

# FINAL OFFICIAL STATEMENT DATED APRIL 12, 2018

Interest on the Bonds is includable in gross income of the owners thereof for federal income tax purposes and current State of Illinois income or financial taxes.

New Issue

Ratings: Moody's Investors Service "Aa1"  
FitchRatings "AA+"

## VILLAGE OF SKOKIE, ILLINOIS (Cook County)

### \$9,990,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2018A

**PURPOSE/AUTHORITY/SECURITY:** The \$9,990,000 Taxable General Obligation Bonds, Series 2018A (the "Bonds") are being issued by the Village of Skokie, Cook County, Illinois (the "Village") pursuant to its home rule powers under Section 6 of Article VII of the 1970 Constitution of the State of Illinois. Proceeds of the Bonds will provide funds to finance (i) site preparation and construction of a downtown parking garage; and (ii) pay costs associated with the issuance of the Bonds. The Bonds are general obligations of the Village, for which its full faith and credit has been irrevocably pledged, and are payable from ad valorem taxes levied upon all the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. Delivery is subject to receipt of an approving legal opinion of Foley & Lardner LLP, Chicago, Illinois.

**DATE OF BONDS:** May 3, 2018

**DATE OF DELIVERY:** May 3, 2018

**SERIAL MATURITIES:** December 1 as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Base 830728</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Base 830728</u>
2018	\$515,000	2.150%	2.150%	SQ5	2028	\$480,000	3.300%	3.300%	TA9
2019	365,000	2.450%	2.450%	SR3	2029	500,000	3.400%	3.400%	TB7
2020	375,000	2.600%	2.600%	SS1	2030	515,000	3.500%	3.500%	TC5
2021	385,000	2.750%	2.750%	ST9	2031	540,000	3.550%	3.550%	TD3
2022	395,000	2.850%	2.850%	SU6	2032	560,000	3.600%	3.600%	TE1
2023	405,000	3.000%	3.000%	SV4	2033	585,000	3.650%	3.650%	TF8
2024	415,000	3.100%	3.100%	SW2	2034	610,000	3.700%	3.700%	TG6
2025	430,000	3.150%	3.150%	SX0	2035	640,000	3.750%	3.750%	TH4
2026	445,000	3.200%	3.200%	SY8	2036	670,000	3.800%	3.800%	TJ0
2027	460,000	3.250%	3.250%	SZ5	2037	700,000	3.850%	3.850%	TK7

**OPTIONAL REDEMPTION:** Bonds maturing December 1, 2029 and thereafter are subject to call for prior redemption on December 1, 2028 and any date thereafter, at a price of par plus accrued interest.

**INTEREST:** December 1, 2018 and semiannually thereafter.

**PAYING AGENT:** The Bank of New York Mellon Trust Company, N.A.

**BOND COUNSEL:** Foley & Lardner LLP

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein.

The Bonds are offered, subject to prior sale, when, as and if accepted by the Underwriter named below and subject to an opinion as to the validity and tax exemption by Foley & Lardner LLP, Chicago, IL, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds will be made on or about May 3, 2018 against payment therefor. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends, but is not obligated, to effect secondary market trading in the Bonds. For information with respect to the Underwriter, see "Underwriting" herein.

**BAIRD**  
Milwaukee, WI

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the Village to give any information or to make any representation other than those contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. ***This Final Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Final Official Statement is not to be construed as a contract with the underwriter. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact.

Ehlers & Associates, Inc. ("Ehlers") prepared this Final Official Statement relying on information of the Village and other sources for which there is reasonable basis for believing the information is accurate and complete.

Bond Counsel has not participated in the preparation of this Final Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers & Associates, Inc., payable entirely by the Village, is contingent upon the sale of the issue.

The Underwriter has reviewed the information in this Final Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure (the "Rule").

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Securities Exchange Act of 1934 which require that issuers of municipal securities enter into agreements for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Final Official Statement describes the conditions under which these Bonds are exempt or required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Bonds, the purchaser (underwriter) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Final Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

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## **BOARD OF TRUSTEES**

		<u>Term Expires</u>
George Van Dusen	Mayor	April 2021
Michele Bromberg	Trustee	April 2021
Karen Gray-Keeler	Trustee	April 2021
Ralph Klein	Trustee	April 2021
Randall Roberts	Trustee	April 2021
Edie Sue Sutker	Trustee	April 2021
Ilonka Ulrich	Trustee	April 2021

Pramod C. Shah, Village Clerk

## **ADMINISTRATION**

John T. Lockerby, Village Manager  
Jason C. Wicha, Assistant Village Manager  
Julian Prendi, Director of Finance  
Pramod C. Shah, Village Clerk

## **PROFESSIONAL SERVICES**

Michael M. Lorge, Corporation Counsel, Skokie, Illinois

Foley & Lardner LLP, Bond Counsel, Chicago, Illinois

Ehlers & Associates, Inc., Municipal Advisors, Chicago, Illinois  
*(Other offices located in Roseville, Minnesota, Waukesha, Wisconsin and Denver, Colorado)*

## **INTRODUCTORY STATEMENT**

This Final Official Statement contains certain information regarding the Village of Skokie, Illinois (the "Village") and the issuance of its \$9,990,000 Taxable General Obligation Bonds, Series 2018A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the ordinance awarding the sale of the Bonds adopted by the Mayor and Board of Trustees on March 19, 2018 and supplemented by a Bond Order and Notification of Sale authorized therein and executed in conjunction with the sale of the Bonds on April 11, 2018 (collectively, the "Bond Ordinance").

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Chicago, Illinois, (312) 638-5250, the Village's Municipal Advisor. A copy of this Final Official Statement is available at [emma.msrb.org](http://emma.msrb.org).

## **THE BONDS**

### **GENERAL**

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 3, 2018. The Bonds will mature on December 1 in the years and amounts set forth on the cover of this Final Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing December 1, 2018, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB").

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "BOOK-ENTRY-ONLY SYSTEM" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The Village has selected The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, to act as paying agent (the "Paying Agent"). The Village will pay the charges for Paying Agent services. The Village reserves the right to remove the Paying Agent and to appoint a successor.

### **OPTIONAL REDEMPTION**

At the option of the Village, the Bonds maturing on or after December 1, 2029 shall be subject to optional redemption prior to maturity on December 1, 2028 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the Village. If only part of the Bonds having a common maturity date are called for redemption, then the Village or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. The Bond Registrar will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

**AUTHORITY; PURPOSE**

The Bonds are being issued by the Village pursuant to its home rule powers under Section 6 of Article VII of the 1970 Constitution of the State of Illinois. Proceeds of the Bonds will provide funds to finance (i) site preparation and construction of a downtown parking garage; and (ii) pay costs associated with the issuance of the Bonds.

**SOURCES AND USES**

<b>Sources</b>			
	Par Amount of Bonds	<u>\$9,990,000</u>	
	<b>Total Sources</b>		<b>\$9,990,000</b>
<b>Uses</b>			
	Project Costs	\$9,804,288	
	Underwriter’s Discount	101,412	
	Costs of Issuance	<u>84,300</u>	
	<b>Total Uses</b>		<b>\$9,990,000</b>

**SECURITY**

The Bonds are general obligations of the Village, for which its full faith and credit has been irrevocably pledged, and are payable from ad valorem taxes levied upon all the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The Village will use available funds to pay debt service due on the Bonds on December 1, 2018.

**RATING**

General obligation debt of the Village, including the Bonds, has been rated “Aa1” by Moody’s Investors Service (“Moody’s”) and “AA+” by FitchRatings (“Fitch”).

Such ratings reflect only the views of such organizations, and explanations of the significance of such rating may be obtained from the respective rating agencies. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the Village nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (hereinafter the "Rule"), the Village shall covenant to take certain actions pursuant to the Bond Ordinance adopted by the Board of Trustees by entering into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the Village to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for this issue are set forth in Appendix D to be executed and delivered by the Village at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

The Annual Financial Information Reports for fiscal years ending April 30, 2013; April 30, 2014 and April 30, 2015 were due to be filed 180 days after the end of the fiscal year. The reports for these years were filed beyond the 180 day requirement. The report for fiscal year ending April 30, 2013 was filed on November 25, 2013 (in the filing archive) along with a subsequent follow-up report filed on February 26, 2014. Except to the extent that the preceding are deemed to be material, the Village believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The Village has reviewed its continuing disclosure responsibilities to help ensure compliance in the future.

A failure by the Village to comply with any Disclosure Undertaking will not constitute an event of default on this issue or any issue outstanding. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Village will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org). Ehlers is currently engaged as disclosure dissemination agent for the Village.

## **LEGAL OPINION**

An opinion as to the validity of the Bonds will be furnished by Foley & Lardner LLP, of Chicago, Illinois, bond counsel to the Village. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the Village; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

## **STATEMENT REGARDING BOND COUNSEL PARTICIPATION**

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Taxability of Interest" in the Official Statement and the "Form of Legal Opinion" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

## **TAX MATTERS**

Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel further observes that interest on the Bonds is includable in gross income for purposes of State of Illinois income and financial taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. Investors are urged to obtain independent tax advice regarding the Bonds based upon their particular circumstances. A complete copy of the proposed form of opinion of Bond Counsel relating to the Bonds is set forth in APPENDIX B-1 hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Bonds that acquire their Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Bonds are sold to the public) and who will hold their Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Bonds other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a Beneficial Owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or

organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Bonds in light of their particular circumstances.

Interest. Interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2018A Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Bond.

Sale or Other Taxable Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Village) or other disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Bonds. If the Village defeases any Bond, such Bond may be deemed to be retired and "reissued" for federal income tax purposes as a result of the defeasance. In that event, in general, a U.S. Holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the U.S. Holder's adjusted tax basis in the Bond.

Information Reporting and Backup Withholding. Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 24% with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder’s failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Foreign Account Tax Compliance Act (“FATCA”). Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the Village in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Final Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a Municipal Advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

Bond Trust Services Corporation (“BTSC”) and Ehlers Investment Partners, LLC (“EIP”) are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a

Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the Village, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the Village under an agreement separate from Ehlers.

## **UNDERWRITING**

The Underwriter named on the cover page hereof (the “Underwriter”) has agreed to purchase the Bonds from the Village for a purchase price of \$9,888,588.25 plus accrued interest to the date of closing. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the offering prices derived from the coupons and yields for each maturity set forth on the cover page.

## **INDEPENDENT AUDITORS**

The basic financial statements of the Village for the fiscal year ended April 30, 2017, have been audited by Baker Tilly Virchow Krause LLP, Oak Brook, Illinois, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Final Official Statement.

## **RISK FACTORS**

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

**Taxes:** The Bonds are general obligations of the Village, the ultimate payment of which rests in the Village's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the Village in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the Village, the taxable value of property within the Village, and the ability of the Village to levy and collect property taxes.

**Finances of the State of Illinois:** The State of Illinois (the “State”) has experienced adverse fiscal conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016 (“FY 2016”), and June 30, 2017, which had a significant, negative impact on the State’s finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. In addition, the underfunding of the State’s pension systems and a bill backlog of billions of dollars contributed to the State’s poor financial health. On July 6, 2017, the General Assembly of the State enacted a budget for the State fiscal year ending June 30, 2018 (the “Fiscal Year 2018 Budget”).

The Village cannot predict the effect the State's ongoing financial problems may have on the Village's future finances.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the Village or the taxing authority of the Village.

**Ratings; Interest Rates:** In the future, the Village's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

**Continuing Disclosure:** A failure by the Village to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

**State Economy; Local Government Aids:** State cash flow problems could affect local governments and possibly increase property taxes.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the Village to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the Village, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the Village may have an adverse effect on the value of the Bonds in the secondary market.

**Secondary Market for the Bonds:** No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

# ILLINOIS PROPERTY VALUATIONS

## PROPERTY TAX ASSESSMENT

State law requires local assessors to conduct the assessment of all real property and non-operating railroad property to determine the fair market value of each parcel. Railroad property used for transportation is assessed by the Illinois Department of Revenue. To determine the Equalized Assessed Value of a property, Illinois statutes set the level of assessment at 33 1/3% of fair market value of the property. The Illinois Department of Revenue reviews local assessments (after any appeal and review at the county level) to ensure compliance with the 33 1/3% assessment level. A state multiplier is applied to any county, if needed, so that all counties are equally applying the 33 1/3% standard. State law provides some relief to certain taxpayers in the form of partial exemptions and some limitations on increases in assessed valuation. The aggregate Equalized Assessed Value for all parcels as assessed by the local assessor within each taxing jurisdiction, including the valuation of operating railroad property, certified pollution control facilities, and farms that are assessed by the State, constitute the total tax base that is used by the county to calculate tax rates for that taxing jurisdiction.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### REAL PROPERTY ASSESSMENT

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including such property located within the boundaries of the Issuer, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The Village is located in the North Tri and was reassessed for the 2016 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above.

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; If not renewed, 15% in year 11, 20% in year 12	5b
C	<u>Industrial</u> property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
	<u>Commercial</u> property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; If not renewed, 15% in year 11, 20% in year 12	5a
	<u>Commercial</u> properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5b
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the Mark to Market option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; If not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review, which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of both residential property having six or fewer units and owners of real estate other than residential property with six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

## EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "EAV") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for the County for the last 10 tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032

## EXEMPTIONS

The Illinois Property Tax Code, as amended (the "Property Tax Code"), provides that certain property is exempt from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, use as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed in this below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$10,000 for assessment year 2012 and thereafter.

The Alternative General Homestead Exemption limits EAV increases for homeowners (who also reside on the property as their principal place of residence) to 7% a year, up to a certain maximum dollar amount each year as defined by the statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2009, \$16,000 for assessment year 2010 and \$12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2009 and 2010, \$16,000 for assessment year 2011 and \$12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and 2011 and \$12,000 for assessment year 2012.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 per year, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum reduction is \$8,000. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption may be granted a pro-rata exemption for such assessment year based on the number of days during the assessment year that the property is so occupied.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$65,000. In general, this exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between (i) the current EAV of the residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Two exemptions are available to disabled veterans of the armed forces. Specifically, the Disabled Veterans' Exemption, may be applied annually to exempt up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs. In addition, the Disabled Veterans' Standard Homestead Exemption, provides an annual homestead exemption of (i) exempt to those veterans with a service-connected disability of 70%,(ii) \$15,000 to those veterans with a service-connected disability of less than 70%, but at least 50%, and \$2,500 to those veterans with a service-connected disability of less than 50% but at least 30%.

Also, the Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces (it is possible to take the exemption in the next taxable year in some situations). This provision grants a one-time homestead exemption of \$5,000.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

## TAX LEVY

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the Village. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (the "Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

## EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

## COLLECTIONS

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in the County; the first installment penalty date has been the first business day in March for all such years.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Issuer promptly credits the taxes received to the funds for which they were levied.

Within 90 days of the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

#### PROPERTY TAX EXTENSION LIMITATION LAW

The Tax Limitation Law became effective on October 1, 1991 for the Illinois counties of DuPage, Kane, Lake, McHenry and Will (the Cook County "collar counties") and on March 1, 1995 for Cook County. In general, the Tax Limitation Law limits the annual growth in the amount of taxes to be extended by individual taxing bodies to the "Extension Limitation". The extension limitation under the Tax Limitation Law is (i) the lesser of 5% or the

percentage increase in the Consumer Price Index during the calendar year preceding the levy year or (ii) the rate of increase approved by voters at a referendum election held pursuant to the Tax Limitation Law.

The effect of the Tax Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affecting taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes (such as the Bonds).

**The Tax Limitation Law does not apply to the Village because the Village has home rule powers.**

## CURRENT PROPERTY VALUATIONS

	<b>Valuation</b>
2016 Estimated Market Value	\$7,314,928,626
2016 Equalized Assessed Value	\$2,438,309,542

## 2016 EQUALIZED ASSESSED VALUE BY CLASSIFICATION<sup>1 2</sup>

Type	2012	2013	2014	2015	2016
Residential	\$1,403,905,070	\$1,187,914,120	\$1,240,887,082	\$ 1,209,931,462	\$1,484,302,153
Commercial	675,846,256	626,593,965	694,335,938	693,339,105	747,854,920
Industrial	281,608,426	253,885,614	186,297,807	185,901,703	205,764,619
Railroad	246,684	304,590	317,580	381,192	387,850
Tax Increment <sup>2</sup>	<u>36,584,514</u>	<u>30,593,210</u>	<u>18,399,791</u>	<u>5,738,866</u>	<u>16,176,426</u>
Total	\$ 2,398,190,950	\$ 2,099,291,499	\$ 2,140,238,198	\$ 2,095,292,328	\$ 2,454,485,968

## TREND OF VALUATIONS

Year	Estimated Market Value	Equalized Assessed Value	Percent Increase/Decrease In Equalized Value
2012	\$7,084,819,308	\$2,361,606,436	-7.81%
2013	6,206,094,867	2,068,698,289	-12.40%
2014	6,365,515,221	2,121,838,407	2.57%
2015	6,268,660,386	2,089,553,462	-1.52%
2016	7,314,928,626	2,438,309,542	16.69%

Source: Cook County Clerk.

<sup>1</sup> Local assessors set the fair market value for all real property and railroad property not used for transportation purposes. Railroad property used for transportation purposes is assessed by the Illinois Department of Revenue.

<sup>2</sup> Includes incremental value in the Village's tax increment financing districts.

**LARGER TAXPAYERS<sup>1</sup>**

<b>Taxpayer</b>	<b>Type of Property</b>	<b>2016 Equalized Assessed Value</b>	<b>Percent of Village's Total Equalized Assessed Value</b>
Old Orchard Acquisition	Commercial	\$ 167,300,005	6.82%
DDRTC Village Crossing LLC	Shopping Center	44,231,841	1.80%
Forest City/Forest City Enterprises	Commercial	27,917,119	1.14%
Inland Real Estate (IRC)	Shopping Center	27,327,634	1.11%
Zeller Realty Group	Real Estate	26,595,649	1.08%
CFO2 Skokie LLC	Real Estate	20,848,800	0.85%
Federal Mogul Products	Commercial	13,127,562	0.53%
Millbrook Skokie	Real Estate	12,595,717	0.51%
Mark Zetti	Real Estate	11,355,228	0.46%
Walton Street Capital LLC	Commercial	10,523,930	0.43%
<b>Total</b>		<b>\$361,823,485</b>	<b>14.74%</b>

Village's Total 2016 EAV \$2,454,485,968<sup>2</sup>

**Source:** Cook County Clerk's Office.

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<sup>1</sup> Some of the taxpayers listed above may own multiple parcels. The valuations stated above for some of the taxpayers may not include all parcels or all classifications of property.

<sup>2</sup> Includes incremental value in the Village's tax increment financing districts.

## **DEBT**

### **DIRECT GENERAL OBLIGATION DEBT<sup>1</sup>** (includes the Bonds, see schedules following)

Total G.O. Debt	<u>\$48,226,245</u>
Total General Obligation Bonds	<u>\$48,226,245</u>

### **OTHER OBLIGATIONS**

Principal outstanding as of April 30, 2017 for Special Service Area debt was \$998,873 (included in the overlapping debt herein), see Appendix A, NOTES TO FINANCIAL STATEMENTS, Note III E.

### **GENERAL OBLIGATION DEBT LIMIT**

As a home rule unit, the Village has no tax rate or debt limits, nor is it required to conduct a referendum to authorize the issuance of debt or to increase property taxes.

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<sup>1</sup> Outstanding debt is as of the dated date of the Bonds.

**VILLAGE OF SKOKIE, ILLINOIS**  
 Schedule of Indebtedness  
 General Obligation Debt  
 (As of May 3, 2018)

Fiscal Year Ending 4/30	GO BONDS Series 2009A		TAXABLE GO BONDS Series 2009B		GO BONDS Series 2010		GO BONDS Series 2013A		GO NOTES Series 2014 (Bank Note)		TAXABLE GO REF BONDS Series 2016A		Taxable GO Bonds Series 2018A		Total Principal	Total Interest	Principal & Interest & Outstanding	Principal %Paid	Fiscal Year	
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest						
2019	500,000	12/1	1,085,000	968,820	1,145,000	124,425	560,000	254,513	193,000	31,461	835,000	157,175	515,000	190,602	4,833,000	1,734,495	6,567,495	43,393,245	10.02%	2019
2020			1,135,000	909,995	1,180,000	84,350	580,000	236,313	197,367	27,094	840,000	147,573	385,000	318,815	4,297,367	1,724,139	6,021,506	39,095,878	18.93%	2020
2021			1,185,000	856,991	1,230,000	43,050	600,000	217,463	201,833	22,628	855,000	136,233	375,000	309,873	4,446,833	1,586,236	6,033,069	34,649,045	28.15%	2021
2022			1,245,000	799,874			620,000	197,963	206,400	18,062	870,000	122,553	385,000	300,123	3,326,400	1,438,573	4,764,972	31,322,645	35.05%	2022
2023			1,305,000	737,375			640,000	176,263	211,070	13,391	885,000	107,328	395,000	289,535	3,436,070	1,323,891	4,759,961	27,886,575	42.18%	2023
2024			1,375,000	670,559			665,000	153,863	215,846	8,616	900,000	89,185	405,000	278,278	3,560,846	1,200,499	4,761,345	24,325,730	49.56%	2024
2025			1,445,000	598,784			685,000	130,588	220,730	3,732	920,000	69,385	415,000	266,128	3,685,730	1,068,615	4,754,345	20,640,000	57.20%	2025
2026			1,525,000	519,742			710,000	106,613			940,000	47,765	430,000	253,263	3,605,000	927,382	4,532,382	17,035,000	64.68%	2026
2027			1,615,000	427,632			735,000	81,763			970,000	24,735	445,000	239,176	3,765,000	773,847	4,538,847	13,270,000	72.48%	2027
2028			1,715,000	330,086			760,000	56,038			480,000	225,478	480,000	225,478	2,935,000	611,601	3,546,601	10,335,000	76.57%	2028
2029			1,820,000	226,500			785,000	29,438			480,000	210,528	480,000	210,528	3,085,000	486,465	3,571,465	7,250,000	84.97%	2029
2030			1,930,000	116,572									500,000	194,688	2,430,000	311,260	2,741,260	4,820,000	90.01%	2030
2031													515,000	177,688	515,000	177,688	692,688	4,305,000	91.07%	2031
2032													540,000	159,663	540,000	159,663	699,663	3,765,000	92.19%	2032
2033													560,000	140,493	560,000	140,493	700,493	3,205,000	93.35%	2033
2034													585,000	120,333	585,000	120,333	705,333	2,620,000	94.57%	2034
2035													610,000	96,980	610,000	96,980	706,980	2,010,000	95.83%	2035
2036													640,000	76,410	640,000	76,410	716,410	1,370,000	97.16%	2036
2037													670,000	52,410	670,000	52,410	722,410	700,000	98.55%	2037
2038													700,000	26,950	700,000	26,950	726,950	0	100.00%	2038
			500,000	17,500	3,555,000	251,825	7,340,000	1,640,813	1,446,245	124,984	8,015,000	901,930	9,990,000	3,929,949	48,226,245	14,019,928	58,666,090			

**OVERLAPPING DEBT<sup>1</sup>**

<b>Taxing Body</b>	<b>% In Village</b>	<b>Total G.O. Debt<sup>2</sup></b>	<b>Village's Proportionate Share</b>
Cook County (including Forest Preserve)	1.699%	3,085,186,750	\$52,417,323
Metropolitan Water Reclamation District	1.699%	25,583,860	434,670
Skokie Park District	96.453%	5,244,000	5,057,995
Glenview Park District	3.289%	11,253,000	370,111
School District No. 69	80.405%	22,860,000	18,380,583
School District No. 73	99.995%	9,260,000	9,259,537
School District No. 73.5	100.000%	11,285,000	11,285,000
School District No. 65	9.797%	74,862,479	7,334,277
School District No. 67	2.857%	9,693,951	276,956
Morton Grove School District 70	1.366%	2,420,000	33,057
Niles Township High School District 219	60.276%	128,098,952	77,212,924
Evanston Township High School District 202	9.797%	23,025,000	2,255,759
Oakton Community College 535	10.940%	339,665,000	37,159,351
Morton Grove Park	0.533%	886,000	4,722
Skokie Special Service Areas	100.000%	998,873	998,873
Village's Share of Total Overlapping Debt <sup>3</sup>			\$222,481,140

**Source:** County Clerk's Office/EMMA

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- <sup>1</sup> Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.
  - <sup>2</sup> Outstanding debt is based on information in official statements obtained on EMMA and the Municipal Advisor's records.
  - <sup>3</sup> Excludes Alternate Revenue Source debt as follows: Cook County Forest Preserve, \$49,810,000; Metropolitan Water Reclamation District, \$100,000,000; Skokie Park District, \$20,430,470; and Glenview Park District, \$8,885,000.

## DEBT RATIOS

	<b>G.O. Debt</b>	<b>Debt/Estimated Market Value \$7,314,928,626</b>	<b>Debt/ Per Capita Pop. 65,056</b>
Total General Obligation Bonded Debt	\$48,226,245	0.66%	\$741
Village's Share of Total Overlapping Debt	<u>\$222,481,140</u>	<u>3.04%</u>	<u>\$3,420</u>
Total	<u><u>\$270,707,385</u></u>	<u><u>3.70%</u></u>	<u><u>\$4,161</u></u>

## DEBT PAYMENT HISTORY

The Village has no record of default in the payment of principal and interest on its debt.

## FUTURE FINANCING

The Village has no current plans for additional financing in the next 12 months.

## TAX LEVIES, COLLECTIONS, AND TAX RATES

### TAX LEVIES AND COLLECTIONS

Tax Year	Tax Extension	Collections to Date and Back Taxes	Percent of Current and Back Taxes Collected to Date
2012	\$16,169,750	\$15,912,168	98.41%
2013	16,416,863	16,284,456	99.19%
2014	16,419,012	15,901,881	96.85%
2015	15,871,251	15,532,905	97.87%
2016	15,861,053	15,251,983	[In process of collection]

### VILLAGE TAX RATES

Property tax rates are expressed in dollars per \$100 of Equalized Assessed Value.

Fund	2012	2013	2014	2015	2016
Corporate	\$0.3905	\$0.4592	\$0.5099	\$0.5178	\$0.5228
Bond and Interest	0.0838	0.0956	0.0932	0.0947	0.0811
Police Pension	0.0310	0.0365	0.0154	0.0156	0.0134
Fire Pension	0.0567	0.0666	0.0381	0.0387	0.0332
I.M.R.F.	<u>0.0925</u>	<u>0.1088</u>	<u>0.0909</u>	<u>0.0923</u>	<u>0.0000</u>
Total	\$0.655	\$0.767	\$0.748	\$0.760	\$0.651

Source: Cook County Clerk.

**TYPICAL TAX BILL**

Following is a typical tax bill for a taxpayer living in the Village. Property tax rates are expressed in dollars per \$100 of Equalized Assessed Value. (Tax Code 24023)

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cook County (Including Forest Preserve)	\$0.594	\$0.660	\$0.637	\$0.621	\$0.596
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426	0.406
Skokie Elementary District No. 68	2.723	3.144	3.121	3.248	2.863
Niles Twp. High School No. 219	3.256	3.707	3.650	3.891	3.460
Oakton Community College No. 535	0.219	0.256	0.258	0.271	0.231
<b>The Village</b>	<b>0.655</b>	<b>0.767</b>	<b>0.748</b>	<b>0.760</b>	<b>0.651</b>
Skokie Public Library	0.535	0.623	0.614	0.630	0.545
Skokie Park District	0.518	0.581	0.477	0.507	0.440
Other <sup>1</sup>	<u>0.058</u>	<u>0.063</u>	<u>0.068</u>	<u>0.106</u>	<u>0.063</u>
Total Tax Rate	\$8.928	\$10.218	\$10.003	\$10.460	\$9.255

**Source:** Cook County Clerk.

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<sup>1</sup> Includes Consolidated Elections, Township, General Assistance, Road and Bridge, and North Shore Mosquito Abatement District.

# THE VILLAGE

## General

The Village of Skokie was incorporated in 1888 under the name of the Village of Niles Center. The name was changed to the Village of Skokie in 1940. The Village operates under the Council/Manager form of government. It is a home rule municipality, as defined by the Illinois Constitution. Skokie is located approximately 16 miles northwest of the City of Chicago in Cook County and has a land area of approximately 10.47 square miles, with approximately 185 miles of streets inclusive of both arterial and non-arterial roads. As of the 2010 Census, the Village's population was 64,784.

Policy-making and legislative authority are vested in the Village Board, which consists of the Mayor and six trustees. This governing body is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Village Manager and Corporation Counsel. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing heads of the Village's departments. The Board is elected on an at-large basis. The Mayor and Trustees are elected to four-year terms every four years.

The Village provides a full range of services which are provided by through various departments, including two accredited public safety departments (Fire and Police) and an accredited Public Works Department. Skokie was the first community in the United States to have nationally accredited Fire, Police and Public Works. In addition to the accredited departments, the Village also has a state certified Health Department. Overall, Village services include public safety (fire and police), streets, sanitation, health services, culture, public improvements, planning and zoning, and general administrative services.

The annual budget serves as the foundation for the Village's planning and control. All departments of the Village are required to submit requests for appropriation to the Village Manager during January of each year. The Manager uses these requests as the starting point for developing a proposed budget. This proposed budget is presented to the Council for review during three public hearings in late April. Using the final budget amount, the Council adopts an appropriation ordinance in compliance with State statutes.

While considered a desirable residential community with 60.5% of its taxable valuation categorized as residential, the Village also has a strong commercial and industrial base. Commercial property accounts for 30.5% of the Village's equalized assessed valuation and industrial property the bulk of the balance at 8.4%. Skokie's commercial and industrial base is widespread among over 2,000 businesses.

## Education

Skokie is served by several exceptional public and private schools. Niles Township High School District 219—which includes Niles North and Niles West High Schools—is the primary district for Skokie's high-school students. A portion of the Village's high-school students attend Evanston Township High School District 202 in nearby Evanston. The Village's elementary education districts include Cook County School Districts 65, 68, 69, 72, 73, and 73 ½ which together provide education to more than 11,000 area students.

In 2013, Newsweek listed Niles North High School as one of the country's best secondary education institutions. The U.S. Department of Education has recognized Niles Township High Schools for Excellence in Education. In 2007, the Kennedy Center for the Performing Arts singled out Niles Township High Schools as having the #1 arts education program in the nation. Oakton Community College's Ray Hartstein Campus is located in Skokie and offers a variety

of day, evening and weekend courses as well as online classes through its teleconferencing and distance learning center. National Louis University—North Shore opened in Skokie in 2006 as a state-of-the-art modern campus designed with the student in mind. This technologically-progressive campus boasts updated computer labs and classrooms, wireless internet, group study areas, classrooms of varying size and specialty classrooms for science and art.

## **Economic Development**

As a mature inner-ring community, it is imperative to attract new business and replace outdated infrastructure. The use of economic development tools such as Tax Increment Financing (TIF), property tax incentives and national and state grant funds have allowed Skokie to reinvent a significant portion of its business sector.

The Village's Downtown TIF, originally formed in 1990, was closed at the end of 2014. The Downtown TIF was originally expected to have a self-imposed fifteen-year life, which was extended to its full legal life of 23 years after the Village Board carefully reviewed and approved a plan to amend the boundaries and the TIF Redevelopment Plan to delete any fully developed parcels. The Downtown TIF enabled the Village to significantly invest in both the infrastructure and the businesses along Oakton Street and various intersecting north-south streets, injecting new life to the Downtown area. Redevelopment efforts in the Downtown continue even after the expiration of the TIF.

The only remaining TIF in the downtown area, the Science and Technology TIF District, was formed in 2005. The predominant force behind the formation of this TIF was the availability of the former Pfizer pharmaceutical company research and development facilities. This 23-acre site adjacent to the east edge of the Village's Downtown was purchased by Forest City Enterprises in 2005. Much of the original campus was thereafter demolished and four buildings comprising about 660,000 square feet were retained. The campus is now known as the Illinois Science + Technology Park (IS+TP) and includes three laboratory buildings and one general office building. Building Q, a newer and technologically-advanced building with significant modern wet lab space, with its attached multi-level parking garage, is the centerpiece of the existing campus.

The redeveloped site has become a premier bioscience and nanotechnology campus with significant laboratory and office space that is expected to grow to over 2 million square feet with 3,000 to 5,000 anticipated employees. The Village provided \$10 million of financial support in the form of TIF bonds to be retired from the tax increment generated from the campus. The Village will receive an additional return on its investment should Forest City's investment returns exceed specific benchmarks. A Redevelopment Agreement between the Village and Forest City regarding the complex financial arrangement was executed in March 2007 and the bonds were issued shortly thereafter. The State of Illinois also committed pledged \$5 million to Forest City for this project.

At April 30, 2017 over 1,400 individuals were employed at the IS+TP by 20 tenants with the largest employers being NorthShore University HealthSystems, APP Pharma, LanzaTech, Astellas, NanoInk, and Vetter Pharmaceuticals. A number of tenants at the IS+TP have also already expanded one or more times.

Downtown Skokie is also home to the new Skokie Swift station at Oakton Street, a \$22 million investment in public transit and the Downtown area. The station opened on April 30, 2012 and is adjacent to the IS+TP. The project was funded by a significant \$14 million grant from the Federal government, with the balance financed by bonds payable from incremental tax growth from the IS+TP TIF District. The station has greatly enhanced accessibility of commuters to Skokie's Downtown making it more desirable for redevelopment and business relocation.

