



COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

FISCAL YEAR ENDED  
DECEMBER 31, 2016



WHEELING, ILLINOIS

**VILLAGE OF WHEELING, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2016

Prepared by Finance Department

Michael B. Mondschain  
Director of Finance

Brian Smith  
Assistant Director of Finance

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## **INTRODUCTORY SECTION**

**VILLAGE OF WHEELING, ILLINOIS**

**PRINCIPAL OFFICIALS**

**DECEMBER 31, 2016**

**ELECTED OFFICIALS**

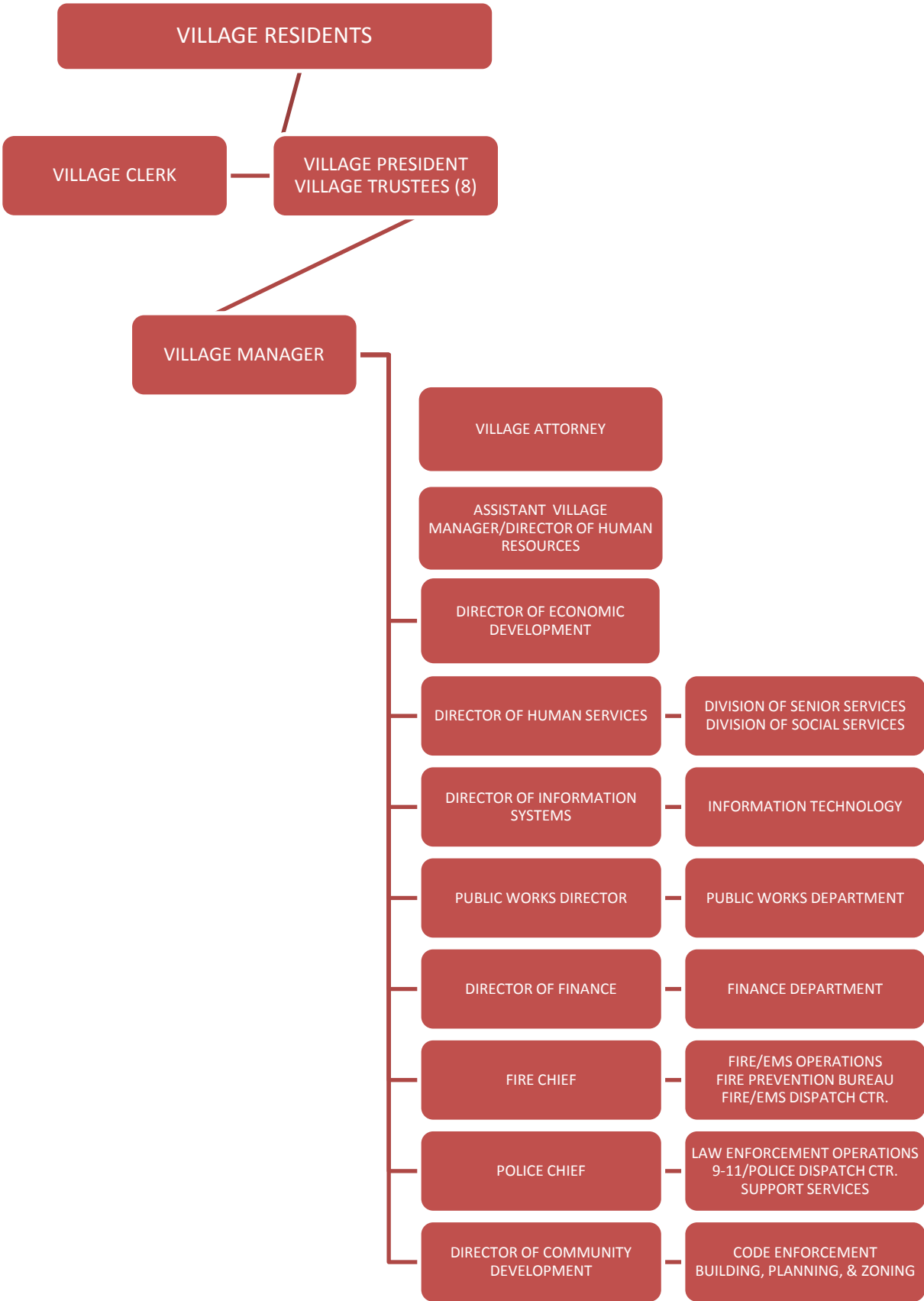
Dean Argiris  
*Village President*

Kenneth Brady  
Joe Vito  
Mary Papantos  
Mary Krueger  
Ray Lang  
David Vogel  
*Village Trustees*

Elaine Simpson  
*Village Clerk*

**ADMINISTRATIVE**

Jon Sfondilis - *Village Manager*  
Michael Crotty - *Asst. Village Manager/Director of Human Resources*  
Michael Mondschain - *Director of Finance*  
Andrew Jennings - *Director of Community Development*  
James Dunne - *Police Chief*  
Keith Maclsaac - *Fire Chief*  
Mark Janeck - *Director of Public Works*  
Shari Matthews Huizar - *Director of Human Services*  
John Melaniphy III - *Economic Development Director*  
Luca Ursan - *Director of Information Technology*





Government Finance Officers Association

**Certificate of  
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Presented to

**Village of Wheeling  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO



2 Community Blvd. • Wheeling, Illinois 60090  
Phone: (847) 459-2600 • Fax: (847) 459-9692

June 8, 2017

To the Honorable Village President, Village Clerk, Trustees, and Residents of the Village of Wheeling:

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements included in this report depict the financial position and changes in financial position presented in conformance with Generally Accepted Accounting Principles (GAAP). Sikich LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the Village of Wheeling’s financial statements for the year ended December 31, 2016. The independent auditor’s report is located at the front of the financial section of this report.

The financial statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Sikich LLP provides, with reasonable assurance that the financial statements are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of this Comprehensive Annual Financial Report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Village of Wheeling**

The Village of Wheeling, incorporated in 1894, is located in the Chicago, Illinois metropolitan area just 27 miles northwest of downtown Chicago. It currently occupies 8.6 square miles and serves a population of 37,648. Wheeling has easy access to both air and ground transportation providing several convenient ways to get anywhere in the Chicago metropolitan area or the world. Ground transportation can be accessed through the Tri-State Tollway (I-294), the METRA north central passenger line, or PACE, the suburban bus division of the Regional Transportation

Authority. Interstate 294 runs along the eastern edge of the Village, connecting Wheeling with Chicago and Milwaukee (70 miles). Just two miles to the west is Route 53, a freeway that leads to I-290 and I-355, offering easy access to the South and West suburbs, Rockford and beyond. Air transportation is available through O'Hare International Airport, located just seven miles from Wheeling, and Chicago Executive Airport, situated partly in the Village of Wheeling and the City of Prospect Heights. Wheeling and Prospect Height's municipal airport is the third busiest in Illinois and is home to many corporate jets and private planes.

In addition to an excellent transportation network, Wheeling is an outstanding community in which to live and work. The Village has an ideal mix of residential and multi-family housing, excellent schools and park district facilities, and some of the Chicago area's best known restaurants. Milwaukee Avenue is the site of Wheeling's famous "Restaurant Row", home to restaurants featuring Italian, Japanese, Chinese and American cuisine. Six major hospitals are nearby, giving residents several options to meet their medical needs. Wheeling High School has received state and national recognition for its Science, Technology, Engineering and Math (STEM) program.

In addition to its primary and secondary schools, Village residents can take advantage of graduate level courses in business and education taught at National Louis University's campus in Wheeling. William Rainey Harper College – a leading 2-year community college – also serves Wheeling, offering certificate and associate degree programs as well as college transfer programs.

The Village of Wheeling operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing board (Board) consisting of the President, Village Clerk and six trustees, all elected on a non-partisan basis. Board members serve four-year terms, with three trustees elected every two years. All members of the Board are elected at large. The Board appoints the Village Manager, who in turn appoints the heads of the various departments.

The Board is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time. The Village became a home rule unit by referendum on April 19, 1977, which gives it additional powers to tax and regulate not specifically granted by the Illinois constitution.

The Village provides a full range of services including police protection, firefighting, fire prevention and emergency medical services, design, construction and maintenance of roads, streets and infrastructure, garbage collection, water distribution, storm and sanitary sewer system maintenance and repair, fleet services garage vehicle maintenance, community and economic development and planning, senior citizen and social services, and general and financial administration and services.

The Village Board is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for financial planning and control. The budget is prepared by fund, function (e.g. public safety), department (e.g. police) and program (e.g. commuter parking). The Village Manager may transfer resources between departments, programs or line items without Board approval. Transfers that increase or decrease the total fund budget require special approval from the Village Board.

Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds, and Pension Funds are included in the annual operating budget. Project length financial plans are prepared and are published in a separate Capital Improvement Plan (CIP). The Village also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances lapse at year end; however, encumbrances are generally re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

### **Local economy**

From a financial perspective, FY 2016 produced strong results for the Village of Wheeling. Two of the Village's largest sources of revenue – sales and income tax – serve as indicators of the strength of the local economy and are therefore important to monitor closely. Sales tax receipts were down -\$608,058 (-5.64%) compared to FY 2015; however, the decrease was due to the Village having received four large one-time use tax transactions totaling \$986,785 in revenue in FY 2015. The Village received \$553,974 from two large one-time use tax transactions in FY 2016 as well, but the \$432,811 drop in revenue from these transactions (compared to the prior year) made it appear that the Village's sales tax base declined more significantly than was otherwise the case. Excluding the one-time transactions from both fiscal years, sales tax revenue (i.e. attributable to the Village's base) declined -\$175,247 (-1.79%) compared to FY 2015 receipts.

Similarly, the Village's share of state income tax revenue was much weaker than expected with receipts decreasing by -\$341,060 (-8.51%) compared to the prior year. This result is difficult to explain given what appears to be an improving state and national economy. Since income tax is distributed by the state to municipalities on a per capita basis, the FY 2016 decline in receipts is something all communities – not just Wheeling - in Illinois are experiencing. A report from the Illinois Municipal League placed some of the blame on the Department of Revenue's new accounting system and on changes to the federal tax code that impact how much corporations are paying in federal and state income taxes.

Sales and income tax revenue are proxy indicators of the strength of the local and state economy. Other sources of income that serve the same purpose include the following:

- Building Permit revenue was down -\$332,560 (-59.46%) because permits were issued for a major project in FY 2015. Receipts for FY 2016 were closer to historical levels.
- Video Gaming Tax was up \$42,754 (+23.96%)
- State Use Tax was up \$70,714 (+8.38%)
- Hotel/Motel tax was down -\$39,976 (-3.81%)
- Food & Beverage tax was down -\$822 (-0.09%)

Other sources of revenue that showed gains but are not directly related to changes in the economy include the following:

- Property tax revenue was up \$1,497,371 (+13.62%)
- Dispatching Agreement revenue was up \$113,583 (7.73%)\*

\*2015 was the first full year of the Village's agreement with the City of Des Plaines

General Fund revenue increased overall by \$621,576 or 1.65% (excluding other financing sources) as a result of a Village Board decision to increase the Village's total property tax levy by 11.2%. The increase in the levy produced an additional \$1,497,371 in revenue for the General Fund and offset declines in sales tax (i.e. resulting from a decline in large one-time use tax transactions as compared to 2015) and income tax receipts.

The increase in revenue was enough to offset the increase in expenditures which grew by \$1,215,216 or 3.29% (including other financing uses). The growth in expenditures was largely attributable to an increase of \$1,181,489 (181.66%) in the Village's contribution to its Capital Equipment Replacement Fund (CERF). When other financing uses are excluded, expenditures increased by only \$114,340 (.32%), which is indicative of the Village's efforts to control costs while continuing to provide core services to the Village's residents and businesses.

The Village approached the FY 2016 budget process conservatively by finding ways to limit the growth in expenditures while adjusting the property tax levy to offset other sources of revenue – primarily sales and income tax revenue – that, in the last few years, have not increased as much as hoped. The result was a General Fund surplus of \$402,581 that was reduced to \$152,581 after the Village Board opted to use \$250,000 of the surplus to make additional contributions to the pension funds in order to address Wheeling's unfunded liabilities. The result was much better than expected given that the Village initially approved a balanced budget and can be attributed to the departments' efforts to conserve limited resources and an improving local economy.

Wheeling is home to a dynamic business and industrial center consisting of over 850 businesses which make it one of the largest business-industrial hubs in Chicago's northwest suburbs. The Village houses approximately 13.5 million square feet of industrial space under roof along with several expansive industrial parks which offer room for companies to grow. The community has the fifth largest manufacturing employment concentration in the State of Illinois behind Chicago, Elk Grove Village, Rockford, and Elgin.

More than 21,000 jobs are generated by Wheeling-based businesses, attesting to the community's economic strength. Of those jobs, approximately 32% are in the manufacturing sector and nearly 20% are in the wholesale and retail sectors. In 2016, retail sales in Wheeling exceeded \$625 million and the Westin Chicago North Shore Hotel and Convention Center and other hotels in Wheeling reached occupancy levels over 72%. According to the Illinois Department of Employment Security, Wheeling's unemployment rate has remained relatively stable over the last ten years, hovering around 4.8% for the past year, lower than the state's average rate of 5.9%.

There are several major developments under construction, catalyzing interest in further opportunities in Wheeling. The Village issued 1,659 permits for nearly \$45 million worth of construction projects in 2016. The following major projects were initiated or completed in FY 2016:

- The Wheeling Town Center project broke ground in the fall of 2016 with much of the site work in various stages of construction. The \$100 million transit-oriented mixed-use development adjacent to the Metra station is a master-planned project that will feature approximately 300 luxury apartment units and 100,000 square feet of retail space anchored by a first-run movie and dinner theater as well as signature restaurants, fast-casual restaurants and specialty stores. Several tenants signed letters of intent to join the project including CMX movie theater, Terra Fiamma Restaurant, Starbucks Coffee Company, Potbelly Sandwich Works, AT&T, Andy's Frozen Custard, and Noodles & Company.
- Northgate Crossing, a transit-oriented 288-unit luxury apartment development located at 250 Northgate Parkway, was completed in 2016 and reached over 70 percent occupancy, exceeding forecasts. The development features nine, three-story buildings with 32 units per building, as well as attached garages, a clubhouse, walking trails, and other amenities. The project complements the community's Town Center master plan, which calls for a concentration of multi-family housing along with mixed-use

commercial and residential development in proximity to the Wheeling Metra Station. In addition, the developer began building a 12-unit townhouse project across the street from Northgate Crossings in 2016.

- LaSalle Group continued to build The Whitley of Wheeling, a senior housing project at 60–156 West Dundee Road. The 102-unit assisted living and memory-support facility will encompass a three-story structure with walking trails, gardens, abundant landscaping, and other amenities. The project is expected to open in the fall of 2017.
- Sitex purchased the former ABF Truck Terminal and began redeveloping the property into an 84,000 square foot spec industrial facility focused on warehouse, distribution and logistics uses.
- Richelieu Foods, a major frozen pizza and salad dressing manufacturer, opened a 115,000 square foot facility in Wheeling in 2016 with one production line and 125 employees. In 2017, Richelieu Foods plans to add two more production lines and another 250 employees.
- The retail market saw several new retailers and restaurants open or begin construction in 2016 including Binny's Beverage Depot, Cricket Wireless, Dundee Hot Dogs, Café Zupas, and Boston Fish Market.

With these major projects underway, Wheeling is positioned for a productive year ahead.

### **Long-term financial planning and relevant financial policies**

The Village's financial policies establish minimum reserve levels for certain funds of the Village. At December 31, 2016, the fund balance in the General Fund totaled \$14,615,067, representing 38.3% of general fund expenditures (including inter-fund transfers), more than the 25 percent minimum established by the Board. Of this amount, \$13,453,786 was unassigned and available to fund future programs and services. The Village's other funds had fund balances that met or exceeded the minimums required by policy, in instances where one has been formally adopted by the Board.

In recent years, the Village Board has implemented several new sources of revenue and taken other action to ensure the long-term financial stability of the community. In 2006, the Village increased the home rule sales tax rate from .75% to 1.0% and implemented a 1% food and beverage tax. In addition, the Village has taken a proactive approach to the Village's property tax levy by consistently approving increases intended to meet the demands of rising operating costs. Over the past 10 years (from the 2007 to 2016 levies), the levy has increased an average of 5.29% per year from \$8.82 million to \$14.7 million. In FY 2010, the Village increased its hotel/motel tax from 5% to 6% (generating an additional \$120,000 annually to pay for operating costs), and increased its gas and electric use tax (in 2013) in order to generate an additional \$1,000,000 annually for capital project purposes.

In addition to its fund balance policy, the Village has several other policies in place intended to meet a number of financial objectives. One example is the capital asset policy, which requires that the Village maintain capital asset records to comply with governmental financial reporting standards, to provide a basis for determining appropriate insurable values, and to establish responsibility for property control. Capital assets include land, infrastructure, buildings, machinery, equipment, and vehicles with estimated useful life in excess of one year, subject to the capitalization threshold.

Another example is the Village's Capital Equipment Replacement Fund (CERF) policy, which requires departments to set aside funds each year for the eventual replacement of existing equipment and to avoid significant fluctuations in the operating budget from one year to the next. Each department annually contributes to the replacement fund to ensure that sufficient funds exist to replace the item at the end of its useful life without having to borrow to cover those costs.

Finally, the Village recently revised its debt management policy and created a surplus revenue policy. The former provides guidance to the administration regarding purposes for which debt may be issued, types and amounts of permissible debt and the method of sale that may be used. The latter provides a process by which the Village Board can contribute surplus General Fund revenue to the pension funds in order to reduce the Village's unfunded liabilities and the long-term cost of retirement benefits. In the last two years, the Village has relied on the surplus revenue policy to contribute an additional \$1,250,000 to the Village's three pension funds. Each of these policies is intended to strengthen the Village's overall financial position.

### **Major initiatives**

During the fiscal year that ended December 31, 2016, the Village completed a number of significant projects, including the following:

- The Administrative Services Department assisted with recruitment of new businesses that will open to the public in 2017, including Boston Fish Market, Siri, Café Zupas and Binny's Beverage Depot. The department also implemented a comprehensive Stormwater Master Plan that addresses the planning and financing of stormwater management and flood mitigation improvements Village-wide.
- The Finance Department sold \$11.335 million in general obligation refunding bonds to refund the Village's 2005 TIF revenue bonds at a present value savings of \$3.035 million. The department also retired a tax increment financing note by prepaying the \$2.040 million balance. Paying off the note early saved the Village over \$200,000 in interest expense over the remaining life of the note and made \$200,000 in annual sales tax revenue available for other General Fund purposes.
- The Community Development Department worked with representatives of the Indian Trails Public Library and School District 214 on significant additions to their facilities. The department also managed the safety and appearance of over 1,000 rental properties through the Rental Licensing Program.
- The Human Services Department continued to work towards integrating the Wheeling Pavilion Center recreation programs with the Wheeling Park District Community Recreation Center by January 1, 2018. The Wheeling Pavilion Center will be closed at the end of 2017.
- The Police Department continued to proactively approach the prevention of crime by building communication and trust within the community. Participation grew in programs such as the Citizens Police Academy, Citizens Patrol, Neighborhood Watch and National Night Out.
- The Fire Department worked with other governmental partners to reduce costs related to the purchase of two ambulances and mobile/portable radios.
- The Public Works Department oversaw substantial completion of the Dundee Road/Community Boulevard intersection project and the McHenry/Dundee and Elmhurst/Dundee intersections. The latter included intersection expansion, turn lane additions and traffic signal upgrades.

## Awards and Acknowledgements

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 (CAFR) for the fiscal year ended December 31, 2015. This was the thirty-sixth (36<sup>th</sup>) consecutive year the Village received this prestigious award. 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 we are submitting it to the GFOA to determine its eligibility for another certificate.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its annual operating budget dated January 1, 2016. This marked the thirtieth (30<sup>th</sup>) consecutive year the Village has received this recognition. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged to be proficient in several categories including policy documentation, financial planning, communication and organization.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Particular recognition should be given to Brian Smith, Assistant Director of Finance, Nancy Hoppe, Accountant, and Michael Marro, Accountant, for their hard work and dedication in completing this report. In addition, the Village wishes to recognize the staff of the firm of Sikich LLP, the Village auditors, and in particular Brian LeFevre and Anthony Cervini, whose professionalism and cooperation are sincerely appreciated by the Village and in particular by the staff of the Finance Department. The tireless dedication of the staff of Sikich LLP, in cooperation with the Village staff, provided a cooperative working relationship for the Village of Wheeling.

In closing, we would like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Without their leadership and ongoing support, preparation of this report would not have been possible.

Respectfully submitted,



Jon Sfondilis  
Village Manager



Michael B. Mondschain  
Finance Director

## **FINANCIAL SECTION**



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*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

The Honorable President  
Members of the Board of Trustees  
Village of Wheeling, 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 Wheeling, Illinois (the Village), as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental, internal service, and fiduciary funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended December 31, 2016, as indicated 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 basic 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 Wheeling, Illinois as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, internal service, and fiduciary funds of the Village of Wheeling, Illinois as of December 31, 2016, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity 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 and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements and on the combining and individual fund financial statements. The financial information listed as schedules and the supplemental financial information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules and supplemental financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic, combining and individual fund 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and each nonmajor governmental, internal service, and fiduciary funds of the Village as of and for the year ended December 31, 2015, and we expressed unmodified opinions on those financial statements. The audit was conducted for purposes of forming an opinion on the financial statements as a whole. The balance sheets, schedules of revenues, expenditures (expenses), and changes in fund balance (net position) - budget and actual for each fund with comparative actual is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

*Sikich LLP*

Naperville, Illinois  
June 8, 2017

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

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As management of the Village of Wheeling, we offer readers of the Village of Wheeling's financial statements Management's Discussion and Analysis (MD&A) of the financial activities of the Village of Wheeling for the fiscal year ended December 31, 2016. The MD&A provides a narrative and analysis of the Village of Wheeling's financial activities for the fiscal year and is designed to:

1. Provide an overview of the Village's financial activity.
2. Assist the reader in focusing on significant financial issues by identifying changes in the Village's financial position and its ability to address subsequent year challenges.
3. Identify material deviations from the approved budget, and individual fund issues or concerns.

Since the MD&A's focus is on current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter, beginning on page iv, and the Village's financial statements beginning on page 4.

### Financial Highlights

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The Village's total net position is \$110,384,125, of which \$57,312,735 is represented by governmental activities and \$53,071,390 is represented by business-type activities. During the 12 months ended December 31, 2016, the prior year restated governmental net position of \$63,535,659 decreased by \$6,222,924, or 9.79%, and business-type activities' prior year net position of \$52,624,579 increased by \$446,811, or 0.85%.

On December 31, 2016, the Village's governmental funds reported combined fund balances of \$28,620,714, a decrease of \$783,035 (-2.66%) in comparison with the prior year. Approximately 45.4% of this amount (\$12,997,007) is available for spending at the Village's discretion (*unassigned fund balance*). Changes in revenues and expenses of both governmental and business-type activities will be reviewed in greater detail under the Current Year Impacts of the Government-Wide Financial Statements section.

At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$14,125,447, or approximately 39.6% of the general fund's expenditures.

### Overview of the Financial Statements

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This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### Government-wide Financial Statements

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The *government-wide financial statements* – consisting of the *statement of net position* and the *statement of activities* - are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the Village of Wheeling's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

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The *statement of activities* presents information showing how the Village of Wheeling's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Village's basic services, including general government, public safety, highways and streets, airport – joint venture, and interest and fees. The business-type activities of the Village include the water and sewer operations.

The government-wide financial statements can be found on pages 4-7 of this report.

### **Fund Financial Statements**

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Fund groups contain related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements allow the demonstration of compliance with finance-related legal requirements. The focus is on major funds, rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### *Governmental Funds*

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

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

The Village maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for major funds. The General Fund, Town Center TIF #2 Fund, North Milwaukee/Lake Cook Redevelopment Area Fund, and the Capital Equipment Replacement Fund are considered major governmental funds in 2016. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for its governmental and enterprise funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8-13 of this report.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

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### *Proprietary Funds*

The Village maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The Village uses an enterprise fund to account for its Waterworks and Sewerage operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for accumulation of resources and costs associated with its liability insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 14-18 of this report.

### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are unavailable for support of the Village's programs and are not reflected in the government-wide financial statements. The accounting for fiduciary funds is much like that used for proprietary funds. The Village maintains two pension trust funds. The Police and Firefighters' pension trust funds are used to report resources held in trust for retirees and beneficiaries covered by the Police or Firefighters' pension plans.

The fiduciary fund financial statements can be found on pages 19-20 of this report.

### **Notes to the Financial Statements**

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The notes provide information essential in understanding the data provided in the government-wide and fund financial statements and can be located on pages 21-81 of this report.

### **Other Information**

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In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which include the general fund budgetary comparison schedule and information concerning the Village's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on page 82-93 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 94-141 of this report.

### **GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

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In accordance with GASB Statement No. 34, the Village presented comparative financial information to better understand the Village's financial position and changes in financial position. An analysis of the Village's financial position begins with a review of the Statement of Net position and the Statement of Activities. These two statements report the Village's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

### Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wheeling, assets and deferred outflows exceeded liabilities and deferred inflows by \$110,384,125 as of December 31, 2016. This was a combined decrease from 2015 of \$3,315,688 (2.92%). A summary of the Village's Statement of Net position is presented below in Table 1.

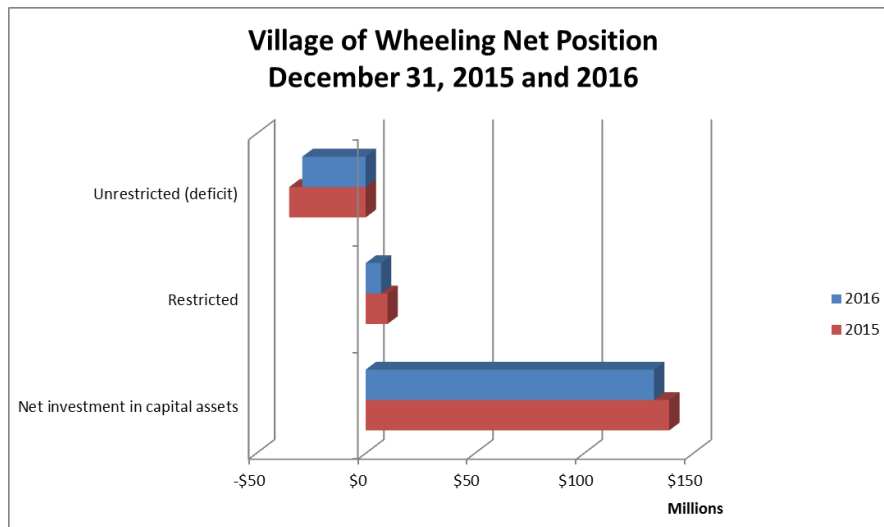
**Table 1: Condensed Statements of Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 52,040	\$ 49,551	\$ 8,071	\$ 7,660	\$ 60,111	\$ 57,211
Capital assets	138,532	141,761	42,572	42,812	181,104	184,573
Investment in joint venture	-	-	6,986	6,966	6,986	6,966
<b>Total Assets</b>	<b>190,572</b>	<b>191,312</b>	<b>57,629</b>	<b>57,438</b>	<b>248,201</b>	<b>248,750</b>
<b>Deferred Outflows of Resources</b>						
Pension items	9,969	11,436	637	813	10,606	12,249
Other Deferred Outflows	4,107	4,637	11	13	4,118	4,650
<b>Total Deferred Outflows</b>	<b>14,076</b>	<b>16,073</b>	<b>648</b>	<b>826</b>	<b>14,724</b>	<b>16,899</b>
<b>Total Assets and Deferred Outflows</b>	<b>204,648</b>	<b>207,385</b>	<b>58,277</b>	<b>58,264</b>	<b>262,925</b>	<b>265,649</b>
<b>Liabilities</b>						
Current and other liabilities	8,561	7,851	268	300	8,829	8,151
Long-term liabilities	121,981	124,024	4,810	5,339	126,791	129,363
<b>Total Liabilities</b>	<b>130,542</b>	<b>131,875</b>	<b>5,078</b>	<b>5,639</b>	<b>135,620</b>	<b>137,514</b>
<b>Deferred Inflows of Resources</b>						
Pension Items	2,093	435	128	-	2,221	435
Property Tax	14,700	14,000	-	-	14,700	14,000
<b>Total Deferred Inflows</b>	<b>16,793</b>	<b>14,435</b>	<b>128</b>	<b>-</b>	<b>16,921</b>	<b>14,435</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>147,335</b>	<b>146,310</b>	<b>5,206</b>	<b>5,639</b>	<b>152,541</b>	<b>151,949</b>
<b>Net Position</b>						
Net investment						
in capital assets	93,185	99,845	39,095	38,977	132,280	138,822
Restricted	7,352	10,113	-	-	7,352	10,113
Unrestricted (deficit)	(43,224)	(48,883)	13,976	13,647	(29,248)	(35,236)
<b>Total net position</b>	<b>\$ 57,313</b>	<b>\$ 61,075</b>	<b>\$ 53,071</b>	<b>\$ 52,624</b>	<b>\$ 110,384</b>	<b>\$ 113,699</b>

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016



### *Governmental Activities Net Position Summary:*

- ◆ Governmental Activities total net position decreased \$6,222,924. A major component of the decrease was a significant reduction in deferred outflows of resources related to the fire, police, and IMRF pensions. These differences are described further in the notes to the financial statements.
- ◆ Governmental Activities net investment in capital assets reduced by \$6,659,863, due to depreciation and the sale of the former public works building located at 233 Hintz Road to a former tenant, the Mutual Aid Box Alarm System (MABAS).
- ◆ Net position restricted for economic development decreased by \$4,881,207 because the Village prepaid a Tax Increment Financing note in order to realize present value savings and due to an amortized bond premium on the refunding of the 2005 TIF Revenue Bonds in the North Milwaukee/Lake Cook Redevelopment Area Fund. .
- ◆ The Village made a prior period adjustment to reduce land asset values and record the capitalization of stormwater credits received from the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) as an intangible asset in the Governmental Activities net investment in capital assets.
- ◆ Total unrestricted net position reflected a deficit of (\$43,224,665). This deficit was reduced in 2016 by \$5,657,967 from (\$48,882,632) in 2015.

### *Business-Type Activities Net Position Summary:*

- ◆ Business-Type Activities total net position increased by \$446,811 (.85%) as a result of an increase in current assets. The increase can be attributed to charges for services in excess of expenses for the year.
- ◆ The Business-Type Activities net investment in capital assets increased by \$117,538 (.30%) from the acceptance of the developer contribution of Millbrook Pointe watermain and sewer main and the reconstruction of Arlington Club water main, less the annual depreciation of Business-Type Activities capital assets.
- ◆ Total liabilities decreased by \$528,427 (-9.90%) as the Village continued to pay down debt issued to maintain and improve the water and sewer system.

**VILLAGE OF WHEELING, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

DECEMBER 31, 2016

**Statement of Activities**

The Statement of Net position shows the changes in net position from one year to the next. The specific reasons for these changes can be more easily discerned by viewing the Statement of Activities as shown in Table 2.

**Table 2: Condensed Statement of Activities**

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 6,569	\$ 6,590	\$ 9,030	\$ 8,657	\$ 15,599	\$ 15,247
Operating grants and contributions	1,196	1,136	-	-	1,196	1,136
Capital grants and contributions	108	1,006	361	-	469	1,006
General Revenue:						
Property taxes	23,536	21,898	-	-	23,536	21,898
Other taxes	16,667	17,362	-	-	16,667	17,362
Intergovernmental	5,081	5,282	-	-	5,081	5,282
Other	2,688	2,638	39	56	2,727	2,694
Total Revenues	<u>55,845</u>	<u>55,912</u>	<u>9,430</u>	<u>8,713</u>	<u>65,275</u>	<u>64,625</u>
Expenses:						
General government	26,037	16,160	-	-	26,037	16,160
Public safety	28,510	27,098	-	-	28,510	27,098
Highways and streets	4,793	4,740	-	-	4,793	4,740
Airport – joint venture	661	360	-	-	661	360
Interest and fees	2,683	2,975	-	-	2,683	2,975
Water and sewer	-	-	8,366	8,149	8,366	8,149
Total Expenses	<u>62,684</u>	<u>51,333</u>	<u>8,366</u>	<u>8,149</u>	<u>71,050</u>	<u>59,482</u>
Increase (Decrease) in Net Position						
Before Transfers	(6,839)	4,579	1,064	564	(5,775)	5,143
Transfers	617	572	(617)	(572)	-	-
<b>Change in Net Position</b>	<b>(6,222)</b>	<b>5,151</b>	<b>447</b>	<b>(8)</b>	<b>(5,775)</b>	<b>5,143</b>
Beginning Net Position	61,075	101,837	52,624	52,595	113,699	154,432
Change in accounting principle	-	(46,710)	-	(628)	-	(47,338)
Prior period adjustment	2,460	797	-	665	2,460	1,462
Beginning Net Position, Restated	63,535	55,924	52,624	52,632	116,159	108,556
<b>Ending Net Position</b>	<b>57,313</b>	<b>61,075</b>	<b>53,071</b>	<b>52,624</b>	<b>110,384</b>	<b>113,699</b>

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

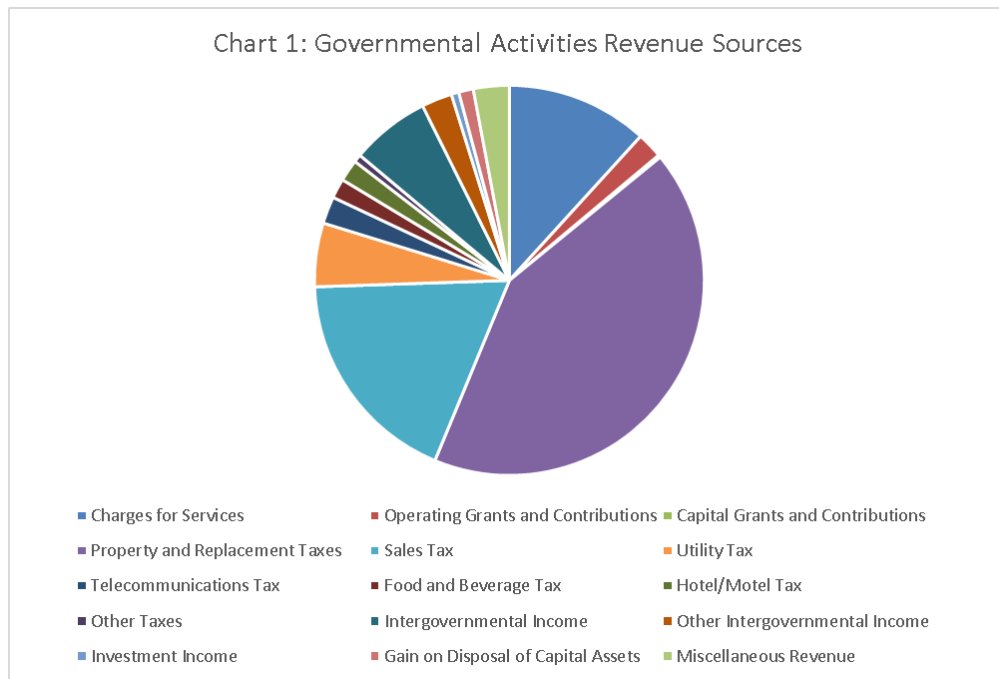
### *Governmental Statement of Activities Summary:*

During the current fiscal year, net position for governmental activities decreased \$6,222,924 from the prior fiscal year for an ending balance of \$57,312,735.

### *Governmental Activities Revenues*

For the fiscal year ended December 31, 2016, revenues from governmental activities totaled \$55,843,371. Property taxes totaled \$23,535,987, representing 42.15% of total governmental funds' revenue. Sales and use taxes totaled \$10,178,754 accounted for 18.23% of revenue and charges for services represented 11.76% of total governmental activity revenue.

An analysis of the Village's governmental activities revenue sources is presented below in Chart 1.



- ◆ Property tax revenue increased from \$21,897,622 in fiscal year 2015 to \$23,535,987 in fiscal year 2016, an increase of \$1,638,365 or 7.48%. This was primarily due to an increase in the Village's property tax levy, increases to property tax increment revenue in the Village's TIF funds, and TIF Surplus declarations.
- ◆ The Village experienced a 2.46% decrease in its equalized assessed valuation (EAV) from \$857,398,841 in tax year 2014 to \$836,282,523 in tax year 2015.

<u>Levy Year</u>	<u>EAV</u>
2014	\$ 857,398,841
2015	\$ 836,282,523
Decrease	\$ 21,116,318
% Decrease	2.46%

- ◆ Sales tax revenue decreased by 5.64% or \$608,059 from the prior year, in part because the Village only received two one-time large sales tax payments in 2016, compared to four in 2015.
- ◆ Income tax revenue decreased 8.51% or \$341,060 from the prior year. A report from the Illinois Municipal League issued in 2016 placed some of the blame on the Department of Revenue's new

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

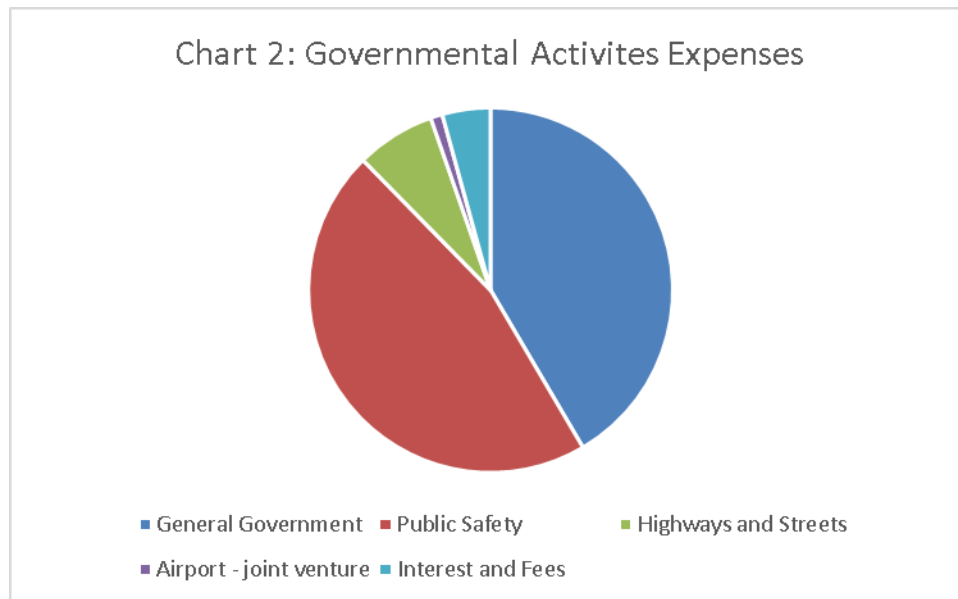
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accounting system and on changes to the federal tax code that impact how much corporations are paying in federal and state income taxes.

- ◆ Telecommunication taxes decreased 7.12%, or \$89,163 from the prior year as residents continue to eliminate their landlines in favor of cell phone use.
- ◆ Highways and streets charges for services increased \$637,065 over the prior year due to the Village's new stormwater fee, used to fund stormwater maintenance and improvement projects.
- ◆ General government charges for services decreased 31%, or \$823,556 from the prior year as a result of loss of rent from the sale of 233 Hintz Road to MABAS in February.
- ◆ Miscellaneous revenues increased 15.88%, or \$228,052 over the prior year from revenues associated with the Wheeling Town Center Project.
- ◆ Internal Service Fund contributions increased 11.73%, or \$177,277 over prior year contributions to cover self-insured liability claims.

