642
TDD (847) 853-7634

June 7, 2018

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

The Comprehensive Annual Financial Report (CAFR) for the Village of Wilmette, Illinois, (Village) for the year ended December 31, 2017 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 report consists of management's representations concerning the finances of the Village. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. The Village believes 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 auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with GAAP.

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 Management's Discussion and Analysis, the auditor's report, the basic financial statements and the combining and individual fund 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 \$138,000. This compares to approximately \$56,900 for Cook County and \$59,000 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 3.2% at the end of 2017, which is below the State's unemployment rate of 4.7%.

Locally, the national economic downturn has had its most significant impact on real estate activity. The tax base for the Village shrank over 30% from the 2009 tax levy to the 2015 tax levy. The 2016 tax levy has rebounded almost 25% in one year. Since 2010, real estate transfer as well as home remodeling activity has been growing in the Village. Revenue from transfer taxes increased 122% in 2017 compared to 2009 and permit revenue was up 192% 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. In February 2018, Bon-Ton Stores, Inc., parent company of Carson's, the primary anchor store at Eden's Plaza, announced it had filed for bankruptcy protection. In April, Bon-Ton Stores, Inc. notified the Village of the closing of Carson's and Carson's Furniture Gallery at the Plaza. In May, the Village Board discussed the potential impact to sales tax revenue from the closures as well potential strategies to counter losses. The remainder of the shopping center includes other major stores such as Bed, Bath & Beyond, The Fresh Market grocery store and Walgreen's Pharmacy. In 2017, Retail Properties of America, an Oakbrook based investment firm, acquired the Plaza del Lago shopping center.

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. 2017 was the sixth 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 14% to the unassigned 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 completed a five-story luxury apartment development, with retail and amenity spaces on the first floor. The development has approximately 75 residences and over 6,300 square feet of first floor commercial retail space. The remaining property the Village purchased was demolished 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. Gross receipts in 2017 were 6% better than 2016.

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 nearly \$5 million in long deferred facility repairs were initiated and will be completed in 2018, including reconstruction of the public works yard, roof replacement at village hall, and generator replacement at various Village facilities.

Street Resurfacing Program -In 2017, \$2.8 million was allocated to resurface 1.18 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 2017 including: Police Squad Car Replacement (4 cars), Ambulance, Fire Incident Command Van, Public Works Large Dump Truck, Asphalt Roller, and Street Sweeper.

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 continued consideration of improvements to the Village's stormwater system west of Ridge Road to reduce the frequency and duration of street flooding with a decision anticipated in early 2018.

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 initiated 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 \$8.975 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, 2016. 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 2017 budget document. This was the nineteenth 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 2018 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 and Village Manager, Timothy Frenzer, 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,

A handwritten signature in blue ink that reads "Melinda Molloy". The signature is written in a cursive style with a large, stylized "M" and "L".

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, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

June 7, 2018

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, 2017, 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, 2017, 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, 2017

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, 2017. 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 \$39,233, an increase of \$2,554 (7%) from the prior fiscal year. The governmental net position decreased by \$736 (4%). The business-type net position increased by \$3,290 (6%).
- Village-wide revenues were \$56,221, of which \$41,317 were generated by governmental activities and \$14,904 were generated by business-type activities.
- Village-wide expenses were \$53,667, of which \$43,053 were incurred by governmental activities and \$10,614 were incurred by business-type activities.
- Governmental Fund balances increased \$3,628 to \$18,397. Of this amount \$11,409 (62%) was unassigned fund balance available for spending at the Village's discretion.
- Governmental Fund revenues were \$41,315, an increase of \$112 from fiscal year 2016. Governmental Fund expenditures were \$43,697, an increase of \$4,213 from fiscal year 2016 due primarily to capital outlay expenditures.
- Enterprise Fund net position increased \$3,290 to \$58,738. Of this amount \$8,251 (14%) was unrestricted net position available for spending at the Village's discretion.
- Enterprise Fund operating revenues were \$14,349, an increase of \$539 from the prior fiscal year. Enterprise Fund operating expenses were \$8,975, an increase of \$485 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 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 2017.

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 19-69 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 70-78 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 \$39,233 as of December 31, 2017. The overall net position increased \$2,554, or 7.0%, from a \$36,679 in FY 2016. 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	
	2017	2016	2017	2016	2017	2016
Assets						
Current / Other Assets	\$ 42,099	\$ 35,854	\$ 9,447	\$ 9,335	\$ 51,546	\$ 45,189
Capital Assets	48,270	46,545	99,235	99,885	147,505	146,430
Total Assets	\$ 90,369	\$ 82,399	\$ 108,682	\$ 109,220	\$ 199,051	\$ 191,619
Deferred Outflows	\$ 4,563	\$ 12,069	\$ -	\$ -	\$ 4,563	\$ 12,069
Total Assets/Deferred Outflows	\$ 94,932	\$ 94,468	\$ 108,682	\$ 109,220	\$ 203,614	\$ 203,688
Liabilities						
Current Liabilities	\$ 9,646	\$ 7,105	\$ 4,866	\$ 4,702	\$ 14,512	\$ 11,807
Non-Current Liabilities	78,475	86,581	45,079	49,042	123,554	135,623
Total Liabilities	\$ 88,121	\$ 93,686	\$ 49,945	\$ 53,744	\$ 138,066	\$ 147,430
Deferred Inflows	\$ 26,315	\$ 19,550	\$ -	\$ 29	\$ 26,315	\$ 19,579
Total Liabilities/ Deferred Inflows	\$ 114,436	\$ 113,236	\$ 49,945	\$ 53,773	\$ 164,381	\$ 167,009
Net Position:						
Net Investment in Capital Assets	\$ 18,020	\$ 18,951	\$ 50,486	\$ 47,608	\$ 68,506	\$ 66,559
Restricted	2,269	450	-	-	2,269	450
Unrestricted	(39,793)	(38,169)	8,251	7,839	(31,542)	(30,330)
Total Net position	\$ (19,504)	\$ (18,768)	\$ 58,737	\$ 55,447	\$ 39,233	\$ 36,679

Current assets within the governmental activities increased \$6,245 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 increased \$112 mainly due to an increase in accounts receivable and inventories at year-end.

Total liabilities for governmental activities decreased \$5,565 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 \$50,860 to \$46,193. Total liabilities for business type activities decreased \$3,799 from the prior fiscal year mainly due to the pay down of long-term debt.

The largest portion of the Village's net position, \$68,506, 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, \$2,269, 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 (\$31,542).

At the end of fiscal year 2017, 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 GASB 68 and the recording of the net pension liabilities.

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 2017 and 2016 broken out by governmental activities and business-type activities. The net position of the Village's governmental activities decreased to (\$19,504) in 2017 compared to (\$18,768) in 2016. The net position of business-type activities increased by \$3,290 to \$58,737 in 2017.

Table 2: Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 8,456	\$ 8,864	\$ 14,349	\$ 13,810	\$ 22,805	\$ 22,674
Grants / Contributions	987	888	540	-	1,527	888
General Revenues						
Property Taxes	17,023	16,500	-	-	17,023	16,500
Sales Taxes	5,924	5,716	-	-	5,924	5,716
Income Taxes	2,488	2,637	-	-	2,488	2,637
Utility Taxes	2,037	2,226	-	-	2,037	2,226
Other Taxes	1,382	2,355	-	-	1,382	2,355
Other General Revenues	3,020	2,017	15	17	3,035	2,034
Total Revenues	\$ 41,317	\$ 41,203	\$ 14,904	\$ 13,827	\$ 56,221	\$ 55,030
Expenses						
General Government	\$ 4,499	\$ 4,214	\$ -	\$ -	\$ 4,499	\$ 4,214
Public Safety	22,745	23,274	-	-	22,745	23,274
Streets and Sanitation	9,630	9,723	-	-	9,630	9,723
Other Public Works	2,825	1,607	-	-	2,825	1,607
Public Health	163	257	-	-	163	257
Community Development	1,993	2,027	-	-	1,993	2,027
Interest	1,198	1,156	-	-	1,198	1,156
Water	-	-	6,192	6,132	6,192	6,132
Sewer	-	-	3,993	3,749	3,993	3,749
Parking	-	-	429	508	429	508
Total Expenses	\$ 43,053	\$ 42,258	\$ 10,614	\$ 10,389	\$ 53,667	\$ 52,647
Change in Net Position						
Before Transfers	(1,736)	(1,055)	4,290	3,438	2,554	2,383
Transfers	1,000	1,000	(1,000)	(1,000)	-	-
Change in Net Position	(736)	(55)	3,290	2,438	2,554	2,383
Net Position January 1	(18,768)	(18,882)	55,447	53,009	36,679	34,127
Restatement - sales tax	-	169	-	-	-	169
Net Position December 31	\$ (19,504)	\$ (18,768)	\$ 58,737	\$ 55,447	\$ 39,233	\$ 36,679

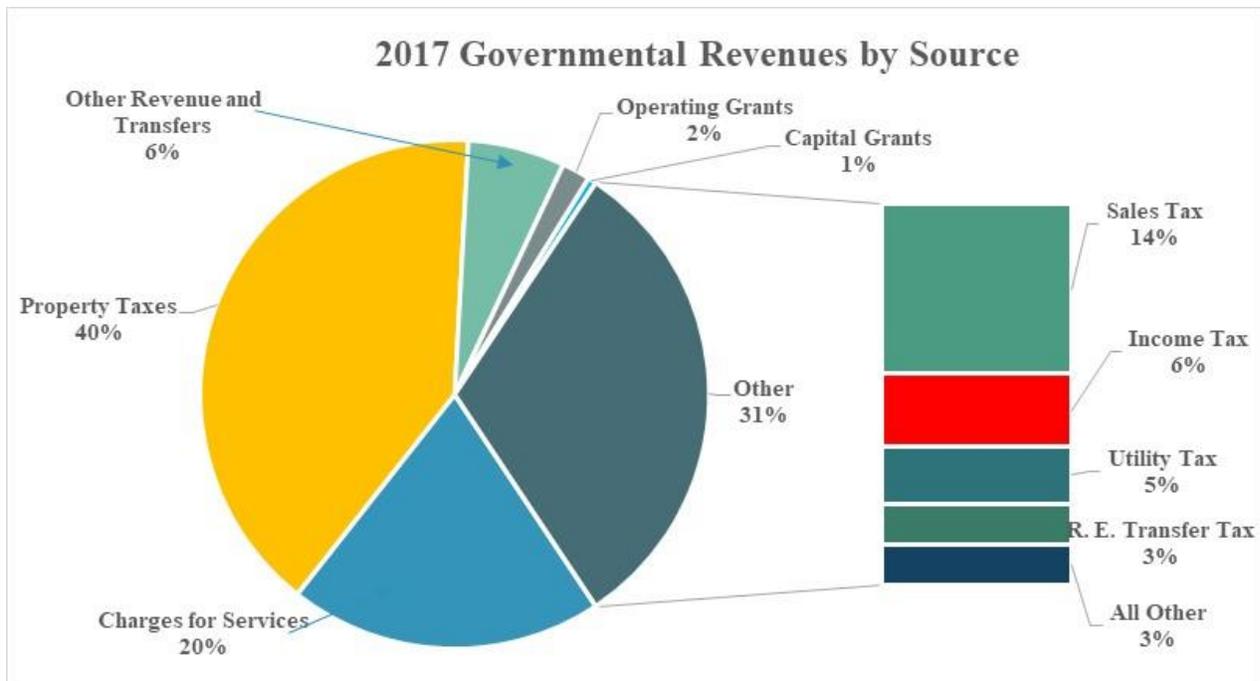
Governmental Activities – Revenues

Total governmental activities revenues amounted to \$41,317 for 2017, an increase of \$114 or less than one percent over 2016.

Program revenues in aggregate were down \$309 when comparing 2017 to 2016. Program revenues from grants and contributions increased \$99. More importantly, revenues received from governmental service charges decreased \$408, or 5%, from 2016. Almost all of the decrease was the result of robust permit activity in the prior year.

General revenues in aggregate were up \$423 from 2016. General revenues from property taxes increased \$523 or 3% in 2017. The growth in property tax revenues was expected as the Village's 2016 tax levy included a 4.97% increase. General revenues from all other taxes and revenues increased \$100 or 1%, in 2017. The increase is mainly due to the increase in sales tax.

The following graph depicts the major governmental revenue sources of the Village. The composition of the Village's 2017 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 \$43,053 for 2017, an increase of \$795 or 2% from 2016.

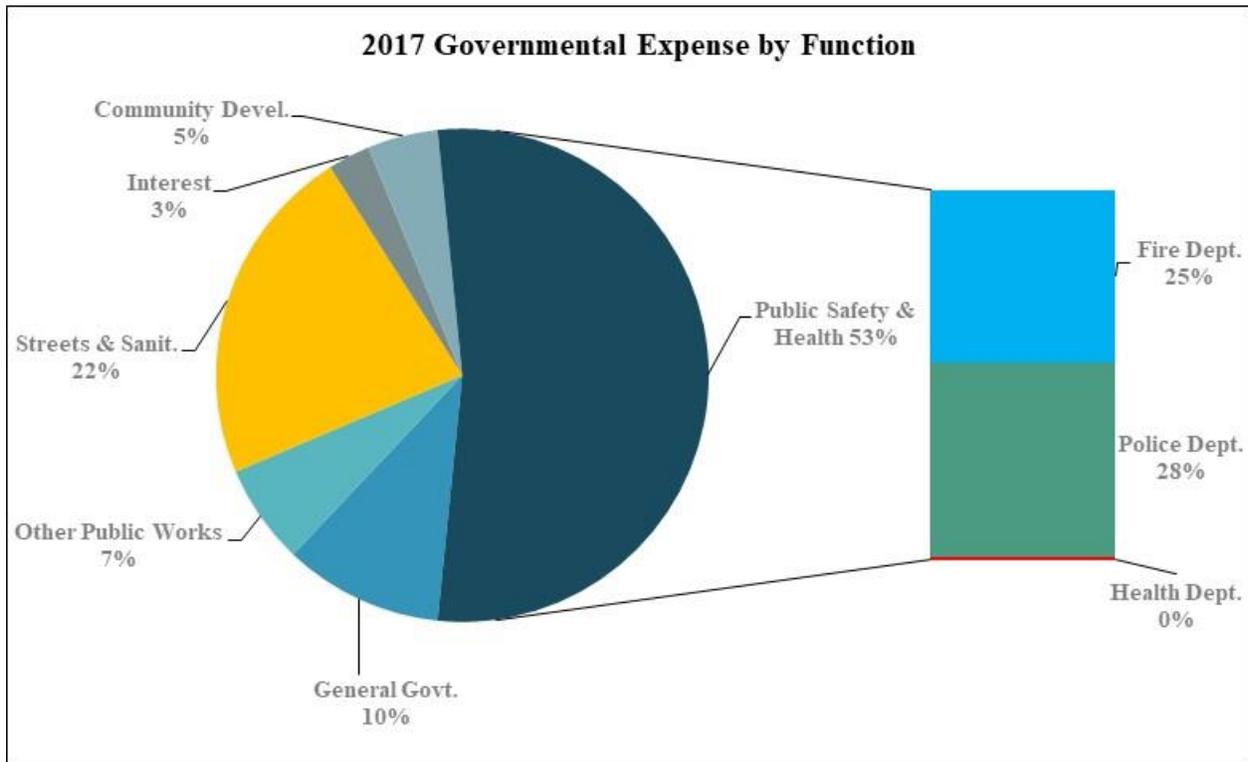
General Government expenses increased \$285 or 7% from 2016. The increase was a combination of increased property and liability costs, bank fees and additional technology investments.

Public Safety expenses declined \$529 or 2% from 2016. The current year adjustment for GASB 68 alone resulted in a decrease in expenses of \$3,762. That decrease was offset by capital asset depreciation.

Streets and Sanitation expenses declined \$93 or 1% from 2016.

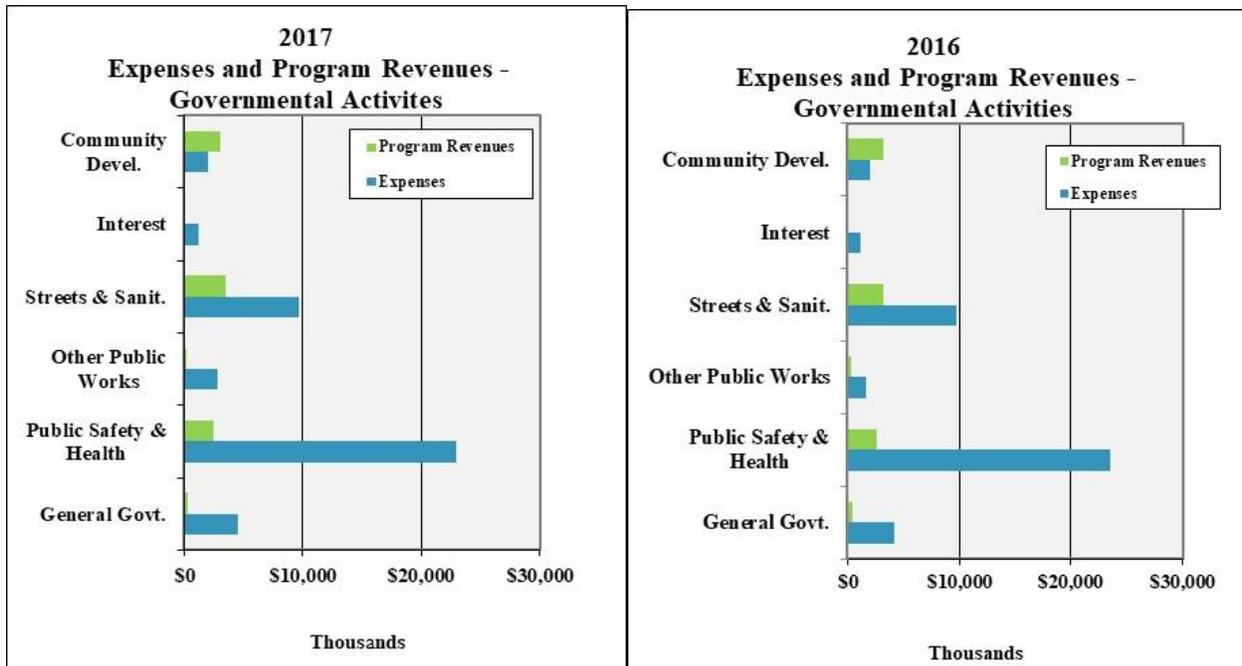
Community Development expenses declined \$34 or 2% from 2016.

