

Village of Westchester, Illinois



Comprehensive Annual Financial Report

For the Fiscal Year Ended
April 30, 2014

VILLAGE OF WESTCHESTER, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2014

Prepared by:

Maureen Potempa
Finance Director

VILLAGE OF WESTCHESTER, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2014

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sam D. Pulia, President

Paul Gattuso, Trustee

Angelo Calcagno, Trustee

Frank Perry, Trustee

Celestine Reda, Trustee

Nick Steker, Trustee

Thomas Yurkovich, Trustee

Sherby Miller, Village Clerk

Barbara Brandt, Village Treasurer

ADMINISTRATIVE

Janet M. Matthys, Village Manager

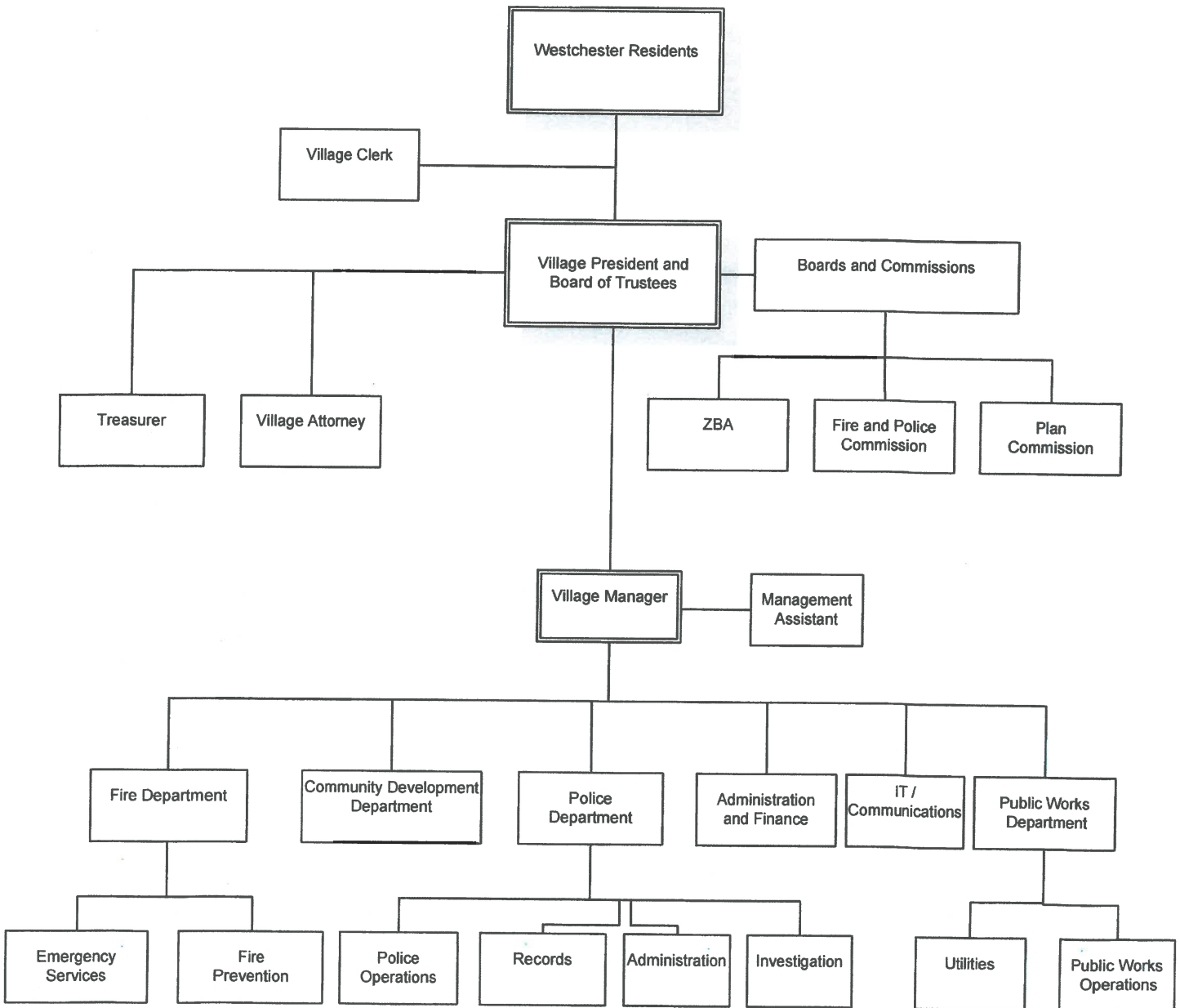
Maureen B. Potempa, Finance Director



Village of Westchester

Organizational Chart

10300 Roosevelt Road, Westchester, IL 60154





Government Finance Officers Association

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

Presented to

**Village of Westchester
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

Executive Director/CEO



Village of Westchester

10300 ROOSEVELT ROAD, WESTCHESTER, IL 60154

(708)345-0020 FAX (708)345-2873

WWW.WESTCHESTER-IL.ORG

Village President
SAM D. PULIA

Village Clerk
SHERBY J. MILLER

Trustees
ANGELO A. CALCAGNO
PAUL GATTUSO
FRANK PERRY
CELESTINE REDA
NICK STEKER
TOM YURKOVICH

Village Manager
JANET M. MATTHYS

Village Attorney
MICHAEL K. DURKIN

September 29, 2014

Honorable Village President
Members of the Village Board
Citizens of the Village of Westchester

The Comprehensive Annual Financial Report (CAFR) for the Village of Westchester, Illinois (Village) is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the various funds of the Village and the Village as a whole at the entity-wide level. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

We are pleased to report that the independent audit firm Sikich LLP, Certified Public Accountants, have issued an unmodified opinion on the Village's financial statements for the year ended April 30, 2014. The independent auditors' report is located at the front of the financial section of the CAFR.

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

The Village expended in excess of \$500,000 of federal funds during the fiscal year ended April 30, 2014 and, therefore, was required to undergo an annual single audit in conformity with the provisions of the Single Audit act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Entities*.

The financial reporting entity (the government) includes all the funds and entity-wide accounting of the primary government (i.e., the Village of Westchester as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operation and are included as part of the primary government. The Police Pension and Fire Pension Funds are reported as fiduciary funds of the primary government. Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 43I*, there are no component units for which the Village is considered to be financially accountable for.

Profile of the Village of Westchester

The Village of Westchester was incorporated in 1925 under the provisions of Chapter 24 of the Illinois Revised Statutes, as amended, and operates as a non-home rule unit of government. Located approximately 14 miles west of Chicago in Cook County, the Village is home to 16,718 residents based on the 2010 Federal Census. The Village is primarily residential in nature, with housing stock consisting of 5,724 detached single-family homes and 1,278 multi-family dwelling units. The Village encompasses a 4.5 square mile area and is substantially developed.

The Village operates under a council-manager form of government as defined by the Illinois Municipal Code. The Village President, Village Clerk, and six trustees are elected at large to serve four year terms, with three trustees elected every second year. The Village Attorney is appointed by the Village President, with the advice and consent of the Village Board. The Village Manager is hired by the Village President and Board of Trustees. All Department managers are hired by the Village Manager.

Management of the Village is responsible for establishing and maintaining internal controls designed to provide assurance that the assets of the Village are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Village provides a full range of services. Those services include police and fire protection, water service, sanitary sewer service, stormwater sewer service, the construction and maintenance of streets and other public infrastructure, refuse removal, planning and zoning, code enforcement, and financial and general administrative services.

The annual budget is the primary guiding document for the Village's financial planning and control. In addition, the Village maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the General Fund, Special Revenue Funds, Capital Project Fund, Enterprise Funds and Pension Funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established at the individual fund level.

Factors Affecting the Village's Economic Condition

The Village has been impacted at the local level by regional, state, and national economic conditions. As with other municipalities in the Chicago metropolitan area, Westchester has been impacted by the decline in the housing market, unemployment, credit/loan issues, increasing pension costs, position of the stock market and the fiscal crisis in the State of Illinois government.

Fortunately, the lack of large commercial or retail establishments in Westchester has resulted in a less dramatic downturn due to the community's reliance on other sources of revenue apart from sales taxes. The overall economic conditions appear to be stabilizing and have caused revenue projection for state and local revenue to be flat as compared to the prior year. The most recent year-over-year sales tax analysis shows a 9.7% decrease for the last six months, primarily attributable to the closing of the Dominick's Grocery Store in February 2014. The state income tax analysis shows an 8.3% increase for the last six months.

The Village property tax base is founded primarily in its residential housing stock. The assessed value of Westchester properties decreased from \$499,925,456 at December 31, 2012 to \$472,727,706 at December 31, 2013. The property tax cap level for the 2014 tax year levy to be collected for the fiscal year beginning May 1, 2014, is expected to be 1.5%. Building activity increased in Fiscal 2014 due to leasehold improvements to the Westbrook Corporate Center and will increase in Fiscal 2015 due to the renovation of the Westbrook Commons retail center.

The Village's expenditures were impacted in recent years by two devastating one-hundred year floods that occurred in July 2010 and again in April 2013, causing more than half of the single family residential units in town to have either sewer backups or seepage in basements. The town was declared a disaster area after the 2010 and 2013 flood events by the President of the United States. The Village incurred approximately \$150,000 in unbudgeted expenditures in Fiscal 2013 related to the 2013 flood event, consisting primarily of debris removal, personnel overtime costs and equipment rental. The Village expenditures have also been impacted by numerous water main breaks in Fiscal 2014 and Fiscal 2013 due to the aging infrastructure of the Village and the severe weather during the winter of 2014.

Nevertheless, the Village's sound financial management, policies and procedures have resulted in the Village being in a comparatively stable financial position. The Village is monitoring its expenditures in an attempt to minimize its need to utilize the reserves of the Village for operating expenditures.

Economic Development Initiatives

The Village hired a Community Development director in September 2012 who holds a Master's Degree in Urban Planning to further the Village's Economic Development Initiatives. The Village has implemented the following business attraction/retention activities:

- The preparation and dissemination of a business retention survey.
- Staff is actively identifying and pursuing developers active in the Chicago market to consider Westchester as a place to do business.
- The Community Development Director represents and markets the Village at various regional events, such as the International Council of Shopping Centers networking events.
- The Mayor, Village Manager and Community Development Director attend Chamber of Commerce events, conferences/seminars.
- The Community Development Director maintains the available sites database.
- The Community Development Director promotes local businesses by including a list of recently opened businesses in the Village newsletter and on the Village's website.
- The Community Development Director developed brochures to distribute at conferences, seminars, meetings and online.

Tax Increment Financing is authorized in Illinois by the Act. Tax Increment Financing provides a means for municipalities, after the approval of "a redevelopment plan and project", to redevelop blighted, conservation or industrial park conservation areas ("TIF District") by pledging the anticipated increase in property tax revenues generated by private redevelopment to pay for the public costs incurred to stimulate private investment, new development and rehabilitation. In 1993, the Act was amended to allow for the transfer of property tax increment between adjacent TIF districts.

In 2011, the Village retained a consultant to prepare a report to determine whether tax increment financing and/or other related economic development programs would be recommended for the redevelopment and/or improvement of one or more of the three areas previously identified by the Village based on the Strategic Plan and a fourth area which included a now closed private high school (the "High School Area").

The Report identified economic development tools and public finance programs in conjunction with private development initiatives in order to encourage redevelopment efforts and recommendations for each of the study areas in order to expand on existing and past redevelopment efforts.

In July 2013, Follett Corporation announced that it would be relocating its corporate headquarters to the Westbrook Corporate Center in Westchester. Follett Corporation was founded in Wheaton, Illinois in 1873 and is presently a \$2.7 billion, privately-held company providing products services, and solutions to the educational marketplace.

In December 2013, Roundy's Inc. announced it would be acquiring the Dominick's Grocery Store in the Westbrook Commons retail center with the intention to convert it to a Mariano's Fresh Market. The renovation plans include the expansion of the existing store from 51,000 sq feet to 80,000 sq feet. The store is expected to open in early November 2014. The plan includes renovations to the entire retail shopping center including façade and landscape improvements, a new parking lot and signage.

During 2014, the Village also issued permits for the construction of a Sherwin Williams Paint Store, construction of a halfway house and paddle ball courts at the Chicago Highlands Golf Course and several significant leasehold improvements within the Westbrook Corporate Center including Kerry Test Kitchens, Silveredge Consulting and Sterling Engineering.

In Fiscal 2014, the Board of Trustees authorized the Village of Westchester Façade grant Program to support rehabilitation and preservation of commercial property; encourage new business; and retain, revitalize, and expand existing business in Westchester. Property owners who propose to install at least \$5,000 of total improvements, are eligible to receive a grant equal to 50% of eligible costs, up to a maximum grant of \$7,500. The maximum amount of the grant will be computed on the basis of two hundred fifty dollars (\$250) per linear foot of building frontage. Approval of the grants is based on the merit and design of project upon review by Economic Development Committee (EDC) and the Village Board. The Village reserves the right to prioritize applications on the basis of scope of work, level of private investment, and relative impact of the proposed improvements on the business district.

Flood Mitigation

The Village entered into an intergovernmental agreement with the Metropolitan Water Reclamation District of Greater Chicago (MWRD), executed May 6, 2014, which provides for the expansion of the existing Mayfair Reservoir for additional storage and the installation of a storm sewer for additional flooding relief. The Mayfair Reservoir is located in Mayfair Park, which is north of 31st Street and west of Mayfair Avenue. During the 2010 and 2013 storm events, this area was subject to severe flooding which damaged basements of over 120 homes and first floors of over 30 homes in each of the storm events. Water surface elevations and depths at the Mayfair Reservoir and in the depressional area between Carlisle and Bedford Streets are controlled by a combination of storage capacity of the Mayfair Reservoir, storm sewer capacity, inlet capacity, elevation of the receiving water body (Salt Creek) and overland flow route elevations and capacity. Our engineers estimate that the expansion of the Mayfair Reservoir will provide an additional 27 acre-feet of storage which should result in a lowering of water surface elevations downstream of the Mayfair Reservoir of approximately 2-feet with beneficial, but diminishing, reductions along the corridor to Salt Creek. The Project budget is estimated at \$2,586,650. MWRD will participate in funding not to exceed \$2,121,000. The Village will finance the remaining cost of the Project. Construction is scheduled to commence in October 2014 on the expansion of the reservoir. The additional storm sewer will be constructed in Spring 2015.