### *Governmental Activities Expenses*

For the fiscal year ended December 31, 2016 expenses from governmental activities totaled \$62,683,644. Public Safety and General Government services account for 46% and 42% of all governmental activities expenses, respectively. An analysis of the Village's governmental activities expenses by category is presented below in Chart 2.

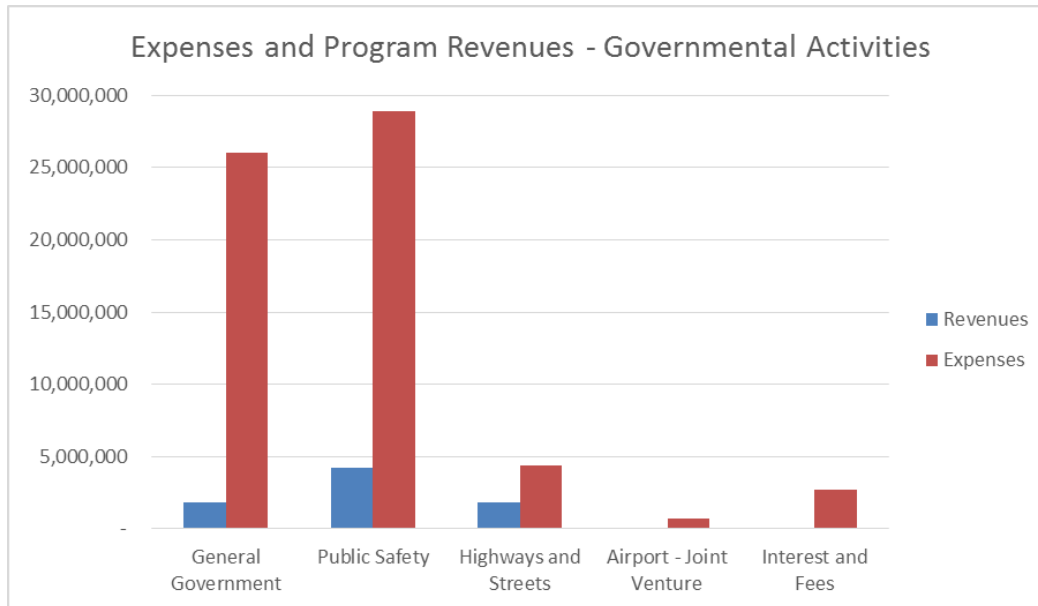


# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

- ◆ General government expenses increased \$9,876,684 (61.1%) over the prior fiscal year due to one-time expenses related to the issuance of two TIF Notes totaling \$6.5 million, and a loss of \$3.5 million on the sale of 233 Hintz Road.
- ◆ Public safety expenses increased 6.65% or \$1,801,497 from the prior fiscal year due to increases in salaries and benefits, an overage in fire department overtime, and additional employer contributions to the police and fire pension fund.
- ◆ Insurance and claims split between general government, public safety, and highways and streets, increased 3.2%, or \$35,798, due to a rise in claims over the prior year.



### Business-Type Statement of Activities Summary:

During the current fiscal year, net position for business-type activities increased \$446,811 (.85%) over prior fiscal year to \$53,071,390.

### *Business-Type Revenues*

- ◆ Business-type charges for services were \$373,102 (4.3%) more than the prior year as water consumption remained consistent with the prior year as rates increased 2.98%.
- ◆ Business-type capital grants and contributions reflected developer contributions of \$360,932, related to the acceptance of Millbrook Point watermain and sewermain in 2016.

### *Business-Type Expenses*

- ◆ Business-type expenses increased 2.67%, or \$216,941 over the prior year, due to an increase in the water and sewer funds portion of the total IMRF net pension liability and the OPEB liability and losses on the disposal of capital assets.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

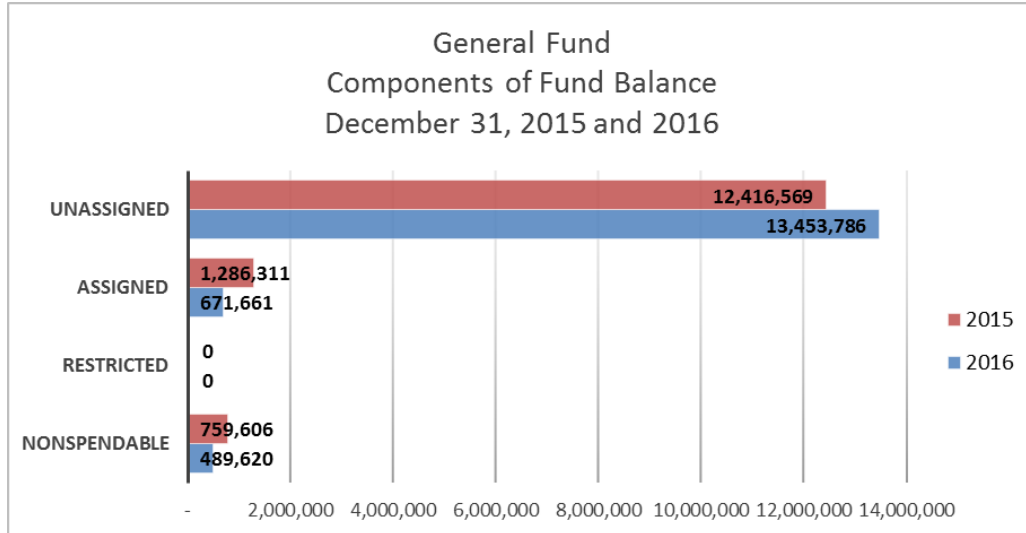
### FINANCIAL ANALYSIS OF THE VILLAGE FUNDS

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

#### Governmental Funds

The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village of Wheeling itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the Village's Board.

At December 31, 2016, the governmental funds reported a combined fund balance of \$28,620,714, which is a 2.66% decrease from the beginning of the year of \$29,403,749. Approximately 45.5% of this amount (\$12,997,007) constitutes *unassigned fund balance*, which is available for spending at the Village's discretion. The remainder of the fund balance is either *nonspendable, restricted, or assigned* to indicate that it is 1) not available for new spending because it is related to prepaid items and inventory (\$1,845,676) , 2) legally required to be maintained intact, or restricted, for other purposes such as capital projects, highways and streets, public safety, economic development, and debt service (\$7,352,884) or 3) assigned (\$6,425,147) for particular purposes like capital improvements, health insurance expenditures, or a future senior center project.



The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,453,786. The total fund balance in the General Fund increased from \$14,462,486 in fiscal year 2015 to \$14,615,067 or 1.05% in fiscal year 2016. The increase in fund balance would have been \$250,000 higher had the Board not decided to contribute those funds to the pension funds in order to address the Village's long term liabilities.

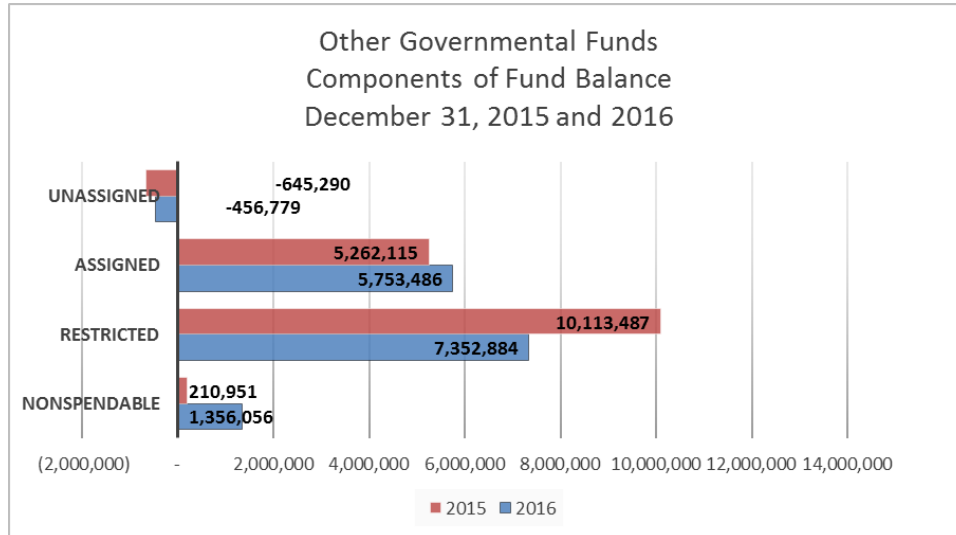
As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 37.69% of total General Fund expenditures, while total fund balance represents

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

approximately 40.94% of that same amount. The increase in fund balance is largely due to stronger than anticipated revenues.



The Village maintains (5) separate funds created to account for the revenues and expenditures related to the Village's Tax Increment Financing (TIF) redevelopment areas. The (5) separate funds combined for a net decrease of \$3,578,462 (-62.1%) for a total fund balance of \$2,183,527. The large decrease was caused by the issuance of 2 TIF notes, a debt refunding, and the payoff of an existing TIF note. The growth in the Equalized Assessed Value of these districts resulted in revenue from property tax increment, totaling \$9,043,161.

The Town Center TIF #2 Fund is also a major governmental fund this year with a fund balance of \$1,951,346, which reflects a decrease of \$1,830,840 from the prior year. The decrease in fund balance was due to the issuance of two TIF notes, totaling \$4 million and \$2.5 million, in order to repay costs associated with development within the TIF.

The North Milwaukee/Lake Cook Redevelopment Area Fund is a major governmental fund this year with a fund balance of \$205,389, which reflects a decrease of \$2,018,367 from the prior year. The decrease in fund balance was due to the refunding of the 2005 Tax Increment Financing Bonds. The North Milwaukee/Lake Cook Redevelopment Area Fund also transferred \$1 million to the Crossroads Redevelopment Area Fund to help pay off an outstanding TIF Note.

The Village maintains (3) three additional Capital Projects Funds, including a Capital Equipment Replacement Fund. The Capital Equipment Replacement Fund was created to account for the transfers and advances from other funds assigned for the eventual replacement of vehicles and equipment utilized by those funds. The fund balance increased by \$491,371 during the current fiscal year to \$4,880,694, primarily due to unspent, budgeted capital outlay expenditures. The Village continues to effectively extend the life of assets past their estimated useful lives.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

### Proprietary Funds

The Village of Wheeling's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Waterworks and Sewerage Fund was \$13,976,490. The proprietary funds' total net position increased by \$446,811, or 0.85%, from a January 1<sup>st</sup> net position of \$52,624,579 to \$53,071,390 at December 31, 2016.

### General Fund Budgetary Highlights

**Original budget compared to final budget.** During the year there was (1) one amendment to increase the original General Fund budgeted appropriation. The amendment distributed surplus revenue (\$250,000) among the three defined benefit plans (IMRF, Police Pension, Fire Pension).

**Fund Budget compared to actual results.** The most significant differences between budgeted and actual revenues were as follows:

Revenue Source	Budgeted Revenues	Actual Revenues	Difference	% Difference
Property Taxes	12,298,780	12,492,544	193,764	1.58%
Sales Tax	5,771,496	6,252,421	480,925	8.33%
Home Rule Sales Tax	4,062,927	3,926,334	(136,593)	-3.36%
Income Tax	4,106,014	3,664,807	(441,207)	-10.75%
Local Use Tax	858,950	914,410	55,460	6.46%
Video Gaming Tax	173,025	221,191	48,166	27.84%
Engineering inspection fees	180,000	283,279	103,279	57.38%
Solid waste service charge	541,000	617,978	76,978	14.23%
Ambulance fees	570,000	620,050	50,050	8.78%
Local ordinance fines	744,585	841,662	97,077	13.04%
IPBC terminal reserve revenue	204,476	311,189	106,713	52.19%

- ◆ Sales tax revenue was 8.33% higher than budgeted due to 2 unanticipated one-time sales tax distributions that the Village received in 2016.
- ◆ Property taxes came in 1.58% higher than budgeted because of prior year distributions received after the 60 day receivable day window for the 2015 audit.
- ◆ Income tax revenues fell 10.75% short of budgeted revenues in 2016. As previously mentioned, the Village is still working with the State and Illinois Municipal League to determine the exact cause, but has been led to believe that the changes are due to the Department of Revenue's new accounting system and from changes to the federal tax code that impact how much corporations are paying in federal and state income taxes.
- ◆ Video Gaming participation from Wheeling businesses continues to exceed what the Village originally anticipated. The Village added 2 participating establishments in 2016. The 13 licensed establishments operate a total 52 machines that collected over \$4.4 million in 2016, netting the Village \$221,191.
- ◆ Engineering inspection fees came in 57.38% or \$103,279 higher than budgeted in 2016, due largely to inspection fees related to the development of the Wheeling Town Center property.
- ◆ A reconciliation of properties and contractual agreements with the Solid Waste Agency of Northern Cook County led to an increase in solid waste service charges of \$76,978 in 2016.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

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- ◆ Local ordinance fines were 13.04% higher than the prior year due to the issuance of 3,315 more tickets in 2016, a 6% increase in collection rates by the third-party red light ticket vendor, and a new third-party collection agency to collect parking and compliance tickets outstanding more than 90 days, as well as the State's local debt recovery program.

The most significant differences between budgeted and actual expenditures were as follows:

<b>Expenditure Type</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Difference</b>	<b>% Difference</b>
Fire department	10,274,009	10,531,466	257,457	2.51%
Special Events	112,217	297,145	184,928	164.79%
Finance	1,038,486	1,008,114	(30,372)	-2.92%
Community Development	1,739,229	1,683,134	(56,095)	-3.23%
Forestry	1,020,735	976,931	(43,804)	-4.29%

- ◆ Personnel services in the Fire Department and Public Works Administration Division were primarily due to overtime expenditures related to training, injuries, and retirements.
- ◆ Savings in the Community Development Department, Finance Department, and the CIP Engineering Department were due to vacancies that reduced overall salary and benefit expenditures.
- ◆ Special events expenditures exceeded the budget due to a Village Board decision to purchase holiday lights that were not included in the original budget.
- ◆ Overtime and health insurance expenditures in the Police Department and Dispatching Division were less than budgeted leading to savings in personnel services. The Police Department reduced overtime mid-year through scheduling changes.

### Capital Assets and Debt Administration

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**Capital assets.** The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounted to \$181,104,086. The investment in capital assets includes land, stormwater credits, buildings, equipment, underground distribution and collection systems, infrastructure, and construction work in progress. The Village saw a net decrease of capital assets (including additions, developer contributions, and retirements) of \$3,468,348 (-1.88%).

**VILLAGE OF WHEELING, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

DECEMBER 31, 2016

**Table 3: Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 25,302,977	\$ 26,816,837	\$567,510	\$567,510	\$25,870,487	\$27,384,347
Intangible assets - stormwater credits	2,988,400	-	-	-	2,988,400	-
Land right of way	11,624,192	11,624,192	-	-	11,624,192	11,624,192
Airport(joint venture)	45,562,651	46,224,231	-	-	45,562,651	46,224,231
Buildings & Improvements	53,392,754	57,381,185	-	-	53,392,754	57,381,185
Vehicles, equipment, & furniture	11,092,175	9,502,933	2,898,474	2,929,872	13,990,649	12,432,805
Infrastructure	30,356,747	30,218,626	-	-	30,356,747	30,218,626
Water System Improvements	-	-	43,810,274	43,579,125	43,810,274	43,579,125
Sewer System Improvements	-	-	19,014,767	18,280,570	19,014,767	18,280,570
Construction in progress	692,708	885,885	-	-	692,708	885,885
<b>Total Capital Assets</b>	<b>181,012,604</b>	<b>182,653,889</b>	<b>\$66,291,025</b>	<b>\$65,357,077</b>	<b>247,303,629</b>	<b>248,010,966</b>
Less: Accumulated depreciation	(42,480,839)	(40,893,425)	(23,718,704)	(22,545,107)	(66,199,543)	(63,438,532)
<b>Total</b>	<b>138,531,765</b>	<b>141,760,464</b>	<b>42,572,321</b>	<b>42,811,970</b>	<b>181,104,086</b>	<b>184,572,434</b>

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

- ◆ Restated opening capital asset balances to record the addition of \$3,230,000 of stormwater credits from the Metropolitan Water Reclamation District of Greater Chicago. The Village then sold a portion of those credits (\$241,600) to the Illinois Department of Transportation for the development of a bridge on Dundee Road and to the developer of the Northgate Crossings apartment project.
- ◆ Restated opening land balances to remove vacated land valued at \$769,575.
- ◆ Sale of the building and building improvements at 233 Hintz Road for \$397,535 to Mutual Aid Box Alarm System, long-time renters of the property.
- ◆ Acceptance of the watermain and sewer main in the Millbrook Pointe development, as well as the reconstructed watermain at Arlington Club, valued at \$1,119,066.
- ◆ Completion of the Exchange Court reconstruction project.
- ◆ A new fire truck and a fire engine were put into service after completion of work started in fiscal year 2015. The fire department also purchased two new ambulances and stretchers in 2016.
- ◆ Purchase of 6 police utility vehicles and 1 public works vehicle totaling \$192,606.

Additional information on the Village's capital assets can be found in Note 4 on pages 33-34 of this report.

**Long-term Debt.** The Village, under its home rule authority, does not have a legal debt limit. In August 2016, Fitch Ratings affirmed the Village's AA+ bond rating. The Village's AA bond rating with Standard & Poor's was also affirmed in August 2016.

**VILLAGE OF WHEELING, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**DECEMBER 31, 2016**

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Bonds and Notes Payable</b>						
General obligation bonds	\$53,274,462	\$45,402,274	\$3,410,538	\$3,762,726	\$56,685,000	\$49,165,000
TIF revenue bonds	-	15,345,000	-	-	-	15,345,000
Tax Increment Revenue Note	6,516,139	2,559,796	-	-	6,516,139	2,559,796
Premium on bonds payable	1,755,170	295,901	77,891	84,463	1,833,061	380,364
<b>Other liabilities</b>						
Vested compensated absences	2,231,426	2,233,641	179,682	157,744	2,411,108	2,391,385
Insurance claims payable	872,516	778,848	-	-	872,516	778,848
Net pension liability - IMRF	6,414,961	7,523,908	1,132,051	1,327,748	7,547,012	8,851,656
Net pension liability - police pension	22,786,646	22,807,600	-	-	22,786,646	22,807,600
Net pension liability - fire pension	27,439,687	26,675,369	-	-	27,439,687	26,675,369
Other post employment benefits	689,912	401,542	10,173	6,081	700,085	407,623
<b>Total</b>	<b>121,980,919</b>	<b>124,023,879</b>	<b>4,810,335</b>	<b>5,338,762</b>	<b>126,791,254</b>	<b>129,362,641</b>

The Village's net pension liability decreased \$561,280 (0.96%) in 2016. Annual changes to the net pension liability can be volatile. The decrease in 2016 can be attributed to a positive difference between expected and actual experience and changes in assumptions in the IMRF net pension liability. All three pensions had considerably better investment performances in 2016, when compared to the poor performance of 2015 that many funds experienced. The Village Board did not pass a formal funding policy with the adoption of GASB pronouncement 68, instead opting to pass a General Fund surplus policy that requires the Village Board to consider contributing General Fund surpluses to the three defined benefit plans. The Village Board approved a surplus distribution of \$250,000 to the three defined benefit plans at the end of 2016. More information on the Village's defined benefit pension plans can be found in Note 14 on pages 59-80 of this report.

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$56,685,000 which was backed by the full faith and credit of the government. Of the \$56,585,000 debt outstanding, however, only \$33,533,000 is supported by the Village's property tax levy and sales tax revenue. The remaining debt (\$23,152,000) is directly supported by other sources of revenue including gas and electric use tax revenue, water and sewer fees and tax increment financing revenue. During the current fiscal year, the Village retired \$3,482,812 of general bond principal and \$352,188 of the water and sewer funded debt. The Village issued \$11,355,000 of general obligation bonds to currently refund \$14,375,000 of tax increment revenue bonds in 2016, for an economic gain on the refunding of \$3,035,302. The new general obligation bonds have current and future principal and interest payments ending 3 years earlier than the refunded tax increment revenue bonds. As a result, the Village's total general obligation bond related debt increased by \$7,872,188 (17.34%) from 2015, while all Tax increment revenue bond related debt was eliminated.

A Tax Increment Financing (TIF) note was issued on January 25, 2012 for \$3,500,000 to reimburse the developer (Wheeling Shopping Center, Inc.) for certain projects costs the developer incurred in the Crossroads TIF District. During the fiscal year ended December, 31, 2016, \$138,148 of interest was accreted and principal payments against the note of \$2,697,944 were made to pay off the note early.

# VILLAGE OF WHEELING, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2016

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Tax Increment Financing (TIF) notes of \$4 million and \$2.5 million were issued on December 19, 2016 to reimburse a developer for certain project costs the developer incurred in the Town Center II TIF District. Interest on the notes is 7.45%. During the fiscal year ended December 31, 2016, \$16,139 of interest was accreted. The first principal payments against the note will be made when the project begins generating property tax increment.

As a result of these changes, total tax increment revenue note obligations increased by \$3,956,343 in 2016.

Additional information on the Village's long-term debt can be found in Note 5 on pages 35-42 of this report.

### **Economic factors and next year's budget**

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The following economic and budgetary factors were considered in developing the 2017 fiscal year budget.

- The unemployment rate for the Village of Wheeling is currently 4.8%, which is near historical lows.
- A 5% property tax increase (\$700,000) to fund increases in recurring expenditure obligations.
- Anticipated increases to salary and benefit costs that will likely result from contract negotiations with the Village's public works union.
- A 3.03% increase in water rates and sewer rates beginning on January 1, 2017 to offset increases in operating expenses in the Enterprise Funds.
- A 12.5% increase in the stormwater fee rate beginning on January 1, 2017 necessary to fund future stormwater projects.
- The award of a \$4 million CDBG Grant to assist with the relocation of the Fox Point Mobile Home Park. A majority of the grant funds will be spent in fiscal year 2017.
- A full contribution in the scheduled transfer to the Capital Equipment Replacement Fund.
- A planned upgrade to the police department radio dispatching system in 2017.
- Anticipated increases in health insurance premiums, as well as pension and other employee benefit costs.
- Anticipated costs related to the Village's self-insurance program. The Village self-insures for losses from errors and omissions, liability, and workers' compensation to certain limits and purchases excess insurance above those limits.

### **Contacting the Village's Financial Management**

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This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Michael Mondschain, Finance Director, Village of Wheeling, 2 Community Boulevard, Wheeling, Illinois 60090.

VILLAGE OF WHEELING, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2016

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 29,846,511	\$ 4,750,259	\$ 34,596,770
Receivables (net, where applicable, of allowance for uncollectibles)			
Property taxes	14,837,953	9,712	14,847,665
Sales taxes	2,759,846	-	2,759,846
Income taxes	696,331	-	696,331
Telecommunications tax	317,745	-	317,745
Accounts	645,023	1,854,914	2,499,937
Accrued interest	40,488	4,211	44,699
IPBC	671,661	48,578	720,239
Other	1,274,205	1,967	1,276,172
Prepaid expenses	1,341,627	121,278	1,462,905
Inventory	504,132	241,162	745,294
Due from other governments	142,922	-	142,922
Advances to other funds	(1,038,826)	1,038,826	-
Capital assets not being depreciated	86,170,928	567,510	86,738,438
Capital assets being depreciated, net of accumulated depreciation	52,360,837	42,004,811	94,365,648
Investment in joint venture	-	6,985,990	6,985,990
<b>Total assets</b>	<b>190,571,383</b>	<b>57,629,218</b>	<b>248,200,601</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Swap agreement	3,364,990	-	3,364,990
Pension items - Police Pension	3,018,899	-	3,018,899
Pension items - Firefighters' Pension	3,342,205	-	3,342,205
Pension items - IMRF	3,608,530	636,800	4,245,330
Unamortized loss on refunding	741,915	11,008	752,923
<b>Total deferred outflows of resources</b>	<b>14,076,539</b>	<b>647,808</b>	<b>14,724,347</b>
<b>Total assets and deferred outflows of resources</b>	<b>204,647,922</b>	<b>58,277,026</b>	<b>262,924,948</b>
<b>LIABILITIES</b>			
Accounts payable	3,892,318	170,101	4,062,419
Accrued payroll	48,652	1,456	50,108
Deposits payable	124,167	60,156	184,323
Unearned revenue	647,553	27,453	675,006
Due to fiduciary funds	306,376	-	306,376
Interest payable	176,846	8,469	185,315
Interest rate swap agreement	3,364,990	-	3,364,990
Long-term liabilities			
Due within one year	5,246,126	435,131	5,681,257
Due in more than one year	116,734,793	4,375,204	121,109,997
<b>Total liabilities</b>	<b>130,541,821</b>	<b>5,077,970</b>	<b>135,619,791</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - Police Pension	1,354,917	-	1,354,917
Pension items - Firefighters' Pension	15,007	-	15,007
Pension items - IMRF	723,441	127,666	851,107
Deferred revenue - property taxes	14,700,001	-	14,700,001
<b>Total deferred inflows of resources</b>	<b>16,793,366</b>	<b>127,666</b>	<b>16,921,032</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>147,335,187</b>	<b>5,205,636</b>	<b>152,540,823</b>

(This statement is continued on the following page.)

VILLAGE OF WHEELING, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2016

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 93,184,516	\$ 39,094,900	\$ 132,279,416
Restricted for			
Capital projects	4,000,936	-	4,000,936
Highways and streets	1,123,032	-	1,123,032
Public safety	576,700	-	576,700
Economic development	1,522,298	-	1,522,298
Debt service	129,918	-	129,918
Unrestricted (deficit)	(43,224,665)	13,976,490	(29,248,175)
<b>TOTAL NET POSITION</b>	<b>\$ 57,312,735</b>	<b>\$ 53,071,390</b>	<b>\$ 110,384,125</b>

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 26,036,703	\$ 1,836,481	\$ -	\$ -
Public safety	28,509,338	3,981,577	205,513	-
Highways and streets	4,792,939	750,573	990,227	108,373
Airport - joint venture	661,580	-	-	-
Interest and fees	2,683,084	-	-	-
Total governmental activities	62,683,644	6,568,631	1,195,740	108,373
Business-Type Activities				
Water and sewer	8,366,057	9,030,321	-	360,932
Total business-type activities	8,366,057	9,030,321	-	360,932
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 71,049,701</b>	<b>\$ 15,598,952</b>	<b>\$ 1,195,740</b>	<b>\$ 469,305</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (24,200,222)	\$ -	\$ (24,200,222)
	(24,322,248)	-	(24,322,248)
	(2,943,766)	-	(2,943,766)
	(661,580)	-	(661,580)
	(2,683,084)	-	(2,683,084)
	<u>(54,810,900)</u>	-	<u>(54,810,900)</u>
	-	1,025,196	1,025,196
	-	1,025,196	1,025,196
	<u>(54,810,900)</u>	<u>1,025,196</u>	<u>(53,785,704)</u>
General Revenues			
Taxes			
Property	23,535,987	-	23,535,987
Sales	10,178,754	-	10,178,754
Utility	2,952,545	-	2,952,545
Telecommunications	1,252,938	-	1,252,938
Food and beverage	910,343	-	910,343
Hotel/motel	1,008,332	-	1,008,332
Other	362,938	-	362,938
Intergovernmental			
Income	3,664,807	-	3,664,807
Other	1,416,008	-	1,416,008
Investment income	348,236	38,964	387,200
Gain on disposal of capital assets	676,330	-	676,330
Miscellaneous	1,663,409	-	1,663,409
Transfers in (out)	617,349	(617,349)	-
Total	<u>48,587,976</u>	<u>(578,385)</u>	<u>48,009,591</u>
CHANGE IN NET POSITION	<u>(6,222,924)</u>	<u>446,811</u>	<u>(5,776,113)</u>
NET POSITION, JANUARY 1	61,075,234	52,624,579	113,699,813
Prior period adjustment	<u>2,460,425</u>	-	<u>2,460,425</u>
NET POSITION, JANUARY 1, RESTATED	<u>63,535,659</u>	<u>52,624,579</u>	<u>116,160,238</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 57,312,735</u>	<u>\$ 53,071,390</u>	<u>\$ 110,384,125</u>

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2016

	General	Town Center TIF #2	North Milwaukee/ Lake Cook Redevelopment Area	Capital Equipment Replacement	Nonmajor Governmental	Total Governmental
<b>ASSETS</b>						
Cash and investments	\$ 10,229,745	\$ 1,819,381	\$ 171,791	\$ 5,972,567	\$ 8,258,244	\$ 26,451,728
Receivables (net, where applicable, of allowance for uncollectibles)						
Property taxes	12,972,229	166	47,932	-	1,817,626	14,837,953
Sales taxes	2,759,846	-	-	-	-	2,759,846
Income taxes	696,331	-	-	-	-	696,331
Telecommunications tax	317,745	-	-	-	-	317,745
Accounts	-	88,754	-	-	252,964	341,718
Accrued interest	17,941	1,642	-	10,041	8,138	37,762
IPBC	671,661	-	-	-	-	671,661
Other	907,623	-	-	5,110	361,472	1,274,205
Prepaid items	211,316	1,117,394	425	-	12,409	1,341,544
Inventory	278,304	-	-	-	225,828	504,132
Due from other funds	42,783	-	-	-	-	42,783
Due from other governments	-	-	-	-	142,922	142,922
<b>TOTAL ASSETS</b>	<b>\$ 29,105,524</b>	<b>\$ 3,027,337</b>	<b>\$ 220,148</b>	<b>\$ 5,987,718</b>	<b>\$ 11,079,603</b>	<b>\$ 49,420,330</b>

	General	Town Center TIF #2	North Milwaukee/ Lake Cook Redevelopment Area	Capital Equipment Replacement	Nonmajor Governmental	Total Governmental
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,023,042	\$ 542,699	\$ 14,759	\$ 68,198	\$ 2,242,560	\$ 3,891,258
Accrued payroll	40,236	-	-	-	8,416	48,652
Deposits payable	124,167	-	-	-	-	124,167
Unearned revenue	114,261	533,292	-	-	-	647,553
Due to other funds	-	-	-	-	42,783	42,783
Due to fiduciary funds	306,376	-	-	-	-	306,376
Advance from other funds	-	-	-	1,038,826	-	1,038,826
Total liabilities	1,608,082	1,075,991	14,759	1,107,024	2,293,759	6,099,615
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	12,882,375	-	-	-	1,817,626	14,700,001
Total deferred inflows of resources	12,882,375	-	-	-	1,817,626	14,700,001
Total liabilities and deferred inflows of resources	14,490,457	1,075,991	14,759	1,107,024	4,111,385	20,799,616
<b>FUND BALANCES</b>						
Nonspendable						
Prepaid items	211,316	1,117,394	425	-	12,409	1,341,544
Inventory	278,304	-	-	-	225,828	504,132
Restricted						
Capital projects	-	-	-	-	4,000,936	4,000,936
Highways and streets	-	-	-	-	1,123,032	1,123,032
Public safety	-	-	-	-	576,700	576,700
Economic development	-	833,952	204,964	-	483,382	1,522,298
Debt service	-	-	-	-	129,918	129,918
Assigned						
Health insurance	671,661	-	-	-	-	671,661
Capital improvements	-	-	-	4,880,694	-	4,880,694
Senior Center	-	-	-	-	872,792	872,792
Unassigned, reported in						
General Fund	13,453,786	-	-	-	-	13,453,786
Special Revenue Funds	-	-	-	-	(190)	(190)
Capital Projects Funds	-	-	-	-	(456,589)	(456,589)
Total fund balances	14,615,067	1,951,346	205,389	4,880,694	6,968,218	28,620,714
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 29,105,524</b>	<b>\$ 3,027,337</b>	<b>\$ 220,148</b>	<b>\$ 5,987,718</b>	<b>\$ 11,079,603</b>	<b>\$ 49,420,330</b>

See accompanying notes to financial statements.

## VILLAGE OF WHEELING, ILLINOIS

### RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2016

---

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 28,620,714
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 governmental funds	138,531,765
The loss on refunding of bonds is capitalized and amortized over the life of the bonds on the statement of net position	741,915
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,663,982
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	3,327,198
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	2,885,089
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(53,274,462)
Tax increment revenue note	(6,516,139)
Net pension liability - Police Pension	(22,786,646)
Net pension liability - Firefighters' Pension	(27,439,687)
Net pension liability - IMRF	(6,414,961)
Premium on bonds payable	(1,755,170)
Compensated absences payable	(2,231,426)
Other postemployment benefit obligation	(689,912)
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(176,846)
The net position of the Internal Service Fund is included in the governmental activities in the statement of net position	<u>2,827,321</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 57,312,735</u></u>

See accompanying notes to financial statements.

**VILLAGE OF WHEELING, ILLINOIS**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2016

	<b>General</b>	<b>Town Center TIF #2</b>	<b>North Milwaukee/ Lake Cook Redevelopment Area</b>	<b>Capital Equipment Replacement</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental</b>
<b>REVENUES</b>						
Taxes	\$ 26,094,987	\$ 58,225	\$ 4,697,882	\$ -	\$ 8,987,824	\$ 39,838,918
Licenses and permits	712,117	-	-	-	-	712,117
Intergovernmental	6,715,665	94,156	-	110,000	1,268,373	8,188,194
Charges for services	2,417,037	-	-	-	1,004,472	3,421,509
Fines and forfeits	994,658	-	-	-	-	994,658
Investment income	187,160	(6,890)	8,509	78,870	80,587	348,236
Miscellaneous	1,142,006	425,508	-	12,068	83,827	1,663,409
<b>Total revenues</b>	<b>38,263,630</b>	<b>570,999</b>	<b>4,706,391</b>	<b>200,938</b>	<b>11,425,083</b>	<b>55,167,041</b>
<b>EXPENDITURES</b>						
Current						
General government	10,748,569	-	-	-	-	10,748,569
Public safety	24,749,064	-	-	-	771,521	25,520,585
Highways and streets	-	-	-	-	1,344,791	1,344,791
Capital outlay	-	7,587,337	113,272	1,582,760	2,910,625	12,193,994
Capital improvements	-	835,502	1,712	-	1,258,837	2,096,051
Debt service						
Principal	199,335	-	17,540,006	-	4,025,999	21,765,340
Interest and fiscal charges	-	-	1,331,705	-	1,591,657	2,923,362
<b>Total expenditures</b>	<b>35,696,968</b>	<b>8,422,839</b>	<b>18,986,695</b>	<b>1,582,760</b>	<b>11,903,430</b>	<b>76,592,692</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,566,662</b>	<b>(7,851,840)</b>	<b>(14,280,304)</b>	<b>(1,381,822)</b>	<b>(478,347)</b>	<b>(21,425,651)</b>

	<b>General</b>	<b>Town Center TIF #2</b>	<b>North Milwaukee/ Lake Cook Redevelopment Area</b>	<b>Capital Equipment Replacement</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of refunding bonds	\$ -	\$ -	\$ 11,355,000	\$ -	\$ -	\$ 11,355,000
Premium on refunding bonds	-	-	1,493,937	-	-	1,493,937
Issuance of TIF development note	-	6,500,000	-	-	-	6,500,000
Proceeds on sale of capital assets	16,795	21,000	-	-	638,535	676,330
Transfers in	-	-	413,000	1,886,208	3,161,689	5,460,897
Transfers (out)	(2,430,876)	(500,000)	(1,000,000)	(13,015)	(899,657)	(4,843,548)
Total other financing sources (uses)	(2,414,081)	6,021,000	12,261,937	1,873,193	2,900,567	20,642,616
NET CHANGE IN FUND BALANCES	152,581	(1,830,840)	(2,018,367)	491,371	2,422,220	(783,035)
FUND BALANCES, JANUARY 1	14,462,486	3,782,186	2,223,756	4,389,323	4,545,998	29,403,749
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 14,615,067</b>	<b>\$ 1,951,346</b>	<b>\$ 205,389</b>	<b>\$ 4,880,694</b>	<b>\$ 6,968,218</b>	<b>\$ 28,620,714</b>

See accompanying notes to financial statements.

**VILLAGE OF WHEELING, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (783,035)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized on the statement of net position and depreciated on the statement of activities	1,711,422
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,927,515)
Proceeds from the disposal of capital assets are recognized in governmental funds but the gain (loss) is recognized on the statement of activities	(3,811,451)
The decrease in equity of joint venture is reported on the statement of activities	(661,580)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase in principal outstanding on the statement of net position	(19,348,937)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of net position	7,150,757
The payment to escrow agent for the current refunding of long-term debt is reported as an expenditure in the governmental funds but as	
A decrease of principal outstanding in the statement of net position	14,375,000
Loss on refunding amortized over the life of the bonds	239,583
Amortization of premium on bonds is reported as a reduction of interest expense on the statement of activities	34,667
Amortization of the loss on refunding is reported as interest expense on the statement of activities	(67,945)
Accretion of bonds is reported as interest expense on the statement of activities	(154,288)
The decrease of accrued interest payable is shown as an decrease of expense on the statement of activities	427,844
The decrease in compensated absences payable is shown as an decrease of the statement of activities	2,215
The change in the other postemployment benefit obligation	(288,370)
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(900,233)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows of resources is not a source or use of a financial resource	(1,242,979)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(615,846)
The change in net position of Internal Service Funds is reported in governmental activities	637,767
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (6,222,924)</b>

See accompanying notes to financial statements.

**VILLAGE OF WHEELING, ILLINOIS**

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2016

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage</b>	<b>Internal Service</b>
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 4,750,259	\$ 3,394,783
Receivables (net, where applicable, of allowance for uncollectibles)		
Accounts	1,854,914	303,305
Taxes	9,712	-
Accrued interest	4,211	2,726
IPBC	48,578	-
Other	1,967	-
Prepaid expenses	121,278	83
Inventory	241,162	-
Total current assets	<u>7,032,081</u>	<u>3,700,897</u>
<b>NONCURRENT ASSETS</b>		
Capital assets		
Assets not being depreciated	<u>567,510</u>	-
Assets being depreciated		
Cost	65,723,515	-
Accumulated depreciation	<u>(23,718,704)</u>	-
Net capital assets being depreciated	<u>42,004,811</u>	-
Net capital assets	42,572,321	-
Advances to other funds	1,038,826	-
Investment in joint ventures	<u>6,985,990</u>	-
Total noncurrent assets	<u>50,597,137</u>	-
Total assets	<u>57,629,218</u>	<u>3,700,897</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunding	11,008	-
Pension items - IMRF	<u>636,800</u>	-
Total deferred outflows of resources	<u>647,808</u>	-
Total assets and deferred outflows of resources	<u>58,277,026</u>	<u>3,700,897</u>

(This statement is continued on the following page.)