The following graph depicts the major governmental expense by function of the Village. The composition of the Village's 2017 governmental activities expenses is similar to 2016. 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 2017 and 2016. For governmental activities, program revenues covered approximately 22% of expenses. This is a slight decrease from 2016. 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

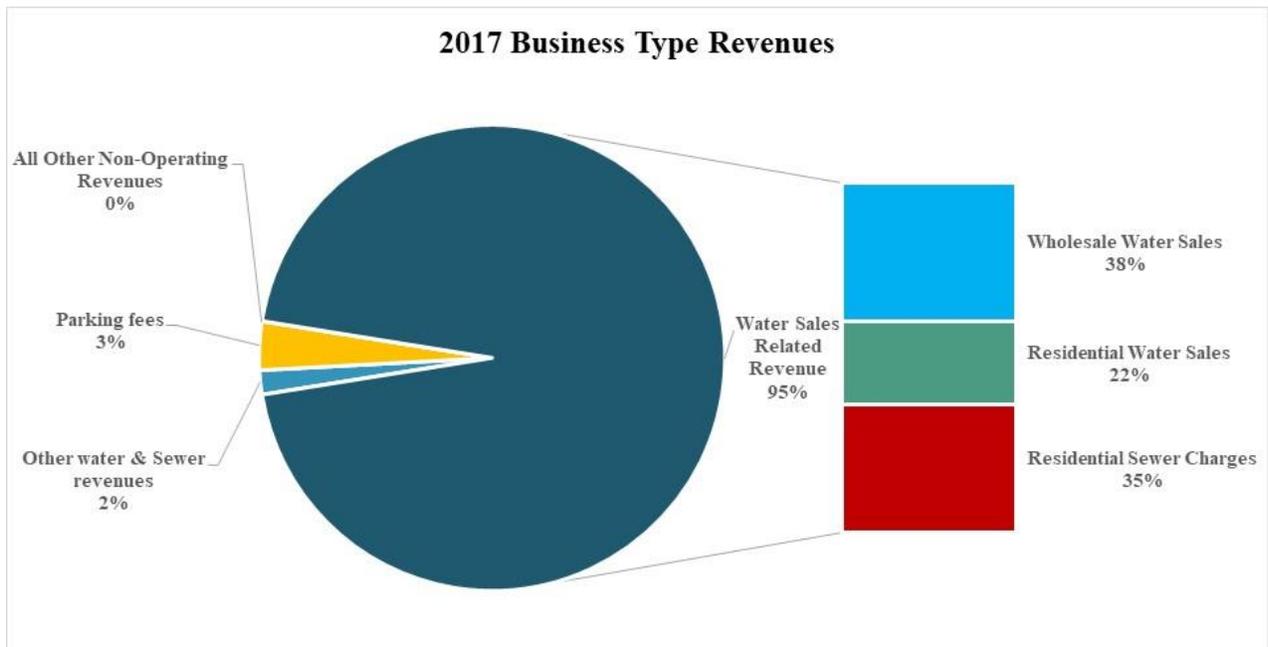
As noted previously, the business-type activities reflect private sector-type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation. For the Village that applies to the Water Fund, and Sewer Fund but not the Parking Meter Fund.

Business-Type Activities – Revenues

Total business-type activities revenues amounted to \$14,904 for 2017, an increase of \$1,077 or 8% compared to 2016.

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 \$539 or 4% from 2016. A majority of the increase, \$419, is the result of a wholesale 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 \$69 to the service charges increase.

The following graph depicts the major business-type revenue sources of the Village. The composition of the Village’s 2017 business-type activities revenues is similar to 2016.



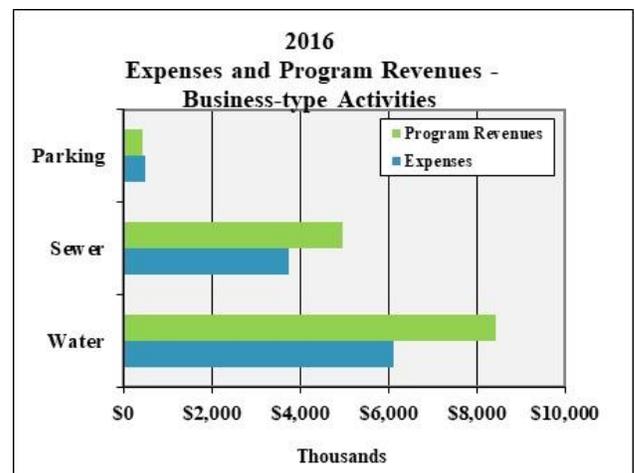
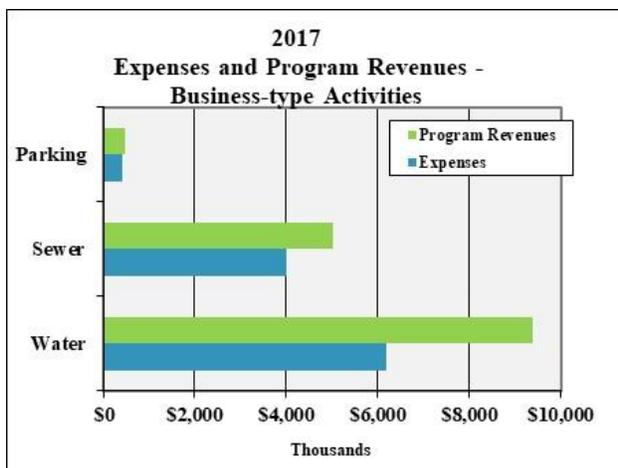
Business Type Activities – Expenses

Total business-type activities expenses amounted to \$10,614 for 2017, an increase of \$225 or 2% from 2016.

Expenses for the Water Fund were relatively flat with only a \$60 or 1% increase compared to 2016. The Sewer Fund expenses were up \$244 or 7% from 2016. The increase is mainly the result of additional contractual service work for sewer maintenance.

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 2017 and 2016. 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 \$18,397, which is \$3,628, or 25%, higher than last year's total of \$14,769. Of the total, \$11,409 or approximately 62%, 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 \$11,409, 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 31% of total General Fund expenditures. The total fund balance in the fund increased by \$1,840, or 13%.

Other Major Funds

The Village's other major governmental funds include the Debt Service Fund and the 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 \$145, which is an increase from last year of \$96 due to a bond refunding during the year. 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 \$110 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 \$1,699, which reflects unspent bond proceeds at year-end for future projects.

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 \$342, which was a decrease of \$8, or 2% 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.

Village of Wilmette, Illinois
Management's Discussion and Analysis, (Continued)

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 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Wholesale Water Rate	\$ 1.392 / ccf	\$ 1.331 / ccf	4.6%
Residential Water Rate	\$ 2.61 / ccf	\$ 2.61 / ccf	0.0%
Residential Sewer Rate	\$ 4.24 / ccf	\$ 4.24 / ccf	0.0%
METRA Commuter Lot Parking Rate	\$ 2.50 per day	\$ 2.00 per day	25.0%
METRA Poplar & Green Bay Lot 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 \$3,208 which was \$897 more than last year. The unrestricted net position increased to \$3,565. 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 \$1,027 which was due mainly from rate increases in 2014 and 2016. The unrestricted net position totaled \$3,673 at year-end.

The Parking Meter Fund had a year-end Net Position of \$4,385 which is an increase of \$54 from last year. The increase was mainly driven by \$484 in charges for services exceeding operating expenses of \$430.

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. No supplemental appropriation ordinance was adopted for the 2017 Budget

Table 3: General Fund Budgetary Highlights - I

	Original and Final <u>Budget</u>	Actual GAAP <u>Basis</u>
Revenues	\$ 36,499	\$ 37,232
Expenditures	<u>37,003</u>	<u>36,347</u>
Excess (Deficiency) of Revenues over Expenditures	(504)	885
Other Financing Sources (Uses):		
Debt Issuance	-	65
Transfers in	1,100	1,000
Transfers out	<u>(110)</u>	<u>(110)</u>
Net Changes in Fund Balance	<u>\$ 486</u>	<u>\$ 1,840</u>

The principal goal in setting the 2017 budget was to maintain service levels and keep fund operating reserves stable. Ultimately, improved 2017 revenues resulted in the \$1,840 increase in the General Fund balance. An improving economy boosted licenses, permits and fees which in total performed better than budgeted by \$1,162. Investment earnings from the IRMA excess surplus reserve, which are not budgeted, were \$299 of the positive variance. As for expenditures, all departments of the Village came in just slightly under budget for the year.

CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2017 total \$147,505. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents an decrease of \$1,075 (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 decreased from last year by \$931. The overall decrease includes an increase related to capital additions of \$5,515 and debt repayment of \$3,038 netted with depreciation of \$3,790 and a change in unamortized bond discounts and unexpended bond proceeds of \$109, along with a new debt issuance of \$5,585.

Business-Type Activities net investment in capital assets increased by \$2,878. Capital asset balances remained relatively flat compared to 2016 (\$99,234,937 at year-end compared to \$99,885,334 for 2016) but \$11,415 of general obligation bonds were retired with only \$7,680 in new issuances.

DEBT OUTSTANDING

The Village has eight 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, 2016	Issued in 2017	Retired in 2017	Outstanding at Dec 31, 2017
General Obligation Bond:	77,395	13,265	(14,440)	76,220
E.P.A. Loans	3,773	-	(199)	3,574
State Loans	200	-	(12)	188
Totals	81,368	13,265	(14,651)	79,982
Governmental Activities	28,685	5,585	(3,037)	31,233
Business-Type Activities	52,683	7,680	(11,614)	48,749
Totals	81,368	13,265	(14,651)	79,982

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 2017 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 2018 budget, tax rates, and fees that will be charged for its governmental and business type activities. While 2017 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 2017 at the time the Budget was formulated.

The Fiscal Year 2018 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 2018 should the need arise.

- The property tax levy is projected to increase by 3.83% due to a number of components. The component the Village has full control over is operations, which is forecast to rise by a modest 1.05%. Pre-existing debt service cost increases (based on how long-term debt was financed in prior decades) will also impact the tax levy by 1.50%. 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 1.40%.
- The FY 2018 Budget provides for a 2.7% increase in the residential water rate and no increase to the sewer rate. As the Village Board continues its review of the proposed \$80 - 95 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.
- While wages account for more than 30% of Village spending across all funds, wage growth across all funds in the FY 2018 Budget will be only 2.2%.
- The FY 2018 Budget provides for capital funding for critical infrastructure improvements in Village neighborhoods, including:
 - \$3.8 million for street resurfacing and related engineering improvements
 - \$1.4 million in critical vehicle replacements,
 - \$38,000 for the continued implementation of a document management system
 - \$2,000,000 for sewer lining and rehabilitation
 - \$5,000,000 for critical Water Plant electrical improvements, to be completed in 2018 and 2019 (total project cost of over \$9 million) plus an additional \$571,000 in other important capital projects

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, 2017

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Net Position

December 31, 2017

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 13,902,118	6,508,746	20,410,864
Receivables - Net	18,720,243	2,473,269	21,193,512
Due from Other Governments	2,129,208	-	2,129,208
Inventories/Prepays	85,108	90,803	175,911
Deposits	1,619,967	-	1,619,967
Restricted Assets - Cash and Investments	5,012,512	374,324	5,386,836
Total Current Assets	41,469,156	9,447,142	50,916,298
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	5,776,646	2,096,006	7,872,652
Depreciable Capital Assets	90,726,808	141,768,262	232,495,070
Depreciation	(48,233,213)	(44,629,331)	(92,862,544)
	48,270,241	99,234,937	147,505,178
Other Assets			
Land Held for Resale	630,000	-	630,000
Total Noncurrent Assets	48,900,241	99,234,937	148,135,178
Total Assets	90,369,397	108,682,079	199,051,476
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	981,934	-	981,934
Deferred Items - IMRF	2,266,572	-	2,266,572
Deferred Items - Police Pension	264,396	-	264,396
Deferred Items - Firefighters' Pension	1,049,828	-	1,049,828
Total Deferred Outflows of Resources	4,562,730	-	4,562,730
Total Assets and Deferred Outflows of Resources	94,932,127	108,682,079	203,614,206

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	\$ 3,970,910	797,241	4,768,151
Accrued Wages and Benefits	106,375	12,664	119,039
Accrued Interest Payable	93,944	149,865	243,809
Deposits Payable	558,424	135	558,559
Other Payables	1,426,862	-	1,426,862
Compensated Absences Payable	747,475	47,200	794,675
Current Portion of Long-Term Debt	2,742,500	3,858,426	6,600,926
Total Current Liabilities	9,646,490	4,865,531	14,512,021
Noncurrent Liabilities			
Compensated Absences Payable	2,989,899	188,800	3,178,699
Net Pension Liability - IMRF	891,292	-	891,292
Net Pension Liability - Police Pension	20,153,289	-	20,153,289
Net Pension Liability - Firefighters' Pension	25,950,317	-	25,950,317
EPA Loans Payable	-	3,355,053	3,355,053
Installment Contracts Payable	175,000	-	175,000
General Obligation Bonds Payable	28,315,000	41,535,000	69,850,000
Total Noncurrent Liabilities	78,474,797	45,078,853	123,553,650
Total Liabilities	88,121,287	49,944,384	138,065,671
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	17,573,963	-	17,573,963
Deferred Items - IMRF	6,411,377	-	6,411,377
Deferred Items - Police Pension	859,900	-	859,900
Deferred Items - Firefighters' Pension	1,469,925	-	1,469,925
Total Deferred Inflows of Resources	26,315,165	-	26,315,165
Total Liabilities and Deferred Inflows of Resources	114,436,452	49,944,384	164,380,836
NET POSITION			
Net Investment in Capital Assets	18,019,675	50,486,458	68,506,133
Restricted - Police Seizures	82,288	-	82,288
Restricted - Debt Service	145,485	-	145,485
Restricted - Highways and Streets	342,240	-	342,240
Restricted - Capital Projects	1,699,050	-	1,699,050
Unrestricted (Deficit)	(39,793,063)	8,251,237	(31,541,826)
Total Net Position	(19,504,325)	58,737,695	39,233,370

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, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,498,769	334,110	-	-
Public Safety	22,744,932	2,338,553	30,586	-
Streets and Sanitation	9,630,001	2,543,282	690,897	221,265
Other Public Works	2,824,508	117,080	44,546	-
Public Health	163,601	39,513	-	-
Community Development	1,992,934	3,083,201	-	-
Interest on Long-Term Debt	1,198,440	-	-	-
Total Governmental Activities	43,053,185	8,455,739	766,029	221,265
Business-Type Activities				
Water	6,191,777	8,846,310	-	539,968
Sewer	3,992,876	5,018,879	-	-
Parking	429,583	483,969	-	-
Total Business-Type Activities	10,614,236	14,349,158	-	539,968
Total Primary Government	53,667,421	22,804,897	766,029	761,233

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
 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
(4,164,659)	-	(4,164,659)
(20,375,793)	-	(20,375,793)
(6,174,557)	-	(6,174,557)
(2,662,882)	-	(2,662,882)
(124,088)	-	(124,088)
1,090,267	-	1,090,267
(1,198,440)	-	(1,198,440)
(33,610,152)	-	(33,610,152)
-	3,194,501	3,194,501
-	1,026,003	1,026,003
-	54,386	54,386
-	4,274,890	4,274,890
(33,610,152)	4,274,890	(29,335,262)
17,023,404	-	17,023,404
2,133,211	-	2,133,211
2,037,460	-	2,037,460
1,410,066	-	1,410,066
1,382,125	-	1,382,125
2,487,918	-	2,487,918
3,790,679	-	3,790,679
336,272	15,305	351,577
1,272,979	-	1,272,979
1,000,000	(1,000,000)	-
32,874,114	(984,695)	31,889,419
(736,038)	3,290,195	2,554,157
(18,768,287)	55,447,500	36,679,213
(19,504,325)	58,737,695	39,233,370

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

VILLAGE OF WILMETTE, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2017**

	General	Debt Service	Capital Projects	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 12,090,424	145,485	-	462,546	12,698,455
Receivables - Net of Allowances					
Property Taxes	13,872,820	3,701,143	-	-	17,573,963
Other Taxes	322,480	-	-	-	322,480
Accounts	810,339	-	-	-	810,339
Due from Other Governments	2,069,355	-	-	59,853	2,129,208
Prepays	85,108	-	-	-	85,108
Deposits	1,619,967	-	-	-	1,619,967
Restricted Assets - Cash and Investments	1,506,783	-	3,505,729	-	5,012,512
Land Held for Resale	630,000	-	-	-	630,000
Total Assets	33,007,276	3,846,628	3,505,729	522,399	40,882,032

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

	General	Debt Service	Nonmajor Fund Motor Fuel Tax	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
LIABILITIES					
Accounts Payable	\$ 1,972,358	-	1,806,679	180,159	3,959,196
Accrued Wages and Benefits	106,375	-	-	-	106,375
Deposits Payable	544,040	-	-	-	544,040
Other Prepayments	301,350	-	-	-	301,350
Total Liabilities	2,924,123	-	1,806,679	180,159	4,910,961
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	13,872,820	3,701,143	-	-	17,573,963
Total Liabilities and Deferred Inflows of Resources	16,796,943	3,701,143	1,806,679	180,159	22,484,924
FUND BALANCE					
Nonspendable	1,705,075	-	-	-	1,705,075
Restricted	82,288	145,485	1,699,050	342,240	2,269,063
Assigned	3,013,575	-	-	-	3,013,575
Unassigned	11,409,395	-	-	-	11,409,395
Total Fund Balances	16,210,333	145,485	1,699,050	342,240	18,397,108
Total Liabilities, Deferred Inflows of Resources and Fund Balances	33,007,276	3,846,628	3,505,729	522,399	40,882,032

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, 2017

Total Governmental Fund Balances \$ 18,397,108

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. 48,270,241

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.
Deferred Items - IMRF (4,144,805)
Deferred Items - Police Pension (595,504)
Deferred Items - Firefighters' Pension (420,097)

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. 65,514

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.
Compensated Absences Payable (3,737,374)
Net Pension Liability - IMRF (891,292)
Net Pension Liability - Police Pension (20,153,289)
Net Pension Liability - Firefighters' Pension (25,950,317)
General Obligation Bonds Payable - Net (30,063,066)
State Fire Truck Loan Payable (187,500)
Accrued Interest Payable (93,944)

Net Position of Governmental Activities (19,504,325)

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, 2017**

	General	Debt Service	Capital Projects	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
Revenues					
Taxes	\$ 20,596,113	3,390,153	-	-	23,986,266
Licenses, Permits and Fees	4,976,559	-	-	-	4,976,559
Intergovernmental	6,574,994	-	-	690,897	7,265,891
Charges for Services	3,169,267	-	-	-	3,169,267
Fines and Forfeitures	309,913	-	-	-	309,913
Investment Earnings	332,682	-	-	1,193	333,875
Miscellaneous	1,272,979	-	-	-	1,272,979
Total Revenues	37,232,507	3,390,153	-	692,090	41,314,750
Expenditures					
Current					
General Government	3,846,318	-	-	-	3,846,318
Public Safety	20,193,142	-	-	-	20,193,142
Streets and Sanitation	5,840,882	-	-	-	5,840,882
Other Public Works	3,663,532	-	-	-	3,663,532
Public Health	163,601	-	-	-	163,601
Community Development	1,774,843	-	-	-	1,774,843
Capital Outlay	675,261	-	3,300,950	700,000	4,676,211
Debt Service					
Principal Retirement	12,500	2,435,000	-	-	2,447,500
Interest and Fiscal Charges	177,050	914,173	-	-	1,091,223
Total Expenditures	36,347,129	3,349,173	3,300,950	700,000	43,697,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	885,378	40,980	(3,300,950)	(7,910)	(2,382,502)
Other Financing Sources (Uses)					
Debt Issuance	65,000	520,000	5,000,000	-	5,585,000
Payment to Escrow Agent	-	(574,702)	-	-	(574,702)
Transfers In	1,000,000	110,000	-	-	1,110,000
Transfers Out	(110,000)	-	-	-	(110,000)
	955,000	55,298	5,000,000	-	6,010,298
Net Change in Fund Balances	1,840,378	96,278	1,699,050	(7,910)	3,627,796
Fund Balances - Beginning	14,369,955	49,207	-	350,150	14,769,312
Fund Balances - Ending	16,210,333	145,485	1,699,050	342,240	18,397,108

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, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 3,627,796
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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	5,515,235
Depreciation Expense	(3,789,771)
Disposals - Cost	(551,676)
Disposals - Accumulated Depreciation	551,676

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

Change in Deferred Items - IMRF	(8,065,271)
Change in Deferred Items - Police Pension	(2,786,845)
Change in Deferred Items - Firefighters' Pension	(3,066,958)

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.