Long-Term Financial Planning

In April 2013, the Board of Trustees voted to outsource the functions of the E-911 telecommunications system. The outsourcing of these services is estimated to provide a cost savings of approximately \$1.2 million over the next five fiscal years.

The Village has engaged in capital planning activities which extended beyond the annual budgetary period. In conjunction with the budget for the fiscal year which began May 1, 2013, budgeted forecasts of revenues and expenses for all funds were made for fiscal 2014 and for the following two fiscal years.

The Village identified several capital improvement projects, including but not limited to:

- Street resurfacing, reconstruction and repair/maintenance.
- Capital equipment replacement, including fleet vehicles and heavy machinery.
- Water and sanitary sewer system repairs, replacements and improvements.
- Village-owned buildings/facilities improvements.

In the November 6, 2012 primary election, the Village residents passed a referendum authorizing the Village to assess and collect a one percent non-home rule sales tax. These taxes were assessed beginning January 1, 2013 and are restricted for infrastructure improvements.

In February 2013, the Village issued \$5,800,000 Taxable General Obligation Bonds, Series 2013 to fund street reconstruction and repair. The debt service will be made from the proceeds of the Village's non-home rule sales tax. The Bonds were used to provide funds to finance certain public infrastructure improvements, specifically rebuilding local roadways and related water main replacements. The bond proceeds funded the rehabilitation of approximately 24 streets during Fiscal 2013 and Fiscal 2014.

In anticipation of the 2013 bond issuance, the Village received a rating from Moody's Investor Services of Aa2. Assignment of the initial Aa2 rating reflects the Village's moderately sized and conveniently located tax base; sound financial position supported by ample operating reserves; and a manageable debt profile.

In March 2014, The Village of Westchester received notification of funding for a Local Agency Functional Overlay (LAFO) for Enterprise Drive/Constitution Drive from Wolf Road to Cermak Road in the Village of Westchester. The Village entered into a Local Agency Agreement for Federal Participation with the Illinois Department of Transportation which will provide for federal participation of 80% of the design and construction cost of the project, not to exceed \$648,000. Construction began in August 2014 and is scheduled for completion in early November 2014.

In April 2014, the Village expended \$98,550 for a general ledger software program. The implementation of the new financial management software system will provide enhanced financial reporting and analysis.

Recognizing the importance of public safety, the Village made significant investments in public safety equipment in Fiscal 2014. In December 2013, the Village expended \$465,000 for a fire rescue squad that was primarily funded through a Department of Homeland Security Assistance to Firefighters Grant in the amount of \$441,750. The Village was also fortunate to receive a Department of Homeland Security Assistance to Firefighters Grant in the amount of \$53,295 to fund the acquisition of fire radios in October 2014. In March 2014, the Village expended \$196,666 for a new ambulance. In July 2013, the Village expended \$27,886.88 to acquire a defibrillator. In November 2013, the Village expended \$14,779.68 on a Stryker power cot to reduce potential for injury to paramedics.

In conjunction with the outsourcing of the Village's 911 Dispatch Center in October 2013, certain capital additions were required to effect the transition of the dispatch function to the third party provider. In August 2013, the Village expended \$199,695 for a computer aided dispatch (CAD) system for the police department. In January 2014, the Village expended \$40,731 on a microwave satellite dish for police communications. The microwave satellite dish was funded through a capital grant from the Illinois Department of Commerce and Economic Opportunity. In March 2014, the Police Department expended \$18,500 for license plate recognition system hardware and software for use by the patrol division to aid in apprehension of traffic violators and wanted subjects, as well as the locating of stolen autos and missing people.

In November 2013, the Village entered into a lease purchase agreement in the amount of \$54,150 for the acquisition of an end loader and in February 2014, the Village entered into a lease purchase agreement in the amount of \$50,572 for a dump truck to increase the efficiency of our public works department.

The Village invested \$306,252 in LED street lights in Fiscal 2014 to reduce energy costs to its residents. The Project qualified for a Public Sector Energy Efficiency Rebate from the Illinois Department of Commerce and Economic Opportunity in the amount of \$98,255.67.

On July 30, 2014, the Village was awarded a public water supply loan obtained through the Illinois Environmental Protection Agency (IEPA) low interest loan program. The funding was used to repaint the exterior of the elevated storage tank. The estimated cost of the project is \$556,595 (eligible loan costs of \$548,895). The project is scheduled for completion in November 2014.

Relevant Financial Policies

The Village Board has in place several key written financial policies including a fund balance policy, capitalization policy, investment policy, and purchasing policy. The General Fund fund balance policy currently requires a reserve of 30% of current annual expenditures as reported in the most recent CAFR and the Utility Fund fund balance requires a reserve of 15% of current annual expenditures as reported in the most recent CAFR.

Thoughtful planning and conservative fiscal policies developed through guidance provided by the Village Board has set in place cash reserves which, if necessary, could be used to weather short-term revenue deficiencies. Future spending plans will be developed to maintain sufficient cash reserves and ensure that service levels to the Westchester community are in alignment with available resources.

Independent Audit

State statute requires an annual audit by independent certified public accountants. The accounting firm of Sikich LLP was selected by the Village Board. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The Village was subject to the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133.

Acknowledgements

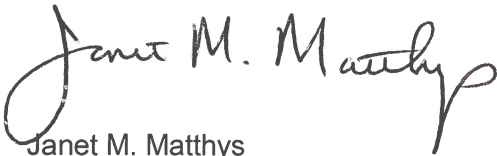
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Westchester for its comprehensive annual financial report for the fiscal year ended April 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of Maureen B. Potempa, Finance Director, and the Village's management team. I would like to express my appreciation to each of those staff members who assisted and contributed to the preparation of this report.

In closing, I would also like to thank the Honorable President 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,

A handwritten signature in black ink that reads "Janet M. Matthys". The signature is written in a cursive style with a large initial 'J' and a long, sweeping tail.

Janet M. Matthys
Village Manager

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Westchester, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Westchester, Illinois (the Village) as of and for the year ended April 30, 2014, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's management.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Westchester, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

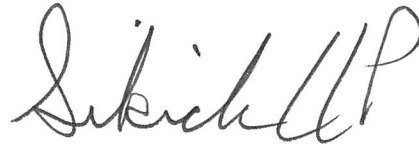
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the 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.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2014 on our consideration of the Village'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's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "L. K. Hill" or similar, written in a cursive style.

Naperville, Illinois
September 11, 2014

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Village of Westchester, Illinois

Management's Discussion and Analysis

April 30, 2014

As management of the Village of Westchester, we offer readers of the Village of Westchester's financial statements this narrative overview and analysis of the financial activities of the Village of Westchester for the fiscal year ended April 30, 2014. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Village's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A, as is included in this year's narrative.

The Village of Westchester's MD&A is also designed to assist the reader in focusing on significant financial issues, provide an overview of financial activities, identify current changes, address subsequent year challenges, identify material deviations from the financial plan (approved budget), and identify issues with individual funds.

Financial Highlights

- ❑ The total assets of the Village of Westchester as reported in the Statement of Net Position exceeded its liabilities at the close of the most recent fiscal year by \$35.15 million (net position).
- ❑ Approximately 44.48% of the Village's \$22.66 million in expenses as reported in the Statement of Activities were paid for with program revenues, including \$8.86 million of charges for services, \$0.91 million of operating grants and contributions and \$0.31 million of capital grants and contributions. Of the remaining \$12.33 million, \$10.59 million was paid for with taxes, \$1.63 million was paid with state shared income, and \$0.11 million was paid for with miscellaneous income.
- ❑ The governmental activities net position is \$24.92 million, while the business-type activities had a net position of \$10.23 million.
- ❑ As of the close of the current fiscal year, the Village of Westchester's governmental funds reported combined ending fund balances of \$7.94 million, a decrease of \$2.39 million in comparison with the prior year's balance of \$10.33 million. Approximately \$4.03 million of this total amount is available for spending at the government's discretion (unassigned fund balance). The remainder of \$3.91 million is comprised of non-spendable assets (prepaid items) of \$.37 million, assets restricted for public safety, tourism, debt service, streets and transportation, and capital projects aggregating \$1.86 million, assets assigned to capital projects of \$.87 million and assets assigned to fund the subsequent year's budget of \$.81 million.
- ❑ The General Fund of the Village recognized \$14.66 million in revenues and other financing sources of \$1.14 million. After expenditures of \$15.42 million, the Village's General Fund was left with a fund balance of \$5.21 million, which is approximately 33.8% of current year expenditures, and is in compliance with the Village's minimum fund balance policy of 30% of current expenditures.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

This discussion is intended to serve as an introduction to the Village of Westchester's financial statements. This annual report consists of a series of financial statements. The Village of Westchester's general purpose external 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 information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements (see page 4) are designed to provide readers with a broad overview of the Village of Westchester's finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus. The statement of net position presents information on all of the Village of Westchester's assets and liabilities, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village of Westchester is improving or deteriorating.

The statement of activities (see pages 5 and 6) presents information showing how the government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and unpaid obligations).

Governmental activities and Business-type activities - Both of the government-wide financial statements distinguish functions of the Village of Westchester that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village's basic services including police, fire, public works and administrative functions. The business-type activity of the Village is the Utility Fund.

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. Some funds are required to be established by Federal or State law and by bond covenants. The Village of Westchester, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of these funds can be divided into three types: 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 and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Most of the Village's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year end that are available for use.

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, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The Village of Westchester maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvement Fund and Motor Fuel Tax Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual schedules elsewhere in this report. The basic governmental fund financial statements can be found on pages 7 through 10 of this report.

Proprietary funds - The Village of Westchester maintains one Proprietary Fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Westchester's proprietary fund is a report of the activities and balances in the Utility Fund, which is considered a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail and include cash flows. The proprietary fund reflects a private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation. The proprietary fund statements can be found on pages 11 through 14 of the 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. The Village maintains two fiduciary funds for its police and fire pension funds and an agency fund. The accounting used for the pension funds is much like that used for the proprietary funds. Agency funds are custodial in nature and do not involve measurement or results of operations. The Fiduciary fund statements can be found on pages 15 through 16 of the report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to understanding the government-wide financial statements and the various fund financial statements. The notes to financial statements can be found on pages 17 through 51 of the report.

Infrastructure Assets

A government's largest group of assets (infrastructure – roads, bridges, etc.) are reported within the Governmental Activities column of the Government-Wide Statements. Additionally, the government must select to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation.

The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance—a recurring cost that does not extend the road’s original useful life or expand its capacity—the cost of the project will be expensed. An “overlay” of a road will be considered maintenance whereas a “rebuild” of a road will be capitalized.

Other Information

In addition to the basic financial statements and accompany notes, required and other supplementary information is also included in this report. The required supplementary information includes the management’s discussion and analysis, the funding progress of the Illinois Municipal Retirement Fund, the police and fire pension funds and the other post employment benefit plan and budget to actual comparisons of the General and any major special revenue or capital project funds, which can be found on pages 52 through 57 of this report. Supplementary schedules include combining and individual fund schedules of all non-major funds, and the pension trust funds which can be found on pages 58 through 66 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the Condensed Statement of Net Position:

Condensed Statement of Net Position as of April 30, 2014 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
Current and Other Assets	\$11.62	\$13.89	\$ 2.21	\$ 3.49	\$13.83	\$17.38
Capital Assets	<u>30.03</u>	<u>27.29</u>	<u>10.94</u>	<u>9.99</u>	<u>40.97</u>	<u>37.28</u>
Total Assets	<u>41.65</u>	<u>41.18</u>	<u>13.15</u>	<u>13.48</u>	<u>54.80</u>	<u>54.66</u>
Long-term Liabilities	12.96	12.30	2.20	2.53	15.16	14.83
Other Liabilities	<u>0.50</u>	<u>0.60</u>	<u>0.72</u>	<u>0.78</u>	<u>1.22</u>	<u>1.38</u>
Total Liabilities	<u>13.46</u>	<u>12.90</u>	<u>2.92</u>	<u>3.31</u>	<u>16.38</u>	<u>16.21</u>
Deferred Inflows of Resources	<u>3.27</u>	<u>3.04</u>	<u>0.00</u>	<u>0.00</u>	<u>3.27</u>	<u>3.04</u>
Total Liabilities and Deferred Inflows of Resources	<u>16.73</u>	<u>15.94</u>	<u>2.92</u>	<u>3.31</u>	<u>19.65</u>	<u>19.25</u>
Net position:						
Net Investment in Capital Assets	21.16	21.90	8.75	7.47	29.91	29.37
Restricted	0.36	0.76	0.00	0.00	0.36	0.76
Unrestricted	<u>3.40</u>	<u>2.58</u>	<u>1.48</u>	<u>2.70</u>	<u>4.88</u>	<u>5.28</u>
Total Net Position	<u>\$24.92</u>	<u>\$25.24</u>	<u>\$10.23</u>	<u>\$10.17</u>	<u>\$35.15</u>	<u>\$35.41</u>

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will (a) reduce current assets and increase capital assets and (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position decreased \$0.26 million in fiscal year 2014. In the case of the Village of Westchester, total net position at April 30, 2014 was \$35.15 million, as compared to \$35.41 million (as restated) in total net position in the prior year. For more detailed information, see the Statement of Net Position on page 4 of the report.