**VILLAGE OF WHEELING, ILLINOIS**

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

December 31, 2016

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage</b>	<b>Internal Service</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 170,101	\$ 1,060
Accrued payroll	1,456	-
Compensated absences payable	80,857	-
Deposits payable	60,156	-
Unearned revenue	27,453	-
Interest payable	8,469	-
Bonds payable	354,274	-
Claims payable	-	436,258
	<hr/>	<hr/>
Total current liabilities	702,766	437,318
<b>NONCURRENT LIABILITIES</b>		
Claims payable	-	436,258
General obligation bonds payable (less current portion)	3,134,155	-
Compensated absences payable (less current portion)	98,825	-
Net pension liability - IMRF	1,132,051	-
Other postemployment benefit obligation	10,173	-
	<hr/>	<hr/>
Total noncurrent liabilities	4,375,204	436,258
Total liabilities	<hr/>	<hr/>
	5,077,970	873,576
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension items - IMRF	127,666	-
	<hr/>	<hr/>
Total deferred inflows of resources	127,666	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	5,205,636	873,576
<b>NET POSITION</b>		
Net investment in capital assets	39,094,900	-
Unrestricted	13,976,490	2,827,321
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	\$ 53,071,390	\$ 2,827,321
	<hr/>	<hr/>

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION

For the Year Ended December 31, 2016

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage</b>	<b>Internal Service</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Water sales and sewer charges	\$ 8,800,688	\$ -
Connection fees	69,490	-
Meter sales	11,225	-
Liability insurance charges	-	1,686,000
Other	128,460	-
	<hr/>	<hr/>
Total operating revenues	9,009,863	1,686,000
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>		
Waterworks division	4,471,031	-
Sewer division	1,737,607	-
Water and sewer capital division	704,871	-
Insurance and claims	-	1,092,037
	<hr/>	<hr/>
Total operating expenses excluding depreciation	6,913,509	1,092,037
OPERATING INCOME BEFORE DEPRECIATION	2,096,354	593,963
<b>DEPRECIATION</b>	1,265,695	-
OPERATING INCOME	<hr/>	<hr/>
	830,659	593,963
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	38,964	43,804
Interest expense and fees	(108,257)	-
Gain (loss) on disposal of capital assets	(78,596)	-
Increase (decrease) in joint venture	20,458	-
	<hr/>	<hr/>
Total non-operating revenues (expenses)	(127,431)	43,804
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<hr/>	<hr/>
	703,228	637,767
<b>CONTRIBUTIONS</b>		
Capital contributions	360,932	-
	<hr/>	<hr/>
Total contributions	360,932	-
<b>TRANSFERS</b>		
Capital Equipment Replacement Fund	13,015	-
Debt Service Fund	(630,364)	-
	<hr/>	<hr/>
Total transfers	(617,349)	-
CHANGE IN NET POSITION	<hr/>	<hr/>
	446,811	637,767
NET POSITION, JANUARY 1	<hr/>	<hr/>
	52,624,579	2,189,554
<b>NET POSITION, DECEMBER 31</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ 53,071,390	\$ 2,827,321

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage</b>	<b>Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 8,976,219	\$ -
Receipts from internal service transactions	-	1,686,000
Payments to suppliers	(3,685,322)	(980,687)
Payments for interfund services	(1,250,872)	-
Payments to employees	(1,783,958)	-
Net cash from operating activities	<u>2,256,067</u>	<u>705,313</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	13,015	-
Transfers (out)	(630,364)	-
Advances to other funds	(175,197)	-
Net cash from noncapital financing activities	<u>(792,546)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(765,550)	-
Proceeds from disposal of capital assets	14,424	-
Principal paid on general obligation bonds	(352,188)	-
Interest and fees paid on general obligation bonds	(113,786)	-
Net cash from capital and related financing activities	<u>(1,217,100)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) Sale of investment securities	(220,000)	497,000
Interest on investments	51,368	37,389
Net cash from investing activities	<u>(168,632)</u>	<u>534,389</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	77,789	1,239,702
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,202,423</u>	<u>361,561</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><u>\$ 1,280,212</u></u>	<u><u>\$ 1,601,263</u></u>

(This statement is continued on the following page.)

VILLAGE OF WHEELING, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2016

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage</b>	<b>Internal Service</b>
<b>CASH AND INVESTMENTS</b>		
Cash and cash equivalents	\$ 1,280,212	\$ 1,601,263
Investments	3,470,047	1,793,520
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 4,750,259</b>	<b>\$ 3,394,783</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 830,659	\$ 593,963
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	1,265,695	-
Changes in current assets and liabilities		
Accounts receivable	(25,875)	16,719
IPBC receivable	49,979	-
Inventory	5,639	-
Prepaid expenses	20,018	-
Accounts payable	(17,303)	963
Claims and judgments payable	-	93,668
Accrued payroll	314	-
Net pension liability and deferred outflows of resources	108,680	-
Compensated absences payable	21,938	-
Other postemployment benefit obligation	4,092	-
Deposits payable	6,300	-
Unearned revenue	(14,069)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 2,256,067</b>	<b>\$ 705,313</b>
<b>NONCASH TRANSACTIONS</b>		
Increase (decrease) in joint venture	\$ 20,458	\$ -
Contributed capital assets	360,932	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 381,390</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**VILLAGE OF WHEELING, ILLINOIS**

**PENSION TRUST FUNDS**

**STATEMENT OF FIDUCIARY NET POSITION**

December 31, 2016

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**ASSETS**

Cash and short-term investments \$ 1,596,704

Investments at fair value

U.S. Treasury and U.S. agency obligations 18,570,430

State and local obligations 4,367,221

Corporate bonds 11,315,396

Mutual funds 39,890,014

Equities 6,622,031

Total investments 80,765,092

Receivables

Accrued interest 371,963

Due from General Fund 306,376

Total receivables 678,339

Prepaid items

2,443

Total assets 83,042,578

**LIABILITIES**

Accounts payable 23,226

Total liabilities 23,226

**NET POSITION RESTRICTED**

**FOR PENSIONS** \$ 83,019,352

See accompanying notes to financial statements.

**VILLAGE OF WHEELING, ILLINOIS**

**PENSION TRUST FUNDS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2016

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**ADDITIONS**

Contributions	
Employer	\$ 4,045,908
Employee	<u>1,042,854</u>

Total contributions	<u>5,088,762</u>
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Investment income	
Net appreciation in fair value of investments	2,029,816
Interest	<u>2,778,313</u>

Total investment income	4,808,129
Less investment expenses	<u>147,107</u>

Net investment income	<u>4,661,022</u>
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Total additions	<u>9,749,784</u>
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**DEDUCTIONS**

Benefits and refunds	5,515,174
Administrative expenses	<u>65,424</u>

Total deductions	<u>5,580,598</u>
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NET INCREASE	4,169,186
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**NET POSITION RESTRICTED  
FOR PENSIONS**

January 1	<u>78,850,166</u>
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December 31	<u><u>\$ 83,019,352</u></u>
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See accompanying notes to financial statements.

# VILLAGE OF WHEELING, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Wheeling, Illinois (the Village) was incorporated in 1894. The Village provides services to the community that include police, fire, water and sewer utility, community development, street maintenance, and general services.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

#### a. Reporting Entity

The Village is a municipal corporation governed by an elected eight-member board. As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

Based on the above criteria, the Village does not have any component units.

#### b. Fund Accounting

The Village uses funds to report on its financial position and the change in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of committed, restricted, or assigned monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), and the funds committed, restricted, or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the Village not accounted for in some other fund.

Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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

The Town Center TIF #2 Fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district for the area surrounding the Wheeling Metra Station, including portions of Dundee Road and areas north of Dundee Road.

The North Milwaukee/Lake Cook Redevelopment Area Fund is used to account for the redevelopment activities of the tax increment financing district located near Milwaukee Avenue and Lake Cook Road in the Village. Financing is provided from incremental property tax revenues restricted for development within the district.

The Capital Equipment Replacement Fund is used to account for transfers and advances from other funds assigned for the eventual replacement of vehicles and equipment utilized by those funds.

The Village reports the following major proprietary funds:

The Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.

Additionally, the Village reports the following Internal Service Fund:

Internal Service Fund (Liability Insurance Fund) is used to account for accumulation of resources and costs associated with liability insurance for the Village. This fund is reported as part of the governmental activities on the government-wide financial statements as they provide services to the Village's governmental funds/activities.

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes, income taxes, and telecommunication taxes which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

The Village reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

For purposes of the statement of cash flows, the Village considers cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (current portion of interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances are offset by nonspendable fund balance in applicable governmental funds.

Interfund service transactions are accounted for as revenues, expenditures, or expenses.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Property Taxes

Property taxes are levied in December of each year on all taxable real property in the Village and attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and are payable in two installments on or about March 1 (Cook County) and June 1 (Lake County) and on or about August 1 (Cook County) and September 1 (Lake County). The County Collector collects such taxes and remits them periodically. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected. Since the 2016 levy is intended to finance the 2017 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

h. Inventories and Prepaid Items/Expenses

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid items/expenses are recorded as expenditures/expenses when consumed rather than when purchased.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Land	\$ 100,000
Building and improvements	50,000
Vehicles, equipment, and furniture	10,000
Infrastructure	100,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-45
Water and sewer distributions system	45-65
Vehicles, equipment, and furniture	5-30
Infrastructure	15-40

j. Compensated Absences

Vested or accumulated vacation leave that is owed to retirees or terminated employees, if applicable, is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation leave of proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.

Sick Leave: A sick leave deferred payment account (SLDPA) is offered to eligible employees upon retirement. SLDPA is a method of allowing eligible employees to contribute the value of accrued but unused sick time hours to a Postemployment Health Plan (PEHP) or Variable Employee Medical Account (VEMA).

To be eligible for SLDPA benefits, the employees must:

- have retired in good standing;
- have at least 20 years of continuous service with the Village immediately prior to retirement or have at least ten years of continuous service with the Village immediately prior to retirement and have attained the age of 60 by the date of retirement;
- have been continuously covered for at least 12 months immediately prior to retirement under the Village’s medical insurance plan and in full compliance with all plan provisions; and
- have at least 675 hours of accrued but unused sick time (1,000 hours for fire union employees).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Compensated Absences (Continued)

SLDPA is calculated by using the employee's final hourly wage multiplied by the number of accrued but unused sick time hours in excess of 675 (1,000 hours for the firefighters' union). The maximum number of accrued but unused sick time hours that may be used within SLDPA is 536 hours (1,440 hours for firefighters' union employees). Other accumulated unpaid sick leave is not paid to an employee in the event of termination; thus, no liability is recorded for those nonvested benefits.

Sick Leave Buy Back Program: In addition to the SLDPA program, the Village offers an annual sick leave buy back program to its non-union and police union employees. As of May 1<sup>st</sup> of each year, employees with at least 500 hours of accrued sick leave may sell back one sick day; employees with at least 750 hours of accrued sick leave may sell back two sick days; and employees with at least 1,000 hours of accrued sick leave may sell back three sick days. Employees who sell back a portion of their accrued sick leave as indicated above receive 100% of the pay the employee would have received for the sick day during the year it is contributed. The decision whether to sell back sick time each year is optional for non-union employees and the funds are contributed to their 457 deferred compensation program. Conversely, the decision to sell back sick time each year is mandatory for police union employees and the funds are contributed to the employee's VEMA.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount. Issuance costs are reported as expenses.

The unamortized loss on refunding is reported as a deferred outflow of resources.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. At December 31, 2016, the Village had \$683,304 of net position and fund balances that were restricted for capital projects as a result of enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Manager through the fund balance policy adopted by the Village Board of Trustees. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

The Village has established a fund balance reserve policy for its General Fund. The policy requires unassigned fund balances to be maintained in the General Fund equivalent to 25% of the fund's annual operating expenditures.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

The Village and pension funds categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

a. Village Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The Village's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Additionally, the Village will not invest in any institution in which the Village's funds on deposit are in excess of 50% of the institution's capital stock and surplus.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments (Continued)

The Village maintains a cash pool that is available for use by all funds, except the pension trust funds. 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.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party, the Federal Reserve Bank of Chicago, or with an irrevocable line of credit at the Federal Home Loan Bank of Chicago.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposit	\$ 21,864,592	\$ 4,337,783	\$ 17,526,809	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 21,864,592</b>	<b>\$ 4,337,783</b>	<b>\$ 17,526,809</b>	<b>\$ -</b>	<b>\$ -</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment.

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short-term and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Village has the following recurring fair value measurements as of December 31, 2016: the negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools. Illinois Funds, the money market mutual funds, are rated AAA. The negotiable certificates of deposit are not rated but are covered by FDIC insurance up to \$250,000.

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments (Continued)

Investments (Continued)

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

Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. At December 31, 2016, the Village had greater than 5% of its overall portfolio invested in negotiable certificates of deposit. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

**3. RECEIVABLES**

The following receivables are included in due from other governments on the statement of net position at December 31, 2016:

<b>GOVERNMENTAL ACTIVITIES</b>	
Motor fuel tax	\$ 89,311
Grants	53,609
Other	<u>2</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 142,922</u></b>

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. RECEIVABLES (Continued)**

The following receivables are included in other receivables on the statement of net position:

**GOVERNMENTAL ACTIVITIES**

Court fines	\$ 33,946
Franchise fees	154,425
Hotel/motel tax	52,291
Food and beverage tax	100,111
Unbilled SWANCC fees	28,733
TIF surplus	252,056
SWANCC service charge	27,259
Utility taxes	361,472
Miscellaneous	<u>263,912</u>

**TOTAL GOVERNMENTAL ACTIVITIES** \$ 1,274,205

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 26,047,262	\$ -	\$ 744,285	\$ 25,302,977
Intangible assets - stormwater credits	3,230,000	-	241,600	2,988,400
Land right of way	11,624,192	-	-	11,624,192
Airport (joint venture)	46,224,231	-	661,580	45,562,651
Construction in progress	885,885	692,708	885,885	692,708
Total capital assets not being depreciated	<u>88,011,570</u>	<u>692,708</u>	<u>2,533,350</u>	<u>86,170,928</u>
Capital assets being depreciated				
Buildings and improvements	57,381,185	-	3,988,431	53,392,754
Vehicles, equipment, and furniture	9,502,933	1,734,299	145,057	11,092,175
Infrastructure	30,218,626	170,300	32,179	30,356,747
Total capital assets being depreciated	<u>97,102,744</u>	<u>1,904,599</u>	<u>4,165,667</u>	<u>94,841,676</u>
Less accumulated depreciation for				
Buildings and improvements	13,157,212	1,428,046	1,162,865	13,422,393
Vehicles, equipment, and furniture	8,177,956	554,305	145,057	8,587,204
Infrastructure	19,558,257	945,164	32,179	20,471,242
Total accumulated depreciation	<u>40,893,425</u>	<u>2,927,515</u>	<u>1,340,101</u>	<u>42,480,839</u>
Total capital assets being depreciated, net	<u>56,209,319</u>	<u>(1,022,916)</u>	<u>2,825,566</u>	<u>52,360,837</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u><u>\$ 144,220,889</u></u>	<u><u>\$ (330,208)</u></u>	<u><u>\$ 5,358,916</u></u>	<u><u>\$ 138,531,765</u></u>

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 567,510	\$ -	\$ -	\$ 567,510
Total capital assets not being depreciated	<u>567,510</u>	<u>-</u>	<u>-</u>	<u>567,510</u>
Capital assets being depreciated				
Waterworks	43,579,125	231,149	-	43,810,274
Sewerage	18,280,570	887,917	153,720	19,014,767
Equipment and vehicles	2,929,872	-	31,398	2,898,474
Total capital assets being depreciated	<u>64,789,567</u>	<u>1,119,066</u>	<u>185,118</u>	<u>65,723,515</u>
Less accumulated depreciation for				
Waterworks	13,397,003	804,713	-	14,201,716
Sewerage	6,974,109	311,713	60,700	7,225,122
Equipment and vehicles	2,173,995	149,269	31,398	2,291,866
Total accumulated depreciation	<u>22,545,107</u>	<u>1,265,695</u>	<u>92,098</u>	<u>23,718,704</u>
Total capital assets being depreciated, net	<u>42,244,460</u>	<u>(146,629)</u>	<u>93,020</u>	<u>42,004,811</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 42,811,970</u>	<u>\$ (146,629)</u>	<u>\$ 93,020</u>	<u>\$ 42,572,321</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**GOVERNMENTAL ACTIVITIES**

General government	\$ 1,174,166
Public safety	681,530
Highways and streets	<u>1,071,819</u>

**TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES** \$ 2,927,515

Capital asset additions were charged to functions/programs of the primary government as follows:

**GOVERNMENTAL ACTIVITIES**

General government	\$ 187,639
Highways and streets	186,950
Public safety	<u>1,336,833</u>

**TOTAL ADDITIONS - GOVERNMENTAL ACTIVITIES** \$ 1,711,422

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT**

a. General Obligation Bonds

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

b. Changes in General Long-Term Debt

A summary of changes in long-term debt of the Village for the year ended December 31, 2016 is as follows:

Issue	Fund Debt Retired By	Purpose	Balances January 1	Accretion/ Additions*	Reductions/ Refunding	Balances December 31	Current
Governmental Activities General Obligation Bond Series 2007 (dated November 30, 2007; maturing December 1, 2030; original issue \$10,000,000; interest rates 3.92%; principal payable annually on December 1).	Debt Service	Village Building Projects	\$ 10,000,000	\$	\$ -	\$ 10,000,000	\$ -
General Obligation Bond Series 2008 (dated January 15, 2008; maturing December 1, 2024; original issue \$20,000,000; variable interest rates 4.33%; principal payable annually on December 1).	Debt Service	Village Building Projects	16,965,000	-	1,205,000	15,760,000	1,400,000
General Obligation Bond Series 2009 (dated January 15, 2009; maturing December 1, 2027; original issue \$10,000,000; interest rates 3.92%; principal payable annually on December 1).	Debt Service	Village Building Projects	10,000,000	-	-	10,000,000	-
General Obligation Refunding Bond Series 2011 (dated October 3, 2011; maturing December 15, 2023; original issue \$8,445,000; interest rates 2% to 3%; principal payable annually on December 15).	Capital Projects/ North Milwaukee/ Lake Cook Redevelop- ment Area	Refunding	5,227,274	-	607,812	4,619,462	610,726

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

**b. Changes in General Long-Term Debt (Continued)**

Issue	Fund Debt Retired By	Purpose	Balances January 1	Accretion/ Additions*	Reductions/ Refunding	Balances December 31	Current
Governmental Activities (Continued)							
General Obligation Sales Tax Refunding Bond Series 2012A (dated April 24, 2012; maturing December 1, 2024; original issue \$3,925,000; interest rates 2.0% to 3.5%; principal payable annually on December 1).	North Milwaukee/Lake Cook Redevelopment Area	Refunding	\$ 3,210,000	\$ -	\$ 315,000	\$ 2,895,000	\$ 325,000
General Obligation Refunding Bond Series 2016 (dated September 6, 2016; maturing December 1, 2022; original issue \$11,355,000; interest rates 5%; principal payable annually on December 1).	North Milwaukee/Lake Cook Redevelopment Area	Refunding	-	11,355,000	1,355,000	10,000,000	1,470,000
<b>TOTAL</b>			<b>\$ 45,402,274</b>	<b>\$ 11,355,000</b>	<b>\$ 3,482,812</b>	<b>\$ 53,274,462</b>	<b>\$ 3,805,726</b>
Tax Increment Revenue Bond Series 2005 (dated August 25, 2005; maturing January 1, 2025; original issue \$19,000,000; interest rates 6%; principal payable annually on January 1).	North Milwaukee/Lake Cook Redevelopment Area	Westin Hotel Development in TIF	\$ 15,345,000	\$ -	\$ 15,345,000	\$ -	\$ -
Tax Increment Revenue Note Series 2012 (dated January 25, 2012; original issue \$3,500,000; interest rate 7%; principal payable annually on July 1).	General/Crossroads Redevelopment Area	Fresh Farms Redevelopment Project in TIF	\$ 2,559,796	\$ 138,148	\$ 2,697,944	\$ -	\$ -
Tax Increment Revenue Note Series 2016 (dated December 19, 2016; maturing December 19, 2036; original issue \$6,500,000; interest rate 7.45%; principal payable annually on December 1).	General/Crossroads Redevelopment Area	Reva Redevelopment Project in TIF	\$ -	\$ 6,516,139	\$ -	\$ 6,516,139	\$ -

\*\$138,148 is interest accreted to the note balance for the Fresh Farms Redevelopment Project.

\*\$16,139 is interest accreted to the note balance for the Reva Redevelopment Project.

A debt service to maturity schedule is not available for the REVA Redevelopment Project Note.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

b. Changes in General Long-Term Debt (Continued)

Issue	Fund Debt Retired By	Purpose	Balances January 1	Accretion/ Additions*	Reductions/ Refunding	Balances December 31	Current
Business-Type Activities General Obligation Refunding Bond Series 2011 (dated October 25, 2011; maturing December 15, 2023; original issue \$8,445,000; interest rates 2% to 3%; principal payable annually on December 15).	Waterworks and Sewerage	Refunding	\$ 642,726	\$ -	\$ 217,188	\$ 425,538	\$ 214,274
General Obligation Water System Bonds Series 2012B (dated April 24, 2012; maturing December 1, 2032; original issue \$3,500,000; interest rates 3.0% to 3.5%; principal payable annually on December 1).	Waterworks and Sewerage	Water Improvements	3,120,000	-	135,000	2,985,000	140,000
<b>TOTAL</b>			<b>\$ 3,762,726</b>	<b>\$ -</b>	<b>\$ 352,188</b>	<b>\$ 3,410,538</b>	<b>\$ 354,274</b>

c. Legal Debt Margin

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the 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 General Assembly has set no limits for home rule municipalities.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

d. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 3,805,726	\$ 2,190,265	\$ 5,995,991	\$ 354,274	\$ 105,068	\$ 459,342
2018	4,098,736	2,036,188	6,134,924	351,264	96,200	447,464
2019	4,445,000	1,859,508	6,304,508	150,000	87,300	237,300
2020	4,775,000	1,669,519	6,444,519	155,000	82,800	237,800
2021	5,110,000	1,465,170	6,575,170	160,000	78,150	238,150
2022	5,450,000	1,246,245	6,696,245	165,000	73,350	238,350
2023	3,700,000	1,011,377	4,711,377	175,000	68,400	243,400
2024	3,325,000	862,517	4,187,517	180,000	63,150	243,150
2025	3,140,000	727,748	3,867,748	185,000	57,750	242,750
2026	3,340,000	604,660	3,944,660	195,000	51,969	246,969
2027	3,530,000	473,732	4,003,732	200,000	45,875	245,875
2028	3,700,000	335,356	4,035,356	210,000	39,375	249,375
2029	3,850,000	190,316	4,040,316	220,000	32,550	252,550
2030	1,005,000	39,396	1,044,396	230,000	24,850	254,850
2031	-	-	-	235,000	16,800	251,800
2032	-	-	-	245,000	8,575	253,575
<b>TOTAL</b>	<b>\$ 53,274,462</b>	<b>\$ 14,711,997</b>	<b>\$ 67,986,459</b>	<b>\$ 3,410,538</b>	<b>\$ 932,162</b>	<b>\$ 4,342,700</b>

e. Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General obligation bonds payable	\$ 45,402,274	\$ 11,355,000	\$ 3,482,812	\$ 53,274,462	\$ 3,805,726
Tax increment revenue bonds payable	15,345,000	-	15,345,000	-	-
Tax increment revenue note	2,559,796	6,654,287	2,697,944	6,516,139	-
Premium on bonds payable	295,901	1,493,936	34,667	1,755,170	-
Compensated absences payable - governmental funds	2,233,641	1,002,923	1,005,138	2,231,426	1,004,142
Insurance claims payable	778,848	1,755,968	1,662,300	872,516	436,258
Net pension liability - IMRF	7,523,908	-	1,108,947	6,414,961	-
Net pension liability - Police Pension	22,807,600	-	20,954	22,786,646	-
Net pension liability - Firefighters' Pension	26,675,369	764,318	-	27,439,687	-
Net other postemployment benefit obligation	401,542	288,370	-	689,912	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 124,023,879</b>	<b>\$ 23,314,802</b>	<b>\$ 25,357,762</b>	<b>\$ 121,980,919</b>	<b>\$ 5,246,126</b>

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

e. Changes in Long-Term Liabilities (Continued)

The compensated absences, net pension liabilities and net other postemployment benefit obligation liabilities have typically been liquidated in prior years by the General Fund.

During the fiscal year the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1	Issuances	Reductions	Balances December 31	Current Portion
General obligation bonds payable	\$ 3,762,726	\$ -	\$ 352,188	\$ 3,410,538	\$ 354,274
Premium on bonds payable	84,463	-	6,572	77,891	-
Compensated absences	157,744	92,923	70,985	179,682	80,857
Net pension liability - IMRF	1,327,748	-	195,697	1,132,051	-
Net other postemployment benefit obligation	6,081	4,092	-	10,173	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 5,338,762</b>	<b>\$ 97,015</b>	<b>\$ 625,442</b>	<b>\$ 4,810,335</b>	<b>\$ 435,131</b>

f. Current Refunding

On September 6, 2016, the Village issued \$11,355,000 Series 2016 General Obligation Bonds to currently refund \$14,375,000 of the Tax Increment Revenue Bonds, Series 2005. As a result of the refunding, the Village achieved cash flow savings of \$3,582,832 and an economic gain on the refunding of \$3,035,302.

g. Tax Increment Revenue Notes

The Village, pursuant to a redevelopment agreement dated April 27, 2009, agreed to reimburse a developer (Wheeling Shopping Center, Inc.) for certain project costs the developer incurred in the Crossroads (Central Business District) TIF District. A note was issued January 25, 2012 for \$3,500,000. Interest on the note was 7%. The note provided that the payment of principal and interest on the note was due only if tax increment revenues are available for payment of debt service. During the fiscal year ended December 31, 2016, \$138,148 of interest was accreted and principal payments against the note of \$2,697,944 were paid. The note was paid in full as of December 31, 2016.

The Village, pursuant to a redevelopment agreement dated July 21, 2014, agreed to reimburse a developer (Reva Development Partners, LLC.) for certain project costs the developer has incurred in the Town Center-II TIF District. A note was issued December 19, 2016 for \$6,500,000. Interest on the note is 7.45%. The note provides that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. Therefore, no debt service to maturity schedule is available. During the fiscal year ended December 31, 2016, \$16,139 of interest was accreted. No principal payments were made during the fiscal year ended December 31, 2016.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

h. 2008 Interest Rate Swap

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2016, and the changes in fair value of such derivative instruments for the year then ended in the 2016 financial statements are as follows:

Governmental Activities	Changes in Fair Value*		Fair Value at December 31, 2016		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges: pay - fixed interest rate swap	Deferred outflow of resources	\$ 439,633	Fair value of swap (liability)	\$ (1,554,598)	\$ 15,760,000

\*Pursuant to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the Village has recorded the fair value of the interest rate swap agreement as a deferred outflow of resources on the statement of net position with a corresponding liability for the fair value of the swap agreement as the Village has determined that the interest rate swap is an effective hedge.

Objective - As a means to create a hedge against the risk of rising interest rates, the Village entered into an interest rate swap agreement with Bank of America on November 7, 2007. The swap agreement is related to \$20,000,000 in variable rate General Obligation Bonds Series 2008 that the Village sold on January 15, 2008. The synthetic fixed rate of the swap is 4.33%.

Terms - The bonds and the related swap agreement mature on December 1, 2024 and the swap's notional amount of \$15,760,000 matches the \$15,760,000 variable rate bonds. The swap was entered into on November 7, 2007. At that time, the Village received a \$50,000 payment which was used to pay for costs related to issuing the swap. The Village then sold \$20,000,000 in variable rate General Obligation Bonds Series 2008 on January 15, 2008.

The notional value of the swap and the principal amount of the associated debt decline beginning in 2012 by equal principal amounts as noted in the debt service requirements to maturity schedule. Under the swap, the Village pays the counterparty a fixed payment of 4.33% and receives a variable payment equal to 64% of the one-month USD-LIBOR-BBA rate as of the end of each monthly period plus a 1% spread which is exactly equal to the bond's variable rate.

Fair value - As of December 31, 2016, the swap had a fair value of \$(1,554,598). The fair value of the swap is affected by changes in LIBOR relative to November 7, 2007.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. LONG-TERM DEBT (Continued)**

h. 2008 Interest Rate Swap (Continued)

Credit risk - The swap's fair value represented the Village's credit exposure to the counterparty as of December 31, 2016. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the Village faced a maximum possible loss equivalent to the swap's fair value. The swap counterparty was rated A by Fitch Ratings and A+ Standard and Poor's as of December 31, 2016.

Termination risk - The counterparty may terminate the swap if the Village fails to perform under the terms of the contract. If the swap is terminated, the variable rate bonds would no longer carry a synthetic interest rate. Also, the Village would be liable to the counterparty for a payment equal to the swap's fair value.

i. 2009 Interest Rate Swap

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2016, and the changes in fair value of such derivative instruments for the year then ended in the 2016 financial statements are as follows:

Governmental Activities	Changes in Fair Value*		Fair Value at December 31, 2016		
	Classification	Amount	Classification	Amount	Notional
Cash flow hedges: pay - fixed interest rate swap	Deferred outflow of resources	\$ 262,202	Fair value of swap (liability)	\$ (1,810,392)	\$ 10,000,000

\*Pursuant to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the Village has recorded the fair value of the interest rate swap agreement as a deferred outflow of resources on the statement of net position with a corresponding liability for the fair value of the swap agreement as the Village has determined that the interest rate swap is an effective hedge.

Objective - As a means to create a hedge against the risk of rising interest rates, the Village entered into an interest rate swap agreement with Bank of America on November 7, 2007. The intention of the swap was to effectively eliminate the risk associated with rising interest rates and allow the Village to sell \$10,000,000 in bank qualified general obligation bonds in 2009. As a result of the swap agreement, the variable rate bonds will have a synthetic fixed rate of 3.92%.

Terms - The swap agreement is effective January 15, 2009 and matures on December 1, 2027 and the swap's notional amount of \$10,000,000 matches the terms of the \$10,000,000 variable rate bonds that the counterparty purchased from the Village on that date. Under the swap, the Village pays the counterparty a fixed payment of 3.92% and receives a variable payment equal to 63.169% of the one-month USD-LIBOR-BBA rate as of the end of each monthly period plus a 0.493% spread. The variable rate for the \$10,000,000 in bank qualified general obligation bonds is exactly equal to the variable rate of the swap.

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. LONG-TERM DEBT (Continued)**

i. 2009 Interest Rate Swap (Continued)

Fair value - As of December 31, 2016, the swap had a fair value of \$(1,810,392). The fair value of the swap is affected by changes in LIBOR relative to November 7, 2007.

Credit risk - The swap's fair value represented the Village's credit exposure to the counterparty as of December 31, 2016.

Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the Village faced a maximum possible loss equivalent to the swap's fair value. The swap counterparty was rated A by Fitch Ratings and A+ Standard and Poor's as of December 31, 2016.

Termination risk - The counterparty may terminate the swap if the Village fails to perform under the terms of the contract. If the swap is terminated, the variable rate bonds would no longer carry a synthetic interest rate. Also, the Village would be liable to the counterparty for a payment equal to the swap's fair value.

j. Conduit Debt

On January 15, 2004, the Village (with the City of Prospect Heights) entered into a loan agreement for \$1,237,000 with Banco Popular North America for the purpose of constructing two new hangers and a taxiway at the Chicago Executive Airport (see Note 10c for additional disclosures on the joint venture). These notes are secured solely by the property financed and are payable solely from airport revenues. The Village is not obligated in any manner for the repayment of the notes. Accordingly, the notes are not reported as a liability in the Village's financial statements. As of December 31, 2016, the outstanding balance of the loan was \$643,974.

On April 19, 2010, the Village issued \$3,200,000 Airport Revenue Notes, Series 2010A. These notes are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the notes. Accordingly, the notes are not reported as a liability in the Village's financial statements. As of December 31, 2016, \$1,162,187 of the Airport Revenue Notes, Series 2010A are outstanding.

On April 19, 2010, the Village issued \$2,300,000 Airport Revenue Notes, Series 2010B. These notes are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the notes. Accordingly, these notes are not reported as a liability in the Village's financial statements. As of December 31, 2016, \$1,637,811 of the Airport Revenue Notes, Series 2010B are outstanding.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**6. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

Beginning January 1, 2000, the Village became self-insured for general liability, property, and workers' compensation claims and established a risk financing fund (Liability Insurance Fund) (the Fund) for these risks. It is accounted for as an internal service fund where assets are set aside for claim settlements. The Village is responsible for the first \$50,000 of each property claim and \$100,000 for each liability claim. There is no aggregate amount.

The Village covers the first \$650,000 of each workers' compensation claim for the police and fire public safety personnel department and \$550,000 for all other employees. There is no aggregate amount. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims did not exceed the Fund's coverage, and the commercial coverage was not exceeded in the past three fiscal years.

The General Fund and Waterworks and Sewerage Fund participate and make payments to the Fund based upon estimates of the amounts needed to pay prior and current year claims. Liabilities of the Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. Changes in the balances of claims liabilities during the years ended December 31, 2015 and 2016 are as follows:

	2015	2016
UNPAID CLAIMS - BEGINNING OF YEAR	\$ 1,073,684	\$ 778,848
Incurred claims (including IBNR)	838,429	1,755,968
Claims payments	(1,133,265)	(1,662,300)
UNPAID CLAIMS - END OF YEAR	\$ 778,848	\$ 872,516

**6. RISK MANAGEMENT (Continued)**

Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established in 1979 by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. Through IPBC, the Village offers both a PPO plan and an HMO plan.

For those employees enrolled in the PPO plan, the Village is responsible for the first \$35,000 in claims for each individual employee participant every claim year. The members of IPBC share claims (for each individual employee) between \$35,000 and \$125,000.

IPBC maintains stop-loss insurance to cover claims in excess of \$125,000. Approximately 51% of the Village's employees and retirees are PPO participants.

The HMO plan is also self-insured through a special arrangement. Members of IPBC pay for fixed costs of capitation and administration and then fund for claims not covered under the capitation fee. This plan is fully pooled and the Village is not individually rated based on claims experience. All members of the IPBC pay the same rates based on plan design choices. Approximately 49% of the Village's employees and retirees are HMO participants.

The Village makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC. The Village makes monthly payments to IPBC for administration of the plan. The Village had terminal reserve net of deficit of other accounts as of June 30, 2016 (most recent available) of \$720,239. This amount was declared as a dividend to the Village and, therefore, has been recorded as a receivable in the General Fund of \$671,661 and the Waterworks and Sewerage Fund of \$48,578 as of December 31, 2016.

**7. CONTINGENT LIABILITIES**

a. 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.

b. 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, constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

c. Northwest Water Commission

The Village's water purchase contract with the Northwest Water Commission (NWWC) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Solid Waste Agency of Northern Cook County

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

e. TIF Revenue Notes

*WTC, LLC*

The Village, pursuant to a redevelopment agreement dated August 4, 2015, has agreed to reimburse the developer (WTC, LLC) for certain project costs the developer has incurred in the Town Center TIF #2 District. The redevelopment agreement also contains a provision providing for the issuance of tax increment allocation revenue note not to exceed \$8,600,000. The note is payable from and secured by the pledged incremental revenues of the Town Center TIF #2 District. Interest on the notes is a rate equal to the BBB 20-year Corporate Bond Index as published by Bloomberg plus 150 basis points, as fixed upon the date of issuance. The note provides that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. As of December 31, 2016, the Village had not issued this note.

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. TAX ABATEMENTS**

The Village participates in Cook County’s Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the Class 6b program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Under the incentive provided by Class 6b, qualifying industrial real estate is eligible for the Class 6b level of assessment from the date that new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy. Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th and final year of the incentive. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

The Village has granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the Village and the other impacted taxing districts than would have been generated if the development had not occurred.

For the fiscal year ending December 31, 2016, the Village’s share of the abatement granted to the Class 6b properties amounted to \$673,391.

**9. COMMITMENTS**

a. Northwest Water Commission

The Village has committed to purchase water from NWWC. The Village expects to pay the following minimum amounts:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 1,757,244
2018	1,792,389
2019	1,828,237
2020	1,864,801
2021	1,902,097
2022-2024	5,937,603

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. COMMITMENTS (Continued)**

a. Northwest Water Commission (Continued)

These amounts have been calculated using the Village’s current allocation percentage of 17.410%. In future years, this allocation percentage will be subject to change.

NWWC has entered into water supply agreements with four member municipalities. The agreements are irrevocable and may not be terminated or amended except as provided in the general resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

The obligation of the Village to make all payments as required by this agreement is unconditional and irrevocable, without regard to performance or nonperformance by NWWC of its obligations under this agreement.

b. Solid Waste Agency of Northern Cook County

The Village has committed to pay its share of the annual operating costs and fixed costs of SWANCC. The Village’s share of dual costs is funded through user fees collected by refuse haulers. The Village expects to pay the following amounts:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 414,642
2018	429,154
2019	444,175
2020	459,721
2021	475,811

These amounts have been calculated using the Village’s allocation percentage of 3.52%. In future years, the allocation percentage will be subject to change.

**10. JOINT VENTURES**

a. Solid Waste Agency of Northern Cook County

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members.

**10. JOINT VENTURES (Continued)**

a. Solid Waste Agency of Northern Cook County (Continued)

SWANCC is governed by a Board of Directors which consists of the Mayor or President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the Solid Waste Agency of Northern Cook County administrative office at 1616 East Golf Road, Des Plaines, Illinois 60016 or online at [www.swancc.org](http://www.swancc.org).

SWANCC's outstanding bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by SWANCC resolutions. The bonds are not the debt of any member. SWANCC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges, all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the contract, the Village made payments totaling \$439,325 to SWANCC for the year ended December 31, 2016. The payments have been recorded in the General Fund. The Village does not have an equity interest in SWANCC at December 31, 2016.

**10. JOINT VENTURES (Continued)**

b. Northwest Water Commission

Description of Joint Venture

The Village is a member of NWWC, which consists of four municipalities. NWWC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. NWWC is empowered to plan, construct, improve, extend, acquire, finance, operate, and maintain a water supply system to serve its members and other potential water purchasers.

NWWC is governed by a Board of Commissioners which consist of one appointed representative from each member municipality. Each commissioner has an equal vote. The officers of NWWC are appointed by the Board of Commissioners. The Board of Commissioners determines the general policy of NWWC, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the Northwest Water Commission, 1525 North Wolf Road, Des Plaines, Illinois 60016.

Revenues of the system consist of (1) all receipts derived from the Water Supply Agreements or any other contract for the supply of water; (2) all income derived from the investment of monies; and (3) all income, fees, water service charges, and all grants, rents, and receipts derived by NWWC from the ownership and operation of the system and the sale of water. NWWC covenants to establish fees and charges sufficient to provide revenues to meet all its obligations.

NWWC has entered into water supply agreements with the four member municipalities for a term of 40 years, extending to 2022. The agreements are irrevocable and may not be terminated or amended except as provided for in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

NWWC has entered into an agreement with the City of Evanston (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2035.

The obligation of the Village to make payments required by this agreement is payable from the Village’s Water and Sewer Fund.

In accordance with the joint venture agreement, the Village remitted \$1,697,820 to NWWC for the year ended December 31, 2016. The Village has an equity interest in NWWC in the amount of \$6,985,990 as of December 31, 2016.

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. JOINT VENTURES (Continued)**

c. Chicago Executive Airport

Description of Joint Venture

The Village is a joint and equal owner of the Chicago Executive Airport (CEA), a proprietary joint venture, which consists of two municipalities. CEA is a joint airport commission established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). CEA is empowered under the Act to acquire, organize, operate, and maintain an airport to serve its members and other potential airport customers. CEA is an intergovernmental cooperative created under Illinois law to allow the City of Prospect Heights, Illinois and the Village (collectively referred to as member municipalities) joint ownership and administration of the airport.