55,797

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	(173,367)
Decrease to Net Pension Liability - IMRF	6,611,325
Decrease to Net Pension Liability - Police Pension	2,127,197
Decrease to Net Pension Liability - Firefighters' Pension	1,878,839
Retirement of Debt	3,037,500
Issuance of Debt	(5,585,000)
Amortization of Loss on Refunding	(109,104)

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.

(13,411)

Changes in Net Position of Governmental Activities

(736,038)

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, 2017**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Fund Net Position - Proprietary Funds
December 31, 2017**

	Business-Type Activities			Totals	Governmental
	Water	Sewer	Nonmajor Parking Meter		Activities Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 2,391,266	3,087,724	1,029,756	6,508,746	1,203,663
Restricted Assets					
Cash and Investments	-	374,324	-	374,324	-
Receivables - Net of Allowances					
Accounts	1,630,899	836,060	6,310	2,473,269	13,461
Inventory	87,875	-	-	87,875	-
Prepays	1,595	1,333	-	2,928	-
Total Current Assets	<u>4,111,635</u>	<u>4,299,441</u>	<u>1,036,066</u>	<u>9,447,142</u>	<u>1,217,124</u>
Noncurrent Assets					
Nondepreciable Capital Assets	998,303	438,599	659,104	2,096,006	-
Depreciable Capital Assets	51,866,607	84,929,761	4,971,894	141,768,262	-
Accumulated Depreciation	(22,813,301)	(19,555,923)	(2,260,107)	(44,629,331)	-
Total Noncurrent Assets	<u>30,051,609</u>	<u>65,812,437</u>	<u>3,370,891</u>	<u>99,234,937</u>	<u>-</u>
Total Assets	<u>34,163,244</u>	<u>70,111,878</u>	<u>4,406,957</u>	<u>108,682,079</u>	<u>1,217,124</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	\$ 312,294	462,702	22,245	797,241	11,714
Accrued Wages and Benefits	12,247	417	-	12,664	-
Accrued Interest Payable	33,134	116,731	-	149,865	-
Deposits Payable	135	-	-	135	14,384
Retiree Benefits Payable	-	-	-	-	1,125,512
Compensated Absences Payable	37,860	9,340	-	47,200	-
EPA Loans Payable	-	218,426	-	218,426	-
General Obligation Bonds Payable	1,890,000	1,750,000	-	3,640,000	-
Total Current Liabilities	2,285,670	2,557,616	22,245	4,865,531	1,151,610
Noncurrent Liabilities					
Compensated Absences Payable	151,440	37,360	-	188,800	-
General Obligation Bonds Payable	10,375,000	31,160,000	-	41,535,000	-
EPA Loans Payable	-	3,355,053	-	3,355,053	-
Total Noncurrent Liabilities	10,526,440	34,552,413	-	45,078,853	-
Total Liabilities	12,812,110	37,110,029	22,245	49,944,384	1,151,610
NET POSITION					
Net Investment in Capital Assets	17,786,609	29,328,958	3,370,891	50,486,458	-
Unrestricted	3,564,525	3,672,891	1,013,821	8,251,237	65,514
Total Net Position	21,351,134	33,001,849	4,384,712	58,737,695	65,514

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, 2017**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Nonmajor Parking Meter	Totals	Activities Internal Service
Operating Revenues					
Charges for Services	\$ 8,846,310	5,018,879	483,969	14,349,158	-
Interfund Services	-	-	-	-	6,813,367
Total Operating Revenues	8,846,310	5,018,879	483,969	14,349,158	6,813,367
Operating Expenses					
Administration	774,936	-	-	774,936	-
Operations	4,080,250	1,541,038	302,884	5,924,172	6,759,967
Depreciation	1,070,203	1,079,321	126,699	2,276,223	-
Total Operating Expenses	5,925,389	2,620,359	429,583	8,975,331	6,759,967
Operating Income	2,920,921	2,398,520	54,386	5,373,827	53,400
Nonoperating Revenues (Expenses)					
Grants	539,968	-	-	539,968	-
Investment Earnings	14,324	981	-	15,305	2,397
Interest Expense	(266,388)	(1,372,517)	-	(1,638,905)	-
	287,904	(1,371,536)	-	(1,083,632)	2,397
Income Before Transfers	3,208,825	1,026,984	54,386	4,290,195	55,797
Transfers Out	(1,000,000)	-	-	(1,000,000)	-
Change in Net Position	2,208,825	1,026,984	54,386	3,290,195	55,797
Net Position - Beginning	19,142,309	31,974,865	4,330,326	55,447,500	9,717
Net Position - Ending	21,351,134	33,001,849	4,384,712	58,737,695	65,514

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, 2017**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended December 31, 2017

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 8,009,085
Receipts from Interfund Services	-
Payments to Employees	(2,416,721)
Payments to Suppliers	<u>(2,376,723)</u>
	<u>3,215,641</u>
Cash Flows from Non-Capital Financing Activities	
Transfers Out	<u>(1,000,000)</u>
Cash Flows from Capital and Related Financing Activities	
Capital Grants	539,968
Purchase of Capital Assets	(793,603)
Principal Issued on Debt	5,800,000
Principal Paid on Debt	(7,770,000)
Interest Paid on Debt	<u>(266,388)</u>
	<u>(2,490,023)</u>
Cash Flows from Investing Activities	
Interest Received	<u>14,324</u>
Net Change in Cash and Cash Equivalents	(260,058)
Cash and Cash Equivalents - Beginning	<u>2,651,324</u>
Cash and Cash Equivalents - Ending	<u><u>2,391,266</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.	
Operating Income (Loss)	<u>2,920,921</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	1,070,203
Other Expenses - IMRF	
(Increase) Decrease in Current Assets	(837,225)
Increase (Decrease) in Current Liabilities	<u>61,742</u>
Net Cash Provided by Operating Activities	<u><u>3,215,641</u></u>

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

Business-Type Activities - Enterprise Funds			Governmental
Sewer	Nonmajor Parking Meter	Totals	Activities Internal Service
5,923,925	477,779	14,410,789	-
-	-	-	6,810,637
(595,475)	(65,018)	(3,077,214)	(728,360)
(953,473)	(245,867)	(3,576,063)	(6,059,993)
4,374,977	166,894	7,757,512	22,284
-	-	(1,000,000)	-
-	-	539,968	-
(832,223)	-	(1,625,826)	-
1,880,000	-	7,680,000	-
(3,787,399)	-	(11,557,399)	-
(1,372,517)	-	(1,638,905)	-
(4,112,139)	-	(6,602,162)	-
981	-	15,305	2,397
263,819	166,894	170,655	24,681
2,823,905	862,862	6,338,091	1,178,982
3,087,724	1,029,756	6,508,746	1,203,663
2,398,520	54,386	5,373,827	53,400
1,079,321	126,699	2,276,223	-
905,046	(6,190)	61,631	(2,730)
(7,910)	(8,001)	45,831	(28,386)
4,374,977	166,894	7,757,512	22,284

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2017**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 6,506,808	617,186
Investments		
U.S. Treasury Securities	12,710,636	-
U.S. Agency Securities	1,472,359	-
Mutual Funds	46,199,670	-
Corporate Bonds	13,077,782	-
Common Stock	15,630,185	-
Receivables		
Accrued Interest	<u>200,062</u>	<u>-</u>
Total Assets	<u>95,797,502</u>	<u>617,186</u>
LIABILITIES		
Accounts Payable	25,202	-
Deposits Payable	<u>-</u>	<u>617,186</u>
Total Liabilities	<u>25,202</u>	<u>617,186</u>
NET POSITION		
Net Position Restricted for Pensions	<u>95,772,300</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, 2017**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 4,632,000
Contributions - Plan Members	873,052
Total Contributions	<u>5,505,052</u>
Investment Income	
Investment Earnings	779,298
Net Change in Fair Value	10,803,754
	<u>11,583,052</u>
Less Investment Expenses	(162,319)
Net Investment Income	<u>11,420,733</u>
Total Additions	<u>16,925,785</u>
Deductions	
Administration	46,877
Benefits and Refunds	6,922,626
Total Deductions	<u>6,969,503</u>
Change in Fiduciary Net Position	9,956,282
Net Position Restricted for Pensions	
Beginning	<u>85,816,018</u>
Ending	<u><u>95,772,300</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, 2017

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, 2017

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, 2017

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, 2017

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, \$1,000,000 of Series 2013 General Obligation, \$5,065,000 of Series 2017A General Obligation Bonds, and \$520,000 of Series 2017B General Obligation Refunding Bonds.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

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 resources used for the acquisition of capital assets. The Village's Capital Projects Fund is reported as a major fund.

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.

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

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.

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, 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.

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. 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 acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are 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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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, 2017

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, 2017**

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
Workers' Compensation	\$ 3,185

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.

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.

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 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.

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 \$25,797,123 and the bank balances totaled \$25,537,667. At year-end the Village also has \$577 invested in the Illinois Funds, which is measured at the net asset value per share as determined by the pool.

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 of the cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2017

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, 2017, 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, 2017, 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, 2017, 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, 2017**

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 \$3,081,990 and the bank balances totaled \$3,103,080.

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 Securities	\$ 6,510,331	963,829	3,430,131	644,951	1,471,420
U.S. Agency Securities	737,647	181	136,885	162,205	438,376
Corporate Bonds	6,672,969	464,197	3,089,891	1,466,313	1,652,568
Total	13,920,947	1,428,207	6,656,907	2,273,469	3,562,364

The Fund has the following recurring fair value measurements as of December 31, 2017:

Investments by Fair Value Level	Total	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. Treasury Securities	\$ 6,510,331	6,510,331	-	-
U.S. Agency Securities	737,647	-	737,647	-
Corporate Bonds	6,672,969	-	6,672,969	-
Equity Securities				
Mutual Funds	22,799,533	22,799,533	-	-
Common Stock	8,049,492	8,049,492	-	-
Total Investments by Fair Value Level	44,769,972	37,359,356	7,410,616	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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 rated Baa3 to Aa1 by Moody's.

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2017, 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, 2017, 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 of net position available for benefits (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 \$8,049,492 invested in common stock and \$22,799,533 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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities	7% - 25%	0.70% - 2.26%
International Equities	12%	1.05%
Bonds	35%	1.57%
Private Real Estate	3%	0.24%
Cash and Cash Equivalents	0%	0.0%

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, 2017

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, 2017 are summarized in the table on the previous page.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.72%. 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 \$3,424,818 and the bank balances totaled \$3,466,816.

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 Securities	\$ 6,200,305	983,800	3,617,423	765,032	834,050
U.S. Agency Securities	734,712	239	133,891	162,205	438,377
Corporate Bonds	6,404,813	464,198	2,885,234	1,515,445	1,539,936
Total	13,339,830	1,448,237	6,636,548	2,442,682	2,812,363

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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, 2017:

Investments by Fair Value Level	Total	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. Treasury Securities	\$ 6,200,305	6,200,305	-	-
U.S. Agency Securities	734,712	-	734,712	-
Corporate Bonds	6,404,813	-	6,404,813	-
Equity Securities				
Mutual Funds	23,400,137	23,400,137	-	-
Common Stock	7,580,693	7,580,693	-	-
Total Investments by Fair Value Level	44,320,660	37,181,135	7,139,525	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

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 rated Baa3 to Aa1 by Moody’s.

Custodial Credit Risk – Deposits. The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2017, 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, 2017, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

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. At year-end, the Fund does not have any investments over 5 percent of net position available for benefits (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 \$7,580,693 invested in common stock and \$23,400,137 invested in mutual funds at year-end.

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	7% - 25%	0.70% - 2.26%
International Equities	12%	1.0%
Bonds	35%	1.71%
Private Real Estate	3%	0.24%
Cash and Cash Equivalents	0%	0.0%

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, 2017 are summarized in the table above.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, 2017, 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, 2018, and September 1, 2018. The County collects such taxes and remits them periodically. Since the 2017 levy is intended to finance the 2018 fiscal year, the levy has been recorded as receivable and deferred revenue.

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>110,000</u>
		<u><u>1,110,000</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, 2017**

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	\$ 1,836,454	-	-	1,836,454
Construction in Progress	735,800	3,204,392	-	3,940,192
	<u>2,572,254</u>	<u>3,204,392</u>	<u>-</u>	<u>5,776,646</u>
Depreciable Capital Assets				
Buildings	20,038,734	505,002	-	20,543,736
Improvements Other Than Buildings	56,824,601	1,208,857	-	58,033,458
Motor Equipment	8,710,199	525,046	551,676	8,683,569
Office Furniture and Equipment	922,084	23,000	-	945,084
Other Equipment	2,472,023	48,938	-	2,520,961
	<u>88,967,641</u>	<u>2,310,843</u>	<u>551,676</u>	<u>90,726,808</u>
Less Accumulated Depreciation				
Buildings	6,617,981	510,829	-	7,128,810
Improvements Other Than Buildings	29,973,147	2,551,947	-	32,525,094
Motor Equipment	5,994,116	470,515	551,676	5,912,955
Office Furniture and Equipment	652,872	66,940	-	719,812
Other Equipment	1,757,002	189,540	-	1,946,542
	<u>44,995,118</u>	<u>3,789,771</u>	<u>551,676</u>	<u>48,233,213</u>
Total Depreciable Capital Assets	<u>43,972,523</u>	<u>(1,478,928)</u>	<u>-</u>	<u>42,493,595</u>
Total Capital Assets	<u>46,544,777</u>	<u>1,725,464</u>	<u>-</u>	<u>48,270,241</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, 2017**

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	18,745,289	682,088	18,224,055	1,203,322
	<u>19,637,973</u>	<u>682,088</u>	<u>18,224,055</u>	<u>2,096,006</u>
Depreciable Capital Assets				
Water System Improvements	30,165,913	128,021	-	30,293,934
Sewer System Improvements	62,461,095	18,848,812	-	81,309,907
Storm Water Pump Stations	2,001,674	-	-	2,001,674
Buildings	13,166,851	-	-	13,166,851
Machinery, Equipment, and Vehicles	9,903,238	190,960	47,000	10,047,198
Parking Facilities/Improvements	4,948,698	-	-	4,948,698
	<u>122,647,469</u>	<u>19,167,793</u>	<u>47,000</u>	<u>141,768,262</u>
Less Accumulated Depreciation				
Water System Improvements	10,398,182	491,363	-	10,889,545
Sewer System Improvements	16,589,007	974,046	-	17,563,053
Storm Water Pump Stations	1,156,476	37,190	-	1,193,666
Buildings	6,136,974	304,304	-	6,441,278
Machinery, Equipment, and Vehicles	6,001,812	344,482	47,000	6,299,294
Parking Facilities/Improvements	2,117,657	124,838	-	2,242,495
	<u>42,400,108</u>	<u>2,276,223</u>	<u>47,000</u>	<u>44,629,331</u>
Total Depreciable Capital Assets	<u>80,247,361</u>	<u>16,891,570</u>	<u>-</u>	<u>97,138,931</u>
Total Capital Assets	<u>99,885,334</u>	<u>17,573,658</u>	<u>18,224,055</u>	<u>99,234,937</u>

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

Water	\$ 1,070,203
Sewer	1,079,321
Parking Meter	<u>126,699</u>
	<u>2,276,223</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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	\$ 4,255,000	-	2,050,000	2,205,000
	Sewer	1,780,000	-	1,280,000	*
	Water	4,395,000	-	500,000	-
					3,590,000
\$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	725,000	-	590,000	*
	Sewer	715,000	-	135,000	-
	Water	2,500,000	-	580,000	*
					2,400,000
\$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	22,680,000	-	190,000	22,490,000
	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	5,720,000	-	595,000	5,125,000
	Water	3,925,000	-	170,000	3,755,000

*Refunded

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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	\$ 825,000	-	60,000	765,000
	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	16,055,000	-	555,000	15,500,000
	Water	2,285,000	-	705,000	1,580,000
\$9,795,000 General Obligation Bonds of 2017A, due in annual installments of \$370,000 to \$1,375,000 plus interest at 2.00% to 3.00% through December 1, 2036.	Debt Service	-	5,065,000	-	5,065,000
	Sewer	-	1,115,000	-	1,115,000
	Water	-	3,615,000	-	3,615,000
\$3,470,000 General Obligation Refunding Bonds of 2017B, due in annual installments of \$380,000 to \$860,000 plus interest at 3.00% through December 1, 2023.	Debt Service	-	520,000	-	520,000
	Sewer	-	765,000	-	765,000
	Water	-	2,185,000	-	2,185,000
		<u>77,395,000</u>	<u>13,265,000</u>	<u>14,440,000</u>	<u>76,220,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	\$ 245,045	-	21,857	223,188
IEPA Revenue Bonds of 2007, due in annual installments of \$41,495 at 2.500% interest at 2.500% through October 21, 2027.	Sewer	396,194	-	31,788	364,406
IEPA Revenue Bonds of 2010, due in annual installments of \$8,822 at 0.00% interest through April 7, 2030.	Sewer	119,096	-	8,822	110,274
IEPA Revenue Bonds of 2011, due in annual installments of \$42,888 at 1.25% interest through July 18, 2031.	Sewer	584,935	-	35,687	549,248
IEPA Revenue Bonds of 2012, due in annual installments of \$47,414 at 2.295% interest through August 5, 2032.	Sewer	631,943	-	33,100	598,843

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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 2013, due in semi annual installments of \$17,634 at 1.930% interest through December 1, 2033.	Sewer	\$ 505,235	-	25,640	479,595
IEPA Revenue Bonds of 2014, due in semi annual installments of \$19,563 at 1.995% interest through December 3, 2034.	Sewer	589,243	-	27,507	561,736
IEPA Revenue Bonds of 2016, due in semi annual installments of \$21,519 at 1.860% interest through July 19, 2036.	Sewer	701,187	-	14,998	686,189
		<u>3,772,878</u>	<u>-</u>	<u>199,399</u>	<u>3,573,479</u>

Installment Contracts

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 loan was used to help defray the cost of the purchase of a new Emergency One Fire Pumping Apparatus to replace an approximately 25 year old pumper. Installment contracts 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	\$ 200,000	-	12,500	187,500

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	\$ 3,564,007	342,667	169,300	3,737,374	747,475
Net Pension Liability					
Police Pension Fund	22,280,486	-	2,127,197	20,153,289	-
Firefighters' Pension Fund	27,829,056	-	1,878,739	25,950,317	-
IMRF	7,502,617	-	6,611,325	891,292	-
General Obligation Bonds Payable	28,485,000	5,585,000	3,025,000	31,045,000	2,730,000
Installment Contracts	200,000	-	12,500	187,500	12,500
	<u>89,861,166</u>	<u>5,927,667</u>	<u>13,824,061</u>	<u>81,964,772</u>	<u>3,489,975</u>
Business-Type Activities					
Compensated Absences	\$ 225,600	20,800	10,400	236,000	47,200
General Obligation Bonds Payable	48,910,000	7,680,000	11,415,000	45,175,000	3,640,000
Unamortized					
Bond Discounts	(57,000)	-	(57,000)	-	-
IEPA Loans Payable	3,772,878	-	199,399	3,573,479	218,426
	<u>52,851,478</u>	<u>7,700,800</u>	<u>11,567,799</u>	<u>48,984,479</u>	<u>3,905,626</u>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, the net other post-employment benefit obligation, and the installment contracts. 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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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.