The following table reflects the Condensed Statement of Activities:

Condensed Statement of Activities
For the Year Ended April 30, 2014 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 2.81	\$ 2.64	\$ 6.05	\$ 6.17	\$ 8.86	\$ 8.81
Operating grants and contributions	0.91	0.43	-	-	0.91	0.43
Capital grants and contributions	0.31	0.08	-	-	0.31	0.08
General revenues:						
Property and Replacement taxes	6.02	5.79	-	-	6.02	5.79
Other taxes	4.56	4.01	-	-	4.56	4.01
State Shared Income	1.63	1.55			1.63	1.55
Miscellaneous	<u>0.11</u>	<u>0.06</u>	<u>0.01</u>	<u>0.01</u>	<u>0.12</u>	<u>0.07</u>
Total revenues	<u>16.35</u>	<u>14.56</u>	<u>6.06</u>	<u>6.18</u>	<u>22.41</u>	<u>20.74</u>
Expenses:						
General government	2.12	3.30	-	-	2.12	3.30
Public safety	9.57	10.03	-	-	9.57	10.03
Public works	4.67	2.32	-	-	4.67	2.32
Interest	0.31	0.35	-	-	0.31	0.35
Utility	<u>-</u>	<u>-</u>	<u>5.99</u>	<u>5.56</u>	<u>5.99</u>	<u>5.56</u>
Total expenses	<u>16.67</u>	<u>16.00</u>	<u>5.99</u>	<u>5.56</u>	<u>22.66</u>	<u>21.56</u>
Change in net position	<u>(0.32)</u>	<u>(1.44)</u>	<u>0.07</u>	<u>0.62</u>	<u>(0.25)</u>	<u>(0.82)</u>
Net position, May 1	25.24	26.47	10.16	9.56	35.40	36.03
Prior period adjustment	<u>0.00</u>	<u>0.21</u>	<u>0.00</u>	<u>(0.02)</u>	<u>0.00</u>	<u>0.19</u>
Net position, May 1, restated	<u>25.24</u>	<u>26.68</u>	<u>10.16</u>	<u>9.54</u>	<u>35.40</u>	<u>36.22</u>
Net position, April 30	<u>\$24.92</u>	<u>\$25.24</u>	<u>\$ 10.23</u>	<u>\$ 10.16</u>	<u>\$ 35.15</u>	<u>\$ 35.40</u>

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues:

Economic condition – which can reflect a declining, stable or growing economic environment and has substantial impact on state sales, replacement and hotel/motel tax revenue, as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/decrease in Village approved rates and fees – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates and user fees.

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the Village’s investments may be affected by market conditions causing investment income to increase/decrease.

Expenses:

Introduction of new programs – within the functional expense categories (general government, public safety, and public works), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the Village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuel and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

The Village of Westchester’s restated net position was \$25.24 million for governmental activities in fiscal year 2013. Net position decreased \$.32 million from 2013. The governmental net position represents approximately 71 percent of the Village’s total net position, which decreased only slightly (1.3%) during this fiscal year.

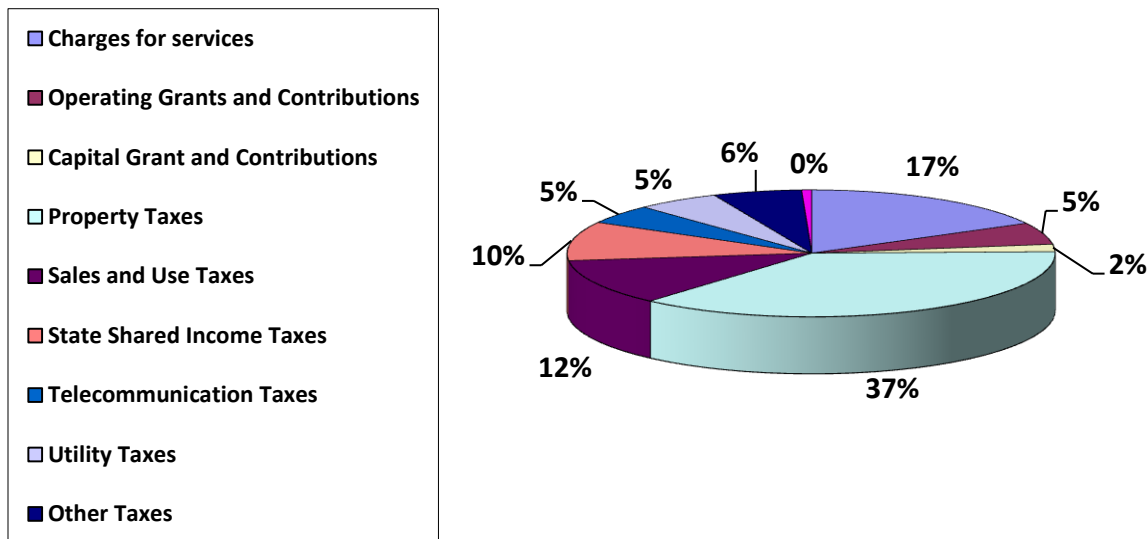
Revenues

The Village’s governmental activities had revenues of \$16.35 million in fiscal year 2014, which represents an increase of \$1.79 million from the prior year. Property taxes collected in 2014 represent the majority of revenues, at 37 percent of governmental activities. Other revenues, such as revenues collected in sales and use tax, utility taxes, income taxes, places for eating taxes, and hotel taxes increased only slightly over the prior year. Utility taxes vary from year to year and are dependent upon weather conditions and can be difficult to project exactly. State shared revenues with the State of Illinois may be viewed as an undependable source of income as they depend on the economy. Telecommunication taxes remained virtually the same, and could be causalional due to the reliance of citizens on their communications appetite and changing provider rates.

Below is a chart depicting revenues to the Village of Westchester by source for the fiscal year 2014:

Governmental Activities - Revenues by Source (in millions)

Charges for Services	\$ 2.81
Operating Grants and Contributions	0.91
Capital Grants and Contributions	0.31
Property Taxes	6.02
Sales and Use Taxes	1.91
State Shared Income Taxes	1.63
Telecommunications Taxes	0.80
Utility Taxes	0.90
Other Taxes	0.95
Miscellaneous	<u>0.11</u>
 TOTAL	 <u>\$ 16.35</u>



Expenses

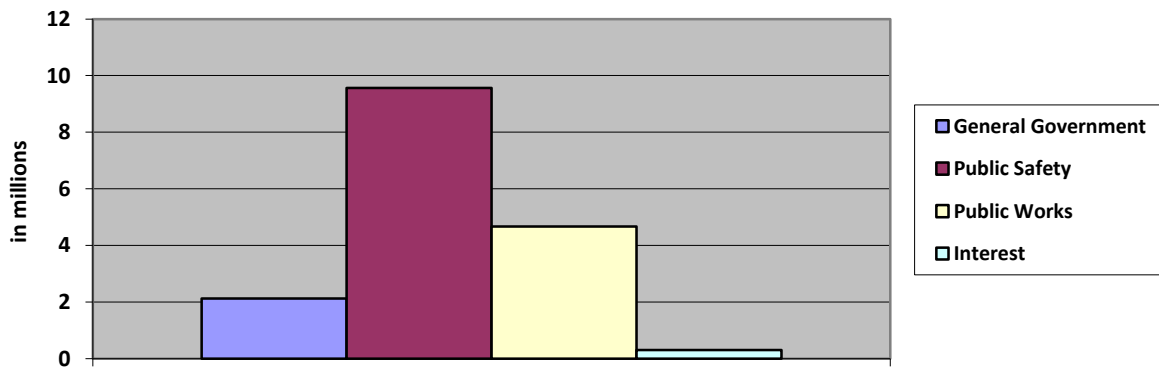
General Government

Expenses incurred for governmental activities were approximately \$16.67 million for fiscal year 2014, which represents only a slight increase over the total of \$16.00 million in 2013.

The following chart depicts expenses to the Village of Westchester by activity for the fiscal year 2014:

Governmental Activities Expenses (in millions)

General Government	\$ 2.12
Public Safety	9.57
Public Works	4.67
Interest	<u>0.31</u>
TOTAL	<u>\$ 16.67</u>



Business-type Activities

The business-type activity of the Village of Westchester includes the Utility Fund. The Utility Fund serves the Village of Westchester customers by providing potable water and refuse service. Sales of water (revenues) can be affected by climate with warmer summers bringing higher demand. The Village of Westchester is under contract for rubbish collection with Waste Management through June 30, 2017. Rates for refuse collection increase only nominally over the life of the contract, with annual increases ranging from 2.5% to 4.0% over the duration of the contract.

The total assets of the business-type activity are \$13.15 million and the total liabilities are \$2.92 million, leaving net position at \$10.23 million. Current year activity increased net position by \$0.07 million. The operating revenues and expenses of the Utility Fund were \$6.06 million and \$5.99 million, respectively, for fiscal year 2014.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village of Westchester uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Village of Westchester'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 of Westchester's financing requirements. The purpose of this section is to focus on the significant differences from year to year.

The Village of Westchester's major funds are the General Fund, the Capital Improvements Fund and the Motor Fuel Tax Fund. The Village's special revenue (non-major) funds include the 911 Fund, Hotel/Motel Tax Fund, and Police Forfeiture Fund. The Village also created a Debt Service fund during FY 2013 in concurrence with the issuance of the \$5,800,000 General Obligation (Alternate Revenue Bonds) Series 2013.

At the end of the current fiscal year, the Village of Westchester's governmental funds reported a combined (major and non-major) total ending fund balance of \$7.94 million, a decrease of \$2.39 million from fiscal year 2013, the majority of which is represented by the Village's unspent bond proceeds. Of that \$7.94 million, \$4.03 million is unrestricted and unassigned.

Revenues

General Fund: The General Fund had revenues of \$14,656,005, an increase of \$1,184,319 over prior year revenues of \$13,471,686. This represents an 8.79% increase.

Revenues	Fiscal 2014	Fiscal 2013	Variance	Percentage
Taxes	\$8,199,380	\$7,870,358	329,022	4.18%
Intergovernmental	3,572,289	2,887,104	685,185	23.73%
Licenses and Permits	1,208,708	1,129,173	79,535	7.04%
Charges for Services	614,656	599,662	14,994	2.50%
Fines and Forfeits	493,238	444,882	48,356	10.87%
Miscellaneous	567,734	540,507	27,227	5.04%

Taxes increased comparable to the prior year. This increase is attributed to the leveling off of the real estate market and decline in foreclosures. Intergovernmental revenue increased by 23.73%. Licenses and permits increased 7.04% as a result of the increase in building permits and compliance permits. These increases can be attributed to home and business improvement and remodeling projects within the Village. Furthermore, the Village saw increases in contractor, liquor, and vehicle licenses. These increases can be attributed to stricter adherence to Village codes.

Fines and Forfeitures were \$48,356 or 10.87% more in Fiscal 2014 as compared to fiscal 2013. This increase is attributable to an increase in police fines, circuit court fines, and towing fines.

Motor Fuel Tax Fund: The Motor Fuel Tax had revenues of \$537,320, up from \$474,471 in the prior year, or an increase of 13%. The ongoing operating source of revenue for this fund is an allotment from the State. The allotment amount received in 2014 increased only slightly from the prior year.

Capital Projects Fund: The Capital Projects Fund was established during the 2012-13 Fiscal Year to account for road projects within the Village funded by the newly adopted 1% Non Home Rule Sales Tax, which was approved by referendum in November 2012 and took effect within the Village on January 1, 2013. During fiscal 2014, the Village recognized revenue totaling \$667,118.

Expenditures

General Fund: During fiscal year 2014, expenditures were \$15,417,352, an increase of \$1,081,483 from \$14,335,869 in the previous year. This represents a 7.5% increase for the year.

Expenditures	Fiscal 2014	Fiscal 2013	Variance	Percentage
General Government	\$1,510,102	\$1,460,251	\$49,851	3.41%
Comm Development Dept	558,832	378,933	179,899	47.48%
Planning and Zoning	1,063	0	1,063	N/A
Fire & Police Commission	23,639	15,446	8,193	53.04%
Police 911	742,773	613,348	129,425	21.10%
Police Department	5,047,229	4,736,051	311,178	6.57%
Civil Defense	6,281	71,643	(65,362)	(91.23%)
Fire Department	3,913,548	3,876,174	37,374	0.96%
Public Works	1,678,274	1,793,410	(115,136)	(6.42%)
Capital Outlay	1,430,872	1,224,386	206,486	16.86%
Debt Service	504,739	166,227	338,512	203.64%

General government expenditures increased by \$49,851 or approximately 3.41%. Full-time salary expense increased \$33,611 or approximately 13% due to a 3% cost of living increase and contractual salary adjustments. The Administration Department incurred an increase in health insurance premiums of 7% over the prior fiscal year resulting in an increase in employee insurance costs of approximately \$6,000 and an increase in its member contribution to the Intergovernmental Risk Management Agency for liability and workers' compensation claims of approximately \$10,000. The Village also incurred an increase in its employer contribution to the Illinois Municipal Retirement Fund. The Department incurred costs of \$14,324 related to payments under two economic incentive agreements.

The Police and Fire Commission expenditures increased by \$8,193. These costs are primarily related to testing and hiring practices for the Fire and Police Departments.

Police Department expenditures increased overall by \$311,178. The Department recognized an increase in pension contributions of \$191,553, or 3.6% of the Department's current expenditures. The Department also incurred an increase in premiums of 7% over the prior fiscal year resulting in an increase in employee insurance costs of approximately \$44,000. Salaries of bargaining unit employees increased 2% in accordance with the collective bargaining agreements.

Fire Department current expenditures have increased by \$37,374. The increase is primarily due to the acquisition of a defibrillator in the amount \$27,887 and a power cot in the amount of \$14,780 that were recorded as operating supplies in current expenditures. Other current operating remained consistent over the previous year.

Capital Outlay expenditures increased due to the 2014 local road improvements funded from General Fund reserves. During Fiscal 2014, the Police Department purchased a computer aided dispatch system in the amount of \$191,695, or 3.8% of the Department's expenditures.

Motor Fuel Tax Fund: During the fiscal year expenditures were \$850,013, which was an increase over the previous year's expenditures of \$634,069. The excess expenditures are primarily a result of the record-breaking snowfall in the winter of 2014 which resulted in a Midwest salt shortage requiring the purchase of salt at premium market prices. The Village expended \$289,500 for road salt in excess of the original budgeted amount of \$66,000.

Capital Improvements Fund: During the fiscal year expenditures were \$2,923,526, which was an increase over the previous year's expenditures of \$188,324. The increased expenditures are primarily the result of road projects funded by the Village's 1% Non Home Rule Sales Tax.

Proprietary Funds

The Proprietary Fund is the Utility Fund. The Utility Fund is pleased to report an increase in net position during the 2014 fiscal year of \$62,614. This is the third consecutive year of operating gains after operating losses of \$595,070 and \$403,770 in 2011 and 2010, respectively. The net position of the Utility Fund at the end of fiscal 2014 equaled \$10.23 million, of which \$1.4 million, or 13.6%, is unrestricted. The net position is in compliance with the Village's net minimum fund balance policy which requires a net position of 15% of current year operating expenses.

Revenues

The Utility Fund recognized \$6,018,247 in charges for services, a decrease of \$95,665, or (1.56%) from \$6,113,912 in fiscal 2013. In the Utility Fund this decrease was attributable to decrease in the water consumption due to the extended cool temperature and rainy spring.