The Village's only other remaining TIF was added in November 2010 and is called the West Dempster Street TIF. This TIF is comprised of 58.9 acres and the area covered generally encompasses the West Dempster Street commercial corridor, which runs from Gross Point Road on the west to Kilpatrick Avenue on the east along Dempster Street. The TIF was established to enable the Village to respond to the many vacant, deteriorated, and obsolete

commercial strip centers that line West Dempster Street particularly near the Skokie Swift transportation center. The acquisition of key properties and redevelopment of those properties is the primary goal of this TIF. The Village has already acquired and cleared several properties for redevelopment. Major developments include a new flexible-format Target store located within walking distance of the CTA station on Dempster street, Oberweis Ice Cream and Dairy, That Burger Joint restaurant, Pita Inn flagship restaurant, a new O'Reilly's Auto Parts store, and remodeled Kaufman's Deli and McDonald's restaurants.

### **For the Next Year**

Fiscal year 2018 will see continued business attraction and retention efforts, especially in the Downtown area. A proposed twelve (12) story mixed-use commercial and residential building, dubbed "8000 North", is located in the heart of downtown and is anticipated to be substantially completed by December 2019. This iconic project will not only create a new destination in downtown, but is transformative in nature and will also further the redevelopment of downtown Skokie. 8000 North, LLC is expected to start site preparation this spring with construction of the \$60+ million project underway by summer. The development features 153 rental units consisting of studio, 1, 2 and 3 bedroom apartments, and approximately 15,000 square feet of ground floor commercial space. As part of the public benefit, the developer will construct a parking garage adjacent to the building which will include 73 public parking spaces and 192 private parking spaces for residents of the building.

The Village's economic development efforts continue to remain focused throughout Skokie, with new developments such as Shake Shack, Buffalo Wild Wings and Blaze Pizza anticipated at and around the Westfield Old Orchard mall, in addition to many new stores that have already opened, such as Kate Spade New York, Athleta and Asics/Finish Line, etc.

On the Village's eastern border along the Touhy Commercial Corridor, the opening of the Super Wal-Mart shopping center as an anchor tenant continues to generate significant interest from other businesses, including Longhorn Steakhouse, Pie Five Pizza, Noodles and Company and Starbucks Coffee, new additions since the 2014 development. Mariano's Fresh Market also opened in late fiscal year 2015.

On the east and west industrial areas, a record number of Class 6B property tax relief applications are expected to bring over \$5 million in new private investment and over 150 new jobs during fiscal year 2017.

## Property Value and Construction

### Property Value and Construction - Last Ten Fiscal Years

Fiscal Year	Commercial and Industrial Construction		Residential Construction	
	Value		Number of Units	Value
2008	\$63,246,350		24	\$10,810,000
2009	44,249,296		40	10,870,000
2010	73,334,604		32	10,729,971
2011	79,158,301		26	1,078,370
2012	5,671,603		8	7,318,413
2013	64,965,729		27	9,537,510
2014	55,278,485		3	7,952,500
2015	63,470,698		10	9,746,805
2016	59,729,154		13	18,122,650
2017	55,928,492		8	10,970,653

Source: The Village

Note: Value represents estimated construction value (rather than assessed value).

## Local Economy

The Village is diverse with major retail centers and various commercial and industrial areas, each of which is discussed below.

Skokie has three large shopping centers. The first, Westfield's Old Orchard Shopping Center, is a premier outdoor regional shopping center which is home to large anchor retailers such as Nordstrom, Bloomingdales, Macy's, Lord & Taylor, plus over 140 other retailers and restaurants. The second, the Village Crossing Shopping Center, has as its major anchor stores Best Buy, Bed Bath & Beyond, Office Max, PetSmart, and Avenue as well as AMC Showplace with 18 movie screens. Finally, the third, The Shops at Old Orchard Place, has as its anchors DSW Shoe Warehouse, Nordstrom Rack, Best Buy, Ulta 3, and Jared Jeweler.

Skokie has four major hotels (Hampton Inn & Suites, DoubleTree, Holiday Inn, and Extended Stay America) which combine to provide approximately 1,000 rooms for visitors to the Village. An added attraction is a performing arts center (North Shore Center for the Performing Arts in Skokie) which offers a wide variety of entertainment from plays to orchestra events. These facilities provide excellent accommodations, as well as the ability to partake of the arts.

To enhance Skokie's retail, hotel, and performing arts businesses, the Village was instrumental in establishing the North Shore Convention & Visitors Bureau (the "Bureau") in cooperation with the Bureau's two other founding municipalities, the City of Evanston and the Village of Wilmette. The Bureau was formed to promote its member municipalities to leisure and business travelers from around the country.

Further adding to the quality of life afforded Village residents is NorthShore Skokie Hospital, which is a premier 268-bed hospital. Skokie Hospital is in the midst of a multi-year, \$150 million renovation and expansion that will ensure the hospital continues to provide Skokie and surrounding communities with exceptional medical care for years to come. This investment will mean expanded core clinical services and enhanced patient care, and will include more private rooms, a new Cardiac Catheterization and Interventional Radiology Suite, expanded and upgraded radiology, cardiology and nuclear medicine services, and a new, 125,000-square-foot Ambulatory Care Center.

Finally, the Village has several large industrial areas encompassing approximately 250 businesses employing about 8,000. These areas provide significant property tax revenue to local school districts as well as other taxing bodies. Skokie is also the home to a number of major corporations including Federal Mogul, Tech Lighting, Forsythe Technologies, and Command Transportation, and Topco.

## VILLAGE FINANCES

### Principal Revenues

The Village has a diverse revenue structure which has permitted the Village to maintain a frozen property tax levy since 1991. The Village has consistently been one of the top fifteen retail sales municipalities in the state of Illinois. Skokie receives state allocations for income tax, use tax and property replacement tax. Local taxes include a food and beverage tax, real estate transfer tax, utility tax, telecommunication tax and hotel tax. The following table shows the last six years of audited Village tax revenues.

<b>Total Tax Revenue - Last Six Years</b>			
<b>Fiscal Year</b>	<b>Total Taxes</b>	<b>Change from Prior Fiscal</b>	<b>Percent Change</b>
2012	63,852,606	3,976,257	6.64%
2013	61,725,114	(2,127,492)	-3.33%
2014	63,395,238	1,670,124	2.71%
2015	66,250,368	2,855,130	4.50%
2016	74,526,914	8,276,546	12.49%*
2017	74,092,239	(434,675)	-0.58%

*\* Fiscal 2016 included a new Food & Beverage tax as well as rate increases to the Home Rule Sales and the Hotel/Motel taxes.*

Source: Village of Skokie

### Sales Taxes

The Village has consistently been one of the top fifteen retail sales municipalities in the state of Illinois. Retail centers within the Village include Westfield Old Orchard, the Village Crossing and The Shops at Old Orchard Place. In Fiscal 2017, the Village realized gross sales tax revenues totaling \$28,680,756. A large portion of the total (50%) derives from the Skokie Home-Rule Sales Tax, a local option revenue source. This tax was first implemented in 1991 at a rate of 0.75%. The rate was increased to 1.25% in 2015. The following table shows the last six years of Village sales tax collections.

	<b>Annual Sales Tax Collections</b>					
	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
Home Rule Sales Tax	\$11,393,201	\$10,469,766	\$10,640,249	\$11,876,571	\$14,347,272	\$14,215,245
Municipal Sales Tax	13,994,964	13,139,051	13,564,356	14,947,861	16,239,872	15,465,511
Total Sales Tax	\$25,388,165	\$23,608,817	\$24,204,605	\$26,824,432	\$30,587,144	\$28,680,756
Percent Change	14.35%	-7.01%*	2.52%	10.82%	14.03%	-6.23

*\*Fiscal 2016 was the first full fiscal year that included a home rule rate increase, from 1% to 1.25%.*

Source: The Village

### **Water Rates**

The Village Water Fund is a “stand-alone” Proprietary Fund of the Village. It is required to set rates that will cover the cost of supplied water (from the City of Evanston), the cost of labor, the cost of routine maintenance and the cost of future capital improvements. The current water rate is \$42.72 per one thousand cubic feet, equal to \$5.71 per thousand gallons. The Village last raised its water rate in Fiscal 2018 by 8.48% to aggressively fund Water and Sewer infrastructure. Efficient operation of the system allows Skokie to have the second lowest total rate among fifteen surveyed comparable communities.

### **Debt Administration**

The Village has a number of outstanding debt issues. Including and as of the dated date of the Bonds, the Village’s outstanding GO debt amounts to \$48,226,245. The Village continues to receive high credit ratings from rating agencies ("AA+" from Fitch and "Aa1" from Moody's), an indication of financial stability and overall credit worthiness. The amount of debt (\$741 per capita) is considered modest and well within acceptable standards for a community of the size and population of Skokie.

### **Long-term Financial Planning**

The Village prepares a Capital Improvement Program ("CIP") document on an annual basis as part of the budget process. The CIP details all capital spending that is planned for a five-year period. Thus, anticipated capital expenditures are detailed and financing mechanisms are identified long before they are needed.

Skokie’s philosophy is to provide funding from existing revenue sources where possible. However, large projects occasionally require the issuance of debt. Also included in the Village’s CIP are projects that affect Skokie but that will be paid for, in whole or in part, by funding from federal, state, county or other sources.

### **Risk Management**

The Village is self-insured for property, casualty and liability claims up to a specific maximum of \$1,000,000. Losses in excess of \$1,000,000 but less than \$2,000,000 are commercially insured. In addition, for FY2018 through its membership to the Hi-Level Excess Liability Pool ("H.E.L.P."), the Village is insured against losses in excess of \$2,000,000.

### **Financial Policies**

The Village maintains several financial policies intended to address current and long term obligations, as well as retain the Village’s financial strength. Among these are a 25% General Fund balance policy, capital replacement policies, periodic expenditure review polices, etc. In addition, these policies are adaptable to the changing economic environment and pressures from longer term liabilities, such as the Village’s three public pensions. As an example,

the new Food and Beverage and increases to the Home Rule and Hotel taxes were implemented in 2015 to address several issues among which was the rising cost of pensions.

### **Certificate of Achievement**

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Skokie for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2016. This was the twenty-ninth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR, the contents of which conform to program standards. 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.

### **Distinguished Budget Presentation Award**

The Village's Budget for the fiscal year ending April 30, 2017 was awarded the GFOA's Distinguished Budget Presentation Award. This was the twenty-fourth consecutive year that the Village has received the award. In order to receive the award, a government unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan and as a communication device. The award is valid for a period of one year.

## **EMPLOYEES; PENSIONS AND UNIONS**

The Village employs a staff of 550, including 446 full-time employees, 59 part-time and 45 seasonal employees.

### **Labor Relations**

Village labor relations are governed by collective bargaining agreements each of which has typically been for three year terms. The Village's Police (Officers) and Fire (firefighters and lieutenants) employees are represented by the Fraternal Order of Police (contract expires on April 30, 2019) and the International Association of Fire Fighters (contract expires on April 30, 2021).

### **Pensions and Other Post-Employment Benefits**

The Village maintains two pension trust funds mandated by Illinois state statutes, one for firefighters and one for police officers (other employees are covered by the Illinois Municipal Retirement Fund). The net assets of the two funds combined increased by \$10,860,040 to \$161,318,821 during the year ended April 30, 2017. Skokie continues to fund future benefit obligations based on valid actuarial assumptions and methods.

Additional information on the Village's pension arrangements can be found in APPENDIX A - FINANCIAL STATEMENTS, Notes to the Financial Statements, Note #IV.

## **LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS**

The Village administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). The plan provides pre and post-Medicare post-retirement health insurance for eligible retirees, their spouses, and dependents (enrolled at the time of employee's retirement) through the Village's group health insurance plan, which covers both active and retired members. Contribution requirements are governed by the Village and can be amended by the Village through its personnel manual and collective bargaining agreements. For fiscal year 2017, the Village contributed \$496,318

to the plan. The Village contributes 100% of the current year premiums for eligible disabled pensioners for life. All other retirees pay the blended premium. The Village makes no contribution for these retirees.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the Village or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

The Village's Attorney reports that any litigation and claims currently pending against the Village are being handled by the Village's insurance carrier or outside counsel and will not affect the issuance of the Bonds.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, pursuant to 50 Illinois Compiled Statutes 320, Section 9(b)(4), in the event that the Financial Planning and Supervision Commission determines that the proposed budget, tax levy, bond or note issuance or revenue estimates do not comply with the financial plan of the unit of local government, the Financial Planning and Supervision Commission shall be authorized to recommend that the unit of local government file a petition under Chapter 9 of the United States Bankruptcy Code. Not later than 30 days after the conclusion of its investigation, the Commission shall make a written report to the unit of local government of all findings, determinations and recommendations.

According to the Constitution of the State of Illinois, Article VII, Section 1, "Municipalities" means cities, villages and incorporated towns. "Units of local government" means counties, municipalities, townships, special districts, and units, designated as units of local government by law, which exercise limited governmental powers or powers in respect to limited governmental subjects, but does not include school districts.

## SUMMARY GENERAL FUND INFORMATION

Following are summaries of revenues and expenditures for the Village's General Fund for the past five fiscal years. These summaries are not purported to be the complete audited financial statements of the Village. Copies of the complete statements are available upon request. See APPENDIX A for the Village's Comprehensive Annual Financial Report for Fiscal Year 2017.

### General Fund Statement of Revenues, Expenditures and Changes in Fund Balances

	FISCAL YEAR ENDING APRIL 30				
	2013	2014	2015	2016	2017
<b>Revenues</b>					
Property Taxes	\$ 10,067,693	\$ 10,248,420	\$ 13,464,093	\$ 13,397,597	\$ 13,642,910
Other Taxes	28,660,873	13,147,150	14,757,297	15,324,634	18,101,925
Licenses and Permits	3,296,351	4,001,025	4,521,363	4,486,232	3,898,499
Fines and Forfeitures	1,327,888	1,253,100	1,389,213	2,589,763	2,223,271
Charges for Services	2,545,121	2,620,811	2,344,592	2,462,977	2,667,719
Intergovernmental	6,587,847	22,922,934	25,772,834	26,709,839	25,350,170
Investment and Interest Income	(1,670)	(5,480)	2,686	21,428	152,085
All Other (Including Transfers)	216,114	345,446	260,385	332,853	601,189
<b>Total Revenues</b>	<b>\$ 52,700,217</b>	<b>\$ 54,533,406</b>	<b>\$ 62,512,463</b>	<b>\$ 65,325,323</b>	<b>\$ 66,637,768</b>
<b>Expenditures</b>					
General Government	\$ 11,014,775	\$ 11,815,666	\$ 7,414,234	\$ 7,351,940	\$ 8,676,027
Health and Welfare	1,255,553	1,255,214	1,655,245	1,675,322	1,748,329
Public Safety	29,234,439	30,003,257	37,195,546	39,480,037	42,078,694
Public Works	10,488,704	11,127,372	13,895,846	13,637,672	13,195,291
<b>Total Expenditures</b>	<b>\$ 51,993,471</b>	<b>\$ 54,201,509</b>	<b>\$ 60,160,871</b>	<b>\$ 62,144,971</b>	<b>\$ 65,698,341</b>
<b>Excess revenues over (under) expenditures</b>	<b>\$ 706,746</b>	<b>\$ 331,897</b>	<b>\$ 2,351,592</b>	<b>\$ 3,180,352</b>	<b>\$ 939,427</b>
Other Financing Uses	(243,195)	87,225	1,727,222	108,976	110,553
<b>Net Change in Fund Balance</b>	<b>463,551</b>	<b>419,122</b>	<b>4,078,814</b>	<b>3,289,328</b>	<b>1,049,980</b>
General Fund Balance May 1	10,761,092	11,224,643	11,643,765	15,722,579	19,011,907
Prior Period Adjustment	0	0	0	0	0
<b>General Fund Balance April 30</b>	<b>\$ 11,224,643</b>	<b>\$ 11,643,765</b>	<b>\$ 15,722,579</b>	<b>\$ 19,011,907</b>	<b>\$ 20,061,887</b>

**Source:** Audited Financial Statements of the Village.

**General Fund  
Balance Sheet**

**FISCAL YEAR ENDING APRIL 30**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Assets</b>					
Cash and Equivalents	\$ 8,954,890	\$ 7,993,776	\$ 4,123,529	\$ 11,265,117	\$ 14,720,587
Investments	10,139	10,172	-	-	-
Receivables, Net					
Property Taxes	5,192,344	5,379,240	6,669,806	6,903,855	6,776,088
Other Taxes	7,676,474	3,535,386	4,305,192	4,719,930	4,530,314
Accounts	59,324	81,509	103,242	83,841	387,482
Notes	180,000	150,000	120,000	90,000	60,000
Accrued Interest	-	-	-	-	-
Other Receivables	64,368	70,659	269,226	334,068	421,436
Due from Fiduciary Funds	232	232	2,211,703	-	-
Inventory	55,655	39,375	45,076	26,683	55,765
Prepaid expenses	-	-	-	40,512	108,707
Payroll advance	-	-	-	-	477,576
Due from Other Funds	543,271	2,364,201	519,593	467,050	690,179
Due from Other Governments	156,315	4,415,840	5,148,500	5,212,190	5,151,166
Advance to Other Funds	1,550,000	1,793,822	3,072,343	2,930,882	1,908,682
<b>Total Assets</b>	<b><u>\$24,443,012</u></b>	<b><u>\$ 25,834,212</u></b>	<b><u>\$ 26,588,210</u></b>	<b><u>\$ 32,074,128</u></b>	<b><u>\$ 35,287,982</u></b>
<b>Liabilities</b>					
Accounts Payable	\$ 1,637,480	\$ 1,645,897	\$ 2,127,487	\$ 1,766,855	\$ 2,059,905
Accrued Payroll	2,072,774	2,819,900	870,290	1,831,994	3,602,715
Deposits	583,533	766,692	972,531	1,057,540	1,024,225
Deferred Property Taxes	7,172,586	5,336,015	6,603,445	6,843,988	6,688,340
Unavailable Other Taxes	-	985,000	-	-	-
Unavailable due from Other Governments	-	1,120,000	120,000	120,000	120,000
Unearned Revenues	5,503	14,503	27,697	28,133	36,938
Due to Other Funds	1,376,620	1,501,812	8,951	-	-
Due to Fiduciary Funds	335,028	-	-	1,189,962	1,267,836
Other Payables	34,845	628	135,230	223,749	426,106
<b>Total Liabilities</b>	<b><u>\$13,218,369</u></b>	<b><u>\$ 14,190,447</u></b>	<b><u>\$ 10,865,631</u></b>	<b><u>\$ 13,062,221</u></b>	<b><u>\$ 15,226,065</u></b>
<b>Fund Balances</b>					
Reserved for Inventory	\$ 55,655	\$ 39,375	\$ 45,076	\$ 26,683	\$ 55,765
Reserved for prepaid expenditures	-	-	-	40,512	108,707
Reserved for Notes Receivable	180,000	150,000	120,000	90,000	60,000
Reserved for Payroll Advance	-	-	-	-	477,546
Reserved for Advances	1,550,000	1,793,822	3,072,343	2,930,882	1,908,682
Reserved for Public Safety	489,705	898,273	758,247	702,642	792,868
Assigned for Insurance	261,646	-	900,000	1,821,238	1,893,097
Unreserved - General Fund	8,687,637	8,762,295	10,826,913	13,399,950	14,765,222
<b>Total Fund Balance</b>	<b><u>\$11,224,643</u></b>	<b><u>\$11,643,765</u></b>	<b><u>\$15,722,579</u></b>	<b><u>\$19,011,907</u></b>	<b><u>20,061,887</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$24,443,012</u></b>	<b><u>\$ 25,834,212</u></b>	<b><u>\$ 26,588,210</u></b>	<b><u>\$ 32,074,128</u></b>	<b><u>\$ 35,287,952</u></b>

Source: Audited Financial Statements of Village.

## GENERAL INFORMATION

### LOCATION

The Village, with a 2010 U.S. Census population of 64,784, and a current population estimate of 65,056, and comprising an area of 10.47 square miles, is located approximately 16 miles northwest of the City of Chicago.

### LARGER EMPLOYERS

Larger employers in the Village include:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees</b>
NorthShore University Health System	Hospital (NorthShore University HealthSystem)	2,410
FederalMogul	Manufacturer of gaskets	1,279
Niles Township High School District 219	High school district	950
Macy's	Retail	910
Georgia Nut	Food production	700
Nordstrom Rack	Factory outlet	618
The Village	Municipal government	505
Cook County Circuit Court	Second district courthouse	465
Skokie Park District	Park district	432
Generation Brands	Lighting manufacturer	409

**Source:** Village's CAFR

**U.S. CENSUS DATA**

**Estimated Population Trend: Village of Skokie**

2000 Estimated Population	63,348
2010 Estimated Population	64,784
2016 Estimated Population	64,873
Percent of Change 2000 - 2010	2.27%

**Housing Statistics**

	<u>Village of Skokie</u>		
	<u>2000</u>	<u>2016</u>	<u>Percent of Change</u>
All Housing Units	23,687	24,548	3.63%

**Source:** 2000 and 2016 Census of Population and Housing.

**Income and Age Statistics**

	<b>Village of Skokie</b>	<b>Cook County</b>	<b>State of Illinois</b>	<b>United States</b>
2016 per capita income	\$33,315	\$32,179	\$31,502	\$29,829
2016 median household income	\$68,015	\$56,902	\$59,196	\$55,322
2016 median family income	\$80,412	\$70,076	\$73,714	\$67,871
2016 median gross rent	\$1,160	\$999	\$925	\$928
2016 median value owner occupied units	\$282,300	\$219,800	\$174,800	\$184,700
2016 median age	43.1 yrs.	36.1 yrs.	37.4 yrs.	37.7 yrs.

	<b>State of Illinois</b>	<b>United States</b>
Village % of 2016 per capita income	105.76%	111.69%
Village % of 2016 median family income	109.09%	118.48%

**Source:** 2016 American Community Survey (Based on a five-year estimate)

**EMPLOYMENT/UNEMPLOYMENT DATA**

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	The Village	The Village	State of Illinois
2013	30,473	7.9%	9.1%
2014	30,905	6.0%	7.1%
2015	31,228	4.9%	5.9%
2016	31,495	4.9%	5.9%
2017, December	Not available	3.8%	4.7%

**Source:** Employment/Unemployment data was furnished by the Illinois Department of Labor.

## **APPENDIX A**

### **FINANCIAL STATEMENTS**

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the Village's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Village has not requested the Auditor to perform any additional examination, assessments or evaluation with respect to such financial statements since the date thereof, nor has the Village requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the Village since the date of the financial statements, in connection with the issuance of the Bonds, the Village represents that there have been no material adverse change in the financial position or results of operations of the Village, nor has the Village incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
VILLAGE OF SKOKIE, ILLINOIS**  
As of and for the Year Ended April 30, 2017

Prepared by the Finance Department

Julian Prendi, Director of Finance

VILLAGE OF SKOKIE

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**Village Hall**

517 Oakton Street  
Skokie, Illinois 60077  
Phone: (847) 671-6000  
Fax: (847) 671-6025

www.skokie.org  
Skokie/Village Municipal Cable  
1650 AM Skokie

**Council-Manager Government**  
Mayor: George Van Dusen  
Clerk: Prasad C. Shah  
Trustees: Michele L. Bombardieri, Jennifer Rajch, Robin Randall E. Roberts, Eddie Sue Sotter, Ronks Ulrich  
Manager: John T. Losenberly  
Council: Michael R. Lorge

**Awards and Distinctions**  
All America City finalist  
American Public Works Association (APWA) Accreditation  
Center for Public Safety Excellence (CPSE)  
Gold Level Clean Air Counts Community  
Governor's Homeowner Award  
Government Finance Officers Association Budget Award  
Government Finance Officers Association Award for Excellence in Financial Reporting  
Village Law Enforcement Accreditation (LEA)  
Insurance Service Office (ISO) Class One Fire Department Department  
State of Illinois Certified Health Department  
The City USA Distinction

# Village of Skokie

October 31, 2017

The Honorable Mayor George Van Dusen  
Members of the Skokie Village Board  
Citizens of the Village of Skokie

The Comprehensive Annual Financial Report (CAFR) of the Village of Skokie, Illinois, for the fiscal year ended April 30, 2017, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

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

The Village's financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Skokie for the year ended April 30, 2017 are free of material misstatement. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Complementing the MD&A is this letter of transmittal and both letters should be read in conjunction with each other. The Village's MD&A can be found immediately following the report of the independent auditors.

## Profile of the Village of Skokie

The Village of Skokie was incorporated in 1888 under the name of the Village of Niles Center. The name was changed to the Village of Skokie in 1940. The Village operates under the Council/Manager form of government. It is a home rule community, as defined by the Illinois Constitution. Skokie is located approximately 16 miles northwest of the City of Chicago in Cook County and has a land area of approximately 10.47 square miles, with approximately 185 miles of streets inclusive of both arterial and non-arterial roads. As of the 2010 Census, the Village's population was 64,784.

Policy-making and legislative authority are vested in the Village Board, which consists of the Mayor and six trustees. This governing body is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Village Manager and Corporation Counsel. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing heads of the Village's departments. The Board is elected on a nonpartisan, at-large basis. The Mayor and Trustees are elected to four-year terms every four years.

The Village provides a full range of services thru various departments, including two accredited public safety departments (Fire and Police) and an accredited Public Works Department. Skokie was the first community in the United States to have nationally accredited Fire, Police and Public Works Departments. In addition to the accredited departments, the Village also has a state certified Health Department. Overall, Village services include public safety (fire and police), streets, sanitation, health services, culture, public improvements, planning and zoning, and general administrative services.

The annual budget serves as the foundation for the Village's planning and control. All departments of the Village are required to submit requests for appropriation to the Village Manager during January of each year. The Manager uses these requests as the starting point for developing a proposed budget. This proposed budget is presented to the Council for review during three public hearings in late April. Using the final budget amounts, the Council adopts an appropriation ordinance in compliance with State statutes.

While considered a desirable residential community with 59% of its taxable valuation categorized as residential, the Village also has a strong commercial and industrial base. Commercial property accounts for 33% of the Village's equalized assessed valuation and industrial property the balance of 8%. Skokie's commercial and industrial base is widespread among over 2,000 businesses.

## Major Initiatives

### Economic Development

As a mature inner-ring community, it is imperative to attract new business and replace outdated infrastructure. The use of economic development tools such as Tax Increment Financing (TIF), property tax incentives and national and state grant funds have allowed Skokie to reinvent a significant portion of its business sector.

Originally covered by two TIFs, the Village's Downtown is currently the subject of one remaining TIF district, the Science and Technology TIF, formed in 2005. The predominant force behind the formation of this TIF was the availability of the former Pfizer pharmaceutical company research and development facilities. This 2.3-acre site adjacent to the north edge of the Village's Downtown was purchased by Forest City Enterprises in 2005. Much of the original campus has since been demolished and four buildings, comprising about 660,000 square feet were retained. The campus is

now known as the Illinois Science + Technology Park (IS+TP) and includes three laboratory buildings and one general office building. Through a partnership with Forest City Enterprises, the redevelopment of the Pfizer site was completed at an estimated \$180 million. The redeveloped site has become a premier bioscience and nanotechnology campus with significant laboratory and office space. The Village provided \$10 million of financial support in the form of TIF bonds to be retired from the tax increment generated from the campus.

The IS+TP continues to thrive eleven years later with nearly 1,500 employees. Primary tenants include NorthShore University Health Systems, German-based Fresenius Kabi, Lanza Tech, Vetter Pharma, Wil Research, Exciteur, Technology Innovation Center, and more. Over 85% of the park is currently leased.

The Village's only other remaining TIF was added in November 2010 and is called the West Dempster Street TIF. This TIF is comprised of 58.9 acres and the area covered generally encompasses the West Dempster Street commercial corridor, which runs along Dempster Street from Gross Point Road on the west to Kilpatrick Avenue on the east. The TIF was established to enable the Village to respond to the many vacant, deteriorated, and obsolete commercial strip centers that line West Dempster Street, particularly near the Skokie Swift transportation center. The TIF has seen major developments, including among others Oberweis, That Burger Joint, a new O'Reilly's Auto Parts, and a new flexible format 33,000-square-foot Target store, opening in October 2017. In addition to providing a shopping alternative to the immediate neighboring community, the new Target's proximity to the Dempster Skokie Swift station provides shoppers a viable public transit option for getting in and out of the area.

Other areas of the Village saw continued development. The Touhy corridor has experienced significant development both in the west end at Touhy Plaza, as well as the east end surrounding the new anchor tenant, Walmart. Many new restaurants have opened in the previous year, like Starbucks, Panera, Jolibee, The Halal Guys, Real Urban Barbecue, Wing Zone, Simple Greek, Mod Pizza and more. Additional notable development across town include the relocation of Legacy Healthcare headquarters from Lincolnwood to Skokie in a newly renovated 45,000 sq. ft. office space, a newly slated 12 unit residential development on Lincoln Ave, and several Skokie Boulevard developments including Home Goods, Culvers, Chick-Fil-A, AAA Approved repair, and more.

#### **For the Next Year and Beyond**

Village staff continues to focus on the redevelopment of the downtown area. A vacant group of parcels at the heart of downtown Skokie (the northwest corner of Lincoln and Oakton) commonly referred to as the Desiree property, was recently exposed to several proposals by various developers and investors. After extensive analysis and review, several conceptual proposals were submitted, with a select few deemed feasible and desirable by the Village Board. The most feasible and suitable proposal, the 8000 North development, presents the opportunity for new and existing residents to live in a 153-unit luxury rental community with amenities such as ground floor retail and restaurants, a public/private parking garage adjacent to the structure, a 12th floor green roof which will include recreational facilities, outdoor meeting spaces, a demonstration kitchen, café, and spectacular views of Lake Michigan and the Chicago skyline. Anticipated occupancy for both the residential and commercial components is December, 2019.

Immediately adjacent to the 8000 North development, phase two of Floral Avenue development continues, with nearly all available lots now occupied by new homes. Floral Avenue has been transformed by the project with several unique, eco-friendly and sustainable single family homes, and nearly all constructed homes are already sold.

Downtown events aimed at attracting visitors will continue, including the local favorite Skokie Backlot Bash, and the weekly summer Wednesdays on the Green concert series. Summer of 2016 saw a record number of visitors in Downtown Skokie.

#### **Factors Affecting Financial Condition**

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

**Local economy:** The Village of Skokie is diverse with major retail centers and various commercial and industrial areas, each of which is discussed below.

Skokie has three large shopping centers. The first, Westfield's Old Orchard Shopping Center, is a premier outdoor regional shopping center, home to large anchor retailers such as Nordstrom, Bloomingdale's, Macy's, Lord & Taylor, plus over 140 other retailers and restaurants. The second, the Village Crossing Shopping Center, has as its major anchor stores like Best Buy, Bed Bath & Beyond, Office Max, PetSmart, and Avenue as well as a recently redeveloped AMC Showplace with 18 movie screens. Finally, the third, The Shops at Old Orchard Place, has as its anchors DSW Shoe Warehouse, Nordstrom Rack, Ulta 3, and Jared Jeweler.

Skokie has four major hotels (Hampton Inn & Suites, DoubleTree, Holiday Inn, and Extended Stay America) which combine to provide approximately 1,100 rooms for visitors to the Village. An added attraction is a performing arts center (North Shore Center for the Performing Arts in Skokie) which offers a wide variety of entertainment from plays to orchestra events. These facilities provide excellent accommodations, as well as the ability to partake of the arts.

To enhance Skokie's retail, hotel, and performing arts businesses, the Village was instrumental in establishing the North Shore Convention & Visitors Bureau in cooperation with the Bureau's two other founding municipalities, the City of Evanston and the Village of Wilmette. The Bureau was formed to promote its member communities to leisure and business travelers from around the country.

Further adding to the quality of life afforded Village residents is NorthShore Skokie Hospital, which is a premier 268-bed hospital. Skokie Hospital is in the midst of a multi-year, \$150 million renovation and expansion that will ensure the hospital continues to provide Skokie and surrounding communities with exceptional medical care for years to come. This investment will mean expanded core clinical services and enhanced patient care, and will include more private rooms, a new Cardiac Catheterization and Interventional Radiology Suite, expanded and upgraded radiology, cardiology and nuclear medicine services, and a new, 125,000-square-foot Ambulatory Care Center.

Finally, the Village has several large industrial areas encompassing approximately 250 businesses employing about 8,000. These areas provide significant property tax revenue to local school districts as well as other taxing bodies. Skokie is also the home to a number of major corporations including Federal Mogul, Tech Lighting, and Forsythe Technologies.

**Debt administration.** As of April 30, 2017, the Village had a number of outstanding debt issues. In total, the Village's outstanding GO bonds amount to \$44,226,388, net of unamortized premium/discount. The Village continues to receive very high credit ratings from both Fitch and Moody's rating agencies, an indication of financial stability and overall credit worthiness. The amount of debt (\$683 per capita) is considered modest and well within acceptable standards for a community of the size and population of Skokie.

**Long-term financial planning.** The Village prepares a Capital Improvement Program (CIP) document on an annual basis as part of the budget process. The CIP details all capital spending that is planned for a five-year period. Thus, anticipated capital expenditures are detailed and financing mechanisms are identified long before they are needed.