Defeased Debt

On December 5, 2017, the Village issued \$4,730,000 par value General Obligation Bonds of 2017A and \$3,470,000 par value General Obligation Bonds of 2017B to refund \$4,870,000 of the General Obligation Refunding Bonds of 2007 and \$3,570,000 of the General Obligation Refunding Bonds of 2009. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government’s basic financial statements. Through these refunding’s, the Village reduced its total debt service by \$466,842 and obtained an economic gain of \$428,661.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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
2018	\$ 2,730,000	1,010,356	12,500	-
2019	2,780,000	895,874	12,500	-
2020	2,885,000	813,124	12,500	-
2021	2,980,000	727,226	12,500	-
2022	3,120,000	638,312	12,500	-
2023	3,315,000	545,036	12,500	-
2024	3,370,000	437,824	12,500	-
2025	3,465,000	324,349	12,500	-
2026	1,925,000	193,851	12,500	-
2027	460,000	125,025	12,500	-
2028	470,000	114,925	12,500	-
2029	400,000	103,350	12,500	-
2030	410,000	94,350	12,500	-
2031	425,000	82,050	12,500	-
2032	435,000	69,300	12,500	-
2033	450,000	56,250	-	-
2034	460,000	42,750	-	-
2035	475,000	28,950	-	-
2036	490,000	14,700	-	-
Totals	31,045,000	6,317,602	187,500	-

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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
2018	\$ 3,640,000	1,485,796	218,426	67,473
2019	3,795,000	1,389,897	222,685	63,214
2020	3,535,000	1,294,572	227,030	58,869
2021	3,565,000	1,201,372	231,466	54,433
2022	3,275,000	1,104,322	236,000	49,899
2023	2,420,000	1,006,596	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	107,494	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	42,445	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	45,175,000	19,038,007	3,573,479	554,918

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 48,270,241
Less Capital Related Debt:	
General Obligation Bonds Payable	(31,045,000)
Loss on Refunding	981,934
Installment Contracts/Notes Payable	<u>(187,500)</u>
Net Investment in Capital Assets	<u><u>18,019,675</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	99,234,937
Less Capital Related Debt:	
Net General Obligation Bonds Payable	(45,175,000)
IEPA Loans Payable	<u>(3,573,479)</u>
Net Investment in Capital Assets	<u><u>50,486,458</u></u>

FUND BALANCE CLASSIFICATIONS

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.

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

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

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

	General	Debt Service	Capital Projects	Nonmajor	Totals
Fund Balances					
Nonspendable					
Prepays	\$ 85,108	-	-	-	85,108
IRMA Insurance Deposit	1,619,967	-	-	-	1,619,967
	<u>1,705,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,705,075</u>
Restricted					
Police Seizures	82,288	-	-	-	82,288
Debt Service	-	145,485	-	-	145,485
Motor Fuel Tax	-	-	-	342,240	342,240
Motor Fuel Tax	-	-	1,699,050	-	1,699,050
	<u>82,288</u>	<u>145,485</u>	<u>1,699,050</u>	<u>342,240</u>	<u>2,269,063</u>
Assigned					
Road Maintenance	495,855	-	-	-	495,855
Capital Projects	1,764,216	-	-	-	1,764,216
Encumbrances	753,504	-	-	-	753,504
	<u>3,013,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,013,575</u>
Unassigned	<u>11,409,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,409,395</u>
Total Fund Balances	<u>16,210,333</u>	<u>145,485</u>	<u>1,699,050</u>	<u>342,240</u>	<u>18,397,108</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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, 2017. 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, 2017.

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, 2017, the Village rebated a total of \$291,355 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, 2017

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, 2017 were \$2,254,841.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017

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, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	156
Inactive Plan Members Entitled to but not yet Receiving Benefits	70
Active Plan Members	<u>120</u>
Total	<u><u>346</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2017

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. For the year-ended December 31, 2017, the Village's contribution was 11.37% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. 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, 2017, 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, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	27%	3.0%
Domestic Equities	38%	6.9%
International Equities	17%	6.8%
Real Estate	8%	5.8%
Blended	9%	2.65% - 7.35%
Cash and Cash Equivalents	1%	2.3%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 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, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 8,718,271	891,292	(5,606,222)

Changes in the Net Pension Liability

Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
\$ 65,674,059	58,171,442	7,502,617
995,922	-	995,922
4,832,242	-	4,832,242
170,440	-	170,440
(2,101,568)	-	(2,101,568)
-	1,131,369	(1,131,369)
-	462,750	(462,750)
-	10,300,349	(10,300,349)
(3,484,262)	(3,484,262)	-
-	(1,386,107)	1,386,107
412,774	7,024,099	(6,611,325)
66,086,833	65,195,541	891,292

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended December 31, 2017, the Village recognized pension expense of \$2,585,315. At December 31, 2017, 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	\$ 357,310	-	357,310
Change in Assumptions	13,182	(1,563,097)	(1,549,915)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,896,080	(4,848,280)	(2,952,200)
Total Deferred Amounts Related to IMRF	<u>2,266,572</u>	<u>(6,411,377)</u>	<u>(4,144,805)</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 (Inflows) of Resources
2018	\$ (644,594)
2019	(866,093)
2020	(1,422,048)
2021	(1,212,070)
2022	-
Thereafter	-
Total	<u>(4,144,805)</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	48
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>43</u>
Total	<u><u>92</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, 2017

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 of 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, 2017, the Village's contribution was 46.36% of covered payroll.

Significant Investments. At year-end, the Fund does not have any investments over 5 percent of net position restricted for benefits (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, 2017**

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, 2017, 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, 2017**

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	\$ 29,150,273	20,153,301	12,735,543

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 65,184,689	42,904,203	22,280,486
Changes for the Year:			
Service Cost	1,151,491	-	1,151,491
Interest on the Total Pension Liability	4,697,824	-	4,697,824
Difference Between Expected and Actual Experience of the Total Pension Liability	137,129	-	137,129
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,023,000	(2,023,000)
Contributions - Employees	-	445,506	(445,506)
Net Investment Income	-	5,670,929	(5,670,929)
Benefit Payments, including Refunds of Employee Contributions	(3,077,212)	(3,077,212)	-
Administrative Expense	-	(25,794)	25,794
Net Changes	2,909,232	5,036,429	(2,127,197)
Balances at December 31, 2017	68,093,921	47,940,632	20,153,289

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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, 2017, the Village recognized pension expense of \$2,682,648. At December 31, 2017, 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	\$ 155,972	(305,033)	(149,061)
Change in Assumptions	108,424	-	108,424
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(554,867)	(554,867)
Total Deferred Amounts Related to Police Pension	<u>264,396</u>	<u>(859,900)</u>	<u>(595,504)</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
2018	\$ 340,510
2019	196,451
2020	(643,218)
2021	(489,247)
2022	-
Thereafter	<u>-</u>
Total	<u>(595,504)</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	59
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>44</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, 2017

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, 2017, the Village's contribution was 60.72% of covered payroll.

Significant Investments. At year-end, the Fund does not have any investments over 5 percent of net position restricted for benefits (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, 2017**

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, 2017, 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, 2017**

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	\$ 35,159,835	25,650,317	17,820,077

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 70,740,871	42,911,815	27,829,056
Changes for the Year:			
Service Cost	1,266,392	-	1,266,392
Interest on the Total Pension Liability	5,081,130	-	5,081,130
Difference Between Expected and Actual Experience of the Total Pension Liability	539,018	-	539,018
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,609,000	(2,609,000)
Contributions - Employees	-	427,546	(427,546)
Net Investment Income	-	5,749,816	(5,749,816)
Benefit Payments, including Refunds of Employee Contributions	(3,845,414)	(3,845,414)	-
Administrative Expense	-	(21,083)	21,083
Net Changes	3,041,126	4,919,865	(1,878,739)
Balances at December 31, 2017	73,781,997	47,831,680	25,950,317

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2017**

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, 2017, the Village recognized pension expense of \$3,797,119. At December 31, 2017, 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	\$ 920,476	(871,578)	48,898
Change in Assumptions	129,352	-	129,352
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(598,347)	(598,347)
Total Deferred Amounts Related to Firefighters' Pension	<u>1,049,828</u>	<u>(1,469,925)</u>	<u>(420,097)</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
2018	\$ 637,183
2019	272,184
2020	(843,509)
2021	(485,955)
2022	-
Thereafter	-
Total	<u>(420,097)</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2017

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, 2017.

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, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,072,680	\$ 1,072,680	\$ -	\$ 9,335,774	11.49%
2016	1,137,869	1,137,869	-	9,498,079	11.98%
2017	1,128,188	1,131,369	3,181	9,948,746	11.37%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 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. Information for additional years will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered 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%
2017	2,022,056	2,023,000	944	4,363,788	46.36%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 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. Information for additional years will be displayed as it becomes available.

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered 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%
2017	2,608,114	2,609,000	886	4,296,430	60.72%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 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. Information for additional years 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, 2017**

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 1,001,981	1,005,179	995,922
Interest	4,446,817	4,621,314	4,832,242
Differences Between Expected and Actual Experience	12,304	540,685	170,440
Change of Assumptions	72,972	(149,306)	(2,101,568)
Benefit Payments, Including Refunds of Member Contributions	(2,999,904)	(3,246,994)	(3,484,262)
Net Change in Total Pension Liability	2,534,170	2,770,878	412,774
Total Pension Liability - Beginning	60,369,011	62,903,181	65,674,059
Total Pension Liability - Ending	62,903,181	65,674,059	66,086,833
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,072,680	1,137,869	1,131,369
Contributions - Members	420,111	459,710	462,750
Net Investment Income	278,943	3,828,013	10,300,349
Benefit Payments, Including Refunds of Member Contributions	(2,999,904)	(3,246,994)	(3,484,262)
Other (Net Transfer)	284,970	393,842	(1,386,107)
Net Change in Plan Fiduciary Net Position	(943,200)	2,572,440	7,024,099
Plan Net Position - Beginning	56,542,202	55,599,002	58,171,442
Plan Net Position - Ending	55,599,002	58,171,442	65,195,541
Employers Net Pension Liability	\$ 7,304,179	7,502,617	891,292
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.39%	88.58%	98.65%
Covered Payroll	\$ 9,335,774	9,498,079	9,948,746
Employer's Net Pension Liability as a Percentage of Covered Payroll	78.24%	78.99%	8.96%

Note: This schedule is intended to show information for ten years. Information for additional years 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, 2017**

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 1,028,254	1,076,377	1,100,542	1,151,491
Interest	4,128,751	4,304,465	4,529,260	4,697,824
Differences Between Expected and Actual Experience	(165,348)	115,649	(453,275)	137,129
Change in Assumptions	-	271,061	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,577,760)	(2,654,506)	(2,727,692)	(3,077,212)
Net Change in Total Pension Liability	2,413,897	3,113,046	2,448,835	2,909,232
Total Pension Liability - Beginning	57,208,911	59,622,808	62,735,854	65,184,689
Total Pension Liability - Ending	59,622,808	62,735,854	65,184,689	68,093,921
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,800,000	1,763,100	1,891,000	2,023,000
Contributions - Members	423,565	439,929	449,131	445,506
Net Investment Income	1,985,708	(827,422)	3,231,460	5,670,917
Benefit Payments, Including Refunds of Member Contributions	(2,577,761)	(2,654,506)	(2,727,692)	(3,077,212)
Administrative Expense	(24,963)	(27,269)	(34,484)	(25,794)
Net Change in Plan Fiduciary Net Position	1,606,549	(1,306,168)	2,809,415	5,036,417
Plan Net Position - Beginning	39,794,407	41,400,956	40,094,788	42,904,203
Plan Net Position - Ending	41,400,956	40,094,788	42,904,203	47,940,620
Employers Net Pension Liability	\$ 18,221,852	22,641,066	22,280,486	20,153,301
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.44%	63.91%	65.82%	70.40%
Covered Payroll	\$ 4,263,576	\$ 4,385,426	\$ 4,539,433	\$ 4,363,788
Employer's Net Pension Liability as a Percentage of Covered Payroll	427.38%	516.28%	490.82%	461.83%

Note: This schedule is intended to show information for ten years. Information for additional years 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, 2017**

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 1,353,552	1,354,485	1,180,425	1,266,392
Interest	4,447,479	4,701,473	5,001,380	5,081,130
Differences Between Expected and Actual Experience	915,150	1,365,723	(1,452,630)	239,018
Change in Assumptions	-	323,382	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,143,670)	(3,283,837)	(3,584,863)	(3,845,414)
Net Change in Total Pension Liability	3,572,511	4,461,226	1,144,312	2,741,126
Total Pension Liability - Beginning	61,562,822	65,135,333	69,596,559	70,740,871
Total Pension Liability - Ending	65,135,333	69,596,559	70,740,871	73,481,997
Plan Fiduciary Net Position				
Contributions - Employer	\$ 2,200,000	2,296,000	2,422,000	2,609,000
Contributions - Members	404,901	427,887	429,767	427,546
Net Investment Income	2,008,758	(869,293)	3,240,709	5,749,816
Benefit Payments, Including Refunds of Member Contributions	(3,143,670)	(3,283,837)	(3,584,863)	(3,845,414)
Administrative Expense	(67,965)	(51,846)	(76,697)	(21,083)
Net Change in Plan Fiduciary Net Position	1,402,024	(1,481,089)	2,430,916	4,919,865
Plan Net Position - Beginning	40,559,964	41,961,988	40,480,899	42,911,815
Plan Net Position - Ending	41,961,988	40,480,899	42,911,815	47,831,680
Employers Net Pension Liability	\$ 23,173,345	29,115,660	27,829,056	25,650,317
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.42%	58.17%	60.66%	65.09%
Covered Payroll	\$ 4,333,254	4,464,767	4,481,012	4,296,430
Employer's Net Pension Liability as a Percentage of Covered Payroll	534.78%	652.12%	621.04%	597.01%

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

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2017**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	5.01%
2015	(2.00)%
2016	8.24%
2017	7.72%

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

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2017**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.99%
2015	(2.09)%
2016	8.23%
2017	7.71%

Note: This schedule is intended to show information for ten years. Information for additional years 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, 2017**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 20,644,100	20,644,100	20,596,113
Licenses, Permits and Fees	3,814,900	3,814,900	4,976,559
Intergovernmental	7,295,970	7,295,970	6,574,994
Charges for Services	3,183,700	3,183,700	3,169,267
Fines and Forfeitures	321,700	321,700	309,913
Investment Earnings	10,000	10,000	332,682
Miscellaneous	1,228,500	1,228,500	1,272,979
Total Revenues	36,498,870	36,498,870	37,232,507
Expenditures			
General Government	4,019,862	4,019,862	3,846,318
Public Safety	20,731,125	20,731,125	20,193,142
Streets and Sanitation	6,251,674	6,251,674	5,840,882
Other Public Works	3,869,542	3,869,542	3,663,532
Public Health	264,640	264,640	163,601
Community Development	1,865,900	1,865,900	1,774,843
Capital Outlay	-	-	675,261
Debt Service			
Principal Retirement	-	-	12,500
Interest and Fiscal Charges	-	-	177,050
Total Expenditures	37,002,743	37,002,743	36,347,129
Excess (Deficiency) of Revenues Over (Under) Expenditures	(503,873)	(503,873)	885,378
Other Financing Sources (Uses)			
Debt Issuance	-	-	65,000
Transfers In	1,100,000	1,100,000	1,000,000
Transfers Out	(110,000)	(110,000)	(110,000)
	990,000	990,000	955,000
Net Change in Fund Balance	486,127	486,127	1,840,378
Fund Balance - Beginning			14,369,955
Fund Balance - Ending			16,210,333

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

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

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, 2017**

	Original Budget	Final Budget	Actual
Taxes			
Property Taxes	\$ 13,737,000	13,737,000	13,633,251
Municipal Sales Tax - Home Rule	2,094,000	2,094,000	2,133,211
Utility Tax	2,244,700	2,244,700	2,037,460
Wireless 911 Tax	195,900	195,900	421,359
E-911 Surcharge	190,000	190,000	-
Real Estate Transfer Tax	1,238,300	1,238,300	1,410,066
Personal Property Replacement Tax	245,300	245,300	296,240
Fuel Use Tax	300,000	300,000	285,651
Hotel Tax	398,900	398,900	378,875
Total Taxes	20,644,100	20,644,100	20,596,113
Licenses, Permits and Fees			
Licenses			
Vehicle	1,475,400	1,475,400	1,494,061
Taxi	8,100	8,100	-
Animal	1,500	1,500	1,535
Business	94,000	94,000	88,345
Contractor	160,000	160,000	156,640
Liquor Licenses	84,000	84,000	87,590
Permits			
Building	1,103,000	1,103,000	1,995,343
Roof	11,000	11,000	10,686
Demolition	158,000	158,000	176,631
Electric	67,000	67,000	107,326
Plumbing	46,400	46,400	64,390
Right-of Way	19,600	19,600	20,336
Grading	73,400	73,400	78,325
Other	39,100	39,100	66,212
Fees			
Inspections	302,400	302,400	373,592
Pavement Degradation Fee	60,000	60,000	124,633
Plan Review	78,300	78,300	80,046
Filing	23,700	23,700	33,294
Permit Penalties	10,000	10,000	17,574
Total Licenses, Permits, and Fees	3,814,900	3,814,900	4,976,559