Expenses

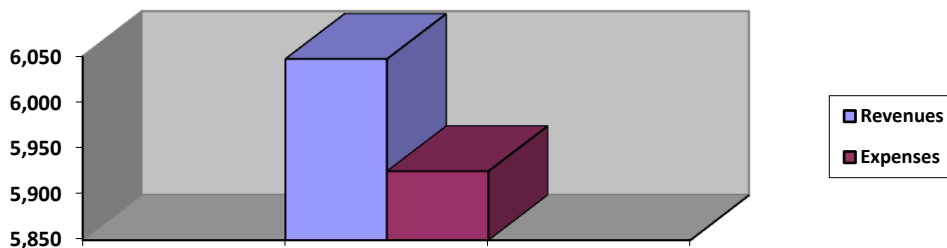
Utility Fund operating expenses for the year increased from \$5,521,072 in fiscal 2013 to \$5,924,940, an increase of \$403,868 or 7.3%

Personnel Services increased from \$862,987 in 2013 to \$908,552 in 2014, an increase of \$45,565 or 5.2%. The increase is mostly attributed to two additional FTEs in the public works department – half of their wages and benefits are charged to the utility fund.

At \$2,471,678, contractual services represent the highest portion of expenses in the Utility Fund. The largest portion of contractual services represents fees paid to Waste Management for refuse collection. During the current year, the Village spent \$1.94 million, or 32.7% of utility fund expenditures on refuse collection.

Commodities increased from \$2,071,449 in Fiscal 2013 to \$2,237,189 in Fiscal 2014, an increase of \$165,740. This increase was due primarily to increases in water cost and refuse collection fees.

**Operating Revenues vs. Operating Expenses - Proprietary Fund
(in thousands)**



General Fund Budgetary Highlights

Over the course of Fiscal 2014, the Village realized actual revenues in excess of budgeted revenues in the amount of \$300,085. This is primarily attributed to increased collections in licenses & permits as well as charges for service.

The total General Fund expenditures of \$15,417,352 were under the budget amount by \$68,409. This amount included equipment purchases of \$1,143,998 which were paid for by the issuance of installment contracts. The General Fund budget anticipated a net change in fund balance \$(48,474); the actual change in fund balance was \$382,651 resulting in a positive financial result of \$368,494.

General Fund Budget and Actual (in millions)

2014

	Original Budget	Amended Budget	Actual	Difference Over/(Under)
Total Revenues	\$13.91	\$14.36	\$14.66	\$ 0.30
Total Expenditures	<u>13.96</u>	<u>15.49</u>	<u>15.42</u>	<u>(0.07)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(0.05)	(1.13)	(0.76)	0.37
Other Financing Sources (Uses)	<u>0.0</u>	<u>1.14</u>	<u>1.14</u>	<u>0.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$(0.05)</u>	<u>\$0.01</u>	0.38	<u>\$ 0.37</u>
Fund Balance, Beginning of Year			<u>4.82</u>	
Fund Balance, End of Year			<u>\$5.21</u>	

Capital Asset and Debt Administration

Capital Assets

As of the end of Fiscal 2014, the Village of Westchester has capital assets, net of depreciation, of \$40.96 million, compared to capital assets, net of depreciation, of \$37.27 million held at the end of Fiscal 2013. For governmental activities, capital assets were increased by capital additions of \$4.34 million, and decreased by depreciation of \$1.69 million in the current year. For business-type activities, the capital assets were increased by capital additions of \$1.46 million, decreased by disposals of capital assets of \$0.96 million and decreased by depreciation expense of \$0.3 million, resulting in an overall decrease to net book value of capital assets at year end.

Capital assets are invested in a broad range of resources including, but not limited to, police and fire equipment, buildings, village facilities, computer equipment, water facilities, roads, streets, and sewer lines. Governmental capital assets, net, account for \$30.02 million or 73% of total capital assets. The business-type capital assets, net, represent \$10.94 million or 27% of total capital assets.

Capital Assets (in millions)

April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Land	\$ 5.37	\$ 0.11	\$ 5.48
Construction in Process	0.08	0.06	0.14
Buildings, Net	2.52	0.44	2.96
Building Improvements, Net	0.08	0.00	0.08
Equipment, Net	3.27	0.39	3.66
Software, Net	0.05	0.04	0.09
Infrastructure, Net	<u>18.65</u>	<u>9.90</u>	<u>28.55</u>
Total Capital Assets	<u>\$ 30.02</u>	<u>\$ 10.94</u>	<u>\$ 40.96</u>

More detailed information about capital assets can be found in Note 4 to the financial statements.

Debt Administration

The Village's debt is comprised of the categories referenced below. The most notable is the \$5,800,000 General Obligation (Alternate Revenue Source) Bonds, Series 2013. The Village has dedicated the 1% non-home rule sales tax as an alternate revenue source to these bonds. Other additions to the Village's debt include several installment contracts (split between governmental activities and business type activities) and participation in an IEPA loan.

Please refer to Note 6 on Long-Term Debt for more information.

Long Term Debt (in millions)

April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Taxable G.O. Bonds, 2010	3.12	1.18	4.30
Taxable G.O. Bonds, 2013	5.80	0.00	5.80
Capital Lease	0.00	0.00	0.00
Installment Contracts	1.27	0.20	1.47
Compensated Absences	0.10	0.01	0.11
IEPA Loan	0.00	0.81	0.81
Net Pension Obligation	2.50	0.00	2.50
Unamortized Bond Premium	<u>0.17</u>	<u>0.00</u>	<u>0.17</u>
Total Long Term Debt	<u>\$12.96</u>	<u>\$ 2.20</u>	<u>\$15.16</u>

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Westchester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Village of Westchester, 10300 W Roosevelt Road, Westchester, Illinois 60154.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,541,818	\$ 1,148,235	\$ 7,690,053
Investments	170,417	217	170,634
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,159,409	-	3,159,409
Intergovernmental	975,542	-	975,542
Accounts	151,401	971,119	1,122,520
Other	243,227	-	243,227
Prepaid Items	372,229	90,066	462,295
Net Other Postemployment Benefit Asset	7,979	-	7,979
Capital Assets			
Nondepreciable	5,448,611	172,779	5,621,390
Depreciable, Net of Accumulated Depreciation	24,578,536	10,771,579	35,350,115
Total Assets	41,649,169	13,153,995	54,803,164
LIABILITIES			
Accounts Payable	298,050	438,729	736,779
Accrued Payroll	1,247	-	1,247
Deposits Payable	-	3,355	3,355
Other Liabilities	71,627	20,458	92,085
Accrued Interest Payable	91,952	19,871	111,823
Due to Fiduciary Funds	37,188	-	37,188
Unearned Revenue	-	237,658	237,658
Noncurrent Liabilities			
Due Within One Year	756,320	252,053	1,008,373
Due in More than One Year	12,207,566	1,950,755	14,158,321
Total Liabilities	13,463,950	2,922,879	16,386,829
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	3,264,512	-	3,264,512
Total Liabilities and Deferred Inflows of Resources	16,728,462	2,922,879	19,651,341
NET POSITION			
Net Investment in Capital Assets	21,164,996	8,754,657	29,919,653
Restricted for			
Public Safety	201,191	-	201,191
Street Improvements	72,595	-	72,595
Tourism	87,936	-	87,936
Unrestricted	3,393,989	1,476,459	4,870,448
TOTAL NET POSITION	\$ 24,920,707	\$ 10,231,116	\$ 35,151,823

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,117,829	\$ 1,393,545	\$ -	\$ 143,215
Public Safety	9,570,853	1,020,548	449,156	94,026
Public Works	4,674,296	394,466	412,731	73,079
Interest	311,993	-	51,402	-
Total Governmental Activities	16,674,971	2,808,559	913,289	310,320
Business-Type Activities				
Utility	5,985,449	6,047,268	-	-
Total Business-Type Activities	5,985,449	6,047,268	-	-
TOTAL PRIMARY GOVERNMENT	\$ 22,660,420	\$ 8,855,827	\$ 913,289	\$ 310,320

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (581,069)	\$ -	\$ (581,069)
	(8,007,123)	-	(8,007,123)
	(3,794,020)	-	(3,794,020)
	(260,591)	-	(260,591)
	<u>(12,642,803)</u>	<u>-</u>	<u>(12,642,803)</u>
	-	61,819	61,819
	-	61,819	61,819
	<u>(12,642,803)</u>	<u>61,819</u>	<u>(12,580,984)</u>
General Revenues			
Taxes			
Property and Replacement	6,023,480	-	6,023,480
Sales Tax	1,610,162	-	1,610,162
Use Tax	293,435	-	293,435
Utility	898,340	-	898,340
Telecommunications	800,847	-	800,847
Places for Eating Tax	205,276	-	205,276
Hotel/Motel Tax	98,713	-	98,713
Other	651,454	-	651,454
State Shared Income	1,629,105	-	1,629,105
Investment Income	6,739	795	7,534
Miscellaneous	108,408	-	108,408
Total	<u>12,325,959</u>	<u>795</u>	<u>12,326,754</u>
CHANGE IN NET POSITION	(316,844)	62,614	(254,230)
NET POSITION, MAY 1	<u>25,237,551</u>	<u>10,168,502</u>	<u>35,406,053</u>
NET POSITION, APRIL 30	<u>\$ 24,920,707</u>	<u>\$ 10,231,116</u>	<u>\$ 35,151,823</u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2014

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,875,220	\$ 212,696	\$ 2,227,437	\$ 226,465	\$ 6,541,818
Investments	170,407	10	-	-	170,417
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	3,159,409	-	-	-	3,159,409
Intergovernmental Accounts	760,262	30,820	154,751	29,709	975,542
Other	112,176	-	-	39,225	151,401
Due from Other Funds	243,227	-	-	-	243,227
Prepaid Items	208,874	-	30,692	40,731	280,297
	367,165	-	-	5,064	372,229
TOTAL ASSETS	\$ 8,896,740	\$ 243,526	\$ 2,412,880	\$ 341,194	\$ 11,894,340
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 243,347	\$ 1,927	\$ 46,928	\$ 5,848	\$ 298,050
Accrued Payroll	-	-	-	1,247	1,247
Other Liabilities	71,627	-	-	-	71,627
Due to Other Funds	71,423	169,004	-	39,870	280,297
Due to Fiduciary Funds	37,188	-	-	-	37,188
Total Liabilities	423,585	170,931	46,928	46,965	688,409
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue - Property Taxes	3,264,512	-	-	-	3,264,512
FUND BALANCES					
Nonspendable - Prepaid Items	367,165	-	-	5,064	372,229
Restricted for Public Safety	-	-	-	201,191	201,191
Restricted for Tourism	-	-	-	87,936	87,936
Restricted for Debt Service	-	-	-	38	38
Restricted for Streets and Transportation	-	72,595	-	-	72,595
Restricted for Capital Projects	-	-	1,498,833	-	1,498,833
Unrestricted					
Assigned for Capital Projects	-	-	867,119	-	867,119
Assigned - Subsequent Budget	813,818	-	-	-	813,818
Unassigned	4,027,660	-	-	-	4,027,660
Total Fund Balances	5,208,643	72,595	2,365,952	294,229	7,941,419
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,896,740	\$ 243,526	\$ 2,412,880	\$ 341,194	\$ 11,894,340

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

April 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 7,941,419
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	30,027,147
Net other postemployment benefit assets are not financial resources and, therefore, are not reported in governmental funds	7,979
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	(172,238)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(8,915,000)
Installment contracts	(1,273,746)
Compensated absences	(105,448)
Net pension obligation	(2,497,454)
Interest payable	(91,952)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 24,920,707</u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2014

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 8,199,380	\$ -	\$ -	\$ 256,781	\$ 8,456,161
Licenses and Permits	1,208,708	-	-	-	1,208,708
Intergovernmental	3,572,289	537,211	665,896	222,865	4,998,261
Charges for Services	614,656	-	-	2,081	616,737
Investment Income	4,820	109	1,222	588	6,739
Fines and Forfeits	493,238	-	-	-	493,238
Reimbursements	-	-	-	11,743	11,743
Miscellaneous	372,508	-	-	3,626	376,134
Rental Income	190,406	-	-	-	190,406
Total Revenues	14,656,005	537,320	667,118	497,684	16,358,127
EXPENDITURES					
Current					
General Government	1,510,102	-	-	-	1,510,102
Community Development Department	558,832	-	-	-	558,832
Planning and Zoning	1,063	-	-	-	1,063
Fire and Police Commission	23,639	-	-	-	23,639
Tourism	-	-	-	95,562	95,562
Police 911	742,773	-	-	466,865	1,209,638
Police Department	5,047,229	-	-	-	5,047,229
Civil Defense	6,281	-	-	-	6,281
Fire Department	3,913,548	-	-	-	3,913,548
Public Works	1,678,274	550,467	2,923,526	-	5,152,267
Capital Outlay	1,430,872	-	-	-	1,430,872
Debt Service					
Principal	461,380	140,000	-	18,981	620,361
Interest	43,359	159,546	-	121,771	324,676
Total Expenditures	15,417,352	850,013	2,923,526	703,179	19,894,070
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(761,347)	(312,693)	(2,256,408)	(205,495)	(3,535,943)
OTHER FINANCING SOURCES (USES)					
Installment Contracts Issued	1,143,998	-	-	-	1,143,998
Total Other Financing Sources (Uses)	1,143,998	-	-	-	1,143,998
NET CHANGE IN FUND BALANCES	382,651	(312,693)	(2,256,408)	(205,495)	(2,391,945)
FUND BALANCES, MAY 1	4,825,992	385,288	4,622,360	499,724	10,333,364
FUND BALANCES, APRIL 30	\$ 5,208,643	\$ 72,595	\$ 2,365,952	\$ 294,229	\$ 7,941,419

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,391,945)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	4,419,832
The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(1,143,998)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	620,361
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Depreciation	(1,685,062)
Change in compensated absences	52,746
Change in net pension obligation	(202,986)
Change in net other postemployment benefit asset	1,525
Amortization of premium on long-term debt	9,278
Change in accrued interest payable	3,405
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (316,844)</u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2014