Skokie's philosophy is to provide funding from existing revenue sources where possible. However, large projects occasionally require the issuance of debt. Also included in the Village's CIP are projects that affect Skokie but that will be paid for, in whole or in part, by funding from federal, state, county or other sources.

**Risk management.** For the year ended April 30, 2017 the Village maintained a self-insurance policy for property, casualty and liability claims up to a specific maximum of \$1,000,000. Losses in excess of \$1,000,000 but less than \$2,000,000 were insured against through a commercial policy. Losses in excess of \$2,000,000 are covered through the Village's membership to the Hi-Level Excess Liability Pool (H.E.L.P.).

**Pension and other post employment benefits.** The Village maintains two pension trust funds mandated by Illinois state statutes, one for firefighters and one for police officers (other employees are covered by the Illinois Municipal Retirement Fund). The net position of the two funds combined increased by \$10,860,040 to \$161,318,821 during the year ended April 30, 2017, due largely to market performance. Skokie continues to fund future benefit obligations based on valid actuarial assumptions and methods. Effective for the year ended April 30, 2017 the Village reduced the earnings assumption used to determine pension funding from 8% to 7.75%. By reducing the assumed earnings from the invested balances, this change helps the Village to be more conservative in meeting the funding obligation of both pension plans.

Timothy W. Sharpe, Actuary, Geneva, Illinois, the Village's independent actuary, has determined that, at April 30, 2017, the Skokie Police Pension Fund had a net pension liability (total pension liability in excess of fiduciary net position) of \$49,904,173, and the Skokie Fire Pension Fund had a net pension liability of \$73,634,414. The Police and Fire Pension Funds were 64% and 50% funded, respectively.

The Village is required to report pension assets on a fair value basis, and the aforementioned funding percentages include the unrealized gains or losses resulting from marking to market.

Additional information on the Village's pension arrangements can be found in Note IV - A in the financial statements.

#### **Financial Policies**

The Village maintains several financial policies intended to address current and long term obligations, as well as retain the Village's financial strength. Among these are a 25% General Fund fund balance policy, actuarially determined contribution (ADC) funding for pension systems, capital replacement policies, periodic expenditure review policies, etc. These policies are adaptable to the changing economic environment and pressures from longer term liabilities, such as the Village's three public pensions. Examples of adaptability include the most recent investment earning assumption reduction to boost Village pension contributions in future years, and the new Food and Beverage Tax implemented in 2015 to address the Village's fund balance replenishment to its target 25%, and enhanced capital funding of the Village's infrastructure.

#### **Certificate of Achievement**

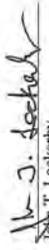
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Skokie for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2016. This was the twenty-ninth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR, the contents of which conform to program standards. 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 CAFR continues to meet the Certificate of Achievement Program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

#### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Additionally, we would like to acknowledge the Mayor and Board of Trustees for their leadership and support in planning and conducting the financial operations of the Village in a responsible and progressive manner.

Respectfully submitted,

  
John T. Lockerty  
Village Manager

  
Julian Préndi  
Director of Finance



**VILLAGE OF SKOKIE, ILLINOIS**

**Principal Officials**  
April 30, 2017

**LEGISLATIVE**

George Van Dusen, Mayor	Randall Roberts, Trustee
Michele Bromberg, Trustee	Edie Sue Suker, Trustee
Karen Gray-Keeler, Trustee	Ilonka Ulrich, Trustee
Ralph Klein, Trustee	Pramod Shah, Clerk

**ADMINISTRATIVE**

John T. Lockerby, Village Manager

Michael M. Lorge, Corporation Counsel	Christa C. Ballowe, Personnel Director
Julian Prendi, Finance Director	James Shaw, Management Information Systems Director
James Walters, Fire Chief	Maureen Murphy, Human Services Director
Anthony F. Scarpelli, Police Chief	Ann E. Tennes, Marketing and Communications Director
Max L. Slankard Jr., Public Works Director	Debra Prottsiman, Risk Manager
Catherine A. Counard, Health Director	
Peter Peyer, Community Development Director	

INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Skokie, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Skokie, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village of Skokie's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the North Shore Center for the Performing Arts in Skokie, which represents 10 percent, 1 percent and 100 percent, respectively, of the assets, net position and revenues of the Centre East Metropolitan Exposition, Auditorium, and Office Building Authority, the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the North Shore Center for Performing Arts in Skokie, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

To the Village Board  
Village of Skokie, Illinois

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to the Village of Skokie'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 of Skokie'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Skokie, Illinois, as of April 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Skokie's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Village Board  
Village of Skokie, Illinois

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Skokie's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the Village of Skokie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Skokie's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
October 31, 2017

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2017

The Management's Discussion and Analysis (MD&A) offers the readers of the Village of Skokie's ("Village" or "Skokie") financial statements a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2017. The information presented here should be considered in conjunction with the additional information that has been furnished in the letter of transmittal, which can be found on pages i-vi of this report.

**Financial Highlights**

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$104.9 million (net position). This net position consists entirely of net capital assets.
- In total, net position from operations increased by \$2.3 million. A review of the factors contributing to this increase is contained within this analysis.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$31.8 million, an increase of \$2.3 million in comparison with the prior year. (Approximately \$12 million is available for spending at the government's discretion (unassigned fund balance)).
- General revenues accounted for \$75.4 million in revenue or 84% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$14.4 million or 16% of total governmental revenues of \$89.8 million.
- The Village had \$90.6 million in expenses related to government activities. However, only \$14.4 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14.8 million, or 22.4% of the total General Fund expenditures.
- The Village's non-pension related long term obligations (debt net of premiums and discounts) decreased by \$7 million during the current year to \$48.3 million. New general obligation bonds were issued for \$9.3 million (to refinance existing debt), while \$16 million was retired during the year.
- The fiscal 2017 report is the first to include provisions of GASB Statement No. 77 pertaining to individual tax abatement disclosure. At fiscal year end, the Village did not have any individual agreement to forego and/or remit to any individual any specific tax revenues collected by the Village.

**Overview of the Financial Statements**

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

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

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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

The Statement of Activities presents information showing how the Village'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public health and safety, and public works. The business-type activities of the Village consist of the municipal water system and a non-major parking system fund.

The government-wide financial statements include the funds of the Village (primary government) and an organization for which the Village is accountable (component unit – the Centre East Exposition Authority). As of the end of the fiscal year, the Village has assumed complete responsibility of the Centre East operations, and as such it will not be reported as a component unit in future years but as a fund of the organization. The government-wide financial statements can be found on pages 15-17 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of 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 government's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and government activities.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The Village maintains twenty-two individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Debt Service Fund, the Building and Equipment Fund and the West Dempster TIF Fund all of which are considered to be major funds. Data from the other governmental funds is 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 on pages 115-127 of this report.

The Village adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided where appropriate to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 18-25 of this report.

**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 municipal water operations and its parking system operations. *Internal service funds* are used to accumulate and allocate costs internally among the Village's various functions. Skokie uses an internal service fund to account for its risk management (insurance) operations. Because insurance 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 provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village. The basic proprietary fund financial statements can be found on pages 26-30 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. These funds consist of resources to provide retirement benefits to the Village's public employees. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 31 and 32 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-89 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents budget versus actual results for the major governmental funds and required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees. These statements can be found on page 90-106 of this report.

The combining and individual statements for both major and non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 107-127 of this report.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Skokie, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$104,928,559 at the close of the most recent fiscal year.

By far the largest portion of the Village's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). Skokie uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**VILLAGE OF SKOKIE  
Net Position (000's)**

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 60,339	\$ 54,936	\$ 7,105	\$ 8,429	\$ 67,444	\$ 63,365
Capital assets	184,816	184,387	34,286	30,433	219,102	214,820
Deferred outflows of resources	37,155	40,020	642	544	37,797	40,564
Total assets and deferred outflows	282,310	279,343	42,033	39,406	324,343	318,749
Non-current liabilities	183,810	187,900	1,590	1,688	185,400	189,588
Other liabilities	15,880	12,656	861	793	16,741	13,449
Deferred inflows of resources	17,257	13,084	16		17,273	13,084
Total liabilities and deferred inflows	216,947	213,640	2,467	2,481	219,414	216,121
Net position:						
Net investment in capital assets	146,249	149,530	33,788	29,776	180,037	179,306
Restricted	13,400	13,090			13,400	13,090
Unrestricted - Pension related	(135,915)	(133,318)			(135,915)	(133,318)
Unrestricted - Other	41,629	36,401	5,778	7,149	47,407	43,550
Total net position	\$ 65,363	\$ 65,703	\$ 39,566	\$ 36,925	\$ 104,929	\$ 102,628

A portion (\$13,399,903) of the Village's net position represents resources that are subject to external spending restrictions. The remaining balance of unrestricted net position may be used to meet any other of the Village's ongoing obligations.

At the end of the current fiscal year, Skokie is able to report positive total balances in all categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

- General revenues include sales tax, which decreased from the previous fiscal year by 2.71%. While there was new development recorded in both retail and entertainment/dining, sales taxes followed the national trend highlighting an area of concern for future years.
- Property Taxes experienced a minor increase over the prior year, consistent with steady assessments, and the Village Board's policy to maintain a frozen general property tax levy. Fiscal 2017 was the twenty-sixth consecutive year with no increase in the general property tax levy. Board policy is designed to rely on growth in economically driven taxes vs. property tax levies.
- Total expenses increased for governmental activities by \$10.5 million (13.1%) from the previous fiscal year. Although there increases in salaries, benefits, and commodity related expenses, the largest drivers for the increase are public safety pension related adjustments required by GASB Statement 68.

**Business-type activities.** Business-type activities increased the Village's net position by \$2,641,048. Key elements of this increase are as follows:

- Program revenues for business type activities increased by \$489,670 (4.4%) from the previous fiscal year. The increase is primarily due to a 4.9% rate increase approved during the year.
- General revenues for business type activities were virtually the same as the previous year.
- Expenses increased by \$494,713 (6.1%) from the previous year due to personnel costs (cost of living and merit adjustments), water purchase and minor equipment purchases.

**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned (previously unreserved) and unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Skokie governmental funds reported combined ending fund balances of \$31,767,463, an increase of \$2,315,087 (7.8%) compared with the prior fiscal year. The "unassigned" fund balance is \$11,985,609 (37.7%) which is available for spending at the government's discretion. The "assigned" fund balance of \$2,356,993 (7.4%) has been assigned to denote an intended use of the resources. The "restricted" fund balance of \$14,116,719 (44.4%) has been restricted to denote an external, enforceable legal restriction. The "committed" fund balance of \$696,442 (2.0%) has been committed due to self-imposed restraints placed by the Village Board.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Governmental activities.** Governmental activities decreased the Village's net position by \$339,699 and the business-type activities increased by \$2,641,048. Key elements of the change are as follows:

	VILLAGE OF SKOKIE Changes in Net Position (000's)				
	Governmental activities		Business-type activities		Total
	2017	2016	2017	2016	
<b>Revenues:</b>					
Program revenues:					
Charges for services	\$ 10,353	\$ 10,802	\$ 11,716	\$ 11,229	\$ 22,069
Operating grants	3,469	3,386			3,469
Capital grants	565	274			565
General revenues:					
Sales taxes	29,680	32,083			29,680
Property taxes	18,298	18,285			18,298
Other taxes	26,114	24,158			26,114
Investment earnings	159	23	(3)	(8)	
Other	1,181	(382)			1,181
Total revenues	89,819	88,629	11,713	11,221	101,532
					99,850
<b>Expenses</b>					
General government	13,333	11,074			13,333
Public safety	53,680	44,798			53,680
Highways and streets	19,738	19,841			19,738
Public health	2,150	2,077			
Interest on long-term debt	1,742	2,335			1,742
Water fund			8,588	8,093	8,588
Total expenses	90,643	80,125	8,588	8,093	99,231
			(484)	(811)	
Transfers	484	811			
Increase in net position	(340)	9,315	2,641	2,317	2,301
Beginning net position - May 1	65,703	56,388	36,925	34,608	102,628
Ending net position - April 30	\$ 65,363	\$ 65,703	\$ 39,566	\$ 36,925	\$ 104,929
					\$ 102,628

• Governmental activities saw an overall modest 1.34% increase in total revenues, driven predominantly by other taxes (i.e. Food and Beverage Taxes), operating and capital grants, and investment earnings.

• Expenses in governmental activities increased by 13.1% over the prior year, predominantly driven by increases in salaries and benefits, as well as pension-related adjustments resulting from the implementation of GASB Statement No. 68.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The General Fund is the largest governmental fund and the primary operating fund of the Village. At the end of the fiscal year, unassigned fund balance in the General Fund was \$14,765,222 while the total General Fund balance was \$20,061,887. 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 fund expenditures. Unassigned fund balance represents 22.1% of FY17 total General Fund expenditures, while total fund balance represents 30.1% of that same amount. The rest of the General Fund's reserves are non-spendable assets, insurance reserves and long-term receivables. The total General Fund fund balance increased by \$1,049,980 from the prior year.

The Building and Equipment Fund records the financial information related to the Village's purchases of equipment and general capital improvements. Resources are provided by property taxes, grants and sales taxes. As of the end of FY17, the Fund reported a deficit fund balance (assigned for capital projects) of \$1,041,306. This was a decrease of \$2,470,666 from the previous fiscal year related predominantly to the timing of capital spending. As a matter of operating procedure, funds are typically accumulated over several years before committing to any major project in order to avoid the need to issue debt.

The West Dempster TIF Fund records the financial information for the payment of project expenses within the boundaries of the TIF district. As of the end of FY17, the West Dempster TIF Fund reported a deficit fund balance of \$1,036,976. This represents an increase of \$3,390,088 resulting from gains on sales of land previously held for development. The TIF still has liabilities for advances made by other funds for start-up projects, anticipated to be paid off during the next fiscal year.

The Debt Service Fund records the financial information for the accumulation and payment for debt reported on the Village's outstanding long-term debt. As of the end of FY17, the Debt Service Fund reported a fund balance of \$7,765,410 which represents the accumulated reserves for future debt payments. Total debt service due in the upcoming year is \$7,138,833 (see Note III.E of the basic financial statements), covered 100% by the cash on hand at April 30, 2017.

The non-major governmental funds include ten special revenue funds. As a group, the non-major funds reported an ending fund balance of \$6,018,448, a \$455,906 increase from prior year. The increase in fund balance is a combination of the timing of expenditures in special revenue funds (i.e. Motor Fuel Taxes and Science and Technology TIF), and increased revenues from parking systems and wireless alarm monitoring. Two important non-major governmental funds are further explained below.

The Science and Technology TIF Fund records the financial information related to the redevelopment district that is focused on the area formerly occupied by a large pharmaceutical headquarters. The redevelopment plan calls for a campus of science and technology businesses. In addition, the transit component of the plan resulted in a new commuter rail station within the district. The redevelopment is funded by the incremental tax revenues derived from the resulting higher property values in the district. The year end fund balance of \$1,631,953 is entirely restricted for these economic development efforts within the TIF boundaries.

The Economic Development Fund records the financial information related to the operations of general economic development within Skokie. Skokie places a high value on business retention and business attraction. Our planners and economic development liaisons work with existing and

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

potential businesses to make Skokie an attractive option for job retention and creation. This mission is funded by the Village's real estate transfer tax of \$3 per thousand of value sold. By design, this fund would operate at breakeven and have little fund balance. The \$2,911,922 closing fund balance for 2017 reflects a moderate cash balance and an advance of \$2,000,000 to the West Dempster TIF for start-up expenses and grants.

**Proprietary funds.** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water Fund as a major enterprise fund. This fund accounts for all of the operations of the municipal water system. Water was purchased from the City of Evanston at a rate of \$1.0586 per thousand gallons from March 1, 2016 to February 29, 2017. Evanston increased its rate to \$1.0797 per thousand gallons as of March 1, 2017. Since Skokie is contiguous to Evanston, delivery of supply is accomplished at three interconnections at the city limits.

Water was sold to all municipal customers at a rate of \$39.38 per 1,000 cubic feet as of August 1, 2016. This converts to \$5.13 per thousand gallons. The spread between purchase and sale rates is intended to finance the operations of the water system, including labor costs, supplies, infrastructure maintenance and replacement reserves.

The Village intends to run the Fund at a breakeven pace. Periodically, there will be an annual surplus or drawdown due to timing of capital projects and the reclassification of these projects to capital assets. The surplus during the current fiscal year was \$2,524,096 and the entire surplus along with additional resources was invested in system capital assets. The unrestricted net position of the Water Fund at the end of the year was \$6,057,921 which is a decrease of \$1,597,599 for the year. The timing of capital projects was the primary reason for the fund balance draw.

The Village reports the Parking System Fund as non-major enterprise funds. This fund had a net surplus of \$36,742 for the year, increasing net position to \$79,953.

The Village reports the Risk Management (Insurance) Fund as an internal service fund. Insurance is required by all departments. The cost of claims expense is accumulated in the risk management fund and allocated to operating funds. Skokie is self-insured for every individual claim to \$1,000,000. Above that level, claims to \$2 million are covered by a conventional umbrella policy and claims over \$2 million flow to an intergovernmental insurance pool. Claims are reserved and recognized as expense when incurred. The ending net position for the Self Insurance fund is \$5,382, an increase of \$758,281 over the prior year deficit balance. The net position reflects the required claims reserves as well as available financial resources based on the most recent estimates for settlements. Final settlement of these claims may occur several years hence, for more or less than reserved. More detailed information on risk management can be found in Note IV.B of the basic financial statements.

**General Fund Budgetary Highlights**

The General Fund is reported as a major fund and accounts for the routine operations of the Village. Revenues in the General Fund were \$66,637,768, which was \$11,182,096 (20.2%) over budget. Expenditures were \$65,698,341, which was \$10,090,539 (18.4%) over budget. The expense and revenue variances are similarly affected by a reclassification of pension amounts (\$7,630,168) to the

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

general fund from the fiduciary funds of original entry. This was done to comply with accounting standards that require these inflows and outflows appear in the general fund as revenue and in the respective operating departments of the general fund as expenses. All such activity was budgeted in the fiduciary funds only. Similarly, \$3,324,668 in additional property tax receipts as well as the corresponding pension-related expense it was indebted to fund, was recorded in the General fund for pension contributions budgeted in agency funds (IMRF).

The additional revenue variance results from the timing effects of the new food and beverage tax, originally budgeted for \$549,881 the revenue source produced \$4,158,930.

**Capital Asset and Debt Administration**

**Capital assets.** The Village's investment in capital assets for its governmental and business type activities as of April 30, 2017 amounts to \$219,101,921 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building systems, improvements other than buildings, machinery and equipment, roads, highways, and bridges.

	VILLAGE OF SKOKIE Net Capital Assets (000's)				
	Governmental activities		Business-type activities		Total
	2017	2016	2017	2016	
Land	39,151	42,809	85	85	39,236
Streets and land improvements	96,894	93,010	85	85	96,894
Buildings	36,700	37,319	3,353	3,027	40,053
Underground water and sewer	8,814	8,861	29,944	26,436	29,944
Equipment and vehicles	3,257	2,388	903	861	9,717
Construction in progress			24	24	9,722
Total	184,816	184,387	34,285	30,433	219,101
					214,820

Additional information on the Village's capital assets can be found in footnote III-C on page 58 and 59 of this report.

**Long-term debt.** The table on the next page summarizes the Village's bonded and other long-term debt. Overall, the Village reports long-term debt outstanding of \$185.4 million. Of this amount, \$44.7 million was in the form of general obligation bonds (net of premiums or discounts). During the year, the Village issued new bonds to refinance the 2007 GO Series, in the amount of \$9.3 million, and paid principal, inclusive of the refunded bonds in the amount of \$16 million.

The net pension liability for four Village plans is \$137 million. Pension liabilities will be funded by future fund investment earnings and tax revenues. More detailed information about debt administration can be found in Note III.E of the basic financial statements. More detailed information on pension administration can be found in Note IV.A of the basic financial statements.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

	VILLAGE OF SKOKIE Outstanding Long-Term Debt (000's)				
	Governmental activities		Business-type activities		Total
	2017	2016	2017	2016	
General Obligation Bonds - net of unamortized premiums/discout	\$ 44,226	\$ 51,133	\$ 498	\$ 767	\$ 44,724
Net Pension Liabilities - All Plans	136,037	133,318	996	832	137,033
Other Long Term Liabilities	3,547	3,448	96	89	3,643
TOTAL	\$ 183,810	\$ 187,899	\$ 1,590	\$ 1,688	\$ 185,400
					\$ 189,587

The Village's outstanding general obligation debt is rated "Aa1" by Moody's Investment Services and "AA-1" by Fitch Ratings, Inc. which places our credit ratings in the top ten percent of municipal credits nationwide.

As a Home Rule community in Illinois, there is no limit placed on the amount of debt that may be issued, nor is referendum authority required prior to debt issuance.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Village as of April 2017 is 4.5%, which is a decrease from a rate of 5.3% a year ago. The state's unemployment rate at April 30, 2017 is 5.0%, down from 6.2% one year ago.
- The total taxable assessed value in the Village rose by \$348 million over the prior year, an indication of rising property values.
- Sales Tax revenues experienced a slight decline year over year, consistent with national trends and likely driven by increases in online transactions. However, the new Food and Beverage tax outperformed budget estimates by 14%, and other taxes as a category experienced an increase from the prior year of 18%.
- There are no new major revenue sources in fiscal 2017 and none are proposed in the fiscal 2018 budget.
- The water rate was increased to \$42.72 (+8.48%) per thousand cubic feet for the 2018 budget year. There is no separate sewer rate for water customers. The reasons for the increase is predominantly capital improvements and system upgrades, along with typical labor and maintenance increases.

**VILLAGE OF SKOKIE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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- The Village's General Fund 2017 ending fund balance (unassigned) of \$14,765,222 represents 25.1% of the 2018 adopted General Fund budget. This is consistent with Village policy to maintain a minimum of 25% of available fund balance towards the following fiscal year's operating expenses.
- The Village General Insurance Fund (internal service) has a net position of \$5,382 at year end, a marked improvement from the prior year's deficit balance of \$752,899. At year end, the estimated cost of future claims to be liquidated is covered by the available assets in the fund. Funding of actual settled claims will occur as needed.
- The Village public safety pension systems will require additional funding each year as the Village meets its responsibility for full funding by 2041. Plan fiduciary net position as a percentage of the total pension liability is 63.73% for the Police Pension and 49.61% for the Fire Pension.
- The Village has two collective bargaining agreements, with its Firefighters and with its Police Officers. The Fire contract was settled thru arbitration in early 2017, and currently expires on April 30, 2018. The Police contract runs until April 30, 2019. As such, no accruals for contractual salaries were required at year end beyond those customarily related to timing of rendered services and payroll.

**Requests for information**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Village of Skokie, 5127 W. Oakton Street, Skokie, Illinois 60077.

# VILLAGE OF SKOKIE

## STATEMENT OF NET POSITION As of April 30, 2017

	Primary Government			Component Unit Centre East Metropolitan Exposition, Auditorium, and Office Building Authority
	Governmental Activities	Business Type Activities	Totals	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 35,274,748	\$ 4,608,227	\$ 39,882,975	\$ 868,449
Investments	20,942	-	20,942	254,927
Receivables (net)				
Property taxes	8,043,321	12,485	8,055,806	-
Other taxes	4,776,761	118,944	4,895,705	-
Accounts	387,482	2,501,906	2,889,388	43,434
Notes	60,000	-	60,000	-
Other	547,031	-	547,031	-
Internal balances	359,978	(359,978)	-	-
Due from other governmental units	10,335,681	-	10,335,681	-
Inventories and prepaid items	55,765	223,355	279,120	32,202
Payroll advance	477,546	-	477,546	-
Capital Assets (net of accumulated depreciation)				
Capital assets not being depreciated	42,407,521	85,239	42,492,760	1,858,026
Capital assets being depreciated, net of depreciation	142,408,677	34,200,484	176,609,161	8,895,212
Total Assets	<u>245,155,453</u>	<u>41,390,662</u>	<u>286,546,115</u>	<u>11,952,250</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on refunding	662,370	3,382	665,752	-
Deferred outflows related to pensions	36,492,209	639,026	37,131,235	-
Total Deferred Outflows of Resources	<u>37,154,579</u>	<u>642,408</u>	<u>37,796,987</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	6,144,420	799,971	6,944,391	1,099,152
Accrued payroll	3,202,862	53,556	3,256,418	-
Other payables	423,105	-	423,105	-
Accrued interest payable	705,380	7,105	712,485	-
Due to fiduciary funds	1,267,836	-	1,267,836	-
Deposits	1,028,645	-	1,028,645	-
Unearned revenue	87,094	-	87,094	-
Claims payable	3,020,168	-	3,020,168	-
Noncurrent Liabilities				
Due within one year	5,254,244	274,259	5,528,503	-
Due in more than one year	178,555,997	1,316,063	179,872,060	-
Total Liabilities	<u>199,689,751</u>	<u>2,450,954</u>	<u>202,140,705</u>	<u>1,099,152</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future periods	7,931,895	-	7,931,895	-
Deferred inflows related to pensions	9,325,524	16,419	9,341,943	-
Total Deferred Inflows of Resources	<u>17,257,419</u>	<u>16,419</u>	<u>17,273,838</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	146,248,683	33,787,801	180,036,484	10,753,238
Restricted for				
Public safety	792,868	-	792,868	-
Highway and streets	846,686	-	846,686	-
Economic development	4,546,308	-	4,546,308	-
Commuter parking lot	154,011	-	154,011	-
Debt service	7,060,030	-	7,060,030	-
Unrestricted	<u>(94,285,724)</u>	<u>5,777,896</u>	<u>(88,507,828)</u>	<u>99,860</u>
<b>TOTAL NET POSITION</b>	<u>\$ 65,362,862</u>	<u>\$ 39,565,697</u>	<u>\$ 104,928,559</u>	<u>\$ 10,853,098</u>

See accompanying notes to financial statements.

# VILLAGE OF SKOKIE

## STATEMENT OF ACTIVITIES For the Year Ended April 30, 2017

<u>Functions/Programs</u>	Program Revenues			
<u>Primary Government</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 13,333,308	\$ 8,961,195	\$ 823,445	\$ -
Public safety	53,680,664	716,958	592,106	-
Public works	19,737,539	675,000	1,727,039	564,775
Health and welfare	2,149,596	-	-	-
Interest and fiscal charges	<u>1,742,307</u>	<u>-</u>	<u>326,360</u>	<u>-</u>
Total Governmental Activities	<u>90,643,414</u>	<u>10,353,153</u>	<u>3,468,950</u>	<u>564,775</u>
Business-type Activities				
Water and Sewer	8,587,645	11,679,558	-	-
Parking	<u>-</u>	<u>36,742</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>8,587,645</u>	<u>11,716,300</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 99,231,059</u>	<u>\$ 22,069,453</u>	<u>\$ 3,468,950</u>	<u>\$ 564,775</u>
Component Unit				
Centre East Metropolitan Exposition, Auditorium, and Office Building Authority	<u>\$ 2,217,187</u>	<u>\$ 1,314,366</u>	<u>\$ 314,000</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes				
Home rule sales taxes				
Hotel/motel taxes				
Real estate transfer taxes				
Telecommunications taxes				
Utility taxes				
Other taxes				
Intergovernmental				
Personal property replacement taxes				
State income taxes				
Sales taxes				
Use taxes				
Investment income				
Miscellaneous				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
<b>Change in net position</b>				
NET POSITION - Beginning of Year				
<b>NET POSITION - END OF YEAR</b>				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Centre East Metropolitan Exposition, Auditorium, and Office Building Authority
\$ (3,548,668)	\$ -	\$ (3,548,668)	\$ -
(52,371,600)	-	(52,371,600)	-
(16,770,725)	-	(16,770,725)	-
(2,149,596)	-	(2,149,596)	-
(1,415,947)	-	(1,415,947)	-
<u>(76,256,536)</u>	<u>-</u>	<u>(76,256,536)</u>	<u>-</u>
-	3,091,913	3,091,913	-
-	36,742	36,742	-
-	<u>3,128,655</u>	<u>3,128,655</u>	<u>-</u>
<u>(76,256,536)</u>	<u>3,128,655</u>	<u>(73,127,881)</u>	<u>-</u>
-	-	-	(588,821)
18,297,501	-	18,297,501	-
14,215,245	-	14,215,245	-
2,080,873	-	2,080,873	119,849
1,576,507	-	1,576,507	-
2,233,580	-	2,233,580	-
5,249,288	-	5,249,288	-
5,918,757	-	5,918,757	-
1,333,937	-	1,333,937	-
6,123,697	-	6,123,697	-
15,465,511	-	15,465,511	-
1,597,343	-	1,597,343	-
159,214	(3,216)	155,998	1,045
1,180,993	-	1,180,993	6,803
<u>75,432,446</u>	<u>(3,216)</u>	<u>75,429,230</u>	<u>127,697</u>
484,391	(484,391)	-	-
<u>75,916,837</u>	<u>(487,607)</u>	<u>75,429,230</u>	<u>127,697</u>
(339,699)	2,641,048	2,301,349	(461,124)
<u>65,702,561</u>	<u>36,924,649</u>	<u>102,627,210</u>	<u>11,314,222</u>
<u>\$ 65,362,862</u>	<u>\$ 39,565,697</u>	<u>\$ 104,928,559</u>	<u>\$ 10,853,098</u>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2017

	General	Debt Service	Building and Equipment	West Dempster TIF
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,720,587	\$ 7,597,329	\$ 1,307,969	\$ 2,756,846
Investments	-	35	136	-
Receivables (net)				
Taxes	6,776,088	1,248,629	-	-
Other taxes	4,530,314	163,180	-	-
Accounts	387,482	-	16,883	-
Notes receivable	60,000	-	-	-
Other	421,436	-	-	-
Inventories	55,765	-	-	-
Prepays	108,707	-	-	-
Payroll advance	477,546	-	-	-
Due from other funds	690,179	-	314,324	-
Due from other governments	5,151,166	4,527,958	66,908	-
Advances to other funds	1,908,682	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 35,287,952</b>	<b>\$ 13,537,131</b>	<b>\$ 1,706,220</b>	<b>\$ 2,756,846</b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 5,536,340	\$ 31,919,071
20,771	20,942
-	8,024,717
83,267	4,776,761
18,604	422,969
-	60,000
5	421,441
-	55,765
-	108,707
-	477,546
-	1,004,503
589,649	10,335,681
<u>2,000,000</u>	<u>3,908,682</u>
<u>\$ 8,248,636</u>	<u>\$ 61,536,785</u>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2017

	General	Debt Service	Building and Equipment	West Dempster TIF
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 2,059,905	\$ 208	\$ 2,692,950	\$ -
Accrued payroll	3,602,715	-	-	-
Other payables	426,106	-	-	-
Deposits	1,024,225	-	4,420	-
Due to fiduciary funds	1,267,836	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	36,938	-	50,156	-
Advances from other funds	-	-	-	3,793,822
Total Liabilities	8,417,725	208	2,747,526	3,793,822
Deferred Inflows of Resources				
Property taxes levied for future periods	6,688,340	1,243,555	-	-
Unavailable due from other governments	120,000	4,527,958	-	-
Total Deferred Inflows of Resources	6,808,340	5,771,513	-	-
Fund Balances (Deficit)				
Nonspendable for inventories	55,765	-	-	-
Nonspendable for prepaid expenditures	108,707	-	-	-
Nonspendable for advances	1,908,682	-	-	-
Nonspendable for notes receivable	60,000	-	-	-
Nonspendable for payroll advance	477,546	-	-	-
Restricted for public safety	792,868	-	-	-
Restricted for economic development	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for employee benefits	-	-	-	-
Restricted for commuter parking lot	-	-	-	-
Restricted for debt service	-	7,765,410	-	-
Committed for public safety	-	-	-	-
Assigned for insurance	1,893,097	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	14,765,222	-	(1,041,306)	(1,036,976)
Total Fund Balances (deficit)	20,061,887	7,765,410	(1,041,306)	(1,036,976)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 35,287,952</b>	<b>\$ 13,537,131</b>	<b>\$ 1,706,220</b>	<b>\$ 2,756,846</b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 652,858	\$ 5,405,921
16,913	3,619,628
34,585	460,691
-	1,028,645
-	1,267,836
1,004,503	1,004,503
-	87,094
<u>114,860</u>	<u>3,908,682</u>
<u>1,823,719</u>	<u>16,783,000</u>
-	7,931,895
<u>406,469</u>	<u>5,054,427</u>
<u>406,469</u>	<u>12,986,322</u>
-	55,765
-	108,707
-	1,908,682
-	60,000
-	477,546
-	792,868
4,546,308	4,546,308
846,686	846,686
12,436	12,436
154,011	154,011
-	7,765,410
696,442	696,442
-	1,893,097
463,896	463,896
<u>(701,331)</u>	<u>11,985,609</u>
<u>6,018,448</u>	<u>31,767,463</u>
<u>\$ 8,248,636</u>	<u>\$ 61,536,785</u>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of April 30, 2017