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Intergovernmental			
Municipal Sales Tax	\$ 3,702,500	3,702,500	3,790,679
State Income Tax	2,674,700	2,674,700	2,487,918
Police Grants	20,000	20,000	12,769
State Grant - Locust Rd. Improvements	146,000	146,000	-
Fire Grants	20,000	20,000	17,817
SCBA Grant	44,500	44,500	44,546
State Grant - Skokie / Hibbard Improvements	352,270	352,270	221,265
Miscellaneous Grant Revenue	336,000	336,000	-
Total Intergovernmental	<u>7,295,970</u>	<u>7,295,970</u>	<u>6,574,994</u>
Charges for Services			
Refuse Collection Charges	2,403,900	2,403,900	2,430,342
Sales of Yard Waste Bags	90,300	90,300	90,187
Ambulance Transport Charges	405,400	405,400	481,125
Burglar Alarms	20,000	20,000	14,575
Fire Alarms	4,000	4,000	800
Damage to Village Property	30,000	30,000	22,753
Sanitarian Services	62,600	62,600	36,320
Professional Service Reimbursements	20,000	20,000	2,163
Computer Aided Dispatch Services	500	500	-
School & Park District Ethernet Reimbursements	6,600	6,600	6,564
French Market Services	2,100	2,100	2,175
Park District Personnel Reimbursements	58,000	58,000	37,979
Other Police Service Charges	800	800	100
Elevator Inspections	15,000	15,000	16,706
Shore Line Place Services	20,300	20,300	24,285
Fairfield Court Services	36,000	36,000	-
Health Department Charges	8,200	8,200	3,193
Total Charges for Services	<u>3,183,700</u>	<u>3,183,700</u>	<u>3,169,267</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Fines and Forfeitures			
Court Fines	\$ 68,000	68,000	44,932
Vehicle License and Parking	250,000	250,000	262,401
Animal and Impounding Fees	3,700	3,700	2,580
Total Fines and Forfeitures	<u>321,700</u>	<u>321,700</u>	<u>309,913</u>
Investment Earnings			
Interest	10,000	10,000	33,279
I.R.M.A. Excess Surplus Investment Earnings	-	-	299,403
Total Investment Earnings	<u>10,000</u>	<u>10,000</u>	<u>332,682</u>
Miscellaneous			
Rental Income			
Wilmette Park District	55,000	55,000	55,635
Depot Nuevo	48,200	48,200	48,887
3545 Lake Avenue	2,400	2,400	2,400
Cellular Antennae Leases	358,500	358,500	359,178
Cable TV Franchise Fees	555,000	555,000	574,638
Cable PEG Fees	42,500	42,500	41,024
Commercial Waste Collection Franchise Fees	79,200	79,200	88,235
Sale of General Capital Assets	20,000	20,000	29,803
Contribution from Wilmette Historical Society	26,700	26,700	32,164
Insurance Reimbursements	-	-	5,692
Other	21,000	21,000	27,439
Police Seizures	20,000	20,000	5,057
Section 125 Plan Liability Write-offs	-	-	2,827
Total Miscellaneous	<u>1,228,500</u>	<u>1,228,500</u>	<u>1,272,979</u>
 Total Revenues	 <u>36,498,870</u>	 <u>36,498,870</u>	 <u>37,232,507</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
General Government			
Legislative			
Memberships	\$ 18,850	18,850	18,651
Annual Audit	10,700	10,700	8,000
Incidentals	2,000	2,000	1,015
Total Legislative	<u>31,550</u>	<u>31,550</u>	<u>27,666</u>
General Administration			
Salaries - Regular	445,625	445,625	442,699
Employee Benefits	136,100	136,100	136,567
Memberships	5,555	5,555	5,162
Professional Services	10,255	10,255	25,638
Community Notification System	4,500	4,500	3,981
Lease/Purchase - Copier	8,650	8,650	8,246
Pre-employment Exams	5,850	5,850	4,221
Office Supplies	3,000	3,000	2,210
Incidentals	1,500	1,500	2,217
Training	10,450	10,450	13,599
Personnel Training	500	500	-
Employee Recognition Program	8,900	8,900	7,650
Newsletters	16,500	16,500	16,453
Publishing Legal Notices	2,000	2,000	882
Classified Advertisements	4,200	4,200	2,462
Total General Administration	<u>663,585</u>	<u>663,585</u>	<u>671,987</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
General Government - Continued			
Administrative Services			
Salaries - Regular	\$ 288,525	288,525	290,917
Employee Benefits	99,665	99,665	99,776
Memberships	250	250	300
Professional Services	5,150	5,150	480
Geographic Information System	31,000	31,000	29,471
Administrative Adjudication	40,000	40,000	47,385
Contractual Hardware Support	5,700	5,700	4,412
Contractual Software Support	150,210	150,210	152,965
PC Software Subscription	40,910	40,910	40,903
Contractual Internet Expenditures	5,900	5,900	6,268
Computer Communications	42,900	42,900	32,068
Computer Parts	15,000	15,000	14,053
Computer Software	2,000	2,000	1,509
Office Supplies	500	500	59
Automotive	2,000	2,000	2,020
Incidentals	200	200	96
Training	6,400	6,400	4,181
Motor Equipment	12,000	12,000	11,584
Office Furniture and Equipment	25,800	25,800	43,109
Total Administrative Services	<u>774,110</u>	<u>774,110</u>	<u>781,556</u>
Finance Department			
Salaries - Regular	763,125	763,125	729,577
Salaries - Overtime	-	-	101
Employee Benefits	245,015	245,015	233,466
Memberships	1,500	1,500	1,010
Professional Services	30,000	30,000	33,740
Lease/Purchase - Copier	16,750	16,750	16,811
Bank Charges	80,000	80,000	103,948
Postage - General Office	35,000	35,000	25,550
Contractual Services	18,000	18,000	17,659
Maintenance of Office Equipment	2,000	2,000	1,920
Telephone - Office Service	26,000	26,000	28,064
Telephone - Maintenance	7,000	7,000	7,509

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
General Government - Continued			
Finance Department - Continued			
Telephone - Cellular Service	\$ 30,000	30,000	28,388
Telephone - Long Distance	100	100	(10)
Office Supplies	19,000	19,000	18,239
Supplies Other than Office	9,600	9,600	3,420
Incidentals	400	400	212
Training	3,000	3,000	3,026
Publishing Legal Notices	1,000	1,000	1,146
Total Finance Department	<u>1,287,490</u>	<u>1,287,490</u>	<u>1,253,776</u>
Law Department			
Salaries - Regular	-	-	100,631
Employee Benefits	-	-	19,731
Memberships	1,285	1,285	1,380
Code Revision service	12,000	12,000	2,317
Special Attorney Fees	100,000	100,000	118,131
Contractual Corporation Counsel Services	205,200	205,200	85,500
Supplies - Legal	750	750	1,741
Incidentals	150	150	205
Training	-	-	485
Litigation Costs	5,000	5,000	7,651
Total Law Department	<u>324,385</u>	<u>324,385</u>	<u>337,772</u>
Boards and Commissions			
Incidentals	500	500	33
Housing Commission	3,000	3,000	1,214
Historic Preservation Commission	1,600	1,600	30
Human Relations Commission	3,200	3,200	905
Bicycle Task Force	2,000	2,000	1,675
Total Boards and Commissions	<u>10,300</u>	<u>10,300</u>	<u>3,857</u>
Historical Museum			
Salaries - Regular	129,050	129,050	132,902
Employee Benefits	27,580	27,580	27,538
Total Historical Museum	<u>156,630</u>	<u>156,630</u>	<u>160,440</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
General Government - Continued			
Cable Programming Services			
Salaries - Regular	\$ 91,900	91,900	90,982
Employee Benefits	35,015	35,015	34,591
Memberships	190	190	195
Contractual Website Services	7,500	7,500	2,970
Maintenance - Office Equipment	4,000	4,000	925
Hi-Speed Ethernet Service	17,600	17,600	18,087
Supplies - Office	250	250	251
Supplies - Video	2,500	2,500	1,550
Incidentals	300	300	-
Training	600	600	-
Office Space Rent	13,200	13,200	12,394
Office Furniture and Equipment	5,000	5,000	3,099
Total Cable Programming Services	<u>178,055</u>	<u>178,055</u>	<u>165,044</u>
Insurance			
General Liability and Property Insurance			
Fixed Premiums	125,000	125,000	124,263
Village Use of Excess IRMA Surplus Reserve	-	-	163,427
Deductible Payments	30,000	30,000	16,030
Total Insurance	<u>155,000</u>	<u>155,000</u>	<u>303,720</u>
Contingencies			
Regular	390,000	390,000	91,743
2017 Road / Alley Engineering Design	-	-	-
Total Contingencies	<u>390,000</u>	<u>390,000</u>	<u>91,743</u>
Total General Government	3,971,105	3,971,105	3,797,561
NonGAAP Activity			
Plus Prior Year Encumbrances	84,742	84,742	84,742
Less Current Year Encumbrances	<u>(35,985)</u>	<u>(35,985)</u>	<u>(35,985)</u>
Total General Government	<u>4,019,862</u>	<u>4,019,862</u>	<u>3,846,318</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Public Safety			
Fire and Police Commission			
Salaries - Regular	\$ 49,200	49,200	50,325
Employee Benefits	15,415	15,415	15,130
Professional Services	34,000	34,000	48,409
Total Fire and Police Commission	<u>98,615</u>	<u>98,615</u>	<u>113,864</u>
Police			
General Operations			
Salaries - Regular	4,874,050	4,874,050	4,654,639
Salaries - Overtime	300,000	300,000	284,278
Employee Benefits	2,987,320	2,987,320	2,911,582
Memberships	1,375	1,375	1,375
Physical Exams	15,000	15,000	13,965
Contractual Animal Observation	18,000	18,000	9,841
Maintenance - Equipment	38,350	38,350	34,840
Maintenance - Radios	16,350	16,350	4,806
Uniforms	40,140	40,140	45,681
Range Supplies	9,000	9,000	8,998
Supplies other than Office	13,900	13,900	11,462
Community Relations Materials	2,000	2,000	1,993
Automotive	224,900	224,900	219,660
Incidentals	4,600	4,600	11,567
Training	41,100	41,100	26,527
Police Seizure Expenditures	20,000	20,000	24,047
Crime Lab Contributions	41,100	41,100	39,113
NIPAS Contribution	6,200	6,200	6,288
Major Crimes Task Force	4,300	4,300	4,100
NIPSTA Contribution	8,140	8,140	8,134
C.E.R.F. Contribution	114,000	114,000	-
Total General Operations	<u>8,779,825</u>	<u>8,779,825</u>	<u>8,322,896</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Police - Continued			
General Services			
Salaries - Regular	\$ 527,175	527,175	547,694
Salaries - Overtime	300	300	788
Employee Benefits	189,920	189,920	196,011
Memberships	500	500	366
Professional Services	22,510	22,510	17,745
Lease/Purchase - Copier	6,100	6,100	5,959
Maintenance - Office Equipment	500	500	19
Reaccreditation Fees	7,000	7,000	1,965
L.E.A.D.S./P.I.M.S. Program	3,000	3,000	3,000
Professional Services - Police Grant Work	1,500	1,500	-
Towing - Contractual	800	800	865
Computer Communications	3,000	3,000	2,891
Uniforms	300	300	-
Office Supplies	8,000	8,000	8,112
Supplies Other than Office	2,000	2,000	217
Incidentals	300	300	407
Training	1,200	1,200	854
Care of Prisoners	1,500	1,500	1,062
Total General Services	<u>775,605</u>	<u>775,605</u>	<u>787,955</u>
Public Safety Communications			
Salaries - Regular	726,850	726,850	712,390
Salaries - Overtime	64,000	64,000	64,692
Employee Benefits	270,370	270,370	268,470
Memberships	185	185	167
Professional Services	600	600	-
Contractual Regional Fire Dispatch	223,300	223,300	241,763
Contractual Software Support - C.A.D.	83,850	83,850	49,439
Software - 911 System	6,970	6,970	6,964
Maintenance - Office Equipment	5,600	5,600	5,580

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Police - Continued			
Public Safety Communications - Continued			
Maintenance - E-911 System	\$ 61,050	61,050	42,684
Maintenance - NORCOM Network	95,750	95,750	105,441
IWIN Program	9,000	9,000	7,924
Computer Communications	11,340	11,340	9,716
Uniforms	4,000	4,000	2,852
Incidentals	200	200	-
Training	2,300	2,300	1,115
Total Public Safety Communications	<u>1,565,365</u>	<u>1,565,365</u>	<u>1,519,197</u>
School Crossing Protection			
Salaries - Regular	237,000	237,000	228,045
Employee Benefits	21,835	21,835	21,365
Uniforms	1,000	1,000	1,131
Supplies Other than Office	500	500	500
Total School Crossing Protection	<u>260,335</u>	<u>260,335</u>	<u>251,041</u>
Total Police	<u>11,381,130</u>	<u>11,381,130</u>	<u>10,881,089</u>
Emergency Fire and Medical Services			
Salaries - Regular	4,685,225	4,685,225	4,623,534
Salaries - Overtime	310,250	310,250	362,301
Salaries - Off-Duty Response	10,000	10,000	7,490
Employee Benefits	3,660,220	3,660,220	3,632,606
Memberships	4,575	4,575	3,996
Lease/Purchase - Copier	5,000	5,000	4,685
Physical Exams	17,675	17,675	16,379
Maintenance - Equipment	5,650	5,650	5,458
Maintenance - Radios	4,350	4,350	3,957
Maintenance - Breathing Equipment	6,000	6,000	5,515

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Emergency Fire and Medical Services - Continued			
Maintenance - Telemetry Equipment	\$ 750	750	570
Maintenance - Special Rescue Equipment	8,500	8,500	5,271
Reaccreditation Fees	2,250	2,250	2,510
Computer Communications	24,350	24,350	22,107
Uniforms	26,200	26,200	25,291
Protective Clothing	32,300	32,300	35,311
Supplies - Fire Hose	9,500	9,500	9,501
Supplies - Medical	12,885	12,885	14,100
Supplies - Emergency Equipment	4,900	4,900	16,889
Supplies - Office	2,000	2,000	1,845
Supplies - Other than Office	8,400	8,400	5,049
Materials - Public Education Programming	4,000	4,000	3,138
Automotive	290,900	290,900	284,230
Incidentals	1,000	1,000	999
Training	51,100	51,100	43,199
NIPSTA Contribution	8,325	8,325	7,470
MABAS Contribution	5,500	5,500	5,275
C.E.R.F. Contribution	125,000	125,000	-
Rent - Commonwealth Edison	575	575	575
SCBA Filing System	49,000	49,000	48,938
Total Emergency Fire and Medical Services	<u>9,376,380</u>	<u>9,376,380</u>	<u>9,198,189</u>
 Total Public Safety	 20,856,125	 20,856,125	 20,193,142
 NonGAAP Activity			
Less C.E.R.F. Contributions	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
 Total Public Safety	 <u>20,731,125</u>	 <u>20,731,125</u>	 <u>20,193,142</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Streets and Sanitation			
Streets Department			
Salaries - Regular	\$ 1,027,100	1,027,100	966,452
Salaries - Overtime	87,350	87,350	58,027
Employee Benefits	377,835	377,835	343,179
Memberships	1,745	1,745	1,700
Professional Services	400	400	1,980
G.P.S. Fleet Management	6,685	6,685	-
Lease/Purchase - Copier	5,000	5,000	5,457
Contractual Services	44,000	44,000	34,604
Contractual Snow Removal	73,110	73,110	23,086
J.U.L.I.E. Expenditures	6,740	6,740	6,739
Landscaping and Maintenance of Public Right of Way	34,000	34,000	33,524
Lease Leaf Packers	12,500	12,500	12,500
Reaccreditation Fees	5,500	5,500	-
Leaf Disposal	122,850	122,850	105,515
Uniforms	6,755	6,755	6,752
Supplies - Miscellaneous Tools and Equipment	3,125	3,125	3,232
Supplies - Office	3,300	3,300	2,883
Supplies - Other than Office	1,000	1,000	756
Materials - Traffic Signs	22,900	22,900	22,570
Materials - Salt	132,880	132,880	56,767
Materials - Street Repair and Landscaping	35,000	35,000	28,433
Materials - Leaf Pans	5,250	5,250	5,000
Automotive	573,000	573,000	559,779
Incidentals	1,000	1,000	824
Training	9,245	9,245	4,588
NIPSTA Contribution	1,500	1,500	1,500
C.E.R.F. Contribution	145,000	145,000	-
Snow Plows	12,500	12,500	8,490
Sign Lettering System	-	-	-
Total Streets Department	<u>2,757,270</u>	<u>2,757,270</u>	<u>2,294,337</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Streets and Sanitation - Continued			
Refuse Collection and Disposal			
Contractual Refuse Collection	\$ 986,920	986,920	986,170
Recycling Collection	762,610	762,610	761,904
Landfill Tipping Fees	377,400	377,400	361,704
Contractual Yard Waste Collection	206,715	206,715	206,522
Yard Waste Supplies	2,550	2,550	960
Promotional and Educational	600	600	-
Total Refuse Collection and Disposal	2,336,795	2,336,795	2,317,260
Maintenance of Trees			
Salaries - Regular	287,050	287,050	268,165
Salaries - Overtime	8,375	8,375	10,692
Employee Benefits	119,600	119,600	112,195
Contractual Services	2,000	2,000	4,025
Tree Planting Program	61,000	61,000	57,513
Contractual Tree Pruning	316,570	316,570	304,729
Emerald Ash Borer - Tree Removals	43,600	43,600	33,919
Uniforms	1,250	1,250	1,229
Materials	2,100	2,100	3,944
Automotive	29,300	29,300	28,630
Training	2,000	2,000	683
Total Maintenance of Trees	872,845	872,845	825,724
Street Lighting			
Salaries - Regular	114,475	114,475	112,565
Salaries - Overtime	6,100	6,100	2,288
Employee Benefits	50,090	50,090	42,586
Contractual Services	5,000	5,000	1,938
Maintenance & Disposal of Transformers	1,000	1,000	-
Street Light Pole Painting	65,340	65,340	65,766
Uniforms	600	600	558
Supplies	23,700	23,700	15,869

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Streets and Sanitation - Continued			
Street Lighting - Continued			
Supplies - Light Poles and Parts	\$ 26,125	26,125	19,133
Commonwealth Edison Leased Lighting	20,000	20,000	23,264
Street Light Power - Village System	73,000	73,000	75,719
Automotive	21,100	21,100	20,620
Training	370	370	391
Total Street Lighting	<u>406,900</u>	<u>406,900</u>	<u>380,697</u>
 Total Streets and Sanitation	 6,373,810	 6,373,810	 5,818,018
NonGAAP Activity			
Less C.E.R.F. Contributions	(145,000)	(145,000)	-
Plus Prior Year Encumbrances	22,864	22,864	22,864
 Total Streets and Sanitation	 <u>6,251,674</u>	 <u>6,251,674</u>	 <u>5,840,882</u>
 Other Public Works			
Village Engineer			
Salaries - Regular	372,175	372,175	409,607
Salaries - Overtime	500	500	18
Employee Benefits	121,090	121,090	132,179
Memberships	1,485	1,485	1,381
Professional Services	122,500	122,500	176,315
Plan Review Services	57,750	57,750	59,991
Plan Review Services - Non-Operating	39,000	39,000	2,197
Maintenance - Office Equipment	1,600	1,600	325
Maintenance - Traffic Signals	50,200	50,200	57,118
Sidewalk Replacement Program	70,000	70,000	69,984
Curb Replacement Program	40,000	40,000	39,809
Retaining Wall Repairs	-	-	75,000
Street and Alley Maintenance Program	500,000	500,000	515,597
Pavement Marking Program	50,000	50,000	50,215
Brick Street Maintenance	136,000	136,000	128,278
Brick Street Renovations	240,000	240,000	285,934
Crack Sealing Program	40,000	40,000	39,119

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Other Public Works - Continued			
Village Engineer - Continued			
Street Resurfacing Program	\$ 1,023,000	1,023,000	861,142
Skokie / Hibbard Road Improvements	567,000	567,000	573,138
Locust Road Improvements	208,000	208,000	1,613
Central Avenue Reconstruction	-	-	7,100
Supplies - Office	2,100	2,100	2,075
Supplies - Other than Office	2,500	2,500	2,376
Automotive	9,500	9,500	9,310
Incidentals	2,400	2,400	635
Training	5,300	5,300	506
Infrastructure - Parking Lots	-	-	2,100
Total Village Engineer	<u>3,662,100</u>	<u>3,662,100</u>	<u>3,503,062</u>
Building and Grounds			
Salaries - Regular	230,200	230,200	238,576
Salaries - Overtime	10,100	10,100	11,430
Employee Benefits	89,740	89,740	89,886
Memberships	575	575	-
Contractual Services	93,460	93,460	89,738
Contractual Custodial Services	74,000	74,000	72,446
Heating and Cooling System Repairs	63,000	63,000	50,313
Uniforms	1,300	1,300	962
Supplies - Building	49,800	49,800	50,912
Supplies - Grounds	2,500	2,500	2,160
Supplies - Printing	6,000	6,000	5,397
Building and Furniture Repairs	58,000	58,000	32,604
Heating - Gas	30,000	30,000	18,307

