

WINNETKA, ILLINOIS

2017



Comprehensive Annual Financial Report

For the twelve months ending December 31, 2017



VILLAGE OF WINNETKA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Prepared by:
Finance Department

VILLAGE OF WINNETKA, ILLINOIS

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INTRODUCTORY SECTION

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

VILLAGE OF WINNETKA, ILLINOIS

List of Principal Officials December 31, 2017

LEGISLATIVE

Christopher Rintz, Village President

Andrew Cripe, Trustee

Scott Myers, Trustee

Robert Dearborn, Trustee

John Swierk, Trustee

Penfield Lanphier, Trustee

Kristin Ziv, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Timothy J. Sloth, CPA, Finance Director

Megan E. Pierce, Assistant Village Manager

Steven Saunders, Director of Public Works

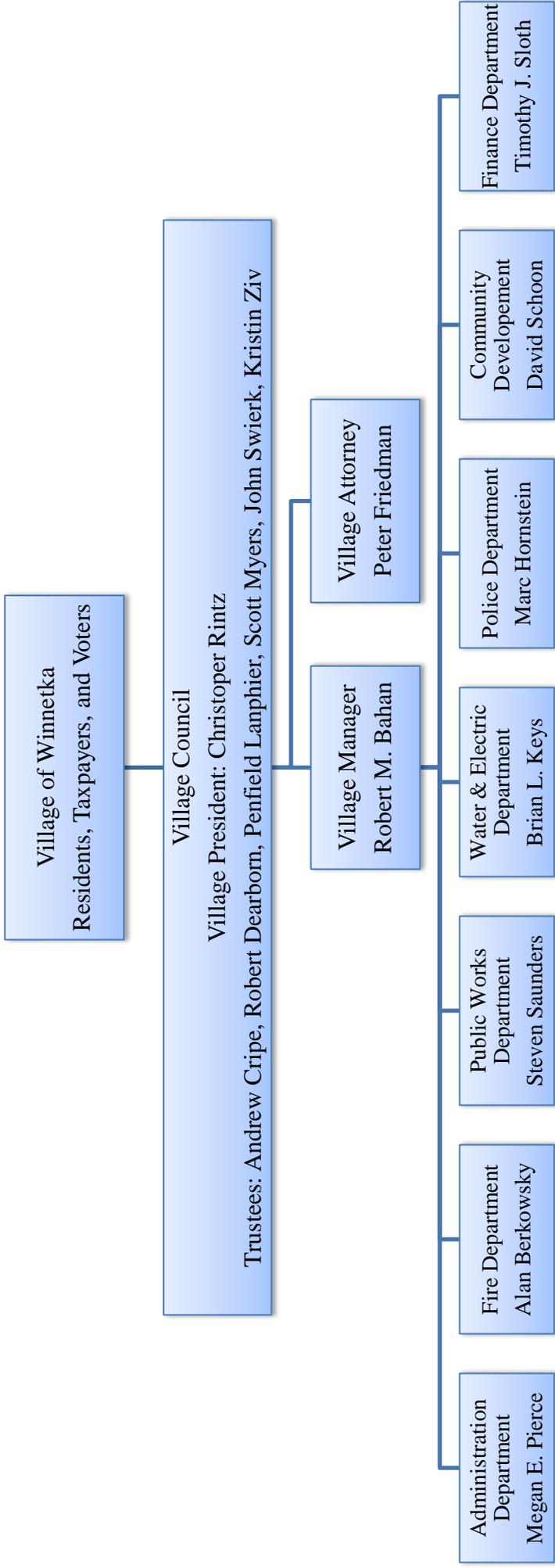
Brian L. Keys, Director of Water & Electric

Alan J. Berkowsky, Fire Chief

Marc Hornstein, Interim Chief of Police

David Schoon, Director of Community Development

Village of Winnetka Government





VILLAGE · OF · WINNETKA

Incorporated in 1869



May 29, 2018

**Village President,
Members of the Board of Trustees and
Village Manager
Village of Winnetka
Winnetka, IL 60093**

The Comprehensive Annual Financial Report (CAFR) of the Village of Winnetka, Illinois for the fiscal year ended December 31, 2017 is hereby submitted, as required by State of Illinois Statutes. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including disclosures, is that of the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The CAFR includes all funds of the Village and 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 officers and officials. The financial section includes the general purpose financial statements; the combining, individual fund financial statements and schedules; and supplementary information, as well as the auditors' opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Governmental Accounting Standards Board (GASB) Statement Number 34 requires the Village to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditors report.

The Reporting Entity and Its Services

The Village of Winnetka is located seventeen miles north of the City of Chicago on the west shore of Lake Michigan and is primarily a residential community. The Village was incorporated in 1869, prior to the adoption of the first State of Illinois Constitution, and thus enjoys Special Charter status with the State of Illinois. In 2005, the Village adopted Home-Rule status that provides additional legislative and revenue raising powers. To date, the Village has not utilized any of this new revenue raising powers.

510 Green Bay Road, Winnetka, Illinois 60093

The Village is approximately 3.9 square miles. According to the United States Census Bureau, the population of the Village was 12,437 as of December 31, 2017.

There are three commercial business districts within the Village, all located adjacent to three commuter rail stations. The Village is one of the most affluent in the Chicago area, having a per capita income exceeding \$207,857. The Village obtained an Aaa bond rating from Moody's Investors Service in 1989 on General Obligation debt issued. At that time, the Village was only one of three communities having an Aaa bond rating within the State of Illinois based solely upon the merits of the Community. Moody's has reaffirmed this rating on several occasions, most recently in November 2016.

The Village provides a full range of general government services including police, fire, refuse collection and disposal, street construction and maintenance, and sanitary and storm sewer systems. In addition, the Village provides water and electric service to Village residents; wholesale water to the Village of Northfield (immediately west of the Village); fire service to the Village of Kenilworth (immediately south of the Village); and both water and fire service to a small unincorporated area south of the Village.

The CAFR also includes the financial activity of the Police and Firefighters' Pension Funds. Separate statutory pension boards control both of these activities.

The Village also participates in three proprietary joint ventures: 1) The Solid Waste Agency of Northern Cook County, 2) The Illinois Municipal Electric Agency, and 3) the High-Level Excess Liability Pool (HELP)¹. Additional disclosures regarding the financial reporting entity and these joint ventures are included in the notes to the financial statements.

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, 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, 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. These controls are designed to ensure that the assets of the Village are safeguarded against any material loss, theft, or misuse. These controls ensure that the financial statements are in conformity with generally accepted accounting principles (GAAP). Internal accounting controls are designed to provide reasonable, but not absolute, assurances that control objectives will be met. The concept of reasonable assurances recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgment by Management.

The budgetary control system monitors the actual expenditures compared to budget on a monthly basis for the fiscal year. Each department is given the responsibility to maintain expenditures within budgetary guidelines.

¹ The High-Level Excess Liability pool will terminate operations as of April 30, 2018.

Economic Condition and Outlook

The Village of Winnetka is primarily a residential community. The real estate property tax provided 56% of General Fund revenues for the year ending December 31, 2017. The three business/commercial areas have satisfactory occupancy rates but have experienced some weakness in past years related to the overall economy. Intergovernmental revenues have increased slightly in the current year compared to the previous fiscal period. Sales tax revenues for this fiscal year totaled \$1,512,020. Sales tax for the previous period totaled \$1,420,554, indicating that revenue has increased. Income tax revenue has also increased slightly from 2016 to 2017. Interest earnings Village-wide (excluding pensions) generally remained consistent in 2017 versus the previous year due to stable investment earnings in the BMO Global Asset Management fund. The Village does maintain sufficient cash balances to buffer unexpected items.

The Village utilizes a five year capital plan to identify and prioritize current and future capital expenses. The Village maintains its infrastructure through routine capital projects paid from current budget revenues. For some large projects such as Village facilities and downtown redevelopment, the Village has used cash reserves.

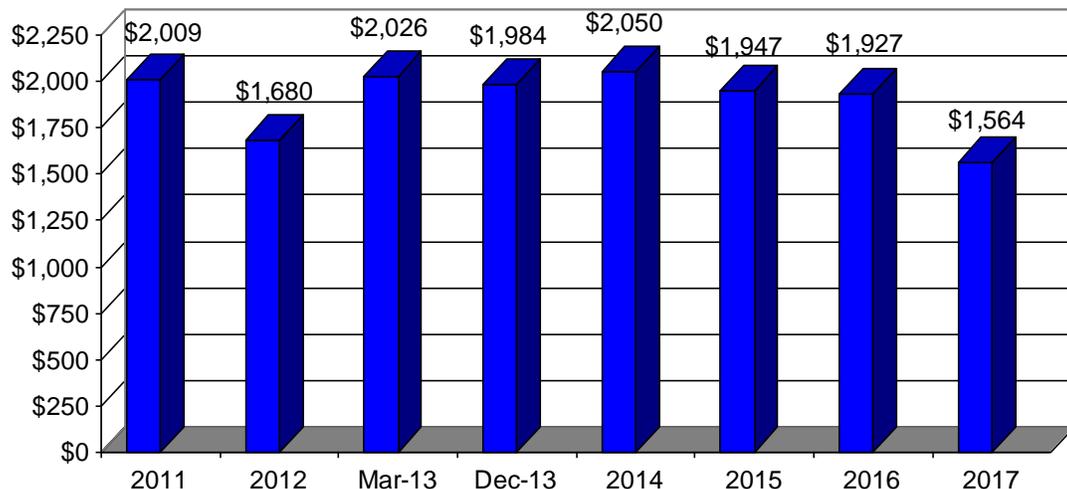
The Village continues to carefully evaluate productivity and changes in service levels to minimize the tax burden on the residents of the Village. The Village, although home rule, continues to operate within non-home rule tax caps. The Village has decreased the number of full time employees over the last several years to control personnel costs. Expenses the Village has limited control over include pensions and insurance costs. The Village did not budget the use of fund balance to pay for any current operating expenses.

The Village property taxes account for only 13% of the total property tax burden for most Winnetka residents, with the schools being the primary taxing agencies. By carefully evaluating services and making revenue increases when necessary, the Village should be able to continue its reputation as an excellent community with a broad range of services at a reasonable cost.

Significant Budgetary Variations

While the Village continues to see regular renovations and teardowns in its housing stock, fiscal year 2017 experienced a notable drop in permit revenues in comparison to previous years. While the housing market remains generally strong, it will be important to continue closely tracking these revenues in future years. Below is a summary of permit revenues by year. December 2013 was a nine-month fiscal year.

Permit Revenues by Fiscal Year (in thousands of dollars)



Fund Balances

The fund balance in the General Fund has remained consistent or increased over the past several years. In the fiscal year ended December 31, 2017, \$550,000 was transferred to the Refuse Fund for operational support and \$75,000 was transferred to the Downtown Redevelopment Fund for downtown revitalization. Though revenues came in slightly below budget due to a drop in permit revenue, operational expenditures came in lower than projected.

General Fund Balances (in millions of dollars)			
Year	Unassigned Fund Balance	Budgeted Expenditures	Unassigned Fund Balance as a Percentage of Budgeted Expenditures
2011	\$22.28	\$22.93	97.2%
2012	\$24.30	\$21.53	112.9%
Mar 2013	\$25.30	\$22.33	113.4%
Dec 2013*	\$16.85	\$22.28	75.6%
2014	\$18.17	\$22.97	79.1%
2015	\$18.94	\$24.63	76.9%
2016	\$20.32	\$24.24	83.8%
2017	\$20.67	\$25.12	82.3%

*Fund Balance for the nine months ended December 2013 as a percent of the twelve month budgeted expenditures.

Enterprise Funds

The Village maintains enterprise operations for electric, water, sewer, refuse and storm sewer services. The Village initiated electric and water service to residents in the early 1900's and currently produces potable water from Lake Michigan and has the capability to generate electricity locally. In 1991, the Village contracted to purchase wholesale power through the Illinois Municipal Electric Agency and generates only when needed which is more economical and environmentally friendly than generating all power locally.

Electric rates increased 3.7% in 2017 to account for ongoing capital improvements to the distribution system and the purchased power recovery adjustment was set for most of the year at \$0.00.

The retail water rate was increased 4%, primarily to fund capital improvements to the Village's water distribution system. Sewer rates were increased 5% to fund sewer repairs.

The Village's Refuse Fund obtains \$1,100,000 dollars of non-operating revenue from property taxes and an additional \$550,000 as a transfer from the General Fund. These non-operating revenues allow residents to receive weekly refuse and recycling services for a \$10 monthly charge.

The Village began charging residents for storm water sewer in July, 2014. The rate is \$21.83 per ERU, Equivalent Run-Off Unit, per month. The ERU is a function of impervious surface per property and was calculated by an outside engineering firm.

Comparative operating information for the five utilities for December 31, 2017 and the twelve months ended December 31, 2016 are presented below. The budget amounts are for a full twelve-month period. The electric rates shown are an average of summer and winter rates.

Utility Operating Results in Thousands of Dollars For December 2017 and 2016				
	2017 Budget	2017 Actual	% Change	2016 Actual*
Electric				
Rate Per Kwh	\$0.1272	\$0.1272	3.7%	\$0.1227
Operating Revenues	\$15,851,074	\$15,677,656	-2.1%	\$16,018,005
Operating Expenses	<u>\$15,303,764</u>	<u>\$15,172,051</u>	-2.0%	<u>\$15,476,792</u>
Operating Income	\$547,310	\$505,605		\$541,213
Water				
Rate Per 1,000 Cft.	\$35.53	\$35.53	4.0%	\$34.16
Operating Revenues	\$3,668,405	\$4,075,019	11.4%	\$3,656,945
Operating Expenses	<u>\$3,570,079</u>	<u>\$3,032,124</u>	1.7%	<u>\$2,980,074</u>
Operating Income	\$98,326	\$1,042,895		\$676,871
Refuse				
Operating Revenues	\$1,041,000	\$1,060,101	84.7%	\$573,913
Operating Expenses	<u>\$2,461,876</u>	<u>\$2,239,161</u>	2.1%	<u>\$2,193,544</u>
Operating (loss)	(\$1,420,876)	(\$1,179,060)		(\$1,619,631)
Sanitary Sewer				
Rate Per 1,000 Cft.	\$15.23	\$15.23	5.0%	\$14.51
Operating Revenues	\$1,093,233	\$1,207,369	15.3%	\$1,047,078
Operating Expenses	<u>\$1,003,720</u>	<u>\$1,035,765</u>	17.6%	<u>\$880,835</u>
Operating Income	\$89,513	\$171,604		\$166,243
Storm Sewer				
Rate Per ERU	\$21.83	\$21.83	N/A	\$21.83
Operating Revenues	\$1,944,040	\$1,924,602	-4.6%	\$2,017,000
Operating Expenses	<u>\$625,037</u>	<u>\$890,930</u>	-6.6%	<u>\$953,667</u>
Operating Income	\$1,319,003	\$1,033,672		\$1,063,333

Note: GASB 68 non-cash pension liability expenditures are not included in the "Operating Expenses" totals in order to allow for a year-to-year comparison.

More details can be found in the MD&A section.

Electric operating expenses for December 31, 2017 are 2.1% less than in the previous period. This is primarily due to less revenue from electric undergrounding and service upgrades, which is to be expected with lower overall permit revenue entity-wide. Total operating expenses were 99% of budget.

Water revenue increased 11.4% from the prior period because unit sales and the rates increased during the fiscal year. Expenses increased 1.7% from the previous fiscal year. Revenues were 111% of the budget while expenses were 85% of budget.

Refuse operating expenses increased 2.1% from the previous period, while refuse operating revenues increased 84.7% due to the introduction of a monthly residential service fee in 2017.

Sanitary Sewer revenues are generated by a charge assessed from water use. Sewer revenues were augmented by a 5% increase in the sewer charge. This increase, along with a higher water consumption in 2017 resulted in revenues increasing 15.3% over the prior year. Expenses were slightly over budget due to O&M and the sanitary sewer backflow reimbursement program. Sanitary Sewer Fund revenues were 110% and expenses were 103% of the twelve-month budget.

Stormwater Sewer revenues saw a decrease from prior year of 4.6%, mainly driven by approved stormwater credit applications. Expenses decreased by 6.6% due to O&M cost control.

Pension Trust Funds

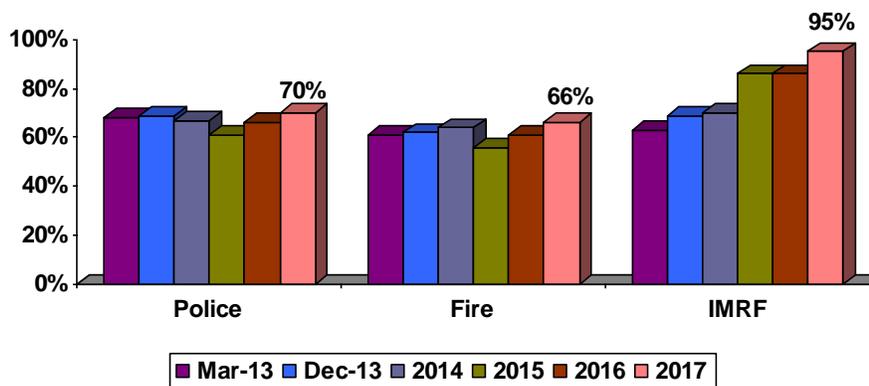
While the Village has strived through the budget process to limit increases in operating expenses, one expense the Village has limited ability to control is the funding amounts required by the pensions. Qualified employees not participating in one of the public safety pension funds are required to participate in the Illinois Municipal Retirement Fund (IMRF). IMRF establishes a Village contribution percentage annually with employees contributing a fixed 4.5% on almost all types of income. The Village’s IMRF plan and IMRF as a State-wide organization are both well-funded and healthy. IMRF is not affiliated with much maligned State Employees Retirement System (SERS).

The Police and Fire Pension Funds are locally administered by two boards comprised of active employees, beneficiaries, and Village appointees. The Boards are empowered by statute to exercise full control of their respective funds by hiring investment consultants, investment managers, and actuaries. Since the employee contributions to these plans are fixed between 9%-10% of regular wages by the Illinois Pension Code, the Village is required to make up the difference in reaching an actuarially determined total contribution amount for existing benefit payments to retirees in addition to paying down the unfunded liabilities of each fund.

The Village contributes 100% of the actuarially determined amount; however, investment returns during the Great Recession and updated mortality assumptions have caused the funding ratio to trend downward over the past fifteen years. Nevertheless, both funds continue the rebound in funding ratio that began with the close of fiscal year 2016.

Both funds are committed to utilizing the most up-to-date mortality assumptions, which should result in only modest increases in the required annual Village contribution for future years. Both plans are actuarially structured to reach a 100% funding level by December 31, 2035, which is several years prior to the State mandate of a 90% funding level by December 31, 2040. The funding ratio from March 2013 to December 2017 is shown below:

Pension Funding By Year



Other Information

The Village of Winnetka recognizes that the annual financial report is Management's report to the governing body, constituents, oversight bodies, resource providers, investors, and creditors. In addition to the vast amount of financial information presented, there is included herein a Statistical Section. This section includes information on outstanding bonded debt, insurance and self-insurance coverage for the risks of the Village, principal Village officials, and data on the entire governmental structure of the Village of Winnetka.

Additionally, the Village's financial policies, reserve policies, budget projections, capital plan, and other financial information can be found in the annual budget that can be viewed from the Village's web site (<http://villageofwinnetka.org>) or at the local library.

Independent Audit

Illinois State Statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Lauterbach & Amen, LLP, 668 North River Road, Naperville, Illinois 60563 was selected by the Village Board of Trustees to conduct the annual audit for fiscal year 2017. The auditors' report, general purpose financial statements, and the combining and individual fund statements and schedules are 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.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated assistance of the Finance Department staff and cooperation from the other Village operating departments. Special recognition is due to Dell Duckworth, Accounting Manager and Nick Mostardo, Assistant Finance Director, for preparing this report.

In closing, I would like to thank the Village President and the Village Council for their leadership and support of the Finance Department.

Respectfully Submitted,



Timothy J. Sloth, CPA
Director of Finance



Government Finance Officers Association

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

Presented to

**Village of Winnetka
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

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



INDEPENDENT AUDITORS' REPORT

May 29, 2018

The Honorable Village President
Members of the Village Council and Village Manager
Village of Winnetka, 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 Winnetka, 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 Winnetka, 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 Winnetka, 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

MANAGEMENT'S
DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

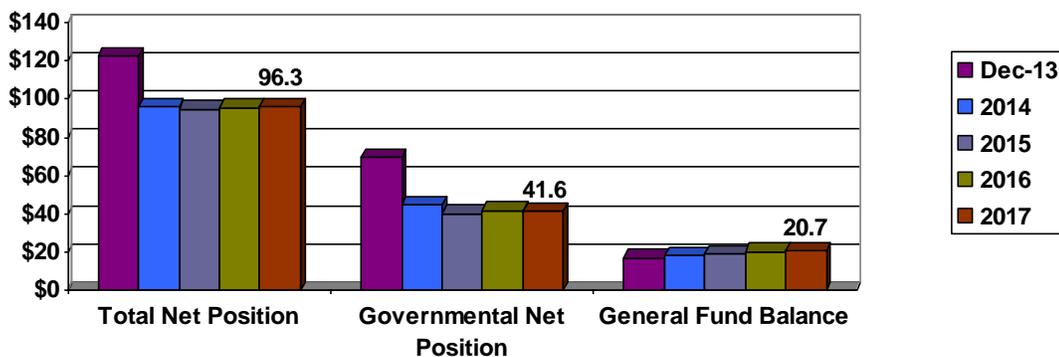
The Village of Winnetka implemented Governmental Accounting Standards Board (GASB) Statements 43 and 45 in fiscal year 2007. These Statements require that post employment benefit costs be captured and reported in the financial statements, much like the pension obligations. While the Village does not pay any portion of retiree health care costs, State law mandates that retirees can continue on the Village's policies at the same premium rate as active employees. This gives rise to an implicit subsidy that must be disclosed in the financial statements. The Village has elected to fund this liability on a pay-as-you-go basis given the overall strong financial position of the Village.