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Total Fund Balances - Governmental Funds	\$ 31,767,463
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III C.	184,816,198
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	5,054,427
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet.	36,414,082
Net other postemployment benefits obligation is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(1,269,046)
Internal service funds are reported in the statement of net position as governmental activities.	365,360
Deferred inflows of resources related to pensions do not related to current financial resources and are not reported in the Governmental Funds Balance Sheet.	(9,323,511)
Unamortized loss on refunding are reported in the statement of net position as deferred outflow of resources in the government-wide financial statements.	662,370
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(43,626,669)
Compensated absences	(2,277,944)
Accrued interest	(705,380)
Unamortized premium	(599,719)
Net pension liabilities	<u>(135,914,769)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 65,362,862</u></b>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended April 30, 2017

	General	Debt Service	Building and Equipment	West Dempster TIF
<b>REVENUES</b>				
Property taxes	\$ 13,642,910	\$ 2,498,685	\$ -	\$ -
Other taxes	18,101,925	2,682,564	4,798,614	-
Licenses and permits	3,898,499	11,528	675,000	-
Fines	2,223,271	-	-	-
Charges for services	2,667,719	-	-	-
Intergovernmental	25,350,170	1,602,085	564,775	-
Investment income	152,085	2,674	1	-
Miscellaneous	601,189	-	269,873	-
Total Revenues	66,637,768	6,797,536	6,308,263	-
<b>EXPENDITURES</b>				
Current				
General government	8,676,027	4,934	818,656	130,156
Public safety	42,078,694	-	-	-
Public works	13,195,291	-	-	-
Health and welfare	1,748,329	-	-	-
Capital Outlay	-	-	11,449,272	-
Debt Service				
Principal	-	7,597,813	-	-
Interest and fiscal charges	-	1,873,605	-	-
Bond issuance costs	-	151,656	-	-
Total Expenditures	65,698,341	9,628,008	12,267,928	130,156
Excess (deficiency) of revenues over expenditures	939,427	(2,830,472)	(5,959,665)	(130,156)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,599,874	3,488,999	-
Transfers out	-	(31,279)	-	(25,128)
General obligation debt issued	-	9,225,000	-	-
Payments to refunding escrow	-	(9,073,344)	-	-
Sales of capital assets	110,553	-	-	3,545,372
Total Other Financing Sources (Uses)	110,553	2,720,251	3,488,999	3,520,244
<b>Net Change in Fund Balances</b>	1,049,980	(110,221)	(2,470,666)	3,390,088
FUND BALANCES - Beginning of Year (Deficit)	19,011,907	7,875,631	1,429,360	(4,427,064)
<b>FUND BALANCES - END OF YEAR (DEFICIT)</b>	<b>\$ 20,061,887</b>	<b>\$ 7,765,410</b>	<b>\$ (1,041,306)</b>	<b>\$ (1,036,976)</b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 2,155,906	\$ 18,297,501
3,039,777	28,622,880
-	4,585,027
-	2,223,271
527,701	3,195,420
1,869,718	29,386,748
4,454	159,214
<u>456,003</u>	<u>1,327,065</u>
<u>8,053,559</u>	<u>87,797,126</u>
1,344,204	10,973,977
-	42,078,694
628,045	13,823,336
326,503	2,074,832
112,362	11,561,634
-	7,597,813
-	1,873,605
-	151,656
<u>2,411,114</u>	<u>90,135,547</u>
<u>5,642,445</u>	<u>(2,338,421)</u>
-	6,088,873
(5,548,075)	(5,604,482)
-	9,225,000
-	(9,073,344)
<u>361,536</u>	<u>4,017,461</u>
<u>(5,186,539)</u>	<u>4,653,508</u>
455,906	2,315,087
<u>5,562,542</u>	<u>29,452,376</u>
<u>\$ 6,018,448</u>	<u>\$ 31,767,463</u>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2017

Net change in fund balances - total governmental funds	\$	2,315,087
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		11,561,634
Some items reported as capital outlay were not capitalized		(2,037,880)
Depreciation is reported in the government-wide financial statements		(4,798,637)
Net book value of assets retired		(4,296,381)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(884,208)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(9,225,000)
Principal repaid and refunded		16,017,813
<p>Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet.</p>		
		(3,465,765)
<p>Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet.</p>		
		(4,346,951)
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Loss on refunding		674,360
Amortization of bond discount		(21,016)
Amortization of debt premium		135,504
Amortization of loss on refunding		(89,373)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(26,183)
Net pension liability		(2,694,289)
Other post employment benefit obligation		(73,308)
Accrued interest on debt		236,823
<p>Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.</p>		
		678,071
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(339,699)</u></b>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF NET POSITION PROPRIETARY FUND As of April 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Nonmajor Enterprise Fund - Skokie/Edison Parking Lot</u>	<u>Totals</u>	<u>Internal Service</u>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 4,528,274	\$ 79,953	\$ 4,608,227	\$ 3,355,677
Receivables (net)				
Accounts	2,633,335	-	2,633,335	-
Inventories	<u>223,355</u>	<u>-</u>	<u>223,355</u>	<u>-</u>
Total Current Assets	<u>7,384,964</u>	<u>79,953</u>	<u>7,464,917</u>	<u>3,355,677</u>
Noncurrent Assets				
Capital Assets				
Capital assets not being depreciated	85,239	-	85,239	-
Capital assets being depreciated	57,586,402	3,546,909	61,133,311	-
Accumulated depreciation	<u>(23,385,918)</u>	<u>(3,546,909)</u>	<u>(26,932,827)</u>	<u>-</u>
Total Noncurrent Assets	<u>34,285,723</u>	<u>-</u>	<u>34,285,723</u>	<u>-</u>
 Total Assets	 <u>41,670,687</u>	 <u>79,953</u>	 <u>41,750,640</u>	 <u>3,355,677</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on refunding	3,382	-	3,382	-
Deferred outflows related to pensions	<u>639,026</u>	<u>-</u>	<u>639,026</u>	<u>78,127</u>
Total Deferred Outflows of Resources	<u>642,408</u>	<u>-</u>	<u>642,408</u>	<u>78,127</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Nonmajor Enterprise Fund - Skokie/Edison Parking Lot</u>	<u>Totals</u>	<u>Internal Service</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	778,665	-	778,665	275,615
Accrued payroll	74,862	-	74,862	8,532
Accrued interest	7,105	-	7,105	-
Claims payable	-	-	-	1,510,084
Compensated absences	5,353	-	5,353	-
General obligation bonds payable	<u>268,906</u>	-	<u>268,906</u>	-
Total Current Liabilities	<u>1,134,891</u>	-	<u>1,134,891</u>	<u>1,794,231</u>
Noncurrent Liabilities				
Long-Term Debt				
Claims payable	-	-	-	1,510,084
Compensated absences	91,101	-	91,101	-
General obligation bonds payable	229,016	-	229,016	-
Net pension liability	<u>995,946</u>	-	<u>995,946</u>	<u>122,094</u>
Total Noncurrent Liabilities	<u>1,316,063</u>	-	<u>1,316,063</u>	<u>1,632,178</u>
Total Liabilities	<u>2,450,954</u>	-	<u>2,450,954</u>	<u>3,426,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	<u>16,419</u>	-	<u>16,419</u>	<u>2,013</u>
Total Deferred Inflows of Resources	<u>16,419</u>	-	<u>16,419</u>	<u>2,013</u>
<b>NET POSITION</b>				
Net investment in capital assets	33,787,801	-	33,787,801	-
Unrestricted	<u>6,057,921</u>	<u>79,953</u>	<u>6,137,874</u>	<u>5,382</u>
<b>TOTAL NET POSITION</b>	<u>\$ 39,845,722</u>	<u>\$ 79,953</u>	39,925,675	<u>\$ 5,382</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>(359,978)</u>	
Net Position Business-type Activities			<u>\$ 39,565,697</u>	

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND For the Year Ended April 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Nonmajor Enterprise Fund - Skokie/Edison Parking Lot</u>	<u>Totals</u>	<u>Internal Service</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 11,679,558	\$ 36,742	\$ 11,716,300	\$ 1,130,110
Total Operating Revenues	<u>11,679,558</u>	<u>36,742</u>	<u>11,716,300</u>	<u>1,130,110</u>
<b>OPERATING EXPENSES</b>				
Water and sewerage	7,029,679	-	7,029,679	-
Water meters	275,363	-	275,363	-
Flood control	588,322	-	588,322	-
Personnel services	-	-	-	232,651
Professional services	-	-	-	137,178
Claims and purchased services	-	-	-	2,653,370
Depreciation	<u>758,944</u>	<u>-</u>	<u>758,944</u>	<u>-</u>
Total Operating Expenses	<u>8,652,308</u>	<u>-</u>	<u>8,652,308</u>	<u>3,023,199</u>
Operating Income (Loss)	<u>3,027,250</u>	<u>36,742</u>	<u>3,063,992</u>	<u>(1,893,089)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Home rule sales tax	-	-	-	2,651,370
Investment income	(3,216)	-	(3,216)	-
Interest and fiscal charges	<u>(15,547)</u>	<u>-</u>	<u>(15,547)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(18,763)</u>	<u>-</u>	<u>(18,763)</u>	<u>2,651,370</u>
Income (Loss) Before Transfers	<u>3,008,487</u>	<u>36,742</u>	<u>3,045,229</u>	<u>758,281</u>
<b>TRANSFERS</b>				
Transfers out	<u>(484,391)</u>	<u>-</u>	<u>(484,391)</u>	<u>-</u>
Total Transfers	<u>(484,391)</u>	<u>-</u>	<u>(484,391)</u>	<u>-</u>
<b>Change in Net Position</b>	2,524,096	36,742	2,560,838	758,281
NET POSITION (DEFICIT) - Beginning of Year	<u>37,321,626</u>	<u>43,211</u>	<u>(752,899)</u>	<u>(752,899)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 39,845,722</u>	<u>\$ 79,953</u>	<u>\$ 5,382</u>	<u>\$ 5,382</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>80,210</u>	
Change in Net Position of Business-type Activities			<u>\$ 2,641,048</u>	

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Nonmajor Enterprise Fund - Skokie/Edison Parking Lot</u>	<u>Totals</u>	<u>Internal Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers and users	\$ 11,676,241	\$ 36,742	\$ 11,712,983	\$ 1,130,110
Paid to suppliers for goods and services	(6,405,595)	-	(6,405,595)	(3,769,323)
Paid to employees for services	(1,341,941)	-	(1,341,941)	(216,309)
Net Cash Flows From Operating Activities	<u>3,928,705</u>	<u>36,742</u>	<u>3,965,447</u>	<u>(2,855,522)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	(3,216)	-	(3,216)	-
Net Cash Flows From Investing Activities	<u>(3,216)</u>	<u>-</u>	<u>(3,216)</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Home rule sales taxes	-	-	-	2,651,370
Transfers	(484,391)	-	(484,391)	-
Net Cash Flows From Noncapital Financing Activities	<u>(484,391)</u>	<u>-</u>	<u>(484,391)</u>	<u>2,651,370</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt retired	(258,713)	-	(258,713)	-
Interest paid	(27,097)	-	(27,097)	-
Acquisition and construction of capital assets	(4,611,581)	-	(4,611,581)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(4,897,391)</u>	<u>-</u>	<u>(4,897,391)</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	(1,456,293)	36,742	(1,419,551)	(204,152)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,984,567</u>	<u>43,211</u>	<u>6,027,778</u>	<u>3,559,829</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,528,274</u>	<u>\$ 79,953</u>	<u>\$ 4,608,227</u>	<u>\$ 3,355,677</u>

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Nonmajor Enterprise Fund - Skokie/Edison Parking Lot</u>	<u>Totals</u>	<u>Internal Service</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 3,027,250	\$ 36,742	\$ 3,063,992	\$ (1,893,089)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	758,944	-	758,944	-
Changes in assets and liabilities				
Accounts receivable	(3,317)	-	(3,317)	-
Inventory	(12,116)	-	(12,116)	-
Deferred outflows related to pensions	(101,498)	-	(101,498)	(15,302)
Accounts payable	44,883	-	44,883	232,974
Accrued payroll	26,423	-	26,423	5,309
Compensated absences	7,713	-	7,713	-
Claims payable	-	-	-	(1,211,749)
Deferred inflows related to pensions	16,419	-	16,419	2,013
Net pension liability	<u>164,004</u>	<u>-</u>	<u>164,004</u>	<u>24,322</u>
 <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	 <u>\$ 3,928,705</u>	 <u>\$ 36,742</u>	 <u>\$ 3,965,447</u>	 <u>\$ (2,855,522)</u>
 <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None				

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2017

	Pension Trusts	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,075,931	\$ 2,342,097
Investments		
U.S. Government and agency obligations	25,793,447	-
Real Estate	4,829,249	-
Mutual funds	86,998,352	-
Stocks	12,999,558	-
Money market mutual funds	1,454,121	-
Corporate bonds	23,404,542	-
State and local bonds	3,147,515	-
Receivables		
Interest	367,178	-
Due from primary government	1,267,836	-
Prepaid items	9,687	-
Total Assets	161,347,416	2,342,097
<b>LIABILITIES</b>		
Accounts payable	28,595	13,150
Other payables	-	770,895
Deposits	-	1,558,052
Total Liabilities	28,595	2,342,097
<b>NET POSITION</b>		
Restricted for pensions	\$ 161,318,821	\$ -

See accompanying notes to financial statements.

## VILLAGE OF SKOKIE

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended April 30, 2017

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	<u>Pension Trusts</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 7,630,168
Participants	<u>2,067,924</u>
Total Contributions	<u>9,698,092</u>
Investment income	
Interest income	4,900,929
Net appreciation in fair value of investments	10,961,548
Investment expense	<u>(247,988)</u>
Total Investment Income	<u>15,614,489</u>
Total Additions	<u>25,312,581</u>
<b>DEDUCTIONS</b>	
Administrative	144,824
Pension benefits and refunds	<u>14,307,717</u>
Total Deductions	<u>14,452,541</u>
 <b>Change in Net Position</b>	 10,860,040
 NET POSITION - Beginning of Year	 <u>150,458,781</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 161,318,821</u></u>

See accompanying notes to financial statements.

VILLAGE OF SKOKIE

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As of and for the Year Ended April 30, 2017

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See accompanying notes to financial statements.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Skokie, Illinois (the Village) was incorporated in 1888. The Village is a home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates as a municipal corporation governed by an elected board.

The accounting policies of the Village of Skokie, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

**A. REPORTING ENTITY**

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

*Pension Trust Funds*

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the FPERS.

*Discretely Presented Component Unit*

*Centre East Metropolitan Exposition, Auditorium and Office Building Authority*

The government-wide financial statements include the Centre East Metropolitan Exposition, Auditorium and Office Building Authority (Authority) as a component unit. The Authority was established by Illinois Compiled Statutes (ILCS) in order to promote, operate, and maintain various cultural activities within the Village's jurisdiction. The Authority is governed by a nine-member board; six members are appointed by the Village, the remaining three are appointed by the Supervisor of Niles Township. The Authority must submit an annual budget to the Village for approval, and all budget deficits at year end are funded by the Village. Separately issued financial statements can be obtained by contacting the Centre East Metropolitan Exposition, Auditorium and Office Building Authority at 5127 Oakton Street, Skokie, Illinois 60077.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2015, the GASB issued statement No. 72 - *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as 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. This standard was implemented April 30, 2017.

*Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

*Fund Financial Statements*

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

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:

- General Fund - accounts for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.
- Building and Equipment Fund - used to account for revenues that are restricted, committed or assigned for building construction, computerization and major equipment purchases.
- West Dempster TIF - used to account for incremental property tax revenues that are restricted for improvements to the area encompassing the West Dempster Street commercial corridor and the abandoned Union Pacific Railroad right-of-way.

The Village reports the following major enterprise fund:

- Water and Sewer Fund - accounts for operations of the water and sewer services provided to the residents of the Village.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The Village reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Science & Technology TIF Fund
- Local Fuel Tax Fund
- IMRF Fund
- CTA Parking Lot Fund
- Economic Development Fund
- Motor Fuel Tax Fund
- Community Development Block Grant Fund
- Visitor's Bureau Fund
- Wireless Alarm Fund

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Centre East Development Fund

Enterprise Fund - used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Skokie/Edison Parking Lot Fund

In addition, the Village reports the following fund types:

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

Insurance Fund

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Firefighters' Pension Fund  
Police Pension Fund

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Agency Funds - used to account for and report assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Escrow Deposit Fund  
SSA #2 Fund

SSA #1 Fund

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's Water and Sewer Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for telecommunications taxes and sales taxes (municipal and home rule), for which available is defined as 90 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund and Skokie/Edison Parking Lot Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**1. Deposits and Investments (cont.)**

Illinois Statutes authorize the Village to make 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 or agreement 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 the Illinois Funds Investment Pool.

Pension funds 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, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The Police Pension Fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The Firefighters' Pension Fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The Police Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Equities	48.00%	7.50%
International Equities	12.00%	8.50%
Real Estate	5.00%	4.50%
U.S. Fixed Income	35.00%	2.50%

Illinois Compiled Statutes (ILCS) limit the Police Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Police Pension Fund's investments was determined using an asset allocation study conducted by the Police Pension Fund's investment management consultant in fiscal year 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Police Pension Fund's target asset allocation are listed in the table above.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**1. Deposits and Investments (cont.)**

The Firefighters' Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	45.50%	6.60%
Small Cap Domestic Equity	13.00%	8.60%
International Equity	6.50%	6.90%
Fixed Income	35.00%	1.40%

Illinois Compiled Statutes (ILCS) limit the Firefighters' Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Firefighters' Pension Fund's investments was determined using an asset allocation study conducted by the Firefighters' Pension Fund's investment management consultant in fiscal year 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Firefighters' Pension Fund's target asset allocation are listed in the table above.

The Village and Pension Funds have adopted investment policies. The policies authorize the Village and Pension Funds to invest in all investments allowed by the Illinois Compiled Statutes (ILCS).

**Interest Rate Risk**

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in short-term securities, money market funds or similar investment pools.

The Police Pension Fund's and Firefighters' Pension Fund's investment policies do not address this issue. The Police Pension Fund and Firefighters' Pension Fund limit their exposure to interest rate risk by structuring the portfolios to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

*D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

1. *Deposits and Investments (cont.)*

**Credit Risk**

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSGRO's). The Village limits its exposure to credit risk by limiting investments to the safest types of securities; prequalifying the financial institutions, intermediaries and advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized.

The Police Pension Fund and Firefighters' Pension Fund limit their exposure to credit risk by only investing in U.S. Treasury obligations and other obligations which are rated "investment grade," BBB, or better by a national rating agency.

**Concentration of Credit Risk**

The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); limiting investment in securities that have higher credit risks; investing in securities with varying maturities; and continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPS) or money market funds to ensure that proper liquidity is maintained in order to meet ongoing obligations.

The Police Pension Fund's and Firefighters' Pension Fund's investment policies require diversification of investments to avoid unreasonable risk but do not establish specific maximum portfolio percentages.

**Custodial Credit Risk - Deposits**

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 an independent third party custodian, in the name of the Village.

The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

The Firefighters' Pension Fund'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 an independent third party or the Federal Reserve Bank.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

*D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

1. *Deposits and Investments (cont.)*

**Custodial Credit Risk - Investments**

To limit 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 by an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement.

The Police Pension Fund and Firefighters' Pension Fund require 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 custodian, in the name of the respective Fund, and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No adjustments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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 Fund's share price, the price for which the investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. Investment in IMET's 1-3 year fund may be redeemed with 5 business days' notice.

See Note III. A. for further information.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**2. Receivables**

Property taxes for levy year 2016 attaches as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2017 tax levy, which attached as an enforceable lien on the property as of January 1, 2017, has not been recorded as a receivable as of April 30, 2017, as the tax has not yet been levied by the Village and will not be levied until December 2017, and therefore, the levy is not measurable at April 30, 2017.

Tax bills for levy year 2016 are prepared by Cook County and issued on or about February 1, 2017 and July 1, 2017, and are payable in two installments, on or about March 1, 2017 and August 1, 2017 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2016 property tax levy is recognized as a receivable and unearned revenue in fiscal 2017, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2017, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2016 levy.

Trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days (\$42,184 in the Water and Sewer Fund and \$96,613 in the General Fund) comprise the trade accounts receivable allowance for uncollectibles.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

**3. Inventories and Prepaid Items**

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**3. Inventories and Prepaid Items (cont.)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Capital Assets**

**Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$20,000 and an estimated useful life in excess of 5 years. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Streets and land improvements	20 - 100	Years
Buildings	50	Years
Furniture, equipment and vehicles	5 - 20	Years
Water storage tanks, meters, pumps, pump houses and hydrants	20 - 75	Years
Underground water and sewer system	50 - 100	Years

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**4. Capital Assets (cont.)**

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**5. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

**6. Compensated Absences**

Under terms of employment, employees are granted vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at April 30, 2017, are determined on the basis of current salary rates and include salary related payments.

**7. Long-Term Obligations**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, accrued compensated absences, and net pension and other post employment benefit obligations.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**7. Long-Term Obligations**

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

**8. Deferred Inflows of Resources**

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

**9. Equity Classifications**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The Village has adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER BUDGET

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General	\$ 55,607,802	\$ 65,698,341	\$ 10,090,539
Debt Service	7,574,870	9,476,352	1,901,482
Local Fuel Tax	-	3	3
Centre East Development	-	483,012	483,012
Wireless Alarm	115,466	152,485	37,019

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded budget. The detail of those items can be found in the Village's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2017, the following individual funds held a deficit balance:

Fund	Amount
Building and Equipment	\$ (1,041,306)
West Dempster TIF	(1,036,976)
Local Fuel Tax	(403,613)
Community Development Block Grant	(297,718)

These fund deficits will be funded with future tax or grant revenues.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Cash	\$ 9,785,275	\$ 9,722,278	Custodial credit risk - deposits
Illinois Funds	33,501,621	33,501,621	Credit risk
IMET (Convenience Fund)	1,314	1,314	Credit risk
Non-negotiable CDs	20,033	20,033	Custodial credit risk - deposits
Money market mutual funds	1,453,715	1,453,715	Credit risk, interest rate risk
Mutual funds - other than bond funds	86,998,352	86,998,352	N/A
Stocks	12,999,558	12,999,558	Custodial credit risk - investments, concentration of credit risk
Corporate bonds	23,404,542	23,404,542	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
State and local bonds	3,147,515	3,147,515	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
U.S. Agency obligations (explicitly guaranteed)	13,519,716	13,519,716	Custodial credit risk - investments, interest rate risk
U.S. Agency obligations (implicitly guaranteed)	6,924,347	6,924,347	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Real estate investment trust	4,829,249	4,829,249	Credit risk
U.S. Treasury obligations	5,349,384	5,349,384	Custodial credit risk - investments, interest rate risk
Cash on hand	14,108	-	N/A
Total Deposits and Investments	<u>\$201,948,729</u>	<u>\$201,871,624</u>	

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position	
Cash and cash equivalents	\$ 39,882,975
Investments	20,942
Per statement of net position - fiduciary funds	
Cash and cash equivalents	3,418,028
U.S. Government and agency obligations	25,793,447
Mutual funds	86,998,352
Stocks	12,999,558
Money market mutual funds	1,454,121
Corporate bonds	23,404,542
Real estate	4,829,249
State and local bonds	<u>3,147,515</u>
Total Deposits and Investments	<u>\$201,948,729</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The Village used the market valuation method for recurring fair value measurements. As of April 30, 2017, the Village's investments were measured using valuation inputs as follows:

Police Pension Fund

Investment Type	April 30, 2017			
	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 1,014,735	\$ -	-	\$ 1,014,735
Real estate investment trust	-	4,829,249	-	4,829,249
Mutual funds - other than bond funds	39,140,021	-	-	39,140,021
Stocks	12,999,558	-	-	12,999,558
Corporate bonds	-	13,985,698	-	13,985,698
U.S. Agency obligations	-	10,641,517	-	10,641,517
State and local bonds	-	451,962	-	451,962
U.S. Treasury obligations	3,278,290	-	-	3,278,290
Total	\$ 56,432,604	\$ 29,908,426	\$ -	\$ 86,341,030

Firefighters' Pension Fund

Investment Type	April 30, 2017			
	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 438,980	\$ -	-	\$ 438,980
Mutual funds - other than bond funds	47,858,331	-	-	47,858,331
Corporate bonds	-	9,418,844	-	9,418,844
U.S. Agency obligations	-	9,802,546	-	9,802,546
State and local bonds	-	2,695,553	-	2,695,553
U.S. Treasury obligations	2,071,094	-	-	2,071,094
Total	\$ 50,368,405	\$ 21,916,943	\$ -	\$ 72,285,348

**Custodial Credit Risk**

**Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

The Village does not have any deposits exposed to custodial credit risk.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2017, the Village's investments were rated as follows:

Investment Type	Moody's Investors Services
IMET (Convenience Fund)	N/A
Money market mutual funds	Aaa-mf
Real estate investment trust	A1
Corporate bonds	Aaa - Baa2
State and local bonds	Aa1-Aa3
Mutual funds - bond funds	Aaa-mf
U.S. Agency obligations (Implicitly guaranteed)	Aaa

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 rated AAAm and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

**Interest Rate Risk**

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

Police Pension Fund

Investment Type	Fair Value	Maturity (In Years)				
		Less than 1	1 - 5	6 - 10	Greater than 10	
Money market mutual funds	\$ 1,014,735	\$ 1,014,735	\$ -	\$ -	\$ -	\$ -
U.S. Agency obligations	10,641,517	400,146	915,618	1,274,036	8,051,717	-
State and local bonds	451,962	-	103,780	348,182	-	-
Corporate bonds	13,985,698	608,617	8,486,034	4,891,047	-	-
U.S. Treasury obligations	3,278,290	1,235,368	-	2,042,922	-	-
Totals	\$ 29,372,202	\$ 3,258,866	\$ 9,505,432	\$ 8,556,187	\$ 8,051,717	\$ -

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

Firefighters' Pension Fund

Investment Type	Fair Value	Maturity (In Years)				Greater than 10
		Less than 1	1 - 5	6 - 10	10	
Money market mutual funds	\$ 438,980	\$ 438,980	\$ -	\$ -	\$ -	\$ -
State and local bonds	2,695,553	999,681	1,650,112	6,493,768	275,283	-
Corporate bonds	9,418,844	603,044	3,516,175	3,913,902	1,769,425	-
U.S. Agency obligations	9,802,546	249,766	1,104,680	716,648	-	-
U.S. Treasury obligations	2,071,094	-	-	-	-	-
Totals	\$ 24,427,017	\$ 4,987,024	\$ 6,270,967	\$ 11,124,318	\$ 2,044,708	\$ -

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note I.D.1. for further information on deposit and investment policies.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Funds	Totals
Other taxes				
Home rule sales tax	\$ 3,075,252	\$ -	\$ -	\$ 3,075,252
Telecom tax	556,727	-	-	556,727
Hotel/motel tax	189,178	-	-	189,178
Utility tax	357,785	-	-	357,785
Food and beverage tax	343,137	-	-	343,137
Auto rental tax	8,235	-	-	8,235
Local fuel tax	-	-	83,267	83,267
Other	-	163,180	-	163,180
Total	\$ 4,530,314	\$ 163,180	\$ 83,267	\$ 4,776,761

	General Fund	Debt Service Fund	Building and Equipment Fund	Nonmajor Funds	Totals
Due from other governments					
Municipal sales tax	\$ 3,456,237	\$ -	\$ -	\$ -	\$ 3,456,237
Use tax	376,692	-	-	-	376,692
State income tax	987,535	-	-	-	987,535
Circuit court fines	16,652	-	-	-	16,652
State grants	314,050	-	-	121,879	435,929
Federal grants	-	-	66,908	406,469	473,377
Due from Skokie Public Library	-	4,527,958	-	61,301	4,589,259
Total	\$ 5,151,166	\$ 4,527,958	\$ 66,908	\$ 589,649	\$ 10,335,681

All of the receivables on the balance sheet are expected to be collected within one year, except for the amount due from Skokie Public Library and the note receivable.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *unavailable* or *unearned* revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable* revenue and *unearned* revenue reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes levied for future periods	\$ 7,931,895	\$ -
Use tax receivable	-	120,000
Due from Skokie Public Library	-	4,527,958
CDBG grant receivable	-	406,469
Other	87,094	-
	<u>\$ 8,018,989</u>	<u>\$ 5,054,427</u>
Total Unearned/Unavailable Revenue for Governmental Funds		
Unearned revenue included in liabilities	\$ 87,094	
Unearned revenue included in deferred inflows	7,931,895	
Total Unearned Revenue for Governmental Funds	<u>\$ 8,018,989</u>	

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 42,809,084	\$ 638,182	\$ 4,296,381	\$ 39,150,885
Construction in progress	2,388,195	1,565,511	697,070	3,256,636
Total Capital Assets Not Being depreciated	<u>45,197,279</u>	<u>2,203,693</u>	<u>4,993,451</u>	<u>42,407,521</u>
Capital assets being depreciated				
Streets and land improvements	178,418,013	6,051,070	-	184,469,083
Buildings	47,932,657	340,188	-	48,272,845
Furniture, equipment, and vehicles	24,306,883	1,625,873	421,434	25,511,322
Total Capital Assets Being Depreciated	<u>250,657,553</u>	<u>8,017,131</u>	<u>421,434</u>	<u>258,253,250</u>
Total Capital Assets	<u>295,854,832</u>	<u>10,220,824</u>	<u>5,414,885</u>	<u>300,660,771</u>
Less: Accumulated depreciation for				
Streets and land improvements	85,408,288	2,166,456	-	87,574,744
Buildings	10,612,882	959,936	-	11,572,818
Furniture, equipment, and vehicles	15,446,200	1,672,245	421,434	16,697,011
Total Accumulated depreciation	<u>111,467,370</u>	<u>4,798,637</u>	<u>421,434</u>	<u>115,844,573</u>
Net Capital Assets Being Depreciated	<u>139,190,183</u>	<u>3,218,494</u>	<u>-</u>	<u>142,408,677</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$184,387,462</u>	<u>\$ 5,422,187</u>	<u>\$ 4,993,451</u>	<u>\$184,816,198</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 241,805
Public safety	1,597,245
Public works	2,959,587
Total Governmental Activities Depreciation Expense	<u>\$ 4,798,637</u>

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 85,239	\$ -	\$ -	\$ 85,239
Construction in progress	24,454	-	24,454	-
Total Capital Assets Not Being Depreciated	109,693	-	24,454	85,239
Capital assets being depreciated				
Land improvement	3,546,909	-	-	3,546,909
Furniture, equipment, and vehicles	1,748,929	170,026	-	1,918,955
Water storage tanks, meters, pumps, pump houses, and hydrants	6,731,775	473,279	-	7,205,054
Underground water and sewer system	44,469,663	3,992,730	-	48,462,393
Total Capital Assets Being Depreciated	56,497,277	4,636,035	-	61,133,311
Total Capital Assets	56,606,970	4,636,035	24,454	61,218,550
Less: Accumulated depreciation for				
Land improvement	3,546,909	-	-	3,546,909
Furniture, equipment, and vehicles	888,521	127,677	-	1,016,198
Water storage tanks, meters, pumps, pump houses, and hydrants	3,704,887	146,645	-	3,851,532
Underground water and sewer system	18,033,566	484,622	-	18,518,188
Total Accumulated depreciation	26,173,883	758,944	-	26,932,827
Net Capital Assets Being Depreciated	30,323,394	3,877,091	-	34,200,484
Business-type Capital Assets, Net of Accumulated depreciation	\$ 30,433,087	\$ 3,877,091	\$ 24,454	\$ 34,285,723

Depreciation expense was charged to functions as follows:

<b>Business-type Activities</b>	
Water and sewer	\$ 758,944
Total Business-type Activities Depreciation Expense	\$ 758,944

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Building and Equipment	Nonmajor Governmental	\$ 690,179
	Nonmajor Governmental	314,324
Total - Fund Financial Statements		1,004,503
Add: Interfund receivables created with internal service fund eliminations		359,978
Less: Government-wide eliminations		(1,004,503)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 359,978

All amounts are due within one year.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The General Fund and Economic Development Fund (a nonmajor governmental fund) are advancing funds to the West Dempster TIF Fund to support economic development expenditures. Additionally, the General Fund advanced funds to the IMRF Fund (a nonmajor governmental fund) to support advance payments on required future contributions. The advances will be repaid in future years by incremental property tax revenue.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	West Dempster TIF	\$ 1,793,822	\$ 1,793,822
General	Nonmajor Governmental	114,860	114,860
Nonmajor Governmental	West Dempster TIF	2,000,000	2,000,000
Total - Fund Financial Statements		3,908,682	
Less: Fund eliminations		(3,908,682)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
Debt Service	Nonmajor Governmental	\$ 2,599,874
Building and Equipment	Debt Service	31,279
Building and Equipment	West Dempster TIF	25,128
Building and Equipment	Nonmajor Governmental	2,948,201
Building and Equipment	Water and Sewer	484,391
Total - Fund Financial Statements		6,088,873
Less: Government-wide eliminations		(5,604,482)
Total Transfers - Government-Wide Statement of Activities		\$ 484,391