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Other Public Works - Continued			
Building and Grounds - Continued			
Automotive	\$ 9,500	9,500	9,310
Incidentals	-	-	162
Training	1,000	1,000	-
Total Building and Grounds	<u>719,175</u>	<u>719,175</u>	<u>672,203</u>
Total Other Public Works	4,381,275	4,381,275	4,175,265
NonGAAP Activity			
Plus Prior Year Encumbrances	105,953	105,953	105,953
Less Current Year Encumbrances	<u>(617,686)</u>	<u>(617,686)</u>	<u>(617,686)</u>
Total Other Public Works	<u>3,869,542</u>	<u>3,869,542</u>	<u>3,663,532</u>
Public Health			
Salaries - Regular	182,725	182,725	98,767
Employee Benefits	68,320	68,320	37,829
Memberships	395	395	190
Sanitarian Services	-	-	22,500
Lab Services - Contractual	1,300	1,300	229
Maintenance - Office Equipment	200	200	-
Supplies - Laboratory	6,000	6,000	-
Supplies - Office	200	200	159
Automotive	2,700	2,700	2,670
Incidentals	700	700	577
Training	1,000	1,000	200
C.P.R. Program	<u>1,100</u>	<u>1,100</u>	<u>480</u>
Total Public Health	<u>264,640</u>	<u>264,640</u>	<u>163,601</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Community Development			
Community Development			
Salaries - Regular	\$ 902,925	902,925	856,967
Salaries - Overtime	500	500	491
Employee Benefits	299,160	299,160	292,220
Memberships	2,395	2,395	2,360
Professional Services	5,450	5,450	17,300
Digital Records Conversion	3,500	3,500	4,077
Contractual Planning & Inspection Services	74,000	74,000	101,827
Contractual Elevator Inspection Services	16,000	16,000	9,975
Maintenance - Office Equipment	200	200	-
Supplies - Office	2,500	2,500	2,710
Supplies - Other than Office	1,385	1,385	393
Automotive	16,400	16,400	15,980
Incidentals	300	300	45
Training	3,850	3,850	620
Publishing Legal Notices	2,000	2,000	2,008
Total Community Development	<u>1,330,565</u>	<u>1,330,565</u>	<u>1,306,973</u>
Business Development			
Salaries - Regular	56,725	56,725	56,590
Employee Benefits	17,385	17,385	20,901
Memberships	1,425	1,425	1,341
Business Promotion Activities	73,350	73,350	67,416
Incidentals	650	650	668
Land Acquisition	79,000	79,000	29,599
Hotel Tax Rebate	306,800	306,800	291,355
Total Business Development	<u>535,335</u>	<u>535,335</u>	<u>467,870</u>
Total Community Development	<u>1,865,900</u>	<u>1,865,900</u>	<u>1,774,843</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Capital Outlay - C.E.R.F. Program			
Village Hall Roof Replacement	\$ -	-	1,331
CAD Server	-	-	(10,250)
Document Management	-	-	47,224
Pick Up Truck T-32	-	-	-
Public Works Large Dump Truck T-04	-	-	164,506
Public Works Asphalt Roller C-12	-	-	35,650
Skid Steer and Trailer	-	-	56,691
Street Sweeper S-02	-	-	69,989
Police Vehicles	-	-	133,047
Parking Control Vehicle SQ-521	-	-	-
Fire Vehicles	-	-	291,239
Total Capital Outlay	-	-	789,427
NonGAAP Activity			
Plus Prior Year Encumbrances	-	-	27,131
Less Current Year Encumbrances	-	-	(141,297)
Total Capital Outlay	-	-	675,261
Debt Service			
Fire Truck Loan Principal Retirement	-	-	12,500
Interest and Fiscal Charges	-	-	177,050
Total Debt Service	-	-	189,550
Total Expenditures	37,002,743	37,002,743	36,347,129

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, 2017**

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Taxes	\$ 3,411,300	3,411,300	3,390,153
Expenditures			
Debt Service			
Principal Retirement	2,555,000	2,555,000	2,435,000
Interest and Fiscal Charges	966,000	966,000	914,173
Total Expenditures	3,521,000	3,521,000	3,349,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,700)	(109,700)	40,980
Other Financing Sources			
Debt Issuance	-	-	520,000
Payment to Escrow Agent	-	-	(574,702)
Transfers In	110,000	110,000	110,000
	110,000	110,000	55,298
Net Change in Fund Balance	300	300	96,278
Fund Balance - Beginning			49,207
Fund Balance - Ending			145,485

VILLAGE OF WILMETTE, ILLINOIS

Capital Projects Fund

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Revenues			
None	\$ -	-	-
Expenditures			
Capital Outlay			
Public Works Yard Improvements	2,320,000	2,320,000	2,350,350
Public Works Fuel Tanks	500,000	500,000	411,116
Public Works Vehicle Hoists	380,000	380,000	210,294
Public Works Generator	180,000	180,000	-
Village Hall Roof Replacement	630,000	630,000	512,850
Village Hall Hvac Replacement	200,000	200,000	130,886
Museum Roof Replacement	-	-	12,885
Police Station Generator Replacement	135,000	135,000	5,150
Police Radio Network Replacement	500,000	500,000	-
	<u>4,845,000</u>	<u>4,845,000</u>	<u>3,633,531</u>
NonGAAP Activity			
Less Current Year Encumbrances	(210,000)	(210,000)	(332,581)
Total Expenditures	<u>4,635,000</u>	<u>4,635,000</u>	<u>3,300,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,635,000)	(4,635,000)	(3,300,950)
Other Financing Sources			
Debt Issuance	4,845,000	4,845,000	5,000,000
Net Change in Fund Balance	<u>210,000</u>	<u>210,000</u>	1,699,050
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u><u>1,699,050</u></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, 2017**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 640,000	640,000	690,897
Investment Earnings	2,000	2,000	1,193
Total Revenues	<u>642,000</u>	<u>642,000</u>	<u>692,090</u>
Expenditures			
Capital Outlay			
Road Resurfacing Improvements	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
Net Change in Fund Balance	<u>(58,000)</u>	<u>(58,000)</u>	(7,910)
Fund Balance - Beginning			<u>350,150</u>
Fund Balance - Ending			<u><u>342,240</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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Water Sales			
Residential	\$ 3,214,300	3,214,300	3,220,560
Village of Glenview	4,068,000	4,068,000	4,035,784
Illinois American Water Company	1,073,000	1,073,000	1,133,419
Village of Golf	225,000	225,000	226,941
Other Water Sales	37,000	37,000	39,129
Other	175,000	175,000	190,477
Total Operating Revenues	<u>8,792,300</u>	<u>8,792,300</u>	<u>8,846,310</u>
Operating Expenses			
Administration			
General	179,520	179,520	195,008
Administrative	581,120	581,120	579,928
Operations			
Water Plant Operations	2,834,695	2,834,695	2,703,578
Distribution	1,115,435	1,115,435	1,046,124
Meter and Reservoir Maintenance	353,200	353,200	330,548
Capital Outlay	-	-	-
Depreciation	-	-	1,070,203
Total Operating Expenses	<u>5,063,970</u>	<u>5,063,970</u>	<u>5,925,389</u>
Operating Income	<u>3,728,330</u>	<u>3,728,330</u>	<u>2,920,921</u>
Nonoperating Revenues (Expenses)			
Grants	700,000	700,000	539,968
Investment Earnings	15,000	15,000	14,324
Interest Expense	(493,500)	(493,500)	(266,388)
	<u>221,500</u>	<u>221,500</u>	<u>287,904</u>
Income Before Transfers	3,949,830	3,949,830	3,208,825
Transfers Out	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(1,000,000)</u>
Change in Net Position	<u>3,949,830</u>	<u>3,949,830</u>	2,208,825
Net Position - Beginning			<u>19,142,309</u>
Net Position - Ending			<u>21,351,134</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Administration			
General			
Salaries - Regular	\$ 65,125	65,125	78,779
Salaries - Overtime	500	500	72
Employee Benefits	35,895	35,895	37,514
Annual Audit	14,000	14,000	14,000
Bank Charges	38,000	38,000	36,510
Postage	19,000	19,000	16,681
Supplies - Office - Administrative	4,000	4,000	9,012
Supplies - Office - Water Plant	2,400	2,400	2,353
Incidentals	100	100	87
Training	500	500	-
Total General	179,520	179,520	195,008
Administrative			
Salaries - Regular	320,950	320,950	317,104
Employee Benefits	96,560	96,560	96,327
Memberships	2,960	2,960	2,319
Telephone - Regular Service	38,000	38,000	42,464
Telephone - Maintenance	1,500	1,500	1,245
Telephone - Cellular	9,000	9,000	9,394
Supplies - Building	8,000	8,000	7,880
Building Furniture and Repairs	7,000	7,000	6,982
Training	6,950	6,950	6,013
General Liability and Property Insurance	90,200	90,200	90,200
Total Administrative	581,120	581,120	579,928

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Operations			
Water Plant Operations			
Salaries - Regular	\$ 1,356,425	1,356,425	1,378,441
Salaries - Overtime	34,000	34,000	24,530
Employee Benefits	568,810	568,810	566,023
Professional Services - SCADA System Maintenance	2,400	2,400	-
Contractual Services	32,600	32,600	31,057
Contractual Custodial Services	11,000	11,000	10,980
Maintenance of Equipment	36,000	36,000	40,138
Maintenance of Intake	-	-	-
Video Communications	460	460	360
Uniforms	5,800	5,800	4,788
Supplies	30,000	30,000	27,334
Supplies - Computer Parts	1,000	1,000	1,489
Supplies - Laboratory	15,300	15,300	12,046
Equipment Repair Materials	34,000	34,000	33,863
Power	390,000	390,000	356,725
Heating Gas	55,000	55,000	26,619
Chemicals	172,000	172,000	127,740
Automotive	8,900	8,900	8,640
Incidentals	1,000	1,000	878
Water Reclamation District User Charges	40,000	40,000	43,817
Rebuild Hilift Pump	35,000	35,000	44,059
Filter Valve Improvements	40,000	40,000	-
Building Renovations and Piping Improvements	30,000	30,000	22,733
Laboratory Equipment	30,000	30,000	26,320
	<u>2,929,695</u>	<u>2,929,695</u>	<u>2,788,580</u>
Less Nonoperating Items			
Capital Outlay	(95,000)	(95,000)	(85,002)
Total Water Plant Operations	<u>2,834,695</u>	<u>2,834,695</u>	<u>2,703,578</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Operations - Continued			
Distribution			
Salaries - Regular	\$ 463,075	463,075	464,589
Salaries - Overtime	35,775	35,775	22,473
Employee Benefits	205,260	205,260	198,693
Geographic Information System	31,000	31,000	28,146
Contractual Services	116,725	116,725	102,147
Unidirectional Main Flushing	60,000	60,000	58,109
Maintenance - Distribution System	11,000	11,000	3,326
Uniforms	3,825	3,825	3,782
Supplies - Miscellaneous Tools and Equipment	2,625	2,625	5,740
Materials	66,600	66,600	70,637
Replacement Fire Hydrants	22,800	22,800	22,440
Automotive	83,100	83,100	81,210
Incidentals	250	250	430
Training	3,000	3,000	2,320
Fire Hydrant Painting	10,400	10,400	12,475
Valve Installation	62,500	62,500	61,228
Other Equipment	102,000	102,000	88,498
Replacement Leak Correlator	33,000	33,000	18,905
	1,312,935	1,312,935	1,245,148
NonGAAP Activity			
Less Current Year Encumbrances	-	-	(30,393)
Less Nonoperating Items			
Capital Outlay	(197,500)	(197,500)	(168,631)
Total Distribution	1,115,435	1,115,435	1,046,124
Meter and Reservoir Maintenance			
Salaries - Regular	141,450	141,450	142,833
Salaries - Overtime	625	625	-
Employee Benefits	48,125	48,125	48,194
Contractual Services	9,600	9,600	9,397
Maintenance - Reservoir/Pumping Station	3,500	3,500	7,024
Maintenance - Standpipe	5,200	5,200	4,453
Uniforms	700	700	598
Supplies	2,300	2,300	2,348

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Operations - Continued			
Meter and Reservoir Maintenance - Continued			
Supplies - Reservoir	\$ 3,000	3,000	5,906
Water Meters - Cost of Sales	20,000	20,000	22,714
Water Meters - Repair Parts	2,200	2,200	7,280
Water Meter Replacement Program	88,000	88,000	53,601
Water Meter AMR Program	20,000	20,000	18,210
Automotive	8,200	8,200	7,990
Training	300	300	-
Total Meter and Reservoir Maintenance	353,200	353,200	330,548
Capital Outlay			
Water Plant Electrical Improvements	700,000	700,000	539,968
Less Nonoperating Items			
Capital Outlay	(700,000)	(700,000)	(539,968)
Total Capital Outlay	-	-	-
Debt Service			
Principal Retirement	1,780,000	1,780,000	1,780,000
Interest Expense	491,000	491,000	246,024
Bond Registrar Fees	2,500	2,500	20,364
	2,273,500	2,273,500	2,046,388
Less Nonoperating Items			
Debt Service	(2,273,500)	(2,273,500)	(2,046,388)
Total Debt Service	-	-	-
Depreciation	-	-	1,070,203
Total Operating Expenses	5,063,970	5,063,970	5,925,389

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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Sewer Charges	\$ 5,082,900	5,082,900	5,006,691
Other Income	-	-	12,188
Total Operating Revenues	<u>5,082,900</u>	<u>5,082,900</u>	<u>5,018,879</u>
Operating Expenses			
Operations			
Maintenance of Sewers	1,377,990	1,377,990	1,349,280
Storm Water Pumping Station	64,770	64,770	56,104
Capital Outlay	1,760,000	1,760,000	135,654
Depreciation	-	-	1,079,321
Total Operating Expenses	<u>3,202,760</u>	<u>3,202,760</u>	<u>2,620,359</u>
Operating Income	<u>1,880,140</u>	<u>1,880,140</u>	<u>2,398,520</u>
Nonoperating Revenues (Expenses)			
Investment Earnings	-	-	981
Interest Expense	(1,301,000)	(1,301,000)	(1,372,517)
	<u>(1,301,000)</u>	<u>(1,301,000)</u>	<u>(1,371,536)</u>
Change in Net Position	<u>579,140</u>	<u>579,140</u>	1,026,984
Net Position - Beginning			<u>31,974,865</u>
Net Position - Ending			<u>33,001,849</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Operations			
Maintenance of Sewers			
Salaries - Regular	\$ 564,000	564,000	568,306
Salaries - Overtime	10,100	10,100	10,525
Employee Benefits	231,415	231,415	228,462
Professional Services	5,000	5,000	3,066
Geographic Information System	31,000	31,000	28,146
Contractual Services	112,800	112,800	159,055
Contractual Sewer Maintenance	261,500	261,500	211,500
N.P.D.E.S. Phase II	6,000	6,000	6,000
Uniforms	3,825	3,825	3,782
Supplies - Miscellaneous Tools and Equipment	2,625	2,625	5,083
Materials	33,725	33,725	41,299
Automotive	83,100	83,100	81,210
Incidentals	500	500	146
Training	2,400	2,400	2,700
Overhead	30,000	30,000	-
Street Sweeper	102,000	102,000	83,557
Sewer Main Improvements	514,000	514,000	488,275
Total Maintenance of Sewers	1,993,990	1,993,990	1,921,112
Less Nonoperating Items			
Capital Outlay	(616,000)	(616,000)	(571,832)
Total Maintenance of Sewers	1,377,990	1,377,990	1,349,280
Storm Water Pumping Station			
Salaries - Overtime	12,000	12,000	14,948
Employee Benefits	2,470	2,470	2,858
Contractual Services	2,500	2,500	-
Maintenance - Equipment	2,400	2,400	476
Supplies	1,200	1,200	901
Supplies - Outfall Control	500	500	-
Power	38,000	38,000	34,135
Heating Gas	5,700	5,700	2,786
Total Storm Water Pumping Station	64,770	64,770	56,104

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Operations - Continued			
Capital Outlay			
Sewer Lining and Rehabilitation	\$ 1,640,000	1,640,000	3,164
Storm Sewers	120,000	120,000	132,489
Princeton Place Outfall	130,000	130,000	123,910
Harms Road Pump Station	100,000	100,000	178,885
	<u>1,990,000</u>	<u>1,990,000</u>	<u>438,448</u>
NonGAAP Activity			
Less Current Year Encumbrances	-	-	(42,403)
Less Nonoperating Items			
Capital Outlay	(230,000)	(230,000)	(260,391)
Total Capital Outlay	<u>1,760,000</u>	<u>1,760,000</u>	<u>135,654</u>
Debt Service			
Principal Retirement	2,015,000	2,015,000	1,984,399
Interest Expense	1,301,000	1,301,000	1,371,767
Bond Registrar Fees	2,000	2,000	750
	<u>3,318,000</u>	<u>3,318,000</u>	<u>3,356,916</u>
Less Nonoperating Items			
Debt Service	(3,318,000)	(3,318,000)	(3,356,916)
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation	-	-	1,079,321
Total Operating Expenses	<u><u>3,202,760</u></u>	<u><u>3,202,760</u></u>	<u><u>2,620,359</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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Parking Fees	\$ 435,860	435,860	483,969
Operating Expenses			
Operations			
Central Business District	225,575	225,575	180,783
CTA Station	159,475	159,475	118,902
Burmeister Parking Facility	15,090	15,090	3,199
Depreciation	-	-	126,699
Total Operating Expenses	400,140	400,140	429,583
Change in Net Position	35,720	35,720	54,386
Net Position - Beginning			4,330,326
Net Position - Ending			4,384,712

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Charges for Services			
Central Business District			
Parking Meter Revenue	\$ 213,500	213,500	233,549
Debit Card Revenue	-	-	(30)
Permit Fees	42,660	42,660	45,830
METRA Station Rent	3,000	3,000	3,000
Total Central Business District	<u>259,160</u>	<u>259,160</u>	<u>282,349</u>
CTA Station			
Commuter Daily Drop Box	130,000	130,000	149,753
Commuter Permit Fees	16,000	16,000	23,840
Merchant Permit Fees	4,200	4,200	4,212
Residential Permit Fees	4,000	4,000	3,840
Total CTA Station	<u>154,200</u>	<u>154,200</u>	<u>181,645</u>
Burmeister Parking Facility			
Permit Fees	<u>22,500</u>	<u>22,500</u>	<u>19,975</u>
Total Operating Revenues	<u><u>435,860</u></u>	<u><u>435,860</u></u>	<u><u>483,969</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, 2017**

	Original Budget	Final Budget	Actual
Operations			
Central Business District			
Salaries - Regular	\$ 52,725	52,725	35,760
Salaries - Overtime	2,250	2,250	-
Employee Benefits	23,045	23,045	12,517
Bank Charges	27,000	27,000	37,421
Contractual Services - Railroad Property	29,150	29,150	28,053
Contractual Snow Plowing	17,545	17,545	5,569
Building Supplies - Railroad Property	315	315	444
Grounds Supplies - Village Property	4,370	4,370	2,775
Grounds Supplies - Railroad Property	2,000	2,000	2,000
Power - METRA Station	5,000	5,000	4,908
Lighting	5,400	5,400	3,798
Heating Gas - Railroad Property	1,500	1,500	1,046
Parking Meter Parts - Village Property	400	400	-
Parking Meter Parts - Railroad Property	1,500	1,500	710
Rent - Commuter Lot	47,500	47,500	36,439
Rent - Poplar Drive Lots	2,800	2,800	6,668
Rent - St. Augustine Lot	2,400	2,400	1,995
Rent - Masonic Temple Lot	675	675	680
Total Central Business District	225,575	225,575	180,783
CTA Station			
Salaries - Regular	45,250	45,250	29,258
Salaries - Overtime	3,750	3,750	-
Employee Benefits	21,050	21,050	10,411
Bank Charges	4,000	4,000	4,389
Contractual Services	2,155	2,155	2,006
Contractual Grounds Maintenance	4,120	4,120	1,537