The member municipalities have entered into agreements with the Federal Aviation Administration of the United States of America and the State of Illinois to sponsor projects for the acquisition and development of the airport. Although assets are legally held in the name of the member municipalities, such assets are recorded in CEA's financial statements to present the overall financial position and operations of the airport. Airport revenues are solely restricted to funding airport development and airport maintenance expenses. The duration of CEA shall be for the term of 20 years or the useful life of the airport, whichever is longer, unless sooner terminated and dissolved by mutual agreement of the member municipalities or by operation of law.

The two owners of CEA and their percentage shares as of the date of this report are:

	<u>Percent Share</u>
City of Prospect Heights	50%
Village of Wheeling	<u>50%</u>
<b>TOTAL</b>	<u><u>100%</u></u>

CEA is managed by a Board of Directors, which consists of seven members, three from each member municipality and a chairman of the board selected and appointed by the joint decision of the Village President of the Village and the Mayor of the City of Prospect Heights. Each Director has an equal vote. The officers of the CEA are appointed by the Board of Directors. The member municipalities have specific powers reserved to them including appointment of the Chairman and Members of the Board of Directors; approval of the Airport Layout Plan submitted to the Federal Aviation Administration and State of Illinois rules, regulations, and minimum

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. JOINT VENTURES (Continued)**

c. Chicago Executive Airport (Continued)

Description of Joint Venture (Continued)

standards for the operations of the airport; approval of any agreements with lessees, businesses, or other parties operating at the CEA; approval of a debt obligation or revenue obligation; approval of the annual budget of CEA and the Board of Directors; and approval of any land acquisition of CEA. All other powers and duties related to CEA are delegated to the Board of Directors as described in an Intergovernmental Agreement between the Village and City of Prospect Heights.

Summary of Financial Information of Joint Venture

Summary of financial position as of April 30, 2016, the most recent information available:

<b>ASSETS</b>	
Current assets	\$ 4,714,964
Capital assets	89,304,014
Construction in progress	<u>3,384,365</u>
Total assets	<u>97,403,343</u>
<b>LIABILITIES</b>	
Current liabilities	1,135,632
Long-term liabilities	<u>5,142,409</u>
Total liabilities	<u>6,278,041</u>
<b>NET POSITION</b>	<u><u>\$ 91,125,302</u></u>

Summary of revenues, expenses, and changes in net position for the year ended April 30, 2016:

Total revenues	\$ 4,001,567
Total expenses	<u>5,894,243</u>
Net income (loss) before capital contributions	(1,892,676)
Capital contributions	<u>569,516</u>
Change in net position	(1,323,160)
Net position	
May 1, 2015	<u>92,448,462</u>
April 30, 2016	<u><u>\$ 91,125,302</u></u>

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. JOINT VENTURES (Continued)**

c. Chicago Executive Airport (Continued)

Summary of Financial Information of Joint Venture (Continued)

Complete financial statements can be obtained from the Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois 60090 or at [www.chiexec.com](http://www.chiexec.com).

At April 30, 2016, the Village's proportionate share of net position and change in net position were \$45,562,651 and \$(661,580), respectively. The Village's equity share in joint venture is included in the capital assets of governmental activities.

The Village made no payments to CEA for the year ended December 31, 2016.

**11. INDIVIDUAL FUND DISCLOSURES**

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 42,783
Fiduciary	General	<u>306,376</u>
<b>TOTAL</b>		<b><u>\$ 349,159</u></b>

The purposes of the due from/due to other funds are as follows:

- \$42,783 due from nonmajor governmental (Grant Fund) to the General Fund to eliminate a deficit cash position. Repayment is expected within one year.
- \$306,376 due from the General Fund to fiduciary funds (Police and Firefighters' Pension Funds) for property taxes not yet remitted. Repayment is expected within one year.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Advances From/To Other Funds

Advances from/to other funds at December 31, 2016 consisted of the following:

Receivable Fund	Payable Fund	Amount
Waterworks and Sewerage	Capital Equipment Replacement	\$ 1,038,826
<b>TOTAL</b>		<b>\$ 1,038,826</b>

The purposes of the advances from/to other funds are as follows:

- \$1,038,826 advance from the Waterworks and Sewerage Fund to the Capital Equipment Replacement Fund for future replacement of equipment. Repayment is not expected within one year.

c. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2016 were as follows:

	Transfers In	Transfers Out
<b>General</b>		
North Milwaukee/Lake Cook Redevelopment Area	\$ -	\$ 413,000
Capital Equipment Replacement	-	1,831,869
Nonmajor governmental (Grant)	-	66,007
Nonmajor governmental (Emergency Telephone System)	-	120,000
Total General	-	2,430,876
<b>Town Center TIF #2</b>		
Nonmajor governmental (Crossroads Redevelopment Area)	-	500,000
Total Town Center TIF #2	-	500,000
<b>North Milwaukee/Lake Cook Redevelopment Area</b>		
General	413,000	-
Nonmajor governmental (Crossroads Redevelopment Area)	-	1,000,000
Total North Milwaukee/Lake Cook Redevelopment Area	413,000	1,000,000
<b>Capital Equipment Replacement</b>		
General	1,831,869	-
Waterworks and Sewerage	-	13,015
Nonmajor governmental (Emergency Telephone System)	54,339	-
Total Capital Equipment Replacement	1,886,208	13,015

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. INDIVIDUAL FUND DISCLOSURES (Continued)**

c. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Waterworks and Sewerage		
Capital Equipment Replacement	\$ 13,015	\$ -
Nonmajor governmental (Debt Service)	-	630,364
Total Waterworks and Sewerage	<u>13,015</u>	<u>630,364</u>
Nonmajor Governmental		
General	186,007	-
Capital Equipment Replacement	-	54,339
Town Center TIF #2	500,000	-
North Milwaukee/Lake Cook Redevelopment Area	1,000,000	-
Waterworks and Sewerage	630,364	-
Nonmajor governmental	845,318	845,318
Total Nonmajor governmental	<u>3,161,689</u>	<u>899,657</u>
<b>TOTAL</b>	<u>\$ 5,473,912</u>	<u>\$ 5,473,912</u>

The purpose of significant transfers is as follows:

- \$413,000 transferred to the North Milwaukee/Lake Cook Redevelopment Area Fund from the General Fund for payment on applicable bond issues. This transfer will not be repaid.
- \$1,831,869 transferred to the Capital Equipment Replacement Fund from the General Fund for the purchase of equipment. This transfer will not be repaid.
- \$120,000 transferred to the nonmajor governmental (Emergency Telephone System Fund) from the General Fund to cover expenditures for the fiscal year. This transfer will not be repaid.
- \$54,339 transferred to the Capital Equipment Replacement Fund from the nonmajor governmental (Emergency Telephone System Fund) for the purchase of equipment. This transfer will not be repaid.
- \$2,000,000 transferred to the nonmajor governmental (Crossroads Redevelopment Area Fund) from the North Milwaukee/Lake Cook Redevelopment Area (\$1,000,000), Town Center TIF #2 Fund (\$500,000), and nonmajor governmental (South Milwaukee Redevelopment Area Fund) (\$500,000) to fund the Fresh Farms TIF Note payoff. This transfer will not be repaid.

**11. INDIVIDUAL FUND DISCLOSURES (Continued)**

c. Interfund Transfers (Continued)

- \$345,318 transferred to the nonmajor governmental (Debt Service Fund) from the nonmajor governmental (Capital Projects Fund) for principal and interest expense on the 2007 GO Bonds. This transfer will not be repaid.
- \$630,364 transferred to the nonmajor governmental (Debt Service Fund) from the Waterworks and Sewerage Fund for principal and interest expense on the 2008 GO Bonds. This transfer will not be repaid.

d. Deficit Fund Balances

At December 31, 2016, the Crossroads Redevelopment Area Fund had a deficit fund balance of \$456,589.

**12. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

The Village provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

All health care benefits are provided through the Village's health insurance plan with IPBC. 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 age 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At December 31, 2015 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	89
Terminated employees entitled to benefits but not yet receiving them	-
Duty disabled participants	4
Active employees	<u>232</u>
<b>TOTAL</b>	<u><u>325</u></u>
Participating employers	<u><u>1</u></u>

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. Retirees contribute their share of the actuarially determined premium to the plan and the Village contributes the remainder to cover the cost of providing the benefits to the retirees. For the fiscal year ended December 31, 2016, the Village contributed \$985,002. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the prior two years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 874,921	\$ 924,978	105.72%	\$ 36,406
2015	1,283,256	912,039	71.07%	407,623
2016	1,277,464	985,002	77.11%	700,085

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (NOPEBO) as December 31, 2016 was calculated as follows:

Annual required contribution	\$ 1,283,824
Interest on net OPEB obligation	16,306
Adjustment to annual required contribution	<u>(22,666)</u>
Annual OPEB cost	1,277,464
Contributions made	<u>(985,002)</u>
Increase in net OPEB obligation	292,462
Net OPEB obligation, beginning of year	<u>407,623</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 700,085</u></b>

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2015 (most recent data available) was as follows:

Actuarial accrued liability (AAL)	\$ 18,407,753
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	18,407,753
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 20,035,265
UAAL as a percentage of covered payroll	91.88%

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

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year 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.

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial methods and assumptions involve the 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, 2015 actuarial valuation (most recent data available), the entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 5.0% after seven years. Both rates include a 2.5% inflation assumption. 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 a 30-year open basis.

**13. OPERATING LEASES**

a. Solid Waste Agency of Northern Cook County

The Village leases Public Works office space to SWANCC. The leases are operating leases with fixed monthly rental payments. The following is a schedule of approximate future minimum rentals under enforceable leases at December 31, 2016.

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 65,443
2018	67,406
2019	69,428
2020	71,511
2021	42,436

**14. DEFINED BENEFIT PENSION PLANS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an 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. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org). The Police and Firefighters' Pension Plans do not issue separate reports.

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

All employees (other than those covered by the Police and Firefighters' Pension Plans) 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.

*Plan Membership*

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	106
Inactive employees entitled to but not yet receiving benefits	47
Active employees	124
	<hr/>
TOTAL	<u>277</u>

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

*Contributions*

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The required employer contribution for the year ended December 31, 2016 was 11.95% of covered payroll.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2016 was 7.50%. The discount rate at December 31, 2015 was 7.47%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 55,566,893	\$ 46,715,237	\$ 8,851,656
Changes for the period			
Service cost	1,078,576	-	1,078,576
Interest	4,105,922	-	4,105,922
Difference between expected and actual experience	(830,542)	-	(830,542)
Changes in assumptions	(223,543)	-	(223,543)
Employer contributions	-	1,329,827	(1,329,827)
Employee contributions	-	437,334	(437,334)
Net investment income	-	3,206,922	(3,206,922)
Benefit payments and refunds	(2,281,397)	(2,281,397)	-
Other (net transfer)	-	460,974	(460,974)
Net changes	1,849,016	3,153,660	(1,304,644)
BALANCES AT DECEMBER 31, 2016	\$ 57,415,909	\$ 49,868,897	\$ 7,547,012

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2016, the Village recognized pension expense of \$2,054,350.

At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 981,023	\$ 670,610
Changes in assumption	815,708	180,497
Net difference between projected and actual earnings on pension plan investments	2,448,599	-
<b>TOTAL</b>	<b>\$ 4,245,330</b>	<b>\$ 851,107</b>

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

<u>Year Ending December 31,</u>	
2017	\$ 1,269,805
2018	1,269,807
2019	947,722
2020	(53,916)
2021	(39,195)
Thereafter	-
<b>TOTAL</b>	<b>\$ 3,394,223</b>

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (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 net pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 15,609,432	\$ 7,547,012	\$ 947,852

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and 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 plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries, and two members are elected by active police employees.

*Plan Membership*

At December 31, 2016, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	45
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>60</u>
<b>TOTAL</b>	<b><u><u>108</u></u></b>

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.5% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Contributions*

Employees are required by ILCS 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. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2016, the Village's contribution was 29.41% of covered payroll.

*Investment Policy*

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The investment policy was not modified during the year ended December 31, 2016.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Large cap domestic equity	0-75%	30.25%	7.6%
Small cap domestic equity	0-20%	11.00%	9.8%
International equity	0-25%	13.75%	4.1%
Fixed income	0-100%	45.00%	3.0%

The overall target for the Fund is approximately 45% invested in fixed income securities and 55% invested in equity securities. The long-term expected real rates of return are net of a 2.5% factor for inflation and investment expense. ILCS limits 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 the Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools 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. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are listed in the table above.

*Investment Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. agency obligations	\$ 8,620,452	\$ 898,537	\$ 4,385,196	\$ 3,336,719	\$ -
Municipal bonds	2,053,985	203,325	1,473,553	377,107	-
Corporate bonds	8,533,172	865,965	5,230,146	2,437,061	-
<b>TOTAL</b>	<b>\$ 19,207,609</b>	<b>\$ 1,967,827</b>	<b>\$ 11,088,895</b>	<b>\$ 6,150,887</b>	<b>\$ -</b>

The Fund has the following recurring fair value measurements as of December 31, 2016, the U.S. agency obligations, municipal bonds, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). Mutual funds and equities use Level 1 inputs.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. Illinois Funds are rated AAA. The U.S. agency obligations are rated AA+. The municipal bonds and corporate bonds range in rating from AA+ to not rated.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party.

To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 67,857,263	\$ 45,049,663	\$ 22,807,600
Changes for the period			
Service cost	1,044,941	-	1,044,941
Interest	4,989,358	-	4,989,358
Difference between expected and actual experience	(239,691)	-	(239,691)
Changes in assumptions	(909,412)	-	(909,412)
Employer contributions	-	1,922,292	(1,922,292)
Employee contributions	-	571,932	(571,932)
Net investment income	-	2,445,984	(2,445,984)
Benefit payments and refunds	(2,664,977)	(2,664,977)	-
Administrative expense	-	(34,058)	34,058
Net changes	2,220,219	2,241,173	(20,954)
BALANCES AT DECEMBER 31, 2016	\$ 70,077,482	\$ 47,290,836	\$ 22,786,646

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.25% to 8.98%
Interest rate	7.50%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the actuary's 2016 Illinois Police Mortality Rates Table.

*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 net pension liability of the Village calculated using the discount rate of 7.5% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 33,113,883	\$ 22,786,646	\$ 14,381,220

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2016, the Village recognized pension expense of \$2,822,526. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 571,988
Changes in assumptions	128,548	782,929
Net difference between projected and actual earnings on pension plan investments	2,890,351	-
<b>TOTAL</b>	<b>\$ 3,018,899</b>	<b>\$ 1,354,917</b>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2017	\$ 697,144
2018	697,144
2019	697,140
2020	(19,625)
2021	(204,637)
Thereafter	(203,184)
<b>TOTAL</b>	<b>\$ 1,663,982</b>

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

*Plan Membership*

At December 31, 2016, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>50</u>
 TOTAL	 <u><u>100</u></u>

*Benefits Provided*

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter 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% or 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 fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2016, the Village's contribution was 38.47% of covered payroll.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy*

Permitted Deposits and Investments - Statutes and the Firefighters' Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, and corporate equity securities. The investment policy was not modified during the year ended December 31, 2016.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Large cap domestic equity	40-100%	38.5%	7.1%
Small cap domestic equity	0-40%	11.0%	9.2%
International equity	0-20%	5.5%	7.3%
Fixed income	0-100%	45.0%	2.3%

The long-term expected real rates of return are net of a 3.05% factor for inflation and investment expense. ILCS limits 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 rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are listed in the table above.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Rate of Return*

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,744,645	\$ -	\$ 1,275,796	\$ 468,849	\$ -
U.S. agency obligations	8,205,333	60,078	2,284,332	5,860,923	-
Municipal bonds	2,313,236	157,684	1,401,561	458,583	295,408
Corporate bonds	2,782,224	520,862	1,759,588	501,774	-
<b>TOTAL</b>	<b>\$ 15,045,438</b>	<b>\$ 738,624</b>	<b>\$ 6,721,277</b>	<b>\$ 7,290,129</b>	<b>\$ 295,408</b>

The Fund has the following recurring fair value measurements as of December 31, 2016, the U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, municipal bonds, and Corporate Bonds are valued using quoted matrix pricing models (Level 2 inputs). Mutual funds and equities use Level 1 inputs.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Interest Rate Risk (Continued)*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. Illinois Funds are rated AAA. The U.S. agency obligations are rated AA+. The municipal bonds and corporate bonds range in rating from AAA to not rated by Standard and Poor's and from AA+ to BBB by Standard and Poor's.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Money market mutual funds and mutual funds are not subject to custodial credit risk.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 60,475,872	\$ 33,800,503	\$ 26,675,369
Changes for the period			
Service cost	1,093,332	-	1,093,332
Interest	4,428,808	-	4,428,808
Difference between expected and actual experience	37,737	-	37,737
Changes in assumptions	(17,349)	-	(17,349)
Employer contributions	-	2,123,616	(2,123,616)
Employee contributions	-	470,922	(470,922)
Net investment income	-	2,215,038	(2,215,038)
Benefit payments and refunds	(2,850,197)	(2,850,197)	-
Administrative expense	-	(31,366)	31,366
Net changes	2,692,331	1,928,013	764,318
BALANCES AT DECEMBER 31, 2016	\$ 63,168,203	\$ 35,728,516	\$ 27,439,687

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.25% to 13.26%
Interest rate	7.50%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the actuary's 2016 Illinois Firefighters' Mortality Rates.

*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 net pension liability of the Village calculated using the discount rate of 7.5% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 36,537,321	\$ 27,439,687	\$ 20,019,447

**VILLAGE OF WHEELING, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2016, the Village recognized pension expense of \$3,366,595. At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,010,896	\$ -
Changes in assumption	878,944	15,007
Net difference between projected and actual earnings on pension plan investments	<u>1,452,365</u>	<u>-</u>
<b>TOTAL</b>	<u><u>\$ 3,342,205</u></u>	<u><u>\$ 15,007</u></u>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2017	\$ 808,286
2018	808,286
2019	808,282
2020	406,623
2021	344,778
Thereafter	<u>150,943</u>
<b>TOTAL</b>	<u><u>\$ 3,327,198</u></u>

**VILLAGE OF WHEELING, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**15. PRIOR PERIOD ADJUSTMENT**

	<u>Increase (Decrease)</u>
<b>PRIOR PERIOD ADJUSTMENT - GOVERNMENTAL ACTIVITIES</b>	
Change in accounting principle	
To correct land asset values	\$ (769,575)
To record intangible assets - stormwater credits	<u>3,230,000</u>
<b>TOTAL PRIOR PERIOD ADJUSTMENT - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 2,460,425</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes	\$ 25,662,835	\$ 25,662,835	\$ 26,094,987	\$ 25,317,613
Licenses and permits	734,101	734,101	712,117	956,338
Intergovernmental	7,003,915	7,003,915	6,715,665	6,761,148
Charges for services	2,152,760	2,152,760	2,417,037	2,244,662
Fines and forfeits	902,577	902,577	994,658	959,311
Investment income	141,415	141,415	187,160	97,630
Miscellaneous	975,822	975,822	1,142,006	1,305,352
Total revenues	<u>37,573,425</u>	<u>37,573,425</u>	<u>38,263,630</u>	<u>37,642,054</u>
<b>EXPENDITURES</b>				
General government	10,689,385	10,722,861	10,748,569	10,997,647
Public safety	24,268,623	24,485,147	24,749,064	24,391,698
Debt service				
Principal	200,000	200,000	199,335	193,283
Total expenditures	<u>35,158,008</u>	<u>35,408,008</u>	<u>35,696,968</u>	<u>35,582,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,415,417</u>	<u>2,165,417</u>	<u>2,566,662</u>	<u>2,059,426</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds on sale of capital assets	12,000	12,000	16,795	57,674
Transfers (out)				
Capital Equipment Replacement Fund	(1,831,869)	(1,831,869)	(1,831,869)	(650,380)
Emergency Telephone System Fund	(120,000)	(120,000)	(120,000)	(210,000)
Grant Fund	(62,548)	(62,548)	(66,007)	(58,995)
North Milwaukee/Lake Cook Redevelopment Area Fund	(413,000)	(413,000)	(413,000)	(410,625)
Total other financing sources (uses)	<u>(2,415,417)</u>	<u>(2,415,417)</u>	<u>(2,414,081)</u>	<u>(1,272,326)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (250,000)</u>	152,581	787,100
FUND BALANCE, JANUARY 1			<u>14,462,486</u>	<u>13,675,386</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 14,615,067</u>	<u>\$ 14,462,486</u>

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

OTHER POSTEMPLOYMENT BENEFITS PLAN

SCHEDULE OF FUNDING PROGRESS

December 31, 2016

<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age Normal</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>(6) UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2011	\$ -	\$ 20,496,888	0.00%	\$ 20,496,888	\$ 18,675,553	109.75%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	19,406,394	0.00%	19,406,394	19,370,663	100.18%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	18,407,753	0.00%	18,407,753	20,035,265	91.88%
2016	N/A	N/A	N/A	N/A	N/A	N/A

N/A - information not available.

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$ 1,225,986	\$ 1,329,827
Contributions in relation to the actuarially determined contribution	<u>1,225,986</u>	<u>1,329,827</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,929,330	\$ 9,718,536
Contributions as a percentage of covered-employee payroll	12.35%	13.68%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of December 31, 2015. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

**VILLAGE OF WHEELING, ILLINOIS**  
**POLICE PENSION FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$ 802,115	\$ 823,526	\$ 853,194	\$ 1,256,481	\$ 1,235,774	\$ 1,358,943	\$ 1,385,278	\$ 1,566,013	\$ 1,603,586	\$ 1,768,481
Contribution in relation to the actuarially determined contribution	802,115	823,000	868,101	1,268,284	1,296,344	1,378,043	1,403,098	1,692,954	2,060,385	1,922,292
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ 526</b>	<b>\$ (14,907)</b>	<b>\$ (11,803)</b>	<b>\$ (60,570)</b>	<b>\$ (19,100)</b>	<b>\$ (17,820)</b>	<b>\$ (126,941)</b>	<b>\$ (456,799)</b>	<b>\$ (153,811)</b>
Covered-employee payroll	\$ 4,878,555	\$ 5,318,433	\$ 5,323,317	\$ 5,301,423	\$ 5,343,159	\$ 5,556,957	\$ 5,591,645	\$ 5,716,640	\$ 5,947,555	\$ 6,535,588
Contributions as a percentage of covered-employee payroll	16.44%	15.47%	16.31%	23.92%	24.26%	24.80%	25.09%	29.61%	34.64%	29.41%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.50% annually, projected salary increase assumption of 4.25% to 8.98% compounded annually, and postretirement benefit increases of 3.50% compounded annually.

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**  
**FIREFIGHTERS' PENSION FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$ 470,170	\$ 685,160	\$ 747,385	\$ 1,100,795	\$ 1,138,155	\$ 1,301,952	\$ 1,460,107	\$ 1,642,356	\$ 1,740,322	\$ 1,936,380
Contribution in relation to the actuarially determined contribution	470,484	695,926	750,324	1,106,487	1,194,810	1,314,938	1,484,050	1,850,379	2,258,857	2,123,616
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (314)</b>	<b>\$ (10,766)</b>	<b>\$ (2,939)</b>	<b>\$ (5,692)</b>	<b>\$ (56,655)</b>	<b>\$ (12,986)</b>	<b>\$ (23,943)</b>	<b>\$ (208,023)</b>	<b>\$ (518,535)</b>	<b>\$ (187,236)</b>
Covered-employee payroll	\$ 4,071,386	\$ 4,327,162	\$ 3,986,938	\$ 3,593,574	\$ 4,213,548	\$ 4,365,105	\$ 4,442,556	\$ 4,691,421	\$ 4,873,543	\$ 5,519,922
Contributions as a percentage of covered-employee payroll	11.56%	16.08%	18.82%	30.79%	28.36%	30.12%	33.41%	39.44%	46.35%	38.47%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.50% annually, projected salary increase assumption of 4.25% to 13.26% compounded annually, and postretirement benefit increases of 3.50% compounded annually.

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**OTHER POSTEMPLOYMENT BENEFITS PLAN**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

December 31, 2016

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<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2011	\$ 755,540	\$ 608,031	124.26%
2012	954,035	916,682	104.07%
2013	924,978	916,682	100.91%
2014	924,978	874,344	105.79%
2015	912,039	1,283,824	71.04%
2016	985,002	1,277,464	77.11%

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS**

Last Two Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,015,147	\$ 1,078,576
Interest	3,799,229	4,105,922
Changes of benefit terms	-	-
Differences between expected and actual experience	1,423,041	(830,542)
Changes of assumptions	147,358	(223,543)
Benefit payments, including refunds of member contributions	(2,068,645)	(2,281,397)
Net change in total pension liability	4,316,130	1,849,016
Total pension liability - beginning	51,250,763	55,566,893
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 55,566,893</b>	<b>\$ 57,415,909</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 1,225,986	\$ 1,329,827
Contributions - member	455,716	437,334
Net investment income	234,356	3,206,922
Benefit payments, including refunds of member contributions	(2,068,645)	(2,281,397)
Other	(196,861)	460,974
Net change in plan fiduciary net position	(349,448)	3,153,660
Plan fiduciary net position - beginning	47,064,685	46,715,237
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 46,715,237</b>	<b>\$ 49,868,897</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 8,851,656</b>	<b>\$ 7,547,012</b>
Plan fiduciary net position as a percentage of the total pension liability	84.10%	86.90%
Covered-employee payroll	\$ 9,929,330	\$ 9,718,536
Employer's net pension liability as a percentage of covered-employee payroll	89.10%	77.70%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**POLICE PENSION FUND**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS**

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 1,167,588	\$ 956,703	\$ 1,044,941
Interest	4,272,252	4,777,808	4,989,358
Changes of benefit terms	-	-	-
Differences between expected and actual experience	307,520	(503,870)	(239,691)
Changes to actuarial assumptions	3,350,055	177,150	(909,412)
Benefit payments, including refunds of member contributions	(2,204,065)	(2,509,271)	(2,664,977)
Net change in total pension liability	6,893,350	2,898,520	2,220,219
Total pension liability - beginning	58,065,393	64,958,743	67,857,263
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 64,958,743</b>	<b>\$ 67,857,263</b>	<b>\$ 70,077,482</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 1,692,954	\$ 2,060,385	\$ 1,922,292
Contributions - member	564,098	604,042	571,932
Net investment income	2,622,222	(216,949)	2,445,984
Benefit payments, including refunds of member contributions	(2,204,065)	(2,509,271)	(2,664,977)
Administrative expense	(27,972)	(44,077)	(34,058)
Net change in plan fiduciary net position	2,647,237	(105,870)	2,241,173
Plan fiduciary net position - beginning	42,508,296	45,155,533	45,049,663
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 45,155,533</b>	<b>\$ 45,049,663</b>	<b>\$ 47,290,836</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 19,803,210</b>	<b>\$ 22,807,600</b>	<b>\$ 22,786,646</b>
Plan fiduciary net position as a percentage of the total pension liability	69.50%	66.40%	67.50%
Covered-employee payroll	\$ 5,716,640	\$ 5,947,555	\$ 6,535,588
Employer's net pension liability as a percentage of covered-employee payroll	346.40%	383.50%	348.70%

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**FIREFIGHTERS' PENSION FUND**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS**

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 1,111,028	\$ 1,009,443	\$ 1,093,332
Interest	3,727,758	4,067,329	4,428,808
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(29,931)	1,338,568	37,737
Changes to actuarial assumptions	2,438,228	1,202,682	(17,349)
Benefit payments, including refunds of member contributions	(2,692,551)	(2,746,399)	(2,850,197)
Net change in total pension liability	4,554,532	4,871,623	2,692,331
Total pension liability - beginning	51,049,717	55,604,249	60,475,872
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 55,604,249</b>	<b>\$ 60,475,872</b>	<b>\$ 63,168,203</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 1,850,379	\$ 2,258,857	\$ 2,123,616
Contributions - member	438,414	578,831	470,922
Net investment income	2,376,338	463,608	2,215,038
Benefit payments, including refunds of member contributions	(2,692,551)	(2,746,399)	(2,850,197)
Administrative expense	(13,222)	(28,683)	(31,366)
Net change in plan fiduciary net position	1,959,358	526,214	1,928,013
Plan fiduciary net position - beginning	31,314,931	33,274,289	33,800,503
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 33,274,289</b>	<b>\$ 33,800,503</b>	<b>\$ 35,728,516</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 22,329,960</b>	<b>\$ 26,675,369</b>	<b>\$ 27,439,687</b>
Plan fiduciary net position as a percentage of the total pension liability	59.80%	55.90%	56.60%
Covered-employee payroll	\$ 4,691,421	\$ 4,873,543	\$ 5,519,922
Employer's net pension liability as a percentage of covered-employee payroll	476.00%	547.40%	497.10%

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**POLICE PENSION FUND**

**SCHEDULE OF INVESTMENT RETURNS**

Last Three Fiscal Years

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Annual money-weighted rate of return, net of investment expense	6.14%	(0.48%)	5.44%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**FIREFIGHTERS' PENSION FUND**

**SCHEDULE OF INVESTMENT RETURNS**

Last Three Fiscal Years

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Annual money-weighted rate of return, net of investment expense	7.10%	1.39%	6.59%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

# VILLAGE OF WHEELING, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

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### 1. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects, Waterworks and Sewerage (Enterprise), Liability Insurance (Internal Service), and Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

All departments of the Village submit requests for appropriation to the Village Manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next 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 appropriations, but may not change the form of the budget. The budget may only be amended by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, two supplemental appropriations were necessary.

### 2. INDIVIDUAL FUND DISCLOSURES

The following funds had expenditures in excess of budget:

Fund	Final Budget	Actual
General	\$ 35,158,008	\$ 35,696,968
Town Center TIF #2	1,128,896	8,422,839
North Milwaukee/Lake Cook Redevelopment Area	2,910,022	18,986,695
South Milwaukee Redevelopment Area	881,897	988,214

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

## **MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. The fund accounts for all revenues and expenditures in the following operating departments:

- Finance and Administrative Services
- Economic Development
- Municipal Building and Maintenance
- Municipal Vehicle Maintenance
- Community Development
- Senior Citizens Services
- Engineering
- Forestry
- Public Works Administration
- Police Department
- Fire Department

### **Town Center TIF #2 Fund**

This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district for the area surrounding Wheeling Metra Station, including portions of Dundee Road and areas north of Dundee Road.

### **North Milwaukee/Lake Cook Redevelopment Area Fund**

This fund is used to account for the redevelopment activities of the tax increment financing district located near Milwaukee Avenue and Lake Cook Road in the Village. Financing is provided from incremental property tax revenues restricted for development within the district.

### **Capital Equipment Replacement Fund**

This fund is used to account for transfers and advances from other funds assigned for the eventual replacement of vehicles and equipment utilized by those funds.

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

BALANCE SHEET

December 31, 2016

(With Comparative Amounts for December 31, 2015)

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and investments	\$ 10,229,745	\$ 9,617,721
Receivables (net, where applicable, of allowance for uncollectibles)		
Property taxes	12,972,229	12,427,824
Sales taxes	2,759,846	2,936,849
Income taxes	696,331	773,045
Telecommunications tax	317,745	349,096
Accrued interest	17,941	20,508
IPBC	671,661	1,286,311
Other	907,623	875,116
Prepaid items	211,316	471,750
Inventory	278,304	287,856
Due from other funds	42,783	87,550
<b>TOTAL ASSETS</b>	<u>\$ 29,105,524</u>	<u>\$ 29,133,626</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,023,042	\$ 1,090,796
Accrued payroll	40,236	46,491
Deposits payable	124,167	144,309
Unearned revenue	114,261	119,976
Due to fiduciary funds	306,376	970,788
Total liabilities	<u>1,608,082</u>	<u>2,372,360</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues - property taxes	<u>12,882,375</u>	<u>12,298,780</u>
Total deferred inflows of resources	<u>12,882,375</u>	<u>12,298,780</u>
<b>FUND BALANCES</b>		
Nonspendable		
Prepaid items	211,316	471,750
Inventory	278,304	287,856
Assigned		
Health insurance	671,661	1,286,311
Unassigned	<u>13,453,786</u>	<u>12,416,569</u>
Total fund balances	<u>14,615,067</u>	<u>14,462,486</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 29,105,524</u>	<u>\$ 29,133,626</u>

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>TAXES</b>				
Property taxes	\$ 8,593,919	\$ 8,593,919	\$ 8,663,160	\$ 7,548,728
Property taxes - Police Pension Fund	1,768,481	1,768,481	1,826,149	1,648,553
Property taxes - Firefighters' Pension Fund	1,936,380	1,936,380	2,003,235	1,797,892
TIF surplus distribution	235,173	235,173	252,056	232,668
Sales tax	5,771,496	5,771,496	6,252,421	6,739,449
Home rule sales tax	4,062,927	4,062,927	3,926,334	4,047,364
Telecommunications tax	1,275,128	1,275,128	1,252,938	1,342,101
Food and beverage tax	937,875	937,875	910,343	911,165
Hotel/motel tax	1,079,325	1,079,325	1,008,332	1,048,308
Auto rental tax	2,131	2,131	19	1,385
<b>Total taxes</b>	<b>25,662,835</b>	<b>25,662,835</b>	<b>26,094,987</b>	<b>25,317,613</b>
<b>LICENSES AND PERMITS</b>				
Business licenses	110,000	85,000	83,142	80,978
Coin-operated licenses	11,500	11,500	9,670	10,443
Liquor licenses	163,128	188,128	185,292	164,794
Other licenses	102,973	102,973	151,008	101,848
Building permits	304,000	304,000	226,712	559,272
Other permits	42,500	42,500	56,293	39,003
<b>Total licenses and permits</b>	<b>734,101</b>	<b>734,101</b>	<b>712,117</b>	<b>956,338</b>
<b>INTERGOVERNMENTAL</b>				
Township taxes	82,300	82,300	98,428	70,923
Personal property replacement tax	200,000	200,000	179,981	179,696
Income tax	4,106,014	4,106,014	3,664,807	4,005,867
State use tax	858,950	858,950	914,410	843,696
Police training	-	-	2,773	9,660
Fire training	-	-	35,036	1,197
Video gaming tax	173,025	173,025	221,191	178,437
Crossing guard reimbursement	-	-	14,814	-
Emergency dispatch services	1,582,226	1,582,226	1,582,226	1,468,643
Pull tabs and jar games tax	1,400	1,400	1,999	3,029
<b>Total intergovernmental</b>	<b>7,003,915</b>	<b>7,003,915</b>	<b>6,715,665</b>	<b>6,761,148</b>
<b>CHARGES FOR SERVICES</b>				
Electrical inspections	65,000	65,000	71,032	91,714
Plumbing inspections	35,000	35,000	27,011	51,238
Engineering inspection fees	180,000	180,000	283,279	192,820
Solid waste service charge	541,000	541,000	617,978	577,220
SWANCC fees	237,000	237,000	249,519	246,522
Host community fees	100,000	100,000	100,000	100,000
Ambulance fees	570,000	570,000	620,050	586,985
Impounding fees	702	702	1,100	800

(This schedule is continued on the following page.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>CHARGES FOR SERVICES (Continued)</b>				
Plan review	\$ 30,000	\$ 30,000	\$ 37,809	\$ 21,185
Subdivision prefilng fees	1,195	1,195	-	1,195
Planning and zoning fees	4,600	4,600	17,492	6,539
Industrial revenue bond and 6(b) fees	3,500	3,500	1,900	7,600
Duplicating services	5,300	5,300	4,818	5,373
False alarm fees	10,000	10,000	11,142	13,544
Pavilion senior center	29,000	29,000	20,238	26,158
Monthly permit fee	27,000	27,000	27,604	26,528
Daily parking fee	49,825	49,825	61,092	51,888
Rental income	69,733	69,733	71,696	67,886
Rental income - T-Mobile	28,656	28,656	29,572	28,710
Police liaison reimbursement	162,319	162,319	160,664	138,011
Finger printing fee	2,080	2,080	2,021	2,226
CPR training fees	850	850	1,020	520
Total charges for services	2,152,760	2,152,760	2,417,037	2,244,662
<b>FINES AND FORFEITS</b>				
Court fines	157,992	157,992	152,996	146,932
Local ordinance fines	744,585	744,585	841,662	812,379
Total fines and forfeits	902,577	902,577	994,658	959,311
<b>INVESTMENT INCOME</b>				
Investment income	141,415	141,415	187,160	97,630
<b>MISCELLANEOUS</b>				
Cable TV franchise fees	368,000	368,000	392,434	366,433
Waste management franchise fees	88,893	88,893	88,915	88,893
AT&T franchise fees	180,000	180,000	160,932	179,356
Other franchise fees	42,840	42,840	43,841	42,584
IPBC terminal reserve revenue	204,476	204,476	311,189	319,265
Donations	100	100	44,562	58,502
Other	91,513	91,513	100,133	250,319
Total miscellaneous	975,822	975,822	1,142,006	1,305,352
<b>TOTAL REVENUES</b>	<b>\$ 37,573,425</b>	<b>\$ 37,573,425</b>	<b>\$ 38,263,630</b>	<b>\$ 37,642,054</b>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT</b>				
Village Manager's office and Board of Trustees	\$ 1,671,012	\$ 1,704,488	\$ 1,714,504	\$ 1,835,897
Finance	1,038,486	1,038,486	1,008,114	954,219
Human resources	260,860	260,860	259,653	216,042
Legal	396,750	396,750	438,015	498,099
Special events	112,217	112,217	297,146	112,798
Solid waste system	421,997	421,997	440,177	415,262
Commuter parking system	40,400	40,400	44,035	44,323
Municipal building maintenance	1,045,095	1,045,095	1,011,738	1,086,159
Municipal vehicle maintenance	692,773	692,773	698,219	674,835
Community development	1,739,229	1,739,229	1,683,030	1,956,598
Senior citizens services	367,157	367,157	358,424	389,018
Social services	318,684	318,684	320,103	301,845
CIP engineering	434,303	434,303	428,630	147,440
Street division	980,992	980,992	940,815	888,739
Public works administration	571,969	571,969	575,273	660,552
Forestry	1,020,735	1,020,735	976,827	1,247,544
Information systems	827,598	827,598	804,738	805,765
Subtotal	11,940,257	11,973,733	11,999,441	12,235,135
Less Waterworks and Sewerage Fund reimbursements	1,250,872	1,250,872	1,250,872	1,237,488
Total general government	10,689,385	10,722,861	10,748,569	10,997,647
<b>PUBLIC SAFETY</b>				
Police department	14,114,995	14,211,138	14,217,598	14,023,350
Fire department	10,153,628	10,274,009	10,531,466	10,368,348
Total public safety	24,268,623	24,485,147	24,749,064	24,391,698
<b>DEBT SERVICE</b>				
Principal	200,000	200,000	199,335	193,283
Total debt service	200,000	200,000	199,335	193,283
<b>TOTAL EXPENDITURES</b>	<b>\$ 35,158,008</b>	<b>\$ 35,408,008</b>	<b>\$ 35,696,968</b>	<b>\$ 35,582,628</b>