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable	\$ 50,419,482	\$ 9,225,000	\$ 16,017,813	\$ 43,626,669	\$ 5,127,818
General obligation debt	735,223	-	135,584	599,719	-
Unamortized premium	1,819,039	-	(2,016)	1,817,023	-
Unamortized discount	-	-	(6,068)	-	-
Sub-totals	51,133,689	9,225,000	16,132,301	44,226,388	5,127,818
Other Liabilities					
Compensated absences	2,251,761	2,987,824	2,971,641	2,277,944	126,426
Net other postemployment benefits obligation	1,195,738	569,626	496,318	1,269,046	-
Net pension liability - IMRF	9,528,502	3,494,608	1,773,295	11,249,815	-
Net pension liability - SLEP	130,220	-	34,706	95,514	-
Net pension liability - Police	50,823,418	2,505,370	3,424,615	49,904,173	-
Net pension liability - Fire	72,836,112	6,156,802	4,205,553	74,787,361	-
Net pension liability - Fire	136,765,751	15,724,230	12,906,128	139,583,853	-
Total Governmental Activities Long-Term Liabilities	187,699,440	24,949,230	29,038,429	183,610,241	5,254,244
<b>Business-type Activities</b>					
Bonds and Notes Payable	\$ 745,891	\$ -	\$ 258,713	\$ 487,178	\$ 288,906
General obligation debt	21,488	-	10,744	10,744	-
Unamortized premium	767,379	-	269,457	497,922	288,906
Sub-totals	745,891	-	269,457	487,178	288,906
Other Liabilities					
Compensated absences	88,741	119,573	111,860	96,454	5,353
Net pension liability - IMRF	831,942	322,716	158,712	995,946	-
Net pension liability - IMRF	920,683	442,289	270,572	1,092,400	5,353
Total Business-type Activities Long-Term Liabilities	1,688,062	442,289	540,029	1,590,322	274,259

Compensated absences, the net pension liabilities, and the other postemployment benefits obligation are paid out of the General Fund.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities	Final Maturity	Interest Rates	Original Indebtedness	Balance April 30, 2017
General Obligation Debt due in annual installments of \$75,203 to \$102,046	March 1, 2018	3.40%	\$ 1,758,800	\$ 203,608
2008 Special Service Area #8 Note due in annual installments of \$8,552 to \$11,604	March 1, 2018	3.40%	200,000	23,158
2009 Special Service Area #9 Note due in equal annual installments of \$76,138	March 1, 2019	4.36%	1,145,000	270,515
2010 Special Service Area #9 Note due in equal annual installments of \$89,541	March 1, 2020	3.85%	1,475,000	501,592
2009A General Obligation Bonds due in annual installments of \$273,296 to \$3,088,587	December 1, 2018	2.00% - 3.50%	21,730,000	555,024
2009B Taxable General Obligation Bonds due in annual installments of \$1,040,000 to \$1,930,000	December 1, 2029	4.11% - 6.04%	18,420,000	18,420,000
2010 General Obligation Refunding Bonds due in annual installments of \$215,972 to \$1,862,797	December 1, 2017	1.00% - 5.00%	13,552,792	5,292,797
2013A General Obligation Bonds due in annual installments of \$495,000 to \$785,000	December 1, 2028	3.00% - 3.75%	9,415,000	7,885,000
2014 General Obligation Note due in annual installments of \$69,731 to \$110,982	December 1, 2024	2.25%	2,000,000	1,634,975
2016A Taxable General Obligation Refunding Bonds due in annual installments of \$385,000 to \$970,000	December 1, 2026	0.65% - 2.55%	9,225,000	8,840,000
Total Governmental Activities - General Obligation Debt				\$ 43,626,669

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities	Final Maturity	Interest Rates	Original Indebtedness	Balance April 30, 2017
General Obligation Debt due in annual installments of \$273,296 to \$3,088,587	December 1, 2018	2.00% - 3.50%	\$ 21,730,000	\$ 424,976
2010 General Obligation Refunding Bonds due in annual installments of \$4,028 to \$62,203	December 1, 2017	1.00% - 5.00%	1,332,208	62,202
Total Business-type Activities - General Obligation Debt				\$ 487,178

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 5,127,818	\$ 1,705,443	\$ 288,906	\$ 17,051
2019	4,401,426	1,546,968	218,272	7,639
2020	4,111,549	1,408,106	-	-
2021	4,071,833	1,276,384	-	-
2022	2,941,400	1,138,450	-	-
2023-2027	15,962,643	3,967,314	-	-
2028-2030	7,010,000	758,633	-	-
Totals	\$ 43,626,669	\$ 11,801,278	\$ 487,178	\$ 24,690

Advance Refunding

On May 26, 2016, the Village issued \$9,225,000 in general obligation bonds with an average coupon rate of 2.10% to advance refund \$8,420,000 of outstanding bonds with an average coupon rate of 5.40%. The net proceeds along with existing funds of the Village were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The cash flow requirements on the refunded debt prior to the advance refunding was \$11,700,358 from December 1, 2016 through December 1, 2026. The cash flow requirements on the 2016A refunding bonds are \$10,379,276 from December 1, 2017 through December 1, 2026. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,180,787.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. NET POSITION

Net position reported on the government wide statement of net position at April 30, 2017, includes the following:

**Governmental Activities**

Net Investment in Capital Assets	
Land	\$ 42,407,521
Construction in progress	142,408,677
Less: Long-term debt outstanding	(43,626,669)
Plus: Noncapital debt outstanding	5,658,873
Less: Unamortized debt premium	(589,719)
Total Net Investment in Capital Assets	\$ 146,248,683

**Business-type Activities**

Net Investment in Capital Assets	
Capital assets not being depreciated	\$ 85,239
Capital assets being depreciated, net of accumulated depreciation	34,200,484
Less: Long-term debt outstanding	(487,178)
Less: Unamortized debt premium	(10,744)
Total Net Investment in Capital Assets	\$ 33,787,801

G. COMPONENT UNIT

CENTRE EAST METROPOLITAN EXPOSITION, AUDITORIUM AND OFFICE BUILDING AUTHORITY

This report contains the Centre East Metropolitan Exposition, Auditorium and Office Building Authority (Authority), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Authority follows the full accrual basis of accounting and the flow of financial resources measurement focus.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT (cont.)

CENTRE EAST METROPOLITAN EXPOSITION, AUDITORIUM AND OFFICE BUILDING AUTHORITY (cont.)

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Cash	\$ 868,449	\$ 868,449	Custodial credit risk - deposits
Certificates of deposit	254,927	254,927	Custodial credit risk - deposits
Total Deposits and Investments	\$ 1,123,376	\$ 1,123,376	

**Custodial Credit Risk**

**Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to the Authority.

Uninsured and uncollateralized	\$ 634,944
Total	\$ 634,944

**Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Authority does not have any investments exposed to custodial credit risk.

See Note I.D.1. for further information on deposit and investment policies.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. COMPONENT UNIT (cont.)

CENTRE EAST METROPOLITAN EXPOSITION, AUDITORIUM AND OFFICE BUILDING AUTHORITY (cont.)

c. Capital Assets	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 1,858,026	\$ -	\$ -	\$ 1,858,026	N/A
Buildings	18,117,710	-	-	18,117,710	25
Equipment	942,584	-	-	942,584	10
Less: Accumulated depreciation	(9,680,299)	(484,783)	-	(10,165,082)	
Totals	\$ 11,238,021	\$ (484,783)	\$ -	\$ 10,753,238	

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The Village's defined benefit pension plans, administered by the Illinois Municipal Retirement Fund (IMRF), for Regular and Sheriff's Law Enforcement Personnel (SLEP), provide retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report may be obtained at [www.imrf.org](http://www.imrf.org).

The Village participates in two benefit plans under IMRF. The vast majority of members participate in the Regular Plan. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs.

Illinois Municipal Retirement Fund

**Plan description.** Both IMRF benefit plans have two tiers. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of 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 (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of 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 the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased ever year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Under the employer number within IMRF, both the Village and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the Village and Library.

**Plan membership.** At December 31, 2016, the measurement date, membership in the plan was as follows:

	Regular Plan	SLEP
Retirees and beneficiaries	359	1
Inactive, non-retired members	149	-
Active members	342	-
Total	850	1

**Contributions.** As set by statute, Village and Library employees participating in the Regular and SLEP plans are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The statute requires the Village and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village and Library's actuarially determined contribution rates for calendar year 2016 were 11.18% and 0.00%, respectively, of annual covered payroll for the Regular and SLEP plans. The Village and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability/(Asset).** The net pension liabilities/(assets) were measured as of December 31, 2016, and the total pension liabilities used to calculate the net pension liabilities/(assets) were determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** For purposes of measuring the net pension liabilities/(assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Regular and SLEP plans and additions to/deductions from the Regular and SLEP plans' fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial Assumptions.** The total pension liabilities for the Regular and SLEP plans were determined by actuarial valuations performed as of December 31, 2016 using the following actuarial methods and assumptions:

	Regular Plan	SLEP
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Market Value	Market Value
Actuarial assumptions		
Investment Rate of Return	7.50%	7.50%
Inflation	3.50%	3.50%
Salary increases	3.75% to 14.50%, including inflation	3.75% to 14.50%, including inflation
Price inflation	2.75%	2.75%

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

**Long-Term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00%	8.30%	6.85%
International equities	17.00%	8.45%	6.75%
Fixed income	27.00%	3.05%	3.00%
Real estate	8.00%	6.90%	5.75%
Alternatives	9.00%		
Private equity		12.45%	7.35%
Hedge funds		5.35%	5.25%
Commodities		4.25%	2.65%
Cash equivalents	1.00%	2.25%	2.25%

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Discount rate.** The discount rates used to measure the total pension liabilities for the Regular and SLEP plans were 7.50% and 7.50%, respectively. The discount rates calculated using the December 31, 2015 measurement date were 7.48% and 7.03%. The projection of cash flows used to determine the discount rates assumed that member contributions will be made at the current contribution rates and that Village and Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the fiduciary net positions were projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2016 to arrive at discount rates of 7.50% and 7.50%, respectively for the Regular and SLEP plans used to determine the total pension liabilities. The years ending December 31, 2015 and 2016 are the last years in the 2017 to 2016 projection periods for which projected benefit payments are fully funded for the Regular and SLEP plans, respectively.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liabilities/(assets) to changes in the discount rates. The table below presents net pension liabilities/(assets) of the Village and Library calculated using the discount rates of 7.50% and 7.50%, respectively as well as what the net pension liabilities/(assets) would be if it were to be calculated using discount rates that are 1 percentage point lower (6.50% for Regular and 6.50% for SLEP) or 1 percentage point higher (8.50% for Regular and 8.50% for SLEP) than the current rates:

	1% Decrease	Current	1% Increase
<b>Regular Plan:</b>			
Total pension liability	\$ 128,085,042	\$ 113,821,477	\$ 102,034,927
Plan fiduciary net pension	101,575,716	101,575,716	101,575,716
Net pension liability/(asset)	\$ 26,509,326	\$ 12,245,761	\$ 459,211
<b>Regular Plan - Library:</b>			
Total pension liability	\$ 37,875,710	\$ 33,657,867	\$ 30,172,495
Plan fiduciary net pension	30,064,574	30,064,574	30,064,574
Net pension liability/(asset)	\$ 7,811,136	\$ 3,593,293	\$ 107,921
<b>Regular Plan - Total:</b>			
Total pension liability	\$ 165,960,752	\$ 147,479,344	\$ 132,207,422
Plan fiduciary net pension	131,640,290	131,640,290	131,640,290
Net pension liability/(asset)	\$ 34,320,462	\$ 15,839,054	\$ 567,132
<b>SLEP:</b>			
Total pension liability	\$ 773,182	\$ 716,922	\$ 667,477
Plan fiduciary net pension	621,408	621,408	621,408
Net pension liability/(asset)	\$ 151,774	\$ 95,514	\$ 46,069

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in net pension liability/(asset). The changes in net pension liabilities/(assets) for the Regular and SLEP plans for the calendar year ended December 31, 2016 were as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<i>Regular Plan - Village:</i>			
Balances at December 31, 2015	\$ 106,955,983	\$ 96,595,539	\$ 10,360,444
Service cost	1,777,979	-	1,777,979
Interest on total pension liability	7,887,814	-	7,887,814
Differences between expected and actual experience of the total pension liability	2,894,539	-	2,894,539
Change of assumptions	(264,660)	-	(264,660)
Benefit payments, including refunds of employee contributions	(5,430,178)	(5,430,178)	-
Contributions - employer	-	1,947,624	(1,947,624)
Contributions - employee	-	809,421	(809,421)
Net investment income	-	6,547,183	(6,547,183)
Balances at December 31, 2016	\$ 113,821,477	\$ 100,469,589	\$ 13,351,888
<i>Regular Plan - Library:</i>			
Balances at December 31, 2015	\$ 31,657,036	\$ 28,590,532	\$ 3,066,504
Service cost	526,250	-	526,250
Interest on total pension liability	2,303,419	-	2,303,419
Differences between expected and actual experience of the total pension liability	856,731	-	856,731
Change of assumptions	(78,334)	-	(78,334)
Benefit payments, including refunds of employee contributions	(1,607,235)	(1,607,235)	-
Contributions - employer	-	576,461	(576,461)
Contributions - employee	-	239,574	(239,574)
Net investment income	-	1,937,848	(1,937,848)
Other (net transfer)	-	327,394	(327,394)
Balances at December 31, 2016	\$ 33,657,867	\$ 30,064,574	\$ 3,593,293

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<i>Regular Plan - Total:</i>			
Balances at December 31, 2015	\$ 138,613,019	\$ 125,186,071	\$ 13,426,948
Service cost	2,304,229	-	2,304,229
Interest on total pension liability	10,191,233	-	10,191,233
Differences between expected and actual experience of the total pension liability	3,751,270	-	3,751,270
Change of assumptions	(342,994)	-	(342,994)
Benefit payments, including refunds of employee contributions	(7,037,413)	(7,037,413)	-
Contributions - employer	-	2,524,085	(2,524,085)
Contributions - employee	-	1,048,995	(1,048,995)
Net investment income	-	8,485,031	(8,485,031)
Other (net transfer)	113,821,477	100,796,983	13,024,494
Balances at December 31, 2016	\$ 261,300,821	\$ 231,003,752	\$ 30,297,069
Plan fiduciary net position as a percentage of the total pension liability			88.41 %

*SLEP:*

Balances at December 31, 2015	\$ 747,664	\$ 617,444	\$ 130,220
Interest on total pension liability	50,146	-	50,146
Differences between expected and actual experience of the total pension liability	13,365	-	13,365
Change of assumptions	(25,545)	-	(25,545)
Benefit payments, including refunds of employee contributions	(68,708)	(68,708)	-
Contributions - employer	-	18,721	(18,721)
Contributions - employee	-	42,411	(42,411)
Other (net transfer)	-	11,540	(11,540)
Balances at December 31, 2016	\$ 716,922	\$ 621,408	\$ 95,514
Plan fiduciary net position as a percentage of the total pension liability			86.68 %

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended April 30, 2017, the Village and Library recognized pension expense of \$3,591,181 and \$(9,383) for the Regular and SLEP plans, respectively. The Village and Library reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Regular Plan - Village:</i>		
Difference between expected and actual experience	\$ 2,323,061	\$ -
Assumption changes	130,776	201,882
Net difference between projected and actual earnings on pension plan investments	4,614,206	-
Contributions subsequent to the measurement date	794,586	-
<b>Total</b>	<b>\$ 7,862,629</b>	<b>\$ 201,882</b>
<i>Regular Plan - Library:</i>		
Difference between expected and actual experience	\$ 681,660	\$ -
Assumption changes	38,374	59,238
Net difference between projected and actual earnings on pension plan investments	1,353,954	-
Contributions subsequent to the measurement date	187,875	-
<b>Total</b>	<b>\$ 2,261,863</b>	<b>\$ 59,238</b>
<i>Regular Plan - Total:</i>		
Difference between expected and actual experience	\$ 3,004,721	\$ -
Assumption changes	169,150	261,120
Net difference between projected and actual earnings on pension plan investments	5,968,160	-
Contributions subsequent to the measurement date	982,461	-
<b>Total</b>	<b>\$ 10,124,492</b>	<b>\$ 261,120</b>
<b>SLEP:</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 27,668	\$ -
<b>Total</b>	<b>\$ 27,668</b>	<b>\$ -</b>

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liabilities/assets for the year ending April 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$8,880,911 for Regular and \$27,668 for SLEP) will be recognized in pension expense as follows:

Year Ending December 31,	Regular Plan		
	Village	Library	Total
2018	\$ 2,235,166	\$ 655,869	\$ 2,891,035
2019	2,235,166	2,891,035	5,126,201
2020	2,145,936	629,686	2,775,622
2021	249,893	73,326	323,219
<b>Total</b>	<b>\$ 6,866,161</b>	<b>\$ 2,014,750</b>	<b>\$ 8,880,911</b>

**Police Pension**

**Plan description.** Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

**Tier 1 -** Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

**Plan membership.** At April 30, 2017, the Police Pension membership consisted of:

Retirees and beneficiaries	115
Terminated plan members entitled to but not yet receiving benefits	2
Active, vested members	81
Active, nonvested members	39
<b>Total</b>	<u>237</u>

**Contributions.** Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending April 30, 2017 was 30.00% of annual covered payroll.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation performed as of April 30, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.75%
Inflation	2.50%
Projected salary increases	5.50%
Cost-of-living adjustments	3.00%

Mortality rates were based on the RP-2014 CHBCA Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

**Discount rate.** The discount rate used to measure the total pension liability for the Police Pension Plan was 7.75%. The discount rate calculated using the April 30, 2016 measurement date was 8.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	1% Decrease	Current	1% Increase
Total pension liability	\$ 154,305,288	\$ 137,588,578	\$ 123,673,645
Plan fiduciary net position	87,684,405	87,684,405	87,684,405
<b>Net pension liability</b>	<u>\$ 66,620,883</u>	<u>\$ 49,904,173</u>	<u>\$ 35,989,240</u>

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

**Changes in net pension liability(asset).** The Village's changes in net pension liability/(asset) for the calendar year ended April 30, 2017 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at April 30, 2016	\$ 131,827,787	\$ 81,004,369	\$ 50,823,418
Service cost	2,139,562	-	2,139,562
Interest on total pension liability	10,280,600	-	10,280,600
Differences between expected and actual experience of the total pension liability	441,101	-	441,101
Change of assumptions	(459,902)	-	(459,902)
Benefit payments, including refunds of employee contributions	(6,640,570)	(6,640,570)	-
Contributions - employer	-	3,424,615	(3,424,615)
Contributions - employee	-	1,127,262	(1,127,262)
Net investment income	-	8,816,385	(8,816,385)
Administration	-	(47,656)	47,656
Balances at April 30, 2017	\$ 137,588,578	\$ 87,684,405	\$ 49,904,173

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended April 30, 2017, the Village recognized pension expense of \$3,929,797. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 441,101	\$ 3,121,432
Assumption changes	7,777,305	459,902
Net difference between projected and actual earnings on pension plan investments	5,093,322	2,421,331
Total	\$ 13,311,728	\$ 6,002,665

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$7,309,063) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2018	\$ 1,920,957
2019	1,920,957
2020	1,920,957
2021	1,920,957
2022	(374,398)
Thereafter	(367)
Total	\$ 7,309,063

Firefighters' Pension

**Plan description.** Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

**Tier 1 -** Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 65, by 3% of the original pension and 3% compounded annually thereafter.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Ter 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

**Plan membership.** At April 30, 2017, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	154
Terminated plan members entitled to but not yet receiving benefits	1
Active, vested plan members	72
Active, nonvested plan members	43
<b>Total</b>	<u>270</u>

**Contributions.** Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2017, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending April 30, 2017 was 38.94% of annual covered payroll.

**Net pension liability(asset).** The net pension liability(asset) was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability(asset) was determined by an actuarial valuation as of that date.

**Summary of significant accounting policies.** The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of April 30, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Age Entry Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.75%
Inflation	2.50%
Projected salary increases	5.50%
Cost-of-living adjustments	3.00%

Mortality rates were based on the RP-2014 CHBCA Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

**Discount rate.** The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.75%. The discount rate calculated using the April 30, 2016 measurement date was 8.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	1% Decrease	Current	Discount Rate	1% Increase
Total pension liability	\$ 165,229,300	\$ 148,421,777	\$ 134,261,004	
Plan fiduciary net position	73,634,416	73,634,416	73,634,416	
<b>Net pension liability</b>	<u>\$ 91,594,884</u>	<u>\$ 74,787,361</u>	<u>\$ 60,626,588</u>	

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

**Changes in net pension liability(asset).** The Village's changes in net pension liability/(asset) for the calendar year ended April 30, 2017 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at April 30, 2016	\$ 142,290,524	\$ 69,454,412	\$ 72,836,112
Service cost	2,064,252	-	2,064,252
Interest on total pension liability	11,076,556	-	11,076,556
Differences between expected and actual experience of the total pension liability	1,584,547	-	1,584,547
Change of assumptions	(926,955)	-	(926,955)
Benefit payments, including refunds of employee contributions	(7,667,147)	(7,667,147)	-
Contributions - employer	-	4,205,553	(4,205,553)
Contributions - employee	-	940,662	(940,662)
Net investment income	-	6,798,104	(6,798,104)
Administration	-	(97,168)	97,168
Balances at April 30, 2017	\$ 148,421,777	\$ 73,634,416	\$ 74,787,361

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended April 30, 2017, the Village recognized pension expense of \$5,794,990. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,584,545	\$ 891,247
Assumption changes	8,864,814	926,955
Net difference between projected and actual earnings on pension plan investments	5,479,851	1,319,194
Total	\$ 15,929,210	\$ 3,137,396

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$12,791,814) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2018	\$ 3,058,211
2019	3,058,211
2020	3,058,211
2021	3,058,210
2022	558,971
Total	\$ 12,791,814

PENSION SEGMENT INFORMATION

Fiduciary Net Position

	Firefighters' Pension	Pension Trust Police Pension	Total
Assets			
Cash and cash equivalents	\$ 174,487	\$ 901,444	\$ 1,075,931
Investments	11,873,640	13,919,807	25,793,447
U.S. Government and agency obligations	47,858,331	39,140,021	86,998,352
Mutual funds	-	12,999,558	12,999,558
Stocks	-	4,829,249	4,829,249
Real Estate	439,085	1,015,036	1,454,121
Money market mutual funds	9,418,844	13,985,698	23,404,542
Corporate bonds	2,695,553	451,962	3,147,515
State and local bonds			
Receivables	169,224	197,954	367,178
Interest	1,013,884	253,952	1,267,836
Due from primary government	1,820	7,867	9,687
Prepaid items	73,644,868	87,702,548	161,347,416
Total Assets			
Liabilities			
Accounts payable	10,452	18,143	28,595
Total Liabilities	10,452	18,143	28,595
Net Position	\$ 73,634,416	\$ 87,684,405	\$ 161,318,821
Restricted for pensions			

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Plan Net Position

	Pension Trust		
	Firefighters' Pension	Police Pension	Total
Additions			
Contributions			
Employer	\$ 4,205,553	\$ 3,424,615	\$ 7,630,168
Participants	940,662	1,127,262	2,067,924
Total Contributions	<u>5,146,215</u>	<u>4,551,877</u>	<u>9,698,092</u>
Investment Income			
Interest income	1,555,373	3,345,556	4,900,929
Net appreciation in fair value of investments	5,314,858	5,646,690	10,961,548
Total Investment Income	<u>6,870,231</u>	<u>8,992,246</u>	<u>15,862,477</u>
Less investment income	(72,127)	(175,861)	(247,988)
Net investment income	<u>6,798,104</u>	<u>8,816,385</u>	<u>15,614,489</u>
Total Additions	<u>11,944,319</u>	<u>13,368,262</u>	<u>25,312,581</u>
Deductions			
Administrative	97,168	47,656	144,824
Pension benefits and refunds	7,667,147	6,640,570	14,307,717
Total Deductions	<u>7,764,315</u>	<u>6,688,226</u>	<u>14,452,541</u>
Net change in net position	4,180,004	6,680,036	10,860,040
Net position, beginning of year	69,454,412	81,004,369	150,458,781
Net position, end of year	<u>\$ 73,634,416</u>	<u>\$ 87,684,405</u>	<u>\$ 161,318,821</u>

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village has purchased insurance from private insurance companies for employee bonds, boiler and machinery, property, and health risks. The Village participates in a public entity risk pool called the High-Level Excess Liability Pool to provide coverage for losses from liability claims for injuries to person or property or claims for errors and omissions. However, other risks, such as workers' compensation and general liability are accounted for and financed by the Village in an internal service fund - the Insurance Fund.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance

For workers' compensation claims, the Village has not purchased commercial insurance for claims that exceed certain specified amounts per incident or in aggregate. For general liability, the Village's liability will not exceed \$1,000,000 per occurrence or \$2,000,000 in aggregate, as provided by stop-loss provisions incorporated in the plan.

All funds of the Village participate in the risk management program. Premiums are paid into the internal service fund by the departments of the General Fund and other funds based upon historical cost estimates.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The Village does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 6,397,241	\$ 4,231,917
Current year claims and changes in estimates	727,094	2,250,888
Claim payments	<u>(2,892,418)</u>	<u>(3,462,637)</u>
Unpaid Claims - End of Year	<u>\$ 4,231,917</u>	<u>\$ 3,020,168</u>

Public Entity Risk Pool

HELP

The Village is a member of the High-Level Excess Liability Pool (HELP). HELP is an insurance pool consisting of fifteen municipalities in Illinois to provide excess liability coverage in the amount of \$2,000,000 per occurrence and in the aggregate for each member after a \$1,000,000 per member self-insurance retention. In addition, HELP provides excess insurance of \$10,000,000 per occurrence for claims in excess of \$3,000,000. The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

The High-Level Excess Liability Pool was organized on April 1, 1987 with the current agreement extending to April 30, 2018. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions and employers' liability made against the members and other parties included within the scope of its coverage.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

**B. RISK MANAGEMENT (cont.)**

**Public Entity Risk Pool (cont.)**

**HELP (cont.)**

HELP is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of the agency, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by HELP, 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.

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

**C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

The Village has active construction projects as of April 30, 2017. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

**D. JOINT VENTURES**

**Solid Waste Agency of Northern Cook County (SWANCC)**

The Village of Skokie 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 Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

**D. JOINT VENTURES (cont.)**

**Solid Waste Agency of Northern Cook County (SWANCC) (cont.)**

The governing body (the Board of Directors) is made up of the Mayor and 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, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

Complete financial statements for SWANCC can be obtained from SWANCC's administrative office at 1616 East Golf Road, Des Plaines, Illinois 60016. Financial information as of April 30, 2017 is the most recent available as of the date of this report.

The Village does not have an equity interest in SWANCC.

**E. OTHER POSTEMPLOYMENT BENEFITS**

The Village administers a single-employer defined benefit healthcare plan. The plan provides for eligible retirees, their spouses, and dependents (enrolled at time of employee's retirement) through the Village's which covers both active and retired members. Benefit provisions are established through and state that eligible retirees and their spouses and dependents at the blended premium rate.

Contribution requirements are governed by the Village and can be amended by the Village through its personnel manual and collective bargaining agreements. For fiscal year 2017, the Village contributed \$496,318 to the plan. The Village contributes 100% of the current year premiums for eligible disabled pensioners for life. All other retirees pay the blended premium. The Village makes no contribution for these retirees.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the Village's net OPEB obligation to the OPEB Plan:

Annual required contribution	\$ 561,654
Interest on net OPEB obligation	47,830
Adjustment to annual required contribution	<u>(39,858)</u>
Annual OPEB cost	569,626
Contributions made	(496,318)
Increase in net OPEB obligation	<u>73,308</u>
Net OPEB Obligation - Beginning of Year	1,195,738
Net OPEB Obligation - End of Year	<u>\$ 1,269,046</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2015	\$ 667,786	74%	\$ 1,024,829
April 30, 2016	667,786	74%	1,195,738
April 30, 2017	569,626	87%	<u>1,269,046</u>

The funded status of the plan as of May 1, 2016, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 8,336,557
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 8,336,557</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 39,043,269
UAAL as a percentage of covered payroll	21%

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial valuations of an ongoing plan involve estimates for 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 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 the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 benefit costs between the employer and plan members to that point. The 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 May 1, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return and an annual healthcare cost trend rate of 6.5% initially, reduced by decrements to an ultimate rate of 5.0% after 4 years. Both rates include a 4.0% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at April 30, 2017, was 30 years.

F. TAX INCREMENT FINANCING DISTRICT

The Village of Skokie has established several Tax Increment Redevelopment Project Areas (RPAs) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the Village and its surrounding areas. As part of the redevelopment plans, the Village has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPAs were the responsibility of developers and are substantially complete. To entice development of the areas, the Village created tax increment financing (TIF) districts to finance public improvements made within the RPAs.

Several funds have been established to record the revenues generated in the RPAs that relate directly to servicing the debt issued to make public improvements in the RPAs.

VILLAGE OF SKOKIE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

**NOTE IV - OTHER INFORMATION (cont.)**

**G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following:

- ! Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- ! Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- ! Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- ! Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*
- ! Statement No. 81, *Irrevocable Split-Interest Agreements*
- ! Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*
- ! Statement No. 83, *Certain Asset Retirement Obligations*
- ! Statement No. 84, *Fiduciary Activities*
- ! Statement No. 85, *Omnibus 2017*
- ! Statement No. 86, *Certain Debt Extinguishment Issues*
- ! Statement No. 87, *Leases*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF SKOKIE

ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE VILLAGES' NET PENSION LIABILITY  
AND RELATED RATIOS  
Last Two Fiscal Years

	2016		Total
	Village	Library	
<b>Total pension liability</b>			
Service cost	\$ 1,758,064	\$ 520,356	\$ 2,278,420
Interest	7,541,216	2,232,065	9,773,281
Differences between expected and actual experience	217,914	64,498	282,412
Changes of assumptions	249,204	73,760	322,964
Benefit payments, including refunds of member contributions	(4,961,883)	(1,468,629)	(6,430,512)
<b>Net change in total pension liability</b>	<b>4,804,515</b>	<b>1,422,050</b>	<b>6,226,565</b>
<b>Total pension liability - beginning</b>	<b>102,151,451</b>	<b>30,235,003</b>	<b>132,386,454</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 106,955,966</b>	<b>\$ 31,657,053</b>	<b>\$ 138,613,019</b>

<b>Plan fiduciary net position</b>			
Employer contributions	\$ 1,864,641	\$ 551,901	\$ 2,416,542
Employee contributions	746,037	220,813	966,850
Net investment income	486,536	144,598	633,134
Benefit payments, including refunds of member contributions	(4,961,883)	(1,468,629)	(6,430,512)
Other (net transfer)	(424,646)	(125,687)	(550,333)
<b>Net change in plan fiduciary net position</b>	<b>(2,287,315)</b>	<b>(677,004)</b>	<b>(2,964,319)</b>

<b>Plan fiduciary net position - beginning</b>	<b>98,882,838</b>	<b>29,287,552</b>	<b>128,150,390</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 96,595,523</b>	<b>\$ 28,590,548</b>	<b>\$ 125,186,071</b>
<b>Employer's net pension liability - ending (a) - (b)</b>	<b>\$ 10,360,443</b>	<b>\$ 3,066,505</b>	<b>\$ 13,426,948</b>

**Plan fiduciary net position as a percentage of the total pension liability**

90.31%

**Covered-employee payroll**

90.31%

**Employer's net pension liability as a percentage of covered-employee payroll**

\$ 21,305,543

63.02%

**Notes to Schedule:**

The Village implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

See independent auditors' report and accompanying notes to required supplementary information

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 10,318,242	\$ 10,318,242	\$ 13,642,910
Other taxes	10,076,146	10,076,146	18,101,925
Licenses and permits	4,269,000	4,269,000	3,898,499
Fines	945,000	945,000	2,223,271
Charges for services	2,726,425	2,726,425	2,667,719
Intergovernmental	26,627,359	26,627,359	25,350,170
Investment income	25,000	25,000	152,085
Miscellaneous	468,500	468,500	601,189
<b>Total Revenues</b>	<b>55,455,672</b>	<b>55,455,672</b>	<b>66,637,768</b>

**EXPENDITURES**

Current:			
General government	13,606,738	13,823,557	8,676,027
Public safety	28,468,977	28,612,060	42,078,694
Public works	11,575,733	11,778,919	13,195,291
Health and welfare	1,390,667	1,393,266	1,748,329
<b>Total Expenditures</b>	<b>55,042,115</b>	<b>55,607,802</b>	<b>65,696,341</b>
Excess (deficiency) of revenues over (under) expenditures	413,557	(152,130)	939,427

**OTHER FINANCING SOURCES**

Transfers in	255,321	255,321	-
Sales of capital assets	45,000	45,000	110,553
<b>Total Other Financing Sources</b>	<b>300,321</b>	<b>300,321</b>	<b>110,553</b>
<b>Net Change in Fund Balance</b>	<b>\$ 713,878</b>	<b>\$ 148,191</b>	<b>1,049,980</b>

FUND BALANCE - Beginning of Year

19,011,907

**FUND BALANCE - END OF YEAR**

\$ 20,061,887

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF SKOKIE

ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Last Two Fiscal Years

	2017		2016		Total
	Village	Library	Village	Library	
Actuarially determined contribution	\$ 1,777,979	\$ 526,250	\$ 1,788,638	\$ 529,405	\$ 2,318,043
Contributions in relation to the actuarially determined contribution	7,887,814	2,303,419	(1,864,641)	(551,901)	(2,416,542)
Contribution deficiency (excess)	2,894,539	856,731	(76,004)	(22,495)	(98,499)
	(264,660)	(78,334)			
	(5,430,178)	(1,607,235)			
Covered-employee payroll	6,865,494	2,000,831		\$	21,305,543
Contributions as a percentage of covered-employee payroll	106,955,983	31,657,036			11.34%
	\$ 113,821,477	\$ 33,657,867			

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 CHBCA with adjustments to match current IMRF experience

Other information:

There were no benefit changes during the year.