	Enterprise Fund
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 1,148,235
Investments	217
Receivables (Net of Allowances for Uncollectibles)	
Accounts	971,119
Prepaid Items	90,066
Total Current Assets	2,209,637
NONCURRENT ASSETS	
Capital Assets	
Nondepreciable	172,779
Depreciable, Net of Accumulated Depreciation	10,771,579
Net Capital Assets	10,944,358
Total Noncurrent Assets	10,944,358
Total Assets	13,153,995
CURRENT LIABILITIES	
Accounts Payable	438,729
Other Liabilities	20,458
Accrued Interest Payable	19,871
Unearned Revenue	237,658
Compensated Absences	13,107
Deposits	3,355
Installment Contracts Payable	44,614
Illinois EPA Revolving Loan Payable	39,332
General Obligation Bonds Payable	155,000
Total Current Liabilities	972,124
LONG-TERM LIABILITIES	
Installment Contracts Payable	151,822
Illinois EPA Revolving Loan Payable	773,933
General Obligation Bonds Payable	1,025,000
Total Long-Term Liabilities	1,950,755
Total Liabilities	2,922,879
NET POSITION	
Net Investment in Capital Assets	8,754,657
Unrestricted	1,476,459
TOTAL NET POSITION	\$ 10,231,116

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended April 30, 2014

	Enterprise Fund
OPERATING REVENUES	
Charges for Services	\$ 6,018,247
Reimbursements and Other Income	29,021
	<hr/>
Total Operating Revenues	6,047,268
	<hr/>
OPERATING EXPENSES	
Personal Services	908,552
Commodities	2,237,189
Contractual Services	2,471,678
Depreciation	307,521
	<hr/>
Total Operating Expenses	5,924,940
	<hr/>
OPERATING INCOME	122,328
	<hr/>
NON-OPERATING REVENUES (EXPENSES)	
Investment Income	795
Interest Expense	(60,509)
	<hr/>
Total Non-Operating Revenues (Expenses)	(59,714)
	<hr/>
CHANGE IN NET POSITION	62,614
	<hr/>
NET POSITION, MAY 1	10,168,502
	<hr/>
NET POSITION, APRIL 30	\$ 10,231,116
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 5,993,800
Receipts from Miscellaneous Revenues	29,021
Payments to Suppliers	(4,797,576)
Payments to Employees	(916,272)
	<u>308,973</u>
Net Cash from Operating Activities	<u>308,973</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net Cash from Noncapital Financing Activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Assets Purchased	(1,269,343)
Proceeds on Long-Term Debt	446,780
Principal Payments on Long-Term Debt	(489,162)
Interest Payments on Long-Term Debt	(60,015)
	<u>(1,371,740)</u>
Net Cash from Capital and Related Financing Activities	<u>(1,371,740)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales of investments	792,360
Interest on Investments	795
	<u>793,155</u>
Net Cash from Investing Activities	<u>793,155</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(269,612)
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,417,847</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 1,148,235</u></u>

(This statement is continued on the following page.)

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS**

For the Year Ended April 30, 2014

	Enterprise Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income	\$ 122,328
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation	307,521
Changes in Assets and Liabilities	
Accounts Receivable	(37,739)
Prepaid Items	(14,392)
Accounts Payable and Other Liabilities	(60,003)
Unearned Revenue	13,292
Compensated Absences	(7,720)
Deposits	(14,314)
NET CASH FROM OPERATING ACTIVITIES	\$ 308,973

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

April 30, 2014

	Pension Trust Funds	Agency Fund
ASSETS		
Cash	\$ 886,440	\$ 186,085
Investments		
Certificates of Deposit	-	357,730
U.S. Government Obligations	6,317,656	-
U.S. Agency Obligations	979,232	-
State and Local Obligations	489,964	-
Corporate Bonds	8,107,154	-
Mutual Funds	28,262,205	-
Money Market Mutual Funds	505,126	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	111,918	-
Prepaid Items	1,034	-
Due from Village	37,188	-
	<hr/>	<hr/>
Total Assets	45,697,917	\$ 543,815
LIABILITIES		
Accounts Payable	33,501	\$ -
Due to Others	-	543,815
	<hr/>	<hr/>
Total Liabilities	33,501	\$ 543,815
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
	<hr/> <hr/>	<hr/> <hr/>
	\$ 45,664,416	

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2014

ADDITIONS

Contributions	
Employer Contributions	\$ 1,588,009
Employee Contributions	<u>461,845</u>
Total Contributions	<u>2,049,854</u>
Investment Income	
Net Appreciation in Fair Value of Investments	2,316,640
Interest	<u>1,054,308</u>
Total Investment Income	3,370,948
Less Investment Expense	<u>(172,196)</u>
Net Investment Income	<u>3,198,752</u>
Total Additions	<u>5,248,606</u>

DEDUCTIONS

Benefits and Refunds	3,080,318
Administrative Expenses	<u>67,330</u>
Total Deductions	<u>3,147,648</u>

NET INCREASE 2,100,958

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>43,563,458</u>
April 30	<u><u>\$ 45,664,416</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Westchester, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below:

a. Reporting Entity

The Village is a municipal corporation with a council/manager form of government. The Village has adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity*, under which these financial statements include all organizations, activities, functions, funds and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the Village's ability to impose it over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The following component units and fiduciary funds have been included in the financial statements of the Village.

The Police Pension Fund of the Village exists solely to provide pension benefits for the Village's police officers. The Police Pension Plan may not issue bonded debt or levy taxes. The financial statements of the Police Pension Fund as of and for the fiscal year ended April 30, 2014, are reported in the Village's fund financial statements as a pension trust fund.

The Firefighters' Pension Fund of the Village exists solely to provide pension benefits for the Village's firefighters. The Firefighters' Pension Plan may not issue bonded debt or levy taxes. The financial statements of the Firefighters' Pension Fund as of and for the fiscal year ended April 30, 2014, are reported in the Village's fund financial statements as a pension trust fund.

Discretely Presented Component Unit

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable for.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The Village uses funds to report its financial position and the changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

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

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

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity, other than interfund service transactions, has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 fund:

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

The Motor Fuel Tax Fund is used to account for the activities related to street maintenance and construction. Financing is provided by the Village's restricted share of state gasoline taxes. State law requires that these gasoline taxes be used for street related purposes. Management of the Village has elected to report this fund as a major fund.

The Capital Improvements Fund is used to account for various capital projects that the Village funds with various restricted, committed and assigned revenues.

The Village reports the following major proprietary fund:

The Enterprise Fund accounts for the construction, operation and maintenance of the Village's owned water distribution system and sanitation services. Revenues are generated through charges to users based on water consumption and flat quarterly sanitation charge.

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and the Firefighters' Pension Fund. Furthermore, the Village reports the following agency fund as a fiduciary fund: Refundable Deposits Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for the agency funds, which have no measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues other than property taxes to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and telecommunication taxes collected by the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents includes cash on hand, savings accounts and checking accounts.

f. Investments

Village investments with a maturity greater than one year when purchased and all investment of the pension funds are reported at fair value based on published numbers as of April 30th. Fair value for the investments in Illinois Funds is the same as the value of the pool shares (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participant's fair value). The 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.

g. Inventory

Inventory in the governmental funds is recorded as expenditures at the time individual inventory items are purchased.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Items/Expenses

Certain payments reflect costs to future periods and are recoded as prepaid items/expenses in both the government-wide and governmental fund financial statements. Prepaid items/expenses are recorded as an asset when purchased and recognizes and expense/expenditure in the period in which they are consumed (e.g., consumption method).

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost above a set dollar threshold based on the asset type (see chart below). All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of asset or materially extend asset lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Depreciation on all assets is provided on the straight-line method over the following estimated useful lives:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life (in years)
Land	\$ 1,000	N/A
Land Improvements	10,000	N/A
Site Improvements	20,000	3-50
Building	30,000	10-80
Building Improvements	25,000	10-20
Vehicles, Machinery and Equipment	5,000	3-30
Software	25,000	2-7
Infrastructure - Street Network	50,000	20-80
Infrastructure - Water Network	75,000	20-80
Infrastructure - Sanitary Sewer	75,000	20-80
Infrastructure - Storm Sewer	50,000	20-80

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

Vested or accumulated vacation leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it. The government-wide financial statements record unused vacation leave as expenses and liabilities when earned by employees. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting sick leave.

k. Property Tax Revenue Recognition

The Village's property tax is levied each calendar year on all taxable real property located in the Village. The Village must file its tax levy ordinance for the year on or before the last Tuesday in December of each year. Taxes levied in one year become due and payable in two installments, on March 1 and September 1 of the following year. The first installment is an estimated bill equal to 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization and any changes from the prior year are reflected in the second installment bill. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

For governmental funds, property taxes collected, which are used to finance the current year's operations, are recognized as revenue. Property taxes uncollected, which are to be used to finance the subsequent year's operations, are reported as net taxes receivable and unavailable revenue. The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of April 30, 2014 as the tax has not yet been levied by the Village and will not be levied until December 2014 and, therefore, the levy is not measurable at April 30, 2014.

l. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered (interfund services). These receivables and payables are classified as "due from other funds" or "due to other funds" on the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Interfund Transactions

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

n. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

o. Long-Term Debt

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees (the Board), which is considered the Village's highest level of decision making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Village Manager or Finance Director by the Board through adoption of Resolution No. 2012-269. Any residual fund balance in the general fund and any deficit fund balances of other governmental funds is reported as unassigned.

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

The Village has established a targeted minimum fund balance policy for the general fund at 30% of the next year's annually budgeted operating expenditures and this is reported as unassigned fund balance.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of the capital assets, net of any debt outstanding that was issued to construct or acquire the capital assets and unspent debt proceeds. The Village holds certain restricted cash for payments of future debt service payments and accordingly, this restricted cash is classified as unspent debt proceeds.

q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

a. Village Investments

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

At April 30, 2014, \$13,550 of the Village's deposits with financial institutions were uninsured and uncollateralized.

Investments

The investments which the Village may purchase are limited by the Village's investment policy to the following (1) securities which are fully guaranteed by the United States Government as to principal and interest; (2) certain United States Government agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds and (8) money market mutual funds and certain other instruments.

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
IMET	\$ 1,070,518	\$ -	\$ 1,070,518	\$ -	\$ -
TOTAL	\$ 1,070,518	\$ -	\$ 1,070,518	\$ -	\$ -

Interest rate risk - the Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

Credit risk - the Village's general investment policy is to apply the prudent person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The Village's investment policy limits investments in short-term obligations of corporations organized in the United States Government with assets exceeding \$500,000,000 if (1) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days from the date of purchase; (2) such purchased obligations do not exceed 10% of the corporation's outstanding obligations and (3) no more than one-third of the public agency's funds may be invested in short-term obligations of corporations.

Credit ratings for the Village's investments in debt securities as described by Standard & Poor's and Moody's at April 30, 2014 are as follows:

Investment Type	Credit Rating	Percent of Investment Type	Percent of Total Investments
IMET	AAA	100%	59%

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

Concentration of credit risk - the Village places no limit on the amount the Village may invest in any one issuer. More than 5% of the Village's investments are in Illinois Funds and IMET. These investments are 41% and 59%, respectively, of the Village's total investments.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Investments

The investments which the Police Pension Fund may purchase are limited by the Police Pension Fund's investment policy and Illinois law to the following (1) securities which are fully guaranteed by the United States Government as to principal and interest; (2) certain United States Government agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds and (8) money market and equity mutual funds, equities and certain other instruments.

The following schedule reports the fair values and maturities for the Police Pension Fund's investments as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Notes	\$ 3,570,846	\$ 455,307	\$ 2,687,119	\$ 428,420	\$ -
Governmental National Mortgage	1,831	-	1,831	-	-
Federal Home Loan Mortgage Corporation	179,189	-	85,021	-	94,168
Federal National Mortgage Association	302,503	-	233,016	31,412	38,075
Corporate Bonds	4,691,809	110,752	1,848,685	2,568,671	163,701
State and Local Obligations	242,722	-	91,629	151,093	-
TOTAL	\$ 8,988,900	\$ 566,059	\$ 4,947,301	\$ 3,179,596	\$ 295,944

Interest rate risk - in accordance with the Police Pension Fund's investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. In addition, the fixed income portfolio should be structured allowing for a duration between three and eight years.

Credit risk - is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Police Pension Fund's investment policy establishes criteria for allowable investments; those

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Investments (Continued)

criteria follow the requirements of the Illinois Pension Code but does not specifically address credit risk. The Investments in the securities of State and Local Obligations were all rated AA or better and United States government agencies were all rated AAA by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. In August 2011, U.S. Treasury and U.S. agency security ratings have been downgraded by Standard & Poor's rating agency to AA+. Investments in Corporate Obligations were all rated BBB or better. Unrated investments are listed in the following table.

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mtg. Corp.	\$ 51,250	2.412%	May 1, 2036
Federal Home Loan Mtg. Corp.	37,582	2.518%	July 1, 2036
Federal National Mortgage Assn.	29,416	5.500%	October 1, 2023
Federal National Mortgage Assn.	37,331	4.000%	September 1, 2040

The Police Pension Fund's investment policy also prescribes to the prudent person rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's deposits may not be returned to it. 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 may be available for the Police Pension Fund's deposits with financial institutions.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in the possession of an outside party. The Police Pension Fund's investment policy requires securities to be held by a custodian. The Police Pension Fund allows the investment broker purchasing the investment to also serve as custodian, but requires the investment broker to acquire an excess SIPC policy to provide the same coverage over the portfolio as SIPC.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Investments (Continued)

Concentration of credit risk - is the risk of loss attributed to the magnitude of the Police Pension Fund's investment in a single issuer. The Police Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At year end, the Police Pension Fund has over 5% of net plan assets invested in various agency securities as indicated in the table above and various mutual funds.

c. Firefighters' Pension Fund Investments

The investments which the Firefighters' Pension Fund may purchase are limited by Illinois law to the following (1) securities which are fully guaranteed by the United States Government as to principal and interest; (2) certain United States Government agency securities; (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds and (8) money market and equity mutual funds, equity securities and certain other instruments.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Fund's investments as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
State and Local Obligations	\$ 247,242	\$ -	\$ 134,697	\$ 112,545	\$ -
U.S. Treasury Notes	2,746,811	657,459	1,942,652	146,700	-
Governmental National Mortgage Association	91,428	-	9,718	18,236	63,474
Federal Home Loan Mortgage Corporation	74,982	74,982	-	-	-
Federal National Mortgage Association	329,298	-	329,298	-	-
Corporate Bonds	3,415,345	30,258	1,643,256	1,631,100	110,731
TOTAL	\$ 6,905,106	\$ 762,699	\$ 4,059,621	\$ 1,908,581	\$ 174,205

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Fund Investments (Continued)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Firefighters' Pension Fund's investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. In addition, the fixed income portfolio should be structured allowing for a duration between three and eight years.