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT</b>				
Village Manager's Office and Board of Trustees				
Personnel services				
Overtime	\$ -	\$ -	\$ 349	\$ 60
Seasonal help	7,000	7,000	5,975	5,670
Salaries	561,178	561,178	586,025	582,645
Longevity	1,000	1,000	1,000	1,000
Training	14,950	14,950	16,217	16,212
Employer contribution	99,930	133,406	133,994	227,418
Sick leave buy back	2,271	2,271	2,323	2,256
Total personnel services	686,329	719,805	745,883	835,261
Contractual services				
Advertising and publishing	3,500	3,500	1,765	3,503
Codification	7,500	7,500	5,260	7,473
Conferences and meetings	4,598	4,598	10,209	7,535
Consulting services	5,000	5,000	-	5,000
Data processing services	92,700	92,700	99,803	87,408
Energy	17,000	17,000	13,269	15,225
Employee group insurance	64,330	64,330	70,639	67,594
General liability insurance	16,860	16,860	16,860	15,084
Maintenance - office equipment	1,200	1,200	1,563	1,953
Membership dues	143,125	143,125	104,671	143,336
Miscellaneous	142,500	142,500	132,367	134,748
Postage	41,900	41,900	36,955	43,567
Printing and binding	1,000	1,000	1,042	564
Legal services	-	-	2,942	-
Rental agreements	2,880	2,880	3,024	3,578
Cellular service	95,980	95,980	94,208	96,955
Telecommunications	230,000	230,000	240,948	226,734
Retiree health insurance	19,315	19,315	15,778	19,192
Duplication services	6,000	6,000	5,222	-
Miscellaneous contractual services	-	-	1,568	3,380
Total contractual services	895,388	895,388	858,093	882,829
Commodities				
Auto petroleum products	800	800	784	1,381
Books and subscriptions	8,100	8,100	8,356	7,781
Vehicle maintenance	400	400	459	461
Information systems miscellaneous equipment and supplies	-	-	1,390	4,203
Small tools and equipment	500	500	453	442
Miscellaneous	5,000	5,000	3,979	6,698
Office supplies	11,000	11,000	3,022	9,352
Awards/decorations	1,000	1,000	8,674	2,193
Business recruitment	62,495	62,495	83,411	85,296
Total commodities	89,295	89,295	110,528	117,807
Total Village Manager's Office and Board of Trustees	1,671,012	1,704,488	1,714,504	1,835,897

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Finance				
Personnel services				
Overtime	\$ 500	\$ 500	\$ 303	\$ 296
Salaries	646,850	646,850	635,017	599,601
Longevity	3,800	3,800	3,800	3,800
Training	1,700	1,700	1,557	2,310
Employer contribution	125,702	125,702	118,453	110,141
Unemployment compensation	-	-	-	5,778
Sick leave buy back	2,916	2,916	2,972	2,897
Total personnel services	781,468	781,468	762,102	724,823
Contractual services				
Advertising and publishing	1,150	1,150	901	1,118
Audit	48,750	48,750	42,107	34,385
Conferences and meetings	6,125	6,125	7,404	2,835
Employee group insurance	128,704	128,704	114,521	116,010
General liability insurance	16,860	16,860	16,860	15,084
Bank charges	12,480	12,480	12,929	11,631
Maintenance - office equipment	1,650	1,650	1,098	1,120
Membership dues	1,050	1,050	1,049	1,049
Actuarial services	9,200	9,200	11,500	6,050
Printing and binding	2,000	2,000	3,388	4,250
Credit card fees	8,700	8,700	12,848	11,803
Retiree health insurance	10,059	10,059	9,439	9,915
Miscellaneous contracts	5,320	5,320	6,488	5,922
Total contractual services	252,048	252,048	240,532	221,172
Commodities				
Books and subscriptions	200	200	40	60
Information systems miscellaneous equipment and supplies	-	-	639	3,573
Small tools and equipment	200	200	82	95
Miscellaneous	1,120	1,120	1,274	1,103
Office supplies	2,500	2,500	2,515	2,463
Awards/decorations	950	950	930	930
Total commodities	4,970	4,970	5,480	8,224
Capital outlay				
Transfer to CERF	61,801	61,801	61,801	6,897
Less transfer to CERF	(61,801)	(61,801)	(61,801)	(6,897)
Net capital outlay	-	-	-	-
Total finance	1,038,486	1,038,486	1,008,114	954,219

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Human resources				
Personnel services				
Salaries	\$ 146,593	\$ 146,593	\$ 149,433	\$ 141,571
Training	800	800	533	469
Employer contribution	27,804	27,804	27,897	26,249
Sick leave buy back	283	283	289	281
Total personnel services	175,480	175,480	178,152	168,570
Contractual services				
Advertising and publishing	2,500	2,500	2,015	1,782
Conferences and meetings	3,700	3,700	3,016	3,264
Consulting services	6,700	6,700	7,712	5,660
Employee group insurance	19,369	19,369	20,004	19,211
General liability insurance	5,901	5,901	5,901	5,279
Membership dues	1,160	1,160	1,160	1,160
Personnel services	32,250	32,250	29,913	2,913
Medical exams	12,500	12,500	9,536	6,403
Total contractual services	84,080	84,080	79,257	45,672
Commodities				
Miscellaneous	-	-	-	32
Miscellaneous equipment and supplies	-	-	-	445
Awards/decorations	1,300	1,300	2,244	1,323
Total commodities	1,300	1,300	2,244	1,800
Total human resources	260,860	260,860	259,653	216,042
Legal				
Contractual services				
Recording fees	1,000	1,000	448	1,926
Advertising and publishing	-	-	700	-
Duplication services	-	-	1,000	-
Legal services	395,000	395,000	435,607	486,639
Miscellaneous contractual services	750	750	260	9,534
Total contractual services	396,750	396,750	438,015	498,099
Total legal	396,750	396,750	438,015	498,099
Special events				
Personnel services				
Employer contributions	2,717	2,717	-	-
Overtime	14,000	14,000	10,179	9,990
Total personnel services	16,717	16,717	10,179	9,990

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Special events (Continued)				
Contractual services				
Advertising and publishing	\$ -	\$ -	\$ -	\$ 3,383
Rental equipment	7,000	7,000	1,901	5,870
Programs and activities	76,000	76,000	80,227	72,394
Printing and binding	-	-	-	78
Miscellaneous contractual services	-	-	71,857	-
Total contractual services	83,000	83,000	153,985	81,725
Commodities				
Miscellaneous operating supplies	12,500	12,500	132,982	21,083
Total commodities	12,500	12,500	132,982	21,083
Total special events	112,217	112,217	297,146	112,798
Solid waste system				
Contractual services				
Postage	591	591	552	591
Printing and binding	326	326	300	304
Regional and special agencies assessments	421,080	421,080	439,325	414,367
Total contractual services	421,997	421,997	440,177	415,262
Total solid waste system	421,997	421,997	440,177	415,262
Commuter parking system				
Contractual services				
Energy	15,500	15,500	12,709	13,687
Office equipment maintenance	8,700	8,700	7,397	9,195
Printing and binding	-	-	-	3,005
Rental agreement	10,000	10,000	15,179	11,414
Credit card fees	750	750	3,375	1,042
Total contractual services	34,950	34,950	38,660	38,343
Commodities				
Maintenance - building and grounds	5,000	5,000	4,786	5,372
Water and sewer services charges	450	450	589	608
Total commodities	5,450	5,450	5,375	5,980
Total commuter parking system	40,400	40,400	44,035	44,323

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Municipal building maintenance				
Personnel services				
Overtime	\$ 16,000	\$ 16,000	\$ 9,940	\$ 15,168
Seasonal help	25,000	25,000	13,289	12,574
Salaries	454,882	454,882	457,933	446,245
Longevity	3,700	3,700	3,700	3,400
Training	2,500	2,500	2,501	2,594
Uniform allowance	3,000	3,000	3,097	2,492
Employer contribution	94,873	94,873	91,652	91,652
Sick leave annual buy back	1,177	1,177	-	1,169
Total personnel services	601,132	601,132	582,112	575,294
Contractual services				
Information systems service and maintenance agreement	5,989	5,989	2,634	16,945
Debris dump charges	200	200	270	385
Employee group insurance	74,198	74,198	74,327	76,789
General liability insurance	43,836	43,836	43,836	39,219
Janitorial services	100,000	100,000	90,436	133,523
Maintenance - equipment	13,000	13,000	12,453	14,667
Retiree health insurance	5,030	5,030	3,828	4,949
Membership dues	-	-	23	-
Miscellaneous contractual services	57,750	57,750	49,426	69,559
Total contractual services	300,003	300,003	277,233	356,036
Commodities				
Auto petroleum products	10,000	10,000	3,581	9,266
Chemicals	6,000	6,000	5,895	7,293
Janitorial supplies	26,000	26,000	30,647	30,526
Vehicle maintenance	13,500	13,500	11,769	15,874
Maintenance - buildings and grounds	56,000	56,000	61,763	54,856
Information systems miscellaneous equipment and supplies	1,750	1,750	1,475	-
Minor tools and equipment	7,000	7,000	8,455	5,443
Miscellaneous operating supplies	1,710	1,710	1,768	1,548
Protective clothing	2,000	2,000	1,750	1,403
Water and sewer services charges	20,000	20,000	25,290	28,620
Total commodities	143,960	143,960	152,393	154,829
Capital outlay				
Transfer to CERF	27,700	27,700	27,700	9,800
Less transfer to CERF	(27,700)	(27,700)	(27,700)	(9,800)
Net capital outlay	-	-	-	-
Total municipal building maintenance	1,045,095	1,045,095	1,011,738	1,086,159

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Municipal vehicle maintenance				
Personnel services				
Overtime	\$ 6,000	\$ 6,000	\$ 6,422	\$ 3,384
Salaries	443,902	443,902	449,384	433,057
Longevity	3,600	3,600	3,600	3,300
Training	2,230	2,230	2,209	3,220
Uniform allowance	7,700	7,700	7,583	7,198
Employer contribution	86,940	86,940	89,271	86,641
Sick leave buy back	1,177	1,177	-	-
Total personnel services	551,549	551,549	558,469	536,800
Contractual services				
Conferences and meetings	3,000	3,000	3,634	2,627
Consulting services	1,400	1,400	1,946	1,065
Debris dump charges	150	150	158	(164)
Employee group insurance	71,190	71,190	70,846	73,145
General liability insurance	26,976	26,976	26,976	24,135
Maintenance - office equipment and special equipment	3,295	3,295	4,460	4,149
Membership dues	754	754	341	669
Printing and binding	300	300	132	220
Retiree health insurance	6,059	6,059	6,010	6,213
Total contractual services	113,124	113,124	114,503	112,059
Commodities				
Auto petroleum products	2,800	2,800	570	2,880
Books and subscriptions	500	500	196	165
Chemicals	1,500	1,500	1,631	1,623
Vehicle maintenance	3,500	3,500	3,094	2,630
Minor tools and equipment	5,500	5,500	5,476	5,854
Miscellaneous equipment and supplies	5,500	5,500	4,133	3,516
Miscellaneous operating supplies	7,450	7,450	8,214	7,232
Protective clothing	450	450	298	1,327
Information systems miscellaneous software	900	900	1,635	749
Total commodities	28,100	28,100	25,247	25,976
Capital outlay				
Transfer to CERF	4,124	4,124	4,124	2,868
Less transfer to CERF	(4,124)	(4,124)	(4,124)	(2,868)
Net capital outlay	-	-	-	-
Total municipal vehicle maintenance	692,773	692,773	698,219	674,835

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Community development				
Personnel services				
Overtime	\$ 2,000	\$ 2,000	\$ 2,461	\$ 1,165
Seasonal help	17,000	17,000	7,455	13,167
Salaries	1,037,982	1,037,982	1,032,392	1,233,372
Longevity	3,500	3,500	4,258	4,150
Training	2,500	2,500	889	1,385
Uniform allowance	600	600	489	545
Unemployment compensation	-	-	-	16,456
Retiree contribution	-	-	23,774	-
Employer contribution	201,050	201,050	204,946	233,763
Sick leave buy back	3,564	3,564	-	974
Total personnel services	1,268,196	1,268,196	1,276,664	1,504,977
Contractual services				
Advertising and publishing	1,500	1,500	1,004	398
Conferences and meetings	2,500	2,500	2,327	710
Consulting services	21,500	21,500	12,011	12,024
Data processing services	13,590	13,590	12,843	12,632
Exterminating services	6,800	6,800	5,965	6,110
Employee group insurance	153,940	153,940	138,269	189,530
General liability insurance	165,228	165,228	165,228	147,826
Maintenance - office equipment	6,000	6,000	2,459	3,359
Membership dues	2,865	2,865	2,159	2,546
Printing and binding	7,500	7,500	8,454	5,445
Credit card fees	3,500	3,500	4,273	2,057
Retiree health insurance	27,010	27,010	24,066	26,851
Duplication services	6,000	6,000	4,750	2,344
Finger printing fees	3,000	3,000	2,931	2,459
Total contractual services	420,933	420,933	386,739	414,291
Commodities				
Auto petroleum products	9,000	9,000	4,403	6,252
Books and subscriptions	1,200	1,200	1,108	1,965
Health test supplies	250	250	42	39
Vehicle maintenance	4,700	4,700	4,764	3,922
Information systems miscellaneous equipment and supplies	8,150	8,150	1,615	14,252
Minor tools and equipment	1,550	1,550	613	1,133
Miscellaneous operating supplies	4,000	4,000	3,769	5,700
Office supplies	20,500	20,500	3,062	3,298
Protective clothing	750	750	251	769
Total commodities	50,100	50,100	19,627	37,330

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Community development (Continued)				
Capital outlay				
Transfer to CERF	\$ -	\$ -	\$ -	\$ 11,508
Less transfer to CERF	-	-	-	(11,508)
Net capital outlay	-	-	-	-
Total community development	1,739,229	1,739,229	1,683,030	1,956,598
Senior citizens services				
Personnel services				
Overtime	200	200	37	-
Salaries	235,789	235,789	229,568	230,656
Employer contribution	41,913	41,913	41,845	40,416
Sick leave buy back	408	408	-	-
Total personnel services	278,310	278,310	271,450	271,072
Contractual services				
Conferences and meetings	350	350	-	142
Consulting services	-	-	-	26,539
Energy	4,900	4,900	4,520	4,883
Employee group insurance	40,286	40,286	41,111	40,531
General liability insurance	5,901	5,901	5,901	5,279
Landscape maintenance	1,700	1,700	1,527	1,487
Maintenance - equipment	4,200	4,200	3,686	4,052
Membership dues	500	500	250	300
Postage	3,000	3,000	2,353	2,421
Printing and binding	700	700	(94)	667
Programs and activities	15,000	15,000	22,608	21,521
Regional and special agency assessments	300	300	234	323
Credit card fees	650	650	1,008	827
Total contractual services	77,487	77,487	83,104	108,972
Commodities				
Books and subscriptions	160	160	13	156
Maintenance - buildings and grounds	7,000	7,000	1,864	5,139
Minor tools and equipment	400	400	104	478
Miscellaneous operating supplies	1,500	1,500	1,319	1,424
Office supplies	2,300	2,300	570	1,777
Total commodities	11,360	11,360	3,870	8,974
Total senior citizen services	367,157	367,157	358,424	389,018

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Social services				
Personnel services				
Longevity	\$ 1,600	\$ 1,600	\$ 1,600	\$ 600
Overtime	6,000	6,000	5,604	843
Salaries	222,288	222,288	226,557	220,693
Employer contributions	45,043	45,043	44,181	42,200
Sick leave annual buy back	653	653	-	-
Training and meetings	400	400	669	204
Total personnel services	275,984	275,984	278,611	264,540
Contractual services				
Conferences and meetings	4,300	4,300	4,582	2,597
Employee health insurance	32,840	32,840	33,561	32,962
Membership dues	410	410	380	795
Printing and binding	500	500	356	95
Contractual services	2,500	2,500	-	-
Total contractual services	40,550	40,550	38,879	36,449
Commodities				
Miscellaneous equipment and supplies	400	400	79	-
Miscellaneous operating supplies	1,000	1,000	1,255	468
Office supplies	750	750	1,279	388
Total commodities	2,150	2,150	2,613	856
Total social services	318,684	318,684	320,103	301,845
CIP engineering				
Personnel services				
Overtime	8,000	8,000	14,563	-
Seasonal help	18,000	18,000	17,935	-
Salaries	167,387	167,387	169,572	-
Longevity	715	715	715	-
Training	750	750	644	439
Employer contribution	35,862	35,862	35,428	-
Total personnel services	230,714	230,714	238,857	439
Contractual services				
Multiple day training	3,600	3,600	1,784	-
Consulting services	14,000	14,000	9,287	8,522
Data processing	2,650	2,650	2,625	2,625
Employee group insurance	30,795	30,795	28,867	-
General liability insurance	116,334	116,334	116,334	104,081
Maintenance - office equipment	500	500	415	482
Membership dues	960	960	963	96
Printing and binding	1,100	1,100	1,125	1,200
Duplication services	14,000	14,000	9,548	13,625
Rental agreements	500	500	-	500
Total contractual services	184,439	184,439	170,948	131,131

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
CIP engineering (Continued)				
Commodities				
Auto petroleum products	\$ 3,500	\$ 3,500	\$ 2,080	\$ 2,910
Books and subscriptions	450	450	807	434
Vehicle maintenance	1,800	1,800	1,703	861
Information systems software	6,750	6,750	6,860	3,010
Miscellaneous equipment and supplies	1,750	1,750	2,282	3,882
Minor tools and equipment	1,000	1,000	1,240	1,157
Miscellaneous operating supplies	2,000	2,000	1,986	1,904
Office supplies	900	900	874	948
Protective clothing	1,000	1,000	993	764
Total commodities	19,150	19,150	18,825	15,870
Capital outlay				
Transfer to CERF	-	-	-	5,102
Less transfer to CERF	-	-	-	(5,102)
Total capital outlay	-	-	-	-
Total CIP engineering	434,303	434,303	428,630	147,440
Streets division				
Personnel services				
Overtime	90,000	90,000	69,098	101,693
Seasonal help	38,000	38,000	4,955	31,075
Salaries	347,528	347,528	337,377	341,340
Longevity	2,000	2,000	2,000	1,700
Training	1,230	1,230	1,217	1,318
Uniform allowance	2,000	2,000	1,944	2,177
Employer contributions	88,845	88,845	67,423	72,535
Sick leave annual buy back	196	196	200	195
Total personnel services	569,799	569,799	484,214	552,033
Contractual services				
Multiple day training	-	-	125	-
Service and maintenance agreement	1,500	1,500	1,350	-
Debris dumping charges	6,000	6,000	-	-
Energy	3,700	3,700	360	479
Employee health insurance	75,606	75,606	73,242	78,930
General liability insurance	76,713	76,713	76,713	68,633
Miscellaneous contractual service	8,000	8,000	28,674	10,930
Membership dues	155	155	103	150
Rental equipment	1,500	1,500	-	-
Retiree health insurance	12,119	12,119	12,068	12,382
Pavement markings	18,000	18,000	17,487	9,332
Street light maintenance	40,000	40,000	73,746	29,981
Total contractual services	243,293	243,293	283,868	210,817

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Streets division (Continued)				
Commodities				
Auto petroleum products	\$ 33,000	\$ 33,000	\$ 13,364	\$ 22,671
Books and subscriptions	900	900	950	900
Chemicals	15,000	15,000	2,242	12,196
Vehicle maintenance	41,000	41,000	40,256	45,081
Maintenance - building and grounds	17,500	17,500	10,490	(7,360)
Minor tools and equipment	30,000	30,000	49,110	22,773
Small tools and equipment	6,500	6,500	6,496	9,128
Miscellaneous operating supplies	500	500	1,089	259
Miscellaneous equipment and supplies	1,750	1,750	2,096	2,381
Protective clothing	2,500	2,500	2,229	1,851
Special equipment	8,250	8,250	38,080	4,518
Streets signs	10,000	10,000	4,464	10,538
Water and sewer service charges	1,000	1,000	1,867	953
Total commodities	167,900	167,900	172,733	125,889
Capital outlay				
Transfer to CERF	293,301	293,301	293,301	95,343
Less transfer to CERF	(293,301)	(293,301)	(293,301)	(95,343)
Net capital outlay	-	-	-	-
Total streets division	980,992	980,992	940,815	888,739
Public works administration				
Personnel services				
Salaries	368,081	368,081	379,006	421,340
Training	800	800	888	1,120
Longevity	-	-	-	1,899
Employer contributions	71,300	71,300	70,297	95,505
SLDPA retiree contributions	-	-	-	21,498
Sick leave buy back	504	504	-	-
Total personnel services	440,685	440,685	450,191	541,362
Contractual services				
Conferences and meetings	3,800	3,800	3,742	4,332
Energy	8,300	8,300	5,655	6,427
Employee group insurance	59,715	59,715	58,534	55,757
General liability insurance	28,662	28,662	28,662	25,643
Maintenance - office equipment	2,249	2,249	1,074	1,959
Maintenance - radio equipment	200	200	335	409
Membership dues	310	310	307	299
Medical examinations	3,000	3,000	4,051	2,421
Printing and binding	300	300	212	286
Retiree health insurance	16,471	16,471	13,368	10,939
Miscellaneous contractual services	307	307	153	307
Total contractual services	123,314	123,314	116,093	108,779

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Public works administration (Continued)				
Commodities				
Auto petroleum products	\$ 550	\$ 550	\$ 602	\$ 767
Books and subscriptions	200	200	-	-
Vehicle maintenance	450	450	145	129
Information systems miscellaneous equipment and supplies	-	-	-	1,866
Miscellaneous operating supplies	2,500	2,500	3,716	2,855
Office supplies	4,000	4,000	4,400	4,024
Protective clothing	270	270	97	455
Awards and decorations	-	-	29	315
Total commodities	7,970	7,970	8,989	10,411
Total public works administration	571,969	571,969	575,273	660,552
Forestry				
Personnel services				
Longevity	2,000	2,000	2,000	1,700
Overtime	2,500	2,500	1,386	1,889
Seasonal help	40,000	40,000	16,785	13,269
Salaries	347,528	347,528	337,375	341,338
Training	1,370	1,370	1,295	1,581
Uniform allowance	2,000	2,000	1,739	1,479
Employer contributions	72,018	72,018	69,427	70,067
Sick leave annual buy back	196	196	200	195
Unemployment compensation	-	-	2,005	-
Total personnel services	467,612	467,612	432,212	431,518
Contractual services				
Debris dump charges	6,000	6,000	4,590	8,195
Energy	20,600	20,600	14,870	16,494
Employee health insurance	75,606	75,606	73,242	78,929
General liability insurance	32,877	32,877	32,877	29,414
Service and maintenance agreement	-	-	-	5,250
Landscape maintenance	99,000	99,000	158,054	106,525
Membership dues	790	790	750	785
Energy	138,450	138,450	84,455	164,805
Miscellaneous contractual services	53,000	53,000	43,119	277,359
Total contractual services	426,323	426,323	411,957	687,756
Commodities				
Auto petroleum products	10,000	10,000	4,010	6,970
Chemicals	2,000	2,000	1,798	-
Vehicle maintenance	10,000	10,000	7,525	6,986
Maintenance - building and grounds	75,000	75,000	83,785	84,678
Miscellaneous equipment and supplies	1,750	1,750	2,031	-
Small tools and equipment	9,000	9,000	6,827	9,125

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Forestry (Continued)				
Commodities (Continued)				
Miscellaneous operating supplies	\$ 800	\$ 800	\$ 665	\$ 479
Protective clothing	2,500	2,500	1,712	1,996
Special equipment	8,250	8,250	8,325	4,518
Water charge	7,500	7,500	15,980	13,518
Total commodities	126,800	126,800	132,658	128,270
Capital outlay				
Transfer to CERF	45,458	45,458	45,458	28,181
Less transfer to CERF	(45,458)	(45,458)	(45,458)	(28,181)
Total capital outlay	-	-	-	-
Total forestry	1,020,735	1,020,735	976,827	1,247,544
Information systems				
Personnel services				
Salaries	389,950	389,950	398,678	375,817
Training	4,000	4,000	4,031	3,995
Longevity	1,600	1,600	1,600	1,600
Employer contribution	76,126	76,126	75,434	72,559
Sick leave buy back	2,396	2,396	1,525	2,071
Total personnel services	474,072	474,072	481,268	456,042
Contractual services				
Information system service and maintenance agreement	200,500	200,500	187,136	219,185
Employee health insurance	66,076	66,076	66,332	67,516
Maintenance - office equipment	2,000	2,000	1,597	282
Multiple day training	2,000	2,000	2,261	-
Membership dues	250	250	125	250
Total contractual services	270,826	270,826	257,451	287,233
Commodities				
Information systems miscellaneous equipment and supplies	35,000	35,000	40,375	33,002
Miscellaneous operating supplies	2,500	2,500	2,437	1,380
Office supplies	200	200	86	-
Miscellaneous software	45,000	45,000	23,121	28,108
Total commodities	82,700	82,700	66,019	62,490

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>GENERAL GOVERNMENT (Continued)</b>				
Information systems (Continued)				
Capital outlay				
Transfer to CERF	\$ 319,927	\$ 319,927	\$ 319,927	\$ 97,988
Less transfer to CERF	(319,927)	(319,927)	(319,927)	(97,988)
Net capital outlay	-	-	-	-
Total information systems	827,598	827,598	804,738	805,765
Total	11,940,257	11,973,733	11,999,441	12,235,135
Less Waterworks and Sewerage Fund reimbursements	1,250,872	1,250,872	1,250,872	1,237,488
Total general government	10,689,385	10,722,861	10,748,569	10,997,647
<b>PUBLIC SAFETY</b>				
Police department				
Personnel services				
Longevity	45,200	45,200	48,437	45,090
Overtime	519,078	519,078	376,990	433,555
Salaries	7,047,036	7,047,036	6,955,766	6,855,910
Training	42,544	42,544	60,110	35,120
Uniform allowance	54,800	54,800	68,080	53,538
Employer contribution - IMRF	281,508	281,508	293,407	269,812
Employer contribution - Police Pension	1,768,481	1,864,624	1,922,292	2,060,385
College incentive	3,000	3,000	2,270	2,708
Tuition reimbursement	4,000	4,000	4,000	4,000
VEMA/PEHP contribution	40,000	40,000	93,087	68,175
Sick leave buy back	41,324	41,324	35,664	38,453
Total personnel services	9,846,971	9,943,114	9,860,103	9,866,746
Contractual services				
Animal impounding	4,000	4,000	3,658	3,795
Conferences and meetings	17,532	17,532	14,935	19,927
Energy	13,400	13,400	6,769	10,220
Employee group insurance	1,126,210	1,126,210	1,098,163	1,124,746
General liability insurance	342,258	342,258	342,258	306,210
Information systems software	4,000	4,000	4,053	3,883
Maintenance - office and special equipment	50,163	50,163	33,716	29,525
Membership dues	9,184	9,184	5,416	9,390
Printing and binding	14,900	14,900	16,296	10,065
Prisoner welfare	4,500	4,500	4,407	3,839
Regional and special agency assessments	77,788	77,788	57,003	68,716
Credit card services	480	480	871	620
Rental equipment	-	-	300	-
Mobile equipment	-	-	22,722	-
Medical examinations	7,200	7,200	2,862	3,638
Miscellaneous contractual services	2,500	2,500	32,166	2,794
Retiree health insurance	147,734	147,734	138,432	144,065
Total contractual services	1,821,849	1,821,849	1,784,027	1,741,433

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>PUBLIC SAFETY (Continued)</b>				
Police department (Continued)				
Commodities				
Auto petroleum products	\$ 135,000	\$ 135,000	\$ 63,364	\$ 90,213
Books and subscriptions	1,200	1,200	682	1,709
Vehicle maintenance	69,000	69,000	92,844	56,660
Computer supplies	23,500	23,500	23,709	46,058
Small tools and equipment	26,585	26,585	28,283	47,022
Range supplies	37,284	37,284	36,801	39,420
Miscellaneous operating supplies	44,618	44,618	45,169	38,002
Office supplies	8,800	8,800	10,536	9,052
Awards/decorations	1,800	1,800	1,795	1,382
Police DUI fund	-	-	27,679	3,375
Investigative funds	1,500	1,500	2,045	1,480
Total commodities	349,287	349,287	332,907	334,373
Capital outlay				
Transfer to CERF	297,771	297,771	297,771	155,904
Less transfer to CERF	(297,771)	(297,771)	(297,771)	(155,904)
Net capital outlay	-	-	-	-
Dispatch				
Personnel services				
Longevity	3,900	3,900	4,361	3,200
Overtime	200,000	200,000	240,808	254,697
Salaries	1,379,474	1,379,474	1,453,394	1,335,699
Uniform allowance	7,500	7,500	5,324	6,933
Retiree contribution	-	-	19,153	-
Employer contribution - IMRF	309,942	309,942	318,504	303,001
Employee health insurance	188,911	188,911	192,485	170,625
Retiree health insurance	5,030	5,030	5,104	4,949
Sick leave buy back	2,131	2,131	1,428	1,694
Total personnel services	2,096,888	2,096,888	2,240,561	2,080,798
Total police department	14,114,995	14,211,138	14,217,598	14,023,350
Fire department				
Personnel services				
Longevity	24,900	24,900	25,735	20,300
Overtime	337,426	337,426	548,346	478,195
Salaries	5,201,946	5,201,946	5,220,838	5,071,389
Training	30,147	30,147	29,137	22,061
Uniform allowance	30,225	30,225	38,673	34,732
Retiree contribution	-	-	15,617	-
Employer contribution - IMRF	131,636	131,636	127,627	128,428
Employer contribution - Firefighters' Pension	1,936,380	2,056,761	2,123,616	2,258,857
College incentive	300	300	139	300
Tuition reimbursement	2,785	2,785	590	1,503
Sick leave buy back	6,209	6,209	8,578	8,364
Total personnel services	7,701,954	7,822,335	8,138,896	8,024,129

(This schedule is continued on the following page.)

VILLAGE OF WHEELING, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>PUBLIC SAFETY (Continued)</b>				
Fire department (Continued)				
Contractual services				
Conferences and meetings	\$ 6,563	\$ 6,563	\$ 5,236	\$ 5,243
Fire extinguisher maintenance	2,350	2,350	3,259	2,757
Energy	5,700	5,700	3,974	4,376
Employee group insurance	936,111	936,111	962,289	938,063
General liability insurance	613,704	613,704	613,704	549,067
Maintenance - office equipment	91,728	91,728	66,217	56,107
Membership dues	1,560	1,560	1,217	1,314
Printing and binding	1,725	1,725	1,406	1,660
Regional and special agency assessments	18,200	18,200	12,052	16,825
Medical examinations	18,800	18,800	16,690	17,439
Finger printing fees	-	-	298	30
Miscellaneous contractual services	-	-	153	307
Retiree health insurance	399,402	399,402	411,954	403,271
Total contractual services	2,095,843	2,095,843	2,098,449	1,996,459
Commodities				
Auto petroleum products	57,000	57,000	31,253	41,403
Books and subscriptions	3,971	3,971	2,740	3,605
Firefighting supplies	81,164	81,164	68,006	95,640
Vehicle maintenance	65,000	65,000	47,748	76,993
Maintenance - building and grounds	48,359	48,359	61,601	41,552
Medical supplies	21,344	21,344	9,081	17,429
Computer supplies	33,205	33,205	31,271	32,480
Small tools and equipment	-	-	-	45
Miscellaneous operating supplies	7,900	7,900	5,289	4,152
Office supplies	5,700	5,700	4,968	5,483
Protective clothing	32,188	32,188	32,164	28,978
Total commodities	355,831	355,831	294,121	347,760
Capital outlay				
Transfer to CERF	781,787	781,787	781,787	236,789
Less transfer to CERF	(781,787)	(781,787)	(781,787)	(236,789)
Net capital outlay	-	-	-	-
Total fire department	10,153,628	10,274,009	10,531,466	10,368,348
Total public safety	24,268,623	24,485,147	24,749,064	24,391,698
<b>DEBT SERVICE</b>				
Debt service				
Principal	200,000	200,000	199,335	193,283
Total debt service	200,000	200,000	199,335	193,283
<b>TOTAL EXPENDITURES</b>	<b>\$ 35,158,008</b>	<b>\$ 35,408,008</b>	<b>\$ 35,696,968</b>	<b>\$ 35,582,628</b>

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

TOWN CENTER TIF #2 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 38,265	\$ 38,265	\$ 58,225	\$ 36,525
Intergovernmental	-	-	94,156	-
Investment income	6,944	6,944	(6,890)	2,611
Miscellaneous	-	-	425,508	75,013
Total revenues	45,209	45,209	570,999	114,149
<b>EXPENDITURES</b>				
Capital outlay				
Salaries	16,986	16,986	17,225	16,792
Local training and meeting	-	-	-	153
Employer contributions	3,329	3,329	3,350	3,252
Employee health insurance	2,178	2,178	2,250	2,162
Recording fees	-	-	130	-
Multiple day training	1,308	1,308	1,023	970
Consulting services	295,000	295,000	163,657	116,529
Membership dues	-	-	85	85
Business recruitment	10,095	10,095	10,173	7,587
Legal services	50,000	50,000	31,478	36,103
Engineering and design services	-	-	-	792
Miscellaneous contractual services	-	-	857,966	500
TIF incentive payments	-	-	6,500,000	-
Capital improvements				
Land acquisition	-	-	12,498	-
Storm sewer improvements	-	-	241,000	-
Pavement improvements	700,000	700,000	524,227	-
Streetscape improvements	50,000	50,000	57,777	184,192
Total expenditures	1,128,896	1,128,896	8,422,839	369,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,083,687)	(1,083,687)	(7,851,840)	(254,968)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of TIF development note	-	-	6,500,000	-
Transfers in				
Crossroads Redevelopment Area Fund	-	-	-	4,200,000
Transfers (out)				
Crossroads Redevelopment Area Fund	-	(500,000)	(500,000)	-
Proceeds from sale of capital assets	-	-	21,000	-
Total other financing sources (uses)	-	(500,000)	6,021,000	4,200,000
NET CHANGE IN FUND BALANCE	\$ (1,083,687)	\$ (1,583,687)	(1,830,840)	3,945,032
FUND BALANCE (DEFICIT), JANUARY 1			3,782,186	(162,846)
FUND BALANCE, DECEMBER 31			\$ 1,951,346	\$ 3,782,186

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

NORTH MILWAUKEE/LAKE COOK REDEVELOPMENT AREA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 4,727,821	\$ 4,727,821	\$ 4,697,882	\$ 4,650,758
Investment income	32,666	32,666	8,509	2,466
Total revenues	4,760,487	4,760,487	4,706,391	4,653,224
<b>EXPENDITURES</b>				
Capital outlay				
Salaries	16,986	16,986	17,225	16,792
Employer contributions	3,329	3,329	3,350	3,252
Consulting services	170,986	170,986	82,524	80,780
Business recruitment	10,095	10,095	10,173	7,117
Local training and meeting	-	-	-	378
Capital improvements				
Streetscape improvements	50,000	50,000	1,712	304,159
Water improvements	20,000	20,000	-	-
TIF incentive	-	-	-	512,803
Debt service				
Principal	1,570,423	1,570,423	17,540,006	1,434,143
Interest	1,063,003	1,063,003	1,328,855	1,127,170
Fiscal agent fees	5,200	5,200	2,850	5,441
Total expenditures	2,910,022	2,910,022	18,986,695	3,492,035
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,850,465	1,850,465	(14,280,304)	1,161,189
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of refunding bonds	-	-	11,355,000	-
Premium on refunding bonds	-	-	1,493,937	-
Payment to escrow agent	-	-	-	-
Transfers in				
General Fund	413,000	413,000	413,000	410,625
Transfers (out)				
Crossroads Redevelopment Area Fund	-	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	413,000	(587,000)	12,261,937	410,625
NET CHANGE IN FUND BALANCE	\$ 2,263,465	\$ 1,263,465	(2,018,367)	1,571,814
FUND BALANCE, JANUARY 1			2,223,756	651,942
FUND BALANCE, DECEMBER 31			\$ 205,389	\$ 2,223,756

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

CAPITAL EQUIPMENT REPLACEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 110,000	\$ 100,000
Investment income	49,466	49,466	78,870	65,143
Miscellaneous	-	-	12,068	-
Total revenues	159,466	159,466	200,938	165,143
<b>EXPENDITURES</b>				
Capital outlay				
Mobile equipment	1,786,000	1,786,000	1,424,007	1,172,354
Miscellaneous equipment and supplies	145,000	145,000	147,838	86,739
Miscellaneous equipment	25,000	25,000	-	-
Office equipment	-	-	-	22,657
Special equipment	45,000	45,000	-	11,088
Small tools and equipment	58,000	58,000	10,915	-
Capital equipment and supplies	-	-	-	113,347
Total expenditures	2,059,000	2,059,000	1,582,760	1,406,185
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,899,534)	(1,899,534)	(1,381,822)	(1,241,042)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
General Fund	1,831,869	1,831,869	1,831,869	650,380
Waterworks and Sewerage Fund	162,182	162,182	-	-
Emergency Telephone System Fund	54,339	54,339	54,339	82,874
Transfers (out)				
Waterworks and Sewerage Fund	-	-	(13,015)	(10,643)
Total other financing sources (uses)	2,048,390	2,048,390	1,873,193	722,611
NET CHANGE IN FUND BALANCE	\$ 148,856	\$ 148,856	491,371	(518,431)
FUND BALANCE, JANUARY 1			4,389,323	4,907,754
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 4,880,694</u>	<u>\$ 4,389,323</u>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

#### **Motor Fuel Tax Fund**

Financing is provided by tax revenues received from the state for the sale of motor fuel. Funds are restricted for street maintenance and replacement.

#### **Foreign Fire Insurance Tax Fund**

Financing is provided by tax revenues received from the state restricted for use by the fire department in accordance with compiled statutes.

#### **Emergency Telephone System Fund**

Financing is provided by an E911 telephone surcharge. Funds are restricted for products and services necessary for the implementation, upgrade, maintenance, and operation of the emergency telephone system.

#### **Grant Fund**

This fund accounts for the proceeds from various state and federal grants awarded to the Village. The grant proceeds are restricted to fund programs authorized by the issuing agency. Since most grants are on a different fiscal year than the Village, each grant is assigned a unique project number which allows the Village to account for all revenue and expenditures for a particular grant on a multi-year basis.

## **CAPITAL PROJECTS FUNDS**

#### **Crossroads Redevelopment Area Fund**

This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district located near Milwaukee Avenue and Dundee Road.

#### **South Milwaukee Redevelopment Area Fund**

This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district located near South Milwaukee Road.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **CAPITAL PROJECTS FUNDS (Continued)**

#### **Southeast TIF #2 Fund**

This fund is used to account for the funds restricted for redevelopment activities of the tax increment financing district located near and around the Chicago Executive Airport.

#### **Capital Projects Fund**

This fund accounts for the municipal gas and electric tax proceeds. The proceeds are restricted to fund infrastructure and non-infrastructure needs including public streets, sidewalks, building improvements, etc.

#### **Stormwater Fund**

This fund accounts for the revenue and expenditures related to the Village's stormwater maintenance and improvement projects.

### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources restricted for the payment of general obligation bond principal and interest.