	2017		Total
	Village	Library	
\$	1,777,979	\$ 526,250	\$ 2,304,229
	7,887,814	2,303,419	10,191,233
	2,894,539	856,731	3,751,270
	(264,660)	(78,334)	(342,994)
	(5,430,178)	(1,607,235)	(7,037,413)
	6,865,494	2,000,831	8,866,325
	106,955,983	31,657,036	138,613,019
	\$ 113,821,477	\$ 33,657,867	\$ 147,479,344

\$	1,947,624	\$ 576,461	\$ 2,524,085
	809,421	239,574	1,048,995
	6,547,183	1,937,848	8,485,031
	(5,430,178)	(1,607,235)	(7,037,413)
	1,106,127	327,394	1,433,521
	4,980,177	1,474,042	6,454,219
	96,595,539	28,590,532	125,186,071
	\$ 101,575,716	\$ 30,064,574	\$ 131,640,290
	\$ 12,245,761	\$ 3,593,293	\$ 15,839,054

89.24%	89.32%	89.26%
	\$	22,573,116
		70.17%

VILLAGE OF SKOKIE

SHERIFF'S LAW ENFORCEMENT PERSONNEL  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY  
AND RELATED RATIOS  
Last Two Fiscal Years

	2016	2017
<b>Total pension liability</b>		
Service cost	\$ -	\$ 50,146
Interest	50,283	13,365
Differences between expected and actual experience	12,645	(25,545)
Changes of assumptions	(4,094)	(68,708)
Benefit payments, including refunds of member contributions	(67,247)	(30,742)
<b>Net change in total pension liability</b>	(8,413)	(68,708)
<b>Total pension liability - beginning</b>	756,077	747,664
<b>Total pension liability - ending (a)</b>	\$ 747,664	\$ 716,922
<b>Plan fiduciary net position</b>		
Employer contributions	\$ 19,120	\$ 18,721
Net investment income	2,906	42,411
Benefit payments, including refunds of member contributions	(67,247)	(68,708)
Other (net transfer)	57,397	11,540
<b>Net change in plan fiduciary net position</b>	12,176	3,964
<b>Plan fiduciary net position - beginning</b>	605,268	617,444
<b>Plan fiduciary net position - ending (b)</b>	\$ 617,444	\$ 621,408
<b>Employer's net pension liability - ending (a) - (b)</b>	\$ 130,220	\$ 95,514
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.58%	86.68%
<b>Covered-employee payroll</b>	\$ -	\$ -
<b>Employer's net pension liability as a percentage of covered-employee payroll</b>	0.00%	0.00%

Notes to Schedule:

The Village implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

	2017	
	Village	Library
	\$ 1,907,516	\$ 559,726
	(1,947,624)	(576,461)
	(40,108)	(16,735)
	\$ -	\$ (56,843)
		\$ 22,573,116
		11.18%

**VILLAGE OF SKOKIE**

**SHERIFFS LAW ENFORCEMENT PERSONNEL  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
Last Two Fiscal Years

	2016	2017
Actuarially determined contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	(19,120)	(18,721)
Contribution deficiency (excess)	\$ (19,120)	\$ (18,721)

Covered-employee payroll

Contributions as a percentage of covered-employee payroll

0.00%

0.00%

**Notes to Schedule:**

The Village implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 CHBCA with adjustments to match current IMRF experience

**Other information:**

There were no benefit changes during the year.

**VILLAGE OF SKOKIE**

**POLICE PENSION FUND  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS**  
Last Three Fiscal Years

	2015	2016	2017
<b>Total pension liability</b>			
Service cost	\$ 2,195,535	\$ 2,075,970	\$ 2,139,562
Interest changes of benefit terms	8,363,809	9,431,181	10,280,600
Differences between expected and actual experience	1,469,701	(3,882,757)	441,101
Changes of assumptions	7,986,626	9,674,209	(459,902)
Benefit payments, including refunds of member contributions	(6,625,900)	(6,721,145)	(6,640,570)
<b>Net change in total pension liability</b>	<u>13,389,771</u>	<u>10,577,458</u>	<u>5,760,791</u>
<b>Total pension liability - beginning</b>	<u>107,860,558</u>	<u>121,250,329</u>	<u>131,827,787</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 121,250,329</u>	<u>\$ 131,827,787</u>	<u>\$ 137,588,578</u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 2,165,945	\$ 2,208,070	\$ 3,424,615
Employee contributions	1,058,416	1,069,517	1,127,262
Net investment income	5,913,286	234,862	8,816,385
Benefit payments, including refunds of member contributions	(6,625,900)	(6,721,145)	(6,640,570)
Administration	(52,085)	(45,297)	(47,656)
<b>Net change in plan fiduciary net position</b>	<u>2,459,662</u>	<u>(3,263,993)</u>	<u>6,680,036</u>
<b>Plan fiduciary net position - beginning</b>	<u>81,808,700</u>	<u>84,268,362</u>	<u>81,004,369</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 84,268,362</u>	<u>\$ 81,004,369</u>	<u>\$ 87,684,405</u>
<b>Village's net pension liability - ending (a) - (b)</b>	<u>\$ 36,981,967</u>	<u>\$ 50,823,418</u>	<u>\$ 49,904,173</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	69.50%	61.45%	63.73%
<b>Covered-employee payroll</b>	\$ 10,468,892	\$ 10,763,550	\$ 11,415,927
<b>Village's net pension liability as a percentage of covered-employee payroll</b>	353.26%	472.18%	437.15%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

VILLAGE OF SKOKIE

POLICE PENSION FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$ 820,206	\$ 1,296,633	\$ 1,296,633	\$ 2,454,517	\$ 2,099,499	\$ 2,024,350	\$ 2,024,350	\$ 2,657,193	\$ 2,610,813	\$ 3,022,210
Contributions in relation to the actuarially determined contribution	862,572	849,283	879,585	1,994,607	1,563,033	1,450,301	1,544,269	2,165,945	2,208,070	3,424,615
Contribution deficiency (excess)	(42,366)	447,350	417,048	459,910	536,466	574,049	480,081	491,248	402,743	(402,405)
Covered-employee payroll	\$ 8,124,105	\$ 8,538,090	\$ 8,503,729	\$ 9,770,919	\$ 9,078,627	\$ 9,451,978	\$ 9,451,978	\$ 10,468,892	\$ 10,763,550	\$ 11,415,927
Contributions as a percentage of covered-employee payroll	10.62%	9.95%	10.34%	20.41%	17.22%	15.34%	16.34%	20.69%	20.51%	30.00%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed; 100% through 2012 and 90% beginning in 2014
Remaining amortization period	24 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	5-year smoothed market through 2014, market value beginning in 2015
Inflation	2.50%
Salary increases	5.50% average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including See Note IV.A in the Notes to Financial Statements
Retirement age	Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016
Mortality	

VILLAGE OF SKOKIE

POLICE PENSION FUND  
SCHEDULE OF INVESTMENT RETURNS  
Last Three Fiscal Years

	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	7.38%	0.28%	11.25%

**Notes to Schedule:**

The Village implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See independent auditors' report and accompanying notes to required supplementary information. Page 100

VILLAGE OF SKOKIE

FIREFIGHTERS' PENSION FUND  
SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS  
Last Three Fiscal Years

	2015	2016	2017
<b>Total pension liability</b>			
Service cost	\$ 2,148,641	\$ 2,028,756	\$ 2,064,252
Interest changes of benefit terms	9,235,591	9,932,521	11,076,556
Differences between expected and actual experience	(964,126)	(1,093,803)	1,584,547
Changes of assumptions	5,394,679	10,879,544	(926,955)
Benefit payments, including refunds of member contributions	(6,980,334)	(7,226,005)	(7,667,147)
<b>Net change in total pension liability</b>	<b>8,834,451</b>	<b>14,521,013</b>	<b>6,131,253</b>
<b>Total pension liability - beginning</b>	<b>118,935,060</b>	<b>127,769,511</b>	<b>142,290,524</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 127,769,511</b>	<b>\$ 142,290,524</b>	<b>\$ 148,421,777</b>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 3,246,294	\$ 3,595,244	\$ 4,205,553
Employee contributions	1,132,863	931,116	940,662
Net investment income	5,586,515	(1,093,935)	6,798,104
Benefit payments, including refunds of member contributions	(6,980,334)	(7,226,005)	(7,667,147)
Administration	(71,896)	(100,627)	(97,188)
<b>Net change in plan fiduciary net position</b>	<b>2,913,442</b>	<b>(3,894,207)</b>	<b>4,180,004</b>
<b>Plan fiduciary net position - beginning</b>	<b>70,435,177</b>	<b>73,348,619</b>	<b>69,454,412</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 73,348,619</b>	<b>\$ 69,454,412</b>	<b>\$ 73,634,416</b>
<b>Village's net pension liability - ending (a) - (b)</b>	<b>\$ 54,420,892</b>	<b>\$ 72,836,112</b>	<b>\$ 74,787,361</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	57.41%	48.81%	49.61%
<b>Covered-employee payroll</b>	\$ 9,875,676	\$ 10,034,519	\$ 10,800,181
<b>Village's net pension liability as a percentage of covered-employee payroll</b>	551.06%	725.86%	692.46%

The Village implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See independent auditors' report and accompanying notes to required supplementary information. Page 101

VILLAGE OF SKOKIE

FIREFIGHTERS' PENSION FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$ 1,446,317	\$ 2,015,167	\$ 2,015,167	\$ 3,263,438	\$ 3,333,681	\$ 3,188,227	\$ 3,188,227	\$ 3,491,612	\$ 3,723,798	\$ 4,005,623
Contributions in relation to the actuarially determined contribution	1,457,774	1,453,918	1,528,972	2,730,341	2,387,896	2,619,060	2,731,012	3,246,294	3,595,244	4,205,553
Contribution deficiency (excess)	<u>\$ (11,457)</u>	<u>\$ 561,249</u>	<u>\$ 486,195</u>	<u>\$ 533,097</u>	<u>\$ 945,785</u>	<u>\$ 569,167</u>	<u>\$ 457,215</u>	<u>\$ 245,318</u>	<u>\$ 128,554</u>	<u>\$ (199,930)</u>
Covered-employee payroll	\$ 8,025,062	\$ 9,011,394	\$ 9,032,996	\$ 8,924,705	\$ 8,573,585	\$ 9,515,785	\$ 9,515,785	\$ 9,875,676	\$ 10,034,519	\$ 10,800,181
Contributions as a percentage of covered-employee payroll	18.17%	16.13%	16.83%	30.59%	27.85%	27.52%	28.70%	32.87%	35.83%	38.94%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry-age normal
- Amortization method: Level percentage of payroll, closed; 100% through 2012 and 90% beginning in 2014
- Remaining amortization period: 24 years (The funding schedule was reset to end in 2040 in 2011)
- Asset valuation method: 5-year smoothed market through 2014, market value beginning in 2015
- Inflation: 2.50%
- Salary increases: 5.50%, average, including inflation
- Investment rate of return: 7.75%, net of pension plan investment expense, including See Note IV.A in the Notes to Financial Statements
- Retirement age: Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016
- Mortality: Mortality

VILLAGE OF SKOKIE

FIREFIGHTERS' PENSION FUND  
SCHEDULE OF INVESTMENT RETURNS  
Last Three Fiscal Years

	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	8.08%	-1.52%	11.42%

Annual money-weighted rate of return, net of investment expense

Notes to Schedule:

The Village implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

VILLAGE OF SKOKIE

OPEB FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS  
April 30, 2017

Year Ended	Annual Required Contribution	Percentage Contributed	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2017	\$ 561,654	86.37%	\$ -	\$ 8,336,557	\$ 8,336,557	0.00%	\$ 39,043,269	21.35%
4/30/2016	662,093	75.05%	-	10,461,675	10,461,675	0.00%	38,148,368	27.42%
4/30/2015	662,093	75.05%	-	6,695,482	6,695,482	0.00%	41,232,947	16.24%
4/30/2014	479,922	42.88%	-	5,711,195	5,711,195	0.00%	41,157,646	13.88%
4/30/2013	374,387	54.96%	-	3,270,305	3,270,305	0.00%	41,072,404	7.96%
4/30/2012	201,669	52.24%	-					

See independent auditors' report and accompanying notes to required supplementary information. Page 104

See independent auditors' report and accompanying notes to required supplementary information. Page 105

VILLAGE OF SKOKIE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2017

**BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to April 30, the Village Manager submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance.

The Village is authorized to change appropriated amounts of any fund; however, revision must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village Manager is authorized to transfer budget amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

During the current year, budgets were not adopted for the CTA Parking Lot Fund (Special Revenue) and the Skokie/Edison Parking Lot Fund (Enterprise).

**EXCESS EXPENDITURES OVER BUDGET**

Excess expenditures over budget are as follows:

	Final Budget	Expenditures	Excess
General Fund	\$ 55,607,802	\$ 65,698,341	\$ 10,090,539

See independent auditors' report.

**VILLAGE OF SKOKIE**

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -  
GENERAL FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>PROPERTY TAXES</b>			
Property taxes	\$ 10,318,242	\$ 10,318,242	\$ 13,642,910
Total Property Taxes	<u>10,318,242</u>	<u>10,318,242</u>	<u>13,642,910</u>
<b>OTHER TAXES</b>			
Home rule sales tax	6,385,405	6,385,405	5,765,261
Hotel and motel tax	1,626,968	1,626,968	1,363,306
Utility tax	-	-	5,249,288
Auto rental tax	-	-	56,698
Real estate transfer tax	374,456	374,456	435,736
Wireless 911 tax	425,000	425,000	521,690
Food and beverage tax	549,881	549,881	4,158,930
Telecommunications tax	714,436	714,436	551,016
Total Other Taxes	<u>10,076,146</u>	<u>10,076,146</u>	<u>18,101,925</u>

**LICENSES AND PERMITS**

Motor vehicle licenses	737,000	737,000	846,264
Liquor licenses	100,000	100,000	78,830
Business licenses	525,000	525,000	456,225
Dog and cat licenses	25,000	25,000	26,460
Building permits	1,397,000	1,397,000	1,110,676
Plumbing permits	175,000	175,000	207,847
Electrical permits	110,000	110,000	102,515
Miscellaneous permits	125,000	125,000	47,138
Engineering permits	140,000	140,000	60,222
Cable franchise fees	825,000	825,000	840,085
Natural gas franchise allotment	50,000	50,000	60,682
Police alarm permits	60,000	60,000	61,555
Total Licenses and Permits	<u>4,269,000</u>	<u>4,269,000</u>	<u>3,898,499</u>

**FINES**

Court fines	-	-	88,948
Parking fines	650,000	650,000	534,718
Parking judgments	120,000	120,000	186,595
Automated traffic fines	-	-	1,255,048
Controlled substance fines	-	-	4,055
Administrative hearings	50,000	50,000	64,407
Impoundment fees	125,000	125,000	89,500
Total Fines	<u>945,000</u>	<u>945,000</u>	<u>2,223,271</u>

**CHARGES FOR SERVICES**

Administrative service charge	460,000	460,000	51,173
Police service fees	475,000	475,000	542,048
Fire service fees	25,000	25,000	1,225
Engineering fees	-	-	71,593
Fire alarm fees	-	-	10,010
Vital statistics service fees	25,000	25,000	22,013

**VILLAGE OF SKOKIE**

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL -  
GENERAL FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
Sign inspection fees	-	-	1,230
Elevator inspection fees	50,000	50,000	39,459
Reinspection fees	-	-	4,025
STAR transportation program	20,000	20,000	14,047
Community refuse franchise fees	175,000	175,000	168,532
Legal fees	-	-	7,130
Sidewalk repair charges	55,000	55,000	5,558
Tree planting program	25,000	25,000	10,985
CTA parking lot maintenance	22,000	22,000	12,867
Fire department service fees	-	-	8,565
Food sales	-	-	16,442
Ambulance fees	1,394,425	1,394,425	1,558,098
Health certificate postal fee	-	-	6
Polling place rentals	-	-	400
Passport services	-	-	35,050
Other charged services	-	-	67,263
Total Charges for services	<u>2,726,425</u>	<u>2,726,425</u>	<u>2,667,719</u>

**INTERGOVERNMENTAL**

Personal property replacement tax	1,358,000	1,358,000	1,333,937
Sales tax	16,149,249	16,149,249	15,465,511
Local use tax	1,527,500	1,527,500	1,597,343
State income tax	6,630,000	6,630,000	6,123,697
Federal grants	106,949	106,949	124,012
State grants	855,661	855,661	705,670
Total Intergovernmental	<u>26,627,359</u>	<u>26,627,359</u>	<u>25,350,170</u>

**INVESTMENT INCOME**

Investment income	25,000	25,000	152,085
Total Investment Income	<u>25,000</u>	<u>25,000</u>	<u>152,085</u>

**MISCELLANEOUS**

CTA parking lot fees	82,500	82,500	232,429
Cellular service property lease	101,000	101,000	75,991
Unclassified services	285,000	285,000	292,769
Total Miscellaneous	<u>468,500</u>	<u>468,500</u>	<u>601,189</u>
TOTAL REVENUES	<u>\$ 55,455,672</u>	<u>\$ 55,455,672</u>	<u>\$ 66,637,768</u>

**VILLAGE OF SKOKIE**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -  
GENERAL FUND**  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>GENERAL GOVERNMENT</b>			
Board of Trustees	\$ 270,337	\$ 274,579	\$ 419,600
Boards and commissions	52,864	53,035	30,732
Board of Fire and Police Commissions	73,950	94,650	66,094
Human Relations Commission	7,875	7,875	2,750
Traffic Safety Commission	2,155	2,155	940
Liquor Control Commission	2,200	2,200	221
Fine Arts Commission	13,750	13,750	13,462
Beautification Commission	11,085	11,085	10,278
Board of Health	1,000	1,000	697
Appearance Code Commission	9,230	9,230	7,787
Consumer Affairs Commission	9,225	9,225	9,895
Total Boards and commissions	183,334	204,205	142,856
Village Manager's Office	669,831	675,836	984,915
Administration and general services	286,727	286,727	367,766
Personnel	136,233	136,733	160,347
Multi-media	334,831	349,831	405,551
Marketing division	713,658	801,023	775,486
Human services	686,611	705,080	928,053
Management information services	2,827,891	2,955,230	3,622,118
Total Village Manager's Office	575	575	59
Village Clerk	165,850	165,850	224,563
Elections	166,425	166,455	224,622
Records			
Total Village Clerk	692,058	692,070	869,155
Corporation counsel	59,235	59,235	56,808
Counsel and legal services	751,293	751,305	925,963
Scottlaw program			
Total Corporation counsel	380,704	403,036	476,726
Finance	180,049	181,549	257,787
Administration	240,008	240,008	334,257
Accounting	165,874	168,081	225,231
Collection	73,300	79,452	77,215
Purchasing	105,754	105,754	129,315
Duplicating			
Parking enforcement	1,145,689	1,177,880	1,500,531
Total Finance	412,909	437,457	593,180
Community development	522,911	529,101	674,385
Administration			
Building and zoning			

**VILLAGE OF SKOKIE**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -  
GENERAL FUND - cont.**  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
Property standards	\$ 398,790	\$ 399,217	\$ 572,831
Planning	205,674	205,674	277,617
Total Community development	1,540,284	1,571,449	2,118,013
Insurance	8,064,121	8,068,269	1,063,267
Other funded grant programs			
Contingency	50,000	46,821	52,739
Contributions	131,250	131,250	130,204
Reimbursements	(1,523,886)	(1,523,886)	(1,523,886)
Total General government	13,606,738	13,823,557	8,676,027
<b>PUBLIC SAFETY</b>			
Police			
Administration	2,630,623	2,640,423	2,986,260
Communications	1,636,127	1,640,142	2,223,796
Investigations	1,549,610	1,548,463	1,866,492
Uniform patrol	9,902,803	9,974,053	11,635,606
E-911	129,534	140,647	150,068
Supplemental funding	733,220	742,668	749,931
Pension contribution			3,424,615
Total Police	16,581,917	16,686,416	23,036,768
Fire			
Administration	656,491	659,163	754,961
Fire prevention	442,656	445,453	523,488
Firefighting	9,995,744	10,010,992	12,868,573
Emergency medical services	482,545	506,496	446,462
E-911	172,524	176,440	171,161
Foreign fire insurance	127,100	127,100	71,708
Pension contribution			4,205,553
Total Fire	11,887,060	11,925,644	19,041,926
Total Public safety	28,468,977	28,612,060	42,078,694

**VILLAGE OF SKOKIE**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND - cont.**  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>PUBLIC WORKS</b>			
Administration	\$ 492,225	\$ 470,165	\$ 526,192
Streets and alleys	1,881,525	1,922,536	2,478,562
Tree maintenance	1,025,804	1,105,224	1,043,938
Automotive maintenance	1,378,255	1,397,478	1,449,179
Refuse collection	3,050,361	3,058,853	3,885,455
Refuse disposal	1,062,500	1,071,983	860,627
Buildings	1,041,995	1,077,673	1,095,928
Civil engineering	639,638	643,460	788,821
Traffic engineering	1,003,430	1,031,527	1,066,589
Total Public works	<u>11,575,733</u>	<u>11,778,919</u>	<u>13,195,291</u>
<b>HEALTH AND WELFARE</b>			
Administration	293,399	292,150	401,046
Environmental health	405,429	405,425	551,663
Personal health services	364,603	367,409	425,405
Blood program	48,600	48,600	17,646
Animal control	278,636	279,682	352,569
Total Health and welfare	<u>1,390,667</u>	<u>1,393,266</u>	<u>1,748,329</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 55,042,115</u>	<u>\$ 55,607,802</u>	<u>\$ 65,698,341</u>

**VILLAGE OF SKOKIE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 2,531,130	\$ 2,531,130	\$ 2,498,685
Home rule sales tax	1,000,224	1,000,224	1,000,000
Telecommunications tax	1,682,564	1,682,564	1,682,564
Intergovernmental	1,624,868	1,624,868	1,602,085
Licenses and permits	188,000	188,000	11,528
Investment income	-	-	2,674
Total Revenues	<u>7,026,786</u>	<u>7,026,786</u>	<u>6,797,536</u>
<b>EXPENDITURES</b>			
Current:			
General government	5,693	5,693	4,934
Debt Service	-	-	-
Principal	7,561,291	5,447,756	7,597,813
Interest and fiscal charges	-	2,121,421	1,873,605
Bond issuance costs	-	-	151,656
Total Expenditures	<u>7,566,984</u>	<u>7,574,870</u>	<u>9,628,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(540,198)</u>	<u>(548,084)</u>	<u>(2,830,472)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation debt issued	-	-	9,225,000
Transfers in	1,942,116	1,942,116	2,599,874
Transfers out	-	-	(81,279)
Payments to refunding escrow	-	-	(9,073,344)
Total Other Financing Sources (Uses)	<u>1,942,116</u>	<u>1,942,116</u>	<u>2,720,251</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,401,918</u>	<u>\$ 1,394,032</u>	<u>(10,221)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>7,875,631</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 7,765,410</u>

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUILDING AND EQUIPMENT FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Home rule sales tax	\$ 4,698,614	\$ 4,698,614	\$ 4,798,614
Intergovernmental	-	-	564,775
Motor vehicle licenses	675,000	675,000	675,000
Miscellaneous	1,400,000	1,400,000	269,873
Investment income	-	-	1
Total Revenues	<u>6,773,614</u>	<u>6,773,614</u>	<u>6,308,263</u>
<b>EXPENDITURES</b>			
Current:			
General government	58,783	1,994,762	818,656
Capital Outlay	6,000	25,445,685	11,449,272
Total Expenditures	<u>64,783</u>	<u>27,440,447</u>	<u>12,267,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,708,831</u>	<u>(20,666,833)</u>	<u>(5,959,665)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	3,488,999
Sales of capital assets	35,000	35,000	-
Total Other Financing Sources	<u>35,000</u>	<u>35,000</u>	<u>3,488,999</u>
Net Change in Fund Balance	<u>\$ 6,743,831</u>	<u>\$ (20,631,833)</u>	<u>(2,470,666)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>1,429,360</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (1,041,306)</u>

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - WEST DEMPSTER TIF FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current:			
General government	600,000	600,000	130,156
Total Expenditures	<u>600,000</u>	<u>600,000</u>	<u>130,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>(130,156)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sales of capital assets	-	-	3,545,372
Transfers out	(487,500)	(487,500)	(25,128)
Total Other Financing Sources (Uses)	<u>(487,500)</u>	<u>(487,500)</u>	<u>3,520,244</u>
Net Change in Fund Balance	<u>\$ (1,087,500)</u>	<u>\$ (1,087,500)</u>	<u>3,390,088</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			<u>(4,427,064)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (1,036,976)</u>

**VILLAGE OF SKOKIE**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of April 30, 2017**

	Science & Technology TIF	Motor Fuel Tax	Local Fuel Tax	Community Development Block Grant	IMRF	Visitor's Bureau	CTA Parking Lot	Wireless Alarm	Economic Development	Centre East Development	Total Nonmajor Governmental Funds
<b>ASSETS</b>											
Cash and cash equivalents	\$ 1,640,640	\$ 1,157,194	\$ -	\$ -	\$ 336,361	\$ 31,825	\$ 156,142	\$ 777,529	\$ 950,777	\$ 485,872	\$ 5,636,340
Investments	-	-	-	-	-	-	20,033	-	738	-	20,771
Receivables (net)	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	83,267	-	-	-	-	-	-	-	83,267
Accounts	-	-	-	-	-	-	-	-	18,604	-	18,604
Other	-	-	-	5	-	-	-	-	-	-	5
Due from other governments	-	121,879	-	406,469	61,301	-	-	-	-	-	589,649
Advances to other funds	-	-	-	-	-	-	-	2,000,000	-	-	2,000,000
<b>TOTAL ASSETS</b>	<b>\$ 1,640,640</b>	<b>\$ 1,279,073</b>	<b>\$ 83,267</b>	<b>\$ 406,474</b>	<b>\$ 397,662</b>	<b>\$ 31,825</b>	<b>\$ 176,175</b>	<b>\$ 777,529</b>	<b>\$ 2,970,119</b>	<b>\$ 485,872</b>	<b>\$ 8,248,636</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
Liabilities											
Accounts payable	\$ 3,876	\$ 118,063	\$ -	\$ 89,559	\$ 270,548	\$ 29,392	\$ 22,164	\$ 81,087	\$ 16,193	\$ 21,976	\$ 652,858
Accrued payroll	4,811	-	-	4,865	(182)	-	-	-	7,419	-	6,913
Other payables	-	-	-	-	-	-	-	-	34,585	-	34,585
Due to other funds	-	314,324	486,880	203,299	-	-	-	-	-	-	1,004,503
Advances from other funds	-	-	-	-	114,860	-	-	-	-	-	114,860
<b>Total Liabilities</b>	<b>8,687</b>	<b>432,387</b>	<b>486,880</b>	<b>297,723</b>	<b>385,226</b>	<b>29,392</b>	<b>22,164</b>	<b>81,087</b>	<b>58,197</b>	<b>21,976</b>	<b>1,823,719</b>
Deferred Inflows of Resources											
Unavailable due from other governments	-	-	-	406,469	-	-	-	-	-	-	406,469
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406,469</b>
Fund Balances (Deficit)											
Restricted for economic development	1,631,953	-	-	-	-	2,433	-	-	2,911,922	-	4,546,308
Restricted for highways and streets	-	846,686	-	-	-	-	-	-	-	-	846,686
Restricted for employee benefits	-	-	-	-	12,436	-	-	-	-	-	12,436
Restricted for commuter parking lot	-	-	-	-	-	-	154,011	-	-	-	154,011
Committed for public safety	-	-	-	-	-	-	-	696,442	-	-	696,442
Assigned for capital projects	-	-	-	-	-	-	-	-	-	463,896	463,896
Unassigned	-	-	(403,613)	(297,718)	-	-	-	-	-	-	(701,331)
<b>Total Fund Balances (deficit) (Deficit)</b>	<b>1,631,953</b>	<b>846,686</b>	<b>(403,613)</b>	<b>(297,718)</b>	<b>12,436</b>	<b>2,433</b>	<b>154,011</b>	<b>696,442</b>	<b>2,911,922</b>	<b>463,896</b>	<b>6,018,448</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,640,640</b>	<b>\$ 1,279,073</b>	<b>\$ 83,267</b>	<b>\$ 406,474</b>	<b>\$ 397,662</b>	<b>\$ 31,825</b>	<b>\$ 176,175</b>	<b>\$ 777,529</b>	<b>\$ 2,970,119</b>	<b>\$ 485,872</b>	<b>\$ 8,248,636</b>

VILLAGE OF SKOKIE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2017

	Science & Technology TIF	Motor Fuel Tax	Local Fuel Tax	Community Development Block Grant	IMRF
<b>REVENUES</b>					
Property taxes	\$ 2,155,906	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	1,181,439	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	1,745,085	-	124,633	-
Investment income	-	4,247	-	-	-
Miscellaneous	19,409	-	-	-	415,594
Total Revenues	<u>2,175,315</u>	<u>1,749,332</u>	<u>1,181,439</u>	<u>124,633</u>	<u>415,594</u>
<b>EXPENDITURES</b>					
Current					
General government	149,253	-	-	-	(64,753)
Public works	-	628,042	3	-	-
Health and welfare	-	-	-	326,503	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>149,253</u>	<u>628,042</u>	<u>3</u>	<u>326,503</u>	<u>(64,753)</u>
Excess (deficiency) of revenues over expenditures	<u>2,026,062</u>	<u>1,121,290</u>	<u>1,181,436</u>	<u>(201,870)</u>	<u>470,347</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(2,669,059)	-	(1,201,267)	(192,898)	-
Sales of capital assets	190,518	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,478,541)</u>	<u>(278,349)</u>	<u>(1,201,267)</u>	<u>(192,898)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(452,479)</u>	<u>842,941</u>	<u>(19,831)</u>	<u>(394,768)</u>	<u>470,347</u>
FUND BALANCES - Beginning of Year (Deficit)	<u>2,084,432</u>	<u>3,745</u>	<u>(383,782)</u>	<u>97,050</u>	<u>(457,911)</u>
<b>FUND BALANCES - END OF YEAR (DEFICIT)</b>	<u>\$ 1,631,953</u>	<u>\$ 846,686</u>	<u>\$ (403,613)</u>	<u>\$ (297,718)</u>	<u>\$ 12,436</u>

	Visitor's Bureau	CTA Parking Lot	Wireless Alarm	Economic Development	Centre East Development	Total Nonmajor Governmental Funds
\$	117,567	-	-	-	-	2,155,906
	-	281,909	245,792	1,140,771	600,000	3,039,777
	-	207	-	-	-	827,701
	-	-	-	-	-	1,869,718
	-	-	-	21,000	-	4,454
	<u>117,567</u>	<u>282,116</u>	<u>245,792</u>	<u>1,161,771</u>	<u>600,000</u>	<u>456,003</u>
						<u>8,053,559</u>
	117,567	261,847	40,123	347,155	483,012	1,344,204
	-	-	-	-	-	628,045
	-	-	-	-	-	326,503
	-	-	112,362	-	-	112,362
	<u>117,567</u>	<u>261,847</u>	<u>152,485</u>	<u>347,155</u>	<u>483,012</u>	<u>2,411,114</u>
						<u>5,642,445</u>
	-	20,269	93,307	814,616	116,988	-
	-	-	-	(1,206,502)	-	(5,548,075)
	-	-	-	171,018	-	361,536
	-	-	-	(1,035,484)	-	(5,186,539)
	-	20,269	93,307	(220,868)	116,988	455,906
	2,433	133,742	603,135	3,132,790	346,908	5,562,542
\$	<u>2,433</u>	<u>154,011</u>	<u>696,442</u>	<u>2,911,922</u>	<u>463,896</u>	<u>6,018,448</u>

VILLAGE OF SKOKIE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - SCIENCE & TECHNOLOGY TIF FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 2,300,000	\$ 2,300,000	\$ 2,155,906
Miscellaneous	-	-	19,409
Total Revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,175,315</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,005,578	2,010,138	149,253
Capital Outlay	1,000,000	1,000,000	-
Total Expenditures	<u>3,005,578</u>	<u>3,010,138</u>	<u>149,253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(705,578)</u>	<u>(710,138)</u>	<u>2,026,062</u>
<b>OTHER FINANCING USES</b>			
Transfers out	(2,074,675)	(2,074,675)	(2,669,059)
Sales of capital assets	-	-	190,518
Total Other Financing Uses	<u>(2,074,675)</u>	<u>(2,074,675)</u>	<u>(2,478,541)</u>
Net Change in Fund Balance	<u>\$ (2,780,253)</u>	<u>\$ (2,784,813)</u>	<u>(452,479)</u>
FUND BALANCE - Beginning of Year			<u>2,084,432</u>
FUND BALANCE - END OF YEAR			<u>\$ 1,631,953</u>