Credit risk - is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by United States Government and/or its agents that are implicitly guaranteed by the United States Government. The Firefighters' Pension Fund's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code but does not specifically address credit risk. The investments in the securities of State and Local Obligations were all rated AA or better and United States government agencies were all rated triple A by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. In August 2011, U.S. Treasury and U.S. agency security ratings have been downgraded by Standard & Poor's rating agency to AA+. Investments in Corporate Obligations were all rated BBB or better. Unrated investments are listed in the following table.

Investment Type	Par Value	Interest Rate	Maturity Date
Government Natl Mortgage Assn.	\$ 10,725	5.0%	April 15, 2019
Government Natl Mortgage Assn.	13,084	5.0%	June 15, 2019
Government Natl Mortgage Assn	8,915	5.5%	August 15, 2019
Government Natl Mortgage Assn	6,063	6.0%	July 15, 2031
Government Natl Mortgage Assn	19,857	6.0%	October 15, 2031
Government Natl Mortgage Assn	13,483	6.0%	October 15, 2031
Government Natl Mortgage Assn	12,066	6.0%	November 15, 2031
Government Natl Mortgage Assn	31,218	6.0%	October 15, 2032

The Firefighters' Pension Fund's investment policy also prescribes to the prudent person rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Fund Investments (Continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' 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 may be available for the Firefighters' Pension Fund's deposits with financial institutions.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in the possession of an outside party. The Firefighters' Pension Fund's investment policy requires securities to be held by a custodian. The Firefighters' Pension Fund allows the investment broker purchasing the investment to also serve as custodian, but requires the investment broker to acquire an excess SIPC policy to provide the same coverage over the portfolio as SIPC.

Concentration of credit risk - this is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. The Firefighters' Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At year end, the Firefighters' Pension Fund has over 5% of net plan assets invested in various agency securities as indicated in the table above and various mutual funds.

3. INTERFUND TRANSACTIONS

Due from/to other funds as of April 30, 2014 are summarized below:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Funds		
General	\$ 208,874	\$ 108,611
Motor Fuel Tax	-	169,004
Capital Improvements	30,692	-
Nonmajor Governmental Funds		
Police Forfeiture	-	6,441
911 Fund	40,731	33,429
Fiduciary Funds	37,188	-
TOTAL	<u>\$ 317,485</u>	<u>\$ 317,485</u>

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 5,373,407	\$ -	\$ -	\$ 5,373,407
Construction in Progress	-	75,204	-	75,204
Total Capital Assets not Being Depreciated	5,373,407	75,204	-	5,448,611
Capital Assets Being Depreciated				
Land Improvements	326,765	-	-	326,765
Buildings	4,056,941	-	-	4,056,941
Building Improvements	253,166	-	-	253,166
Machinery and Equipment	5,966,661	1,510,959	-	7,477,620
Software	34,910	49,275	-	84,185
Infrastructure	39,183,183	2,784,394	-	41,967,577
Total Capital Assets Being Depreciated	49,821,626	4,344,628	-	54,166,254
Less Accumulated Depreciation for				
Land Improvements	317,100	2,466	-	319,566
Buildings	1,471,035	65,787	-	1,536,822
Building Improvements	147,240	23,937	-	171,177
Machinery and Equipment	3,839,187	371,501	-	4,210,688
Software	17,455	11,910	-	29,365
Infrastructure	22,110,639	1,209,461	-	23,320,100
Total Accumulated Depreciation	27,902,656	1,685,062	-	29,587,718
Total Capital Assets Being Depreciated, Net	21,918,970	2,659,566	-	24,578,536
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 27,292,377	\$ 2,734,770	\$ -	\$ 30,027,147
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 112,825	\$ -	\$ -	\$ 112,825
Construction in Progress	246,099	59,954	246,099	59,954
Total Capital Assets not Being Depreciated	358,924	59,954	246,099	172,779
Capital Assets Being Depreciated				
Land Improvements	38,892	-	-	38,892
Buildings	696,114	-	-	696,114
Machinery and Equipment	646,469	156,614	-	803,083
Software	-	49,275	-	49,275
Infrastructure	17,666,445	1,249,599	-	18,916,044
Total Capital Assets Being Depreciated	19,047,920	1,455,488	-	20,503,408

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Land Improvements	\$ 38,892	\$ -	\$ -	\$ 38,892
Buildings	235,377	22,112	-	257,489
Machinery and Equipment	373,100	47,260	-	420,360
Software	-	2,464	-	2,464
Infrastructure	8,776,939	235,685	-	9,012,624
Total Accumulated Depreciation	<u>9,424,308</u>	<u>307,521</u>	<u>-</u>	<u>9,731,829</u>
Total Capital Assets Being Depreciated, Net	<u>9,623,612</u>	<u>1,147,967</u>	<u>-</u>	<u>10,771,579</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 9,982,536</u>	<u>\$ 1,207,921</u>	<u>\$ 246,099</u>	<u>\$ 10,944,358</u>

Depreciation expense for the Village was charged to the governmental activities functional expense categories as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 71,236
Public Safety	237,058
Public Works	<u>1,376,768</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,685,062</u>

5. RECEIVABLES

The following is a summary of other taxes, due from other governments, accounts, notes and other receivables by fund at April 30, 2014. Any uncollectible amount is not believed to be material.

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Statement of Net Position
ACCOUNTS RECEIVABLE					
Photo Enforcement	\$ 73,897	\$ -	\$ -	\$ -	\$ 73,897
Ambulance	34,031	-	-	-	34,031
911 Telecommunication	-	-	-	13,963	13,963
Video Rental Taxes	4,248	-	-	-	4,248
Hotel and Motel Taxes	-	-	-	23,639	23,639
Other Accounts	-	-	-	1,623	1,623
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 112,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,225</u>	<u>\$ 151,401</u>

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RECEIVABLES (Continued)

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Statement of Net Position
OTHER RECEIVABLES					
Cable Fees	\$ 53,362	\$ -	\$ -	\$ -	\$ 53,362
Places for Eating Tax	18,575	-	-	-	18,575
Utility Tax					
ComEd	37,778	-	-	-	37,778
Nicor	43,594	-	-	-	43,594
Other	89,918	-	-	-	89,918
TOTAL OTHER RECEIVABLES	\$ 243,227	\$ -	\$ -	\$ -	\$ 243,227
INTERGOVERNMENTAL RECEIVABLES					
Taxes					
Income	\$ 255,919	\$ -	\$ -	\$ -	\$ 255,919
Sales	203,454	-	154,751	-	358,205
Local Use	69,331	-	-	-	69,331
Telecommunications	221,251	-	-	-	221,251
911 Telecommunication	-	-	-	29,709	29,709
Circuit Court	10,307	-	-	-	10,307
Motor Fuel Tax Allotments	-	30,820	-	-	30,820
TOTAL INTERGOVERNMENTAL RECEIVABLES	\$ 760,262	\$ 30,820	\$ 154,751	\$ 29,709	\$ 975,542

6. LONG-TERM DEBT

The following is a summary of changes to the Village's long-term debt for the year ended April 30, 2014:

Governmental Activities

	Balance May 1, 2013	Additions	Retirement	Balance April 30, 2014	Due Within One Year
Taxable General Obligation Bonds Series of 2010A	\$ 3,255,000	\$ -	\$ 140,000	\$ 3,115,000	\$ 140,000
Taxable General Obligation Alternate Revenue Source Bonds Series of 2013	5,800,000	-	-	5,800,000	150,000
Capital Lease Payable	27,011	-	27,011	-	-
Installment Contracts Payable	583,098	1,143,998	453,350	1,273,746	360,872
Compensated Absences Payable	158,194	105,448	158,194	105,448	105,448
Net Pension Obligation	2,294,468	202,986	-	2,497,454	-
Unamortized Bond Premium	181,516	-	9,278	172,238	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 12,299,287	\$ 1,452,432	\$ 787,833	\$ 12,963,886	\$ 756,320

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Governmental activities long-term debt is primarily payable by the general fund except for the Taxable General Obligation Bonds, Series 2010A which are payable by the Motor Fuel Tax Fund and the Taxable General Obligation Alternate Revenue Source Bonds, Series 2013 which are primarily payable by the Capital Improvements and Debt Service Funds.

Business-Type Activities

	Balance May 1, 2013	Additions	Retirement	Balance April 30, 2014	Due Within One Year
Taxable General Obligation Bonds Series of 2010B	\$ 1,335,000	\$ -	\$ 155,000	\$ 1,180,000	\$ 155,000
Installment Contracts Payable	56,042	168,642	28,248	196,436	44,614
IEPA Loan	1,119,179	-	305,914	813,265	39,332
Compensated Absences Payable	20,828	13,107	20,828	13,107	13,107
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,531,049	\$ 181,749	\$ 509,990	\$ 2,202,808	\$ 252,053

Long-term obligations outstanding at April 30, 2014 and the remaining principal and interest payments to maturity are as follows:

Taxable General Obligation Bonds (Alternate Revenue Source)

	Payable From	Total	Due Within One Year
\$3,500,000 Series 2010A, dated May 18, 2010, interest payable June 1 and December 1 of each year at rates of 1.1% to 5.8%. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of 35% of the interest paid each year. The net interest rate for the Series 2010A Build America Bonds, after rebate, is 0.72% to 3.77%.	Motor Fuel Tax	\$ 3,115,000	\$ 140,000
\$1,610,000 Series 2010B, dated May 18, 2010, interest payable June 1 and December 1 of each year at rates of 1.25% to 4.50%. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of 35% of the interest paid each year. The net interest rate for the Series 2010B Build America Bonds, after rebate, is 0.81% to 2.93%.	Water	1,180,000	155,000

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Taxable General Obligation Bonds (Alternate Revenue Source) (Continued)

	Payable From	Total	Due Within One Year
\$5,800,000 Series 2013, dated March 12, 2013, interest payable June 15 and December 15 of each year at rates of 2.00% to 3.15%.	Capital Improvements and Debt Service	\$ 5,800,000	\$ 150,000
TOTAL		\$ 10,095,000	\$ 445,000

Future principal and interest requirements applicable to the taxable general obligation bonds (alternate revenue source) are:

Fiscal Year Ending April 30,	Principal	Interest
2015	\$ 445,000	\$ 357,810
2016	560,000	347,015
2017	575,000	332,547
2018	590,000	316,413
2019	600,000	298,855
2020	610,000	279,680
2021	630,000	259,120
2022	460,000	237,275
2023	475,000	219,538
2024	490,000	201,237
2025	500,000	182,375
2026	520,000	162,245
2027	535,000	141,245
2028	555,000	119,660
2029	570,000	96,990
2030	590,000	73,730
2031	610,000	49,590
2032	385,000	24,570
2033	395,000	12,443
TOTAL	\$ 10,095,000	\$ 3,712,338

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

IEPA Loan

Future principal and interest requirements applicable to the IEPA loan are:

Fiscal Year Ending April 30,	Principal	Interest
2015	\$ 39,332	\$ 10,043
2016	39,825	9,550
2017	40,325	9,051
2018	40,830	8,545
2019	41,342	8,033
2020	41,861	7,515
2021	42,386	6,990
2022	42,917	6,458
2023	43,455	5,920
2024	44,000	5,375
2025	44,552	4,824
2026	45,111	4,265
2027	45,676	3,699
2028	46,249	3,127
2029	46,829	2,547
2030	47,416	1,959
2031	48,011	1,365
2032	48,613	763
2033	24,535	154
TOTAL	\$ 813,265	\$ 100,183

The principal and interest payments will be paid from the General Fund, Water Fund, Capital Improvements Fund and Debt Service Fund.

Capital Leases

Related equipment net of accumulated depreciation for the year ending April 30, 2014 was \$346,465. The capital leases matured during the year ending April 30, 2014 at which point title transferred to the Village.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Installment Contract

	Payable From	Total	Due Within One Year
Dated April 6, 2010, principal and interest payable annually at 4.35%	General	\$ 50,000	\$ 50,000
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	General	49,821	13,767
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	Water	44,158	12,203
Dated December 20, 2012, principal and interest payable semiannually at 2.44%	General	86,479	23,964
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	General	239,733	51,212
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	Water	59,019	12,608
Dated October 1, 2013, principal and interest payable semiannually at 2.55%	General	276,607	43,231
Dated October 24, 2013, principal and interest payable semiannually at 2.20%	General	281,179	120,491
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	General	54,150	10,366
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	Water	54,150	10,366
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	General	39,110	9,437
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	Water	39,110	9,437
Dated March 26, 2014, principal and interest payable semiannually at 2.40%	General	196,666	38,404
TOTAL		\$ 1,470,182	\$ 405,486

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Installment Contract (Continued)

Fiscal Year Ending April 30,	Principal	Interest	Total
2015	\$ 405,486	\$ 32,625	\$ 438,111
2016	278,352	23,676	302,028
2017	284,982	17,046	302,028
2018	264,656	10,258	274,914
2019	187,636	4,352	191,988
2020	49,070	941	50,011
TOTAL	\$ 1,470,182	\$ 88,898	\$ 1,559,080

The principal and interest payments will be paid from the General Fund and Water Fund.

Legal Debt Margin

Assessed Value - 2013	<u>\$ 472,727,706</u>
Legal debt limit - 8.625% of assessed valuation	\$ 40,772,765
Amount of debt applicable to debt limit	<u>10,095,000</u>
LEGAL DEBT MARGIN	<u>\$ 30,677,765</u>

Chapter 24, Section 8-5-1 of the Illinois Revised Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized valuation by the debt limitation percentage in effect on January 1, 1979."

Other Non-Obligation Type Bonded Debt

On June 27, 2012, the Village passed a resolution enabling the Village to provide, of not to exceed \$7,000,000 of financing, for the refinancing of existing loans for a high school building by the issuance of industrial revenue bonds. The bonds are secured solely by the property financed. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2014, the principal amount payable for the bonds was indeterminable. The original issue amounts of the bonds were \$6,825,000.

7. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police Pension Plan and Firefighters' Pension Plan issue separate reports which may be obtained from the Village at 10300 Roosevelt Rd., Westchester, Illinois 60154. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for calendar year 2013 used by the employer was 13.16% of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 13.9%.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2013 (date of latest actuarial valuation), the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	30
Current Employees	
Vested	21
Nonvested	10
	<hr/>
TOTAL	<u>61</u>

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service costs for the Police Pension Plan. For the year ended April 30, 2014, the Village's contribution was 40.73% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2013 (date of latest actuarial valuation), the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	27
Current Employees	
Vested	16
Nonvested	11
	<hr/>
TOTAL	<hr/> <hr/> 54

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% the past service costs for the Firefighters' Pension Plan. For the year ended April 30, 2014, the Village's contribution was 29.5% of covered payroll.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Significant Investments

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of plan net assets for either the Police Pension Plan or the Firefighters' Pension Plan. Information for the IMRF is not available.

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2011	April 30, 2013	April 30, 2013
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 Years, Open	24 Years, Closed	24 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	2.50% Compounded Annually	2.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40% to 10.00%	4.00% Compounded Annually	4.00% Compounded Annually

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	For Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 335,369	\$ 986,937	\$ 738,782
	2013	357,837	995,235	653,459
	2014	365,274	1,040,625	733,941
Actual Contribution	2012	\$ 281,706	\$ 986,248	\$ 785,360
	2013	318,775	788,521	645,380
	2014	348,487	982,940	605,068
Percentage of APC Contributed	2012	84.00%	99.93%	106.30%
	2013	89.08%	79.23%	98.76%
	2014	95.40%	94.46%	82.44%
NPO	2012	\$ 130,631	\$ 1,138,479	\$ 771,145
	2013	169,693	1,345,193	779,224
	2014	186,480	1,402,877	908,097

The NPO (asset) has been calculated as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 361,644	\$ 1,024,930	\$ 724,849
Interest on Net Pension Obligation	12,727	94,164	54,545
Adjustment to Annual Required Contributions	(9,097)	(78,469)	(45,454)
Annual Pension Cost	365,274	1,040,625	733,940
Contributions Made	348,487	982,941	605,068
Increase in Net Pension Obligation	16,787	57,684	128,872
Net Pension Obligation, Beginning of Year	169,693	1,345,193	779,225
NET PENSION OBLIGATION, END OF YEAR	\$ 186,480	\$ 1,402,877	\$ 908,097

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status

The funded status of the plans as of April 30, 2014 is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 7-c:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2013	April 30, 2013	April 30, 2013
Actuarial Accrued Liability (AAL)	\$ 5,739,874	\$ 35,256,514	\$ 26,205,425
Actuarial Value of Plan Assets	3,284,876	24,119,525	19,696,636
Unfunded Actuarial Accrued Liability (UAAL)	2,454,998	11,136,989	6,508,789
Funded Ratio (Actuarial Value of Plan Assets/AAL)	57.53%	68.41%	75.16%
Covered Payroll (Active Plan Members)	\$ 2,523,397	\$ 2,413,295	\$ 2,048,629
UAAL as a Percentage of Covered Payroll	97.29%	461.48%	317.71%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

8. CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not properly determinable, in the opinion of the Village's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

9. RISK MANAGEMENT

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

9. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training programs and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. There were no significant reductions in insurance coverage during the year. The Village did not have any claims that exceeded insurance coverage for the last three fiscal years.

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

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

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care and prescriptions. Eligibility in Village sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

c. Membership

At April 30, 2012, (latest information available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	13
Terminated Employees Entitled to Benefits but not Yet Receiving Them	-
Active Employees	<u>110</u>
 TOTAL	 <u>123</u>
 Participating Employers	 <u><u>1</u></u>

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees (except as noted below) contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees (pay as you go) which results in an implicit subsidy to the Village as defined by the GASB Statement No. 45. In addition, the Village pays \$100 of the monthly health insurance premium for two retirees. For the fiscal year ended April 30, 2014, retirees contributed \$203,931 and the Village contributed \$41,994. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

VILLAGE OF WESTCHESTER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for April 30, 2012, 2013 and 2015 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
April 30, 2012	\$ 40,489	\$ 41,994	103.7%	\$ (4,939)
April 30, 2013	40,489	41,994	103.7%	(6,454)
April 30, 2014	40,489	41,994	103.7%	(7,979)

The net OPEB obligation (NOPEBO) as of April 30, 2014, was calculated as follows:

Annual Required Contribution	\$ 40,512
Interest on Net OPEB Obligation	(258)
Adjustment to Annual Required Contribution	<u>215</u>
Annual OPEB Cost	40,469
Contributions Made	<u>41,994</u>
Increase in Net OPEB Obligation	(1,525)
Net OPEB Obligation (Asset), Beginning of Year	<u>(6,454)</u>
NET OPEB OBLIGATION (ASSET), END OF YEAR	<u>\$ (7,979)</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2012 (latest information available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,627,299
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	1,627,299
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 7,025,713
UAAL as a Percentage of Covered Payroll	23.16%

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

In the April 30, 2012 actuarial valuation (latest information available), the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), an initial annual healthcare cost trend rate of 8% and an ultimate healthcare cost trend rate of 6%. All three rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open, 30 year basis.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 6,092,500	\$ 6,092,500	\$ 5,928,406	\$ (164,094)
Other Local Taxes	2,183,100	2,183,100	2,270,974	87,874
Intergovernmental	3,332,624	3,579,070	3,572,289	(6,781)
Licenses and Permits	956,000	1,156,000	1,208,708	52,708
Charges for Services	490,500	490,500	614,656	124,156
Fines and Forfeitures	418,500	418,500	493,238	74,738
Rental Income	161,000	161,000	190,406	29,406
Investment Income	7,500	7,500	4,820	(2,680)
Miscellaneous	267,750	267,750	372,508	104,758
Total Revenues	13,909,474	14,355,920	14,656,005	300,085
EXPENDITURES				
Current				
General Government	1,454,332	1,454,332	1,510,102	55,770
Community Development Department	466,947	618,947	558,832	(60,115)
Planning and Zoning	3,300	3,300	1,063	(2,237)
Fire and Police Commission	21,250	21,250	23,639	2,389
Police 911	762,317	762,317	742,773	(19,544)
Police Department	4,971,984	5,022,284	5,047,229	24,945
Civil Defense	4,884	4,884	6,281	1,397
Fire Department	3,828,207	3,961,207	3,913,548	(47,659)
Public Works	1,654,821	1,654,821	1,678,274	23,453
Capital Outlay	565,894	1,476,907	1,430,872	(46,035)
Debt Service				
Principal	198,515	478,515	461,380	(17,135)
Interest and Fiscal Charges	25,497	26,997	43,359	16,362
Total Expenditures	13,957,948	15,485,761	15,417,352	(68,409)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(48,474)	(1,129,841)	(761,347)	368,494
OTHER FINANCING SOURCES (USES)				
Installment Contracts Issued	-	1,143,998	1,143,998	-
Total Other Financing Sources (Uses)	-	1,143,998	1,143,998	-
NET CHANGE IN FUND BALANCE	\$ (48,474)	\$ 14,157	382,651	\$ 368,494
FUND BALANCE, MAY 1			4,825,992	
FUND BALANCE, APRIL 30			\$ 5,208,643	

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
State Allotments	\$ 441,596	\$ 441,596	\$ 537,211	\$ 95,615
Investment Income	-	-	109	109
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	441,596	441,596	537,320	95,724
EXPENDITURES				
Current				
Public Works	261,000	563,745	550,467	(13,278)
Debt Service				
Principal	140,000	140,000	140,000	-
Interest	159,545	159,545	159,546	1
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	560,545	863,290	850,013	(13,277)
NET CHANGE IN FUND BALANCE	<u>\$ (118,949)</u>	<u>\$ (421,694)</u>	(312,693)	<u>\$ 109,001</u>
FUND BALANCE, MAY 1			<u>385,288</u>	
FUND BALANCE, APRIL 30			<u>\$ 72,595</u>	

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ 4,990,471	\$ 7,084,433	70.44%	\$ 2,093,962	\$ 2,970,452	70.49%
2009	4,857,061	7,269,188	66.82%	2,412,127	2,836,821	85.03%
2010	4,838,262	7,624,720	63.45%	2,786,458	2,825,744	98.61%
2011	5,339,856	8,177,603	65.30%	2,837,747	2,924,992	97.02%
2012	3,848,107	5,778,723	66.59%	1,930,616	2,653,147	72.77%
2013	3,284,876	5,739,874	57.23%	2,454,998	2,523,397	97.29%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 250,706	\$ 250,706	100.00%
2010	250,319	270,159	92.66%
2011	293,880	365,691	80.36%
2012	281,706	319,354	88.21%
2013	318,775	355,043	89.78%
2014	345,487	361,644	95.53%

GASB Statement No. 61 was implemented for the Village's year ended April 30, 2013, which amended the criteria for reporting component units as part of the primary government; therefore, information for years prior (December 31, 2012 and prior valuation date) include the Westchester Library which was previously reported as a discretely presented component unit of the Village.

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ 21,384,336	\$ 26,557,181	80.52%	\$ 5,172,845	\$ 2,405,522	215.04%
2009	21,764,400	27,883,396	78.06%	6,118,996	2,544,599	240.47%
2010	22,762,785	29,581,746	76.95%	6,818,961	2,421,004	281.66%
2011	23,678,017	32,563,610	72.71%	8,885,593	2,585,315	343.69%
2012	23,398,534	33,831,194	69.16%	10,432,660	2,486,370	419.59%
2013	24,119,525	35,256,514	68.41%	11,136,989	2,413,295	461.48%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 440,058	\$ 806,898	54.54%
2010	493,351	730,749	67.51%
2011	604,015	795,610	75.92%
2012	986,248	964,553	102.25%
2013	788,521	989,128	79.72%
2014	982,941	1,024,930	95.90%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' PENSION FUND

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ 16,944,937	\$ 20,979,416	80.77%	\$ 4,034,479	\$ 1,770,519	227.87%
2009	17,203,916	22,200,041	77.49%	4,996,125	1,898,925	263.10%
2010	18,215,123	22,871,035	79.64%	4,655,912	2,047,417	227.40%
2011	19,165,515	24,520,169	78.16%	5,354,654	2,016,563	265.53%
2012	19,026,055	24,288,161	78.33%	5,262,106	2,033,166	258.81%
2013	19,696,636	26,205,425	75.16%	6,508,789	2,048,629	317.71%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 392,216	\$ 662,683	59.19%
2010	427,938	650,411	65.80%
2011	544,348	671,860	81.02%
2012	785,360	722,454	108.71%
2013	645,380	649,323	99.39%
2014	605,068	724,849	83.48%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 563,320	0.00%	\$ 563,320	\$ 7,048,245	7.99%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	1,627,299	0.00%	1,627,299	7,025,713	23.16%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A

N/A - no actuarial valuation was performed for this year

Schedule of Employer Contributions

Year Ended April 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 41,994	\$ 41,564	101.03%
2010	41,994	40,512	103.66%
2011	41,994	40,512	103.66%
2012	41,994	40,512	103.66%
2013	41,994	40,512	103.66%
2014	41,994	40,512	103.66%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Motor Fuel Tax Capital Improvements, 911, Hotel/Motel Tax and Water funds. All annual appropriations lapse at fiscal year end.

All departments of the Village submit requests for appropriation to the Village's manager so that a budget may be prepared. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. There were two budget amendments during the year.

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Non-Home Rule Sales Tax	\$ 1,355,000	\$ 1,355,000	\$ 665,896	\$ (689,104)
Investment Income	-	-	1,222	1,222
	<hr/>			
Total Revenues	1,355,000	1,355,000	667,118	(687,882)
	<hr/>			
EXPENDITURES				
Current				
Public Works	3,907,500	3,907,500	2,923,526	(983,974)
	<hr/>			
Total Expenditures	3,907,500	3,907,500	2,923,526	(983,974)
	<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ (2,552,500)</u>	<u>\$ (2,552,500)</u>	(2,256,408)	<u>\$ 296,092</u>
FUND BALANCE, MAY 1			<u>4,622,360</u>	
FUND BALANCE, APRIL 30			<u>\$ 2,365,952</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	Special Revenue			Debt Service	Total
	Police Forfeiture Fund	911 Fund	Hotel/Motel Tax Fund	Debt Service Fund	Nonmajor Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 97,369	\$ 64,387	\$ 64,671	\$ 38	\$ 226,465
Receivables					
Intergovernmental	-	29,709	-	-	29,709
Accounts	1,623	13,963	23,639	-	39,225
Prepaid Items	-	-	5,064	-	5,064
Due from Other Funds	-	40,731	-	-	40,731
TOTAL ASSETS	\$ 98,992	\$ 148,790	\$ 93,374	\$ 38	\$ 341,194
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 5,474	\$ 374	\$ -	\$ 5,848
Accrued Payroll	-	1,247	-	-	1,247
Due to Other Funds	6,441	33,429	-	-	39,870
Total Liabilities	6,441	40,150	374	-	46,965
FUND BALANCES					
Nonspendable in Form - Prepaid Items	-	-	5,064	-	5,064
Restricted for Public Safety	92,551	108,640	-	-	201,191
Restricted for Tourism	-	-	87,936	-	87,936
Restricted for Debt Service	-	-	-	38	38
Total Fund Balances	92,551	108,640	93,000	38	294,229
TOTAL LIABILITIES AND FUND BALANCES	\$ 98,992	\$ 148,790	\$ 93,374	\$ 38	\$ 341,194

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2014

	Special Revenue			Debt Service	Total
	Police Forfeiture Fund	911 Fund	Hotel/Motel Tax Fund	Debt Service Fund	Nonmajor Governmental Funds
REVENUES					
Other Local Taxes	\$ -	\$ 158,068	\$ 98,713	\$ -	\$ 256,781
Intergovernmental	6,406	216,459	-	-	222,865
Charges for Services	-	2,081	-	-	2,081
Investment Income	70	488	-	30	588
Reimbursements	-	-	11,743	-	11,743
Miscellaneous	3,626	-	-	-	3,626
Total Revenues	10,102	377,096	110,456	30	497,684
EXPENDITURES					
Current					
Tourism	-	-	95,562	-	95,562
Police 911	-	466,865	-	-	466,865
Debt Service					
Principal	-	18,981	-	-	18,981
Interest	-	2,242	-	119,529	121,771
Total Expenditures	-	488,088	95,562	119,529	703,179
NET CHANGE IN FUND BALANCES	10,102	(110,992)	14,894	(119,499)	(205,495)
FUND BALANCES, MAY 1	82,449	219,632	78,106	119,537	499,724
FUND BALANCES, APRIL 30	\$ 92,551	\$ 108,640	\$ 93,000	\$ 38	\$ 294,229