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual
Operations - Continued			
CTA Station - Continued			
Contractual Snow Plowing	\$ 9,950	9,950	3,313
Equipment Repairs	1,900	1,900	70
Materials	2,800	2,800	1,497
Rent - CTA	64,500	64,500	66,421
Total CTA Station	<u>159,475</u>	<u>159,475</u>	<u>118,902</u>
Burmeister Parking Facility			
Contractual Services	6,690	6,690	1,731
Materials	500	500	-
Lighting	7,900	7,900	1,468
Total Burmeister Parking Facility	<u>15,090</u>	<u>15,090</u>	<u>3,199</u>
Depreciation	<u>-</u>	<u>-</u>	<u>126,699</u>
Total Operating Expenses	<u>400,140</u>	<u>400,140</u>	<u>429,583</u>

VILLAGE OF WILMETTE, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

December 31, 2017

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

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
675	906	10,054	1,192,028	1,203,663
65	10,670	-	2,726	13,461
740	11,576	10,054	1,194,754	1,217,124
-	1,660	10,054	-	11,714
-	-	-	14,384	14,384
-	-	-	1,125,512	1,125,512
-	1,660	10,054	1,139,896	1,151,610
740	9,916	-	54,858	65,514

VILLAGE OF WILMETTE, ILLINOIS

Internal Service Funds

**Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2017**

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 1,333,209
Operating Expenses	
Operations	<u>1,333,209</u>
Operating Income	-
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
2,869,365	333,801	2,027,992	249,000	6,813,367
2,868,625	323,885	2,027,992	206,256	6,759,967
740	9,916	-	42,744	53,400
-	-	-	2,397	2,397
740	9,916	-	45,141	55,797
-	-	-	9,717	9,717
740	9,916	-	54,858	65,514

VILLAGE OF WILMETTE, ILLINOIS

Internal Service Funds

**Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2017**

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 1,333,209
Payments to Employees	(590,900)
Payments to Suppliers	(742,309)
	<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
2,869,300	333,862	2,027,992	246,274	6,810,637
(137,460)	-	-	-	(728,360)
(2,745,151)	(332,956)	(2,027,597)	(211,980)	(6,059,993)
(13,311)	906	395	34,294	22,284
-	-	-	2,397	2,397
(13,311)	906	395	36,691	24,681
13,986	-	9,659	1,155,337	1,178,982
675	906	10,054	1,192,028	1,203,663
740	9,916	-	42,744	53,400
(65)	61	-	(2,726)	(2,730)
(13,986)	(9,071)	395	(5,724)	(28,386)
(13,311)	906	395	34,294	22,284

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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 1,179,300	1,179,300	1,152,209
Sewer Fund Billings	83,100	83,100	81,210
Water Fund Billings	100,200	100,200	97,840
Insurance Reimbursements	10,330	10,330	1,950
Total Operating Revenues	<u>1,372,930</u>	<u>1,372,930</u>	<u>1,333,209</u>
Operating Expenses			
Operations			
Maintenance			
Regular Salaries	580,150	580,150	585,836
Overtime Salaries	2,600	2,600	5,064
Employee Benefits	223,710	223,710	219,997
Contractual Services	40,000	40,000	34,022
Contractual Maintenance - Emergency Vehicles	56,530	56,530	69,181
Maintenance - Radios	200	200	-
Contractual Services - Vehicle Washing	1,170	1,170	1,153
Uniforms	3,700	3,700	3,331
Supplies - Automotive Parts	149,150	149,150	140,606
Supplies - Auto Shop	15,375	15,375	23,766
Supplies - Vehicle Striping and Safety	2,200	2,200	1,412
Squad Car Transfer Rehabilitation	2,050	2,050	-
Gasoline and Oil	225,505	225,505	169,575
Mechanics' Tool Allowance	3,000	3,000	3,000
Incidentals	250	250	280
Training	3,100	3,100	1,885
Licenses, Titles and Inspection Fees	5,240	5,240	3,856
Automobile Insurance and Claims	59,000	59,000	59,000
Other Equipment	-	-	11,245
Total Operating Expenses	<u>1,372,930</u>	<u>1,372,930</u>	<u>1,333,209</u>
Change in Net Position	<u>-</u>	<u>-</u>	-
Net Position - Beginning			<u>-</u>
Net Position - Ending			<u><u>-</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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 2,275,330	2,275,330	2,233,046
Municipal Garage Fund Billings	95,850	95,850	92,978
Parking Meter Fund Billings	21,380	21,380	11,366
Sewer Fund Billings	105,410	105,410	99,891
Water Fund Billings	428,720	428,720	432,084
Total Operating Revenues	<u>2,926,690</u>	<u>2,926,690</u>	<u>2,869,365</u>
Operating Expenses			
Operations			
Flexible Benefit Program Contributions	139,680	139,680	137,460
Employee Health Insurance			
North Suburban Employee Benefit Co-Op	1,568,460	1,568,460	1,547,887
HMO - Illinois	1,148,550	1,148,550	1,153,714
Employee Life Insurance	40,000	40,000	37,221
Unemployment Compensation	30,000	30,000	13,734
Other Insurance Expense	-	-	(21,391)
Total Operating Expenses	<u>2,926,690</u>	<u>2,926,690</u>	<u>2,868,625</u>
Change in Net Position	<u>-</u>	<u>-</u>	740
Net Position - Beginning			<u>-</u>
Net Position - Ending			<u><u>740</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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 263,070	263,070	253,668
Municipal Garage Fund Billings	9,100	9,100	9,170
Parking Meter Fund Billings	1,620	1,620	1,530
Sewer Fund Billings	8,970	8,970	8,930
Water Fund Billings	37,940	37,940	37,150
Insurance Reimbursements	-	-	23,353
Total Operating Revenues	<u>320,700</u>	<u>320,700</u>	<u>333,801</u>
Operating Expenses			
Operations			
Workers' Compensation			
Fixed Premium Portion	278,800	278,800	278,800
Payment of Deductibles	41,900	41,900	45,085
Total Operating Expenses	<u>320,700</u>	<u>320,700</u>	<u>323,885</u>
Change in Net Position	<u>-</u>	<u>-</u>	9,916
Net Position - Beginning			<u>-</u>
Net Position - Ending			<u>9,916</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, 2017**

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 1,372,950	1,372,950	1,341,901
Municipal Garage Fund Billings	110,140	110,140	111,605
Parking Meter Fund Billings	19,740	19,740	10,033
Sewer Fund Billings	108,020	108,020	115,773
Water Fund Billings	456,550	456,550	448,680
Total Operating Revenues	<u>2,067,400</u>	<u>2,067,400</u>	<u>2,027,992</u>
Operating Expenses			
Operations			
Employer IMRF Contributions	1,140,740	1,140,740	1,133,085
Employer FICA Contributions	628,720	628,720	610,992
Employer Medicare Contributions	297,940	297,940	283,915
Total Operating Expenses	<u>2,067,400</u>	<u>2,067,400</u>	<u>2,027,992</u>
Change in Net Position	<u>-</u>	<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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Operating Revenues			
Interfund Services			
General Fund Billings	\$ 202,630	202,630	207,226
Municipal Garage Fund Billings	8,070	8,070	6,210
Sewer Fund Billings	8,070	8,070	6,726
Water Fund Billings	32,830	32,830	28,838
Total Operating Revenues	<u>251,600</u>	<u>251,600</u>	<u>249,000</u>
Operating Expenses			
Administration	<u>251,600</u>	<u>251,600</u>	<u>206,256</u>
Operating Income (Loss)	-	-	42,744
Nonoperating Revenues			
Investment Earnings	<u>4,000</u>	<u>4,000</u>	<u>2,397</u>
Change in Net Position	<u>4,000</u>	<u>4,000</u>	45,141
Net Position - Beginning			<u>9,717</u>
Net Position - Ending			<u>54,858</u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
December 31, 2017**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 3,081,990	3,424,818	6,506,808
Investments			
U.S. Treasury Securities	6,510,331	6,200,305	12,710,636
U.S. Agency Securities	737,647	734,712	1,472,359
Corporate Bonds	6,672,969	6,404,813	13,077,782
Mutual Funds	22,799,533	23,400,137	46,199,670
Common Stock	8,049,492	7,580,693	15,630,185
Receivables			
Accrued Interest	101,484	98,578	200,062
Total Assets	<u>47,953,446</u>	<u>47,844,056</u>	<u>95,797,502</u>
LIABILITIES			
Due to Other Funds	-	-	-
Accounts Payable	<u>12,826</u>	<u>12,376</u>	<u>25,202</u>
Total Liabilities	<u>12,826</u>	<u>12,376</u>	<u>25,202</u>
NET POSITION			
Net Position Restricted for Pensions	<u>47,940,620</u>	<u>47,831,680</u>	<u>95,772,300</u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2017**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 2,023,000	2,609,000	4,632,000
Contributions - Plan Members	445,506	427,546	873,052
Total Contributions	2,468,506	3,036,546	5,505,052
Investment Income			
Investment Earnings	397,753	381,545	779,298
Net Change in Fair Value	5,355,848	5,447,906	10,803,754
	5,753,601	5,829,451	11,583,052
Less Investment Expenses	(82,684)	(79,635)	(162,319)
Net Investment Income	5,670,917	5,749,816	11,420,733
Total Additions	8,139,423	8,786,362	16,925,785
Deductions			
Administration	25,794	21,083	46,877
Benefits and Refunds	3,077,212	3,845,414	6,922,626
Total Deductions	3,103,006	3,866,497	6,969,503
Change in Fiduciary Net Position	5,036,417	4,919,865	9,956,282
Net Position Restricted for Pensions			
Beginning	42,904,203	42,911,815	85,816,018
Ending	47,940,620	47,831,680	95,772,300

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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Additions			
Contributions - Employer	\$ 2,043,000	2,043,000	2,023,000
Contributions - Plan Members	461,000	461,000	445,506
Total Contributions	<u>2,504,000</u>	<u>2,504,000</u>	<u>2,468,506</u>
Investment Income			
Investment Earnings	2,400,000	2,400,000	397,753
Net Change in Fair Value	-	-	5,355,848
	<u>2,400,000</u>	<u>2,400,000</u>	<u>5,753,601</u>
Less Investment Expenses	(139,110)	(139,110)	(82,684)
Net Investment Income	<u>2,260,890</u>	<u>2,260,890</u>	<u>5,670,917</u>
Total Additions	<u>4,764,890</u>	<u>4,764,890</u>	<u>8,139,423</u>
Deductions			
Administration	17,500	17,500	25,794
Benefits and Refunds	3,154,400	3,154,400	3,077,212
Total Deductions	<u>3,171,900</u>	<u>3,171,900</u>	<u>3,103,006</u>
Change in Fiduciary Net Position	<u>1,592,990</u>	<u>1,592,990</u>	5,036,417
Net Position Restricted for Pensions			
Beginning			<u>42,904,203</u>
Ending			<u>47,940,620</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, 2017

	Original Budget	Final Budget	Actual
Additions			
Contributions - Employer	\$ 2,678,600	2,678,600	2,609,000
Contributions - Plan Members	440,000	440,000	427,546
Total Contributions	<u>3,118,600</u>	<u>3,118,600</u>	<u>3,036,546</u>
Investment Income			
Investment Earnings	2,500,000	2,500,000	381,545
Net Change in Fair Value	-	-	5,447,906
	<u>2,500,000</u>	<u>2,500,000</u>	<u>5,829,451</u>
Less Investment Expenses	(169,110)	(169,110)	(79,635)
Net Investment Income	<u>2,330,890</u>	<u>2,330,890</u>	<u>5,749,816</u>
Total Additions	<u>5,449,490</u>	<u>5,449,490</u>	<u>8,786,362</u>
Deductions			
Administration	17,200	17,200	21,083
Benefits and Refunds	3,999,000	3,999,000	3,845,414
Total Deductions	<u>4,016,200</u>	<u>4,016,200</u>	<u>3,866,497</u>
Change in Fiduciary Net Position	<u>1,433,290</u>	<u>1,433,290</u>	4,919,865
Net Position Restricted for Pensions			
Beginning			<u>42,911,815</u>
Ending			<u>47,831,680</u>

VILLAGE OF WILMETTE, ILLINOIS

Agency Fund - Fire Insurance Tax

**Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2017**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 627,129	73,757	83,700	617,186
LIABILITIES				
Deposits Payable	627,129	73,757	83,700	617,186

SUPPLEMENTAL SCHEDULES

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2007

December 31, 2017

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 2,205,000	90,956	2,295,956
	<u>2,205,000</u>	Debt Service Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010

December 31, 2017

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
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
	<u>25,105,000</u>	<u>4,440,756</u>	<u>29,545,756</u>
	22,490,000	Debt Service Fund	
	1,485,000	Sewer Fund	
	<u>1,130,000</u>	Water Fund	
	<u>25,105,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011
December 31, 2017**

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
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
	<u>8,880,000</u>	<u>1,026,688</u>	<u>9,906,688</u>
	5,125,000	Sewer Fund	
	<u>3,755,000</u>	Water Fund	
	<u>8,880,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013

December 31, 2017

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
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>9,685,000</u>	<u>5,053,852</u>	<u>14,738,852</u>
	765,000	Debt Service Fund	
	<u>8,920,000</u>	Sewer Fund	
	<u>9,685,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2014
December 31, 2017**

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
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
	<u>17,080,000</u>	<u>12,154,749</u>	<u>29,234,749</u>
	15,500,000	Sewer Fund	
	<u>1,580,000</u>	Water Fund	
	<u>17,080,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2017A

December 31, 2017

Date of Issue	November 8, 2017
Date of Maturity	December 1, 2036
Authorized Issue	\$9,795,000
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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 1,255,000	243,976	1,498,976
2019	1,375,000	204,225	1,579,225
2020	1,185,000	176,725	1,361,725
2021	915,000	153,025	1,068,025
2022	-	134,725	134,725
2023	-	134,725	134,725
2024	-	134,725	134,725
2025	370,000	134,725	504,725
2026	375,000	127,325	502,325
2027	385,000	119,825	504,825
2028	390,000	112,125	502,125
2029	400,000	103,350	503,350
2030	410,000	94,350	504,350
2031	425,000	82,050	507,050
2032	435,000	69,300	504,300
2033	450,000	56,250	506,250
2034	460,000	42,750	502,750
2035	475,000	28,950	503,950
2036	490,000	14,700	504,700
	<u>9,795,000</u>	<u>2,167,826</u>	<u>11,962,826</u>
	5,065,000	Debt Service Fund	
	1,115,000	Sewer Fund	
	<u>3,615,000</u>	Water Fund	
	<u>9,795,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2017B
December 31, 2017**

Date of Issue	December 5, 2017
Date of Maturity	December 1, 2023
Authorized Issue	\$3,470,000
Denomination of Bonds	\$5,000
Interest Rates	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
2018	\$ 380,000	102,943	482,943
2019	385,000	92,700	477,700
2020	490,000	81,150	571,150
2021	490,000	66,450	556,450
2022	865,000	51,750	916,750
2023	860,000	25,800	885,800
	3,470,000	420,793	3,890,793
	520,000	Debt Service Fund	
	765,000	Sewer Fund	
	2,185,000	Water Fund	
	3,470,000		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2006

December 31, 2017

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
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
	223,188	27,435	250,623
	223,188	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2007

December 31, 2017

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
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>364,406</u>	<u>49,598</u>	<u>414,004</u>
	<u>364,406</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2010

December 31, 2017

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
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
	110,274	-	110,274
	110,274	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2011

December 31, 2017

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
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
	549,248	51,184	600,432
	549,248	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2012

December 31, 2017

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
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
	<u>598,843</u>	<u>112,367</u>	<u>711,210</u>
	<u>598,843</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2013

December 31, 2017

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
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	29,552	403	29,955
	<u>479,595</u>	<u>79,395</u>	<u>558,990</u>
	<u>479,595</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2014

December 31, 2017

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
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
	561,736	103,406	665,142
	561,736	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2016

December 31, 2017

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
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
	<u>686,189</u>	<u>131,533</u>	<u>817,722</u>
	<u>686,189</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2012

December 31, 2017

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>
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>187,500</u>	<u>-</u>	<u>187,500</u>
	<u>187,500</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, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 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	18,019,675
Restricted	1,189,728	331,412	632,132	385,231	549,806	560,482	749,557	636,365	449,840	2,269,063
Unrestricted	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)	(39,793,063)
Total Governmental Activities Net Position	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)	(19,504,325)
Business-Type Activities										
Net Investment in Capital Assets	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	50,486,458
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	8,251,237
Total Business-Type Activities Net Position	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	58,737,695
Total Net Position										
Net Investment in Capital Assets	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	68,506,133
Restricted	1,189,728	331,412	632,132	385,231	549,806	560,482	749,557	636,365	449,840	2,269,063
Unrestricted	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)	(31,541,826)
Total Primary Government Net Position	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	39,233,370

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government	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	4,498,769
Public Safety	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	22,744,932
Streets and Sanitation	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	9,630,001
Other Public Works	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	2,824,508
Public Health	1,271,890	1,123,256	1,267,254	1,209,544	1,293,984	1,305,083	249,781	246,680	257,189	163,601
Community Development	170,743	187,546	205,587	225,314	228,675	237,168	1,678,387	2,313,551	2,026,595	1,992,934
Interest	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	1,198,440
Total Governmental Activities Expenses	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	43,053,185
Business-Type Activities										
Water	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	6,191,777
Sewer	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	3,992,876
Parking	462,824	458,677	459,394	453,310	451,720	456,325	527,875	532,640	507,837	429,583
Total Business-Type Activities Net Position	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	10,614,236
Total Primary Government Expenses	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	53,667,421
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	292,394	297,132	368,144	374,785	394,563	416,400	439,014	468,820	443,273	334,110
Public Safety	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	2,338,553
Streets and Sanitation	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	2,543,282
Other Public Works	109,484	57,344	65,104	79,657	97,662	146,524	202,605	153,549	197,663	117,080
Public Health	31,266	35,518	1,309,315	1,309,940	1,737,213	2,329,847	76,757	95,546	61,520	39,513
Community Development	1,434,373	1,036,375	58,451	64,193	68,483	71,738	2,318,366	2,347,760	3,166,999	3,083,201
Operating Grants/Contributions	1,955,443	1,532,053	997,955	1,942,760	963,214	1,033,870	1,569,576	970,153	887,779	766,029
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	221,265
Total Governmental Activities	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	9,443,033
Program Revenue										
Business-Type Activities										
Charges for Services										
Water	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	8,846,310
Sewer	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	5,018,879
Parking	320,670	412,436	404,036	397,304	393,697	397,322	369,977	419,424	431,910	483,969
Operating Grants/Contributions	13,145	119,527	-	293,550	192,168	94,793	5,230	101,403	-	-
Capital Grants/Contributions	-	-	-	-	-	-	47,218	-	-	539,968
Total Business-Type Activities	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	14,889,126
Program Revenue										
Total Primary Government	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	24,332,159

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expenses) Revenues										
Governmental Activities	\$ (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)	(33,610,152)
Business-Type Activities	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	4,274,890
Total Net Revenues (Expenses)	(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)	(29,335,262)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	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	17,023,404
Sales, Local Use	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	5,923,890
Utility	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	2,037,460
Income	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	2,487,918
Real Estate Transfer	880,317	634,160	910,128	717,780	937,983	1,081,380	1,285,913	1,311,792	1,303,787	1,410,066
Other	859,204	764,396	770,524	724,099	752,065	758,549	1,002,184	1,123,928	1,051,368	1,382,125
Investment Income	94,736	50,289	161,716	190,532	204,852	254,192	239,627	242,722	313,939	336,272
Miscellaneous	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	1,272,979
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers In (Out)	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	1,000,000
Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	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	32,874,114
Business-Type Activities										
Investment Income	143,858	24,452	21,846	28,040	24,292	27,116	30,175	34,134	17,723	15,305
Miscellaneous	-	-	-	-	-	-	84,118	147,687	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers In (Out)	(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)	(1,000,000)
Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	(564,632)	(925,548)	(978,154)	(1,021,960)	(1,375,708)	(1,222,884)	(885,707)	(918,179)	(982,277)	(984,695)
Total Primary Government	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	31,889,419
Changes in Net Position										
Governmental Activities	(332,295)	(297,048)	102,782	502,577	817,214	1,414,620	2,434,894	(7,945,525)	(54,907)	(736,038)
Business-Type Activities	458,776	840,145	1,849,198	1,808,716	2,320,501	2,031,245	960,887	1,899,444	2,438,286	3,290,195
Total Primary Government	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	2,554,157