The accounting standards reflected in this report are designed to provide two perspectives of the Village's financial performance; a focus on the Village as a whole (government-wide) and a focus on the major individual funds. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the Village's financial accountability. This improved accountability is in part achieved by consolidating financial transactions (eliminating activities between certain funds and focusing on major funds), allocating specific revenues that finance operations to those expenditures, and displaying information about long-term financial decisions (Is debt used to finance operations? What financial investments are made in capital? What is the impact of outstanding or newly issued debt?).

The management's discussion and analysis 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 the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds. Readers are encouraged to review the additional information furnished in the transmittal letter of the Comprehensive Annual Finance Report.

FINANCIAL HIGHLIGHTS

Below is a graph showing the growth of the Village's total net position, governmental net position, and unassigned general fund balance for the last five years (in millions of dollars) reflecting the overall strong financial performance of the Village and investment in infrastructure.



Note: GASB Statement 68 was implemented as of 12/31/2015.

Please note that the net positions for 2014 were restated in the fiscal year ended 12/31/15 and reflected in the graph above. This is primarily due to Governmental Accounting Standards Board (GASB) Statement 68, which dictates that net pension liabilities must be realized on an agency's statement of net position. Government-wide net position increased slightly in the current audit year due to a higher cash position at year end and capital asset additions. On a normal revenue and expense basis, the Village had a positive experience for the fiscal year ended 12/31/17. This is highlighted most notably in the unrestricted fund balance in the General Fund, which rose from \$20,317,199 to \$20,674,355 and represents 82.3% of annual budgeted expenditures.

REPORTING THE VILLAGE AS A WHOLE

Government-wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-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 a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the *Statement of Net Position* that presents information about all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference reported as net position. Over a multi-year period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village as a whole. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

The second government-wide statement is the *Statement of Activities*, which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, community development, public works, and internal service funds. Business-type activities include electric, water, sewer and storm sewer utilities and refuse collection. 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 financial reporting includes the funds of the Village (primary government). 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.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The Village has three kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, Governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and the government-wide statements provide information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances reconcile the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund. Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

Proprietary Funds reported in the fund financial statements are for those services for which the Village charges customers a fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the Village organization such as those of the electric, water, sewer and storm sewer utilities and refuse functions.

Internal service funds provide services and charge fees to customers within the Village organization, such as equipment services (repair and maintenance of Village vehicles) and the insurance funds. Because internal service funds primarily benefit Village operations, they are included within the governmental activities of the government-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for major enterprise funds and individual component units. Individual fund information for internal service funds and non-major enterprise funds is found in combining statements in a later section of this report.

Fiduciary Funds such as the employee pension plans are reported in the fiduciary fund financial statements but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Village programs. The accounting for fiduciary fund financial statements is similar to that used for proprietary funds.

Deferrals - Deferred Outflows and Deferred Inflows

The Governmental Accounting Standards Board (GASB) defines deferrals as neither assets nor liabilities, but inflows or outflows of resources that are to be recognized in a different period. Deferred outflows will raise an entity's net position because they are resources that the Village is holding that will be paid out in a future period (e.g. pension contributions). Conversely, deferred inflows reduce an entity's net position because even though they are resources expected to be collected by the Village in the future, they are not currently the Village's control.

The most easily recognizable deferred inflow is property taxes. When the Village files its annual tax levy, an enforceable lien is attached to all subject properties in its jurisdiction. The dollars levied are not collected immediately, and in the case of the Village of Winnetka, there is a delay between the levy filing and actually collecting the tax dollars for a given levy year. This delay extends across fiscal years, which is why the future year's tax levy amount is recognized as a deferred inflow of resources.

To better track inter-period equity (net position over time), GASB recommends a discussion of net position consisting solely of assets and liabilities; however, deferrals are still required to be shown on an agency's statement of net position.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and internal service funds are presented in a subsequent section of this report.

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STATEMENT OF NET POSITION

	Dec-17		Dec-16		Dec-17	Dec-16
	Govern- mental Activities	Business Type Activities	Govern- mental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
<u>Assets</u>						
Current Assets	\$47,818,847	\$29,941,181	\$46,971,368	\$29,483,316	\$77,760,028	\$76,454,684
Capital Assets	49,438,471	46,180,853	49,319,892	45,601,630	95,619,324	94,921,522
Total Assets	97,257,318	76,122,034	96,291,260	75,084,946	173,379,352	171,376,206
Deferred Outflows	7,627,685	2,058,614	9,738,448	2,224,021	9,686,299	11,962,469
Total Assets/Deferred Outflows	104,885,003	78,180,648	106,029,708	77,308,967	183,065,651	183,338,675
<u>Liabilities</u>						
Current Liabilities	4,396,100	2,465,361	3,862,279	2,266,612	6,861,461	6,128,891
Long-Term Liabilities	34,705,530	17,001,802	41,575,203	20,927,373	51,707,332	62,502,576
Total Liabilities	39,101,630	19,467,163	45,437,482	23,193,985	58,568,793	68,631,467
Deferred Inflows	24,215,190	3,951,882	18,771,017	185,741	28,167,072	18,956,758
Total Liabilities/Deferred Inflows	63,316,820	23,419,045	64,208,499	23,379,726	86,735,865	87,588,225
<u>Net Position</u>						
Net Investment in						
Capital Assets	49,438,471	37,685,412	49,319,892	37,023,731	87,123,883	86,343,623
Restricted	2,938,353	-	2,664,797	-	2,938,353	2,664,797
Unrestricted	(10,808,641)	17,076,191	(10,163,480)	16,905,510	6,267,550	6,742,030
Total Net Position	41,568,183	54,761,603	41,821,209	53,929,241	96,329,786	95,750,450

Government-wide net position saw a slight increase due most notably to a higher cash position at year end and capital asset additions. The Village's overall net position increased from \$95,750,450 in 2016 to \$96,329,786 in 2017. Net position for governmental activities fell \$253,026. Though assets went up and liabilities went down growth was constrained by recognition of deferred inflows. The net position for the Business Activities rose \$832,362, primarily due to capital asset additions.

The following table provides a summary of the Village's changes in net position:

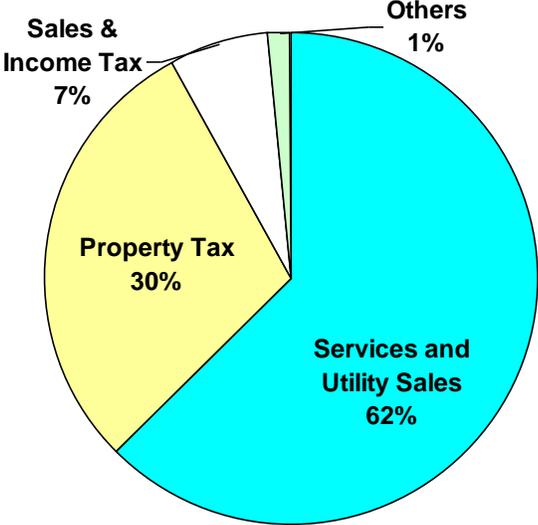
STATEMENT OF ACTIVITIES

	Dec-17		Dec-16		Dec-17	Dec-16
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Revenue:						
Program Revenues:						
Charges for Services	\$ 6,236,849	\$ 23,945,032	\$ 6,462,908	\$ 23,312,941	\$ 30,181,881	\$ 29,775,849
Operating Grants	81,119	-	138,138	-	81,119	138,138
Capital Grants	-	-	-	-	-	-
General Revenues:						
Property Taxes	13,204,094	1,073,096	13,105,829	1,078,490	14,277,190	14,184,319
Sales Taxes	1,512,020	-	1,420,554	-	1,512,020	1,420,554
Investment Income	234,975	180,264	258,993	245,491	415,239	504,484
Others	2,610,506	214,693	2,566,408	173,527	2,825,199	2,739,935
Total Revenues	23,879,563	25,413,085	23,952,830	24,810,449	49,292,648	48,763,279
Expenses:						
General Government	3,858,501	-	1,961,906	-	3,858,501	1,961,906
Public Safety	13,540,856	-	14,156,626	-	13,540,856	14,156,626
Community Development	1,687,357	-	1,458,538	-	1,687,357	1,458,538
Public Works	5,935,901	-	5,571,479	-	5,935,901	5,571,479
Electric	-	15,409,288	-	16,555,150	15,409,288	16,555,150
Water	-	3,070,624	-	3,225,230	3,070,624	3,225,230
Sewer	-	922,597	-	1,086,896	922,597	1,086,896
Refuse	-	2,619,639	-	2,408,865	2,619,639	2,408,865
Storm Sewer	-	1,668,549	-	1,547,869	1,668,549	1,547,869
Total Expenses	25,022,615	23,690,697	23,148,549	24,824,010	48,713,312	47,972,559
Increase (decrease) in net position before transfers	(1,143,052)	1,722,388	804,281	(13,561)	579,336	790,720
Transfers	890,026	(890,026)	822,244	(822,244)	-	-
Increase (decrease) in net position	(253,026)	832,362	1,626,525	(835,805)	579,336	790,720
Net Position – Beginning	41,821,209	53,929,241	40,194,684	54,765,046	95,750,450	94,959,730
Net Position – Ending	41,568,183	54,761,603	41,821,209	53,929,241	96,329,786	95,750,450

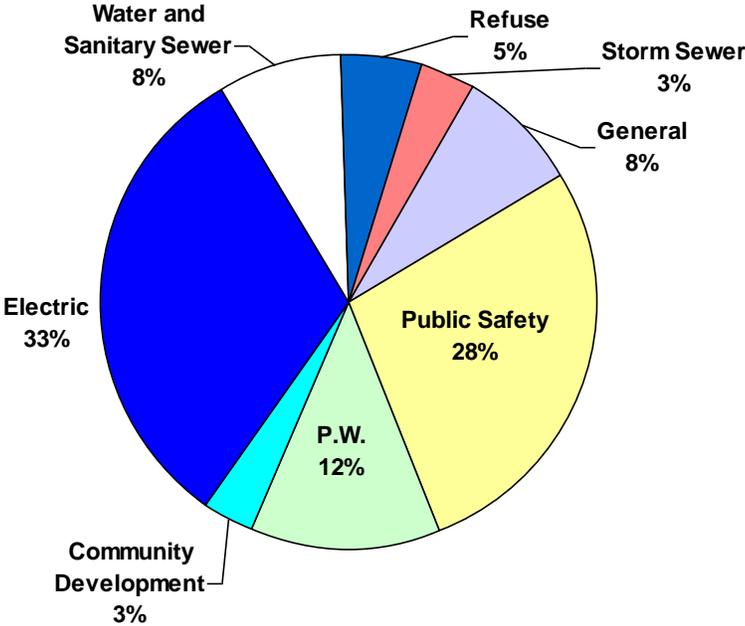
In the current year, Governmental fund revenues were slightly under-budget. Business type revenues were higher than budgeted due to strong utility sales and investment earnings. Operating expenses were in line or below the budget in both Governmental and Business-type activities and aggregate capital spending was slightly less than budgeted. Several capital projects entity-wide were deferred or only partially completed in 2017.

The following two graphs aggregate by major type the Village’s revenues and expenses at the government-wide level, based on the information above.

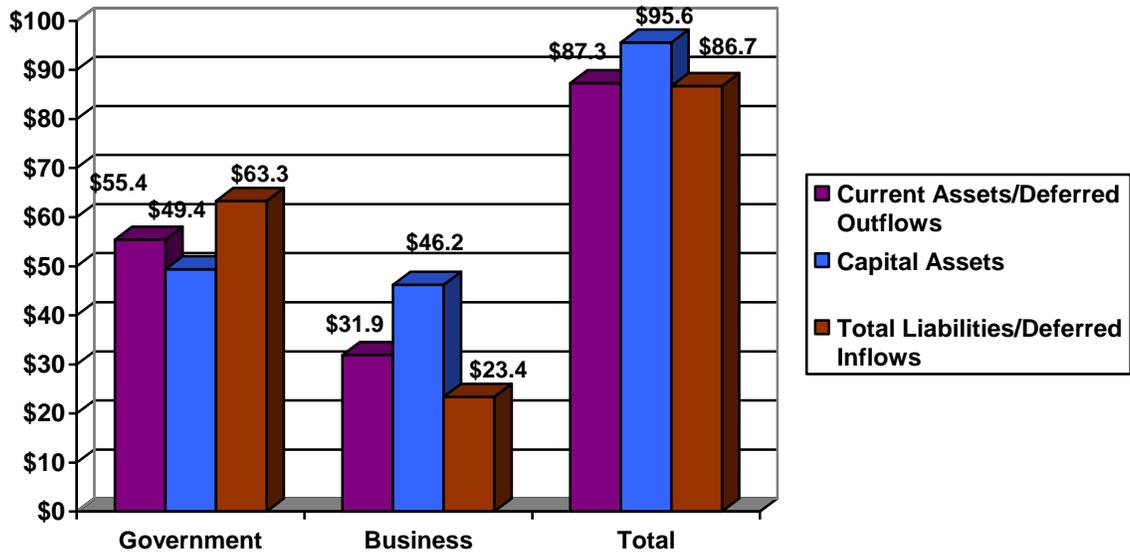
Government-Wide Revenues by Type



Government-Wide Expenses by Type



Below is a graph that compares current and capital assets to the liabilities for governmental and business-type funds.



Financial Analysis of the Village's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$24,268,337, up \$481,300 from the prior year. This increase is attributable to a favorable operating expenditure experience for the General Fund and unspent Motor Fuel Tax (MFT) Fund revenue.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The unrestricted fund balance of the General Fund increased \$357,156 from \$20,317,199 to \$20,674,355. This increase is the result favorable operating cost experience.

The General Fund cash balance of \$21,718,836 remains above the minimum policy amount established by the Village Council.

The Village deliberately budgets revenues conservatively so that financial decisions can be made in a planned manner. Budgeted projects can proceed even if revenues weaken somewhat or unexpected expenses are encountered because of this conservative philosophy.

Total General Fund operating expenditures were 95% of the total budgeted expenditures.

The Village Facilities Fund has a fund balance of \$226,274, which is available for future capital related improvements projects throughout the Village. In FY 2017, this fund decreased by \$100,609 due to replacing the historical windows at the Village Hall.

Within the governmental funds, GASB 68 pension expenses included \$1,289,463 for IMRF (General Government), \$1,563,314 for Police Pension (Public Safety), and \$1,816,857 for Fire Pension (Public Safety).

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial status information.

Major Proprietary Funds

The proprietary funds operated by the Village are the Electric, Water, Sanitary Sewer, Refuse, and Storm Sewer funds. Electric rates were increased 3.7% in the current year. The water rate increased 4% and the sewer rate was increased 5% to pay for system improvements. The Village also maintains a stormwater utility fee of \$21.83 per ERU (Equivalent Run-Off Unit) per month.

The Village's combined internal service funds' net position was \$5,062,627. The total for workers' compensation, liability, and health insurance risks retained by the Village was \$3,735,688, a \$278,352 decrease from last year. While the Village's existing reserves are adequate to fund known liabilities, the high (up to \$2,000,000) retention level in some areas makes a conservative reserve policy in both the internal service funds and in the General Fund prudent.

General Fund Budgetary Highlights

The original budget for the General Fund was not amended and actual expenditures did not exceed the budgeted amount.

Capital Assets

The Village's policy is to capitalize equipment over \$50,000 in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2017 was \$49,438,471, up \$118,579 from the prior year.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2017 was \$46,180,853, up \$579,223 from the prior year, which was mostly due to an accelerated water main project.

Additional information about the Village's capital assets, including beginning balances, current year additions and retirements, and outstanding balances at year end, can be found in the financial statement notes, Note 3.

Long-term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$14,460,000. This entire amount is General Obligation Bonds usually funded from property taxes. However, it is anticipated that the \$16,500,000 million in bonds issued in 2013 and 2014 for the Storm Sewer project will be abated and these bonds will be repaid from charges for service in the Stormwater fund.

Additional information about the Village's long-term liabilities, including outstanding debt, can be found in the financial statement notes, Note 3.

Bond Ratings

The Village's general obligation bonds are rated Aaa by Moody's Investor Rating Service. The Aaa rating was last confirmed in November, 2016.

Economic Factors

The local Village economy has remained steady. Because the Village of Winnetka is primarily an affluent residential community heavily reliant on property taxes and utility sales, revenues tend to be more stable compared to governments that rely more on sales tax, real estate transfer taxes, and other revenues particularly sensitive to economic cycles to finance operations. Three separate business districts cater largely to the local area.

The Village's current population of 12,437 has remained about the same over the last decade.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village's Finance Director, 510 Green Bay Road, Winnetka, IL 60093, or access the Village website at villageofwinnetka.org.

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 WINNETKA, ILLINOIS

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

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

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

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 32,183,732	\$ 25,279,083	\$ 57,462,815
Receivables - Net of Allowances			
Taxes	13,654,343	1,103,877	14,758,220
Accounts	101,495	3,037,206	3,138,701
Notes	247,100	-	247,100
Internal Balances	1,000,000	(1,000,000)	-
Prepays/Inventories	29,255	1,521,015	1,550,270
Due from Other Governments	602,922	-	602,922
Total Current Assets	<u>47,818,847</u>	<u>29,941,181</u>	<u>77,760,028</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,700,000	164,008	13,864,008
Depreciable	62,816,017	105,089,936	167,905,953
Accumulated Depreciation	<u>(27,077,546)</u>	<u>(59,073,091)</u>	<u>(86,150,637)</u>
Total Noncurrent Assets	<u>49,438,471</u>	<u>46,180,853</u>	<u>95,619,324</u>
Total Assets	<u>97,257,318</u>	<u>76,122,034</u>	<u>173,379,352</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	2,140,925	2,058,614	4,199,539
Deferred Items - Police Pension	2,360,814	-	2,360,814
Deferred Items - Firefighters' Pension	3,125,946	-	3,125,946
Total Deferred Outflows of Resources	<u>7,627,685</u>	<u>2,058,614</u>	<u>9,686,299</u>
Total Assets and Deferred Outflows of Resources	<u>104,885,003</u>	<u>78,180,648</u>	<u>183,065,651</u>

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts and Retainage Payable	\$ 1,826,298	\$ 1,217,746	\$ 3,044,044
Accrued Payroll	190,353	178,180	368,533
Accrued Interest Payable	-	25,681	25,681
Deposits Payable	1,177,694	289,107	1,466,801
Claims Payable	1,061,473	-	1,061,473
Current Portion of Long-Term Liabilities	140,282	754,647	894,929
Total Current Liabilities	<u>4,396,100</u>	<u>2,465,361</u>	<u>6,861,461</u>
Noncurrent Liabilities			
Claims Payable	625,440	-	625,440
Compensated Absences	1,262,542	446,829	1,709,371
Landfill Post-Closure Costs	-	928,259	928,259
Net Pension Liability - IMRF	1,936,152	1,861,714	3,797,866
Net Pension Liability - Police Pension	13,004,609	-	13,004,609
Net Pension Liability - Firefighters' Pension	14,733,970	-	14,733,970
General Obligation Bonds Payable	-	13,765,000	13,765,000
Net Other Post-Employment Benefit Obligation	3,142,817	-	3,142,817
Total Noncurrent Liabilities	<u>34,705,530</u>	<u>17,001,802</u>	<u>51,707,332</u>
Total Liabilities	<u>39,101,630</u>	<u>19,467,163</u>	<u>58,568,793</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	4,109,892	3,951,882	8,061,774
Deferred Items - Police Pension	3,135,310	-	3,135,310
Deferred Items - Firefighters' Pension	3,363,363	-	3,363,363
Property Taxes	13,606,625	-	13,606,625
Total Deferred Inflows of Resources	<u>24,215,190</u>	<u>3,951,882</u>	<u>28,167,072</u>
Total Liabilities and Deferred Inflows of Resources	<u>63,316,820</u>	<u>23,419,045</u>	<u>86,735,865</u>
NET POSITION			
Net Investment in Capital Assets	49,438,471	37,685,412	87,123,883
Restricted - Highways and Streets	2,809,319	-	2,809,319
Restricted - Foreign Fire Tax	129,034	-	129,034
Unrestricted (Deficit)	(10,808,641)	17,076,191	6,267,550
Total Net Position	<u>\$ 41,568,183</u>	<u>\$ 54,761,603</u>	<u>\$ 96,329,786</u>

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

VILLAGE OF WINNETKA, 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	\$ 3,858,501	\$ 2,945,963	\$ -	\$ -
Public Safety	13,540,856	1,698,498	81,119	-
Community Development	1,687,357	1,450,743	-	-
Public Works	5,935,901	141,645	-	-
Total Governmental Activities	25,022,615	6,236,849	81,119	-
Business-Type Activities				
Electric	15,409,288	15,677,656	-	-
Water	3,070,624	4,075,019	-	-
Refuse	2,619,639	1,060,386	-	-
Storm Sewer	1,668,549	1,207,369	-	-
Sanitary Sewer	922,597	1,924,602	-	-
Total Business-Type Activities	23,690,697	23,945,032	-	-
Total Primary Government	\$ 48,713,312	\$ 30,181,881	\$ 81,119	\$ -

General Revenues

Taxes

Property

Telecommunications

Natural Gas

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Personal Property Replacement