VILLAGE OF WHEELING, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2016

	Special Revenue			
	Motor Fuel Tax	Foreign Fire Insurance Tax	Emergency Telephone System	Grant
<b>ASSETS</b>				
Cash and investments	\$ 1,124,748	\$ 141,231	\$ 339,743	\$ -
Receivables				
Property taxes	-	-	-	-
Accounts	-	-	110,678	-
Accrued interest	-	-	-	-
Other	-	-	-	-
Prepaid items	-	775	11,444	190
Inventory	225,828	-	-	-
Due from other governments	89,313	-	-	53,609
<b>TOTAL ASSETS</b>	<b>\$ 1,439,889</b>	<b>\$ 142,006</b>	<b>\$ 461,865</b>	<b>\$ 53,799</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 91,029	\$ -	\$ 14,952	\$ 2,600
Accrued payroll	-	-	-	8,416
Due to other funds	-	-	-	42,783
Total liabilities	91,029	-	14,952	53,799
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	91,029	-	14,952	53,799
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	-	775	11,444	190
Inventory	225,828	-	-	-
Restricted				
Capital projects	-	-	-	-
Highways and streets	1,123,032	-	-	-
Public safety	-	141,231	435,469	-
Economic development	-	-	-	-
Debt service	-	-	-	-
Assigned				
Senior Center	-	-	-	-
Unassigned (deficit)	-	-	-	(190)
Total fund balances (deficit)	1,348,860	142,006	446,913	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,439,889</b>	<b>\$ 142,006</b>	<b>\$ 461,865</b>	<b>\$ 53,799</b>

<b>Capital Projects</b>							
<b>Crossroads Redevelopment Area</b>	<b>South Milwaukee Redevelopment Area</b>	<b>Southeast TIF #2</b>	<b>Capital Projects</b>	<b>Stormwater</b>	<b>Debt Service</b>	<b>Total</b>	
\$ 1,532,337	\$ 378,193	\$ 131,288	\$ 3,913,366	\$ 567,420	\$ 129,918	\$ 8,258,244	
-	-	-	-	-	1,817,626	1,817,626	
-	-	-	-	142,286	-	252,964	
-	1,182	-	6,956	-	-	8,138	
-	-	-	361,472	-	-	361,472	
-	-	-	-	-	-	12,409	
-	-	-	-	-	-	225,828	
-	-	-	-	-	-	142,922	
<b>\$ 1,532,337</b>	<b>\$ 379,375</b>	<b>\$ 131,288</b>	<b>\$ 4,281,794</b>	<b>\$ 709,706</b>	<b>\$ 1,947,544</b>	<b>\$ 11,079,603</b>	
\$ 1,988,926	\$ 26,230	\$ 1,051	\$ 91,370	\$ 26,402	\$ -	\$ 2,242,560	
-	-	-	-	-	-	8,416	
-	-	-	-	-	-	42,783	
1,988,926	26,230	1,051	91,370	26,402	-	2,293,759	
-	-	-	-	-	1,817,626	1,817,626	
-	-	-	-	-	1,817,626	1,817,626	
1,988,926	26,230	1,051	91,370	26,402	1,817,626	4,111,385	
-	-	-	-	-	-	12,409	
-	-	-	-	-	-	225,828	
-	-	-	3,317,632	683,304	-	4,000,936	
-	-	-	-	-	-	1,123,032	
-	-	-	-	-	-	576,700	
-	353,145	130,237	-	-	-	483,382	
-	-	-	-	-	129,918	129,918	
-	-	-	872,792	-	-	872,792	
(456,589)	-	-	-	-	-	(456,779)	
(456,589)	353,145	130,237	4,190,424	683,304	129,918	6,968,218	
<b>\$ 1,532,337</b>	<b>\$ 379,375</b>	<b>\$ 131,288</b>	<b>\$ 4,281,794</b>	<b>\$ 709,706</b>	<b>\$ 1,947,544</b>	<b>\$ 11,079,603</b>	

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2016

	Special Revenue			
	Motor Fuel Tax	Foreign Fire Insurance Tax	Emergency Telephone System	Grant
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	990,305	-	96,225	167,704
Charges for services	-	-	367,249	-
Investment income	6,626	-	1,634	-
Miscellaneous	-	63,214	-	-
Total revenues	996,931	63,214	465,108	167,704
<b>EXPENDITURES</b>				
Current				
Public safety	-	48,479	489,331	233,711
Highways and streets	930,032	-	-	-
Capital outlay	-	-	-	-
Capital improvements	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	930,032	48,479	489,331	233,711
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	66,899	14,735	(24,223)	(66,007)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	120,000	66,007
Transfers (out)	-	-	(54,339)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	65,661	66,007
NET CHANGE IN FUND BALANCES	66,899	14,735	41,438	-
FUND BALANCES (DEFICIT), JANUARY 1	1,281,961	127,271	405,475	-
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 1,348,860</b>	<b>\$ 142,006</b>	<b>\$ 446,913</b>	<b>\$ -</b>

<b>Capital Projects</b>							
<b>Crossroads Redevelopment Area</b>	<b>South Milwaukee Redevelopment Area</b>	<b>Southeast TIF #2</b>	<b>Capital Projects</b>	<b>Stormwater</b>	<b>Debt Service</b>	<b>Total</b>	
\$ 2,696,365	\$ 1,441,916	\$ 148,772	\$ 2,952,545	\$ -	\$ 1,748,226	\$ 8,987,824	
-	-	-	14,139	-	-	1,268,373	
-	-	-	56,361	580,862	-	1,004,472	
7,971	15,440	642	39,433	954	7,887	80,587	
-	-	-	20,613	-	-	83,827	
2,704,336	1,457,356	149,414	3,083,091	581,816	1,756,113	11,425,083	
-	-	-	-	-	-	771,521	
-	-	-	414,759	-	-	1,344,791	
2,018,379	718,601	34,133	-	139,512	-	2,910,625	
1,025	269,613	-	988,199	-	-	1,258,837	
2,498,610	-	-	322,389	-	1,205,000	4,025,999	
-	-	-	72,951	-	1,518,706	1,591,657	
4,518,014	988,214	34,133	1,798,298	139,512	2,723,706	11,903,430	
(1,813,678)	469,142	115,281	1,284,793	442,304	(967,593)	(478,347)	
2,000,000	-	-	-	-	975,682	3,161,689	
-	(500,000)	-	(345,318)	-	-	(899,657)	
-	-	-	397,535	241,000	-	638,535	
2,000,000	(500,000)	-	52,217	241,000	975,682	2,900,567	
186,322	(30,858)	115,281	1,337,010	683,304	8,089	2,422,220	
(642,911)	384,003	14,956	2,853,414	-	121,829	4,545,998	
\$ (456,589)	\$ 353,145	\$ 130,237	\$ 4,190,424	\$ 683,304	\$ 129,918	\$ 6,968,218	

See accompanying notes to financial statements.

**VILLAGE OF WHEELING, ILLINOIS**

**MOTOR FUEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016  
(With Comparative Actual)

	<b>2016</b>		<b>Actual</b>	<b>2015</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES</b>				
Intergovernmental				
Allotments	\$ 922,628	\$ 922,628	\$ 990,227	\$ 952,026
Grants	-	-	78	80
Investment income	11,518	11,518	6,626	1,284
Total revenues	<u>934,146</u>	<u>934,146</u>	<u>996,931</u>	<u>953,390</u>
<b>EXPENDITURES</b>				
Highways and streets				
Contractual services	131,700	131,700	107,449	109,747
Commodities	185,000	185,000	67,622	142,959
Maintenance and capital improvements	800,000	800,000	754,961	895,813
Total expenditures	<u>1,116,700</u>	<u>1,116,700</u>	<u>930,032</u>	<u>1,148,519</u>
NET CHANGE IN FUND BALANCE	<u>\$ (182,554)</u>	<u>\$ (182,554)</u>	66,899	(195,129)
FUND BALANCE, JANUARY 1			<u>1,281,961</u>	<u>1,477,090</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,348,860</u>	<u>\$ 1,281,961</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**FOREIGN FIRE INSURANCE TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

(With Comparative Actual)

	<b>2016</b>		<b>Actual</b>	<b>2015</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES</b>				
Investment income	\$ 1,375	\$ 1,375	\$ -	\$ -
Miscellaneous				
Foreign fire insurance	65,000	65,000	63,214	64,547
Total revenues	66,375	66,375	63,214	64,547
<b>EXPENDITURES</b>				
Public safety				
Contractual services	1,700	1,700	5,713	7,988
Commodities	58,000	58,000	42,766	46,735
Total expenditures	59,700	59,700	48,479	54,723
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 6,675</u>	<u>\$ 6,675</u>	14,735	9,824
<b>FUND BALANCE, JANUARY 1</b>			127,271	117,447
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 142,006</u>	<u>\$ 127,271</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**EMERGENCY TELEPHONE SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016  
(With Comparative Actual)

	<b>2016</b>			<b>2015</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 235,000	\$ 235,000	\$ 367,249	\$ 246,206
Investment income	3,640	3,640	1,634	936
Intergovernmental	96,225	96,225	96,225	98,815
Miscellaneous				
Telephone surcharges	109,250	109,250	-	129,109
	<hr/>			
Total revenues	444,115	444,115	465,108	475,066
	<hr/>			
<b>EXPENDITURES</b>				
Public safety	518,032	518,032	489,331	575,553
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(73,917)	(73,917)	(24,223)	(100,487)
	<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
General Fund	120,000	120,000	120,000	210,000
Transfers (out)				
Capital Equipment Replacement Fund	(54,339)	(54,339)	(54,339)	(82,874)
	<hr/>			
Total other financing sources (uses)	65,661	65,661	65,661	127,126
	<hr/>			
NET CHANGE IN FUND BALANCE	\$ (8,256)	\$ (8,256)	41,438	26,639
	<hr/>			
FUND BALANCE, JANUARY 1			405,475	378,836
	<hr/>			
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 446,913</b>	<b>\$ 405,475</b>
	<hr/>			

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

EMERGENCY TELEPHONE SYSTEM FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>PUBLIC SAFETY</b>				
Personnel services				
Training	\$ 6,000	\$ 6,000	\$ 1,122	\$ 5,082
Contractual services				
Conferences and meetings	5,500	5,500	6,532	2,696
Data processing services	90,949	90,949	78,286	162,960
Maintenance - equipment	70,785	70,785	57,598	45,011
Membership dues	450	450	742	229
Regional and special agency assessments	314,348	314,348	322,024	320,266
Total contractual services	482,032	482,032	465,182	531,162
Commodities				
Books and subscriptions				
Information systems miscellaneous	1,000	1,000	864	793
Equipment and supplies	22,000	22,000	18,835	20,165
Small tools and equipment	-	-	195	15,913
Miscellaneous operating supplies	1,500	1,500	1,441	80
Office supplies	500	500	824	105
Awards and decorations	-	-	-	346
Miscellaneous software	5,000	5,000	868	1,907
Total commodities	30,000	30,000	23,027	39,309
Capital outlay				
Transfer to CERF	54,339	54,339	54,339	82,874
Less transfer to CERF	(54,339)	(54,339)	(54,339)	(82,874)
Net capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 518,032</b>	<b>\$ 518,032</b>	<b>\$ 489,331</b>	<b>\$ 575,553</b>

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Intergovernmental	\$ 176,200	\$ 176,200	\$ 167,704	\$ 173,458
Total revenues	176,200	176,200	167,704	173,458
<b>EXPENDITURES</b>				
Public safety				
Personnel services				
Overtime	71,000	71,000	51,725	69,534
Salaries	99,827	99,827	105,100	88,585
Employer contributions	17,771	17,771	20,090	16,820
Contractual services				
Employee health insurance	20,006	20,006	20,093	20,424
Miscellaneous contractual services	30,000	30,000	33,228	35,900
Commodities				
Building/grounds maintenance	-	-	1,000	-
Postage	-	-	543	-
Printing and binding	-	-	94	-
Miscellaneous equipment and supplies	-	-	-	699
Miscellaneous operating supplies	1,346	1,346	1,180	491
Office supplies	-	-	658	-
Total expenditures	239,950	239,950	233,711	232,453
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,750)	(63,750)	(66,007)	(58,995)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
General Fund	62,548	62,548	66,007	58,995
Total other financing sources (uses)	62,548	62,548	66,007	58,995
NET CHANGE IN FUND BALANCE	\$ (1,202)	\$ (1,202)	-	-
FUND BALANCE, JANUARY 1			-	-
<b>FUND BALANCE, DECEMBER 31</b>			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

CROSSROADS REDEVELOPMENT AREA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016			2015
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 2,776,981	\$ 2,776,981	\$ 2,696,365	\$ 2,724,734
Investment income	44,053	44,053	7,971	5,208
<b>Total revenues</b>	<b>2,821,034</b>	<b>2,821,034</b>	<b>2,704,336</b>	<b>2,729,942</b>
<b>EXPENDITURES</b>				
Capital outlay				
Salaries	16,986	16,986	17,225	16,792
Local training and meeting	-	-	-	228
Employee contributions	3,329	3,329	3,350	3,252
Consulting services	24,707	78,411	11,741	(700)
Business recruitment	10,095	10,095	10,173	7,587
Surplus distributions	1,999,426	1,999,426	1,975,890	2,053,824
Capital improvements				
Streetscape improvements	50,000	50,000	1,025	33,136
Debt service				
Principal	407,051	2,453,347	2,498,610	543,353
<b>Total expenditures</b>	<b>2,511,594</b>	<b>4,611,594</b>	<b>4,518,014</b>	<b>2,657,472</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>309,440</b>	<b>(1,790,560)</b>	<b>(1,813,678)</b>	<b>72,470</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Town Center #2 Redevelopment Area Fund	-	-	500,000	-
North Milwaukee/Lake Cook Redevelopment Area Fund	-	-	1,000,000	-
South Milwaukee Redevelopment Area Fund	-	-	500,000	-
Transfers (out)				
South Milwaukee Redevelopment Area Fund	-	-	-	(4,200,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>(4,200,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 309,440</b>	<b>\$ (1,790,560)</b>	<b>186,322</b>	<b>(4,127,530)</b>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>			<b>(642,911)</b>	<b>3,484,619</b>
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			<b>\$ (456,589)</b>	<b>\$ (642,911)</b>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

SOUTH MILWAUKEE REDEVELOPMENT AREA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 1,428,890	\$ 1,428,890	\$ 1,441,916	\$ 1,359,386
Investment income	6,061	6,061	15,440	14,666
	<hr/>			
Total revenues	1,434,951	1,434,951	1,457,356	1,374,052
	<hr/>			
<b>EXPENDITURES</b>				
Capital outlay				
Salaries	16,986	16,986	17,225	16,792
Local training and meeting	-	-	-	228
Employer contributions	3,329	3,329	3,350	3,251
Conferences and meetings	1,309	1,309	1,017	957
Consulting services	-	-	23,451	46,643
Business recruitment	10,095	10,095	10,173	7,587
Employee health insurance	2,178	2,178	2,250	2,162
Membership dues	-	-	85	85
Contractual services	643,000	643,000	657,442	643,000
Legal services	5,000	5,000	3,608	3,839
Capital improvements				
Streetscape improvements	200,000	200,000	269,613	972,490
	<hr/>			
Total expenditures	881,897	881,897	988,214	1,697,034
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	553,054	553,054	469,142	(322,982)
	<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)				
Crossroads Redevelopment Area Fund	-	(500,000)	(500,000)	-
	<hr/>			
Total other financing sources (uses)	-	(500,000)	(500,000)	-
	<hr/>			
NET CHANGE IN FUND BALANCE	\$ 553,054	\$ 53,054	(30,858)	(322,982)
	<hr/>			
FUND BALANCE, JANUARY 1			384,003	706,985
	<hr/>			
<b>FUND BALANCE, DECEMBER 31</b>			\$ 353,145	\$ 384,003
	<hr/>			

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

SOUTHEAST TIF #2 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 165,283	\$ 165,283	\$ 148,772	\$ 164,682
Investment income	-	-	642	30
Miscellaneous	-	-	-	13
	<hr/>			
Total revenues	165,283	165,283	149,414	164,725
	<hr/>			
<b>EXPENDITURES</b>				
Capital outlay				
Salaries	16,986	16,986	17,225	16,792
Local training and meeting	-	-	-	153
Employer contributions	3,329	3,329	3,350	3,252
Employee health insurance	2,178	2,178	2,250	2,162
Membership dues	-	-	85	85
Multiple day training	1,308	1,308	1,018	850
Business recruitment	10,095	10,095	10,173	7,587
Legal services	25,000	25,000	32	68
Consulting services	22,000	22,000	-	8,133
Capital improvements				
Streetscape improvements	50,000	50,000	-	-
Sanitary sewer improvements	90,000	90,000	-	-
Water improvements	160,000	160,000	-	-
	<hr/>			
Total expenditures	380,896	380,896	34,133	39,082
	<hr/>			
NET CHANGE IN FUND BALANCE	\$ (215,613)	\$ (215,613)	115,281	125,643
FUND BALANCE (DEFICIT), JANUARY 1			14,956	(110,687)
	<hr/>			
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 130,237</b>	<b>\$ 14,956</b>
	<hr/>			

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Utility taxes	\$ 2,962,000	\$ 2,962,000	\$ 2,952,545	\$ 2,973,641
Intergovernmental	4,132,000	4,132,000	14,139	130,785
Charges for services	56,361	56,361	56,361	676,329
Investment income	34,135	34,135	39,433	32,944
Miscellaneous	-	-	20,613	-
<b>Total revenues</b>	<b>7,184,496</b>	<b>7,184,496</b>	<b>3,083,091</b>	<b>3,813,699</b>
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Personnel services	179,317	179,317	181,679	134,384
Contractual services	4,319,554	4,319,554	233,080	447,354
Capital improvements				
Storm sewer improvements	-	-	200,043	284,650
Streetscape improvements	480,000	480,000	136,788	163,682
Bridge improvements	-	-	9,076	218,664
Pavement improvements	1,020,500	1,020,500	642,292	1,264,394
Building improvements	100,000	100,000	-	-
Debt service				
Principal	322,389	322,389	322,389	305,793
Interest	72,793	72,793	72,793	82,590
Fiscal agent fees	400	400	158	158
<b>Total expenditures</b>	<b>6,494,953</b>	<b>6,494,953</b>	<b>1,798,298</b>	<b>2,901,669</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>689,543</b>	<b>689,543</b>	<b>1,284,793</b>	<b>912,030</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)				
Debt Service Fund	(345,318)	(345,318)	(345,318)	(294,367)
Proceeds on sale of capital assets	400,000	400,000	397,535	921,327
<b>Total other financing sources (uses)</b>	<b>54,682</b>	<b>54,682</b>	<b>52,217</b>	<b>626,960</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 744,225</b>	<b>\$ 744,225</b>	<b>1,337,010</b>	<b>1,538,990</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>2,853,414</b>	<b>1,314,424</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 4,190,424</b>	<b>\$ 2,853,414</b>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**STORMWATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Charges for services			
Stormwater	\$ 542,000	\$ 542,000	\$ 580,862
Investment income	3,500	3,500	954
	<hr/>		
Total revenues	545,500	545,500	581,816
	<hr/>		
<b>EXPENDITURES</b>			
Capital outlay			
Consulting services	200,000	200,000	67,079
Engineering and design services	142,580	142,580	72,433
	<hr/>		
Total expenditures	342,580	342,580	139,512
	<hr/>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>202,920</b>	<b>202,920</b>	<b>442,304</b>
	<hr/>		
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	-	-	241,000
	<hr/>		
Total other financing sources (uses)	-	-	241,000
	<hr/>		
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 202,920</b>	<b>\$ 202,920</b>	<b>683,304</b>
	<hr/>		
<b>FUND BALANCE, JANUARY 1</b>			<b>-</b>
	<hr/>		
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 683,304</b>
	<hr/>		

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 1,701,220	\$ 1,701,220	\$ 1,748,226	\$ 1,733,697
Investment income	-	-	7,887	856
	<hr/>			
Total revenues	1,701,220	1,701,220	1,756,113	1,734,553
	<hr/>			
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	1,205,000	1,205,000	1,205,000	1,015,000
Interest	1,518,585	1,518,585	1,518,706	1,562,562
Fiscal agent fees	400	400	-	-
	<hr/>			
Total expenditures	2,723,985	2,723,985	2,723,706	2,577,562
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,022,765)	(1,022,765)	(967,593)	(843,009)
	<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Capital Projects Fund	345,318	345,318	345,318	294,367
Water and Sewerage Fund	630,364	630,364	630,364	582,900
	<hr/>			
Total other financing sources (uses)	975,682	975,682	975,682	877,267
	<hr/>			
NET CHANGE IN FUND BALANCE	\$ (47,083)	\$ (47,083)	8,089	34,258
	<hr/>			
FUND BALANCE, JANUARY 1			121,829	87,571
	<hr/>			
<b>FUND BALANCE, DECEMBER 31</b>			\$ 129,918	\$ 121,829
	<hr/>			

(See independent auditor's report.)

## **MAJOR PROPRIETARY FUNDS**

### **ENTERPRISE FUNDS**

Enterprise Funds are established to account for the financing of self-supporting activities of the Village that render services on a user charge basis.

#### **Waterworks and Sewerage Fund**

This fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.

### **INTERNAL SERVICE FUND**

#### **Liability Insurance Fund**

This fund is used to account for accumulation of resources and costs associated with liability insurance for the Village.

**VILLAGE OF WHEELING, ILLINOIS**  
**WATERWORKS AND SEWERAGE FUND**

STATEMENT OF NET POSITION

December 31, 2016

	2016	2015
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 4,750,259	\$ 4,465,193
Receivables (net, where applicable, of allowance for uncollectibles)		
Accounts	1,854,914	1,830,480
Taxes	9,712	9,712
Accrued interest	4,211	3,896
IPBC	48,578	98,557
Other	1,967	526
Prepaid expenses	121,278	141,295
Inventory	241,162	246,801
	7,032,081	6,796,460
<b>NONCURRENT ASSETS</b>		
Capital assets		
Assets not being depreciated	567,510	567,510
Assets being depreciated		
Cost	65,723,515	64,789,567
Accumulated depreciation	(23,718,704)	(22,545,107)
	42,004,811	42,244,460
Net capital assets being depreciated		
Net capital assets	42,572,321	42,811,970
Advances to other funds	1,038,826	863,629
Investment in joint ventures	6,985,990	6,965,532
	50,597,137	50,641,131
Total noncurrent assets		
Total assets	57,629,218	57,437,591
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunding	11,008	12,581
Pension items - IMRF	636,800	813,509
	647,808	826,090
Total deferred outflows of resources		
Total assets and deferred outflows of resources	58,277,026	58,263,681

(This statement is continued on the following page.)

**VILLAGE OF WHEELING, ILLINOIS**

**WATERWORKS AND SEWERAGE FUND**

**STATEMENT OF NET POSITION (Continued)**

December 31, 2016

	<u>2016</u>	<u>2015</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 170,101	\$ 194,820
Accrued payroll	1,456	1,142
Compensated absences payable	80,857	70,985
Deposits payable	60,156	53,856
Unearned revenue	27,453	41,523
Interest payable	8,469	8,999
Bonds payable	354,274	352,188
	<hr/>	<hr/>
Total current liabilities	702,766	723,513
<b>NONCURRENT LIABILITIES</b>		
General obligation bonds payable (less current portion)	3,134,155	3,495,001
Compensated absences payable (less current portion)	98,825	86,759
Net pension liability - IMRF	1,132,051	1,327,748
Other postemployment benefit obligation	10,173	6,081
	<hr/>	<hr/>
Total noncurrent liabilities	4,375,204	4,915,589
	<hr/>	<hr/>
Total liabilities	5,077,970	5,639,102
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension items - IMRF	127,666	-
	<hr/>	<hr/>
Total deferred inflows of resources	127,666	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	5,205,636	5,639,102
<b>NET POSITION</b>		
Net investment in capital assets	39,094,900	38,977,362
Unrestricted	13,976,490	13,647,217
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 53,071,390</u>	<u>\$ 52,624,579</u>

See accompanying notes to financial statements.

VILLAGE OF WHEELING, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Water sales	\$ 6,917,729	\$ 6,917,729	\$ 7,123,201
Sewer charges	1,710,720	1,710,720	1,677,487
Water connection fees	34,488	34,488	35,677
Sewer connection fees	40,000	40,000	33,813
Water meter sales	10,000	10,000	11,225
Other	127,000	127,000	128,460
Total operating revenues	<u>8,839,937</u>	<u>8,839,937</u>	<u>9,009,863</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Waterworks division	4,545,514	4,545,514	4,471,031
Sewerage division	1,762,093	1,762,093	1,737,607
Waterworks and sewerage capital division	1,616,012	1,616,012	1,463,005
Total operating expenses excluding depreciation	<u>7,923,619</u>	<u>7,923,619</u>	<u>7,671,643</u>
OPERATING INCOME	<u>916,318</u>	<u>916,318</u>	<u>1,338,220</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	63,636	63,636	38,964
Interest expense	(113,953)	(113,953)	(108,257)
Loss on disposal of capital assets	-	-	(78,596)
Joint venture - Northwest Water Commission	-	-	20,458
Total non-operating revenues (expenses)	<u>(50,317)</u>	<u>(50,317)</u>	<u>(127,431)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>866,001</u>	<u>866,001</u>	<u>1,210,789</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions	-	-	360,932
Total capital contributions	<u>-</u>	<u>-</u>	<u>360,932</u>
<b>TRANSFERS</b>			
Capital Equipment Replacement Fund	-	-	13,015
Debt Service Fund	(630,364)	(630,364)	(630,364)
Capital Equipment Replacement Fund	(162,182)	(162,182)	-
Total transfers	<u>(792,546)</u>	<u>(792,546)</u>	<u>(617,349)</u>
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ 73,455</u>	<u>\$ 73,455</u>	<u>954,372</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Additions to capital assets			758,134
Depreciation			<u>(1,265,695)</u>
Total adjustments to GAAP basis			<u>(507,561)</u>
CHANGE IN NET POSITION (GAAP BASIS)			446,811
NET POSITION, JANUARY 1			<u>52,624,579</u>
<b>NET POSITION, DECEMBER 31</b>			<u><u>\$ 53,071,390</u></u>

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>WATERWORKS DIVISION</b>				
Personnel services				
Overtime	\$ 55,000	\$ 55,000	\$ 36,506	\$ 36,417
Seasonal help	21,500	21,500	9,341	16,295
Salaries	692,439	692,439	684,060	683,633
Longevity	6,550	6,550	6,601	6,400
Training	1,260	1,260	1,407	1,411
Uniform allowance	4,500	4,500	4,058	4,563
Employer contributions	149,289	149,289	143,640	143,606
Sick leave buy back	1,158	1,158	658	642
IMRF	-	-	108,678	-
OPEB	-	-	4,092	(110,372)
Total personnel services	931,696	931,696	999,041	782,595
Contractual services				
Bank charges	18,000	18,000	29,392	23,727
Conference and meetings	1,700	1,700	2,036	1,933
Data processing services	67,720	67,720	51,345	65,176
Debris dump charges	25,000	25,000	6,760	14,763
Energy	118,500	118,500	84,300	93,383
Employee group insurance	127,180	127,180	120,076	132,213
General liability insurance	126,450	126,450	126,450	113,132
Hydrant maintenance	26,000	26,000	22,952	25,729
Landscape maintenance	12,000	12,000	8,122	8,488
Maintenance - office and special equipment	1,150	1,150	2,951	2,389
Membership dues	3,190	3,190	3,069	3,101
Postage	15,370	15,370	14,708	15,748
Printing and binding	9,450	9,450	10,040	9,100
Rental equipment	400	400	-	-
Telemetry equipment maintenance	6,500	6,500	11,472	7,874
Retiree health insurance	10,475	10,475	13,502	10,323
Wells maintenance	17,500	17,500	18,680	23,544
Miscellaneous contractual services	68,125	68,125	64,494	61,689
Total contractual services	654,710	654,710	590,349	612,312
Commodities				
Auto petroleum products	27,000	27,000	11,440	23,038
Books and subscriptions	-	-	-	1,100
Chemicals - treatment	5,500	5,500	2,412	5,024
Water samples	10,710	10,710	9,835	12,145
Vehicle maintenance	22,000	22,000	15,380	22,076
Building and grounds maintenance	15,000	15,000	8,984	9,716
Minor tools and equipment	6,000	6,000	7,737	7,335
Miscellaneous operating supplies	3,700	3,700	3,969	4,345
Office supplies	-	-	-	168
Protective clothing	3,000	3,000	3,486	2,656

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>WATERWORKS DIVISION (Continued)</b>				
Commodities (Continued)				
Meters	\$ 25,500	\$ 25,500	\$ 50,070	\$ 44,266
Water main maintenance	75,000	75,000	31,948	27,210
Water storage facilities maintenance	15,000	15,000	26,363	21,472
Total commodities	208,410	208,410	171,624	180,551
Capital outlay				
Special equipment	-	-	11,499	225,353
Transfer to CERF	98,280	98,280	-	-
Subtotal	98,280	98,280	11,499	225,353
Less				
Transfer to CERF	(98,280)	(98,280)	-	-
Net capital outlay	-	-	11,499	225,353
Other				
General Fund reimbursement	1,000,698	1,000,698	1,000,698	989,990
Northwest Water Commission - water charge	1,750,000	1,750,000	1,697,820	1,697,197
Total other	2,750,698	2,750,698	2,698,518	2,687,187
Total operating expenses excluding depreciation - waterworks division	4,545,514	4,545,514	4,471,031	4,487,998
<b>SEWERAGE DIVISION</b>				
Personnel services				
Overtime	20,000	20,000	8,735	9,495
Seasonal help	20,000	20,000	4,788	16,445
Salaries	692,439	692,439	684,057	682,562
Longevity	6,550	6,550	6,601	6,400
Training	3,360	3,360	3,370	1,610
Uniform allowance	4,420	4,420	3,865	3,719
Employer contributions	142,384	142,384	145,552	143,838
Unemployment compensation	-	-	5,550	3,822
Sick leave buy back	1,158	1,158	658	642
Total personnel services	890,311	890,311	863,176	868,533
Contractual services				
Conferences and meetings	1,075	1,075	653	741
Data processing services	46,500	46,500	37,048	44,037
Debris dump charges	15,000	15,000	5,848	1,811
Energy	24,700	24,700	18,941	19,024
Employee health insurance	127,180	127,180	120,075	132,210

(This schedule is continued on the following pages.)

VILLAGE OF WHEELING, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>SEWERAGE DIVISION (Continued)</b>				
Contractual services (Continued)				
General liability insurance	\$ 67,440	\$ 67,440	\$ 67,440	\$ 60,337
Landscape maintenance	58,550	58,550	52,329	45,119
Bank charges	1,800	1,800	2,064	1,942
Maintenance office/special equipment	1,650	1,650	4,638	4,165
Membership dues	2,800	2,800	3,284	2,789
Postage	3,266	3,266	3,125	3,346
Printing and binding	1,851	1,851	1,884	1,725
Rental equipment	9,000	9,000	-	-
Tree maintenance	30,000	30,000	30,000	30,000
Telemetry equipment maintenance	7,000	7,000	6,604	6,868
Retiree health insurance	10,623	10,623	13,475	10,674
Miscellaneous contractual	54,323	54,323	63,862	67,203
Total contractual services	462,758	462,758	431,270	431,991
Commodities				
Auto petroleum products	20,000	20,000	8,758	13,297
Books and subscriptions	900	900	950	-
Chemicals	5,000	5,000	8,220	4,426
Vehicle maintenance	28,000	28,000	26,110	23,363
Building and grounds maintenance	750	750	179	558
Minor tools and equipment	6,000	6,000	3,487	6,365
Miscellaneous operating supplies	200	200	555	1,323
Protective clothing	3,000	3,000	3,574	2,743
Lift stations	30,000	30,000	29,107	11,853
Sewer line maintenance	65,000	65,000	100,148	56,332
Total commodities	158,850	158,850	181,088	120,260
Capital outlay				
Miscellaneous equipment	-	-	11,899	43,976
Transfer to CERF	63,902	63,902	-	-
Subtotal	63,902	63,902	11,899	43,976
Less				
Transfer to CERF	(63,902)	(63,902)	-	-
Net capital outlay	-	-	11,899	43,976
Other				
General Fund reimbursement	250,174	250,174	250,174	247,498
Total operating expenses excluding depreciation - sewerage division	1,762,093	1,762,093	1,737,607	1,712,258

(This schedule is continued on the following page.)

VILLAGE OF WHEELING, ILLINOIS

WATERWORKS AND SEWERAGE FUND

SCHEDULE OF DETAILED EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>WATERWORKS AND SEWERAGE</b>				
<b>CAPITAL DIVISION</b>				
Personnel services				
Salaries	\$ 42,465	\$ 42,465	\$ 47,821	\$ 29,965
Longevity	370	370	370	182
Overtime	-	-	29	2,403
Seasonal help	-	-	-	5,035
Employer contributions	8,395	8,395	8,545	7,318
Total personnel services	51,230	51,230	56,765	44,903
Contractual services				
Employee group insurance	8,782	8,782	8,887	7,554
Miscellaneous contractual services	-	-	500	1,500
Consulting services	125,000	125,000	104,010	66,508
Total contractual services	133,782	133,782	113,397	75,562
Capital outlay				
Water improvements	185,000	185,000	2,980	1,113,884
Sanitary sewer improvements	1,246,000	1,246,000	1,289,863	447,340
Total capital outlay	1,431,000	1,431,000	1,292,843	1,561,224
Total operating expenses excluding depreciation - waterworks and sewerage capital division	1,616,012	1,616,012	1,463,005	1,681,689
<b>TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	<b>\$ 7,923,619</b>	<b>\$ 7,923,619</b>	<b>\$ 7,671,643</b>	<b>\$ 7,881,945</b>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

LIABILITY INSURANCE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2016  
(With Comparative Actual)

	2016		Actual	2015
	Original Budget	Final Budget		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,686,000	\$ 1,686,000	\$ 1,686,000	\$ 1,508,423
Miscellaneous	-	-	-	19,710
Total operating revenues	<u>1,686,000</u>	<u>1,686,000</u>	<u>1,686,000</u>	<u>1,528,133</u>
<b>OPERATING EXPENSES</b>				
Contractual services				
Consulting services	55,457	55,457	35,500	54,370
Insurance claims administration	96,900	96,900	95,630	87,316
General liability insurance	378,437	378,437	441,684	372,521
Self-insurance claims	955,000	955,000	519,223	613,628
Total operating expenses	<u>1,485,794</u>	<u>1,485,794</u>	<u>1,092,037</u>	<u>1,127,835</u>
OPERATING INCOME	<u>200,206</u>	<u>200,206</u>	<u>593,963</u>	<u>400,298</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	<u>11,872</u>	<u>11,872</u>	<u>43,804</u>	<u>26,382</u>
Total non-operating revenues (expenses)	<u>11,872</u>	<u>11,872</u>	<u>43,804</u>	<u>26,382</u>
CHANGE IN NET POSITION	<u>\$ 212,078</u>	<u>\$ 212,078</u>	<u>637,767</u>	<u>426,680</u>
NET POSITION, JANUARY 1			2,189,554	965,554
Prior period adjustment			<u>-</u>	<u>797,320</u>
NET POSITION, JANUARY 1, RESTATED			<u>2,189,554</u>	<u>1,762,874</u>
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 2,827,321</u>	<u>\$ 2,189,554</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

Trust Funds are used to account for assets held by the Village in a trustee capacity.

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

This fund accounts for the accumulation of resources used to pay police pension benefits. Resources are provided by member contributions, employer contributions, and investment income.

#### **Firefighters' Pension Fund**

This fund accounts for the accumulation of resources used to pay firefighters' pension benefits. Resources are provided by member contributions, employer contributions, and investment income.

# VILLAGE OF WHEELING, ILLINOIS

## PENSION TRUST FUNDS

### COMBINING STATEMENT OF NET POSITION

December 31, 2016

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	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 1,303,344	\$ 293,360	\$ 1,596,704
Investments at fair value			
U.S. Treasury and U.S. agency obligations	8,620,452	9,949,978	18,570,430
State and local obligations	2,053,985	2,313,236	4,367,221
Corporate bonds	8,533,172	2,782,224	11,315,396
Mutual funds	19,763,878	20,126,136	39,890,014
Equities	6,608,008	14,023	6,622,031
Total investments	45,579,495	35,185,597	80,765,092
Receivables			
Accrued interest	274,773	97,190	371,963
Due from General Fund	139,004	167,372	306,376
Total receivables	413,777	264,562	678,339
Prepaid items	2,443	-	2,443
Total assets	47,299,059	35,743,519	83,042,578
<b>LIABILITIES</b>			
Accounts payable	8,223	15,003	23,226
Total liabilities	8,223	15,003	23,226
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
	<u>\$ 47,290,836</u>	<u>\$ 35,728,516</u>	<u>\$ 83,019,352</u>

See accompanying notes to financial statements.

# VILLAGE OF WHEELING, ILLINOIS

## PENSION TRUST FUNDS

### COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

For the Year Ended December 31, 2016

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,922,292	\$ 2,123,616	\$ 4,045,908
Employee	571,932	470,922	1,042,854
Total contributions	<u>2,494,224</u>	<u>2,594,538</u>	<u>5,088,762</u>
Investment income			
Net appreciation in fair value of investments	921,515	1,108,301	2,029,816
Interest	<u>1,619,050</u>	<u>1,159,263</u>	<u>2,778,313</u>
Total investment income	2,540,565	2,267,564	4,808,129
Less investment expenses	<u>94,581</u>	<u>52,526</u>	<u>147,107</u>
Net investment income	<u>2,445,984</u>	<u>2,215,038</u>	<u>4,661,022</u>
Total additions	<u>4,940,208</u>	<u>4,809,576</u>	<u>9,749,784</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	2,664,977	2,850,197	5,515,174
Administrative expenses	<u>34,058</u>	<u>31,366</u>	<u>65,424</u>
Total deductions	<u>2,699,035</u>	<u>2,881,563</u>	<u>5,580,598</u>
NET INCREASE	2,241,173	1,928,013	4,169,186
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	<u>45,049,663</u>	<u>33,800,503</u>	<u>78,850,166</u>
December 31	<u>\$ 47,290,836</u>	<u>\$ 35,728,516</u>	<u>\$ 83,019,352</u>

See accompanying notes to financial statements.