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 1,679,232	\$ 1,679,232	\$ 1,745,085
Investment income	-	-	4,247
Total Revenues	<u>1,679,232</u>	<u>1,679,232</u>	<u>1,749,332</u>
<b>EXPENDITURES</b>			
Current:			
Public works	863,700	916,804	628,042
Total Expenditures	<u>863,700</u>	<u>916,804</u>	<u>628,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>815,532</u>	<u>762,428</u>	<u>1,121,290</u>
<b>OTHER FINANCING USES</b>			
Transfers out	(815,500)	(815,500)	(278,349)
Total Other Financing Uses	<u>(815,500)</u>	<u>(815,500)</u>	<u>(278,349)</u>
Net Change in Fund Balance	<u>\$ 32</u>	<u>\$ (53,072)</u>	<u>842,941</u>
FUND BALANCE - Beginning of Year			<u>3,745</u>
FUND BALANCE - END OF YEAR			<u>\$ 846,686</u>

**VILLAGE OF SKOKIE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - LOCAL FUEL TAX FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Other taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,181,439
Total Revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,181,439</u>
<b>EXPENDITURES</b>			
Current:			
Public works	-	-	3
Total Expenditures	<u>-</u>	<u>-</u>	<u>3</u>
Excess of revenues over expenditures	1,200,000	1,200,000	1,181,436
<b>OTHER FINANCING USES</b>			
Transfers out	-	-	(1,201,267)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(1,201,267)</u>
Net Change in Fund Balance	\$ 1,200,000	\$ 1,200,000	(19,831)
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(383,782)</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (403,613)</u>

**VILLAGE OF SKOKIE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 517,733	\$ 517,733	\$ 124,633
Total Revenues	<u>517,733</u>	<u>517,733</u>	<u>124,633</u>
<b>EXPENDITURES</b>			
Current:			
Health and welfare	531,668	531,668	326,503
Total Expenditures	<u>531,668</u>	<u>531,668</u>	<u>326,503</u>
Excess (deficiency) of revenues over (under) expenditures	(13,935)	(13,935)	(201,870)
<b>OTHER FINANCING USES</b>			
Transfers out	-	-	(192,898)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(192,898)</u>
Net Change in Fund Balance	\$ (13,935)	\$ (13,935)	(394,768)
FUND BALANCE - Beginning of Year			<u>97,050</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (297,718)</u>

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - IMRF FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ -	\$ 415,594
Total Revenues	-	-	415,594
<b>EXPENDITURES</b>			
Current:			
General government	3,552,253	3,552,253	(64,753)
Total Expenditures	3,552,253	3,552,253	(64,753)
<b>Net Change in Fund Balance</b>	<u>\$ (3,552,253)</u>	<u>\$ (3,552,253)</u>	470,347
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			(457,911)
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 12,436</u>

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - VISITOR'S BUREAU FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Hotel and motel tax	\$ 117,567	\$ 117,567	\$ 117,567
Total Revenues	117,567	117,567	117,567
<b>EXPENDITURES</b>			
Current:			
General government	117,567	117,567	117,567
Total Expenditures	117,567	117,567	117,567
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	-
<b>FUND BALANCE - Beginning of Year</b>			2,433
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,433</u>

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - WIRELESS ALARM FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Charges for services	\$ 180,000	\$ 180,000	\$ 245,792
Total Revenues	180,000	180,000	245,792
<b>EXPENDITURES</b>			
Current:			
General government	58,873	60,466	40,123
Capital Outlay	55,000	55,000	112,362
Total Expenditures	113,873	115,466	152,485
Net Change in Fund Balance	\$ 66,127	\$ 64,534	93,307
<b>FUND BALANCE - Beginning of Year</b>			603,135
<b>FUND BALANCE - END OF YEAR</b>			\$ 696,442

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Real estate transfer tax	\$ 1,123,367	\$ 1,123,367	\$ 1,140,771
Miscellaneous	-	-	21,000
Total Revenues	1,123,367	1,123,367	1,161,771
<b>EXPENDITURES</b>			
Current:			
General government	486,852	591,442	347,155
Total Expenditures	486,852	591,442	347,155
Excess (deficiency) of revenues over (under) expenditures	636,515	531,925	814,616
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(1,206,502)
Sales of capital assets	-	-	171,018
Total Other Financing Sources (Uses)	-	-	(1,035,484)
Net Change in Fund Balance	\$ 636,515	\$ 531,925	(220,868)
<b>FUND BALANCE - Beginning of Year</b>			3,132,790
<b>FUND BALANCE - END OF YEAR</b>			\$ 2,911,922

VILLAGE OF SKOKIE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - CENTRE EAST DEVELOPMENT FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Hotel and motel tax	\$ 600,000	\$ 600,000	\$ 600,000
Total Revenues	600,000	600,000	600,000
<b>EXPENDITURES</b>			
Current:			
General government	-	-	483,012
Total Expenditures	-	-	483,012
Excess of revenues over expenditures	600,000	600,000	116,988
<b>OTHER FINANCING USES</b>			
Transfers out	(250,000)	(250,000)	-
Total Other Financing Uses	(250,000)	(250,000)	-
<b>Net Change in Fund Balance</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>116,988</b>
<b>FUND BALANCE - Beginning of Year</b>			<b>346,908</b>
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 463,896</b>

VILLAGE OF SKOKIE

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATER AND SEWER FUND  
For the Year Ended April 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
<b>OPERATING EXPENSES</b>			
Water and Sewerage	\$ 1,027,077	\$ 1,027,077	\$ 993,601
Personnel services	1,027,077	1,027,077	993,601
Total personnel services	1,027,077	1,027,077	993,601
Contractual services	289,500	289,500	75,434
Professional services	333,500	339,752	280,593
Other contractual services	2,000	2,000	476
Equipment and maintenance services	20,000	20,000	18,814
Construction services	70,000	70,000	400,000
Insurance	11,300	11,300	152
Communications	4,900	4,900	3,924
Printing and binding	5,400	6,259	3,870
Travel and meetings	1,500	1,500	1,516
Training	738,100	745,211	784,779
Total contractual services	738,100	745,211	784,779
Material and supplies	3,500	3,500	3,456
General equipment parts	30,000	30,000	29,847
Water distribution supply	2,000	2,000	1,992
Minor equipment and tools	125	125	-
Photographic and drafting	620	620	20
Membership dues	6,570	6,570	5,688
Clothing, dry goods, notions	3,320	3,320	2,339
Chemicals	500	500	-
Horticulture and landscape	96,000	96,000	86,861
Energy	27,447	27,447	20,884
Gasoline	100	100	-
Books and periodicals	136,100	139,530	131,345
Construction materials	3,309,538	3,937,606	2,932,412
Water for resale	3,615,820	4,247,318	3,214,844
Total material and supplies	3,615,820	4,247,318	3,214,844
Other	1,460,000	1,460,000	1,523,886
Administration	159,979	159,979	167,440
Group insurance	181,291	181,291	254,589
Employee pensions	1,801,270	1,801,270	1,945,915
Total other	1,801,270	1,801,270	1,945,915

VILLAGE OF SKOKIE

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATER AND SEWER FUND  
For the Year Ended April 30, 2017

	2017		Actual
	Original	Final	
Capital outlay			
Nonbuilding improvements	\$ 100,000	\$ 100,000	\$ 82,963
Other equipment	7,600	7,600	7,577
Total capital outlay	107,600	107,600	90,540
Total water and sewerage	7,289,867	7,928,476	7,029,679
Water Meters			
Personnel services	533,162	533,162	173,205
Total personnel services	533,162	533,162	173,205
Contractual services			
Repair and maintenance services	15,500	15,500	3,240
Printing and binding	3,900	3,900	2,440
Total contractual services	19,400	19,400	5,680
Materials and supplies			
General equipment parts	3,150	3,150	3,095
Minor equipment and tools	300	300	288
General office supplies	1,650	1,881	301
Postage	26,000	26,000	30,678
Clothing, dry goods, notions	2,470	2,470	1,779
Gasoline	1,628	1,628	1,277
Total materials and supplies	35,198	35,429	37,418
Other			
Group insurance	20,694	20,694	15,046
Employee pensions	50,600	50,600	44,014
Total other	71,294	71,294	59,060
Total water meters	659,054	659,285	275,363
Flood Control			
Personnel services	296,143	296,143	288,196
Total personnel services	296,143	296,143	288,196
Contractual services			
Other contractual service	112,500	131,417	98,468
Communications	100	100	72
Total contractual services	112,600	131,517	98,540

VILLAGE OF SKOKIE

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATER AND SEWER FUND  
For the Year Ended April 30, 2017

	2017		Actual
	Original	Final	
Materials and supplies			
General equipment parts	\$ 9,500	\$ 9,500	\$ 9,407
Minor equipment and tools	1,200	1,200	1,148
Clothing, dry goods, notions	3,000	3,000	2,645
Gasoline	3,520	3,520	1,573
Construction materials	53,500	54,521	42,757
Total materials and supplies	70,720	71,741	57,530
Other			
Group insurance	68,124	68,124	70,243
Employee pensions	50,335	50,335	73,813
Total other	118,459	118,459	144,056
Total flood control	597,922	617,860	588,322
Depreciation			
Total Operating Expenses	8,546,843	9,205,621	8,652,308

VILLAGE OF SKOKIE

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
As of April 30, 2017

	Firefighters' Pension	Police Pension	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 174,487	\$ 901,444	\$ 1,075,931
Investments			
U.S. Government and agency obligations	11,873,640	13,919,807	25,793,447
Real Estate	-	4,829,249	4,829,249
Mutual funds	47,858,331	39,140,021	86,998,352
Stocks	-	12,999,558	12,999,558
Money market mutual funds	439,085	1,015,036	1,454,121
Corporate bonds	9,418,844	13,985,698	23,404,542
State and local bonds	2,695,553	451,962	3,147,515
Receivables			
Interest	169,224	197,954	367,178
Prepaid items	1,820	7,867	9,687
Due from primary government	1,013,884	253,952	1,267,836
Total Assets	73,644,868	87,702,548	161,347,416
<b>LIABILITIES</b>			
Accounts payable	10,452	18,143	28,595
Total Liabilities	10,452	18,143	28,595
<b>NET POSITION</b>			
Held in trust for pension benefits	\$ 73,634,416	\$ 87,684,405	\$ 161,318,821

VILLAGE OF SKOKIE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
For the Year Ended April 30, 2017

	Firefighters' Pension	Police Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 4,205,553	\$ 3,424,615	\$ 7,630,168
Participants	940,662	1,127,262	2,067,924
Total Contributions	5,146,215	4,551,877	9,698,092
Investment income			
Interest income	1,555,373	3,345,556	4,900,929
Net appreciation in fair value of investments	5,314,858	5,646,690	10,961,548
Total Investment Income	6,870,231	8,992,246	15,862,477
Less Investment expense	(72,127)	(175,861)	(247,988)
Net Investment Income	6,798,104	8,816,385	15,614,489
Total Additions	11,944,319	13,368,262	25,312,581
<b>DEDUCTIONS</b>			
Administrative	97,168	47,656	144,824
Pension benefits and refunds	7,667,147	6,640,570	14,307,717
Total Deductions	7,764,315	6,688,226	14,452,541
<b>Change in Net Position</b>	4,180,004	6,680,036	10,860,040
NET POSITION - Beginning of Year	69,454,412	81,004,369	150,458,781
<b>NET POSITION, END OF YEAR</b>	\$ 73,634,416	\$ 87,684,405	\$ 161,318,821

VILLAGE OF SKOKIE

AGENCY FUNDS  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended April 30, 2017

	BALANCE APRIL 30, 2016	ADDITIONS	DELETIONS	BALANCE APRIL 30, 2017
<b>Assets</b>				
Cash and cash equivalents	\$ 2,197,468	\$ 904,368	\$ 759,739	\$ 2,342,097
Total assets	\$ 2,197,468	\$ 904,368	\$ 759,739	\$ 2,342,097
<b>Liabilities</b>				
Accounts payable	\$ 14,150	\$ 742,939	\$ 743,939	\$ 13,150
Deposits payable	1,412,423	908,768	763,139	1,558,052
Other payables	770,895	-	-	770,895
Total liabilities	\$ 2,197,468	\$ 1,651,707	\$ 1,507,078	\$ 2,342,097

VILLAGE OF SKOKIE

AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended April 30, 2017

	BALANCE APRIL 30, 2016	ADDITIONS	DELETIONS	BALANCE APRIL 30, 2017
<b>SPECIAL ASSESSMENT #1</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 491,000	\$ -	\$ -	\$ 491,000
Total assets	\$ 491,000	\$ -	\$ -	\$ 491,000
<b>Liabilities</b>				
Other payables	\$ 491,000	\$ -	\$ -	\$ 491,000
Total liabilities	\$ 491,000	\$ -	\$ -	\$ 491,000
<b>SPECIAL ASSESSMENT #2</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 278,694	\$ -	\$ -	\$ 278,694
Total assets	\$ 278,694	\$ -	\$ -	\$ 278,694
<b>Liabilities</b>				
Other payables	\$ 278,694	\$ -	\$ -	\$ 278,694
Total liabilities	\$ 278,694	\$ -	\$ -	\$ 278,694
<b>ESCROW DEPOSIT</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,427,774	\$ 904,368	\$ 759,739	\$ 1,572,403
Total assets	\$ 1,427,774	\$ 904,368	\$ 759,739	\$ 1,572,403
<b>Liabilities</b>				
Accounts payable	\$ 14,150	\$ 742,939	\$ 743,939	\$ 13,150
Deposits payable	1,412,423	908,768	763,139	1,558,052
Other payables	1,201	-	-	1,201
Total liabilities	\$ 1,427,774	\$ 1,651,707	\$ 1,507,078	\$ 1,572,403

STATISTICAL SECTION

This part of the Village of Skokie, 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</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.	135 - 142
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source.	143 - 149
<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.	150 - 153
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place.	154 - 156
<b>Operating Information</b> These schedules contain information about the Village's service and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	157 - 158

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

**VILLAGE OF SKOKIE, ILLINOIS**

SCHEDULE OF NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016**	2017
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 100,167,169	\$ 105,390,481	\$ 108,142,967	\$ 120,700,803	\$ 127,007,975	\$ 133,372,238	\$ 136,688,939	\$ 145,414,648	\$ 149,529,618	\$ 146,248,683
Restricted	18,049,222	23,341,980	22,589,827	19,931,143	15,735,562	12,830,674	28,541,789	31,901,697	13,090,262	13,399,903
Unrestricted	35,298,355	20,533,585	22,712,494	14,050,052	15,681,005	16,311,495	(1,545,824)	(7,939,397)	(96,917,319)	(94,285,724)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>\$ 153,514,746</b>	<b>\$ 149,266,046</b>	<b>\$ 153,445,288</b>	<b>\$ 154,681,998</b>	<b>\$ 158,424,542</b>	<b>\$ 162,514,407</b>	<b>\$ 163,684,904</b>	<b>\$ 169,376,948</b>	<b>\$ 65,702,561</b>	<b>\$ 65,362,862</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 19,018,620	\$ 18,893,221	\$ 18,632,182	\$ 19,051,206	\$ 22,060,945	\$ 23,324,165	\$ 25,010,524	\$ 27,218,479	\$ 29,665,706	\$ 33,787,801
Unrestricted	2,917,615	3,381,994	5,512,975	6,895,962	6,505,880	8,025,433	8,044,339	7,584,498	7,258,943	5,777,896
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>\$ 21,936,235</b>	<b>\$ 22,275,215</b>	<b>\$ 24,145,157</b>	<b>\$ 25,947,168</b>	<b>\$ 28,566,825</b>	<b>\$ 31,349,598</b>	<b>\$ 33,054,863</b>	<b>\$ 34,802,977</b>	<b>\$ 36,924,649</b>	<b>\$ 39,565,697</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 119,185,789	\$ 124,283,702	\$ 126,775,149	\$ 139,752,009	\$ 149,068,920	\$ 156,696,403	\$ 161,699,463	\$ 172,633,127	\$ 179,195,324	\$ 180,036,484
Restricted	18,049,222	23,341,980	22,589,827	19,931,143	15,735,562	12,830,674	28,541,789	31,901,697	13,090,262	13,399,903
Unrestricted	38,215,970	23,915,579	28,225,469	20,946,014	22,186,885	24,336,928	6,498,515	(354,899)	(89,658,376)	(88,507,828)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 175,450,981</b>	<b>\$ 171,541,261</b>	<b>\$ 177,590,445</b>	<b>\$ 180,629,166</b>	<b>\$ 186,991,367</b>	<b>\$ 193,864,005</b>	<b>\$ 196,739,767</b>	<b>\$ 204,179,925</b>	<b>\$ 102,627,210</b>	<b>\$ 104,928,559</b>

Source:

The Village of Skokie's Comprehensive Annual Financial Report

\*The Village implemented GASB 68 and 71 in fiscal year 2016. Information for fiscal years 2015 and prior have not been restated for this implementation.

VILLAGE OF SKOKIE, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 14,658,764	\$ 15,525,954	\$ 14,578,398	\$ 16,327,861	\$ 17,054,841	\$ 15,433,029	\$ 22,449,344	\$ 15,141,718	\$ 11,074,095	\$ 13,333,308
Health and welfare	1,559,003	1,692,874	1,884,686	2,174,274	1,679,507	1,735,615	1,369,194	1,959,106	2,077,618	2,149,596
Public safety	20,338,845	27,774,775	27,686,386	34,598,817	30,785,222	32,251,671	32,368,902	39,300,651	44,797,739	53,680,664
Public works	34,776,913	23,042,896	19,081,862	21,719,256	34,095,545	19,488,696	21,423,997	20,047,526	21,488,785	19,737,539
Interest on long-term debt	1,880,064	1,997,772	2,590,035	2,611,848	2,499,831	2,309,014	2,776,789	2,547,374	2,334,932	1,742,307
Total governmental activities expenses	73,213,589	70,034,271	65,821,367	77,432,056	86,114,946	71,218,025	80,388,226	78,996,375	81,773,169	90,643,414
Business-type activities										
Water and sewer and parking	7,973,170	7,748,526	7,578,156	8,444,713	7,784,485	8,072,269	8,805,915	8,531,979	8,092,932	8,587,645
Total business-type activities expenses	7,973,170	7,748,526	7,578,156	8,444,713	7,784,485	8,072,269	8,805,915	8,531,979	8,092,932	8,587,645
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 81,186,759</b>	<b>\$ 77,782,797</b>	<b>\$ 73,399,523</b>	<b>\$ 85,876,769</b>	<b>\$ 93,899,431</b>	<b>\$ 79,290,294</b>	<b>\$ 89,194,141</b>	<b>\$ 87,528,354</b>	<b>\$ 89,866,101</b>	<b>\$ 99,231,059</b>

Source:  
The Village of Skokie's Comprehensive Annual Financial Report

VILLAGE OF SKOKIE, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION (Continued)  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	\$ 6,814,013	\$ 6,397,654	\$ 6,874,613	\$ 6,918,416	\$ 7,130,082	\$ 7,232,393	\$ 7,903,744	\$ 8,369,856	\$ 9,466,104	\$ 8,961,195
Public safety	567,090	802,188	729,683	705,956	624,057	589,738	629,558	655,960	660,973	716,958
Public works	-	-	200,000	163	-	-	-	-	675,000	675,000
Operating grants and contributions	3,594,927	3,382,908	3,723,535	3,539,299	3,720,200	3,579,774	6,235,095	4,237,946	3,385,984	3,468,950
Capital grants and contributions	1,925,203	1,416,064	2,290,871	6,467,171	13,645,800	1,554,557	870,638	2,095,859	273,696	564,775
Total governmental activities program revenues	12,901,233	11,998,814	13,818,702	17,631,005	25,120,139	12,956,462	15,639,035	15,359,621	14,461,757	14,386,878
Business-type activities program revenues										
Charges for services - water and sewer and parking	8,815,437	8,918,992	9,576,948	9,906,429	10,210,085	11,131,015	10,993,318	10,734,679	11,228,630	11,716,300
Total business-type activities program revenues	8,815,437	8,918,992	9,576,948	9,906,429	10,210,085	11,131,015	10,993,318	10,734,679	11,228,630	11,716,300
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 21,716,670</b>	<b>\$ 20,917,806</b>	<b>\$ 23,395,650</b>	<b>\$ 27,537,434</b>	<b>\$ 35,330,224</b>	<b>\$ 24,087,477</b>	<b>\$ 26,632,353</b>	<b>\$ 26,094,300</b>	<b>\$ 25,690,387</b>	<b>\$ 26,103,178</b>
<b>NET REVENUE (EXPENSE)</b>										
Governmental activities	\$ (60,312,356)	\$ (58,035,457)	\$ (52,002,665)	\$ (59,801,051)	\$ (60,994,807)	\$ (58,261,563)	\$ (64,749,191)	\$ (63,636,754)	\$ (67,311,412)	\$ (76,256,536)
Business-type activities	842,267	1,170,466	1,998,792	1,461,716	2,425,600	3,058,746	2,187,403	2,202,700	3,135,698	3,128,655
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (59,470,089)</b>	<b>\$ (56,864,991)</b>	<b>\$ (50,003,873)</b>	<b>\$ (58,339,335)</b>	<b>\$ (58,569,207)</b>	<b>\$ (55,202,817)</b>	<b>\$ (62,561,788)</b>	<b>\$ (61,434,054)</b>	<b>\$ (64,175,714)</b>	<b>\$ (73,127,881)</b>

Source:  
The Village of Skokie's Comprehensive Annual Financial Report

VILLAGE OF SKOKIE, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014 *	2015	2016	2017
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property taxes	\$ 16,410,719	\$ 17,974,164	\$ 21,132,452	\$ 20,370,681	\$ 21,189,803	\$ 19,816,275	\$ 19,906,382	\$ 18,895,521	\$ 18,285,452	\$ 18,297,501
Sales and use taxes	23,026,242	21,541,667	21,491,429	22,999,930	26,327,248	24,643,366				
Home rule sales taxes							10,587,209	11,876,571	14,347,272	14,215,245
Hotel/motel taxes	1,274,676	1,070,377	928,638	1,022,917	1,105,978	1,194,523	1,226,453	1,855,857	2,263,847	2,080,873
Real estate transfer taxes	1,487,796	791,962	640,269	542,805	685,831	852,901	954,796	1,047,852	1,887,066	1,576,507
Telecommunications taxes	2,503,737	3,706,615	3,751,307	3,455,213	3,578,374	2,725,544	2,691,159	2,403,027	2,358,264	2,233,580
Utility taxes				4,251,738	4,028,528	3,997,298	5,641,914	5,452,048	5,124,899	5,249,288
Other taxes	71,454	63,697	1,001,058	1,038,353	1,034,190	1,472,905	1,419,892	1,555,732	4,350,693	5,291,757
Intergovernmental										
Replacement taxes	1,393,845	1,276,243	1,129,667	1,255,680	1,132,759	1,123,076	1,285,231	1,253,630	1,269,886	1,333,937
State income taxes	6,862,701	5,578,777	4,885,830	4,939,032	4,769,895	5,838,368	6,312,951	6,344,594	6,904,189	6,123,697
Sales taxes							13,449,706	14,947,861	16,239,872	15,465,511
Use taxes							1,154,167	1,318,928	1,495,474	1,597,343
Investment income	1,963,238	702,044	240,183	102,509	49,898	18,692	11,790	(97,535)	22,986	159,214
Miscellaneous			247,137	161,910	246,244	214,882	805,335	1,405,402	1,265,170	1,180,993
Transfers	419,394	851,485	131,242	147,328	299,522	820,465	472,703	443,790	810,653	484,391
Gain (loss) on sale of capital assets	49,046	229,726	602,695	749,665				625,520		
<b>Total governmental activities</b>	<b>55,462,848</b>	<b>53,786,757</b>	<b>56,181,907</b>	<b>61,037,761</b>	<b>64,448,270</b>	<b>62,718,295</b>	<b>65,919,688</b>	<b>69,328,798</b>	<b>76,625,723</b>	<b>75,916,837</b>
Business-type activities										
Utility taxes				483,982	494,673	548,999				
Investment income	56,302	19,999	2,392	3,641	(1,094)	(4,507)	(9,435)	(10,796)	(8,561)	(3,216)
Transfers	(419,394)	(851,485)	(131,242)	(147,328)	(299,522)	(820,465)	(472,703)	(443,790)	(810,653)	(484,391)
Miscellaneous										
<b>Total business-type activities</b>	<b>(363,092)</b>	<b>(831,486)</b>	<b>(128,850)</b>	<b>340,295</b>	<b>194,057</b>	<b>(275,973)</b>	<b>(482,138)</b>	<b>(454,586)</b>	<b>(819,214)</b>	<b>(487,607)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 55,099,756</b>	<b>\$ 52,955,271</b>	<b>\$ 56,053,057</b>	<b>\$ 61,378,056</b>	<b>\$ 64,642,327</b>	<b>\$ 62,442,322</b>	<b>\$ 65,437,550</b>	<b>\$ 68,874,212</b>	<b>\$ 75,806,509</b>	<b>\$ 75,429,230</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ (4,849,508)	\$ (4,248,700)	\$ 4,179,242	\$ 1,236,710	\$ 3,453,463	\$ 4,456,732	\$ 1,170,497	\$ 5,692,044	\$ 9,314,311	\$ (339,699)
Business-type activities	479,175	338,980	1,869,942	1,802,011	2,619,657	2,782,773	1,705,265	1,748,114	2,316,484	2,641,048
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ (4,370,333)</b>	<b>\$ (3,909,720)</b>	<b>\$ 6,049,184</b>	<b>\$ 3,038,721</b>	<b>\$ 6,073,120</b>	<b>\$ 7,239,505</b>	<b>\$ 2,875,762</b>	<b>\$ 7,440,158</b>	<b>\$ 11,630,795</b>	<b>\$ 2,301,349</b>

Source:

The Village of Skokie's Comprehensive Annual Financial Report

\* Beginning in fiscal year 2014, replacement taxes, sales taxes, and use taxes are presented as intergovernmental revenues.

VILLAGE OF SKOKIE, ILLINOIS

PROGRAM REVENUES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

FUNCTION/PROGRAM	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Charges for services										
General government	\$ 6,814,013	\$ 6,397,654	\$ 6,874,613	\$ 6,918,416	\$ 7,130,082	\$ 7,232,393	\$ 7,903,744	\$ 8,369,856	\$ 9,466,104	\$ 8,961,195
Public safety	567,090	802,188	729,683	705,956	624,057	589,738	629,558	655,960	660,973	716,958
Public works	-	-	200,000	163	-	-	-	-	675,000	675,000
Total charges for services	7,381,103	7,199,842	7,804,296	7,624,535	7,754,139	7,822,131	8,533,302	9,025,816	10,802,077	10,353,153
Operating grants and contributions										
General government	30,252	732,206	960,226	760,181	784,457	895,604	3,488,669	1,094,013	736,766	823,445
Health and welfare	795,822	-	-	-	-	-	-	-	-	-
Public safety	2,671,816	723,618	600,759	628,834	647,532	461,184	512,257	679,963	640,160	592,106
Public works	97,037	1,927,084	2,162,550	2,150,284	1,937,551	1,887,687	1,908,861	2,139,102	1,682,348	1,727,039
Interest	-	-	-	-	350,660	335,299	325,308	324,868	326,710	326,360
Total operating grants and contributions	3,594,927	3,382,908	3,723,535	3,539,299	3,720,200	3,579,774	6,235,095	4,237,946	3,385,984	3,468,950
Capital grants and contributions										
General government	-	646,595	1,246,076	1,228,440	319,826	-	-	-	-	-
Public works	1,925,203	769,469	1,044,795	5,238,731	13,325,974	1,554,557	870,638	2,095,859	273,696	564,775
Total capital grants and contributions	1,925,203	1,416,064	2,290,871	6,467,171	13,645,800	1,554,557	870,638	2,095,859	273,696	564,775
Total governmental activities	12,901,233	11,998,814	13,818,702	17,631,005	25,120,139	12,956,462	15,639,035	15,359,621	14,461,757	14,386,878
Business-type activities										
Water and sewer and parking	8,815,437	8,918,992	9,576,948	9,906,429	10,210,085	11,131,015	10,993,318	10,734,679	11,228,630	11,716,300
Total business-type activities	8,815,437	8,918,992	9,576,948	9,906,429	10,210,085	11,131,015	10,993,318	10,734,679	11,228,630	11,716,300
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 21,716,670</b>	<b>\$ 20,917,806</b>	<b>\$ 23,395,650</b>	<b>\$ 27,537,434</b>	<b>\$ 35,330,224</b>	<b>\$ 24,087,477</b>	<b>\$ 26,632,353</b>	<b>\$ 26,094,300</b>	<b>\$ 25,690,387</b>	<b>\$ 26,103,178</b>

Note:

The statement of activities provides a breakdown of charges for services, grants and contributions

Source:

The Village of Skokie's Comprehensive Annual Financial Report

VILLAGE OF SKOKIE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012 *	2013	2014	2015	2016	2017
<b>GENERAL FUND</b>										
Reserved	\$ 499,433	\$ 473,902	\$ 959,578	\$ 2,513,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,407,151	11,320,554	11,040,458	7,521,944	-	-	-	-	-	-
<b>Nonspendable</b>										
Advances	-	-	-	-	1,550,000	1,550,000	1,550,000	3,072,343	2,930,882	1,908,682
Inventories	-	-	-	-	44,357	55,655	39,375	45,076	26,683	55,765
Prepaid items	-	-	-	-	-	-	-	-	40,512	108,707
Payroll advance	-	-	-	-	-	-	-	-	-	477,546
Notes receivable	-	-	-	-	435,000	180,000	150,000	120,000	90,000	60,000
<b>Restricted</b>										
Public safety	-	-	-	-	693,059	751,351	898,273	758,247	702,642	792,868
Unrestricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	900,000	1,821,238	1,893,097
Insurance	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	8,038,676	8,687,637	9,006,117	10,826,913	13,399,950	14,765,222
<b>TOTAL GENERAL FUND</b>	<b>\$ 14,906,584</b>	<b>\$ 11,794,456</b>	<b>\$ 12,000,036</b>	<b>\$ 10,035,880</b>	<b>\$ 10,761,092</b>	<b>\$ 11,224,643</b>	<b>\$ 11,643,765</b>	<b>\$ 15,722,579</b>	<b>\$ 19,011,907</b>	<b>\$ 20,061,887</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	17,638,795	17,746,353	21,667,689	21,105,464	-	-	-	-	-	-
Unreserved, reported in	8,654,715	4,789,038	185,436	582,895	-	-	-	-	-	-
Special revenue funds	5,738,825	4,618,037	8,916,618	(2,644,848)	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Nonspendable</b>										
Prepaid items	-	-	-	-	544,457	-	62,500	-	-	-
Advances	-	-	-	-	2,000,000	2,000,000	2,000,000	-	-	-
<b>Restricted</b>										
Economic development	-	-	-	-	6,405,213	4,306,589	2,161,561	3,549,319	5,316,705	4,546,308
Highways and streets	-	-	-	-	560,222	613,596	73,079	356,334	3,745	846,686
Employee benefits	-	-	-	-	627,602	99,451	-	-	-	12,436
Commuter parking lot	-	-	-	-	117,316	149,581	115,175	135,851	133,742	154,011
Debt service	-	-	-	-	7,332,150	6,910,106	8,216,564	9,002,857	7,875,631	7,765,410
Unrestricted	-	-	-	-	-	-	-	-	-	-
<b>Committed</b>										
Highways and streets	-	-	-	-	386,018	290,644	-	-	-	-
Public safety	-	-	-	-	126,563	251,608	352,334	470,230	603,135	696,442
Capital projects	-	-	-	-	211,181	423,073	-	-	-	-
<b>Assigned</b>										
Highways and streets	-	-	-	-	-	-	216,925	-	-	-
Capital projects	-	-	-	-	2,519,480	4,324,021	4,574,971	2,323,139	1,776,268	463,896
Unassigned (deficit)	-	-	-	-	(4,289,347)	(5,154,091)	(5,623,672)	(5,398,891)	(5,268,757)	(2,779,613)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 32,032,335</b>	<b>\$ 27,153,428</b>	<b>\$ 30,769,743</b>	<b>\$ 19,043,511</b>	<b>\$ 16,540,855</b>	<b>\$ 14,214,578</b>	<b>\$ 12,149,437</b>	<b>\$ 10,438,839</b>	<b>\$ 10,440,469</b>	<b>\$ 11,705,576</b>
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 46,938,919</b>	<b>\$ 38,947,884</b>	<b>\$ 42,769,779</b>	<b>\$ 29,079,391</b>	<b>\$ 27,301,947</b>	<b>\$ 25,439,221</b>	<b>\$ 23,793,202</b>	<b>\$ 26,161,418</b>	<b>\$ 29,452,376</b>	<b>\$ 31,767,463</b>

\* The Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2012.