Other Taxes

Investment Income

Miscellaneous

Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Primary Government		
Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
\$ (912,538)	\$ -	\$ (912,538)
(11,761,239)	-	(11,761,239)
(236,614)	-	(236,614)
(5,794,256)	-	(5,794,256)
(18,704,647)	-	(18,704,647)
-	268,368	268,368
-	1,004,395	1,004,395
-	(1,559,253)	(1,559,253)
-	(461,180)	(461,180)
-	1,002,005	1,002,005
-	254,335	254,335
\$ (18,704,647)	\$ 254,335	\$ (18,450,312)
\$ 13,204,094	\$ 1,073,096	\$ 14,277,190
419,153	-	419,153
436,323	-	436,323
1,512,020	-	1,512,020
1,190,908	-	1,190,908
149,725	-	149,725
388,781	-	388,781
234,975	180,264	415,239
25,616	214,693	240,309
890,026	(890,026)	-
18,451,621	578,027	19,029,648
(253,026)	832,362	579,336
41,821,209	53,929,241	95,750,450
\$ 41,568,183	\$ 54,761,603	\$ 96,329,786

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

VILLAGE OF WINNETKA, ILLINOIS

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

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 21,718,836	\$ 234,008	\$ 3,450,266	\$ 25,403,110
Receivables - Net of Allowances				
Taxes	13,654,343	-	-	13,654,343
Accounts	98,168	-	-	98,168
Notes	247,100	-	-	247,100
Due from Other Governments	575,993	-	26,929	602,922
Due from Other Funds	1,064,883	-	-	1,064,883
Total Assets	<u>\$ 37,359,323</u>	<u>\$ 234,008</u>	<u>\$ 3,477,195</u>	<u>\$ 41,070,526</u>
LIABILITIES				
Accounts Payable	\$ 1,707,562	\$ 7,734	\$ 44,604	\$ 1,759,900
Accrued Payroll	180,368	-	-	180,368
Deposits Payable	1,177,694	-	-	1,177,694
Due to Other Funds	12,719	-	64,883	77,602
Total Liabilities	<u>3,078,343</u>	<u>7,734</u>	<u>109,487</u>	<u>3,195,564</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	13,606,625	-	-	13,606,625
Total Liabilities and Deferred Inflows of Resources	<u>16,684,968</u>	<u>7,734</u>	<u>109,487</u>	<u>16,802,189</u>
FUND BALANCES				
Restricted	-	-	2,938,353	2,938,353
Assigned	-	226,274	443,246	669,520
Unassigned	20,674,355	-	(13,891)	20,660,464
Total Fund Balances	<u>20,674,355</u>	<u>226,274</u>	<u>3,367,708</u>	<u>24,268,337</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,359,323</u>	<u>\$ 234,008</u>	<u>\$ 3,477,195</u>	<u>\$ 41,070,526</u>

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

VILLAGE OF WINNETKA, ILLINOIS

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

December 31, 2017

Total Governmental Fund Balances \$ 24,268,337

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. 49,438,471

Internal service funds are used by the Village to charge the costs of vehicle and
equipment management and employee compensated absences to individual funds.
The assets and liabilities of the internal service funds are included in
the governmental activities in the Statement of Net Position. 5,062,627

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

Deferred Items - IMRF	(1,968,967)
Deferred Items - Police Pension	(774,496)
Deferred Items - Firefighters' Pension	(237,417)

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

Compensated Absences Payable	(1,402,824)
Net Pension Liability - IMRF	(1,936,152)
Net Pension Liability - Police Pension	(13,004,609)
Net Pension Liability - Firefighters' Pension	(14,733,970)
Net Other Post-Employment Benefit Obligation Payable	<u>(3,142,817)</u>

Net Position of Governmental Activities \$ 41,568,183

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

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017**

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 14,028,958	\$ -	\$ 30,612	\$ 14,059,570
Licenses and Permits	1,866,741	-	-	1,866,741
Intergovernmental	2,933,772	-	388,781	3,322,553
Charges for Services	4,182,256	-	-	4,182,256
Fines and Forfeits	187,852	-	-	187,852
Investment Income	179,648	2,239	8,130	190,017
Miscellaneous	25,616	-	-	25,616
Total Revenues	23,404,843	2,239	427,523	23,834,605
Expenditures				
Current				
General Government	3,016,519	-	-	3,016,519
Public Safety	13,220,157	-	53,396	13,273,553
Community Development	1,513,155	-	-	1,513,155
Public Works	6,112,882	-	-	6,112,882
Capital Outlay	-	102,848	224,374	327,222
Total Expenditures	23,862,713	102,848	277,770	24,243,331
Excess (Deficiency) of Revenues Over (Under) Expenditures	(457,870)	(100,609)	149,753	(408,726)
Other Financing Sources (Uses)				
Transfers In	1,440,026	-	75,000	1,515,026
Transfers Out	(625,000)	-	-	(625,000)
	815,026	-	75,000	890,026
Net Change in Fund Balances	357,156	(100,609)	224,753	481,300
Fund Balances - Beginning	20,317,199	326,883	3,142,955	23,787,037
Fund Balances - Ending	\$ 20,674,355	\$ 226,274	\$ 3,367,708	\$ 24,268,337

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

VILLAGE OF WINNETKA, 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 **\$ 481,300**

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	2,663,117
Depreciation Expense	(2,544,538)

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

Change in Deferred Items - IMRF	(4,236,753)
Change in Deferred Items - Police Pension	(1,252,179)
Change in Deferred Items - Firefighters' Pension	(1,949,285)

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.

Deductions to Compensated Absences Payable	64,091
Deductions to Net Pension Liability - IMRF	3,711,890
Deductions to Net Pension Liability - Police Pension	1,112,700
Deductions to Net Pension Liability - Firefighters' Pension	1,840,533
Additions to Net Other Post-Employment Benefit Obligation Payable	(215)

Internal service funds are used by the Village to charge the costs of vehicle and equipment
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities. (143,687)

Changes in Net Position of Governmental Activities **\$ (253,026)**

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

VILLAGE OF WINNETKA, ILLINOIS

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

	Business-Type Activities - Enterprise Funds							Governmental Activities
	Electric	Water	Refuse	Storm Sewer	Nonmajor		Totals	
					Sanitary	Sewer		
	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets								
Cash and Investments	5,242,477	2,511,162	803,486	15,696,625	1,025,333		25,279,083	6,780,622
Receivables - Net of Allowances								
Taxes	-	-	1,103,877	-	-	-	1,103,877	-
Accounts - Billed	1,090,199	232,483	66,249	122,448	91,620		1,602,999	16,046
Accounts - Unbilled	966,835	149,306	79,692	132,821	62,926		1,391,580	-
Accounts - Other	31,308	10,938	381	-	-	-	42,627	-
Inventories/Prepays	1,521,015	-	-	-	-	-	1,521,015	29,255
Total Current Assets	8,851,834	2,903,889	2,053,685	15,951,894	1,179,879		30,941,181	6,825,923
Noncurrent Assets								
Capital Assets								
Nondepreciable Capital Assets	69,003	95,005	-	-	-	-	164,008	-
Depreciable Capital Assets	61,277,830	21,682,073	2,722,880	11,483,490	7,923,663		105,089,936	299,598
Accumulated Depreciation	61,346,833	21,777,078	2,722,880	11,483,490	7,923,663		105,253,944	299,598
	(40,779,276)	(10,013,888)	(2,306,595)	(680,052)	(5,293,280)		(59,073,091)	(299,598)
Total Noncurrent Assets	20,567,557	11,763,190	416,285	10,803,438	2,630,383		46,180,853	-
Total Assets	29,419,391	14,667,079	2,469,970	26,755,332	3,810,262		77,122,034	6,825,923
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Items - IMRF	1,112,458	335,963	443,471	80,211	86,511		2,058,614	-
Total Assets/ Deferred Outflows of Resources	30,531,849	15,003,042	2,913,441	26,835,543	3,896,773		79,180,648	6,825,923

	Business-Type Activities						Governmental Activities	
	Electric	Water	Refuse	Storm Sewer	Nonmajor		Totals	Internal Service
					Sanitary	Sewer		
LIABILITIES								
Current Liabilities								
Accounts Payable	\$ 938,053	\$ 79,449	\$ 29,443	\$ 63,240	\$ 107,561	\$ 1,217,746	\$ 66,398	
Accrued Payroll	104,976	33,652	20,481	8,150	10,921	178,180	9,985	
Accrued Interest Payable	-	-	-	25,681	-	25,681	-	
Deposits Payable	289,107	-	-	-	-	289,107	-	
Due to Other Funds	-	1,000,000	-	-	-	1,000,000	-	
Claims Payable	-	-	-	-	-	-	-	1,061,473
Compensated Absences	26,578	13,091	6,856	1,561	1,561	49,647	-	
General Obligation Bonds Payable	-	-	-	695,000	-	695,000	-	
Landfill Post-Closure Costs	-	-	10,000	-	-	10,000	-	
Total Current Liabilities	1,358,714	1,126,192	66,780	793,632	120,043	3,465,361	1,137,856	
Noncurrent Liabilities								
Claims Payable	-	-	-	-	-	-	-	625,440
Compensated Absences	239,203	117,817	61,701	14,054	14,054	446,829	-	
Net Pension Liability - IMRF	1,006,055	303,829	401,055	72,539	78,236	1,861,714	-	
General Obligation Bonds Payable	-	-	-	13,765,000	-	13,765,000	-	
Landfill Post-Closure Costs	-	-	928,259	-	-	928,259	-	
Total Noncurrent Liabilities	1,245,258	421,646	1,391,015	13,851,593	92,290	17,001,802	625,440	
Total Liabilities	2,603,972	1,547,838	1,457,795	14,645,225	212,333	20,467,163	1,763,296	
DEFERRED INFLOWS OF RESOURCES								
Deferred Items - IMRF	2,135,564	644,942	851,323	153,980	166,073	3,951,882	-	
Total Liabilities/Deferred Inflows of Resources	4,739,536	2,192,780	2,309,118	14,799,205	378,406	24,419,045	1,763,296	
NET POSITION								
Net Investment in Capital Assets								
Unrestricted	20,567,557	11,763,190	416,285	2,307,997	2,630,383	37,685,412	-	
	5,224,756	1,047,072	188,038	9,728,341	887,984	17,076,191	5,062,627	
Total Net Position	\$ 25,792,313	\$ 12,810,262	\$ 604,323	\$ 12,036,338	\$ 3,518,367	\$ 54,761,603	\$ 5,062,627	

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2017

	Electric	Water
Operating Revenues		
Charges for Services	\$ 15,608,220	\$ 4,068,878
Interfund Services	-	-
Miscellaneous	69,436	6,141
Total Operating Revenues	<u>15,677,656</u>	<u>4,075,019</u>
Operating Expenses		
Administration	1,967,699	1,149,775
Operations	11,915,314	1,488,551
Depreciation	1,553,736	432,298
Total Operating Expenses	<u>15,436,749</u>	<u>3,070,624</u>
Operating Income (Loss)	<u>240,907</u>	<u>1,004,395</u>
Nonoperating Revenues (Expenses)		
Property Taxes	-	-
Investment Income	40,829	18,378
Rental Income	155,724	-
Other Income	56,721	2,248
Interest Expense	-	-
Disposal of Capital Assets	27,461	-
	<u>280,735</u>	<u>20,626</u>
Income (Loss) Before Transfers	<u>521,642</u>	<u>1,025,021</u>
Transfers In	-	-
Transfers Out	(1,044,784)	(276,560)
	<u>(1,044,784)</u>	<u>(276,560)</u>
Change in Net Position	(523,142)	748,461
Net Position - Beginning	<u>26,315,455</u>	<u>12,061,801</u>
Net Position - Ending	<u>\$ 25,792,313</u>	<u>\$ 12,810,262</u>

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

Business-Type Activities - Enterprise Funds				Governmental
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
\$ 1,060,101	\$ 1,924,602	\$ 1,207,369	\$ 23,869,170	\$ -
-	-	-	-	5,584,937
285	-	-	75,862	-
1,060,386	1,924,602	1,207,369	23,945,032	5,584,937
507,558	146,308	26,871	3,798,211	785,402
2,053,866	660,626	790,707	16,909,064	4,988,180
58,215	230,304	105,019	2,379,572	-
2,619,639	1,037,238	922,597	23,086,847	5,773,582
(1,559,253)	887,364	284,772	858,185	(188,645)
1,073,096	-	-	1,073,096	-
6,951	107,207	6,899	180,264	44,958
-	-	-	155,724	-
-	-	-	58,969	-
-	(631,311)	-	(631,311)	-
-	-	-	27,461	-
1,080,047	(524,104)	6,899	864,203	44,958
(479,206)	363,260	291,671	1,722,388	(143,687)
550,000	-	-	550,000	-
(42,485)	-	(76,197)	(1,440,026)	-
507,515	-	(76,197)	(890,026)	-
28,309	363,260	215,474	832,362	(143,687)
576,014	11,673,078	3,302,893	53,929,241	5,206,314
\$ 604,323	\$ 12,036,338	\$ 3,518,367	\$ 54,761,603	\$ 5,062,627

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

VILLAGE OF WINNETKA, ILLINOIS

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

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 15,303,293	\$ 4,029,409
Receipts from Interfund Services	-	-
Payments to Suppliers	(11,597,058)	(708,551)
Payments to Employees	(1,970,872)	(897,105)
	<u>1,735,363</u>	<u>2,423,753</u>
Cash Flows from Noncapital Financing Activities		
Property Taxes	-	-
Transfers In	-	-
Transfers Out	(1,044,784)	(276,560)
	<u>(1,044,784)</u>	<u>(276,560)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,400,311)	(1,334,129)
Disposal of Capital Assets	27,461	-
Principal Payments	-	-
Interest Payments	-	-
	<u>(1,372,850)</u>	<u>(1,334,129)</u>
Cash Flows from Investing Activities		
Interest Received	40,829	18,378
Net Change in Cash and Cash Equivalents	(641,442)	831,442
Cash and Cash Equivalents - Beginning	5,883,919	1,679,720
Cash and Cash Equivalents - Ending	<u>\$ 5,242,477</u>	<u>\$ 2,511,162</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 240,907	\$ 1,004,395
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	1,553,736	432,298
Other Income	212,445	2,248
Other Expense - IMRF	264,698	38,500
(Increase) Decrease in Current Assets	(586,808)	(47,858)
Increase (Decrease) in Current Liabilities	50,385	994,170
Net Cash Provided by Operating Activities	<u>\$ 1,735,363</u>	<u>\$ 2,423,753</u>

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

Business-Type Activities - Enterprise Funds				Governmental
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
\$ 999,200	\$ 1,927,781	\$ 1,159,748	\$ 23,419,431	\$ -
-	-	-	-	5,574,653
(1,599,671)	(408,781)	(584,986)	(14,899,047)	(5,599,092)
(603,817)	(210,835)	(235,869)	(3,918,498)	(191,832)
(1,204,288)	1,308,165	338,893	4,601,886	(216,271)
1,073,096	-	-	1,073,096	-
550,000	-	-	550,000	-
(42,485)	-	(76,197)	(1,440,026)	-
1,580,611	-	(76,197)	183,070	-
-	(71,485)	(152,874)	(2,958,799)	-
-	-	-	27,461	-
-	(685,000)	-	(685,000)	-
-	(631,311)	-	(631,311)	-
-	(1,387,796)	(152,874)	(4,247,649)	-
6,951	107,207	6,899	180,264	44,958
383,274	27,576	116,721	717,571	(171,313)
420,212	15,669,049	908,612	24,561,512	6,951,935
\$ 803,486	\$ 15,696,625	\$ 1,025,333	\$ 25,279,083	\$ 6,780,622
\$ (1,559,253)	\$ 887,364	\$ 284,772	\$ 858,185	\$ (188,645)
58,215	230,304	105,019	2,379,572	-
-	-	-	214,693	-
380,478	146,308	(113,168)	716,816	-
(61,186)	3,179	(47,621)	(740,294)	(10,284)
(22,542)	41,010	109,891	1,172,914	(17,342)
\$ (1,204,288)	\$ 1,308,165	\$ 338,893	\$ 4,601,886	\$ (216,271)

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

VILLAGE OF WINNETKA, ILLINOIS

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

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,137,560
Investments	
U.S. Government and Agency Obligations	10,857,755
Common Stock	9,199,546
Corporate Bonds	7,310,525
Mutual Funds	24,898,728
Insurance Contracts	3,264,454
Receivables	
Accrued Interest	112,490
Due from Other Funds	<u>12,719</u>
Total Assets	58,793,777
LIABILITIES	
Accounts Payable	<u>586</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>\$ 58,793,191</u></u>

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

VILLAGE OF WINNETKA, ILLINOIS

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

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 3,131,940
Contributions - Plan Members	<u>505,992</u>
Total Contributions	<u>3,637,932</u>
Investment Income	
Interest Earned	4,353,453
Net Change in Fair Value	<u>2,536,275</u>
	6,889,728
Less Investment Expenses	<u>(230,254)</u>
Net Investment Income	<u>6,659,474</u>
Total Additions	<u>10,297,406</u>
Deductions	
Administration	35,264
Benefits and Refunds	<u>3,993,035</u>
Total Deductions	<u>4,028,299</u>
Change in Fiduciary Net Position	6,269,107
Net Position Restricted for Pensions	
Beginning	<u>52,524,084</u>
Ending	<u>\$ 58,793,191</u>

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Winnetka (Village), Illinois, incorporated in 1869, is a municipal corporation governed by an elected president and six-member Village Council. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, refuse services, electric services, parking system 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 Winnetka
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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 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 President, 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 WINNETKA, 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 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 fire safety, village yard, motor fuel tax, downtown redevelopment, and general administrative services are classified as governmental activities. The Village's electric, water, refuse, and sewer, and sanitary sewer services 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.

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.

VILLAGE OF WINNETKA, 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 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, public safety, highways and streets, 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 does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

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.

VILLAGE OF WINNETKA, 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

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 Village electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the 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 two non-major special revenue funds, the Motor Fuel Tax Fund and the Foreign Fire Tax Fund.

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 does not currently utilize debt service funds.

VILLAGE OF WINNETKA, 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 financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the Village Facilities Fund. This fund accounts for the resources used for major rehabilitation of the public works, water and electric yards located at 1390 Willow Road. The Village maintains two non-major capital projects funds, the Downtown Development Fund and the Special Service Areas 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 four major enterprise funds. The Electric Fund accounts for the provision of electric utility services to the residents of the Village. The Water Fund accounts for the provision of potable water to the residents of the Village. The Refuse Fund accounts for the provision of refuse services to the residents of the Village. The Storm Sewer Fund accounts for the provision of storm sewer services to residents of the Village. The Village maintains one non-major enterprise fund, the Sanitary Sewer Fund.

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 Village on a cost-reimbursement basis. The Village maintains five non-major internal service funds. The Data Processing Fund is used to account for the acquisition and depreciation of Village data processing equipment and software. The Worker's Compensation Insurance Fund is used to account for the servicing and payment of claims for workers' compensation. The Health Insurance Fund is used to account for the servicing and payment of claims for health insurance. The Liability Insurance Fund is used to account for the servicing and payment of claims for liability insurance. The Fleet Fund is used to account for the costs of maintaining transportation equipment used by the Village. The Village's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

VILLAGE OF WINNETKA, 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

Fiduciary funds are used to report assets held in a trustee or agency capacity 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 for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement payments to employees covered by the plan.

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

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 and pension trust 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 WINNETKA, 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

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, 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.

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.

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, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

Prepays/Inventories

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

VILLAGE OF WINNETKA, 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

Capital Assets

Capital assets purchased or acquired with an original cost of \$50,000 to \$200,000, depending on asset class, 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. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. 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 and Improvements	50 - 65 Years
Machinery & Equipment	5 - 10 Years
Furniture and Fixtures	7 - 30 Years
Infrastructure	20 - 50 Years
Plant and Equipment	7 - 30 Years
Distribution System	7 - 30 Years
Sanitary Sewer System	50 Years
Storm Sewer System	50 Years
Other Equipment	5 - 10 Years

Deferred Outflows/Inflows of Resources

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

VILLAGE OF WINNETKA, 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.

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.

VILLAGE OF WINNETKA, 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

Net Position – Continued

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 balance that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for their department to the Village’s Administrator so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested expenditures for the next fiscal year. 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 designations, but may not change the form of the budget.

The Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted expenses at the fund level. During the year, no amendments were made.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
Electric	\$ 179,249
Refuse	234,548
Storm Sewer	181,895

VILLAGE OF WINNETKA, ILLINOIS

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

DEFICIT FUND BALANCES

The following funds had a deficit fund balance at year end:

Fund	Deficit
Special Service Areas	\$ 13,891

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.

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

VILLAGE OF WINNETKA, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 – Interest Rate Risk, 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 \$29,274,747 and the bank balances totaled \$29,856,038.

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Obligations	\$ 13,516,794	\$ 5,064,964	\$ 8,451,830	\$ -	\$ -
U.S. Agency Obligations	14,671,274	6,173,558	5,083,478	542,968	2,871,270
	<u>\$ 28,188,068</u>	<u>\$ 11,238,522</u>	<u>\$ 13,535,308</u>	<u>\$ 542,968</u>	<u>\$ 2,871,270</u>

The Village had 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 Obligations	\$ 13,516,794	\$ 13,516,794	\$ -	\$ -
U.S. Agency Obligations	14,671,274	-	14,671,274	-
Total Investments by Fair Value Level	<u>\$ 28,188,068</u>	<u>\$ 13,516,794</u>	<u>\$ 14,671,274</u>	<u>\$ -</u>

Investments – Continued. 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 WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy attempts to limit the Village's exposure to interest rate risk by matching its investments with anticipated cash flow requirements. The Village will not directly invest in securities maturing more than five (5) years from the date of purchase. Reserve funds may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

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 primarily investing in external investment pools (Illinois Funds). The Village's investment policy also prescribes to the "prudent person" rule which states that, "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." The investment ratings for the U.S. agency obligations are not available.

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 investment policy requires diversification of investments to avoid unreasonable risk by limiting commercial paper to the lesser of 20% of the cash and investment balance at the time of placement, or 25% of the cash and investment balance. At year-end, the Village has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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. The Village's investment policy limits custodial credit risk for deposits by not maintaining funds in any institution not willing or capable of pledging required collateral for funds in excess of FDIC insurable limits. The amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third-party depository designated by the Village and evidenced by a safekeeping agreement. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit – Investments. In the case of investments, 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. The Village's investment policy does not address custodial credit risk for investments.