**SUPPLEMENTAL FINANCIAL INFORMATION**

VILLAGE OF WHEELING, ILLINOIS

GENERAL OBLIGATION BOND SERIES 2007

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	November 30, 2007
Date of Maturity	December 1, 2030
Authorized Issue	\$10,000,000
Interest Rates	3.92%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of America

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			June 1	Interest Due On		
	Principal	Interest	Total		Amount	December 1	Amount
2016	\$ -	\$ 392,000	\$ 392,000	2017	\$ 196,000	2017	\$ 196,000
2017	-	392,000	392,000	2018	196,000	2018	196,000
2018	-	392,000	392,000	2019	196,000	2019	196,000
2019	-	392,000	392,000	2020	196,000	2020	196,000
2020	-	392,000	392,000	2021	196,000	2021	196,000
2021	-	392,000	392,000	2022	196,000	2022	196,000
2022	-	392,000	392,000	2023	196,000	2023	196,000
2023	-	392,000	392,000	2024	196,000	2024	196,000
2024	-	392,000	392,000	2025	196,000	2025	196,000
2025	-	392,000	392,000	2026	196,000	2026	196,000
2026	1,445,000	392,000	1,837,000	2027	196,000	2027	196,000
2027	3,700,000	335,356	4,035,356	2028	167,678	2028	167,678
2028	3,850,000	190,316	4,040,316	2029	95,158	2029	95,158
2029	1,005,000	39,396	1,044,396	2030	19,698	2030	19,698
	<u>\$ 10,000,000</u>	<u>\$ 4,877,068</u>	<u>\$ 14,877,068</u>		<u>\$ 2,438,534</u>		<u>\$ 2,438,534</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL OBLIGATION BOND SERIES 2008

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	January 15, 2008
Date of Maturity	December 1, 2024
Authorized Issue	\$20,000,000
Interest Rates	4.33%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of America

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			June 1	Interest Due On		
	Principal	Interest	Total		Amount	December 1	Amount
2016	\$ 1,400,000	\$ 682,408	\$ 2,082,408	2017	\$ 341,204	2017	\$ 341,204
2017	1,600,000	621,788	2,221,788	2018	310,894	2018	310,894
2018	1,815,000	552,508	2,367,508	2019	276,254	2019	276,254
2019	2,030,000	473,919	2,503,919	2020	236,960	2020	236,959
2020	2,250,000	386,020	2,636,020	2021	193,010	2021	193,010
2021	2,475,000	288,595	2,763,595	2022	144,298	2022	144,297
2022	2,700,000	181,427	2,881,427	2023	90,714	2023	90,713
2023	1,490,000	64,517	1,554,517	2024	32,259	2024	32,258
	<u>\$ 15,760,000</u>	<u>\$ 3,251,182</u>	<u>\$ 19,011,182</u>		<u>\$ 1,625,593</u>		<u>\$ 1,625,589</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL OBLIGATION BOND SERIES 2009

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	January 15, 2009
Date of Maturity	December 1, 2027
Authorized Issue	\$10,000,000
Interest Rates	3.92%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of America

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2016	\$ -	\$ 392,000	\$ 392,000	2017	\$ 196,000	2017	\$ 196,000
2017	-	392,000	392,000	2018	196,000	2018	196,000
2018	-	392,000	392,000	2019	196,000	2019	196,000
2019	-	392,000	392,000	2020	196,000	2020	196,000
2020	-	392,000	392,000	2021	196,000	2021	196,000
2021	-	392,000	392,000	2022	196,000	2022	196,000
2022	-	392,000	392,000	2023	196,000	2023	196,000
2023	1,435,000	392,000	1,827,000	2024	196,000	2024	196,000
2024	3,140,000	335,748	3,475,748	2025	167,874	2025	167,874
2025	3,340,000	212,660	3,552,660	2026	106,330	2026	106,330
2026	2,085,000	81,732	2,166,732	2027	40,866	2027	40,866
	<u>\$ 10,000,000</u>	<u>\$ 3,766,140</u>	<u>\$ 13,766,140</u>		<u>\$ 1,883,070</u>		<u>\$ 1,883,070</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL OBLIGATION REFUNDING BOND SERIES 2011

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	October 3, 2011
Date of Maturity	December 15, 2023
Authorized Issue	\$8,445,000
Interest Rates	2% to 3%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2016	\$ 825,000	\$ 143,100	\$ 968,100	2017	\$ 71,550	2017	\$ 71,550
2017	835,000	126,600	961,600	2018	63,300	2018	63,300
2018	665,000	101,550	766,550	2019	50,775	2019	50,775
2019	685,000	81,600	766,600	2020	40,800	2020	40,800
2020	705,000	61,050	766,050	2021	30,525	2021	30,525
2021	720,000	39,900	759,900	2022	19,950	2022	19,950
2022	610,000	18,300	628,300	2023	9,150	2023	9,150
	<u>\$ 5,045,000</u>	<u>\$ 572,100</u>	<u>\$ 5,617,100</u>		<u>\$ 286,050</u>		<u>\$ 286,050</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL OBLIGATION SALES TAX REFUNDING BOND SERIES 2012A

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	April 24, 2012
Date of Maturity	December 1, 2024
Authorized Issue	\$3,925,000
Interest Rates	2.0% to 3.5%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2016	\$ 325,000	\$ 90,125	\$ 415,125	2017	\$ 45,063	2017	\$ 45,062
2017	335,000	82,000	417,000	2018	41,000	2018	41,000
2018	340,000	71,950	411,950	2019	35,975	2019	35,975
2019	355,000	61,750	416,750	2020	30,875	2020	30,875
2020	370,000	51,100	421,100	2021	25,550	2021	25,550
2021	380,000	40,000	420,000	2022	20,000	2022	20,000
2022	390,000	27,650	417,650	2023	13,825	2023	13,825
2023	400,000	14,000	414,000	2024	7,000	2024	7,000
	<u>\$ 2,895,000</u>	<u>\$ 438,575</u>	<u>\$ 3,333,575</u>		<u>\$ 219,288</u>		<u>\$ 219,287</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL OBLIGATION WATER SYSTEM BONDS SERIES 2012B

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	April 24, 2012
Date of Maturity	December 1, 2032
Authorized Issue	\$3,500,000
Interest Rates	3.0% to 3.5%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	December 1	Amount	
2017	\$ 140,000	\$ 95,700	\$ 235,700	2017	\$ 47,850	2017	\$ 47,850
2018	140,000	91,500	231,500	2018	45,750	2018	45,750
2019	150,000	87,300	237,300	2019	43,650	2019	43,650
2020	155,000	82,800	237,800	2020	41,400	2020	41,400
2021	160,000	78,150	238,150	2021	39,075	2021	39,075
2022	165,000	73,350	238,350	2022	36,675	2022	36,675
2023	175,000	68,400	243,400	2023	34,200	2023	34,200
2024	180,000	63,150	243,150	2024	31,575	2024	31,575
2025	185,000	57,750	242,750	2025	28,875	2025	28,875
2026	195,000	51,969	246,969	2026	25,985	2026	25,984
2027	200,000	45,875	245,875	2027	22,938	2027	22,937
2028	210,000	39,375	249,375	2028	19,688	2028	19,687
2029	220,000	32,550	252,550	2029	16,275	2029	16,275
2030	230,000	24,850	254,850	2030	12,425	2030	12,425
2031	235,000	16,800	251,800	2031	8,400	2031	8,400
2032	245,000	8,575	253,575	2032	4,288	2032	4,287
	<u>\$ 2,985,000</u>	<u>\$ 918,094</u>	<u>\$ 3,903,094</u>		<u>\$ 459,049</u>		<u>\$ 459,045</u>

(See independent auditor's report.)

**VILLAGE OF WHEELING, ILLINOIS**

GENERAL OBLIGATION REFUNDING BONDS SERIES 2016

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS

December 31, 2016

Date of Issue	August 22, 2016
Date of Maturity	December 1, 2022
Authorized Issue	\$11,355,000
Interest Rates	5%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Tax Levy			June 1	Interest Due On		
	Principal	Interest	Total		Amount	December 1	Amount
2017	\$ 1,470,000	\$ 500,000	\$ 1,970,000	2017	\$ 250,000	2017	\$ 250,000
2018	1,540,000	426,500	1,966,500	2018	213,250	2018	213,250
2019	1,625,000	349,500	1,974,500	2019	174,750	2019	174,750
2020	1,705,000	268,250	1,973,250	2020	134,125	2020	134,125
2021	1,785,000	183,000	1,968,000	2021	91,500	2021	91,500
2022	1,875,000	93,750	1,968,750	2022	46,875	2022	46,875
	<u>\$ 10,000,000</u>	<u>\$ 1,821,000</u>	<u>\$ 11,821,000</u>		<u>\$ 910,500</u>		<u>\$ 910,500</u>

(See independent auditor's report.)

VILLAGE OF WHEELING, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2016

Insured	Description of Coverage	Amount of Coverage	Expiration Date of Policy
Village	Argonaut Insurance: Comprehensive General Liability Law Enforcement Liability Auto Physical Damage Errors and Omissions Employee Benefits Liability Terrorism (Lloyd's Insurance)	\$10,000,000 per occurrence (\$10,000,000 aggregate), \$100,000 SIR \$10,000,000 per occurrence (\$10,000,000 aggregate), \$100,000 SIR \$10,000,000 per occurrence (\$10,000,000 aggregate), \$100,000 SIR \$10,000,000 per occurrence (\$10,000,000 aggregate), \$100,000/\$250,000 SIR \$10,000,000 per occurrence (\$10,000,000 aggregate), \$100,000 SIR \$5,000,000 per occurrence, \$25,000 deductible	12/31/2017
Village	Property/Auto Physical Damage Limits (CHUBB)	\$85,128,490	12/31/2017
Village	Excess Liability (Torus Insurance)	\$6,000,000 (\$16,000,000 aggregate)	12/31/2017
Village	Workers' Compensation (Safety National)	\$550,000 SIR per occurrence (\$650,000 for Police Officers) \$2,000,000 loss limit	12/31/2017
Village	Crime - Employee Dishonesty (Hartford Fire Insurance Co.)	\$25,000 deductible \$5,000,000 loss limit	12/31/2017
Village	Boiler and Machinery (Travelers Insurance)	\$5,000 deductible \$50,000,000 loss limit	12/31/2017
Village	Storage Tank System (Colony Insurance)	\$5,000 deductible \$1,000,000 loss limit	12/31/2017
Village	Cyber Liability (Lloyd's Insurance)	\$10,000 deductible \$2,000,000 loss limit	12/31/2017

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Village of Wheeling, Illinois' 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.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	150-159
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	160-165
<b>Debt Capacity</b> 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.	166-169
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	170-172
<b>Operating Information</b> 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.	173-174

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

VILLAGE OF WHEELING, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 30,177,350	\$ 44,583,426	\$ 44,689,081	\$ 42,799,847
Restricted	29,617,995	37,126,903	36,584,679	28,589,477
Unrestricted (deficit)	(6,423,488)	(25,182,170)	(23,198,346)	(10,132,657)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 53,371,857</b>	<b>\$ 56,528,159</b>	<b>\$ 58,075,414</b>	<b>\$ 61,256,667</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 36,808,647	\$ 37,418,818	\$ 37,148,779	\$ 36,274,317
Restricted	-	-	-	-
Unrestricted	64,732,651	61,423,064	60,938,306	63,241,696
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 101,541,298</b>	<b>\$ 98,841,882</b>	<b>\$ 98,087,085</b>	<b>\$ 99,516,013</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 66,985,997	\$ 82,002,244	\$ 81,837,860	\$ 79,074,164
Restricted	29,617,995	37,126,903	36,584,679	28,589,477
Unrestricted (deficit)	58,309,163	36,240,894	37,739,960	53,109,039
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 154,913,155</b>	<b>\$ 155,370,041</b>	<b>\$ 156,162,499</b>	<b>\$ 160,772,680</b>

\* The Village implemented GASB Statement No. 68 during the fiscal year ended December 31, 2015.

Note: In fiscal year 2012, the Village's equity in the airport joint venture was reclassified from business-type activities to governmental activities.

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015*	2016
\$	54,123,693	\$ 97,083,613	\$ 98,280,773	\$ 98,500,856	\$ 99,844,379	\$ 93,184,516
	10,362,766	14,015,084	15,069,029	8,763,227	10,113,487	7,352,884
	(7,488,366)	(8,426,292)	(7,851,728)	(5,426,895)	(48,882,632)	(43,224,665)
\$	56,998,093	\$ 102,672,405	\$ 105,498,074	\$ 101,837,188	\$ 61,075,234	\$ 57,312,735
\$	36,688,761	\$ 36,367,198	\$ 37,260,014	\$ 38,135,341	\$ 38,977,362	\$ 39,094,900
	-	-	-	-	-	-
	62,992,898	17,371,083	16,248,947	14,460,012	13,647,217	13,976,490
\$	99,681,659	\$ 53,738,281	\$ 53,508,961	\$ 52,595,353	\$ 52,624,579	\$ 53,071,390
\$	90,812,454	\$ 133,450,811	\$ 135,540,787	\$ 136,636,197	\$ 138,821,741	\$ 132,279,416
	10,362,766	14,015,084	15,069,029	8,763,227	10,113,487	7,352,884
	55,504,532	8,944,791	8,397,219	9,033,117	(35,235,415)	(29,248,175)
\$	156,679,752	\$ 156,410,686	\$ 159,007,035	\$ 154,432,541	\$ 113,699,813	\$ 110,384,125

VILLAGE OF WHEELING, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>EXPENSES</b>				
Governmental Activities				
General government	\$ 12,984,438	\$ 17,784,959	\$ 14,122,513	\$ 14,219,565
Public safety	18,526,167	19,716,414	19,885,699	20,396,013
Highways and streets	5,412,538	1,842,576	5,476,091	2,783,647
Airport - joint venture	-	-	-	-
Interest and fees	1,919,098	2,998,209	3,462,955	3,415,044
Total governmental activities expenses	<u>38,842,241</u>	<u>42,342,158</u>	<u>42,947,258</u>	<u>40,814,269</u>
Business-Type Activities				
Water and sewer	7,612,327	7,373,555	7,067,551	6,912,264
Airport	-	3,444,406	799,270	-
Total business-type activities expenses	<u>7,612,327</u>	<u>10,817,961</u>	<u>7,866,821</u>	<u>6,912,264</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 46,454,568</u>	<u>\$ 53,160,119</u>	<u>\$ 50,814,079</u>	<u>\$ 47,726,533</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for services				
General government	\$ 1,924,264	\$ 1,738,155	\$ 1,758,207	\$ 1,852,231
Public safety	1,434,628	1,809,901	2,166,029	1,947,388
Highways and streets	109,808	112,644	103,395	102,417
Operating grants and contributions	1,165,713	1,047,865	1,065,374	1,605,286
Capital grants and contributions	389,243	523,889	1,451,630	479,199
Total governmental activities program revenues	<u>5,023,656</u>	<u>5,232,454</u>	<u>6,544,635</u>	<u>5,986,521</u>
Business-Type Activities				
Charges for services				
Water and sewer	7,861,160	7,734,607	6,975,799	7,588,069
Airport	5,227,834	-	-	902,589
Capital grants and contributions	-	32,680	-	-
Total business-type activities program revenues	<u>13,088,994</u>	<u>7,767,287</u>	<u>6,975,799</u>	<u>8,490,658</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 18,112,650</u>	<u>\$ 12,999,741</u>	<u>\$ 13,520,434</u>	<u>\$ 14,477,179</u>
<b>NET REVENUES (EXPENSES)</b>				
Governmental activities	\$ (33,818,585)	\$ (37,109,704)	\$ (36,402,623)	\$ (34,827,748)
Business-type activities	5,476,667	(3,050,674)	(891,022)	1,578,394
<b>TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)</b>	<u>\$ (28,341,918)</u>	<u>\$ (40,160,378)</u>	<u>\$ (37,293,645)</u>	<u>\$ (33,249,354)</u>

	2011	2012	2013	2014	2015*	2016
\$	16,233,324	\$ 18,700,252	\$ 14,476,498	\$ 17,399,295	\$ 16,160,019	\$ 26,036,703
	20,733,943	21,317,828	22,913,151	24,351,195	27,098,130	28,509,338
	4,577,770	2,511,525	3,137,265	8,265,832	4,739,565	4,792,939
	-	-	-	365,947	360,206	661,580
	3,227,766	3,356,724	3,227,999	3,115,103	2,975,404	2,683,084
	44,772,803	45,886,329	43,754,913	53,497,372	51,333,324	62,683,644
	6,817,876	7,875,234	7,871,938	8,409,712	8,149,116	8,366,057
	266,654	-	-	-	-	-
	7,084,530	7,875,234	7,871,938	8,409,712	8,149,116	8,366,057
\$	51,857,333	\$ 53,761,563	\$ 51,626,851	\$ 61,907,084	\$ 59,482,440	\$ 71,049,701
\$	2,192,808	\$ 2,300,930	\$ 2,041,198	\$ 2,113,226	\$ 2,660,037	\$ 1,836,481
	1,862,414	1,811,500	1,807,153	2,518,598	3,816,401	3,981,577
	129,919	129,680	121,004	216,834	113,508	750,573
	1,433,953	1,253,583	1,265,120	1,468,290	1,136,341	1,195,740
	529,573	280,666	348,823	386,441	1,005,525	108,373
	6,148,667	5,776,359	5,583,298	6,703,389	8,731,812	7,872,744
	7,383,748	8,498,891	8,077,300	7,958,560	8,657,219	9,030,321
	-	-	-	-	-	-
	-	220,890	-	-	-	360,932
	7,383,748	8,719,781	8,077,300	7,958,560	8,657,219	9,391,253
\$	13,532,415	\$ 14,496,140	\$ 13,660,598	\$ 14,661,949	\$ 17,389,031	\$ 17,263,997
\$	(38,624,136)	\$ (40,109,970)	\$ (38,171,615)	\$ (46,793,983)	\$ (42,601,512)	\$ (54,810,900)
	299,218	844,547	205,362	(451,152)	508,103	1,025,196
\$	(38,324,918)	\$ (39,265,423)	\$ (37,966,253)	\$ (47,245,135)	\$ (42,093,409)	\$ (53,785,704)

VILLAGE OF WHEELING, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 14,534,879	\$ 18,240,322	\$ 20,053,651	\$ 19,626,799
Sales	10,654,354	9,536,539	7,941,951	7,983,543
Other	9,881,950	10,029,935	5,079,052	5,127,712
Intergovernmental**	-	-	3,869,328	3,831,811
Investment earnings	1,654,636	1,972,157	714,969	557,803
Miscellaneous	292,951	487,053	295,113	617,396
Gain on disposal of capital assets	-	-	-	-
Transfers	-	-	(4,186)	263,937
Total governmental activities	37,018,770	40,266,006	37,949,878	38,009,001
Business-Type Activities				
Investment earnings	343,833	341,378	114,527	114,471
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	9,880	17,512	-
Transfers	-	-	4,186	(263,937)
Total business-type activities	343,833	351,258	136,225	(149,466)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 37,362,603</b>	<b>\$ 40,617,264</b>	<b>\$ 38,086,103</b>	<b>\$ 37,859,535</b>
<b>SPECIAL ITEM - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,695,734</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SPECIAL ITEM - BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 144,853</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 4,895,919	\$ 3,156,302	\$ 1,547,255	\$ 3,181,253
Business-type activities	5,965,353	(2,699,416)	(754,797)	1,428,928
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 10,861,272</b>	<b>\$ 456,886</b>	<b>\$ 792,458</b>	<b>\$ 4,610,181</b>

\* The Village implemented GASB Statement No. 68 during the fiscal year ended December 31, 2015.

\*\* Income tax and certain other intergovernmental revenues were reclassified beginning with the year ended December 31, 2009.

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015*	2016
\$	19,520,238	\$ 19,022,348	\$ 18,781,294	\$ 20,077,443	\$ 21,897,622	\$ 23,535,987
	8,076,606	8,510,612	9,430,241	9,915,534	10,786,813	10,178,754
	5,201,932	5,220,358	6,287,177	6,678,823	6,575,634	6,487,096
	3,799,369	4,149,329	4,541,061	4,714,309	5,281,649	5,080,815
	307,641	382,600	108,698	30,692	223,774	348,236
	1,144,281	1,452,437	1,360,893	1,172,294	1,435,358	1,663,409
	-	19,703	1,152	12,867	979,001	676,330
	220,639	433,336	486,768	531,135	572,257	617,349
	<u>38,270,706</u>	<u>39,190,723</u>	<u>40,997,284</u>	<u>43,133,097</u>	<u>47,752,108</u>	<u>48,587,976</u>
	29,945	83,886	40,086	21,347	37,327	38,964
	57,122	-	12,000	47,332	18,815	-
	-	-	-	-	-	-
	<u>(220,639)</u>	<u>(433,336)</u>	<u>(486,768)</u>	<u>(531,135)</u>	<u>(572,257)</u>	<u>(617,349)</u>
	<u>(133,572)</u>	<u>(349,450)</u>	<u>(434,682)</u>	<u>(462,456)</u>	<u>(516,115)</u>	<u>(578,385)</u>
\$	<u>38,137,134</u>	\$ <u>38,841,273</u>	\$ <u>40,562,602</u>	\$ <u>42,670,641</u>	\$ <u>47,235,993</u>	\$ <u>48,009,591</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	<u>(353,430)</u>	\$ <u>(919,247)</u>	\$ <u>2,825,669</u>	\$ <u>(3,660,886)</u>	\$ <u>5,150,596</u>	\$ <u>(6,222,924)</u>
	<u>165,646</u>	<u>495,097</u>	<u>(229,320)</u>	<u>(913,608)</u>	<u>(8,012)</u>	<u>446,811</u>
\$	<u>(187,784)</u>	\$ <u>(424,150)</u>	\$ <u>2,596,349</u>	\$ <u>(4,574,494)</u>	\$ <u>5,142,584</u>	\$ <u>(5,776,113)</u>

VILLAGE OF WHEELING, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010*
<b>GENERAL FUND</b>				
Nonspendable				
Long-term receivable	\$ -	\$ -	\$ -	\$ -
Prepaid items	-	-	-	340,730
Inventory	-	-	-	264,114
Assigned				
Health insurance	-	-	-	1,252,725
Subsequent year's budget	-	-	-	-
Unassigned	-	-	-	12,332,962
Reserved	1,922,853	7,208,103	545,940	-
Unreserved	18,339,434	10,823,755	14,913,216	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 20,262,287</b>	<b>\$ 18,031,858</b>	<b>\$ 15,459,156</b>	<b>\$ 14,190,531</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ 10,428
Inventory	-	-	-	131,588
Land held for resale	-	-	-	18,336,679
Restricted				
Capital projects	-	-	-	1,549,710
Highways and streets	-	-	-	1,751,968
Public safety	-	-	-	224,502
Economic development	-	-	-	6,673,568
Debt service	-	-	-	53,050
Assigned				
Capital improvements	-	-	-	3,473,088
Senior Center	-	-	-	-
Unassigned, reported in				
Special Revenue Funds	-	-	-	(1,664)
Capital Project Funds	-	-	-	(475,217)
Reserved	29,618,534	37,130,548	36,735,159	-
Unreserved, reported in				
Special Revenue Funds	(2,035)	(1,371)	(1,532)	-
Capital Project Funds	2,646,930	(2,604,191)	(2,078,086)	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 32,263,429</b>	<b>\$ 34,524,986</b>	<b>\$ 34,655,541</b>	<b>\$ 31,727,700</b>

\* The Village implemented GASB Statement No. 54 as of December 31, 2010.

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016
\$ -	\$ 576,000	\$ -	\$ -	\$ -	\$ -
369,478	372,806	281,547	318,023	471,750	211,316
304,889	262,536	265,189	264,960	287,856	278,304
1,463,995	1,703,945	703,552	943,530	1,286,311	671,661
-	400,000	1,055,804	753,849	-	-
13,615,841	10,608,389	12,188,455	11,395,024	12,416,569	13,453,786
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 15,754,203</u>	<u>\$ 13,923,676</u>	<u>\$ 14,494,547</u>	<u>\$ 13,675,386</u>	<u>\$ 14,462,486</u>	<u>\$ 14,615,067</u>
\$ 18,932	\$ 27,794	\$ 8,654	\$ 5,626	\$ 62,033	\$ 1,130,228
152,690	206,004	35,668	119,575	148,918	225,828
-	-	-	-	-	-
1,624,317	2,400,320	1,774,679	1,314,424	1,979,004	4,000,936
1,364,232	1,390,892	1,403,952	1,357,515	1,133,043	1,123,032
119,151	345,382	374,390	493,396	476,106	576,700
7,187,998	9,238,485	10,866,598	4,843,012	6,403,505	1,522,298
67,068	30,108	39,513	87,571	121,829	129,918
3,874,974	4,695,811	4,509,086	4,907,754	4,389,323	4,880,694
-	-	-	-	872,792	872,792
(1,742)	(1,788)	(1,676)	(1,849)	(2,030)	(190)
(1,286,092)	(1,105,948)	(1,939,250)	(273,889)	(643,260)	(456,589)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,121,528</u>	<u>\$ 17,227,060</u>	<u>\$ 17,071,614</u>	<u>\$ 12,853,135</u>	<u>\$ 14,941,263</u>	<u>\$ 14,005,647</u>

VILLAGE OF WHEELING, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>REVENUES</b>				
Taxes	\$ 30,654,347	\$ 33,081,075	\$ 32,855,735	\$ 32,502,099
Licenses and permits	494,548	452,055	438,417	445,774
Intergovernmental	5,704,821	6,075,977	6,386,331	5,916,297
Fines and forfeitures	2,179,819	2,107,271	2,013,155	2,092,093
Charges for services	351,839	606,984	1,068,433	843,584
Investment income	1,654,636	1,972,157	714,969	557,803
Miscellaneous	1,002,416	1,202,941	1,021,659	1,373,935
Total revenues	42,042,426	45,498,460	44,498,699	43,731,585
<b>EXPENDITURES</b>				
General government	10,020,189	11,413,172	10,379,637	9,129,789
Public safety	18,282,302	19,478,287	19,336,413	20,710,039
Highways and streets	3,327,986	1,377,369	2,610,475	1,383,873
Capital outlay	6,347,338	28,828,056	19,722,483	12,180,419
Debt service				
Principal	1,705,000	1,485,000	1,570,000	1,500,000
Interest	1,842,556	2,969,421	3,346,722	3,319,203
Total expenditures	41,525,371	65,551,305	56,965,730	48,223,323
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	517,055	(20,052,845)	(12,467,031)	(4,491,738)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,385,960	1,703,588	3,315,179	14,524,176
Transfers (out)	(1,385,960)	(1,703,588)	(3,319,365)	(14,260,239)
Bonds issued	10,000,000	20,000,000	10,000,000	-
Premium on bonds issued	-	-	-	-
TIF development note issued	-	-	-	-
Payment to escrow agent	-	-	-	-
Loss on disposal of land held for resale	(38,530)	-	-	-
Sale of capital assets	114,043	83,973	29,070	31,335
Total other financing sources (uses)	10,075,513	20,083,973	10,024,884	295,272
<b>SPECIAL ITEM</b>	1,695,734	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 12,288,302</b>	<b>\$ 31,128</b>	<b>\$ (2,442,147)</b>	<b>\$ (4,196,466)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>10.08%</b>	<b>10.66%</b>	<b>11.66%</b>	<b>12.07%</b>

\*Debt service principal increased due to the refunding of the Tax Increment Revenue Bond Series 2005.

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016*
\$ 32,526,698	\$ 32,474,707	\$ 34,217,612	\$ 36,373,747	\$ 38,961,036	\$ 39,838,918
627,026	536,729	544,271	550,247	956,338	712,117
5,762,896	5,683,578	5,866,502	6,958,153	8,216,312	8,188,194
3,017,946	3,280,116	3,006,290	3,235,445	3,167,197	3,421,509
732,417	690,272	714,405	844,161	959,311	994,658
307,641	382,600	108,698	30,692	223,774	348,236
1,224,110	1,212,054	1,346,382	1,300,039	1,574,034	1,663,409
44,198,734	44,260,056	45,804,160	49,292,484	54,058,002	55,167,041
8,706,123	10,200,168	9,642,297	10,553,805	10,997,647	10,748,569
20,103,256	20,713,189	21,681,228	23,270,049	25,254,427	25,520,585
1,997,699	1,519,075	1,852,783	1,928,121	1,730,257	1,344,791
7,409,366	8,322,334	7,084,028	13,218,099	8,482,208	14,290,045
1,735,000	2,063,150	2,638,982	3,022,485	3,491,572	21,765,340
3,267,345	3,140,841	2,977,337	2,881,567	2,777,921	2,923,362
43,218,789	45,958,757	45,876,655	54,874,126	52,734,032	76,592,692
979,945	(1,698,701)	(72,495)	(5,581,642)	1,323,970	(21,425,651)
2,987,807	4,460,454	3,154,615	9,646,088	6,490,141	5,460,897
(2,600,365)	(4,227,118)	(2,667,847)	(9,114,953)	(5,917,884)	(4,843,548)
6,988,943	3,925,000	-	-	-	11,355,000
193,198	222,801	-	-	-	1,493,937
-	3,500,000	-	-	-	6,500,000
(7,263,149)	(4,037,582)	-	-	-	-
-	-	-	-	-	-
7,800	19,703	1,152	12,867	979,001	676,330
314,234	3,863,258	487,920	544,002	1,551,258	20,642,616
-	-	-	-	-	-
\$ 1,294,179	\$ 2,164,557	\$ 415,425	\$ (5,037,640)	\$ 2,875,228	\$ (783,035)
11.94%	11.63%	13.08%	11.20%	12.34%	32.97%

VILLAGE OF WHEELING, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Cook County					Lake County Total Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property					
2006	\$ 535,223,102	\$ 160,866,914	\$ 466,694,131	\$ 77,178	\$ 737,901	\$ 3,737,798	\$ 1,167,337,024	\$ 0.771	\$ 3,502,011,072	33.333%
2007	626,842,573	158,446,498	543,426,355	77,179	904,133	5,762,422	1,335,459,160	0.674	4,006,377,480	33.333%
2008	644,263,611	162,850,032	558,529,065	79,266	939,333	6,200,247	1,372,861,554	0.707	4,118,584,662	33.333%
2009	708,601,147	134,630,472	502,031,477	48,235	1,052,243	6,028,165	1,352,391,739	0.770	4,057,175,217	33.333%
2010	642,546,595	122,080,427	455,233,039	43,707	954,101	5,752,338	1,226,610,207	0.892	3,679,830,621	33.333%
2011	562,378,196	112,456,049	407,022,376	37,187	1,162,024	5,673,483	1,088,729,315	1.004	3,266,187,945	33.333%
2012	506,940,389	107,718,357	376,869,218	37,187	758,102	5,330,444	997,653,697	1.138	2,992,961,091	33.333%
2013	398,703,329	107,440,045	326,039,359	35,715	783,286	5,145,717	838,147,451	1.424	2,514,442,353	33.333%
2014	425,609,608	135,422,155	290,188,352	126,078	917,222	5,135,426	857,398,841	1.517	2,572,196,523	33.333%
2015	415,287,122	132,668,239	282,104,354	48,507	1,106,149	5,068,152	836,282,523	1.729	2,508,847,569	33.333%

Note: Property in Lake County is reassessed every year at 33% of actual value.

Property in Cook County is reassessed every three years at rates that vary depending on type (e.g., residential, commercial, industrial, farm, and railroad).

Data Source

Office of the County Clerk

VILLAGE OF WHEELING, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

Levy Year	Village Direct Rates					Total Direct Tax Rate	Overlapping Rates									
	General	Bonds and Interest	Police Pension	Fire Pension	Cook County		Forest Preserve District	T.B. Sanitarium	Wheeling Township	Water Reclamation District	Northwest Mosquito Abatement	High School District 214	Harper College District 512	Wheeling Park District	Indian Trails Public Library	Wheeling C C School District 21
2006	\$ 0.5764	\$ 0.0832	\$ 0.0701	\$ 0.0411	\$ 0.7709	\$ 0.5000	\$ 0.0570	\$ 0.0050	\$ 0.0430	\$ 0.2840	\$ 0.0090	\$ 1.8230	\$ 0.2880	\$ 0.5350	\$ 0.3200	\$ 3.5020
2007	0.4082	0.1503	0.0629	0.0523	0.6740	0.4460	0.0530	-	0.0380	0.2630	0.0080	1.6210	0.2600	0.4920	0.2970	3.1540
2008	0.4099	0.1766	0.0640	0.0561	0.7066	0.4150	0.0510	-	0.0380	0.2520	0.0080	1.5870	0.2560	0.4960	0.3080	3.1610
2009	0.4776	0.1123	0.0957	0.0838	0.7694	0.3940	0.0490	-	0.0390	0.2610	0.0080	1.6360	0.2580	0.4900	0.3070	3.2090
2010	0.6533	0.0386	0.1038	0.0956	0.8913	0.4230	0.0510	-	0.0430	0.2740	0.0090	1.8390	0.2950	0.5710	0.3470	3.6580
2011	0.7154	0.0398	0.1271	0.1217	1.0040	0.4620	0.0580	-	0.0480	0.3200	0.0100	2.0670	0.3340	0.6540	0.3930	4.1640
2012	0.7444	0.0996	0.1430	0.1507	1.1377	0.5310	0.0630	-	0.0520	0.3700	0.0110	2.3240	0.3730	0.7380	0.4630	4.5560
2013	0.8388	0.1993	0.1835	0.2018	1.4240	0.5600	0.0690	-	0.0560	0.4170	0.0130	2.7680	0.4440	0.8990	0.5040	4.8410
2014	0.9066	0.2082	0.1926	0.2091	1.5170	0.5680	0.0690	-	0.0520	0.4300	0.0130	2.7760	0.4510	0.8900	0.5290	5.4300
2015	1.0585	0.2136	0.2178	0.2385	1.7290	0.5520	0.0690	-	0.0550	0.4260	0.0110	2.8810	0.4660	0.9240	0.5340	5.6420

Note: Rates for debt service are set based on each year's requirements.

Data Source

Office of the County Clerk

VILLAGE OF WHEELING, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

Taxpayer	Type of Business	2016			2007		
		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Wheeling Hotel Owner	Hotel, Retail Stores	\$ 17,689,668	1	2.12%			
Wal-Mart Stores Inc.	Retail & Wholesale Discount Stores	14,726,656	2	1.76%	\$ 22,276,323	2	1.91%
Woodland Creek Assoc	Woodland Creek Apartments	11,541,249	3	1.38%	20,364,542	3	1.74%
Allstate Insurance Co	Real Estate Holdings	7,778,768	4	0.93%	19,288,823	4	1.65%
Capstone Realty Advisors	Arlington Club/Village Green Apartments	7,391,126	5	0.88%	14,047,763	5	1.20%
Shorewood Management	Mallard Lake Apartments	7,315,850	6	0.87%	12,789,553	7	1.10%
Durable Packaging International	Industrial	6,965,175	7	0.83%	12,925,511	6	1.11%
Pactiv Corp.	Alumimum Foil Products	5,737,088	8	0.69%			
Foxboro Apartments	Apartments	5,380,104	9	0.64%	9,589,648	8	0.82%
Liberty Property Trust	Real Estate Holdings	4,903,363	10	0.59%			
MIDCO Wheeling LLC	Retail Stores, Restaurants				29,770,241	1	2.55%
Wheeling Partners, LLC	Real Estate Holdings				8,225,787	9	0.70%
Whippletree Village	Real Estate Holdings				7,774,250	10	0.67%
		<u>\$ 89,429,047</u>		<u>10.69%</u>	<u>\$ 157,052,441</u>		<u>13.45%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

**VILLAGE OF WHEELING, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 8,997,472	\$ 7,809,015	86.79%	\$ 821,848	\$ 8,630,863	95.93%
2007	8,997,472	8,512,009	94.60%	195,228	8,707,237	96.77%
2008	9,699,708	9,049,717	93.30%	330,937	9,380,654	96.71%
2009	10,406,485	8,924,122	85.76%	1,193,793	10,117,915	97.23%
2010	10,931,390	10,633,539	97.28%	131,373	10,764,912	98.48%
2011	10,930,632	10,565,589	96.66%	24,816	10,590,405	96.89%
2012	11,350,882	10,905,320	96.07%	85,071	10,990,391	96.82%
2013	11,930,382	11,636,039	97.53%	78,154	11,714,193	98.19%
2014	12,928,836	12,593,028	97.40%	135,842	12,728,870	98.45%
2015	14,454,024	14,150,917	97.90%	89,854	14,240,771	98.52%

Note: Property in Lake County is reassessed every year at 33% of actual value. Property in Cook County is reassessed every three years at rates that vary depending on type (e.g., residential, commercial, industrial, farm, and railroad).

Data Source

Office of the County Clerk

**VILLAGE OF WHEELING, ILLINOIS**

**MUNICIPAL SALES TAX RECEIPTS BY CATEGORY\***

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General merchandise	\$ 1,481,144	\$ 1,427,529	\$ 1,402,253	\$ 1,396,088	\$ 1,173,241	\$ 1,429,594	\$ 1,619,274	\$ 1,650,738	\$ 1,703,500	\$ 1,190,237
Food	538,346	565,923	492,894	479,897	508,014	651,499	693,488	630,552	615,574	1,171,703
Drinking and eating places	1,778,178	1,684,245	1,425,186	1,559,847	1,504,497	1,596,618	1,698,376	1,797,242	1,905,959	1,798,929
Apparel	18,619	21,337	21,972	29,283	215,248	22,137	20,350	16,559	13,092	10,850
Furniture and H.H. and Radio	542,113	478,916	234,314	352,717	241,592	365,085	317,622	426,930	500,466	374,919
Lumber, building hardware	711,156	714,022	582,744	547,706	527,913	519,347	649,847	785,897	780,639	778,738
Automotive and filling stations	1,322,485	823,683	738,858	766,793	860,719	867,975	863,263	1,470,336	1,896,657	1,338,274
Drugs and miscellaneous retail	670,955	687,225	553,660	560,097	566,369	571,162	720,737	717,922	763,897	778,316
Agriculture and all others	2,211,457	2,061,432	1,459,648	1,328,013	1,420,029	1,420,378	1,742,475	1,504,723	1,461,151	1,406,318
Manufacturers	649,508	521,939	440,853	417,144	211,382	251,196	356,265	362,195	353,437	376,390
<b>TOTAL**</b>	<b>\$ 9,923,961</b>	<b>\$ 8,986,251</b>	<b>\$ 7,352,382</b>	<b>\$ 7,437,585</b>	<b>\$ 7,229,004</b>	<b>\$ 7,694,991</b>	<b>\$ 8,681,695</b>	<b>\$ 9,363,094</b>	<b>\$ 9,994,372</b>	<b>\$ 9,224,674</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<b>VILLAGE HOME RULE SALES TAX RATE***</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%	1.00%

\* Includes the Cook and Lake County portions of the Village.

\*\* Totals do not tie to financial statements due to confidentiality agreements with certain taxpayers.

\*\*\* The Municipal Home Rule Sales tax rate does not apply to qualifying food, drugs, and medical appliances.

Data Sources

Illinois Department of Revenue  
Village records

**VILLAGE OF WHEELING, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Village Home Rule Rate</b>	<b>State, County, and Local Rate</b>	<b>Total Rate</b>
2007	1.00%	7.75%	8.75%
2008	1.00%	9.00%	10.00%
2009	1.00%	9.00%	10.00%
2010	1.00%	8.50%	9.50%
2011	1.00%	8.25%	9.25%
2012	1.00%	8.25%	9.25%
2013	1.00%	8.00%	9.00%
2014	1.00%	8.00%	9.00%
2015	1.00%	8.00%	9.00%
2016	1.00%	9.00%	10.00%

Note: These tax rates are for Cook County. The Village receives the majority of its sales tax from businesses located in Cook County.

Data Sources

Illinois Department of Revenue  
Village Records

VILLAGE OF WHEELING, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)	Debt Outstanding as a Percentage of Personal Income
	General Obligation Bonds	TIF Revenue Bonds	TIF Revenue Notes	Unamortized Discount	Unamortized Premium	General Obligation Bonds	Unamortized Discount	Unamortized Premium				
2007	\$ 26,930,533	\$ 19,000,000	\$ -	\$ -	\$ -	\$ 2,420,000	\$ -	\$ -	\$ 48,350,533	1.38%	\$ 1,254.07	5.02%
2008	45,499,078	19,000,000	-	-	-	2,020,000	-	-	66,519,078	1.66%	1,725.30	6.42%
2009	53,982,768	19,000,000	-	-	-	1,625,000	-	-	74,607,768	1.81%	1,935.10	7.17%
2010	52,790,735	18,745,000	-	-	-	1,500,000	-	-	73,035,735	1.80%	1,939.96	7.21%
2011	51,653,943	18,300,000	-	28,000	193,198	1,456,057	13,631	36,362	71,681,191	1.95%	1,903.98	7.92%
2012	50,496,768	17,700,000	3,601,944	-	399,900	4,793,232	-	104,182	77,096,026	2.36%	2,047.81	8.28%
2013	48,990,391	16,990,000	3,421,821	-	365,233	4,449,609	-	97,609	74,314,663	2.48%	1,973.93	7.39%
2014	47,292,211	16,210,000	3,105,170	-	330,566	4,107,789	-	91,036	71,136,772	2.83%	1,889.52	6.71%
2015	45,402,274	15,345,000	2,559,796	-	295,901	3,762,726	-	84,463	67,450,160	2.62%	1,791.60	6.35%
2016	53,274,462	-	6,516,139	-	1,755,170	3,410,538	-	77,891	65,034,200	2.59%	1,727.43	6.17%

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

(1) Assessed value and actual value of taxable property.