Source:  
The Village of Skokie's Comprehensive Annual Financial Report

VILLAGE OF SKOKIE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014 *	2015	2016	2017
<b>REVENUES</b>										
Property taxes	\$ 16,410,719	\$ 17,974,164	\$ 21,132,452	\$ 20,370,681	\$ 21,189,803	\$ 19,816,275	\$ 19,635,910	\$ 18,895,521	\$ 18,285,452	\$ 18,297,501
Other taxes	36,400,966	34,268,818	33,749,585	39,505,668	37,827,219	36,070,471	21,584,035	22,976,414	26,010,391	28,622,880
Licenses and permits	3,095,578	2,493,421	2,922,271	3,082,453	3,148,219	3,488,501	4,204,252	4,709,663	5,344,232	4,585,027
Intergovernmental	1,691,572	4,029,461	5,032,108	9,297,775	21,433,725	10,411,980	30,588,288	32,509,474	30,852,363	29,386,748
Charges for services	4,985,499	3,004,541	2,944,107	3,024,671	3,100,859	2,946,057	2,964,458	2,753,557	2,745,774	3,195,420
Fines	1,157,298	1,460,769	1,567,322	1,339,450	1,312,159	1,327,888	1,253,100	1,389,213	2,589,763	2,223,271
Interest income	1,931,270	702,048	240,183	102,509	49,898	18,692	11,790	(97,534)	22,986	159,214
Miscellaneous	499,709	944,324	1,114,225	852,129	401,771	434,530	371,471	1,082,802	1,071,429	1,327,065
<b>Total revenues</b>	66,172,611	64,877,546	68,702,253	77,575,336	88,463,653	74,514,394	80,613,304	84,219,110	86,922,390	87,797,126
<b>EXPENDITURES</b>										
General government	13,381,078	15,257,749	13,502,936	15,205,407	14,231,343	15,137,089	17,232,276	10,747,490	9,667,673	10,973,977
Health and welfare	1,554,279	1,709,773	1,871,162	2,172,013	1,680,504	1,724,849	2,256,259	1,972,519	2,002,274	2,074,832
Public safety	26,137,686	26,760,621	26,304,265	29,806,963	29,452,103	29,688,362	30,300,920	37,195,546	39,480,037	42,078,694
Public works	22,037,673	12,705,774	11,844,488	11,303,463	12,430,763	12,205,767	13,508,742	14,714,111	14,405,729	13,823,336
Capital outlay	12,385,803	11,703,538	31,919,761	24,587,213	25,010,188	10,956,518	20,358,209	12,755,797	10,372,563	11,561,634
Debt service										
Principal	4,636,962	4,874,248	4,201,478	5,696,525	5,555,321	5,488,743	6,353,524	6,355,863	6,777,017	7,597,813
Interest and fiscal charges	1,886,191	2,122,066	2,280,693	2,806,443	2,613,492	2,437,348	2,673,627	2,739,255	2,542,761	1,873,605
Bond issuance costs	125,043	-	317,113	-	-	-	-	-	-	151,656
<b>Total expenditures</b>	82,144,715	75,133,769	92,241,896	91,578,027	90,973,714	77,638,676	92,683,557	86,480,581	85,248,054	90,135,547
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(15,972,104)	(10,256,223)	(23,539,643)	(14,002,691)	(2,510,061)	(3,124,282)	(12,070,253)	(2,261,471)	1,674,336	(2,338,421)

VILLAGE OF SKOKIE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014*	2015	2016	2017
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from borrowing	\$ 14,133,800	\$ 1,145,000	\$ 1,475,000	\$ -	\$ -	\$ -	\$ 9,415,000	\$ -	\$ -	\$ -
Issuance of general obligation bonds	-	-	18,420,000	-	-	-	-	2,000,000	-	-
Issuance of refunding bonds	-	-	20,098,412	3,924,255	-	-	-	-	-	9,225,000
Bond premium	-	-	566,732	458,793	-	-	493,218	-	-	-
Bond discount	(38,207)	-	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from sales of capital assets	131,309	268,703	602,695	749,665	144,014	441,091	43,313	2,185,897	805,969	4,017,461
Payments to escrow agent	-	-	(13,932,543)	(4,341,689)	-	-	-	-	-	(9,073,344)
Transfers in	8,195,060	10,065,622	18,045,537	8,024,827	16,333,156	9,406,095	25,103,431	9,181,677	6,577,857	6,088,873
Transfers (out)	(7,775,666)	(9,214,137)	(17,914,295)	(7,877,499)	(16,033,634)	(8,585,630)	(24,630,728)	(8,737,887)	(5,767,204)	(5,604,482)
Total other financing sources (uses)	14,646,296	2,265,188	27,361,538	938,352	443,536	1,261,556	10,424,234	4,629,687	1,616,622	4,653,508
<b>NET CHANGES IN FUND BALANCES</b>	\$ (1,325,808)	\$ (7,991,035)	\$ 3,821,895	\$ (13,064,339)	\$ (2,066,525)	\$ (1,862,726)	\$ (1,646,019)	\$ 2,368,216	\$ 3,290,958	\$ 2,315,087
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	8.1%	9.8%	9.9%	10.6%	9.5%	11.0%	13.9%	11.9%	12.4%	11.7%

Source:

The Village of Skokie's Comprehensive Annual Financial Report

\* Beginning in fiscal year 2014, replacement taxes, sales taxes, and use taxes are presented as intergovernmental revenues.

VILLAGE OF SKOKIE, ILLINOIS

TAX REVENUES BY SOURCES - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

Fiscal Year	Property	Replacement	Regular and Home Rule Sales	Income/Use	Hotel/Motel	Telecommunications	Real Estate Transfer	Local Fuel	Utility Tax (Local)	Other	Total
2008	\$ 16,410,719	\$ 1,393,845	\$ 23,026,242	\$ 6,862,701	\$ 1,274,676	\$ 2,503,737	\$ 1,487,796	\$ -	\$ -	\$ -	\$ 52,959,716
2009	17,974,164	1,276,243	24,541,667	5,578,777	1,070,377	3,706,615	791,962	-	-	-	54,939,805
2010	21,132,452	1,129,667	20,642,989	5,644,595	928,638	3,794,335	640,269	969,092	-	-	54,882,037
2011	20,370,681	1,255,680	22,095,373	5,843,589	1,022,917	3,455,213	542,805	1,038,353	4,251,738	-	59,876,349
2012	21,189,803	1,132,759	25,285,355	5,781,112 (1)	1,105,978	3,609,050	685,831	905,618	4,028,528	128,572	63,852,606
2013	19,816,275	1,123,076	23,665,409	6,865,527 (1)	1,194,524	3,215,166	852,901	859,995	3,997,298	134,943	61,725,114
2014	19,635,910	1,285,231 (2)	24,032,510 (2)	7,447,361 (1), (2)	1,226,453	3,183,065	954,796	804,611	4,681,914	143,387	63,395,238
2015	18,895,521	1,253,630 (2)	26,409,759 (2)	7,653,522 (1), (2)	1,855,857	2,613,027	1,047,852	1,011,429	5,452,048	57,723	66,250,368
2016	18,285,452	1,269,886 (2)	26,265,494 (2)	8,399,663 (1), (2)	2,263,847	2,358,264	1,887,066	1,198,571	5,124,899	60,764	67,113,906
2017	18,297,501	1,333,937 (2)	27,029,386 (2)	7,721,040 (1), (2)	2,080,873	2,233,580	1,576,507	1,181,439	5,249,288	56,698	66,760,249

Source:

The Village of Skokie's Comprehensive Annual Financial Report

- (1) Includes State Income Tax shown as Intergovernmental Revenue in the General Fund
- (2) Replacement, regular sales, and use taxes shown as Intergovernmental Revenue in the General Fund

**VILLAGE OF SKOKIE, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
Last Ten Fiscal Years

*(in thousands of dollars except the Total Direct Tax Rate)*

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Total Taxable Assessed Value (a)	Total Direct Tax Rate (b)	Estimated Actual Taxable Value
2008	\$ 1,767,769	\$ 864,586	\$ 362,568	\$ 236	\$ 2,995,159	0.517	\$ 8,985,477
2009	1,851,210	936,697	413,959	136	3,202,002	0.483	9,606,006
2010	1,909,625	850,169	353,672	165	3,113,631	0.497	9,340,893
2011	1,659,112	857,388	352,861	205	2,869,566	0.539	8,608,698
2012	1,536,178	723,044	302,291	218	2,561,731	0.604	7,685,193
2013	1,403,905	675,846	281,608	247	2,361,606	0.655	7,084,818
2014	1,187,914	626,594	253,886	304	2,068,698	0.767	6,206,094
2015	1,241,075	693,761	186,668	334	2,121,838	0.748	6,365,515
2016	1,221,971	683,738	183,463	381	2,089,553	0.760	6,268,659
2017	1,484,302	747,855	205,765	388	2,438,310	0.651	7,314,930

Source: Cook County Assessor's Office.

Note: Property in the Village of Skokie is reassessed on a triennial basis. Property is assessed at 33.33% of estimated actual value. Tax rates are per \$100 of equalized assessed value.

<sup>a</sup> County deducts the tax-exempt property from each property category before reporting this data.

<sup>b</sup> Village of Skokie rate only. Excludes all other taxing jurisdictions.

**VILLAGE OF SKOKIE, ILLINOIS**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
Last Ten Fiscal Years

Fiscal Year	Village Direct Rates				Overlapping Rates (a)							Other Minor Districts
	Village Basic Rate	General			Total Direct	Metropolitan			Average High School (c)	Oakton Community College		
		Village Basic Rate	Obligation Debt Service			Skokie Public Library	Skokie Park District	Cook County			Water Reclamation District	
2008	0.451	0.066	0.066	0.517	0.375	0.375	0.446	0.263	2.563	1.932	0.141	0.103
2009	0.439	0.044	0.044	0.483	0.369	0.386	0.413	0.252	2.543	1.921	0.140	0.089
2010	0.451	0.046	0.046	0.497	0.390	0.383	0.394	0.261	2.670	1.942	0.140	0.110
2011	0.498	0.041	0.041	0.539	0.432	0.423	0.423	0.274	3.017	2.179	0.160	0.096
2012	0.519	0.085	0.085	0.604	0.489	0.476	0.462	0.320	3.361	2.483	0.196	0.135
2013	0.571	0.084	0.084	0.655	0.535	0.518	0.531	0.370	3.764	2.775	0.219	0.151
2014	0.671	0.096	0.096	0.767	0.623	0.581	0.560	0.417	3.844	3.707	0.256	0.145
2015	0.654	0.093	0.093	0.748	0.614	0.477	0.568	0.430	3.329	3.043	0.026	0.091
2016	0.665	0.095	0.095	0.760	0.630	0.507	0.552	0.426	4.421	3.341	0.271	0.141
2017	0.557	0.094	0.094	0.651	0.545	0.440	0.533	0.406	3.931	2.896	0.231	0.126

Source: Cook County Tax Extension Office.

Note: The Village's basic and debt service rates are the result of a calculation performed by the Cook County Treasurer's Office. The tax levy that forms the basis for the tax rates is based on an annual vote of the Village Board and the enabling ordinances for debt service which specifies the annual required debt levy amount.

- (a) Overlapping rates are those of local and county governments that apply to property owners within the Village of Skokie.
- (b) There are six elementary schools districts within the Village of Skokie. The rate shown is an average of the six districts. The individual school districts are 65, 68, 69, 72, 73, and 73.5.
- (c) There are two high school districts within the Village of Skokie. The rate shown is an average of the two districts. The individual high school districts are 202 and 219.

**VILLAGE OF SKOKIE, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	At Fiscal Year End April 30, 2017			At Fiscal Year End April 30, 2008		
	Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Value	Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Value
Westfield - Old Orchard	\$ 167,300,005	1	6.86%	\$ 149,686,312	1	6.14%
Village Crossing	44,231,841	2	1.81%	49,419,418	2	2.03%
Forest City	41,501,317	3	1.70%	19,518,751	7	0.80%
Inland Realty Group	27,327,634	4	1.09%	29,462,321	3	1.21%
Zeller Realty Group	26,595,469	5	1.12%			
CFO2 Skokie	20,848,800	6	0.85%	16,758,325	8	0.69%
Old Orchard Acquisition Partners	19,104,399	7	0.78%			
Fel-Pro Realty Corp./Federal Mogul	13,127,562	9	0.54%			
Milbrook Skokie LLC	12,595,717	10	0.52%			
Apple REIT	12,165,170	8	0.50%			
Marshall Field & Co				22,420,068	5	0.92%
Officde Building/Hines-Inland				20,597,696	6	0.85%
Commonwealth Eddison				15,143,522	9	0.62%
Optima Woods (Residential)				24,068,292	4	0.99%
Bloomingtondales (Old Orchard)				14,846,572	10	0.61%
<b>Total</b>	<b>\$ 384,797,914</b>		<b>15.77%</b>	<b>\$ 361,921,277</b>		<b>14.86%</b>
<b>Total assessed valuation</b>	<b>\$ 2,439,309,542</b>			<b>\$ 2,437,203,333</b>		

Source: Cook County Assessor's Office

## VILLAGE OF SKOKIE, ILLINOIS

### PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Levy Years

Tax Levy Year	Equalized Assessed Val.	Total Tax Levy Extended	Collections in Fiscal Year	Percent of		Total Tax Collections	Percent of Levy Collected
				Levy Collected in Fiscal Year	Collections Subsequent Years		
2007	\$ 2,995,160,921	\$ 15,880,058	\$ 7,013,630	44.17%	\$ 8,357,158	\$ 15,370,788	96.79%
2008	3,202,002,087	16,165,223	6,793,465	42.03%	8,871,978	15,665,443	96.91%
2009	3,113,630,617	16,320,930	7,844,871	48.07%	7,957,417	15,802,288	96.82%
2010	2,869,566,995	16,288,357	7,773,592	47.72%	8,149,991	15,923,583	97.76%
2011	2,561,731,480	16,326,608	8,004,009	49.02%	8,140,672	16,144,681	98.89%
2012	2,361,606,436	16,169,750	8,082,807	49.99%	8,021,171	16,103,978	99.59%
2013	2,068,698,289	16,416,863	7,712,862	46.98%	8,147,938	15,860,800	96.61%
2014	2,121,838,407	16,419,062	8,427,872	51.33%	6,905,671	15,333,543	93.39%
2015	2,089,553,462	16,414,067	9,232,456	56.25%	6,946,803	16,179,259	98.57%
2016 (1)	2,438,309,542	16,426,758	9,613,432	58.52%	-	9,613,432	58.52%

Notes:

(1) Tax levy still in collections

Source:

Office of the County Clerk

**VILLAGE OF SKOKIE, ILLINOIS**

**SALES TAX BY CATEGORY**  
Last Ten Calendar Years

*(in thousands of dollars)*

Vendor Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General merchandise	\$ 3,133	\$ 2,845	\$ 2,761	\$ 2,988	\$ 2,994	\$ 2,965	\$ 2,809	\$ 3,076	\$ 4,759	\$ 4,321
Food	1,392	1,389	1,256	1,196	1,165	1,100	1,136	1,222	1,580	1,702
Drinking and Eating Places	2,808	2,755	2,818	2,843	2,964	3,169	3,165	3,249	3,923	3,982
Apparel	4,404	4,117	3,933	4,270	4,426	4,764	4,905	5,292	5,598	5,514
Furniture	2,946	2,493	2,165	2,413	2,290	2,274	2,307	2,125	2,767	3,023
Lumber, hardware	473	302	236	212	204	260	300	348	381	366
Automotive and Filling Stations	2,376	2,252	2,033	2,610	3,241	3,324	3,476	3,765	3,867	3,578
Drugs, retail	3,353	3,352	3,126	2,995	3,045	2,033	3,966	3,349	3,414	3,800
Agricultural and all Other	1,901	1,790	1,687	2,091	1,604	5,865	1,470	1,973	3,217	2,760
Manufacturing	327	310	289	336	367	469	608	675	725	691
<b>Total</b>	<b>\$ 23,113</b>	<b>\$ 21,605</b>	<b>\$ 20,304</b>	<b>\$ 21,954</b>	<b>\$ 22,300</b>	<b>\$ 26,223</b>	<b>\$ 24,142</b>	<b>\$ 25,074</b>	<b>\$ 30,231</b>	<b>\$ 29,737</b>

Aggregate Village Sales Tax Rate 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.00% 2.25% 2.25%

Source: Illinois Department of Revenue.

Notes: Categorical retail sales tax information is not available on a Village fiscal-year basis.

# VILLAGE OF SKOKIE, ILLINOIS

## DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Years

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<u>Year</u>	<u>Village Direct Rate</u>	<u>Cook County</u>
2008	2.00	10.00
2009	2.00	10.00
2010	2.00	9.50
2011	2.00	9.25
2012	2.00	9.00
2013	2.00	9.00
2014	2.00	9.00
2015	2.25	9.25
2016	2.25	10.25
2017	2.25	10.25

Source: Illinois Department of Revenue.

**VILLAGE OF SKOKIE, ILLINOIS**

**RATIO OF OUTSTANDING DEBT BY TYPE**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Village	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Special Service Area Bonds	IEPA Loans Payable	Tax Increment Financing	Water Bonds				
2008	\$ 30,882,475	\$ 2,609,238	\$ 2,952,222	\$ 12,175,000	\$ 2,512,524	\$ 51,131,459	2.97%	\$ 807	
2009	27,431,618	3,444,867	1,837,204	12,175,000	2,323,382	47,212,071	2.75%	745	
2010	49,216,511	4,506,123	1,039,316	12,175,000	2,103,489	69,040,439	3.49%	1,066	
2011	44,746,260	3,960,832	472,505	11,715,000	1,863,740	62,758,337	3.17%	969	
2012	40,549,983	3,403,011	156,448	11,230,000	1,660,017	56,999,459	2.70%	880	
2013	36,682,408	2,903,667	-	10,725,000	1,484,600	51,795,675	2.46%	800	
2014	49,896,939	2,446,820	-	10,190,000	1,253,913	63,787,672	2.98%	979	
2015	46,431,859	1,982,441	-	9,630,000	1,013,033	59,057,333	2.91%	912	
2016	40,592,844	1,500,845	-	9,040,000	767,380	51,901,069	2.44%	801	
2017	43,227,515	998,873	-	-	497,922	44,724,310	1.96%	690	

Source:  
The Village of Skokie's Comprehensive Annual Financial Report

(a) Additional demographic information is available in the schedule of Demographic and Economic Statistics on page 147.

VILLAGE OF SKOKIE, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt	Percentage of Actual Taxable Value (a) of Property		Per Capita (b)
				Value (a) of Property	Property	
2008	\$ 30,882,475	\$ 7,908,833	\$ 22,973,642	0.26%	\$	363
2009	27,431,618	6,988,808	20,442,810	0.21%		323
2010	49,216,511	8,188,836	41,027,675	0.44%		633
2011	44,746,260	8,202,873	36,543,387	0.42%		564
2012	40,549,983	7,332,150	33,217,833	0.43%		513
2013	36,682,408	6,909,709	29,772,699	0.42%		460
2014	49,896,939	8,216,564	41,680,375	0.67%		643
2015	46,431,859	9,002,857	37,429,002	0.59%		578
2016	40,592,844	7,875,631	32,717,213	0.52%		505
2017	43,227,515	7,765,410	35,462,105	0.48%		547

Note:

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

Source:

The Village of Skokie's Comprehensive Annual Financial Report

(a) See schedule of Assessed Value and Actual Value of Taxable Property on page 137 for more property value information.

(b) Population data can be found in the schedule of Demographic and Economic Statistics on page 147.

VILLAGE OF SKOKIE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of April 30, 2017

(dollars in thousands)

Governmental Unit	Debt repaid with property taxes	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
School District 68	\$	23,019	99.451%	\$ 22,893
School District 69		8,420	81.809%	6,888
School District 72		31,791	71.138%	22,615
School District 73		1,018	99.997%	1,018
School District 73.5		17,650	100.000%	17,650
School District 65		81,729	98.240%	80,291
School District 71		803	2.625%	21
School District 67		11,290	3.042%	343
Morton Grove School District 70		6,325	1.250%	79
Niles Township High School District 219		162,134	59.974%	97,238
Evanston Township High School District 202		29,602	9.824%	2,908
Oakton Community College		63,980	10.994%	7,034
Other debt				
Cook County		21,467,340	1.685%	361,725
Cook County Forest Preserve District		472,273	1.685%	7,958
Metropolitan Water Reclamation District		4,499,905	1.719%	77,353
Skokie Park District		38,865	96.195%	37,386
Glenview Park District		55,834	3.303%	1,844
Morton Grove Park District		11,944	0.485%	58
Skokie Special Service Areas		995	100.000%	995
Subtotal, overlapping debt				746,297
Village of Skokie direct debt		44,226	100.000%	44,226
Total direct and overlapping debt				\$ 790,523

Sources: Assessed value data used to estimate applicable percentages provided by the Cook County Assessor's Office. Debt outstanding data provided by Cook County Tax Extension Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village of Skokie. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Skokie. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Village's boundaries and dividing it by each unit's total taxable assessed value.

**VILLAGE OF SKOKIE, ILLINOIS**

**LEGAL DEBT MARGIN INFORMATION**  
As of April 30, 2017

The Village is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution 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 essential 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 amounts."

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

**VILLAGE OF SKOKIE, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2008	63,348	\$ 1,719,011	\$ 27,136	4.9%
2009	63,348	1,719,011	27,136	8.1%
2010	64,784	1,978,827	30,545	8.1%
2011	64,784	1,978,827	30,545	7.9%
2012	64,784	2,109,043	32,555	7.4%
2013	64,784	2,109,043	32,555	7.5%
2014	64,784	2,129,321	32,868	6.2%
2015	64,784	2,030,244	31,339	4.9%
2016	64,784	2,129,321	32,868	5.3%
2017	64,784	2,278,000	35,163	4.5%

Sources:  
Population and per capita information provided by the U.S. Census Bureau  
Unemployment data provided by Illinois Department of Employment Security (IDES)

VILLAGE OF SKOKIE, ILLINOIS  
 PRINCIPAL EMPLOYERS  
 Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
NorthShore University HealthSystem	2,410	1	7.54%	1,488	2	4.95%
FederalMogul	1,279	2	4.00%	1,456	1	4.84%
Niles Township High School District 219	950	3	2.97%	665	4	2.21%
Macy's	910	4	2.85%			
Georgia Nut	700	5	2.19%			
Nordstrom	618	6	1.93%			
Village of Skokie	505	7	1.58%	518	6	1.72%
Cook County Circuit Court	465	8	1.46%	513	7	1.71%
Skokie Park District	432	10	1.35%			
Generation Brands	409	10	1.28%			
MPC Woodward				548	5	1.82%
Evanston Northwestern Health Care				700	3	2.33%
Forsythe Technologies				386	8	1.28%
Tech Lighting				386	9	1.28%
Council for Jewish Elderly				360	10	1.20%
<b>Total</b>	<b>8,678</b>		<b>27.16%</b>	<b>7,020</b>		<b>21.37%</b>

Source: Village employment survey

VILLAGE OF SKOKIE, ILLINOIS  
 FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES  
 BY FUNCTION / PROGRAM  
 Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government Executive services	35	37	39	37	47	48	50	49	48	48
Finance	16	16	16	15	14	14	14	14	14	14
Community development	20	20	19	17	17	16	16	16	16	16
Health	17	17	17	17	16	16	16	16	15	15
Total General Government	87	89	90	86	94	94	96	95	93	93
Public safety Fire	122	122	122	120	118	119	119	122	123	123
Police	167	168	165	163	165	166	166	170	171	171
Total Public Safety	289	290	287	283	283	285	285	292	294	294
Public works Water	92	92	88	88	94	94	92	95	94	94
	20	20	20	20	22	22	22	23	22	22
<b>Total</b>	<b>488</b>	<b>491</b>	<b>485</b>	<b>477</b>	<b>493</b>	<b>495</b>	<b>495</b>	<b>505</b>	<b>503</b>	<b>503</b>

Source: Village budget.

VILLAGE OF SKOKIE, ILLINOIS

OPERATING INDICATORS BY FUNCTION / PROGRAM  
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>General government</u></b>										
<b><u>Manager's Office</u></b>										
Charitable Solicitation Permits Issued	13	14	14	18	15	17	17	17	17	17
Total New Hires	40	39	17	24	16	25	30	44	56	48
Copies of NewSkokie Distributed	395,000	395,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Freedom of Information Act Requests	402	400	400	599	670	700	850	850	850	820
<b><u>Human Services</u></b>										
Requests for Services	28,300	28,500	17,890	17,890	18,500	19,500	22,500	30,000	30,000	30,000
Meals-on -Wheels Meals Delivered	9,300	9,500	9,375	9,375	6,000	6,500	5,050	6,000	5,600	5,600
Total Volunteer Hours	16,097	16,500	5,300	5,300	5,500	5,600	3,900	3,500	3,600	3,600
<b><u>Corporation Counsel's Office</u></b>										
Ordinances Recorded	107	81	85	72	56	56	108	95	120	100
Ticket Summons Issued/Admin. Hearings	2,508	1,553	-	-	-	1,105	1,334	1,010	1,020	1,020
<b><u>Finance Department</u></b>										
Vehicle Licenses Sold	43,550	44,048	44,540	43,598	43,800	44,175	44,727	53,355	49,350	43,800
Purchase Orders Issued	3,957	3,800	3,900	3,609	3,600	3,600	3,700	3,600	3,300	3,500
Parking Tickets Processed	25,500	23,956	26,500	17,367	21,900	22,500	22,500	37,950	1,020	4,100
<b><u>Community Development</u></b>										
Building Permits	3,900	3,200	3,652	3,446	3,725	4,000	5,000	5,700	5,800	5,100
Certificates of Completion	400	400	598	598	620	700	600	600	600	520
Inspections	6,990	6,910	6,650	6,504	7,555	7,525	8,290	7,931	7,900	2,220
<b><u>Health Department</u></b>										
Animal Control Contacts	10,635	11,630	11,000	9,877	11,000	9,000	9,000	7,500	7,000	7,000
Child Vision/Hearing Screenings	4,050	3,786	3,800	3,291	3,800	3,600	3,500	3,500	3,500	4,800
Food Service Inspections	1,100	1,084	1,100	1,551	1,700	1,550	1,400	1,400	1,450	1,625
<b><u>Public Safety</u></b>										
Total EMS Calls	4,913	5,268	5,300	4,968	4,900	4,900	5,280	5,456	6,004	5,994
Total Fire Calls	2,970	2,589	2,750	3,052	3,000	3,000	2,800	3,344	3,635	3,443
Fire Prevention Inspections	3,142	3,308	3,245	3,641	3,500	3,500	3,200	3,100	1,993	1,866
E-911 Calls Fire	7,883	7,525	7,777	8,020	8,100	7,900	8,100	8,600	9,300	9,437
Reports Processed	60,247	62,072	57,281	57,016	59,000	59,000	58,328	58,328	51,000	52,231
Traffic Accidents	4,284	3,585	3,492	3,147	3,200	3,200	3,243	3,100	2,810	2,890
<b><u>Public Works</u></b>										
Tons of Refuse Disposed of	19,500	19,075	17,200	17,300	17,300	17,700	17,500	17,800	17,800	16,897
Curb Miles of Streets Swept	20,100	16,000	16,000	17,127	17,000	15,500	14,000	14,000	14,000	17,078
Miles of Streets Plowed	4,900	4,575	10,000	34,560	10,000	10,000	10,000	10,000	10,000	3,862

VILLAGE OF SKOKIE, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM  
Last Ten Fiscal Years

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Facilities										
Village Hall	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police Stations	1	1	1	1	1	1	1	1	1	1
Public Works Facilities	1	1	1	1	1	1	1	1	1	1
Fire Department										
Fire Apparatus	10	10	10	10	10	10	10	12	12	12
Mobile Intensive Care Units (Ambulances)	4	4	4	4	4	4	4	4	4	4
Police Department										
Squad Cars	42	42	42	40	40	40	40	42	42	42
Public Works										
Refuse Packers	10	10	10	10	10	10	13	13	13	13
Miles of Skokie Streets	146	146	146	146	146	146	146	146	146	146
Water Utility										
Average Daily Water Consumption (000's gals.)	9,439	8,101	7,725	8,468	8,389	8,725	7,861	7,499	7,413	7,567
Water Mains (miles)	177	177	177	177	177	177	177	177	177	177
Sewer Facilities	163	163	163	163	163	163	163	163	163	163

**FORM OF LEGAL OPINION**

*(See following pages.)*

[Form of Opinion of Bond Counsel]

May 3, 2018

Village of Skokie  
5127 Oakton Street  
Skokie, Illinois 60077

Re: \$9,990,000 Village of Skokie, Cook County, Taxable General  
Obligation Bonds, Series 2018A

Ladies & Gentlemen:

We have examined a certified copy of the transcript of proceedings and accompanying certificates relating to the issuance of \$9,990,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2018A (the “Bonds”), of the Village of Skokie, Cook County, Illinois (the “Village”). The Bonds are initially dated May 3, 2018 and mature on the dates and in the amounts and bear interest at the rates per year as follows:

<u>Maturing December 1</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>
2018	\$515,000	2.15%
2019	\$365,000	2.45%
2020	\$375,000	2.60%
2021	\$385,000	2.75%
2022	\$395,000	2.85%
2023	\$405,000	3.00%
2024	\$415,000	3.10%
2025	\$430,000	3.15%
2026	\$445,000	3.20%
2027	\$460,000	3.25%
2028	\$480,000	3.30%
2029	\$500,000	3.40%
2030	\$515,000	3.50%
2031	\$540,000	3.55%
2032	\$560,000	3.60%
2033	\$585,000	3.65%
2034	\$610,000	3.70%
2035	\$640,000	3.75%
2036	\$670,000	3.80%
2037	\$700,000	3.85%

Interest on the Bonds is payable on June 1 and December 1 in each year, with the first interest payment date being December 1, 2018. The Bonds are subject to mandatory and optional redemption as provided in the ordinance authorizing the issuance thereof, including the bond order executed pursuant thereto (collectively, the "Bond Ordinance"). We have also examined a form of the Bond.

Based upon our examination of the certified copy of the transcript of proceedings, the accompanying certificates and the form of Bond referred to above, it is our opinion that the Bonds are valid and legally binding general obligations of the Village in accordance with their terms, payable from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount.

We observe that interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. We further observe that interest on the Bonds is includable in gross income for purposes of State of Illinois income and financial taxes. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds.

It is to be understood that the right of the owners of the Bonds and the enforceability of the Bonds and the Bond Ordinance may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may subsequently come to our attention or any changes in law that may hereafter occur.

Very truly yours,

**BOOK-ENTRY-ONLY SYSTEM**

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

*(See following pages.)*

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “Agreement”) is executed and delivered by the Village of Skokie, Cook County, Illinois (the “Village”), in connection with the issuance of \$9,990,000 Taxable General Obligation Bonds, Series 2018A (the “Bonds”). The Bonds are being issued pursuant to an ordinance adopted by the President and Board of Trustees of the Village on the 19th day of March, 2018 (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the “Ordinance”).

In consideration of the issuance of the Bonds by the Village and the purchase of such Bonds by the beneficial owners thereof, the Village covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Village represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“Annual Financial Information” means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

- “CURRENT PROPERTY VALUATIONS”;
- “2016 EQUALIZED ASSESSED VALUE BY CLASSIFICATION”;
- “LARGER TAXPAYERS”;
- “DIRECT GENERAL OBLIGATION DEBT”;
- “OVERLAPPING DEBT”;
- “DEBT RATIOS”;
- “TAX LEVIES AND COLLECTIONS”; and
- “VILLAGE TAX RATES.”

“Annual Financial Information Disclosure” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“Audited Financial Statements” means the audited financial statements of the Village prepared pursuant to the principles and as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” means any agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent’s successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” means the Final Official Statement, dated April 12, 2018, and relating to the Bonds.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“Reportable Event” means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

“Reportable Events Disclosure” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Illinois.

“Undertaking” means the obligations of the Village pursuant to Sections 4 and 5.

3. **CUSIP NUMBERS**. The CUSIP Numbers of the Bonds are set forth in Exhibit III. The Village will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. **ANNUAL FINANCIAL INFORMATION DISCLOSURE**. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all

documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. **REPORTABLE EVENTS DISCLOSURE.** Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. **CONSEQUENCES OF FAILURE OF THE VILLAGE TO PROVIDE INFORMATION.** The Village shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

7. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the Village by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering,

after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING**. The Undertaking of the Village shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to EMMA in a timely manner if this Section is applicable.

9. **DISSEMINATION AGENT**. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Ehlers & Associates, Inc. is currently engaged as disclosure dissemination agent for the Village.

10. **ADDITIONAL INFORMATION**. Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Village shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. **BENEFICIARIES**. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. **RECORDKEEPING**. The Village shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. **ASSIGNMENT**. The Village shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Village under this Agreement or to execute an Undertaking under the Rule.

14. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State.

**VILLAGE OF SKOKIE, COOK COUNTY,  
ILLINOIS**

By: \_\_\_\_\_  
Village Director of Finance

Dated: May 3, 2018

## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the Village's fiscal year (currently April 30), beginning with the fiscal year ending April 30, 2018. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the Village.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Village will disseminate a notice of such change as required by Section 4.

## EXHIBIT II

### EVENTS WITH RESPECT TO THE BONDS

#### FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village\*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

**EXHIBIT III**  
**CUSIP NUMBERS**

<b>Year of Maturity</b>	<b>CUSIP Number</b>
2018	830728 SQ5
2019	830728 SR3
2020	830728 SS1
2021	830728 ST9
2022	830728 SU6
2023	830728 SV4
2024	830728 SW2
2025	830728 SX0
2026	830728 SY8
2027	830728 SZ5
2028	830728 TA9
2029	830728 TB7
2030	830728 TC5
2031	830728 TD3
2032	830728 TE1
2033	830728 TF8
2034	830728 TG6
2035	830728 TH4
2036	830728 TJ0
2037	830728 TK7