VILLAGE OF WINNETKA, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,536,272 and the bank balances totaled \$1,604,010.

All deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund’s name.

Investments. At December 31, 2017, the Fund’s investments are as follows:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Obligations	\$ 1,873,621	\$ 110,853	\$ 658,382	\$ 1,104,386	\$ -
U.S. Agency Obligations	3,794,836	40,048	132,747	409,040	3,213,001
Corporate Bonds	3,735,560	243,058	2,705,672	786,830	-
	<u>\$ 9,404,017</u>	<u>\$ 393,959</u>	<u>\$ 3,496,801</u>	<u>\$ 2,300,256</u>	<u>\$ 3,213,001</u>

The Fund had 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 Obligations	\$ 1,873,621	\$ 1,873,621	\$ -	\$ -
U.S. Agency Obligations	3,794,836	-	3,794,836	-
Corporate Bonds	3,735,560	-	3,735,560	-
	<u>9,404,017</u>	<u>1,873,621</u>	<u>7,530,396</u>	<u>-</u>
Equity Securities				
Common Stock	4,693,164	-	4,693,164	-
Mutual Funds	12,578,816	12,578,816	-	-
Insurance Contracts	1,923,672	1,923,672	-	-
	<u>19,195,652</u>	<u>14,502,488</u>	<u>4,693,164</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 28,599,669</u>	<u>\$ 16,376,109</u>	<u>\$ 12,223,560</u>	<u>\$ -</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments – Continued. 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.

Credit Risk. The Fund's investment policy also prescribes to the "prudent person" rule which states that, "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 year-end, the Fund's investments in U.S. agency obligations ratings were unavailable. The corporate bonds were rated BBB- to A+ by Standard & Poor's.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy states that in no case shall the following diversification limits be exceeded unless specifically authorized by the Board:

Investment	Minimum	Maximum
Direct U.S. Treasury Securities (includes STRIPS, CUBES)	0.00%	100.00%
Interest Investments, CD's	0.00%	30.00%
Commercial Paper	0.00%	10.00%
Investment Pools Established by the State Treasurer	0.00%	40.00%
Money Market Mutual Funds	0.00%	40.00%
Equity Investments	0.00%	45.00%
Government Agency Securities	0.00%	80.00%
Government Bonds and Warrants	0.00%	20.00%
Municipal Bonds Rated "a" or Better	0.00%	20.00%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$4,693,164 invested in common stock, \$12,578,816 invested in mutual funds and \$1,923,672 invested in insurance contracts. At year-end, the Fund has over 5 percent of net plan position available for retirement 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) invested in Insurance Contracts – Principal Financial of \$1,923,672.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.00%	0.90%
Domestic Equities	48.00%	3.60%
International Equities	11.00%	0.94%
Real Estate	5.00%	0.23%
Cash and Cash Equivalents	0.00%	0.00%

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 blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed 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 12.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF WINNETKA, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,601,288 and the bank balances totaled \$1,598,535.

All deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund’s name.

Investments. At December 31, 2017, the Fund’s investments are as follows:

	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Obligations	\$ 1,627,905	\$ 23,938	\$ 604,248	\$ 999,719	\$ -
U.S. Agency Obligations	3,561,393	27,350	129,006	434,293	2,970,744
Corporate Bonds	3,574,965	228,820	2,312,575	1,033,570	-
	<u>\$ 8,764,263</u>	<u>\$ 280,108</u>	<u>\$ 3,045,829</u>	<u>\$ 2,467,582</u>	<u>\$ 2,970,744</u>

The Fund had 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 Obligations	\$ 1,627,905	\$ 1,627,905	\$ -	\$ -
U.S. Agency Obligations	3,561,393	-	3,561,393	-
Corporate Bonds	3,574,965	-	3,574,965	-
	<u>8,764,263</u>	<u>1,627,905</u>	<u>7,136,358</u>	<u>-</u>
Equity Securities				
Common Stock	4,506,382	-	4,506,382	-
Mutual Funds	12,319,912	12,319,912	-	-
Insurance Contracts	1,340,782	1,340,782	-	-
	<u>18,167,076</u>	<u>13,660,694</u>	<u>4,506,382</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 26,931,339</u>	<u>\$ 15,288,599</u>	<u>\$ 11,642,740</u>	<u>\$ -</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments – Continued. 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.

Credit Risk. The Fund's investment policy also prescribes to the "prudent person" rule which states that, "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 year-end, the Fund's investments in U.S. agency obligations and corporate bonds ratings were unavailable.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy states that in no case shall the following diversification limits be exceeded unless specifically authorized by the Board:

Investment	Minimum	Maximum
Direct U.S. Treasury Securities (includes STRIPS, CUBES)	0.00%	100.00%
Interest Investments, CD's	0.00%	30.00%
Commercial Paper	0.00%	10.00%
Investment Pools Established by the State Treasurer	0.00%	40.00%
Money Market Mutual Funds	0.00%	40.00%
Equity Investments	0.00%	45.00%
Government Agency Securities	0.00%	80.00%
Government Bonds and Warrants	0.00%	20.00%
Municipal Bonds Rated "a" or Better	0.00%	20.00%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$4,506,382 invested in common stock, \$12,319,912 invested in mutual funds and \$1,340,782 invested in insurance contracts. At year-end, the Fund has no investments over 5 percent of net plan position available for retirement 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 WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	35.00%	0.88%
Domestic Equities	49.00%	3.68%
International Equities	11.00%	0.94%
Real Estate	5.00%	0.23%
Cash and Cash Equivalents	0.00%	0.00%

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 the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed 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 12.74%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF WINNETKA, 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 and Rights of Way	\$ 13,700,000	\$ -	\$ -	\$ 13,700,000
Depreciable Capital Assets				
Buildings and Improvements	16,275,852	81,472	-	16,357,324
Machinery and Equipment	11,007,356	544,155	-	11,551,511
Furniture and Fixtures	965,632	-	-	965,632
Infrastructure	31,904,060	2,037,490	-	33,941,550
	<u>60,152,900</u>	<u>2,663,117</u>	<u>-</u>	<u>62,816,017</u>
Less Accumulated Depreciation				
Buildings and Improvements	4,119,595	287,279	-	4,406,874
Machinery and Equipment	8,539,859	890,804	-	9,430,663
Furniture and Fixtures	936,128	29,504	-	965,632
Infrastructure	10,937,426	1,336,951	-	12,274,377
	<u>24,533,008</u>	<u>2,544,538</u>	<u>-</u>	<u>27,077,546</u>
Total Net Depreciable Capital Assets	<u>35,619,892</u>	<u>118,579</u>	<u>-</u>	<u>35,738,471</u>
Total Net Capital Assets	<u>\$ 49,319,892</u>	<u>\$ 118,579</u>	<u>\$ -</u>	<u>\$ 49,438,471</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 170,447
Public Safety	376,840
Community Development	15,219
Public Works	<u>1,982,032</u>
	<u>\$ 2,544,538</u>

VILLAGE OF WINNETKA, 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	\$ 164,008	\$ -	\$ -	\$ 164,008
Depreciable Capital Assets				
Buildings	12,313,287	-	-	12,313,287
Plants and Equipment	14,510,834	237,489	-	14,748,323
Distribution System	46,573,742	2,496,951	-	49,070,693
Sewer System	17,321,764	224,355	-	17,546,119
Other Equipment	11,411,514	-	-	11,411,514
	<u>102,131,141</u>	<u>2,958,795</u>	-	<u>105,089,936</u>
Less Accumulated Depreciation				
Buildings	4,861,883	201,672	-	5,063,555
Plants and Equipment	11,164,603	273,623	-	11,438,226
Distribution System	26,517,300	1,408,217	-	27,925,517
Sewer System	4,359,008	287,683	-	4,646,691
Other Equipment	9,790,725	208,377	-	9,999,102
	<u>56,693,519</u>	<u>2,379,572</u>	-	<u>59,073,091</u>
Total Net Depreciable Capital Assets	<u>45,437,622</u>	<u>579,223</u>	-	<u>46,016,845</u>
Total Net Capital Assets	<u>\$ 45,601,630</u>	<u>\$ 579,223</u>	<u>\$ -</u>	<u>\$ 46,180,853</u>

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

Electric	\$ 1,553,736
Water	432,298
Refuse	58,215
Storm Sewer	230,304
Sanitary Sewer	<u>105,019</u>
	<u>\$ 2,379,572</u>

VILLAGE OF WINNETKA, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES AND PAYABLES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 64,883
General Fund	Water	1,000,000
Police Pension	General Fund	5,521
Firefighters' Pension	General Fund	7,198
		<u>\$ 1,077,602</u>

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Electric	\$ 1,044,784 (1)
General	Water	276,560 (1)
General	Refuse	42,485 (1)
General	Nonmajor Business-Type	76,197 (1)
Nonmajor Governmental	General	75,000 (2)
Refuse	General	550,000 (2)
		<u>\$ 2,065,026</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 and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. As the 2017 tax levy is intended to fund expenditures for the 2018 fiscal year, these taxes are deferred as of December 31, 2017.

VILLAGE OF WINNETKA, 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 have been issued for both governmental activities. 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
\$9,000,000 General Obligation Bonds of 2013, due in annual installments of \$675,000 to \$5,560,000 through December 15, 2046 plus interest at 2.00% to 4.375%.	Storm Sewer	\$ 7,645,000	\$ -	\$ 685,000	\$ 6,960,000
\$7,500,000 General Obligation Bonds of 2014, due in annual installments of \$720,000 to \$4,510,000 through December 15, 2043 plus interest at 2.10% to 4.75%.	Storm Sewer	7,500,000	-	-	7,500,000
		\$ 15,145,000	\$ -	\$ 685,000	\$ 14,460,000

Landfill Closure Costs

On June 1, 1993, the Village Council approved closing the landfill by April 1, 1994, depending on the final outcome of federal regulations. The post-closure costs of \$938,259 are based on landfill capacity used to date and have been estimated by the Village engineers. The Village annually reviews these costs and adjusts them as necessary. On April 1, 1994, the Village established the Refuse Fund as a separate enterprise fund. The post-closure costs will be funded by the operations of the Refuse Fund.

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 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 percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF WINNETKA, 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	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,466,915	\$ 94,091	\$ 128,182	\$ 1,432,824	\$ 140,282
Net Pension Liability - IMRF	5,648,042	-	3,711,890	1,936,152	-
Net Pension Liability - Police	14,117,309	-	1,112,700	13,004,609	-
Net Pension Liability - Fire	16,574,503	-	1,840,533	14,733,970	-
Net Other Post-Employment Benefit Obligation	3,142,602	215	-	3,142,817	-
	<u>\$ 40,949,371</u>	<u>\$ 94,306</u>	<u>\$ 6,793,305</u>	<u>\$ 34,250,372</u>	<u>\$ 140,282</u>
Business-Type Activities					
Compensated Absences	\$ 514,076	\$ 17,600	\$ 35,200	\$ 496,476	\$ 49,647
Net Pension Liability - IMRF	5,076,446	-	3,214,732	1,861,714	-
General Obligation Bonds	15,145,000	-	685,000	14,460,000	695,000
Landfill Post-Closure Costs	938,259	-	-	938,259	10,000
	<u>\$ 21,673,781</u>	<u>\$ 17,600</u>	<u>\$ 3,934,932</u>	<u>\$ 17,756,449</u>	<u>\$ 754,647</u>

For the governmental activities, the compensated absences, the net pension liability, and the net other post-employment benefit obligation are liquidated by the General Fund.

For the business-type activities, compensated absences and net pension liability are liquidated by the Electric, Water, Refuse, Storm Sewer and Sanitary Sewer Funds and the general obligation bonds are liquidated by the Storm Sewer Fund. The Refuse Fund makes payments on the landfill post-closure costs.

VILLAGE OF WINNETKA, 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	Business-Type Activities	
	General Obligation	
	Bonds	
	Principal	Interest
2018	\$ 695,000	\$ 616,350
2019	705,000	602,450
2020	720,000	588,350
2021	735,000	559,550
2022	755,000	530,150
2023	780,000	499,950
2024	-	468,750
2025	-	468,750
2026	-	468,750
2027	-	468,750
2028	-	468,750
2029	-	468,750
2030	-	468,750
2031	-	468,750
2032	-	468,750
2033	-	468,750
2034	-	468,750
2035	-	468,750
2036	-	468,750
2037	-	468,750
2038	-	468,750
2039	-	468,750
2040	-	468,750
2041	1,175,000	468,750
2042	1,630,000	410,000
2043 - 46	7,265,000	821,782
Totals	<u>\$ 14,460,000</u>	<u>\$ 13,066,082</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

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	<u>\$ 49,438,471</u>
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Business-Type Activities

Capital Assets - Net of Accumulated Depreciation	\$ 46,180,853
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Plus: Unspent Bond Proceeds	5,964,559
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Less Capital Related Debt:

General Obligation Bonds of 2013	(6,960,000)
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General Obligation Bonds of 2014	<u>(7,500,000)</u>
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Net Investment in Capital Assets	<u>\$ 37,685,412</u>
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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 Village Council; 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 WINNETKA, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Village Council’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Village Council itself or b) a body or official to which the Village Council has delegated the authority to assign amounts to be used for specific purposes. The Village’s highest level of decision-making authority is the Village Council, 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	Capital Projects Village Facilities	Nonmajor	Totals
Fund Balances				
Restricted				
Highways and Streets	\$ -	\$ -	\$ 2,809,319	\$ 2,809,319
Foreign Fire Tax	-	-	129,034	129,034
	-	-	2,938,353	2,938,353
Assigned				
Infrastructure Improvement Projects	-	226,274	-	226,274
Downtown Redevelopment	-	-	443,246	443,246
	-	226,274	443,246	669,520
Unassigned	20,674,355	-	(13,891)	20,660,464
Total Fund Balances	\$ 20,674,355	\$ 226,274	\$ 3,367,708	\$ 24,268,337

NOTE 4 – OTHER INFORMATION

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; employee health; natural disasters; and injuries to the Village’s employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insurance program. The Village is self-insured for the first \$250,000 for property claims, \$125,000 per employee for medical claims, \$2,000,000 for liability claims, and \$600,000 for workers’

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There were no reductions in insurance limits during 2017 from the coverage amounts in effect for 2016. The Village's self-insurance activities are reported in the Health Insurance, General Liability Insurance and Workers' Compensation internal service funds.

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. There were no insurance claim settlements which exceeded the amounts of insurance coverage during 2017 and 2016.

Changes in the balances of claims liabilities during the fiscal year are as follows:

	Workers' Compensation	Health	Liability	Totals
Claims Payable - December 31, 2015	\$ 1,547,266	\$ 228,166	\$ 631,000	\$ 2,406,432
Incurred Claims	132,650	2,695,348	(455,487)	2,372,511
Claims Paid	(345,620)	(2,684,199)	(35,013)	(3,064,832)
Claims Payable - December 31, 2016	1,334,296	239,315	140,500	1,714,111
Incurred Claims	513,169	2,888,304	168,411	3,569,884
Claims Paid	(747,085)	(2,691,586)	(158,411)	(3,597,082)
Claims Payable - December 31, 2017	<u>\$ 1,100,380</u>	<u>\$ 436,033</u>	<u>\$ 150,500</u>	<u>\$ 1,686,913</u>

High-Level Excess Liability Pool

For 2017, the Village was a member of the High-Level Excess Liability Pool (the POOL) which consists of 13 Illinois Municipalities. The purpose of the POOL is to act as a joint self-insurance pool for the purpose of seeking the prevention of lessening of liability claims for injuries to persons or property of claims for errors and omissions made against the members and other parties included within the scope of coverage of the POOL. The coverage provided by the POOL is \$13,000,000 per occurrence and aggregate of each member, with a self-insured retention of \$2,000,000 per member. The POOL retains \$4,000,000 per occurrence for claims and purchases \$9,000,000 excess insurance for claims above this level.

The POOL is governed by the Board of Directors which consists of one appointed representative from each Member Municipality. Each Director has an equal vote. The officers of the POOL are elected by the Board of Directors. The Board of Directors determines the general policy of the POOL, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by the POOL, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the POOL Agreement or the by-laws.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

High-Level Excess Liability Pool – Continued

The Village does not exercise any control over the activities of the POOL beyond its representation on the Board of Directors.

The POOL was organized on April 1, 1987 with the initial agreement which has been extended to April 30, 2018. The Village has committed to purchase excess liability insurance from the POOL through the term of the agreement. Annual premiums are calculated based on a formula which specifies the following four criteria: 1) Miles of streets; 2) Full-time equivalent employees; 3) Number of motor vehicles; and 4) Operating revenues.

COMMITMENTS

High-Level Excess Liability Pool

The Village has committed to purchase excess liability insurance from the High-Level Excess Liability Pool (the POOL), an insurance pool of Illinois municipalities, through April 30, 2018. There is no minimum annual commitment amount for the purchase of this insurance coverage. As of May 1, 2018, the Pool was discontinued and the Village has secured excess liability insurance coverage as a stand-alone entity.

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 attorney 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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

High-Level Excess Liability Pool

The Village's agreement with the High-Level Excess Liability Pool provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

Illinois Municipal Electric Agency (IMEA)

The Village's contract with the IMEA provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

JOINT VENTURES

Illinois Municipal Electric Agency (IMEA)

Description of Jointly Governed Organizations

IMEA was created in 1984 by a group of municipalities under the provisions of Division 119.1 of Article II of the Illinois Municipal code. IMEA is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. The purpose of IMEA is to jointly plan, finance, own, and operate facilities for the generation and transmission of electric power and to provide for the current and projected energy needs of the purchasing members.

IMEA is governed by a Board of Directors comprised of one representative designated from each member. The Board determines the general policies of IMEA, makes all appropriations, approves contracts, approves the issuance of debt (some of which requires the approval of each participating member), and exercises such powers and performs such duties as may be prescribed in the agreement or bylaws. Certain matters, generally of a financial nature (such as the issuance of debt or a change in cost allocation formulas) require either a super-majority vote or approval from the governing boards of participating members.

The Village is a fully participating member of IMEA, which consists of 33 members, 33 of which are fully participating. Fully participating members obtain wholesale electricity from IMEA at a reduced price and are also responsible for the outstanding debt of IMEA.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Illinois Municipal Electric Agency (IMEA) – Continued

IMEA has four debt issues outstanding related to financing ownership of coal fired electric generation facilities. While the Village of Winnetka does not have a specific percentage of these debts as a fixed liability, the Village of Winnetka is contractually bound to purchase power from IMEA through a purchased power agreement. The purchased power contract takes into account load factor, kilowatt sales to each member, and outstanding IMEA debt in setting the price paid by the member communities for wholesale power. IMEA has \$1,006 million of long-term debt outstanding and \$41 million due in the current fiscal year ending April 30, 2017. Based on the Village's percentage of the overall demand of IMEA, projected kilowatt hour sales, and debt outstanding, it is projected that the Village will pay about \$46 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2017.

Below is a schedule of facilities where IMEA has an ownership interest:

Coal Facility Name	% Ownership *	Capacity Owned (Megawatts) *	Status
Trimble County Unit 1	12.12%	62	Operational
Trimble County Unit 2	12.12%	91	Operational
Prairie State	15.17%	240	Under Construction
Total		393	

* Per April 30, 2017 financial statements.

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2017, in millions of dollars:

Operating Revenues	\$ 320.9
Operating Expenses	<u>256.0</u>
Net Operating Income	64.9
Other Nonoperating Expenses (Net)	<u>(43.9)</u>
Change in Net Position	<u>\$ 21.0</u>

Complete financial statements for IMEA can be obtained from IMEA's administrative office at 3400 Conifer Drive, Springfield, Illinois 62711, or on the internet at www.imea.org.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC)

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

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 also a single-employer pension plan. Separate reports are issued for the Police and Firefighter Pension Plans and may be obtained by writing to the Village at 510 Green Bay Road, Winnetka IL 60093. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

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 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.

VILLAGE OF WINNETKA, 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. 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	159
Inactive Plan Members Entitled to but not yet Receiving Benefits	34
Active Plan Members	<u>99</u>
Total	<u><u>292</u></u>

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 15.93% 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.

VILLAGE OF WINNETKA, 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. 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	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF WINNETKA, 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 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 IMRF'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 WINNETKA, 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/(Asset)	\$ 12,896,776	\$ 3,797,866	\$ (3,820,346)

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	\$ 79,622,293	\$ 68,897,805	\$ 10,724,488
Changes for the Year:			
Service Cost	942,741	-	942,741
Interest on the Total Pension Liability	5,819,726	-	5,819,726
Difference Between Expected and Actual Experience of the Total Pension Liability	2,116,018	-	2,116,018
Changes of Assumptions	(2,695,351)	-	(2,695,351)
Contributions - Employer	-	1,507,708	(1,507,708)
Contributions - Employees	-	427,932	(427,932)
Net Investment Income	-	12,392,876	(12,392,876)
Benefit Payments, including Refunds of Employee Contributions	(4,994,628)	(4,994,628)	-
Other (Net Transfer)	-	(1,218,760)	1,218,760
Net Changes	1,188,506	8,115,128	(6,926,622)
Balances at December 31, 2017	\$ 80,810,799	\$ 77,012,933	\$ 3,797,866

VILLAGE OF WINNETKA, 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 \$2,741,200. 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	\$ 1,881,648	\$ -	\$ 1,881,648
Change in Assumptions	20,098	(2,153,009)	(2,132,911)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,297,793	(5,908,765)	(3,610,972)
Total Deferred Amounts Related to IMRF	<u>\$ 4,199,539</u>	<u>\$ (8,061,774)</u>	<u>\$ (3,862,235)</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	\$ (243,355)
2019	(604,326)
2020	(1,535,253)
2021	(1,479,301)
2022	-
Thereafter	-
Total	<u>\$ (3,862,235)</u>

VILLAGE OF WINNETKA, 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	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>26</u>
Total	<u>64</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 WINNETKA, 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 55.44% of covered payroll.

