



# WINNETKA FINANCES RECEIVE 'C' GRADE

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## THE FINANCIAL STATE OF WINNETKA

A new analysis of the latest available comprehensive annual financial report found Winnetka had a Taxpayer Burden™ of \$100, earning it a "C" grade based on Truth in Accounting's grading scale.

Winnetka's elected officials have made repeated financial decisions that have left the village with a debt burden of \$424,000, according to the analysis. That burden equates to \$100 for every village taxpayer. Winnetka's financial problems stem from unfunded retirement obligations in the form of pension and other post-employment benefits. The village has promised to pay out \$41.4 million in pensions and \$3.8 million in retiree health care benefits, but hasn't set aside enough money to fully fund them.

Although Winnetka is facing challenges, government officials are being fairly transparent about its financial condition. All pension debt is reported in the financial statements, and most of the other post-employment benefits are as well.

### Here's the truth:

**\$424,000**

Money needed to  
pay bills

**-\$100**

Taxpayer  
Burden

**C**

Financial grade

Data included in this report is derived from the village of Winnetka's 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

# WINNETKA

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Winnetka has \$73.8 million available in assets to pay \$74.2 million worth of bills.
- + The outcome: A \$424,000 shortfall and a \$100 Taxpayer Burden.
- + The village reports all of its pension debt on the balance sheet, but it excludes \$670,000 of its retiree health care debt.
- + Winnetka's reported net position is inflated by \$6.5 million, largely because it has delayed recognizing changes to its net pension liability.

#### THE VILLAGE'S BILLS EXCEED ITS ASSETS

Assets	\$171,376,000
<i>Minus:</i> Capital assets	-\$94,922,000
Restricted assets	-\$2,665,000
Assets available to pay bills	\$73,789,000
<i>Minus:</i> Bills	-\$74,213,000
Money needed to pay bills	-\$424,000
<b>Each taxpayer's share of this debt</b>	<b>-\$100</b>

#### BILLS THE VILLAGE HAS ACCUMULATED

Bonds	\$15,145,000
Other liabilities	\$22,417,000
<i>Minus:</i> Debt related to capital assets	-\$8,578,000
Unfunded pension benefits	\$41,416,000
Unfunded retiree health care	\$3,813,000
<b>Bills</b>	<b>\$74,213,000</b>

### GRADE: C

Bottom line: Winnetka's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other villages in Illinois, Winnetka still owes more than it owns.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.