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

	2008	2009	2010
General Fund			
Reserved	\$ 281,354	257,117	97,544
Unreserved	6,350,014	4,810,519	5,258,531
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	6,631,368	5,067,636	5,356,075
All Other Governmental Funds			
Reserved	1,261,330	-	340,915
Unreserved, Reported in:			
Special Revenues Funds	389,728	331,412	407,836
Debt Service Funds	(61,780)	(96,363)	-
Capital Projects Funds	3,787,249	1,383,335	2,492,901
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	5,376,527	1,618,384	3,241,652
Total All Governmental Funds	12,007,895	6,686,020	8,597,727

Data Source: Village Records

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

2011	2012	2013	2014	2015	2016	2017
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75,589	961,697	1,067,921	1,222,557	1,378,759	1,552,347	1,705,075
-	128,968	64,251	64,712	107,367	103,817	82,288
247,056	503,336	198,348	816,646	359,773	2,694,923	3,013,575
5,212,176	5,171,969	6,701,690	7,856,971	9,391,977	10,018,868	11,409,395
5,534,821	6,765,970	8,032,210	9,960,886	11,237,876	14,369,955	16,210,333
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
385,231	669,561	577,842	717,918	562,598	346,023	2,186,775
675,683	437,095	554,643	69,638	81,724	53,334	-
(96,209)	-	-	-	-	-	-
964,705	1,106,656	1,132,485	787,556	644,322	399,357	2,186,775
6,499,526	7,872,626	9,164,695	10,748,442	11,882,198	14,769,312	18,397,108

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Revenues by Source - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Source	2008	2009	2010	2011
Taxes	\$ 23,199,988	22,817,131	23,624,837	23,802,163
Licenses, Permits and Fees	3,034,314	2,661,327	3,005,663	3,043,066
Intergovernmental	1,955,443	1,532,053	997,955	1,942,760
Charges for Services	2,413,363	2,557,660	2,823,915	2,855,787
Fines and Forfeitures	391,347	301,546	391,372	355,358
Investment Earnings	273,773	33,656	25,329	24,006
Miscellaneous	1,049,103	878,187	1,114,283	1,078,140
Totals	32,317,331	30,781,560	31,983,354	33,101,280

Data Source: Village Records

2012	2013	2014	2015	2016	2017
24,655,964	25,649,806	26,829,479	29,177,904	23,133,335	23,986,266
3,505,584	4,167,041	4,407,036	4,313,554	5,215,126	4,976,559
963,214	1,033,870	1,569,576	970,152	7,188,505	7,265,891
2,989,446	3,137,432	3,191,053	3,342,773	3,338,934	3,169,267
334,441	358,283	373,671	332,078	310,252	309,913
201,172	250,614	237,646	240,651	311,681	333,875
1,163,937	1,180,074	1,357,508	1,351,366	1,704,470	1,272,979
33,813,758	35,777,120	37,965,969	39,728,478	41,202,303	41,314,750

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Expenditures by Function - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Function	2008	2009	2010	2011
General Government	\$ 3,195,090	2,892,303	2,925,964	2,818,641
Public Safety	15,844,052	16,155,101	16,900,426	17,591,397
Streets and Sanitation	6,346,863	5,807,962	5,567,467	5,761,344
Other Public Works	1,759,034	2,479,331	1,811,305	2,341,132
Public Health	170,243	187,046	205,787	215,689
Community Development	1,386,238	1,120,856	1,267,654	1,174,544
Capital Outlay	5,178,517	6,795,273	1,147,720	2,910,803
Debt Service				
Principal Retirement	2,208,316	1,578,609	1,588,176	2,020,000
Interest and Fiscal Charges	1,703,656	1,635,271	1,228,122	1,415,931
Totals	<u>37,792,009</u>	<u>38,651,752</u>	<u>32,642,621</u>	<u>36,249,481</u>

Data Source: Village Records

2012	2013	2014	2015	2016	2017
3,054,387	3,267,339	3,258,505	3,588,764	3,734,719	3,846,318
18,599,081	18,691,624	19,061,947	19,749,081	19,662,967	20,205,642
5,832,631	5,905,510	6,156,261	6,352,641	5,912,101	5,828,382
1,909,400	2,382,792	1,951,515	3,085,813	3,210,852	3,663,532
226,412	235,339	244,963	249,180	258,189	163,601
1,274,590	1,280,804	1,675,987	2,307,447	1,790,405	1,745,244
918,493	1,676,552	1,655,988	1,013,861	1,463,819	4,705,810
1,720,000	2,027,500	2,157,500	2,212,500	2,397,500	2,447,500
1,338,899	1,267,591	1,219,556	1,135,435	1,053,797	1,091,223
34,873,893	36,735,051	37,382,222	39,694,722	39,484,349	43,697,252

VILLAGE OF WILMETTE, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

	2008	2009	2010	2011
Revenues				
Taxes	\$ 23,199,988	22,817,131	23,624,837	23,802,163
Licenses and Permits	3,034,314	2,661,327	3,005,663	3,043,066
Intergovernmental	1,955,443	1,532,053	997,955	1,942,760
Charges for Services and Fees	2,413,363	2,557,660	2,823,915	2,855,787
Fines and Forfeits	391,347	301,546	391,372	355,358
Investment Income	273,773	33,656	25,329	24,006
Miscellaneous	1,049,103	878,187	1,114,283	1,078,140
Total Revenues	32,317,331	30,781,560	31,983,354	33,101,280
Expenditures				
General Government	3,195,090	2,892,303	2,925,964	2,818,641
Public Safety	15,844,052	16,155,101	16,900,426	17,591,397
Streets and Sanitation	6,346,863	5,807,962	5,567,467	5,761,344
Other Public Works	1,759,034	2,479,331	1,811,305	2,341,132
Public Health	170,243	187,046	205,787	215,689
Community Development	1,386,238	1,120,856	1,267,654	1,174,544
Capital Outlay	5,178,517	6,795,273	1,147,720	2,910,803
Debt Service				
Principal	2,208,316	1,578,609	1,588,176	2,020,000
Interest and Fiscal Charges	1,703,656	1,635,271	1,228,122	1,415,931
Total Expenditures	37,792,009	38,651,752	32,642,621	36,249,481
Excess of Revenues Over (Under) Expenditures	(5,474,678)	(7,870,192)	(659,267)	(3,148,201)
Other Financing Sources (Uses)				
Proceeds from Bonds	-	1,590,000	23,280,000	-
Premium on Proceeds	-	8,317	16,635	-
Payments to Escrow Agent	-	-	(21,725,661)	-
Transfers In	850,000	950,000	1,000,000	1,050,000
Transfers Out	(141,510)	-	-	-
Total Other Financing Sources (Uses)	708,490	2,548,317	2,570,974	1,050,000
Net Change in Fund Balances	(4,766,188)	(5,321,875)	1,911,707	(2,098,201)
Debt Service as a Percentage of Noncapital Expenditures	12.13%	10.58%	9.08%	10.62%

Data Source: Village Records

2012	2013	2014	2015	2016	2017
24,655,964	25,649,806	26,829,479	29,177,904	23,133,335	23,986,266
3,505,584	4,167,041	4,407,036	4,313,554	5,215,126	4,976,559
963,214	1,033,870	1,569,576	970,152	7,188,505	7,265,891
2,989,446	3,137,432	3,191,053	3,342,773	3,338,934	3,169,267
334,441	358,283	373,671	332,078	310,252	309,913
201,172	250,614	237,646	240,651	311,681	333,875
1,163,937	1,180,074	1,357,508	1,351,366	1,704,470	1,272,979
33,813,758	35,777,120	37,965,969	39,728,478	41,202,303	41,314,750
3,054,387	3,267,339	3,258,505	3,588,764	3,734,719	3,846,318
18,599,081	18,691,624	19,061,947	19,749,081	19,662,967	20,205,642
5,832,631	5,905,510	6,156,261	6,352,641	5,912,101	5,828,382
1,909,400	2,382,792	1,951,515	3,085,813	3,210,852	3,663,532
226,412	235,339	244,963	249,180	258,189	163,601
1,274,590	1,280,804	1,675,987	2,307,447	1,790,405	1,745,244
918,493	1,676,552	1,655,988	1,013,861	1,463,819	4,705,810
1,720,000	2,027,500	2,157,500	2,212,500	2,397,500	2,447,500
1,338,899	1,267,591	1,219,556	1,135,435	1,053,797	1,091,223
34,873,893	36,735,051	37,382,222	39,694,722	39,484,349	43,697,252
(1,060,135)	(957,931)	583,747	33,756	1,717,954	(2,382,502)
250,000	1,000,000	150,000	-	-	5,585,000
-	-	20,000	-	-	-
-	-	(170,000)	-	-	(574,702)
1,400,000	1,250,000	1,060,000	1,130,000	1,065,000	1,110,000
-	-	(60,000)	(30,000)	(65,000)	(110,000)
1,650,000	2,250,000	1,000,000	1,100,000	1,000,000	6,010,298
589,865	1,292,069	1,583,747	1,133,756	2,717,954	3,627,796
9.41%	9.75%	9.62%	9.15%	9.51%	9.27%

VILLAGE OF WILMETTE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2017 (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
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
2016	1,915,777,269	7,491,237	522,654	1,923,791,160	5,771,374,057	2.8032	0.906

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village of Wilmette										
General Corporate Rate	\$ 0.432	0.448	0.449	0.530	0.615	0.679	0.785	0.803	0.856	0.726
Debt Service Rate	0.165	0.145	0.132	0.144	0.163	0.188	0.211	0.212	0.221	0.181
Total Direct Tax Rate	0.597	0.593	0.581	0.674	0.778	0.867	0.996	1.015	1.077	0.906
Overlapping										
School District #39	1.848	1.812	1.716	2.314	2.620	2.922	3.326	3.356	3.502	2.840
School District #203	1.299	1.290	1.237	1.474	1.674	1.864	2.111	2.268	2.380	1.974
Community College #535	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271	0.231
Wilmette Park District	0.360	0.348	0.332	0.390	0.451	0.493	0.548	0.546	0.518	0.418
Wilmette Public Library	0.245	0.241	0.230	0.266	0.302	0.335	0.381	0.381	0.395	0.316
Cook County	0.458	0.415	0.415	0.423	0.487	0.531	0.598	0.575	0.586	0.533
Sanitary District	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
Forest Preserve District	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063
New Trier Township	0.034	0.034	0.033	0.041	0.047	0.053	0.054	0.055	0.066	0.056
Mosquito Abatement Dist.	0.008	0.008	0.008	0.009	0.010	0.010	0.007	0.011	0.012	0.010
Total Tax Rate	5.306	5.184	5.002	6.076	6.943	7.727	8.763	8.964	9.302	7.753

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2017 (Unaudited)**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Edens Plaza LLC	\$ 30,258,077	1	1.57%			
1630 Sheridan Corp.	10,964,260	2	0.57%	\$ 17,581,303	2	0.85%
Plaza del Lago, Inc.	10,213,249	3	0.53%	13,879,515	3	0.67%
Residence Inn Marriott	6,741,696	4	0.35%			
JP Morgan Chase	5,259,462	5	0.27%			
Chalet Nursery	4,977,931	6	0.26%			
TCB Westlake	4,895,977	7	0.25%			
Albertson's	4,628,748	8	0.24%	6,278,475	5	0.31%
Next Wilmette LLC	3,645,304	9	0.19%			
GER Wilmette	3,368,076	10	0.18%			
Joseph Freed & Assoc.				41,918,813	1	2.04%
L.J. Thalman & Co.				7,701,452	4	0.37%
William C. Kagan				5,851,620	6	0.28%
Landau & Heyman				5,725,172	7	0.28%
Avergis & Assoc.				4,091,345	8	0.20%
Wolin-Levin				3,971,321	9	0.19%
Manor Health Care Corp.				3,804,336	10	0.19%
	<u>84,952,780</u>		<u>4.42%</u>	<u>110,803,352</u>		<u>5.38%</u>

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
December 31, 2017 (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
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%	51181	16,553,869	99.67%
2016	17,433,764	17,282,279	99.13%	N/A	17,282,279	99.13%
2017	18,122,196	*	*	*	*	*

*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, 2017 (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		IEPA Revolving Loans				
					General Obligation Bonds	General Obligation Bonds					
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		
2017	31,045,000	187,500	12,265,000	32,910,000	-	3,573,479	79,980,979	4.26%	2,953		

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.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2017 (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
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	4,753,002,619	1.63%	2,855
2017	76,220,000	145,485	76,074,515	5,771,374,057	1.32%	2,814

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, 2017 (Unaudited)**

Governmental Unit	**Gross Debt	*Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Wilmette	\$ 31,232,500	100.000 %	\$ 31,232,500
School Districts:			
Avoca School District #37	3,190,000	36.470 %	1,163,393
Kenilworth School District #38	6,975,000	2.520 %	175,770
Wilmette School District #39	10,855,000	95.200 %	10,333,960
Community College #535	30,895,000	8.630 %	2,666,239
New Trier Township High School District #203	93,465,000	35.180 %	32,880,987
Total School Districts	145,380,000		47,220,349
Other Agencies:			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	3,394,901,716	1.340 %	45,491,683
Wilmette Park District	15,265,000	100.000 %	15,265,000
Glenview Park District	19,567,000	.130 %	25,437
Wilmette Public Library District	-	100.000 %	-
Total Other Agencies	6,013,656,716		96,181,865
Total Overlapping Debt	6,159,036,716		143,402,214
Total Direct and Overlapping Debt	6,190,269,216		174,634,714

* 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, 2017 (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, 2017 (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:		Debt Service		Coverage (4)
		Operating Expenses (2)	Net Available Revenue (3)	Principal	Interest	
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
2017	14,349,158	6,699,108	7,650,050	3,764,399	1,638,905	1.42

(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, 2017 (Unaudited)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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%
2017	27,087	1,878,800	69,363	44.5	8,401	3.10%

Data Source: 2000 and 2010 census data

VILLAGE OF WILMETTE, ILLINOIS

**Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago
December 31, 2017 (Unaudited)**

Employer	2017			2008		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wilmette School District #39	540	1	N/A	629	1	N/A
Loyola Academy	275	2	N/A	270	2	N/A
Jewel	222	3	N/A	240	3	N/A
Carson, Pirie, Scott & Co.	220	4	N/A	250	4	N/A
Village of Wilmette	197	5	N/A	203	5	N/A
Chalet Nursery	100	6	N/A	125	7	N/A
ManorCare Health Services	90	7	N/A	70	8	N/A
Baker Demonstration School	80	8	N/A			
Wilmette Park District	71	9	N/A	76	9	N/A
Westmoreland Country Club	70	10	N/A	69	10	N/A
Bed, Bath & Beyond Koenig & Strey Inc.				135	6	N/A
Regina Dominican						
	<u>1,865</u>		<u>N/A</u>	<u>2,067</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, 2017 (Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administration & Law	7.10	7.03	6.03	6.03	6.15	6.35	6.05	5.70	5.70	5.85
Finance & Information Services	12.51	11.75	11.45	11.45	11.95	11.95	12.78	13.35	13.35	12.70
Other	3.15	3.15	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Police										
Officers	45.00	45.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Telecommunicators	8.00	8.00	8.50	9.00	9.00	9.00	9.00	9.00	9.00	8.75
Other Civilians	17.50	16.50	14.80	14.70	14.33	14.33	14.33	14.83	14.83	14.83
Fire										
Firefighters and Officers	45.00	44.00	45.00	45.00	45.00	46.00	46.00	46.00	45.00	45.00
Civilians	2.45	2.25	2.25	2.25	2.25	2.25	2.35	2.60	2.60	1.60
Health										
	1.88	1.88	1.88	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Works										
Streets and Sanitation	32.10	29.55	27.55	27.55	28.18	28.40	27.20	27.45	27.00	27.45
Water and Sewer	30.00	30.00	29.00	28.00	28.80	28.80	29.80	31.00	30.00	30.00
Engineering	7.55	7.05	5.85	5.85	5.55	5.55	5.55	5.50	4.50	4.75
Other	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00
Community Development										
	12.20	11.60	10.75	9.95	9.95	10.23	10.43	10.95	11.25	11.25
Total	227.94	221.26	213.66	212.38	213.76	215.46	216.09	218.48	215.33	214.28

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Function/Program	2008	2009	2010
Police			
Part I Offenses	513	427	390
Other Offenses	630	485	512
Calls for Service	18,040	15,594	18,930
Felonies	N/A	N/A	N/A
Misdemeanors (Part II Crimes)	N/A	N/A	N/A
Miscellaneous Offenses (Incidents Reported)	N/A	N/A	N/A
Traffic Accidents	1,115	826	797
Fire			
Emergency Responses	3,679	3,221	3,095
Fires Extinguished	43	47	35
Inspections	1,037	720	856
Public Works			
Street Resurfacing (Miles)	0.75	3.79	1.68
Potholes Repaired	2,058	2,000	1,553
Water			
Average Daily Consumption (Thousands of Gallons)	11,931	11,244	11,458
Peak Daily Consumption (Thousands of Gallons)	24,474	19,325	20,029

N/A - Not Available

Data Source: Village Records

2011	2012	2013	2014	2015	2016	2017
318	417	251	354	415	351	387
486	350	410	342	341	412	547
20,178	18,712	18,320	18,540	19,045	17,655	18,497
N/A						
N/A						
N/A						
771	779	796	807	828	805	751
3,154	3,122	3,149	3,064	2,876	3,181	3,268
51	40	37	32	41	40	51
975	680	736	1,199	881	740	624
1.19	0.90	0.90	1.76	2.00	1.06	1.18
1,943	889	889	2,048	2,787	2,511	2,260
11,149	11,997	11,400	11,340	10,510	10,930	11,200
22,979	24,281	19,770	16,600	17,300	18,203	19,211

VILLAGE OF WILMETTE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	89.4	89.4	89.4	89.4	89.4	89.4	89.5	89.5	89.5
Streetlights	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,581	2,583	2,583
Traffic Signals:										
Village Owned	9	10	10	10	10	11	11	11	11	11
Other	17	16	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	983	984	984	984	977	977	977	979	977
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, 2017



June 7, 2018

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, 2017, 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

PRIOR 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 recommended 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.

Status

This comment has not been implemented but will be for the year ended December 31, 2018, as required.

PRIOR RECOMMENDATIONS – Continued

2. 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:

<u>Fund</u>	<u>12/31/17</u>	<u>12/31/16</u>
Employee Insurance	\$ -	39,370
Workers' Compensation	3,185	70

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

The Workers' Compensation Fund was \$3,185 over budget in 2017. This fund is an internal service type fund which accounts for all employee workers' compensation expenses. The additional deductible expenses were more than offset by \$23,353 in unbudgeted insurance reimbursements.

Staff will continue to monitor expenses and recommend a budget amendment ordinance when appropriate to eliminate this item going forward.