Concentrations. At year-end, the Pension Plan has over 5 percent of net plan position available for retirement 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) invested in Insurance Contracts – Principal Financial of \$1,923,672.

VILLAGE OF WINNETKA, 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	6.25%
Salary Increases	Service Based
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on RP-2014 Combined Healthy Mortality with a blue collar adjusted, projected to the valuation date with Scale MP-2016.

Discount Rate

The discount rate used to measure the total pension liability was 6.25%, 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 WINNETKA, 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 19,021,616	\$ 13,004,609	\$ 8,076,319

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	\$ 41,235,667	\$ 27,118,358	\$ 14,117,309
Changes for the Year:			
Service Cost	694,278	-	694,278
Interest on the Total Pension Liability	2,559,175	-	2,559,175
Difference Between Expected and Actual Experience of the Total Pension Liability	742,631	-	742,631
Changes of Assumptions	(61,605)	-	(61,605)
Contributions - Employer	-	1,423,835	(1,423,835)
Contributions - Employees	-	268,576	(268,576)
Net Investment Income	-	3,373,306	(3,373,306)
Benefit Payments, including Refunds of Employee Contributions	(1,966,302)	(1,966,302)	-
Administrative Expense	-	(18,538)	18,538
Net Changes	1,968,177	3,080,877	(1,112,700)
Balances at December 31, 2017	\$ 43,203,844	\$ 30,199,235	\$ 13,004,609

VILLAGE OF WINNETKA, 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 \$1,563,314. 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	\$ 960,553	\$ (1,935,822)	\$ (975,269)
Change in Assumptions	1,400,261	(49,284)	1,350,977
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,150,204)	(1,150,204)
Total Deferred Amounts Related to Police	<u>\$ 2,360,814</u>	<u>\$ (3,135,310)</u>	<u>\$ (774,496)</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	\$ 216,529
2019	(128,018)
2020	(655,877)
2021	(207,130)
2022	-
Thereafter	-
Total	<u>\$ (774,496)</u>

VILLAGE OF WINNETKA, 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	31
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>24</u>
Total	<u>56</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 WINNETKA, 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 office 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 proceeding 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 66.71% of covered payroll.

Significant Investments. At year end, the Pension Plan has no investments over 5 percent of net plan position available for retirement 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 WINNETKA, 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	6.25%
Salary Increases	Service Based
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on RP-2014 Combined Healthy Mortality with a blue collar adjusted, projected to the valuation date with Scale MP-2016.

Discount Rate

The discount rate used to measure the total pension liability was 6.25%, 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 WINNETKA, 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 20,713,074	\$ 14,733,970	\$ 9,829,898

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	\$ 41,980,229	\$ 25,405,726	\$ 16,574,503
Changes for the Year:			
Service Cost	805,556	-	805,556
Interest on the Total Pension Liability	2,610,776	-	2,610,776
Difference Between Expected and Actual Experience of the Total Pension Liability	332,317	-	332,317
Changes of Assumptions	(374,219)	-	(374,219)
Contributions - Employer	-	1,708,105	(1,708,105)
Contributions - Employees	-	237,416	(237,416)
Net Investment Income	-	3,286,168	(3,286,168)
Benefit Payments, including Refunds of Employee Contributions	(2,026,733)	(2,026,733)	-
Administrative Expense	-	(16,726)	16,726
Net Changes	1,347,697	3,188,230	(1,840,533)
Balances at December 31, 2017	\$ 43,327,926	\$ 28,593,956	\$ 14,733,970

VILLAGE OF WINNETKA, 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 \$1,816,857. 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	\$ 588,894	\$ (1,994,688)	\$ (1,405,794)
Change in Assumptions	2,537,052	(311,850)	2,225,202
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>-</u>	<u>(1,056,825)</u>	<u>(1,056,825)</u>
Total Deferred Amounts Related to Fire	<u>\$ 3,125,946</u>	<u>\$ (3,363,363)</u>	<u>\$ (237,417)</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	\$ 177,018
2019	177,019
2020	(126,942)
2021	(457,528)
2022	(6,984)
Thereafter	<u>-</u>
Total	<u>\$ (237,417)</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2017, retirees contributed \$614,002. Active employees do not contribute to the plan until retirement.

At December 31, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	52
Active Employees	<u>133</u>
Total	<u>185</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2017 was calculated as follows:

Annual Required Contribution	\$ 304,126
Interest on the NOPEBO	125,704
Adjustment to the ARC	<u>(112,238)</u>
Annual OPEB Cost	317,592
Actual Contribution	<u>317,377</u>
Change in the NOPEBO	215
NOPEBO - Beginning	<u>3,142,602</u>
NOPEBO - Ending	<u><u>\$ 3,142,817</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 877,859	\$ 416,036	47.39%	\$ 3,099,630
2016	317,408	274,436	86.46%	3,142,602
2017	317,592	317,377	99.93%	3,142,817

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress.

The funded status of the plan as of December 31, 2016, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,812,682
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 3,812,682
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 13,156,804
UAAL as a Percentage of Covered Payroll	28.98%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the December 31, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses and including a 3.00% inflation assumption) and an initial healthcare cost trend rate of 6.50%, with an ultimate rate of 5.00%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017, was 30 years.

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
 Other Post-Employment Benefit Plan

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

- Schedule of Changes in the Employer's Net Pension Liability
 Illinois Municipal Retirement Fund
 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 WINNETKA, ILLINOIS

Other Post-Employment Benefit Plan

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

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/13	\$ -	\$ 10,445,501	0.00%	\$ 10,445,501	\$ 14,020,233	74.50%
12/31/13 *	N/A	N/A	N/A	N/A	N/A	N/A
12/31/14	N/A	N/A	N/A	N/A	N/A	N/A
12/31/15	N/A	N/A	N/A	N/A	N/A	N/A
12/31/16	-	3,812,682	0.00%	3,812,682	13,156,804	28.98%
12/31/17	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
3/31/13	\$ 370,271	\$ 454,427	81.48%
12/31/13 *	277,703	593,132	46.82%
12/31/14	392,487	790,842	49.63%
12/31/15	416,036	838,293	49.63%
12/31/16	274,436	304,126	90.24%
12/31/17	317,377	304,126	104.36%

The Village is required to have an actuarial valuation performed triennially.

* For the nine months ended December 31, 2013.

N/A - Not Available

VILLAGE OF WINNETKA, 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	\$ 1,355,725	\$ 1,458,442	\$ 102,717	\$ 9,317,696	15.65%
2016	1,347,077	1,376,867	29,790	9,393,842	14.66%
2017	1,284,332	1,507,708	223,376	9,464,493	15.93%

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	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

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

VILLAGE OF WINNETKA, 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	\$ 1,089,023	\$ 1,095,000	\$ 5,977	\$ 2,440,019	44.88%
2015	1,110,899	1,154,177	43,278	2,546,092	45.33%
2016	1,308,146	1,307,493	(653)	2,607,617	50.14%
2017	1,446,665	1,423,835	(22,830)	2,568,172	55.44%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	17 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	RP 2014 Combined Healthy Mortality

Note:

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

VILLAGE OF WINNETKA, 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	\$ 1,315,341	\$ 1,321,000	\$ 5,659	\$ 2,409,734	54.82%
2015	1,327,823	1,391,267	63,444	2,440,604	57.01%
2016	1,451,602	1,439,948	(11,654)	2,421,648	59.46%
2017	1,723,176	1,708,105	(15,071)	2,560,651	66.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	17 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	RP 2014 Combined Healthy Mortality

Note:

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

VILLAGE OF WINNETKA, 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	\$ 994,117	\$ 963,903	\$ 942,741
Interest	5,445,933	5,657,743	5,819,726
Differences Between Expected and Actual Experience	681,118	261,926	2,116,018
Change of Assumptions	84,007	(260,501)	(2,695,351)
Benefit Payments, Including			
Refunds of Member Contributions	(3,997,516)	(4,516,723)	(4,994,628)
Net Change in Total Pension Liability	3,207,659	2,106,348	1,188,506
Total Pension Liability - Beginning	74,308,286	77,515,945	79,622,293
Total Pension Liability - Ending	<u>\$ 77,515,945</u>	<u>\$ 79,622,293</u>	<u>\$ 80,810,799</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,458,442	\$ 1,376,867	\$ 1,507,708
Contributions - Members	418,903	453,957	427,932
Net Investment Income	328,436	4,475,261	12,392,876
Benefit Payments, Including			
Refunds of Member Contributions	(3,997,516)	(4,516,723)	(4,994,628)
Administrative Expense	1,461,440	691,482	(1,218,760)
Net Change in Plan Fiduciary Net Position	(330,295)	2,480,844	8,115,128
Plan Net Position - Beginning	66,747,256	66,416,961	68,897,805
Plan Net Position - Ending	<u>\$ 66,416,961</u>	<u>\$ 68,897,805</u>	<u>\$ 77,012,933</u>
Employer's Net Pension Liability	<u>\$ 11,098,984</u>	<u>\$ 10,724,488</u>	<u>\$ 3,797,866</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.68%	86.53%	95.30%
Covered Payroll	\$ 9,317,696	\$ 9,393,842	\$ 9,464,493
Employer's Net Pension Liability as a Percentage of Covered Payroll	119.12%	114.17%	40.13%

Note:

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

VILLAGE OF WINNETKA, 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	\$ 692,981	\$ 605,710	\$ 646,828	\$ 694,278
Interest	2,092,535	2,308,101	2,577,750	2,559,175
Differences Between Expected and Actual Experience	(42,166)	1,146,129	(3,226,369)	742,631
Change of Assumptions	2,499,986	1,429,187	1,572,183	(61,605)
Benefit Payments, Including Refunds of Member Contributions	(1,809,323)	(1,779,229)	(1,863,860)	(1,966,302)
Net Change in Total Pension Liability	3,434,013	3,709,898	(293,468)	1,968,177
Total Pension Liability - Beginning	34,385,224	37,819,237	41,529,135	41,235,667
Total Pension Liability - Ending	\$ 37,819,237	\$ 41,529,135	\$ 41,235,667	\$ 43,203,844
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,095,000	\$ 1,154,177	\$ 1,307,493	\$ 1,423,835
Contributions - Members	249,185	252,560	288,079	268,576
Net Investment Income	1,552,792	159,423	2,178,422	3,373,306
Benefit Payments, Including Refunds of Member Contributions	(1,809,324)	(1,779,229)	(1,863,860)	(1,966,302)
Administrative Expense	(21,144)	(41,620)	(49,278)	(18,538)
Net Change in Plan Fiduciary Net Position	1,066,509	(254,689)	1,860,856	3,080,877
Plan Net Position - Beginning	24,445,682	25,512,191	25,257,502	27,118,358
Plan Net Position - Ending	\$ 25,512,191	\$ 25,257,502	\$ 27,118,358	\$ 30,199,235
Employer's Net Pension Liability	\$ 12,307,046	\$ 16,271,633	\$ 14,117,309	\$ 13,004,609
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.46%	60.82%	65.76%	69.90%
Covered Payroll	\$ 2,440,019	\$ 2,546,092	\$ 2,607,617	\$ 2,568,172
Employer's Net Pension Liability as a Percentage of Covered Payroll	504.38%	639.08%	541.39%	506.38%

Note:

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

VILLAGE OF WINNETKA, 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	\$ 769,947	\$ 689,460	\$ 709,007	\$ 805,556
Interest	2,095,789	2,267,675	2,633,017	2,610,776
Differences Between Expected and Actual Experience	(99,297)	593,014	(2,992,031)	332,317
Change of Assumptions	1,815,395	3,413,519	1,111,971	(374,219)
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)	(1,852,469)	(1,801,967)	(2,026,733)
Net Change in Total Pension Liability	2,770,971	5,111,199	(340,003)	1,347,697
Total Pension Liability - Beginning	34,438,062	37,209,033	42,320,232	41,980,229
Total Pension Liability - Ending	\$ 37,209,033	\$ 42,320,232	\$ 41,980,229	\$ 43,327,926
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,321,000	\$ 1,391,267	\$ 1,439,948	\$ 1,708,105
Contributions - Members	225,546	232,443	251,855	237,416
Net Investment Income	1,494,221	(15,892)	1,957,213	3,286,168
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)	(1,852,469)	(1,801,967)	(2,026,733)
Administrative Expense	(13,037)	(31,244)	(38,920)	(16,726)
Net Change in Plan Fiduciary Net Position	1,216,867	(275,895)	1,808,129	3,188,230
Plan Net Position - Beginning	22,656,625	23,873,492	23,597,597	25,405,726
Plan Net Position - Ending	\$ 23,873,492	\$ 23,597,597	\$ 25,405,726	\$ 28,593,956
Employer's Net Pension Liability	\$ 13,335,541	\$ 18,722,635	\$ 16,574,503	\$ 14,733,970
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.16%	55.76%	60.52%	65.99%
Covered Payroll	\$ 2,409,734	\$ 2,440,604	\$ 2,421,648	\$ 2,560,651
Employer's Net Pension Liability as a Percentage of Covered Payroll	553.40%	767.13%	684.43%	575.40%

Note:

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

VILLAGE OF WINNETKA, 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	6.25%
2015	0.51%
2016	8.10%
2017	12.02%

Note:

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

VILLAGE OF WINNETKA, 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	6.57%
2015	(0.07%)
2016	7.99%
2017	12.74%

Note:

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

VILLAGE OF WINNETKA, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Information for the Fiscal Year Ended December 31, 2016)**

	2017		For the Fiscal Year Ended December 31, 2016
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	\$ 14,399,906	\$ 14,028,958	\$ 13,853,235
Licenses and Permits	2,207,084	1,866,741	2,240,851
Intergovernmental	2,840,020	2,933,772	2,869,816
Charges for Services	3,979,893	4,182,256	4,030,475
Fines and Forfeits	191,500	187,852	191,582
Investment Income	140,532	179,648	185,783
Miscellaneous	31,000	25,616	83,273
Total Revenues	<u>23,789,935</u>	<u>23,404,843</u>	<u>23,455,015</u>
Expenditures			
General Government	3,557,948	3,016,519	2,956,361
Public Safety	13,774,040	13,220,157	12,533,536
Community Development	1,518,246	1,513,155	1,374,119
Public Works	6,273,215	6,112,882	5,989,321
Total Expenditures	<u>25,123,449</u>	<u>23,862,713</u>	<u>22,853,337</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,333,514)</u>	<u>(457,870)</u>	<u>601,678</u>
Other Financing Sources (Uses)			
Transfers In	1,440,026	1,440,026	1,372,244
Transfers Out	(625,000)	(625,000)	(700,000)
Disposal of Capital Assets	-	-	10,000
	<u>815,026</u>	<u>815,026</u>	<u>682,244</u>
Net Change in Fund Balance	<u>\$ (518,488)</u>	357,156	1,283,922
Fund Balance - Beginning		<u>20,317,199</u>	<u>19,033,277</u>
Fund Balance - Ending		<u>\$ 20,674,355</u>	<u>\$ 20,317,199</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Village Facilities – Capital Projects Fund
- Nonmajor Governmental Funds
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Budgetary Comparison Schedules
 - Motor Fuel Tax – Special Revenue Fund
 - Foreign Fire Tax – Special Revenue Fund
 - Downtown Redevelopment – Capital Projects Fund
 - Special Service Areas – Capital Projects Fund
- Budgetary Comparison Schedules – Enterprise Funds
 - Electric – Major Enterprise Fund
 - Water – Major Enterprise Fund
 - Refuse – Major Enterprise Fund
 - Storm Sewer – Major Enterprise Fund
 - Sanitary Sewer – Nonmajor Enterprise Fund
- Internal Service Funds
 - Combining Statement of Net Position
 - Combining Statement of Revenues, Expenses, and Changes in Net Position
 - Combining Statement of Cash Flows
 - Budgetary Comparison Schedules
 - Data Processing Fund
 - Workers' Compensation Insurance Fund
 - Health Insurance Fund
 - Liability Insurance Fund
 - Fleet Fund
- Fiduciary Funds
 - Combining Statement of Net Position
 - Combining Statement of Changes in Net Position
 - Budgetary Comparison Schedules
 - Police Pension Fund
 - Firefighters' Pension Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

Foreign Fire Tax Fund

The Foreign Fire Tax Fund is used to account for the revenue derived from a 2% tax of the gross receipts from out-of-state businesses engaged in providing fire insurance within the Village.

CAPITAL PROJECTS FUND

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

Village Facilities Fund

The Village Facilities Fund is used to account for the resources for major rehabilitation of the public works, water, and electric yards located at 1390 Willow Road.

Downtown Redevelopment Fund

The Downtown Redevelopment Fund is used to account for the resources for the redevelopment of the Village owned area of the downtown business district currently occupied by the post office. Financing is provided by transfers from the General Fund.

Special Service Areas Fund

The Special Service Areas Fund is used to account for specific tax levies and related costs of the Village's special service areas.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS

The 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.

Electric Fund

The Electric Fund is used to account for the provision of electric 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, and billing and collection.

Water Fund

The Water Fund is used to account for the provision of portable water 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, and billing and collection.

Refuse Fund

The Refuse Fund is used to account for the provision of refuse 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, and billing and collection.

Storm Sewer Fund

The Storm Sewer Fund is used to account for the provision of storm 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, and billing and collection.

Sanitary Sewer Fund

The Sanitary Sewer Fund is used to account for the provision of sanitary 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, and billing and collection.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS

The 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.

Data Processing Fund

The Data Processing Fund is used to account for the acquisition and depreciation of Village data processing equipment and software. Finance is provided by charges to the various Village funds.

Workers' Compensation Insurance Fund

The Worker's Compensation Insurance Fund is used to account for the servicing and payment of claims for workers' compensation. Financing is provided by charges to the various Village funds.

Health Insurance Fund

The Health Insurance Fund is used to account for the servicing and payment of claims for health insurance. Financing is provided by charges to the various Village funds.

Liability Insurance Fund

The Liability Insurance Fund is used to account for the servicing and payment of claims for liability insurance. Financing is provided by charges to the various Village funds.

Fleet Fund

The Fleet Fund is used to account for the costs of maintaining transportation equipment used by the Village. Financing is provided by charges to the various Village funds.

TRUST 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. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

TRUST FUNDS - Continued

PENSION TRUST FUNDS - Continued

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 on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 13,489,906	\$ 13,173,482
Natural Gas	390,000	436,323
Telecommunications Tax	520,000	419,153
	14,399,906	14,028,958
Licenses and Permits		
Licenses		
Vehicle	300,000	273,952
Dog	10,000	10,183
Liquor	13,150	14,300
Other	4,000	4,703
Permits		
Building	1,654,934	1,418,504
Sewer, Sidewalks, and Miscellaneous	175,000	112,860
Compliance Fees	50,000	32,239
	2,207,084	1,866,741
Intergovernmental		
General Sales Tax	1,401,770	1,512,020
Illinois State Income Tax	1,250,000	1,190,908
Corporate Property Replacement Tax	113,250	149,725
Grants	75,000	81,119
	2,840,020	2,933,772
Charges for Services		
Administrative Charges	1,790,336	1,790,336
Franchise Fees	300,000	323,462
Public Safety Services	1,071,808	1,126,755
Ambulance Fees	140,000	173,032
False Alarm Charges	15,000	27,800
Parking	168,900	183,059
Property Rental	438,029	364,704
State Route Maintenance	55,820	164,323
Tree Planting	-	28,785
	3,979,893	4,182,256

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
Fines and Forfeits		
Justice Fines and Costs	\$ 191,500	\$ 187,852
Investment Income	140,532	179,648
Miscellaneous		
Proceeds from Sale of Personal Property	-	191
Miscellaneous	31,000	25,425
	31,000	25,616
Total Revenues	\$ 23,789,935	\$ 23,404,843