(2) See the schedule of Demographic and Economic Information on page 170 for personal income and population data.

Data Source

Village records

**VILLAGE OF WHEELING, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	Governmental	Business-Type	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
	Activities General Obligation Bonds*	Activities General Obligation Bonds*				
2007	\$ 26,930,533	\$ 2,420,000	\$ 89,145	\$ 29,261,388	0.84%	\$ 758.95
2008	45,499,078	2,020,000	67,083	47,451,995	1.18%	1,230.76
2009	53,982,768	1,625,000	24,550	55,583,218	1.35%	1,441.66
2010	52,790,735	1,500,000	53,049	54,237,686	1.34%	1,440.65
2011	51,819,141	1,478,788	67,068	53,230,861	1.45%	1,413.91
2012	50,896,668	4,897,414	28,654	55,765,428	1.71%	1,481.23
2013	49,355,624	4,547,218	35,470	53,867,372	1.80%	1,430.82
2014	47,622,777	4,198,825	87,571	51,734,031	2.06%	1,374.15
2015	45,698,175	3,847,189	121,829	49,423,535	1.92%	1,312.78
2016	55,029,632	3,488,429	129,918	58,388,143	2.33%	1,550.90

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

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 160 for property value data.

Data Source

Village records

**VILLAGE OF WHEELING, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2016

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The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the 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 50,000 an aggregate of one per cent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

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

**VILLAGE OF WHEELING, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2016

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the Village (1)</b>	<b>The Village's Share of Debt</b>
Village	\$ 61,545,771	100.00%	\$ 61,545,771
Cook County, including Forest Preserve	3,372,631,750	0.63%	21,247,580
Lake County, including Forest Preserve	457,110,000	0.02%	91,422
Metropolitan Water Reclamation District	2,583,922,748	0.64%	16,537,106
Prospect Heights Park District	7,854,310	16.57%	1,301,459
River Trails Park District	7,695,725	0.02%	1,539
Wheeling Park District	9,705,000	87.16%	8,458,878
School District No. 21	33,950,000	48.35%	16,414,825
School District No. 23	8,380,000	17.27%	1,447,226
School District No. 102	3,385,000	0.62%	20,987
High School District No. 125	7,225,000	0.16%	11,560
High School District No. 214	39,490,000	11.27%	4,450,523
Community College District No. 512	148,515,000	5.04%	7,485,156
Community College District No. 532	67,415,000	0.02%	13,483
	<u>6,747,279,533</u>		<u>77,481,744</u>
	<u>\$ 6,808,825,304</u>		<u>\$ 139,027,515</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

Data Source

Office of the County Clerk

# VILLAGE OF WHEELING, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2007	38,555	\$ 963,450,895	\$ 24,989	34.5	6,249	3.8%
2008	38,555	1,036,551,175	26,885	35.7	6,249	4.9%
2009	38,555	1,039,866,905	26,971	36.2	6,295	8.5%
2010	37,648	1,013,446,512	26,919	35.6	7,075	8.5%
2011	37,648	904,907,328	24,036	36.1	6,987	8.1%
2012	37,648	931,072,688	24,731	36.1	6,620	7.7%
2013	37,648	1,005,126,304	26,698	36.1	6,681	7.8%
2014	37,648	1,060,280,624	28,163	36.1	6,031	5.9%
2015	37,648	1,062,991,280	28,235	36.3	6,086	4.7%
2016	37,648	1,054,595,776	28,012	36.5	6,350	4.8%

Note: Personal income is the largest sole source income type, usually either property or sales tax.

### Data Source

Village records

VILLAGE OF WHEELING, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2016			2007		
	Number of Employees	Rank	% of Total Village Population	Number of Employees	Rank	% of Total Village Population
SG360	940	1	2.50%			
Durable Packaging	750	2	1.99%	750	4	1.95%
Pamarco Global Graphics	625	3	1.66%			
Reynolds Consumer Products	600	4	1.59%			
Handi-Foil	550	5	1.46%	600	6	1.56%
Crothall Laundry Services	450	6	1.20%			
Lake Region Medical	425	7	1.13%			
Bob Chinn's Crabhouse	375	8	1.00%	375	10	0.97%
Helpsource Of North Shore Inc	360	9	0.96%			
Argon Medical Devices	330	10	0.88%			
ACCO Brands Inc				1,484	1	3.85%
Angiotech (Manan Medical)				1,112	2	2.88%
Do All Company				927	3	2.40%
Chicago Manifold Products Corp				625	5	1.62%
Pactive Corp.				550	7	1.43%
School District 21				487	8	1.26%
Block & Company				400	9	1.04%
<b>TOTAL</b>	<b>5,405</b>		<b>14.37%</b>	<b>7,310</b>		<b>18.96%</b>

Data Source

Village Records

VILLAGE OF WHEELING, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>GENERAL GOVERNMENT</b>										
Management services	5	6	7	7	5	5	5	3	3	3
Human resources	2	2	2	2	2	2	2	2	2	2
Finance	12	10	9	9	8	8	8	8	8	8
Information systems	-	3	4	4	4	4	4	4	4	4
Economic development	-	-	-	-	-	-	-	2	2	2
Human services	4	4	4	5	7	7	6	6	6	6
Community development	18	17	18	13	13	13	14	14	14	12
Engineering	-	4	4	4	2	2	2	2	2	4
<b>PUBLIC SAFETY</b>										
Police										
Officers	66	68	68	66	62	62	62	62	62	62
Civilians	27	28	28	25	21	21	22	23	34	34
Fire										
Firefighters and officers	56	57	57	50	50	50	50	50	50	50
Civilians	2	4	4	4	4	4	3	3	3	3
<b>PUBLIC WORKS</b>										
Administration	4	4	4	5	4	4	4	4	4	4
Capital projects and design	13	9	9	4	4	4	3	2	2	-
Building services	6	6	6	6	6	6	6	6	6	6
Fleet services	6	5	5	5	5	5	5	5	5	5
Forestry	-	-	4	5	5	4	4	4	4	4
Utilities	21	21	21	21	18	18	18	18	18	18
Street maintenance	10	13	9	7	5	5	4	5	5	5
	252	261	263	242	225	224	222	223	234	232

Data Source

Village budget office

**VILLAGE OF WHEELING, ILLINOIS**

**OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>POLICE</b>										
DUI arrests	221	244	246	168	155	110	130	93	96	94
Accidents	1,606	1,522	1,297	1,109	1,198	1,047	1,126	1,218	1,322	1,262
Total tickets	16,699	14,219	17,018	14,133	14,674	14,166	12,051	13,448	16,303	19,618
Total calls	39,233	34,244	32,770	32,389	33,857	34,797	34,186	36,489	41,454	35,458
<b>FIRE</b>										
Number of calls answered	4,120	4,475	4,302	4,271	4,422	4,354	4,534	4,694	4,463	4,629
Inspections	2,623	2,319	2,162	2,047	1,652	1,547	1,342	1,401	1,367	1,281
<b>HIGHWAYS AND STREETS</b>										
Work orders completed	1,989	1,902	1,740	1,821	2,276	2,260	1,750	1,889	1,150	1,157
Sidewalks plowed	619	722	668	668	400	116	386	793	587	247
<b>WATER AND SEWER</b>										
Meter replacements	N/A	N/A	N/A	N/A	N/A	90	545	413	112	69
Customer service calls	1,320	2,500	1,600	1,700	1,939	2,215	2,310	2,270	1,760	945
Sanitary sewer complaints	106	63	78	84	68	127	111	46	50	42
Sanitary sewer cleaned (l.f.)	35,290	26,835	16,092	13,257	14,204	58,000	33,483	34,000	64,000	102,321
Catch basins/inlets cleaned	172	106	45	63	89	107	59	95	191	393

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

Data Source

Village records

**VILLAGE OF WHEELING, ILLINOIS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Number of squad cars	33	40	40	41	41	41	42	40	40	38
Fire										
Stations	2	2	2	2	3	3	3	3	3	3
<b>HIGHWAYS AND STREETS</b>										
Streets (miles)	65	75	75	75	75	75	75	75	75	75
<b>WATER</b>										
Water mains (miles)	138	148	148	155	155	155	155	162	162	164
Fire hydrants	1,631	1,635	1,635	1,651	1,709	1,709	1,766	1,766	1,732	1,738
Average daily pumpage (mgd)	5	5	5	4	4	4	4	4	4	4
<b>SEWER</b>										
Sanitary sewers (miles)	77	83	83	87	87	87	89	90	94	95
Storm sewers (miles)	68	92	92	92	92	92	92	92	92	92
<b>BUILDING INSPECTIONS</b>										
Number of permits issued	1,151	1,426	1,348	1,364	1,650	1,501	1,488	1,599	1,305	1,659
<b>CULTURE AND RECREATION</b>										
Number of parks and playgrounds	16	16	16	16	16	16	16	16	16	16
Park area (acres)	270	270	270	270	270	270	270	270	270	270

Data Source

Village records

## **COMPLIANCE SECTION**



1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

**Certified Public Accountants & Advisors**  
*Members of American Institute of Certified Public Accountants*

## **REPORT OF INDEPENDENT ACCOUNTANT'S ON COMPLIANCE**

The Honorable Mayor  
Members of the Board of Trustees  
Village of Wheeling, Illinois

We have examined management's assertion that the Village of Wheeling, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2016. As discussed in that representation letter, management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Wheeling, Illinois complied with the aforementioned requirements for the year ended December 31, 2016, is fairly stated in all material respects.

This report is intended for the information and use of the Mayor, Board of Trustees, Management, the Joint Review Board, the Illinois State Comptroller, and the Illinois Department of Revenue.

*Sikich LLP*

Naperville, Illinois  
June 8, 2017

**2017 DISCLOSURE**

**Relating to**

**VILLAGE OF WHEELING  
Cook and Lake Counties, Illinois**

**CUSIP NUMBER 963099**

**\$10,000,000 General Obligation Corporate Purpose Bonds, Series 2007**

**\$20,000,000 General Obligation Corporate Purpose Bonds, Series 2008**

**\$10,000,000 General Obligation Corporate Purpose Bonds, Series 2009**

**\$8,445,000 General Obligation Refunding Bonds, Series 2011**

**\$3,925,000 General Obligation Sales Tax Refunding Bonds, Series 2012A**

**\$3,500,000 General Obligation Water System Bonds, Series 2012B**

**and**

**\$11,355,000 General Obligation Refunding Bonds, Series 2016**

**For further information please contact:**

**Mr. Michael Mondschain, Director of Finance  
Mr. Brian Smith, Assistant Director of Finance  
Village of Wheeling  
2 Community Boulevard  
Wheeling, Illinois 60090**

**Phone: (847) 459-2600**

**Fax: (847) 459-9692**

**5/25/17**

**I. ANNUAL FINANCIAL INFORMATION REPORT UPDATE**

**Retailers' Occupation, Service Occupation and Use Tax**

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## Retailers' Occupation, Service Occupation and Use Tax(1)

Calendar Year Ending December 31	Municipal Sales Tax Distributions(2)	Home Rule Sales Tax Distributions	Total	Annual Percent Change + (-)
2007 .....	\$6,162,977	\$4,461,378	\$10,624,355	1.90%(3)
2008 .....	5,438,339	4,098,140	9,536,479	(10.24%)
2009 .....	4,625,774	3,316,177	7,941,951	(16.72%)
2010 .....	4,622,924	3,360,619	7,983,543	0.52%
2011 .....	4,737,611	3,336,362	8,073,973	1.13%
2012 .....	5,030,987	3,478,485	8,509,472	5.39%
2013 .....	5,588,948	3,840,287	9,429,235	10.81%
2014 .....	5,982,939	3,931,357	9,914,296	5.14%
2015 .....	6,739,449	4,045,919	10,785,367	8.79%
2016 .....	6,252,421	3,924,604	10,177,025	(5.64%)
Growth from 2007 to 2016 .....				(4.21%)

- Notes: (1) Source: Illinois Department of Revenue. Based on Standard Industrial Classification. Includes tax collections in both Cook and Lake County.
- (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
- (3) The 2007 percentage is based on a 2006 sales tax of \$10,426,638.

## Sales Tax Receipts by Kind of Business(1) (For the 12 months ended December 31, 2016)

	Amount Returned to the Village(2)	Percent
General Merchandise .....	\$1,190,237	12.9%
Food.....	1,171,703	12.7%
Drinking and Eating Places .....	1,798,929	19.5%
Apparel .....	10,850	0.1%
Furniture, Household & Radio .....	374,919	4.1%
Lumber Building and Hardware .....	778,738	8.4%
Automotive and Filling Stations .....	1,338,274	14.5%
Drugs and Misc. Retail .....	778,316	8.4%
Agriculture and All Other .....	1,406,318	15.2%
Manufactures .....	376,390	4.1%
Total.....	<u>\$9,224,674</u>	100.0%

- Notes: (1) Source: State of Illinois, Department of Revenue.
- (2) Includes Municipal Sales Tax returned by the State plus Home Rule Sales Taxes. Does not include Lake County sales taxes to protect the privacy of individual companies. The Lake County portion was \$952,351.

## DIRECT GENERAL OBLIGATION DEBT (see schedules following)

Total General Obligation Bonds .....	<u>\$56,685,000</u>
Total General Obligation Debt .....	<u>\$56,685,000</u>

**VILLAGE OF WHEELING, ILLINOIS**  
**Village General Obligation Bonded Debt(1)**

(As of May 22, 2017)

Calendar Year	Series 2007	Series 2008	Series 2009	Series 2011	Series 2012A	Series 2012B	Series 2016	Total Debt	Cumulative Principal Retired	
									Amount	Percent
2017 .....	\$ 0	\$ 1,400,000	\$ 0	\$ 825,000	\$ 325,000	\$ 140,000	\$ 1,470,000	\$ 4,160,000	\$ 4,160,000	7.34%
2018 .....	0	1,600,000	0	835,000	335,000	140,000	1,540,000	4,450,000	8,610,000	15.19%
2019 .....	0	1,815,000	0	665,000	340,000	150,000	1,625,000	4,595,000	13,205,000	23.30%
2020 .....	0	2,030,000	0	685,000	355,000	155,000	1,705,000	4,930,000	18,135,000	31.99%
2021 .....	0	2,250,000	0	705,000	370,000	160,000	1,785,000	5,270,000	23,405,000	41.29%
2022 .....	0	2,475,000	0	720,000	380,000	165,000	1,875,000	5,615,000	29,020,000	51.20%
2023 .....	0	2,700,000	0	610,000	390,000	175,000	0	3,875,000	32,895,000	58.03%
2024 .....	0	1,490,000	1,435,000	0	400,000	180,000	0	3,505,000	36,400,000	64.21%
2025 .....	0	0	3,140,000	0	0	185,000	0	3,325,000	39,725,000	70.08%
2026 .....	0	0	3,340,000	0	0	195,000	0	3,535,000	43,260,000	76.32%
2027 .....	1,445,000	0	2,085,000	0	0	200,000	0	3,730,000	46,990,000	82.90%
2028 .....	3,700,000	0	0	0	0	210,000	0	3,910,000	50,900,000	89.79%
2029 .....	3,850,000	0	0	0	0	220,000	0	4,070,000	54,970,000	96.97%
2030 .....	1,005,000	0	0	0	0	230,000	0	1,235,000	56,205,000	99.15%
2031 .....	0	0	0	0	0	235,000	0	235,000	56,440,000	99.57%
2032 .....	0	0	0	0	0	245,000	0	245,000	56,685,000	100.00%
Total .....	\$10,000,000	\$15,760,000	\$10,000,000	\$5,045,000	\$2,895,000	\$2,985,000	\$10,000,000	\$56,685,000		

Note: (1) Source: the Village.

## OVERLAPPING DEBT(1)(2)

	Outstanding Debt	Applicable to Village	
		Percent(3)	Amount
<b>Schools:</b>			
School District Number 21 .....	\$ 33,950,000	48.35%	\$16,414,825
School District Number 23 .....	8,380,000	17.27%	1,447,226
School District Number 102 .....	3,385,000	0.62%	20,987
High School District Number 125 .....	7,225,000	0.16%	11,560
High School District Number 214 .....	39,490,000	11.27%	4,450,523
Community College District Number 512 .....	148,515,000	5.04%	7,485,156
Community College District Number 532 .....	67,415,000	0.02%	<u>13,483</u>
Total Schools .....			\$29,843,760
<b>Other:</b>			
Cook County .....	\$3,213,141,750	0.63%	\$20,242,793
Cook County Forest Preserve District .....	159,490,000	0.63%	1,004,787
Lake County .....	186,350,000	0.02%	37,270
Lake County Forest Preserve District .....	270,760,000	0.02%	54,152
Metropolitan Water Reclamation District .....	2,583,922,748	0.64%	16,537,106
Wheeling Park District .....	9,705,000	87.16%	8,458,878
Prospect Heights Park District .....	7,854,310	16.57%	1,301,459
River Trails Park District .....	7,695,725	0.02%	<u>1,539</u>
Total Other .....			<u>\$47,637,984</u>
Total Schools and Other Overlapping Bonded Debt .....			<u>\$77,481,744</u>

- Notes: (1) Source: Cook and Lake County Clerks.  
(2) As of December 31, 2016.  
(3) Overlapping debt percentages based on 2015 EAV.

## DEBT RATIOS

### Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2010 Census 37,648)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2015 .....	\$ 836,282,523	100.00%	33.33%	\$22,213.20
Estimated Actual Value, 2015 .....	\$2,508,847,569	300.00%	100.00%	\$66,639.60
Total Direct Bonded Debt .....	\$ 56,685,000	6.78%	2.26%	\$ 1,505.66
<b>Overlapping Bonded Debt(2):</b>				
Schools .....	\$ 29,843,760	3.57%	1.19%	\$ 792.71
Other .....	<u>47,637,984</u>	<u>5.70%</u>	<u>1.90%</u>	<u>1,265.35</u>
Total Overlapping Bonded Debt .....	<u>\$ 77,481,744</u>	<u>9.27%</u>	<u>3.09%</u>	<u>\$ 2,058.06</u>
Total Direct and Overlapping Bonded Debt(2) .....	\$ 134,166,744	16.04%	5.35%	\$ 3,563.72

- Notes: (1) Source: Cook and Lake Counties Clerks.  
(2) As of December 31, 2016.

## VILLAGE EQUALIZED ASSESSED VALUATION(1)

Property Class	Levy Years				
	2011	2012	2013(2)	2014	2015
Residential .....	\$ 562,378,196	\$506,940,389	\$398,703,329	\$425,609,608	\$415,287,122
Farm.....	37,187	37,187	35,715	126,078	48,507
Commercial.....	112,456,049	107,718,357	107,440,045	135,422,155	132,668,239
Industrial .....	407,022,376	376,869,218	326,039,359	290,188,352	282,104,354
Railroad.....	1,162,024	758,102	783,286	917,222	1,106,149
Total .....	\$1,083,055,832	\$992,323,253	\$833,001,734	\$852,263,415	\$831,214,371
Lake County.....	5,673,483	5,330,444	5,145,717	5,135,426	5,068,152
Total .....	\$1,088,729,315	\$997,653,697	\$838,147,451	\$857,398,841	\$836,282,523
Percent Change +/- .....	(11.24%)(3)	(8.37%)	(15.99%)	2.30%	(2.46%)

- Notes: (1) Source: Cook County Clerk.  
 (2) Triennial reassessment year.  
 (3) Percentage change based on 2010 EAV of \$1,226,610,329.

## LARGER TAXPAYERS(1)

Taxpayer Name	Business/Service	2015 EAV(2)
Westin Hotel.....	Hotel .....	\$17,689,668
Wal-Mart Stores .....	Retail Discount Store .....	14,726,656
Woodland Creek Assoc.....	Apartments .....	11,541,249
Allstate Insurance Co.....	Insurance .....	7,778,768
Capstone Realty Advisors.....	Apartments .....	7,391,126
Shorewood Management .....	Mallard Lake Apartments.....	7,315,850
Durable Packaging International .....	Industrial.....	6,965,175
Pactiv .....	Food Packaging.....	5,737,088
Foxboro Apartments.....	Apartments .....	5,380,104
Liberty Property Trust.....	Real Estate .....	4,903,363
Total .....		\$89,429,048
Ten Largest Taxpayers as Percent of Village's 2015 EAV (\$836,282,523) .....		10.69%

- Notes: (1) Source: the Village and the Cook County Clerk.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2015 EAV is the most current available.

## TAX LEVIES AND COLLECTIONS(1)

Levy Year	Coll. Year	Taxes Extended	Total Collections(2)	
			Amount	Percent
2011.....	2012 .....	\$10,930,632	\$10,590,405	96.89%
2012.....	2013 .....	11,350,882	10,990,391	96.82%
2013.....	2014 .....	11,930,382	11,714,193	98.19%
2014.....	2015 .....	12,928,836	12,728,870	98.45%
2015.....	2016 .....	14,454,024	14,240,771	98.52%

- Notes: (1) Source: Cook County Treasurer, Lake County Treasurer and the Village.  
 (2) Total Collections reflect all monies attributable to the specific tax but distributed to the taxing body over a period of time. This is updated annually by the County Treasurer and therefore is subject to revision as the treasurer makes allocations in the future. Excludes refunds and includes taxes held in reserve and interest earnings.

## VILLAGE TAX RATES(1)

Property tax rates are expressed in dollars per \$100 of Equalized Assessed Value.

	Levy Years				
	2011	2012	2013	2014	2015
The Village:					
Corporate .....	\$0.7154	\$ 0.7444	\$ 0.8388	\$ 0.9066	\$ 1.0585
Bonds and Interest .....	0.0398	0.0996	0.1993	0.2082	0.2136
Police Pension .....	0.1271	0.1430	0.1835	0.1926	0.2178
Fire Pension .....	<u>0.1217</u>	<u>0.1507</u>	<u>0.2018</u>	<u>0.2091</u>	<u>0.2385</u>
Total Village Rates(2).....	\$1.0040	\$ 1.1380	\$ 1.4240	\$ 1.5170	\$ 1.7290

- Notes: (1) Source: Cook County Clerk. Rates shown are for Cook County only.  
 (2) The Village is a home rule-unit under the 1970 Illinois Constitution and, as such, has no statutory tax rate limit.

## TYPICAL TAX BILL(1)(2)

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

	Levy Years				
	2011	2012	2013	2014	2015
Cook County .....	\$0.4620	\$ 0.5310	\$ 0.5600	\$ 0.5680	\$ 0.5520
Cook County Forest Preserve District.....	0.0580	0.0630	0.0690	0.0690	0.0690
Metropolitan Water Reclamation District.....	0.3200	0.3700	0.4170	0.4300	0.4260
Northwest Mosquito Abatement District.....	0.0100	0.0110	0.0130	0.0130	0.0110
Consolidated Elections.....	0.0250	0.0000	0.0310	0.0000	0.0340
Wheeling Township.....	0.0480	0.0520	0.0560	0.0520	0.0550
General Assistance.....	0.0090	0.0090	0.0100	0.0100	0.0100
Road and Bridge .....	0.0150	0.0160	0.0190	0.0190	0.0200
School District Number 21 .....	4.1640	4.5560	4.8410	5.4300	5.6420
High School District Number 214 .....	2.0670	2.3240	2.7680	2.7760	2.8810
Community College District Number 512.....	0.3340	0.3730	0.4440	0.4510	0.4660
Indian Trails Public Library District.....	0.3930	0.4630	0.5040	0.5290	0.5340
Wheeling Park District.....	<u>0.6540</u>	<u>0.7380</u>	<u>0.8990</u>	<u>0.8900</u>	<u>0.9240</u>
Total Tax Rates(3) .....	\$9.5630	\$10.6440	\$12.0550	\$12.7540	\$13.3530

- Notes: (1) Source: Cook County Clerk. Rates shown are for Cook County only.  
 (2) The Village is a home rule-unit under the 1970 Illinois Constitution and, as such, has no statutory tax rate limit.  
 (3) Representative tax rates for other government units are from Wheeling Township tax code 38055, which represents 51% of the Village's 2015 EAV, the most recent for which such ratios can be computed.

## FINANCIAL INFORMATION

### Statement of Net Position - Governmental Activities(1)

	Audited as of December 31				
	2012	2013	2014	2015	2016
<b>ASSETS:</b>					
Cash and Investments .....	\$ 32,738,649	\$ 33,643,222	\$ 27,105,062	\$ 28,061,638	\$ 29,846,511
Receivables, Net:					
Property Taxes .....	11,100,581	11,677,826	12,806,608	14,155,427	14,837,953
Sales Taxes .....	2,277,453	2,553,906	2,555,025	2,936,849	2,759,846
Income Taxes.....	917,393	616,726	644,481	773,045	696,331
Telecommunications Tax .....	407,710	386,569	354,214	349,096	317,745
Accounts .....	127,427	97,481	200,799	522,602	645,023
Accrued Interest .....	46,856	42,035	44,598	45,599	40,488
IPBC .....	1,703,945	703,552	943,530	1,286,311	671,661
Other .....	802,455	975,542	1,120,770	1,161,817	1,274,205
Prepaid Expenses .....	402,507	290,284	323,845	533,866	1,341,627
Inventory .....	468,540	300,857	384,535	436,774	504,132
Due from Other Governments.....	101,100	129,748	137,302	151,887	142,922
Advances to Other Funds .....	(1,002,614)	(1,062,514)	(976,867)	(863,629)	(1,038,826)
Deferred Charges - Unamortized Loss on Refunding .....	774,114	706,169	638,224	570,278	741,915
Deferred Outflows-Swap Agreement .....	5,928,027	3,641,777	4,353,866	4,066,825	3,364,990
Net Pension Asset.....	609,897	667,309	1,018,534	11,435,662	9,969,634
Capital Assets Not Being Depreciated .....	84,576,995	85,412,131	85,046,184	85,551,145	86,170,928
Capital Assets Being Depreciated.....	<u>58,952,072</u>	<u>58,303,260</u>	<u>57,467,789</u>	<u>56,209,319</u>	<u>52,360,837</u>
Total Assets .....	<u>\$200,933,107</u>	<u>\$199,085,880</u>	<u>\$194,168,499</u>	<u>\$207,384,511</u>	<u>\$204,647,922</u>
<b>LIABILITIES:</b>					
Accounts Payable .....	\$ 3,131,884	\$ 1,789,685	\$ 1,786,608	\$ 1,633,640	\$ 3,892,318
Accrued Payroll .....	477,197	603,103	764,925	51,921	48,652
Deposits Payable .....	104,379	115,814	144,654	144,309	124,167
Deferred Revenue .....	12,176,607	13,294,812	13,661,726	14,813,225	15,347,554
Due to Fiduciary Funds .....	56,528	54,107	100,721	970,788	306,376
Interest Payable .....	684,245	659,146	631,748	604,690	176,846
Pension Items .....	0	0	0	0	2,093,365
Interest Rate Swap Agreement .....	5,928,027	3,641,777	4,353,866	4,066,825	3,364,990
Long-Term Liabilities:					
Due Within One Year .....	3,825,539	4,159,726	4,601,468	4,492,374	5,246,126
Due in More Than One Year .....	<u>71,876,296</u>	<u>69,269,636</u>	<u>66,285,595</u>	<u>119,531,505</u>	<u>116,734,793</u>
Total Liabilities .....	<u>\$ 98,260,702</u>	<u>\$ 93,587,806</u>	<u>\$ 92,331,311</u>	<u>\$146,309,277</u>	<u>\$147,335,187</u>
<b>NET POSITION:</b>					
Investment in Capital Assets, Net of Related Debt .....	\$ 97,083,613	\$ 98,280,773	\$ 98,500,856	\$ 99,844,379	\$ 93,184,516
Restricted for:					
Highways and Streets .....	1,390,892	1,403,952	1,357,515	1,133,043	1,123,032
Public Safety .....	955,279	984,287	1,160,705	476,106	576,700
Economic Development .....	9,238,485	10,866,598	4,843,012	6,403,505	1,522,298
Capital Projects .....	2,400,320	1,774,679	1,314,424	1,979,004	4,000,936
Debt Service.....	30,108	39,513	87,571	121,829	129,918
Unrestricted .....	<u>(8,426,292)</u>	<u>(7,851,728)</u>	<u>(5,426,895)</u>	<u>(48,882,632)</u>	<u>(43,224,665)</u>
TOTAL NET POSITION .....	<u>\$102,672,405</u>	<u>\$105,498,074</u>	<u>\$101,837,188</u>	<u>\$ 61,075,234</u>	<u>\$ 57,312,735</u>

Note: (1) Formerly Statement of Net Assets.

**Statement of Activities**  
**Net (Expense) Revenue and Changes in Net Position**  
**Governmental Activities**

Audited Year Ending December 31

	2012	2013	2014	2015	2016
<b>Primary Government(1):</b>					
General Government.....	\$(16,381,052)	\$ (12,416,729)	\$ (15,040,151)	\$ (13,499,982)	\$ (24,200,222)
Public Safety .....	(19,186,504)	(20,979,619)	(21,681,963)	(23,097,414)	(24,322,248)
Highways and Streets .....	(1,185,690)	(1,835,770)	(6,590,819)	(2,668,506)	(2,943,766)
Airport-Joint Venture .....	0	288,502	(365,947)	(360,206)	(661,580)
Interest and Fees .....	<u>(3,356,724)</u>	<u>(3,227,999)</u>	<u>(3,115,103)</u>	<u>(2,975,404)</u>	<u>(2,683,084)</u>
Total Governmental Activities .....	\$ (40,109,970)	\$ (38,171,615)	\$ (46,793,983)	\$ (42,601,512)	\$ (54,810,900)
<b>General Revenues:</b>					
Taxes:					
Property and Replacement .....	\$ 19,022,348	\$ 18,781,294	\$ 20,077,443	\$ 21,897,622	\$ 23,535,987
Sales .....	8,510,612	9,430,241	9,915,534	10,786,813	10,178,754
Utility .....	1,799,567	2,686,499	3,143,435	2,973,641	2,952,545
Telecommunications .....	1,702,077	1,565,067	1,445,508	1,342,101	1,252,938
Food and Beverage.....	783,361	816,668	847,714	911,165	910,343
Hotel/Motel .....	899,759	933,853	942,103	1,048,308	1,008,332
Income .....	3,308,032	3,587,115	3,604,564	4,005,867	3,664,807
Other .....	876,891	285,090	300,063	300,419	362,938
Investment Income.....	382,600	108,698	30,692	223,774	348,236
Gain on Disposal of Capital Assets.....	19,703	1,152	12,867	979,001	676,330
Miscellaneous .....	1,198,450	1,360,893	1,172,294	1,435,358	1,663,409
Increase in Equity in Joint Venture.....	253,987	0	0	0	0
Other Revenues .....	0	953,946	1,109,745	1,275,782	1,416,008
Transfers .....	<u>433,336</u>	<u>486,768</u>	<u>531,135</u>	<u>572,257</u>	<u>617,349</u>
Total .....	\$ 39,190,723	\$ 40,997,284	\$ 43,133,097	\$ 47,752,108	\$ 48,587,976
CHANGE IN NET POSITION .....	<u>\$ (919,247)</u>	<u>\$ 2,825,669</u>	<u>\$ (3,660,886)</u>	<u>\$ 5,150,596</u>	<u>\$ (6,222,924)</u>
Change in Accounting Principle .....	\$ 0	\$ 0	\$ 0	\$(46,709,870)	\$ 0
Prior Period Adjustment .....	<u>46,593,559</u>	<u>0</u>	<u>0</u>	<u>797,320</u>	<u>2,460,425</u>
NET POSITION, JANUARY 1 .....	<u>\$ 56,998,093</u>	<u>\$102,672,405</u>	<u>\$105,498,074</u>	<u>\$ 55,924,638</u>	<u>\$ 63,535,659</u>
NET POSITION, DECEMBER 31 .....	<u>\$102,672,405</u>	<u>\$105,498,074</u>	<u>\$101,837,188</u>	<u>\$ 61,075,234</u>	<u>\$ 57,312,735</u>

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

## General Fund - Balance Sheet

Audited as of Audited as of December 31

	2012	2013	2014	2015	2016
<b>ASSETS:</b>					
Cash and Investments .....	\$ 8,883,099	\$10,684,210	\$ 9,895,556	\$ 9,617,721	\$10,229,745
Receivables (Net Where Applicable of Allowances for Uncollectibles):					
Property Taxes .....	10,129,462	10,042,721	11,037,194	12,427,824	12,972,229
Sales Taxes .....	2,277,453	2,553,906	2,555,025	2,936,849	2,759,846
Income Taxes .....	917,393	616,726	644,481	773,045	696,331
Telecommunications Tax .....	407,710	386,569	354,214	349,096	317,745
Accrued Interest .....	17,600	14,353	19,866	20,508	17,941
IPBC .....	1,703,945	703,552	943,530	1,286,311	671,661
Other .....	626,952	609,128	793,199	875,116	907,623
Due from Other Funds .....	195,059	579,658	29,213	87,550	42,783
Advance to Other Funds .....	576,000	0	0	0	0
Inventory .....	262,536	265,189	264,960	287,856	278,304
Prepaid Items .....	<u>372,806</u>	<u>281,547</u>	<u>318,023</u>	<u>471,750</u>	<u>211,316</u>
Total Assets and Other Debits .....	<u>\$26,370,015</u>	<u>\$26,737,559</u>	<u>\$26,855,261</u>	<u>\$29,133,626</u>	<u>\$29,105,524</u>
<b>LIABILITIES:</b>					
Accounts Payable .....	\$ 1,628,638	\$ 1,389,706	\$ 1,155,209	\$ 1,090,796	\$ 1,023,042
Accrued Payroll .....	473,328	594,001	752,327	46,491	40,236
Deposits Payable .....	104,379	115,814	144,654	144,309	124,167
Due to Fiduciary Funds .....	56,528	54,107	100,721	970,788	306,376
Deferred Revenue .....	<u>10,183,466</u>	<u>10,089,384</u>	<u>11,026,964</u>	<u>12,418,756</u>	<u>12,996,636</u>
Total Liabilities .....	<u>\$12,446,339</u>	<u>\$12,243,012</u>	<u>\$13,179,875</u>	<u>\$14,671,140</u>	<u>\$14,490,457</u>
<b>FUND BALANCES:</b>					
Nonspendable for Prepaid Items .....	\$ 372,806	\$ 281,547	\$ 318,023	\$ 471,750	\$ 211,316
Nonspendable for Inventory .....	262,536	265,189	264,960	287,856	278,304
Nonspendable for Long-Term Receivables .....	576,000	0	0	0	0
Unrestricted - Assigned for Subsequent Year's Budget .....	0	1,055,804	943,530	0	0
Unrestricted - Assigned for Health Insurance .....	1,703,945	703,552	753,849	1,286,311	671,661
Unrestricted - Unassigned .....	<u>11,008,389</u>	<u>12,188,455</u>	<u>11,395,024</u>	<u>12,416,569</u>	<u>13,453,786</u>
Total Fund Balances .....	<u>\$13,923,676</u>	<u>\$14,494,547</u>	<u>\$13,675,386</u>	<u>\$14,462,486</u>	<u>\$14,615,067</u>
Total Liabilities and Fund Balances .....	<u>\$26,370,015</u>	<u>\$26,737,559</u>	<u>\$26,855,261</u>	<u>\$29,133,626</u>	<u>\$29,105,524</u>

## General Fund Revenues, Expenditures and Changes In Fund Balance

	Audited as of Audited as of December 31				
	2012	2013	2014	2015	2016
<b>REVENUES:</b>					
Taxes .....	\$22,268,871	\$22,956,784	\$23,841,420	\$25,317,613	\$26,094,987
Licenses and Permits .....	536,729	544,271	550,247	956,338	712,117
Intergovernmental .....	4,290,418	4,542,285	4,927,125	6,761,148	6,715,665
Charges for Services .....	2,287,031	1,998,815	2,104,787	2,244,662	2,417,037
Fines and Forfeits .....	690,272	714,405	844,161	959,311	994,658
Investment Income .....	148,338	45,967	(76,871)	97,630	187,160
Miscellaneous .....	<u>893,608</u>	<u>1,153,542</u>	<u>1,098,290</u>	<u>1,305,352</u>	<u>1,142,006</u>
Total Revenues .....	\$31,115,267	\$31,956,069	\$33,289,159	\$37,642,054	\$38,263,630
<b>EXPENDITURES:</b>					
General Government .....	\$10,200,168	\$ 9,642,297	\$10,553,805	\$10,997,647	\$10,748,569
Public Safety .....	20,028,984	21,029,060	22,268,718	24,391,698	24,749,064
Debt Service .....	<u>15,526</u>	<u>109,235</u>	<u>202,900</u>	<u>193,283</u>	<u>199,335</u>
Total Expenditures .....	\$30,244,678	\$30,780,592	\$33,025,423	\$35,582,628	\$35,696,968
Excess (Deficiency) of Revenues Over (Under) Expenditures .....	\$ 870,589	\$ 1,175,477	\$ 263,736	\$ 2,059,426	\$ 2,566,662
Other Financing Sources:					
Proceeds on Sale of Capital Assets .....	\$ 19,703	\$ 1,152	\$ 12,867	\$ 57,674	\$ 16,795
Operating Transfers In .....	53,440	0	36,500	0	0
Operating Transfers Out .....	<u>(2,774,259)</u>	<u>(605,758)</u>	<u>(1,132,264)</u>	<u>(1,330,000)</u>	<u>(2,430,876)</u>
Total Other Financing Sources .....	\$(2,701,116)	\$ (604,606)	\$(1,082,897)	\$(1,272,326)	\$(2,414,081)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses .....	\$ (1,830,527)	\$ 570,871	\$ (819,161)	\$ 787,100	\$ 152,581
Beginning Fund Balance .....	<u>\$15,754,203</u>	<u>\$13,923,676</u>	<u>\$14,494,547</u>	<u>\$13,675,386</u>	<u>\$14,462,486</u>
Ending Fund Balance .....	<u>\$13,923,676</u>	<u>\$14,494,547</u>	<u>\$13,675,386</u>	<u>\$14,462,486</u>	<u>\$14,615,067</u>

## General Fund Budgeted and Interim Financial Information

	Budget Twelve Months Ending 12/31/2017
<b>REVENUES:</b>	
Taxes .....	\$26,411,986
Licenses and Permits .....	959,879
Intergovernmental .....	1,447,087
Charges for Services .....	4,987,871
Fines and Forfeits .....	942,737
Interest .....	146,598
Miscellaneous .....	<u>5,167,425</u>
Total Revenues .....	\$40,063,583
<b>EXPENDITURES:</b>	
Personnel Services .....	\$27,118,981
Contractual Services .....	8,642,688
Commodities .....	1,587,198
Capital Improvements .....	56,168
Other .....	134,000
Transfers Out .....	<u>2,472,718</u>
Total Expenditures .....	\$40,011,753
Excess (Deficiency) of Revenues Over (Under) Expenditures .....	\$ 51,830