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 208,401	\$ 176,369
General Administration	3,349,547	2,840,150
Total General Government	<u>3,557,948</u>	<u>3,016,519</u>
Public Safety		
Police Department		
Administration	2,752,331	2,699,793
Public Service Officers	322,723	232,805
General and Criminal Records	188,969	159,087
Communication System	547,987	232,941
Investigation	547,117	695,800
Uniform Patrol	3,590,049	3,475,517
Total Police Department	<u>7,949,176</u>	<u>7,495,943</u>
Fire Department		
Administration	855,716	866,191
Training	75,603	50,718
Communications	180,821	161,286
Life Safety	68,582	68,185
Firefighting Force	4,017,220	3,963,428
Ambulance Service	626,922	614,406
Total Fire Department	<u>5,824,864</u>	<u>5,724,214</u>
Total Public Safety	<u>13,774,040</u>	<u>13,220,157</u>
Community Development		
Community Development Department	<u>1,518,246</u>	<u>1,513,155</u>
Public Works		
Public Works Department	<u>6,273,215</u>	<u>6,112,882</u>
Total Expenditures	<u>\$ 25,123,449</u>	<u>\$ 23,862,713</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
General Government		
Public Affairs		
Legal		
Contractual Services	\$ 80,661	\$ 78,135
Sundry		
Commodities	27,000	24,004
Contractual Services	100,740	74,230
	<u>127,740</u>	<u>98,234</u>
Total Public Affairs	<u>208,401</u>	<u>176,369</u>
General Administration		
Office of the Manager and Clerk		
Salaries	836,380	791,720
Personnel Costs	288,016	252,132
Contractual Services	232,478	223,738
Commodities	54,250	47,745
	<u>1,411,124</u>	<u>1,315,335</u>
Legal Expense		
Contractual Services	<u>10,000</u>	<u>10,196</u>
Financial Administration		
Salaries	972,820	862,994
Personnel Costs	404,420	406,243
Contractual Services	153,122	160,002
Commodities	83,115	71,113
Vehicle Expense	5,196	5,196
Training	9,750	9,071
Contingency	300,000	-
	<u>1,928,423</u>	<u>1,514,619</u>
Total General Administration	<u>3,349,547</u>	<u>2,840,150</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
General Government - Continued		
Total General Government	\$ 3,557,948	\$ 3,016,519
Public Safety		
Police Department		
Administration		
Salaries	686,648	655,976
Personnel Costs	467,991	417,726
Contractual Services	683,608	833,032
Supplies	255,400	223,920
Vehicle Expense	153,684	153,684
Training	70,000	48,041
Equipment	435,000	367,414
	<u>2,752,331</u>	<u>2,699,793</u>
Public Service Officers		
Salaries	240,843	156,952
Personnel Costs	81,880	75,853
	<u>322,723</u>	<u>232,805</u>
General and Criminal Records		
Salaries	151,844	125,838
Personnel Costs	37,125	33,249
	<u>188,969</u>	<u>159,087</u>
Communication System		
Salaries	395,923	176,683
Personnel Costs	152,064	56,258
	<u>547,987</u>	<u>232,941</u>
Investigation		
Salaries	325,337	422,705
Personnel Costs	221,780	273,095
	<u>547,117</u>	<u>695,800</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Uniform Patrol		
Salaries	\$ 2,196,720	\$ 2,134,232
Personnel Costs	1,393,329	1,341,285
	<u>3,590,049</u>	<u>3,475,517</u>
Total Police Department	<u>7,949,176</u>	<u>7,495,943</u>
Fire Department		
Administration		
Salaries	379,488	392,956
Personnel Costs	248,453	261,089
Contractual Services	139,629	136,267
Supplies	32,550	20,278
Vehicle Expense	55,596	55,596
Equipment	-	5
	<u>855,716</u>	<u>866,191</u>
Training		
Salaries	46,002	27,402
Personnel Costs	667	340
Training	28,934	22,976
	<u>75,603</u>	<u>50,718</u>
Communications		
Contractual Services	<u>180,821</u>	<u>161,286</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Life Safety		
Salaries	\$ 54,990	\$ 59,505
Personnel Costs	4,082	4,242
Supplies	9,510	4,438
	<u>68,582</u>	<u>68,185</u>
Firefighting Force		
Salaries	2,155,492	2,181,657
Personnel Costs	1,752,528	1,714,479
Contractual Services	10,750	9,405
Supplies	98,450	57,887
	<u>4,017,220</u>	<u>3,963,428</u>
Ambulance Service		
Salaries	334,064	326,702
Personnel Costs	272,298	275,817
Contractual Services	1,500	62
Supplies	10,950	10,257
Training	8,110	1,568
	<u>626,922</u>	<u>614,406</u>
Total Fire Department	<u>5,824,864</u>	<u>5,724,214</u>
Total Public Safety	<u>13,774,040</u>	<u>13,220,157</u>
Community Development		
Community Development Department		
Salaries	640,177	653,588
Personnel Costs	239,916	292,750
Contractual Services	612,209	544,000
Supplies	19,800	16,522
Training	4,500	4,651
Vehicle Expense	1,644	1,644
Total Community Development	<u>1,518,246</u>	<u>1,513,155</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
Public Works		
Public Works Department		
Administration		
Salaries	\$ 477,075	\$ 493,135
Personnel Costs	269,788	269,858
Contractual Services	343,948	284,041
Supplies	434,600	402,132
Training	17,000	11,682
Vehicle Expense	216,708	216,708
Equipment	795,000	785,375
	<u>2,554,119</u>	<u>2,462,931</u>
Engineering		
Salaries	223,012	213,154
Personnel Costs	71,154	68,638
Contractual Services	58,500	33,907
Supplies	1,500	-
	<u>354,166</u>	<u>315,699</u>
Street Maintenance		
Salaries	739,543	684,623
Personnel Costs	298,214	266,420
Contractual Services	211,000	161,940
	<u>1,248,757</u>	<u>1,112,983</u>
Pavement Reconstruction		
Equipment/Reconstruction	<u>1,350,000</u>	<u>1,590,867</u>
Drainage		
Salaries	-	4,687
Personnel Costs	-	984
Contractual Services	-	94
	<u>-</u>	<u>5,765</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

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

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Snow Removal and Ice Control		
Salaries	\$ 80,048	\$ 36,513
Personnel Costs	14,721	8,464
Supplies	187,000	125,001
	<u>281,769</u>	<u>169,978</u>
Forestry		
Salaries	116,907	102,894
Personnel Costs	32,497	30,113
Supplies	335,000	321,652
	<u>484,404</u>	<u>454,659</u>
Total Public Works	<u>6,273,215</u>	<u>6,112,882</u>
Total Expenditures	<u>\$ 25,123,449</u>	<u>\$ 23,862,713</u>

VILLAGE OF WINNETKA, ILLINOIS

Village Facilities - Capital Projects Fund

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

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 2,575	\$ 2,239
Expenditures		
Capital Outlay	<u>275,000</u>	<u>102,848</u>
Net Change in Fund Balance	<u>\$ (272,425)</u>	(100,609)
Fund Balance - Beginning		<u>326,883</u>
Fund Balance - Ending		<u>\$ 226,274</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2017**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2017

	<u>Special Motor Fuel Tax</u>
ASSETS	
Cash and Investments	\$ 2,782,390
Due from Other Governments	<u>26,929</u>
Total Assets	<u><u>2,809,319</u></u>
LIABILITIES	
Accounts Payable	-
Due to Other Funds	<u>-</u>
Total Liabilities	<u>-</u>
FUND BALANCES	
Restricted	2,809,319
Assigned	-
Unassigned	<u>-</u>
Total Fund Balances	<u><u>2,809,319</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 2,809,319</u></u>

Revenue	Capital Projects		
Foreign Fire Tax	Downtown Redevelopment	Special Service Areas	Totals
\$ 135,903	\$ 480,981	\$ 50,992	\$ 3,450,266
-	-	-	26,929
135,903	480,981	50,992	3,477,195
6,869	37,735	-	44,604
-	-	64,883	64,883
6,869	37,735	64,883	109,487
129,034	-	-	2,938,353
-	443,246	-	443,246
-	-	(13,891)	(13,891)
129,034	443,246	(13,891)	3,367,708
\$ 135,903	\$ 480,981	\$ 50,992	\$ 3,477,195

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2017

	<u>Special Motor Fuel Tax</u>
Revenues	
Taxes	\$ -
Intergovernmental	310,849
Investment Income	2,668
Total Revenues	<u>313,517</u>
Expenditures	
Public Safety	-
Capital Outlay	65,446
Total Expenditures	<u>65,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	248,071
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	248,071
Fund Balances - Beginning	<u>2,561,248</u>
Fund Balances - Ending	<u><u>\$ 2,809,319</u></u>

Revenue	Capital Projects		
Foreign Fire Tax	Downtown Redevelopment	Special Service Areas	Totals
\$ -	\$ -	\$ 30,612	\$ 30,612
77,932	-	-	388,781
949	4,042	471	8,130
78,881	4,042	31,083	427,523
53,396	-	-	53,396
-	158,928	-	224,374
53,396	158,928	-	277,770
25,485	(154,886)	31,083	149,753
-	75,000	-	75,000
25,485	(79,886)	31,083	224,753
103,549	523,132	(44,974)	3,142,955
\$ 129,034	\$ 443,246	\$ (13,891)	\$ 3,367,708

VILLAGE OF WINNETKA, 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 and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 310,000	\$ 310,849
Grants	320,000	-
Investment Income	2,000	2,668
Total Revenues	<u>632,000</u>	<u>313,517</u>
Expenditures		
Capital Outlay	<u>700,000</u>	<u>65,446</u>
Net Change in Fund Balance	<u>\$ (68,000)</u>	248,071
Fund Balance - Beginning		<u>2,561,248</u>
Fund Balance - Ending		<u>\$ 2,809,319</u>

VILLAGE OF WINNETKA, ILLINOIS

Foreign Fire 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 and Final Budget	Actual
Revenues		
Intergovernmental		
Foreign Fire Insurance Tax	\$ 78,000	\$ 77,932
Investment Income	275	949
Total Revenues	<u>78,275</u>	<u>78,881</u>
Expenditures		
Public Safety		
Supplies	<u>100,000</u>	<u>53,396</u>
Net Change in Fund Balance	<u>\$ (21,725)</u>	25,485
Fund Balance - Beginning		<u>103,549</u>
Fund Balance - Ending		<u>\$ 129,034</u>

VILLAGE OF WINNETKA, ILLINOIS

Downtown Redevelopment - Capital Projects Fund

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

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 3,558	\$ 4,042
Expenditures		
Capital Outlay	500,000	158,928
Excess (Deficiency) of Revenues Over (Under) Expenditures	(496,442)	(154,886)
Other Financing Sources		
Transfers In	75,000	75,000
Net Change in Fund Balance	<u>\$ (421,442)</u>	(79,886)
Fund Balance - Beginning		<u>523,132</u>
Fund Balance - Ending		<u>\$ 443,246</u>

VILLAGE OF WINNETKA, ILLINOIS

Special Service Areas - Capital Projects Fund

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

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 30,600	\$ 30,612
Investment Income	-	471
Total Revenues	<u>30,600</u>	<u>31,083</u>
Expenditures		
Capital Outlay		
Construction	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 30,600</u>	31,083
Fund Balance - Beginning		<u>(44,974)</u>
Fund Balance - Ending		<u>\$ (13,891)</u>

VILLAGE OF WINNETKA, ILLINOIS

Electric - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 15,792,387	\$ 15,608,220
Miscellaneous	58,687	69,436
Total Operating Revenues	<u>15,851,074</u>	<u>15,677,656</u>
Operating Expenses		
Administration		
General and Administrative	1,855,896	1,703,001
IMRF Net Pension Liability Expense	-	264,698
Operations		
Generation	9,829,629	9,895,856
Distribution	2,018,239	2,019,458
Depreciation	1,600,000	1,553,736
Total Operating Expenses	<u>15,303,764</u>	<u>15,436,749</u>
Operating Income (Loss)	<u>547,310</u>	<u>240,907</u>
Nonoperating Revenues		
Investment Income	40,725	40,829
Rental Income	144,678	155,724
Other Income	10,000	56,721
Disposal of Capital Assets	-	27,461
	<u>195,403</u>	<u>280,735</u>
Income (Loss) Before Transfers	742,713	521,642
Transfers Out	<u>(1,044,784)</u>	<u>(1,044,784)</u>
Change in Net Position	<u>\$ (302,071)</u>	(523,142)
Net Position - Beginning		<u>26,315,455</u>
Net Position - Ending		<u>\$ 25,792,313</u>

VILLAGE OF WINNETKA, 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 and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 3,655,905	\$ 4,068,878
Miscellaneous	12,500	6,141
Total Operating Revenues	<u>3,668,405</u>	<u>4,075,019</u>
Operating Expenses		
Administration		
General and Administrative	1,234,414	1,111,275
IMRF Net Pension Liability Expense	-	38,500
Operations		
Pumping	1,081,122	964,766
Distribution	814,543	523,785
Depreciation	440,000	432,298
Total Operating Expenses	<u>3,570,079</u>	<u>3,070,624</u>
Operating Income	<u>98,326</u>	<u>1,004,395</u>
Nonoperating Revenues		
Investment Income	9,932	18,378
Other Income	1,000,000	2,248
	<u>1,009,932</u>	<u>20,626</u>
Income Before Transfers	1,108,258	1,025,021
Transfers Out	<u>(276,560)</u>	<u>(276,560)</u>
Change in Net Position	<u>\$ 831,698</u>	748,461
Net Position - Beginning		<u>12,061,801</u>
Net Position - Ending		<u>\$ 12,810,262</u>

VILLAGE OF WINNETKA, ILLINOIS

Refuse - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,041,000	\$ 1,060,101
Miscellaneous	-	285
Total Operating Revenues	<u>1,041,000</u>	<u>1,060,386</u>
Operating Expenses		
Administration		
General and Administrative	127,080	127,080
IMRF Net Pension Liability Expense	-	380,478
Operations		
Collection	1,516,296	1,479,719
Disposal	308,500	252,126
Recycling	262,000	224,948
Landfill Monitoring	113,000	97,073
Depreciation	135,000	58,215
Total Operating Expenses	<u>2,461,876</u>	<u>2,619,639</u>
Operating (Loss)	<u>(1,420,876)</u>	<u>(1,559,253)</u>
Nonoperating Revenues		
Property Taxes	1,100,000	1,073,096
Investment Income	3,047	6,951
	<u>1,103,047</u>	<u>1,080,047</u>
Income (Loss) Before Transfers	<u>(317,829)</u>	<u>(479,206)</u>
Transfers In	550,000	550,000
Transfers Out	(42,485)	(42,485)
	<u>507,515</u>	<u>507,515</u>
Change in Net Position	<u>\$ 189,686</u>	28,309
Net Position - Beginning		<u>576,014</u>
Net Position - Ending		<u>\$ 604,323</u>

VILLAGE OF WINNETKA, ILLINOIS

Storm Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,944,040	\$ 1,924,602
Operating Expenses		
Administration		
IMRF Net Pension Liability Expense	-	146,308
Operations	625,037	660,626
IMRF		
Depreciation	-	230,304
Total Operating Expenses	625,037	1,037,238
Operating Income	1,319,003	887,364
Nonoperating Revenues (Expenses)		
Investment Income	117,511	107,207
Interest Expense	(621,350)	(631,311)
	(503,839)	(524,104)
Change in Net Position	\$ 815,164	363,260
Net Position - Beginning		11,673,078
Net Position - Ending		\$ 12,036,338

VILLAGE OF WINNETKA, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,093,233	\$ 1,207,369
Operating Expenses		
Administration		
General and Administrative	140,040	140,039
IMRF Net Pension Liability Expense	-	(113,168)
Operations	783,680	790,707
Depreciation	80,000	105,019
Total Operating Expenses	<u>1,003,720</u>	<u>922,597</u>
Operating Income (Loss)	89,513	284,772
Nonoperating Revenues		
Investment Income	<u>7,096</u>	<u>6,899</u>
Income (Loss) Before Transfers	96,609	291,671
Transfers Out	<u>(76,197)</u>	<u>(76,197)</u>
Change in Net Position	<u>\$ 20,412</u>	215,474
Net Position - Beginning		<u>3,302,893</u>
Net Position - Ending		<u>\$ 3,518,367</u>

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

December 31, 2017

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

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

	<u>Data Processing</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 680,689
Receivables - Net of Allowances	
Accounts	-
Inventories	-
Total Current Assets	<u>680,689</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>680,689</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	165
Accrued Payroll	-
Claims Payable	-
Total Current Liabilities	<u>165</u>
Noncurrent Liabilities	
Claims Payable	<u>-</u>
Total Liabilities	<u>165</u>
NET POSITION	
Investment in Capital Assets	-
Unrestricted	<u>680,524</u>
Total Net Position	<u>\$ 680,524</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 1,849,056	\$ 1,676,437	\$ 1,926,440	\$ 648,000	\$ 6,780,622
-	8,154	2,580	5,312	16,046
-	-	-	29,255	29,255
1,849,056	1,684,591	1,929,020	682,567	6,825,923
-	-	-	-	299,598
-	-	-	-	(299,598)
-	-	-	-	-
1,849,056	1,684,591	1,929,020	682,567	6,825,923
-	39,816	250	26,167	66,398
-	-	-	9,985	9,985
550,190	436,033	75,250	-	1,061,473
550,190	475,849	75,500	36,152	1,137,856
550,190	-	75,250	-	625,440
1,100,380	475,849	150,750	36,152	1,763,296
-	-	-	-	-
748,676	1,208,742	1,778,270	646,415	5,062,627
\$ 748,676	\$ 1,208,742	\$ 1,778,270	\$ 646,415	\$ 5,062,627

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

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

	<u>Data Processing</u>
Operating Revenues	
Interfund Services	<u>\$ 331,838</u>
Operating Expenses	
Administration	60,816
Operations	<u>347,407</u>
Total Operating Expenses	<u>408,223</u>
Operating Income (Loss)	(76,385)
Nonoperating Revenues	
Investment Income	<u>5,014</u>
Change in Net Position	(71,371)
Net Position - Beginning	<u>751,895</u>
Net Position - Ending	<u><u>\$ 680,524</u></u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 583,772	\$ 3,728,616	\$ 715	\$ 939,996	\$ 5,584,937
-	547,691	132,895	44,000	785,402
625,944	3,130,345	189,557	694,927	4,988,180
625,944	3,678,036	322,452	738,927	5,773,582
(42,172)	50,580	(321,737)	201,069	(188,645)
14,627	5,962	14,388	4,967	44,958
(27,545)	56,542	(307,349)	206,036	(143,687)
776,221	1,152,200	2,085,619	440,379	5,206,314
\$ 748,676	\$ 1,208,742	\$ 1,778,270	\$ 646,415	\$ 5,062,627

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

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

	<u>Data Processing</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 331,838
Payments to Suppliers	(240,122)
Payments to Employees	(167,936)
	<u>(76,220)</u>
Cash Flows from Investing Activities	
Interest Received	<u>5,014</u>
Net Change in Cash and Cash Equivalents	(71,206)
Cash and Cash Equivalents - Beginning	<u>751,895</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 680,689</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (76,385)
Adjustments to Reconcile Operating Income to Net	
Cash Provided by (Used in) Operating Activities	
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	<u>165</u>
Net Cash Provided by Operating Activities	<u><u>\$ (76,220)</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 583,772	\$ 3,723,272	\$ (1,865)	\$ 937,636	\$ 5,574,653
(859,860)	(3,442,834)	(314,365)	(741,911)	(5,599,092)
-	-	-	(23,896)	(191,832)
(276,088)	280,438	(316,230)	171,829	(216,271)
14,627	5,962	14,388	4,967	44,958
(261,461)	286,400	(301,842)	176,796	(171,313)
2,110,517	1,390,037	2,228,282	471,204	6,951,935
\$ 1,849,056	\$ 1,676,437	\$ 1,926,440	\$ 648,000	\$ 6,780,622
\$ (42,172)	\$ 50,580	\$ (321,737)	\$ 201,069	\$ (188,645)
-	(5,344)	(2,580)	(2,360)	(10,284)
(233,916)	235,202	8,087	(26,880)	(17,342)
\$ (276,088)	\$ 280,438	\$ (316,230)	\$ 171,829	\$ (216,271)

VILLAGE OF WINNETKA, ILLINOIS

Data Processing - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 328,042	\$ 331,838
Operating Expenses		
Administration	60,816	60,816
Operations	409,899	347,407
Total Operating Expenses	470,715	408,223
Operating Income (Loss)	(142,673)	(76,385)
Nonoperating Revenues		
Investment Income	6,143	5,014
Change in Net Position	<u>\$ (136,530)</u>	(71,371)
Net Position - Beginning		<u>751,895</u>
Net Position - Ending		<u>\$ 680,524</u>

VILLAGE OF WINNETKA, ILLINOIS

Workers' Compensation 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 and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 537,470	\$ 583,772
Operating Expenses		
Operations	698,000	625,944
Operating Income (Loss)	(160,530)	(42,172)
Nonoperating Revenues		
Investment Income	14,993	14,627
Change in Net Position	<u>\$ (145,537)</u>	(27,545)
Net Position - Beginning		<u>776,221</u>
Net Position - Ending		<u>\$ 748,676</u>

VILLAGE OF WINNETKA, ILLINOIS

Health 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 and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 3,812,165	\$ 3,728,616
Operating Expenses		
Administration	670,179	547,691
Operations	3,131,255	3,130,345
Total Operating Expenses	3,801,434	3,678,036
Operating Income	10,731	50,580
Nonoperating Revenues		
Investment Income	11,438	5,962
Change in Net Position	\$ 22,169	56,542
Net Position - Beginning		1,152,200
Net Position - Ending		\$ 1,208,742

VILLAGE OF WINNETKA, ILLINOIS

Liability 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 and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 10,000	\$ 715
Operating Expenses		
Administration	196,450	132,895
Operations	200,000	189,557
Total Operating Expenses	<u>396,450</u>	<u>322,452</u>
Operating (Loss)	(386,450)	(321,737)
Nonoperating Revenues		
Investment Income	<u>17,965</u>	<u>14,388</u>
Change in Net Position	<u>\$ (368,485)</u>	(307,349)
Net Position - Beginning		<u>2,085,619</u>
Net Position - Ending		<u>\$ 1,778,270</u>

VILLAGE OF WINNETKA, ILLINOIS

Fleet - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	<u>\$ 939,996</u>	<u>\$ 939,996</u>
Operating Expenses		
Administration	44,000	44,000
Operations	<u>850,107</u>	<u>694,927</u>
Total Operating Expenses	<u>894,107</u>	<u>738,927</u>
Operating Income	45,889	201,069
Nonoperating Revenues		
Investment Income	<u>2,987</u>	<u>4,967</u>
Change in Net Position	<u>\$ 48,876</u>	206,036
Net Position - Beginning		<u>440,379</u>
Net Position - Ending		<u>\$ 646,415</u>

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

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

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,536,272	\$ 1,601,288	\$ 3,137,560
Investments			
U.S. Government and Agency Obligations	5,668,457	5,189,298	10,857,755
Corporate Bonds	3,735,560	3,574,965	7,310,525
Common Stock	4,693,164	4,506,382	9,199,546
Mutual Funds	12,578,816	12,319,912	24,898,728
Insurance Contracts	1,923,672	1,340,782	3,264,454
Receivables			
Accrued Interest	57,931	54,559	112,490
Due from Other Funds	5,521	7,198	12,719
	30,199,393	28,594,384	58,793,777
Total Assets			
LIABILITIES			
Accounts Payable	158	428	586
NET POSITION			
Net Position Restricted for Pensions	\$ 30,199,235	\$ 28,593,956	\$ 58,793,191

VILLAGE OF WINNETKA, 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	\$ 1,423,835	\$ 1,708,105	\$ 3,131,940
Contributions - Plan Members	268,576	237,416	505,992
Total Contributions	1,692,411	1,945,521	3,637,932
Investment Income			
Interest Earned	3,398,267	955,186	4,353,453
Net Change in Fair Value	87,890	2,448,385	2,536,275
	3,486,157	3,403,571	6,889,728
Less Investment Expenses	(112,851)	(117,403)	(230,254)
Net Investment Income	3,373,306	3,286,168	6,659,474
Total Additions	5,065,717	5,231,689	10,297,406
Deductions			
Administration	18,538	16,726	35,264
Benefits and Refunds	1,966,302	2,026,733	3,993,035
Total Deductions	1,984,840	2,043,459	4,028,299
Change in Fiduciary Net Position	3,080,877	3,188,230	6,269,107
Net Position Restricted for Pensions			
Beginning	27,118,358	25,405,726	52,524,084
Ending	\$ 30,199,235	\$ 28,593,956	\$ 58,793,191

VILLAGE OF WINNETKA, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,451,664	\$ 1,423,835
Contributions - Plan Members	278,053	268,576
Total Contributions	<u>1,729,717</u>	<u>1,692,411</u>
Investment Income		
Interest Earned	1,656,659	3,398,267
Net Change in Fair Value	-	87,890
	<u>1,656,659</u>	<u>3,486,157</u>
Less Investment Expenses	-	(112,851)
Net Investment Income	<u>1,656,659</u>	<u>3,373,306</u>
Total Additions	<u>3,386,376</u>	<u>5,065,717</u>
Deductions		
Administration	54,500	18,538
Benefits and Refunds	2,169,744	1,966,302
Total Deductions	<u>2,224,244</u>	<u>1,984,840</u>
Change in Fiduciary Net Position	<u>\$ 1,162,132</u>	3,080,877
Net Position Restricted for Pensions		
Beginning		<u>27,118,358</u>
Ending		<u>\$ 30,199,235</u>

VILLAGE OF WINNETKA, 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 and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,728,176	\$ 1,708,105
Contributions - Plan Members	241,730	237,416
Total Contributions	<u>1,969,906</u>	<u>1,945,521</u>
Investment Income		
Interest Earned	1,513,110	955,186
Net Change in Fair Value	-	2,448,385
	<u>1,513,110</u>	<u>3,403,571</u>
Less Investment Expenses	-	(117,403)
Net Investment Income	<u>1,513,110</u>	<u>3,286,168</u>
Total Additions	<u>3,483,016</u>	<u>5,231,689</u>
Deductions		
Administration	54,500	16,726
Benefits and Refunds	2,297,336	2,026,733
Total Deductions	<u>2,351,836</u>	<u>2,043,459</u>
Change in Fiduciary Net Position	<u>\$ 1,131,180</u>	3,188,230
Net Position Restricted for Pensions		
Beginning		<u>25,405,726</u>
Ending		<u>\$ 28,593,956</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2013
December 31, 2017**

Date of Issue	November 20, 2013
Date of Maturity	December 15, 2046
Authorized Issue	\$9,000,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.375%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2018	\$ 695,000	\$ 271,250	\$ 966,250	2018	\$ 135,625	2018	\$ 135,625
2019	705,000	257,350	962,350	2019	128,675	2019	128,675
2020	-	243,250	243,250	2020	121,625	2020	121,625
2021	-	243,250	243,250	2021	121,625	2021	121,625
2022	-	243,250	243,250	2022	121,625	2022	121,625
2023	-	243,250	243,250	2023	121,625	2023	121,625
2024	-	243,250	243,250	2024	121,625	2024	121,625
2025	-	243,250	243,250	2025	121,625	2025	121,625
2026	-	243,250	243,250	2026	121,625	2026	121,625
2027	-	243,250	243,250	2027	121,625	2027	121,625
2028	-	243,250	243,250	2028	121,625	2028	121,625
2029	-	243,250	243,250	2029	121,625	2029	121,625
2030	-	243,250	243,250	2030	121,625	2030	121,625
2031	-	243,250	243,250	2031	121,625	2031	121,625
2032	-	243,250	243,250	2032	121,625	2032	121,625
2033	-	243,250	243,250	2033	121,625	2033	121,625
2034	-	243,250	243,250	2034	121,625	2034	121,625
2035	-	243,250	243,250	2035	121,625	2035	121,625
2036	-	243,250	243,250	2036	121,625	2036	121,625
2037	-	243,250	243,250	2037	121,625	2037	121,625
2038	-	243,250	243,250	2038	121,625	2038	121,625
2039	-	243,250	243,250	2039	121,625	2039	121,625
2040	-	243,250	243,250	2040	121,625	2040	121,625
2041	-	243,250	243,250	2041	121,625	2041	121,625
2042	-	243,250	243,250	2042	121,625	2042	121,625
2043-46	5,560,000	736,532	6,296,532	2043-46	368,266	2043-46	368,266
	<u>\$ 6,960,000</u>	<u>\$ 6,859,882</u>	<u>\$ 13,819,882</u>		<u>\$ 3,429,941</u>		<u>\$ 3,429,941</u>

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

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

Date of Issue	January 7, 2014
Date of Maturity	December 15, 2043
Authorized Issue	\$7,500,000
Denomination of Bonds	\$5,000
Interest Rates	2.10% to 4.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2018	\$ -	\$ 345,100	\$ 345,100	2018	\$ 172,550	2018	\$ 172,550
2019	-	345,100	345,100	2019	172,550	2019	172,550
2020	720,000	345,100	1,065,100	2020	172,550	2020	172,550
2021	735,000	316,300	1,051,300	2021	158,150	2021	158,150
2022	755,000	286,900	1,041,900	2022	143,450	2022	143,450
2023	780,000	256,700	1,036,700	2023	128,350	2023	128,350
2024	-	225,500	225,500	2024	112,750	2024	112,750
2025	-	225,500	225,500	2025	112,750	2025	112,750
2026	-	225,500	225,500	2026	112,750	2026	112,750
2027	-	225,500	225,500	2027	112,750	2027	112,750
2028	-	225,500	225,500	2028	112,750	2028	112,750
2029	-	225,500	225,500	2029	112,750	2029	112,750
2030	-	225,500	225,500	2030	112,750	2030	112,750
2031	-	225,500	225,500	2031	112,750	2031	112,750
2032	-	225,500	225,500	2032	112,750	2032	112,750
2033	-	225,500	225,500	2033	112,750	2033	112,750
2034	-	225,500	225,500	2034	112,750	2034	112,750
2035	-	225,500	225,500	2035	112,750	2035	112,750
2036	-	225,500	225,500	2036	112,750	2036	112,750
2037	-	225,500	225,500	2037	112,750	2037	112,750
2038	-	225,500	225,500	2038	112,750	2038	112,750
2039	-	225,500	225,500	2039	112,750	2039	112,750
2040	-	225,500	225,500	2040	112,750	2040	112,750
2041	1,175,000	225,500	1,400,500	2041	112,750	2041	112,750
2042	1,630,000	166,750	1,796,750	2042	83,375	2042	83,375
2043	1,705,000	85,250	1,790,250	2043	42,625	2043	42,625
	<u>\$ 7,500,000</u>	<u>\$ 6,206,200</u>	<u>\$ 13,706,200</u>		<u>\$ 3,103,100</u>		<u>\$ 3,103,100</u>

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 WINNETKA, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 38,745,341	\$ 39,588,465	\$ 41,272,890	\$ 44,214,136
Restricted	1,761,144	1,707,794	1,860,244	2,185,900
Unrestricted	25,891,579	27,129,301	29,281,207	28,439,596
Total Governmental Activities Net Position	66,398,064	68,425,560	72,414,341	74,839,632
Business-Type Activities				
Net Investment in Capital Assets	33,408,142	33,579,099	34,387,040	34,871,969
Unrestricted	10,347,029	8,957,472	8,391,927	8,465,142
Total Business-Type Activities Net Position	43,755,171	42,536,571	42,778,967	43,337,111
Primary Government				
Net Investment in Capital Assets	72,153,483	73,167,564	75,659,930	79,086,105
Restricted	1,761,144	1,707,794	1,860,244	2,185,900
Unrestricted	36,238,608	36,086,773	37,673,134	36,904,738
Total Primary Government Net Position	\$ 110,153,235	\$ 110,962,131	\$ 115,193,308	\$ 118,176,743

*For the nine months ended December 31, 2013.

Data Source: Village Records

	2013	2013*	2014	2015	2016	2017
\$	46,280,785	\$ 47,250,543	\$ 48,774,440	\$ 49,376,918	\$ 49,319,892	\$ 49,438,471
	2,627,694	2,094,038	2,131,857	2,429,573	2,664,797	2,938,353
	28,949,463	20,457,756	20,470,416	(11,611,807)	(10,163,480)	(10,808,641)
	77,857,942	69,802,337	71,376,713	40,194,684	41,821,209	41,568,183
	35,212,605	35,339,276	35,411,186	37,665,272	37,023,731	37,685,412
	11,784,098	17,519,178	17,259,068	17,099,774	16,905,510	17,076,191
	46,996,703	52,858,454	52,670,254	54,765,046	53,929,241	54,761,603
	81,493,390	82,589,819	84,185,626	87,042,190	86,343,623	87,123,883
	2,627,694	2,094,038	2,131,857	2,429,573	2,664,797	2,938,353
	40,733,561	37,976,934	37,729,484	5,487,967	6,742,030	6,267,550
\$	124,854,645	\$ 122,660,791	\$ 124,046,967	\$ 94,959,730	\$ 95,750,450	\$ 96,329,786

VILLAGE OF WINNETKA, ILLINOIS

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

	2009	2010	2011	2012	2013	2013*	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government	\$ 3,492,415	\$ 2,569,120	\$ 1,628,897	\$ 3,588,121	\$ 3,305,269	\$ 2,923,374	\$ 3,926,262	\$ 4,993,616	\$ 1,961,906	\$ 3,858,501
Public Safety	10,293,738	10,957,451	10,882,264	10,732,430	11,291,203	9,179,353	12,316,145	16,821,380	14,156,626	13,540,856
Community Development	1,566,677	1,788,634	1,820,916	1,551,413	2,846,339	1,267,068	1,676,984	1,479,285	1,458,538	1,687,357
Public Works	5,344,087	5,395,988	4,779,063	5,205,126	2,631,500	4,102,763	5,202,568	5,612,699	5,571,479	5,935,901
Interest on Long-Term Debt	91,789	79,805	65,255	51,007	26,102	21,135	14,676	-	-	-
Total Governmental	20,788,706	20,790,998	19,176,395	21,128,097	20,100,413	17,493,693	23,136,635	28,906,980	23,148,549	25,022,615
Activities Expenses										
Business-Type Activities										
Electric	12,158,948	12,608,750	13,856,192	13,400,738	13,844,657	11,635,540	14,646,688	14,504,327	16,555,150	15,409,288
Water	2,887,512	2,842,671	2,912,047	2,959,737	3,042,665	2,398,945	3,073,081	3,232,713	3,225,230	3,070,624
Refuse	2,627,642	2,808,053	2,350,183	2,239,102	2,317,873	1,837,660	2,455,202	2,265,737	2,408,865	2,619,639
Sewer	833,035	769,672	730,361	785,768	810,211	645,870	1,080,243	1,120,487	1,547,869	922,597
Storm Sewer	-	-	-	-	4,996	132,250	663,287	672,999	1,086,896	1,668,549
Total Business-Type	18,507,137	19,029,146	19,848,783	19,385,345	20,020,402	16,650,265	21,918,501	21,796,263	24,824,010	23,690,697
Activities Expenses										
Total Primary	39,295,843	39,820,144	39,025,178	40,513,442	40,120,815	34,143,958	45,055,136	50,703,243	47,972,559	48,713,312
Government Expenses										
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	2,546,969	2,786,378	2,833,013	2,833,541	2,800,597	2,077,704	2,859,138	2,802,463	2,877,490	2,945,963
Public Safety	1,353,519	1,365,208	1,360,861	1,361,370	1,419,674	1,040,252	1,487,238	1,520,422	1,657,944	1,698,498
Community Development	1,447,418	1,403,968	1,847,844	1,510,667	1,838,889	1,831,135	1,929,442	1,760,110	1,743,999	1,450,743
Public Works	94,228	97,384	160,764	168,891	187,290	152,371	120,635	187,165	183,475	141,645
Capital Grants/Contributions	-	-	175,318	111,043	85,341	64,841	73,632	68,868	-	-
Operating Grants/Contributions	155,482	107,452	71,115	53,932	614,646	53,932	-	-	138,138	81,119
Total Governmental Activities	5,597,616	5,760,390	6,448,915	6,039,444	6,946,437	5,220,235	6,470,085	6,339,028	6,601,046	6,317,968
Program Revenues										
Business-Type Activities										
Charges for Services										
Electric	12,999,754	12,836,384	14,998,198	14,570,744	14,959,497	11,030,696	14,737,350	15,596,335	16,018,005	15,677,656
Water	2,790,065	2,818,964	3,164,372	3,150,740	4,138,370	3,099,689	3,457,265	3,531,692	3,656,945	4,075,019
Refuse	555,826	522,719	564,064	615,392	531,817	394,792	536,127	527,518	573,913	1,060,386
Storm Sewer	770,888	720,332	778,004	731,083	954,368	776,137	874,447	952,464	1,047,078	1,207,369
Sanitary Sewer	-	-	-	-	-	-	941,417	1,767,587	2,017,000	1,924,602
Operating Grants/Contributions	-	-	-	-	-	-	134,794	2,000,000	-	-
Total Business-Type Activities	17,116,533	16,898,399	19,504,638	19,067,959	20,584,052	15,301,314	20,681,400	24,375,596	23,312,941	23,945,032
Program Revenues										
Total Primary Government	\$ 22,714,149	\$ 22,658,789	\$ 25,953,553	\$ 25,107,403	\$ 27,530,489	\$ 20,521,549	\$ 27,151,485	\$ 30,714,624	\$ 29,913,987	\$ 30,263,000

	2009	2010	2011	2012	2013	2013*	2014	2015	2016	2017
Net (Expenses) Revenues										
Governmental Activities	\$ (15,191,090)	\$ (15,030,608)	\$ (12,727,480)	\$ (15,088,653)	\$ (13,153,976)	\$ (12,273,458)	\$ (16,666,550)	\$ (22,567,952)	\$ (16,547,503)	\$ (18,704,647)
Business-Type Activities	(1,390,604)	(2,130,747)	(344,145)	(317,386)	563,650	(1,348,951)	(1,237,101)	2,579,333	(1,511,069)	254,335
Total Primary Government Net Revenues (Expenses)	(16,581,694)	(17,161,355)	(13,071,625)	(15,406,039)	(12,590,326)	(13,622,409)	(17,903,651)	(19,988,619)	(18,058,572)	(18,450,312)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	10,830,205	11,838,012	11,398,782	12,437,894	12,318,740	6,128,244	12,895,811	12,864,238	13,105,829	13,204,094
Telecommunications	725,308	724,186	666,106	638,596	1,465,846	460,092	462,013	528,637	460,692	419,153
Natural Gas	698,905	462,104	442,334	458,790	295,395	303,383	558,631	487,513	328,044	436,323
Other	-	-	-	-	-	-	-	-	-	-
Intergovernmental	1,300,836	1,183,995	1,231,060	1,321,062	1,397,198	1,190,192	1,589,475	1,510,357	1,420,554	1,512,020
Sales Tax	1,175,044	991,336	935,697	979,922	1,091,189	882,789	1,106,344	1,292,669	1,179,341	1,190,908
Income Tax	139,324	129,632	137,053	124,253	122,845	134,784	114,799	150,010	131,783	149,725
Personal Property Replacement Tax	390,133	377,086	433,162	369,074	417,081	305,705	380,319	369,855	383,275	388,781
Other	973,020	652,287	464,175	364,513	342,022	95,607	54,617	20,904	258,993	234,975
Investment Income	194,107	67,305	140,572	79,240	64,442	110,640	336,521	265,142	83,273	25,616
Miscellaneous	522,760	632,160	867,320	740,600	(1,342,472)	(5,393,583)	742,396	849,044	822,244	890,026
Transfers	16,949,642	17,058,103	16,716,261	17,513,944	16,172,286	4,217,853	18,240,926	18,338,369	18,174,028	18,451,621
Total Governmental Activities	18,480,368	17,970,250	17,302,802	18,398,725	19,268,228	11,428,555	19,289,827	18,849,989	18,849,292	19,029,648
Business-Type Activities	1,325,471	1,070,059	1,096,342	1,086,582	1,074,565	1,068,036	1,076,358	1,088,001	1,078,490	1,073,096
Property Taxes	281,010	176,909	113,179	84,272	143,444	55,458	73,113	19,349	245,491	180,264
Investment Income	447,005	297,339	244,340	454,527	535,461	693,625	641,826	253,314	173,527	214,693
Miscellaneous	(522,760)	(632,160)	(867,320)	(740,600)	1,342,472	5,393,583	(742,396)	(849,044)	(822,244)	(890,026)
Transfers	1,530,726	912,147	586,541	884,781	3,095,942	7,210,702	1,048,901	511,620	675,264	578,027
Total Business-Type Activities	18,480,368	17,970,250	17,302,802	18,398,725	19,268,228	11,428,555	19,289,827	18,849,989	18,849,292	19,029,648
Changes in Net Position										
Governmental Activities	1,758,552	2,027,495	3,988,781	2,425,291	3,018,310	(8,055,605)	1,574,376	(4,229,583)	1,626,525	(253,026)
Business-Type Activities	140,122	(1,218,600)	242,396	567,395	3,659,592	5,861,751	(188,200)	3,090,953	(835,805)	832,362
Total Primary Government	\$ 1,898,674	\$ 808,895	\$ 4,231,177	\$ 2,992,686	\$ 6,677,902	\$ (2,193,854)	\$ 1,386,176	\$ (1,138,630)	\$ 790,720	\$ 579,336

*For the nine months ended December 31, 2013.

Data Source: Village Records

VILLAGE OF WINNETKA, ILLINOIS

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

	2009	2010	2011	2012
General Fund				
Reserved	\$ 86,844	\$ 74,129	\$ -	\$ -
Unreserved	17,908,679	21,251,060	-	-
Nonspendable	-	-	-	1,979
Restricted	-	-	72,672	84,846
Unassigned	-	-	22,276,610	24,298,449
Total General Fund	<u>17,995,523</u>	<u>21,325,189</u>	<u>22,349,282</u>	<u>24,385,274</u>
All Other Governmental Funds				
Reserved	1,713,163	1,666,725	-	-
Unreserved, Reported in:				
Capital Projects Funds	5,561,377	3,191,571	-	-
Restricted	-	-	1,814,587	2,121,696
Assigned	-	-	2,627,027	482,019
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>7,274,540</u>	<u>4,858,296</u>	<u>4,441,614</u>	<u>2,603,715</u>
Total Governmental Funds	<u>\$ 25,270,063</u>	<u>\$ 26,183,485</u>	<u>\$ 26,790,896</u>	<u>\$ 26,988,989</u>

*For the nine months ended December 31, 2013.

Data Source: Village Records

Note: The Village implemented GASB Statement No. 54 for the year ended March 31, 2011.

2013	2013*	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
268	2,597	91,211	-	-	-
69,660	235,815	-	91,211	-	-
25,231,521	16,612,063	18,080,699	18,942,066	20,317,199	20,674,355
25,301,449	16,850,475	18,171,910	19,033,277	20,317,199	20,674,355
-	-	-	-	-	-
-	-	-	-	-	-
2,561,975	2,033,126	2,040,646	2,338,362	2,664,797	2,938,353
394,663	832,254	741,726	779,117	850,015	669,520
(193,267)	(171,253)	(126,377)	(86,485)	(44,974)	(13,891)
2,763,371	2,694,127	2,655,995	3,030,994	3,469,838	3,593,982
\$ 28,064,820	\$ 19,544,602	\$ 20,827,905	\$ 22,064,271	\$ 23,787,037	\$ 24,268,337

VILLAGE OF WINNETKA, ILLINOIS

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

Source	2009	2010	2011	2012
Taxes	\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280
Licenses and Permits	1,829,281	1,815,124	2,329,913	2,003,172
Intergovernmental	3,160,819	2,789,501	2,983,405	2,959,286
Charges for Services	3,352,175	3,559,413	3,660,154	3,656,488
Fines and Forfeits	260,678	278,401	212,415	214,809
Investment Income	766,214	498,515	326,643	271,790
Miscellaneous	194,107	67,305	140,572	79,240
Totals	<u>\$ 21,817,692</u>	<u>\$ 22,032,561</u>	<u>\$ 22,160,324</u>	<u>\$ 22,720,065</u>

Note: Includes General, Special Revenue, Debt Service and Capital Project Funds.

*For the nine months ended December 31, 2013.

Data Source: Village Records

2013	2013*	2014	2015	2016	2017
\$ 14,079,981	\$ 6,891,719	\$ 13,916,455	\$ 13,880,388	\$ 13,894,565	\$ 14,059,570
2,378,429	2,245,978	2,396,870	2,289,140	2,240,851	1,866,741
3,728,300	2,632,243	3,264,569	3,391,759	3,253,091	3,322,553
3,652,741	2,711,133	3,810,622	3,814,244	4,030,475	4,182,256
215,280	144,351	188,961	166,776	191,582	187,852
260,413	80,397	38,729	16,029	198,119	190,017
64,442	110,640	336,521	265,142	83,273	25,616
<u>\$ 24,379,586</u>	<u>\$ 14,816,461</u>	<u>\$ 23,952,727</u>	<u>\$ 23,823,478</u>	<u>\$ 23,891,956</u>	<u>\$ 23,834,605</u>

VILLAGE OF WINNETKA, ILLINOIS

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

Function	2009	2010	2011	2012
General Government	\$ 2,724,881	\$ 2,935,744	\$ 3,160,342	\$ 2,738,434
Public Safety	10,031,367	10,512,961	11,073,179	10,433,116
Community Development	1,557,858	1,779,641	1,813,451	1,542,096
Public Works	5,954,959	5,863,861	4,973,356	5,179,881
Capital Outlay	68,438	193,484	788,605	2,901,665
Debt Service				
Principal	365,000	380,000	390,000	410,000
Interest and Fiscal Charges	97,348	85,608	71,300	57,380
Total Expenditures	<u>\$ 20,799,851</u>	<u>\$ 21,751,299</u>	<u>\$ 22,270,233</u>	<u>\$ 23,262,572</u>

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

*For the nine months ended December 31, 2013.

Data Source: Village Records

2013	2013*	2014	2015	2016	2017
\$ 3,001,449	\$ 2,464,557	\$ 2,947,643	\$ 3,304,296	\$ 2,956,361	\$ 3,016,519
11,024,520	8,753,436	11,847,222	12,680,756	12,590,006	13,273,553
1,587,389	1,256,959	2,059,844	1,650,761	1,374,119	1,513,155
4,979,279	4,953,498	5,981,049	5,322,647	5,989,321	6,112,882
905,843	52,671	98,285	227,696	91,627	327,222
420,000	440,000	460,000	-	-	-
42,803	21,975	17,777	-	-	-
<u>\$ 21,961,283</u>	<u>\$ 17,943,096</u>	<u>\$ 23,411,820</u>	<u>\$ 23,186,156</u>	<u>\$ 23,001,434</u>	<u>\$ 24,243,331</u>

VILLAGE OF WINNETKA, ILLINOIS

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

	2009	2010	2011	2012
Revenues				
Taxes	\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280
Licenses and Permits	1,829,281	1,815,124	2,329,913	2,003,172
Intergovernmental	3,160,819	2,789,501	2,983,405	2,959,286
Charges for Services and Fees	3,352,175	3,559,413	3,660,154	3,656,488
Fines and Forfeits	260,678	278,401	212,415	214,809
Investment Income	766,214	498,515	326,643	271,790
Miscellaneous	194,107	67,305	140,572	79,240
Total Revenues	21,817,692	22,032,561	22,160,324	22,720,065
Expenditures				
General Government	2,724,881	2,935,744	3,160,342	2,738,434
Public Safety	10,031,367	10,512,961	11,073,179	10,433,116
Community Development	1,557,858	1,779,641	1,813,451	1,542,096
Public Works	5,954,959	5,863,861	4,973,356	5,179,881
Capital Outlay	68,438	193,484	788,605	2,901,665
Debt Service				
Principal	365,000	380,000	390,000	410,000
Interest and Fiscal Charges	97,348	85,608	71,300	57,380
Total Expenditures	20,799,851	21,751,299	22,270,233	23,262,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,017,841	281,262	(109,909)	(542,507)
Other Financing Sources (Uses)				
Transfers In	1,759,160	3,778,842	2,081,380	2,380,360
Transfers Out	(1,236,400)	(3,146,682)	(1,364,060)	(1,639,760)
	-	-	-	-
	522,760	632,160	717,320	740,600
Net Change in Fund Balances	\$ 1,540,601	\$ 913,422	\$ 607,411	\$ 198,093
Debt Service as a Percentage of Noncapital Expenditures	2.50%	2.36%	2.37%	2.44%

*For the nine months ended December 31, 2013.

Data Source: Village Records

	2013	2013*	2014	2015	2016	2017
\$	14,079,981	\$ 6,891,719	\$ 13,916,455	\$ 13,880,388	\$ 13,894,565	\$ 14,059,570
	2,378,429	2,245,978	2,396,870	2,289,140	2,240,851	1,866,741
	3,728,300	2,632,243	3,264,569	3,391,759	3,253,091	3,322,553
	3,652,741	2,711,133	3,810,622	3,814,244	4,030,475	4,182,256
	215,280	144,351	188,961	166,776	191,582	187,852
	260,413	80,397	38,729	16,029	198,119	190,017
	64,442	110,640	336,521	265,142	83,273	25,616
	24,379,586	14,816,461	23,952,727	23,823,478	23,891,956	23,834,605
	3,001,449	2,464,557	2,947,643	3,304,296	2,956,361	3,016,519
	11,024,520	8,753,436	11,847,222	12,680,756	12,590,006	13,273,553
	1,587,389	1,256,959	2,059,844	1,650,761	1,374,119	1,513,155
	4,979,279	4,953,498	5,981,049	5,322,647	5,989,321	6,112,882
	905,843	52,671	98,285	227,696	91,627	327,222
	420,000	440,000	460,000	-	-	-
	42,803	21,975	17,777	-	-	-
	21,961,283	17,943,096	23,411,820	23,186,156	23,001,434	24,243,331
	2,418,303	(3,126,635)	540,907	637,322	890,522	(408,726)
	2,447,833	1,864,302	2,079,116	1,849,044	1,522,244	1,515,026
	(3,790,305)	(7,257,885)	(1,336,720)	(1,250,000)	(700,000)	(625,000)
	-	-	-	-	10,000	-
	(1,342,472)	(5,393,583)	742,396	599,044	832,244	890,026
\$	1,075,831	\$ (8,520,218)	\$ 1,283,303	\$ 1,236,366	\$ 1,722,766	\$ 481,300
	2.48%	2.94%	2.34%	0.00%	0.00%	0.00%

VILLAGE OF WINNETKA, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property
2007	\$ 1,593,445,073	\$ 74,717,663
2008	1,687,972,130	75,156,391
2009	1,794,991,734	72,103,545
2010	1,527,772,751	71,278,854
2011	1,374,421,539	59,890,282
2012	1,278,359,179	54,724,248
2013	1,169,861,689	49,963,175
2014	1,180,513,548	54,144,041
2015	1,154,165,002	44,404,930
2016	1,392,060,810	48,201,322

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	4,157,725	\$ 1,672,320,461	\$ 219,708	\$ 1,672,540,169	0.716
	4,351,536	1,767,480,057	239,890	1,767,719,947	0.710
	4,415,767	1,871,511,046	288,245	1,871,799,291	0.682
	6,179,959	1,605,231,564	359,555	1,605,591,119	0.817
	5,560,414	1,439,872,235	381,855	1,440,254,090	1.558
	4,084,556	1,337,167,983	431,535	1,337,599,518	1.667
	3,845,561	1,223,670,425	532,312	1,224,202,737	1.847
	4,336,479	1,238,994,068	554,920	1,239,548,988	1.801
	-	1,198,569,932	665,627	1,199,235,559	1.836
	-	1,440,262,132	677,213	1,440,939,345	1.365

VILLAGE OF WINNETKA, ILLINOIS

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

	2007	2008	2009
Village of Winnetka			
General Corporate Rate	0.716	0.710	0.682
Special Service Area #3	-	-	-
Special Service Area #4	-	-	-
Special Service Area #5	-	-	-
Total Direct Tax Rate	0.716	0.710	0.682
Overlapping Rates			
Cook County	0.446	0.415	0.394
Elections	0.012	-	0.021
Cook County Hospital	-	-	-
Forest Preserve	0.053	0.051	0.049
TB Sanitarium	-	-	-
Metropolitan Water Reclamation District	0.263	0.252	0.261
Mosquito Abatement District	0.008	0.008	0.008
New Trier Township	0.034	0.034	0.033
New Trier High School	1.299	1.290	1.237
Community College 535	0.141	0.140	0.140
Winnetka School District (36)	2.083	2.083	1.985
Winnetka Public Library	0.101	0.120	0.139
Winnetka Park District	0.239	0.239	0.228
Total Direct and Overlapping Tax Rates	5.395	5.342	5.177

Data Source: Cook County Clerk

2010	2011	2012	2013	2014	2015	2016
0.817	0.936	1.038	1.162	1.154	1.203	1.013
-	0.383	0.397	0.437	0.413	0.402	0.352
-	0.128	0.117	0.131	0.126	0.122	-
-	0.111	0.115	0.117	0.108	0.109	-
0.817	1.558	1.667	1.847	1.801	1.836	1.365
0.423	0.462	0.531	0.560	0.568	0.552	0.533
-	0.025	-	0.031	-	0.034	-
-	-	-	-	-	-	-
0.051	0.058	0.063	0.069	0.069	0.069	0.063
-	-	-	-	-	-	-
0.274	0.320	0.370	0.417	0.430	0.426	0.406
0.009	0.010	0.010	0.007	0.011	0.012	0.010
0.037	0.042	0.047	0.061	0.062	0.066	0.049
1.474	1.674	1.864	2.111	2.268	2.380	1.974
0.160	0.196	0.219	0.256	0.258	0.271	0.231
2.432	2.782	3.094	3.331	3.386	3.354	3.049
0.164	0.187	0.203	0.230	0.233	0.246	0.209
0.271	0.310	0.347	0.391	0.395	0.419	0.354
6.112	7.624	8.415	9.311	9.481	9.665	8.243

VILLAGE OF WINNETKA, 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
Individual	\$ 7,842,187	1	0.544%			
Individual	3,829,118	2	0.266%			
Individual	3,755,517	3	0.261%			
Individual	3,560,064	4	0.247%			
Individual	3,410,776	5	0.237%			
Individual	3,216,680	6	0.223%			
AH2 Signal Hill LTD	3,213,314	7	0.223%			
Individual	3,206,213	8	0.223%			
Hulsizer & Makowiec	2,866,754	9	0.199%			
Individual	2,719,112	10	0.189%			
McDonald's Corp.				\$ 2,055,261	1	0.170%
Individual				2,027,131	2	0.169%
Individual				1,969,232	3	0.164%
Farnworth Hill Inc.				1,851,828	4	0.154%
SBC Ameritech				1,765,648	5	0.147%
Winnetka III, LLC				1,742,925	6	0.145%
Individual				1,729,899	7	0.144%
Hulsizer & Makowiec				1,705,788	8	0.142%
NTP Winnetka LLC*				1,692,242	9	0.141%
ICG Inc. **				1,634,843	10	0.136%
	<u>\$ 37,619,735</u>		<u>2.612%</u>	<u>\$ 18,174,797</u>		<u>1.512%</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2016 EAV of \$1,440,939,345.

* Previously Samida co.

** Previously First Chicago 2115

VILLAGE OF WINNETKA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Fiscal Year	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
2009	2008	\$ 12,535,304	\$ 12,046,185	96.10%	\$ N/A	\$ 12,046,185	96.10%
2010	2009	12,748,404	12,570,984	98.61%	N/A	12,570,984	98.61%
2011	2010	13,105,359	12,932,664	98.68%	N/A	12,932,664	98.68%
2012	2011	13,472,400	13,341,410	99.03%	N/A	13,341,410	99.03%
2013	2012	13,875,587	6,703,878	48.31%	N/A	6,703,878	48.31%
2013*	2012	13,875,587	6,551,164	47.21%	N/A	6,551,164	47.21%
2014	2013	14,222,477	13,927,317	97.92%	N/A	13,927,317	97.92%
2015	2014	14,302,483	13,907,922	97.24%	N/A	13,907,922	97.24%
2016	2015	14,416,903	14,164,385	98.25%	N/A	14,164,385	98.25%
2017	2016	14,589,906	14,264,609	97.77%	N/A	14,264,609	97.77%

Note: Fiscal year 2013* collections represent the second installment (partial) only.

*For the nine months ended December 31, 2013.

N/A - Currently Not Available

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Fiscal Year	Governmental Activities	Business-Type Activates	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds			
2009	\$ 2,500,000	\$ -	\$ 2,500,000	1.49%	\$ 201.30
2010	2,120,000	-	2,120,000	1.27%	170.71
2011	1,730,000	-	1,730,000	1.03%	139.30
2012	1,320,000	-	1,320,000	0.63%	108.31
2013	900,000	-	900,000	0.43%	73.85
2013*	460,000	9,000,000	9,460,000	4.53%	776.24
2014	-	16,500,000	16,500,000	7.81%	1,328.29
2015	-	15,825,000	15,825,000	7.63%	1,267.01
2016	-	15,145,000	15,145,000	7.15%	1,220.68
2017	-	14,460,000	14,460,000	6.96%	1,162.66

*For the nine months ended December 31, 2013.

Data Source: Village's Records

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available For Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2009	\$ 2,500,000	\$ 308,315	\$ 2,191,685	0.12%	\$ 176.48
2010	2,120,000	330,709	1,789,291	0.10%	144.08
2011	1,730,000	345,512	1,384,488	0.09%	111.48
2012	1,320,000	362,824	957,176	0.07%	78.54
2013	900,000	389,638	510,362	0.04%	41.88
2013*	9,460,000	342,761	9,117,239	0.68%	748.11
2014	16,500,000	-	16,500,000	1.35%	1,328.29
2015	15,825,000	-	15,825,000	1.28%	1,267.01
2016	15,145,000	-	15,145,000	1.26%	1,220.68
2017	14,460,000	-	14,460,000	1.00%	1,162.66

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Bonded Debt
December 31, 2017 (Unaudited)**

Governmental Unit	(1) Gross Debt	(2) Percentage to Debt Applicable to Village	(3) Village's Share of Debt
Village of Winnetka	\$ -	100.00%	\$ -
School Districts:			
New Trier High School	85,690,000	26.34%	22,570,746
Oakton Community College No. 535	28,950,000	6.46%	1,870,170
School District No. 36 (Winnetka)	41,446,463	97.94%	40,592,666
School District No. 37 (Avoca)	2,525,000	6.53%	164,883
School District No. 38 (Kenilworth)	9,555,000	9.01%	860,906
Total School Districts	168,166,463		66,059,370
Other Agencies:			
Cook County	3,092,046,750	1.00%	30,920,468
Forest Preserve District	151,010,000	1.00%	1,510,100
Metropolitan Water Reclamation	2,658,416,000	1.02%	27,115,843
Glencoe Park District	7,540,000	0.96%	72,384
Winnetka Park District	5,890,000	93.69%	5,518,341
Total Other Agencies	5,914,902,750		65,137,136
Total Overlapping Debt	6,083,069,213		131,196,506
Total Direct and Overlapping Debt	\$ 6,083,069,213		\$ 131,196,506

(1) The 2017 information is not available as of the date of this report. 2016 data shown.

(2) Determined by ratio of equalized assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in the Village.

(3) Amount in column (2) multiplied by amount in column (1).

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

Legal Debt Margin

December 31, 2017 (Unaudited)

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some 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 General Assembly has set no limits for home rule municipalities.

VILLAGE OF WINNETKA, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Fiscal Year	Property and Sales Tax Revenues	Principal	Interest	Coverage
2009	\$ 13,595,836	\$ 365,000	\$ 97,348	29.41
2010	14,221,698	380,000	85,608	30.54
2011	13,863,237	390,000	71,300	30.05
2012	14,969,791	410,000	57,380	32.03
2013	13,715,938	420,000	42,803	29.64
2013*	7,318,436	440,000	21,975	15.84
2014	14,485,286	460,000	16,447	30.40
2015	14,374,595	N/A	N/A	N/A
2016	14,526,383	N/A	N/A	N/A
2017	14,716,114	N/A	N/A	N/A

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

N/A - Bonds were paid off in 2014.

VILLAGE OF WINNETKA, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Fiscal Year	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2009	12,419	\$ 167,458	\$ 84,134	39.8	4,527	0.8%
2010	12,419	167,458	84,134	39.8	4,527	0.8%
2011	12,419	167,458	84,134	39.8	4,527	0.8%
2012	12,187	207,955	104,440	42.8	4,453	3.5%
2013	12,187	208,750	102,867	42.8	4,453	3.5%
2013*	12,187	208,750	102,867	42.8	4,453	3.5%
2014	12,422	211,250	100,440	41.8	5,153	3.5%
2015	12,490	207,540	98,139	40.5	5,153	3.5%
2016	12,407	211,773	98,139	41.4	5,153	3.7%
2017	12,437	207,857	102,663	40.8	5,419	5.1%

*For the nine months ended December 31, 2013.

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Data provided by School District Administrative Offices

VILLAGE OF WINNETKA, ILLINOIS

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

Employer	2017			2007		
	Employees	Rank	Percentage of Total Village Employment*	Employees	Rank	Percentage of Total Village Employment*
New Trier High School East	680	1	13.60%	516	1	10.39%
School District 36	343	2	6.86%	221	2	4.45%
Village of Winnetka	154	3	3.08%	164	3	3.30%
Coldwell Banker	130	4	2.60%	118	4	2.38%
North Shore Country Day School	115	5	2.30%	115	5	2.31%
BMO Harris Bank	65	6	1.30%	80	6	1.61%
Baird & Warner, Inc.	65	7	1.30%			
Sacred Heart School	45	8	0.90%	43	9	0.87%
Faith, Hope, & Charity School	43	9	0.86%	41	10	0.83%
Infodata Corp	41	10	0.82%			
Killian Co., V.J.				45	8	0.91%
United States Post Office				76	7	1.53%
	<u>1,681</u>		<u>33.62%</u>	<u>1,419</u>		<u>28.58%</u>

Data Sources: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory and a selective telephone survey.

*Note: Total employment was determined by staff estimation.

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

Function	2009	2010	2011	2012
General Government				
Administration	5.0	5.0	5.0	5.0
Finance	15.0	15.0	14.0	14.0
Public Works	20.0	19.5	18.5	18.0
Police	37.0	37.0	36.0	36.0
Fire	25.0	25.0	25.0	25.0
Community Development	10.0	10.0	10.0	10.0
Water	7.0	7.0	7.0	7.0
Sewer	4.0	4.0	4.0	3.5
Stormwater Sewer	-	-	-	-
Electric	27.0	26.5	26.5	26.3
Refuse	10.0	10.0	7.0	7.0
Totals	160.0	159.0	153.0	151.8

*For the nine months ended December 31, 2013.

Data Source: Village Records

2013	2013*	2014	2015	2016	2017
5.0	5.0	5.0	4.5	6.5	6.5
14.0	14.0	14.0	13.0	11.5	12.5
18.0	18.0	18.5	19.0	20.0	22.0
36.0	36.0	35.0	37.5	36.5	35.0
25.0	26.0	26.0	25.0	26.5	27.5
10.0	8.0	7.0	6.5	6.5	6.5
7.0	7.0	7.0	7.0	7.0	7.0
3.5	3.5	2.5	2.5	1.0	1.0
-	-	2.5	2.5	2.0	2.0
26.3	26.3	26.3	23.5	28.5	26.5
7.0	7.0	7.0	8.0	8.0	7.0
151.8	150.8	150.8	149.0	154.0	153.5

VILLAGE OF WINNETKA, ILLINOIS

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

Function/Program	2009	2010	2011	2012
Public Works				
Forestry				
Number of Parkway Trees Planted	500	252	315	300
Fleet Services				
Number of Vehicles Maintained	136	136	136	136
Preventative Maintenance Services	N/A	N/A	N/A	N/A
Public Safety				
Fire				
Calls for Service	2,500	2,230	2,200	2,250
Number of Training Hours	7,300	7,009	6,500	7,000
ISO Rating	4	4	4	4
Police				
Part I Crime	172	158	134	N/A
Part II Crime	139	174	154	N/A
Calls for Service	8,326	8,393	7,908	N/A
State Tickets Issued	3,653	3,468	2,658	N/A
Compliance Tickets Issued	428	356	306	N/A
Community Development				
Number of Building Permits Issued	777	936	1,030	N/A
Number of Building Inspections	2,225	2,450	2,348	N/A
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	20,410	33,299	25,000	25,000
Annual Resurfacing Program (\$)	950,000	1,000,000	1,100,000	1,150,000
Water and Sewer				
Water Meters Read	37,500	37,500	37,500	37,500
Total Distribution Pumpage (1,000 Gallons)	1,253,601	1,286,670	1,279,192	1,113,878
Sanitary Sewer Repairs	12	24	14	14

N/A - Currently Not Available

*For the nine months ended December 31, 2013.

Data Source: Village Records

Note: Indicators are not available for the general government function.

2013	2013*	2014	2015	2016	2017
297	N/A	N/A	225	168	215
136	N/A	N/A	143	135	138
N/A	N/A	N/A	470	218	253
2,250	N/A	2,150	2,150	2,119	2,169
7,000	N/A	7,250	6,316	6,174	8,844
4	3	3	3	3	3
N/A	N/A	N/A	94	82	151
N/A	N/A	N/A	204	209	199
N/A	N/A	N/A	7,449	7,670	15,610
N/A	N/A	N/A	804	834	873
N/A	N/A	N/A	181	138	136
N/A	N/A	N/A	1,212	1,344	1,200
N/A	N/A	N/A	3,197	3,401	2,922
25,377	N/A	N/A	8,700	17,777	15,908
1,150,000	1,008,890	N/A	1,350,537	1,345,014	1,406,230
37,500	N/A	N/A	37,500	37,500	37,500
1,290,813	937,610	1,035,500	1,000,092	1,036,306	1,055,907
12	N/A	N/A	6,605	15	12

VILLAGE OF WINNETKA, ILLINOIS

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

Function/Program	2009	2010	2011	2012
Police				
Stations	1	1	1	1
Patrol Units	9	9	9	9
Fire Stations	1	1	1	1
Public Works				
Streets (Miles)	52	52	52	52
Sidewalks (Miles)	80	80	80	80
Streetlights	867	867	867	867
Water and Sewer				
Water Mains (Miles)	71	71	71	71
Fire Hydrants	665	665	666	666
Sanitary Sewers (Miles)	47	47	47	47

*For the nine months ended December 31, 2013.

Data Source: Village Records

2013	2013*	2014	2015	2016	2017
1	1	1	1	1	1
9	9	9	9	9	9
1	1	1	1	1	1
52	52	52	52	52	52
80	80	80	80	80	80
867	867	867	867	867	867
71	71	71	71	71	71
667	667	667	667	667	667
47	47	47	47	47	47