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes	\$ 145,000	\$ 145,000	\$ 158,068	\$ 13,068
Charges for Services	1,800	1,800	2,081	281
Intergovernmental	168,200	168,200	216,459	48,259
Investment Income	500	500	488	(12)
Total Revenues	315,500	315,500	377,096	61,596
EXPENDITURES				
Current				
Police 911	392,021	471,427	466,865	(4,562)
Debt Service				
Principal	-	18,981	18,981	-
Interest	-	2,242	2,242	-
Total Expenditures	392,021	492,650	488,088	(4,562)
NET CHANGE IN FUND BALANCE	\$ (76,521)	\$ (177,150)	(110,992)	\$ 66,158
FUND BALANCE, MAY 1			219,632	
FUND BALANCE, APRIL 30			\$ 108,640	

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND**

For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes	\$ 135,000	\$ 135,000	\$ 98,713	\$ (36,287)
Reimbursements	7,250	7,250	11,743	4,493
Total Revenues	<u>142,250</u>	<u>142,250</u>	<u>110,456</u>	<u>(31,794)</u>
EXPENDITURES				
Current				
Tourism	<u>143,834</u>	<u>143,834</u>	<u>95,562</u>	<u>(48,272)</u>
Total Expenditures	<u>143,834</u>	<u>143,834</u>	<u>95,562</u>	<u>(48,272)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,584)</u>	<u>\$ (1,584)</u>	<u>14,894</u>	<u>\$ 16,478</u>
FUND BALANCE, MAY 1			<u>78,106</u>	
FUND BALANCE, APRIL 30			<u>\$ 93,000</u>	

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS**

April 30, 2014

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Cash Equivalents	\$ 505,362	\$ 381,078	\$ 886,440
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	63,958	47,960	111,918
Investments			
U.S. Government Obligations	3,570,845	2,746,811	6,317,656
U.S. Agency Obligations	483,524	495,708	979,232
State and Local Obligations	242,722	247,242	489,964
Corporate Bonds	4,691,809	3,415,345	8,107,154
Mutual Funds	15,381,728	12,880,477	28,262,205
Money Market Mutual Funds	303,420	201,706	505,126
Prepaid Items	517	517	1,034
Due from Village	20,302	16,886	37,188
Total Assets	25,264,187	20,433,730	45,697,917
LIABILITIES			
Accounts Payable	26,847	6,654	33,501
Total Liabilities	26,847	6,654	33,501
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ 25,237,340	\$ 20,427,076	\$ 45,664,416

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2014

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 982,941	\$ 605,068	\$ 1,588,009
Plan Members	254,029	207,816	461,845
Total Contributions	1,236,970	812,884	2,049,854
Investment Income			
Net Appreciation in Fair Value of Investments	1,170,140	1,146,500	2,316,640
Interest	618,925	435,383	1,054,308
Total Investment Income	1,789,065	1,581,883	3,370,948
Less Investment Expense	(110,408)	(61,788)	(172,196)
Net Investment Income	1,678,657	1,520,095	3,198,752
Total Additions	2,915,627	2,332,979	5,248,606
DEDUCTIONS			
Retirement Benefits and Refunds	1,848,864	1,231,454	3,080,318
Administrative Expenses	36,629	30,701	67,330
Total Deductions	1,885,493	1,262,155	3,147,648
NET INCREASE	1,030,134	1,070,824	2,100,958
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	24,207,206	19,356,252	43,563,458
April 30	\$ 25,237,340	\$ 20,427,076	\$ 45,664,416

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND**

For the Year Ended April 30, 2014

	Balance			Balance
	May 1	Additions	Deletions	April 30
Refundable Deposits				
ASSETS				
Cash	\$ 135,470	\$ 261,953	\$ 211,338	\$ 186,085
Investments	477,282	-	119,552	357,730
TOTAL ASSETS	\$ 612,752	\$ 261,953	\$ 330,890	\$ 543,815
LIABILITIES				
Due to Others	\$ 612,752	\$ 293,998	\$ 362,935	\$ 543,815
TOTAL LIABILITIES	\$ 612,752	\$ 293,998	\$ 362,935	\$ 543,815

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Westchester, 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 displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	67-76
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	77-83
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	84-87
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	88-89
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	90-93

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The Village implemented GASB Statement No. 34 in 2005; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF WESTCHESTER, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
GOVERNMENTAL ACTIVITIES			
Net Investment in Capital Assets	\$ 27,092,143	\$ 25,836,287	\$ 24,546,664
Restricted	437,602	609,633	863,192
Unrestricted	1,921,021	3,208,790	4,003,035
TOTAL GOVERNMENTAL ACTIVITIES	\$ 29,450,766	\$ 29,654,710	\$ 29,412,891
BUSINESS-TYPE ACTIVITIES			
Net Investment in Capital Assets	\$ 8,607,351	\$ 8,379,145	\$ 8,162,045
Unrestricted	1,289,943	1,130,708	1,069,386
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 9,897,294	\$ 9,509,853	\$ 9,231,431
PRIMARY GOVERNMENT			
Invested in Capital Assets			
Net of Related Debt	\$ 35,699,494	\$ 34,215,432	\$ 32,708,709
Restricted	609,633	609,633	863,192
Unrestricted	4,339,498	4,339,498	5,072,421
TOTAL PRIMARY GOVERNMENT	\$ 40,648,625	\$ 39,164,563	\$ 38,644,322

2008	2009	2010	2011	2012	2013	2014
\$ 24,087,301	\$ 25,720,503	\$ 24,722,401	\$ 24,533,889	\$ 23,453,120	\$ 21,898,803	\$ 21,164,996
1,080,659	445,605	484,697	935,253	1,057,485	763,725	361,722
5,290,928	4,324,333	3,747,530	2,144,143	1,955,569	2,575,023	3,393,989
<u>\$ 30,458,888</u>	<u>\$ 30,490,441</u>	<u>\$ 28,954,628</u>	<u>\$ 27,613,285</u>	<u>\$ 26,466,174</u>	<u>\$ 25,237,551</u>	<u>\$ 24,920,707</u>
\$ 7,936,598	\$ 7,751,481	\$ 7,710,865	\$ 6,910,269	\$ 7,434,766	\$ 7,472,315	\$ 8,754,657
1,047,755	2,038,004	1,697,637	1,846,113	2,132,453	2,696,187	1,476,459
<u>\$ 8,984,353</u>	<u>\$ 9,789,485</u>	<u>\$ 9,408,502</u>	<u>\$ 8,756,382</u>	<u>\$ 9,567,219</u>	<u>\$ 10,168,502</u>	<u>\$ 10,231,116</u>
\$ 32,023,899	\$ 33,471,984	\$ 32,433,266	\$ 31,444,158	\$ 30,887,886	\$ 29,371,118	\$ 29,919,653
1,080,659	445,605	484,697	935,253	1,057,485	763,725	361,722
6,338,683	6,362,337	5,445,167	3,990,256	4,088,022	5,271,210	4,870,448
<u>\$ 39,443,241</u>	<u>\$ 40,279,926</u>	<u>\$ 38,363,130</u>	<u>\$ 36,369,667</u>	<u>\$ 36,033,393</u>	<u>\$ 35,406,053</u>	<u>\$ 35,151,823</u>

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
EXPENSES			
Governmental Activities			
General Government	\$ 3,535,370	\$ 3,397,249	\$ 1,711,620
Public Safety	6,579,607	6,803,991	8,711,272
Public Works	3,662,407	4,076,453	3,719,405
Interest	23,585	26,815	28,326
Total Governmental Activities Expenses	<u>13,800,969</u>	<u>14,304,508</u>	<u>14,170,623</u>
Business-Type Activities			
Water and Sewer	<u>2,710,172</u>	<u>3,046,102</u>	<u>3,051,684</u>
Total Business-Type Activities Expenses	<u>2,710,172</u>	<u>3,046,102</u>	<u>3,051,684</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u><u>\$ 16,511,141</u></u>	<u><u>\$ 17,350,610</u></u>	<u><u>\$ 17,222,307</u></u>
PROGRAM REVENUES			
Governmental Activities			
Charges for Services			
General Government	\$ 2,079,572	\$ 2,165,383	\$ 1,093,603
Public Safety	720,813	943,589	724,353
Public Works	22,934	13,199	1,712,630
Operating Grants and Contributions	576,100	662,521	554,369
Capital Grants and Contributions	50,307	20,000	72,009
Total Governmental Activities Program Revenues	<u>3,449,726</u>	<u>3,804,692</u>	<u>4,156,964</u>
Business-Type Activities			
Charges for Services			
Water and Sewer	2,407,625	2,829,169	2,730,501
Operating Grants and Contributions	93,144	81,908	-
Capital Grants and Contributions	102,609	120,000	-
Total Business-Type Activities Program Revenues	<u>2,603,378</u>	<u>3,031,077</u>	<u>2,730,501</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u><u>\$ 6,053,104</u></u>	<u><u>\$ 6,835,769</u></u>	<u><u>\$ 6,887,465</u></u>
NET REVENUE (EXPENSE)			
Governmental Activities	\$ (10,351,243)	\$ (10,499,816)	\$ (10,013,659)
Business-Type Activities	<u>(106,794)</u>	<u>(15,024)</u>	<u>(321,183)</u>
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	<u><u>\$ (10,458,037)</u></u>	<u><u>\$ (10,514,840)</u></u>	<u><u>\$ (10,334,842)</u></u>

	2008	2009	2010	2011	2012	2013	2014
\$	1,969,667	\$ 2,061,823	\$ 2,336,063	\$ 2,243,335	\$ 2,321,017	\$ 3,303,980	\$ 2,117,829
	8,532,345	9,777,684	9,843,048	10,225,622	10,000,780	10,030,144	9,570,853
	4,380,139	3,270,206	3,253,548	2,818,288	3,170,591	2,315,612	4,674,296
	29,963	23,186	21,779	188,772	186,623	348,228	311,993
	14,912,114	15,132,899	15,454,438	15,476,017	15,679,011	15,997,964	16,674,971
	3,210,844	4,958,778	5,411,161	5,855,690	4,866,286	5,570,540	5,985,449
	3,210,844	4,958,778	5,411,161	5,855,690	4,866,286	5,570,540	5,985,449
\$	18,122,958	\$ 20,091,677	\$ 20,865,599	\$ 21,331,707	\$ 20,545,297	\$ 21,568,504	\$ 22,660,420
\$	1,148,987	\$ 912,469	\$ 852,133	\$ 845,037	\$ 1,053,503	\$ 1,270,038	\$ 1,393,545
	855,664	927,702	1,221,796	1,173,519	926,556	970,056	1,020,548
	1,897,654	382,104	397,661	427,211	412,398	400,653	394,466
	560,159	454,932	447,755	619,870	585,489	427,034	913,289
	239,371	2,254,867	65,844	418,374	486,155	75,491	310,320
	4,701,835	4,932,074	2,985,189	3,484,011	3,464,101	3,143,272	4,032,168
	2,921,063	4,922,086	5,005,316	5,200,548	5,552,156	6,173,333	6,047,268
	-	-	-	9,169	-	-	-
	-	60,000	-	-	-	-	-
	2,921,063	4,982,086	5,005,316	5,209,717	5,552,156	6,173,333	6,047,268
\$	7,622,898	\$ 9,914,160	\$ 7,990,505	\$ 8,693,728	\$ 9,016,257	\$ 9,316,605	\$ 10,079,436
\$	(10,210,279)	\$ (10,200,825)	\$ (12,469,249)	\$ (11,992,006)	\$ (12,214,910)	\$ (12,854,692)	\$ (12,642,803)
	(289,781)	23,308	(405,845)	(645,973)	685,870	602,793	61,819
\$	(10,500,060)	\$ (10,177,517)	\$ (12,875,094)	\$ (12,637,979)	\$ (11,529,040)	\$ (12,251,899)	\$ (12,580,984)

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
GENERAL REVENUES AND OTHER			
CHANGES IN NET ASSETS			
Governmental Activities			
Taxes			
Property	\$ 4,744,419	\$ 4,833,293	\$ 4,831,883
Sales and Use	1,070,191	1,042,494	1,116,648
Income	1,202,943	1,328,704	1,417,985
Telecommunications	912,676	1,062,416	1,045,265
Utility	798,178	904,228	946,097
Places for Eating	-	-	122,097
Hotel/Motel Tax	111,954	130,227	146,930
Other	569,908	612,137	135,166
Investment Earnings	53,474	134,759	237,923
Transfers	58,031	408,506	-
Miscellaneous	282,532	246,996	231,351
Total Governmental Activities	9,804,306	10,703,760	10,231,345
Business-Type Activities			
Investment Earnings	10,419	36,089	42,761
Transfers	(58,031)	(408,506)	-
Miscellaneous	-	-	-
Total Business-Type Activities	(47,612)	(372,417)	42,761
TOTAL PRIMARY GOVERNMENT	\$ 9,756,694	\$ 10,331,343	\$ 10,274,106
CHANGE IN NET POSITION			
Governmental Activities	\$ (546,937)	\$ 203,944	\$ 217,686
Business-Type Activities	(154,406)	(387,441)	(278,422)
TOTAL PRIMARY GOVERNMENT			
CHANGE IN NET POSITION	\$ (701,343)	\$ (183,497)	\$ (60,736)

Data Source

Audited Financial Statements

	2008	2009	2010	2011	2012	2013	2014
\$	5,241,736	\$ 5,374,147	\$ 5,831,140	\$ 5,417,410	\$ 5,809,700	\$ 5,786,028	\$ 6,023,480
	1,348,330	1,298,967	1,105,099	976,165	1,225,610	1,391,445	1,903,597
	1,549,042	1,532,916	1,336,226	1,311,711	1,318,224	1,551,311	1,629,105
	1,123,987	1,088,078	1,110,277	1,010,038	892,456	791,670	800,847
	1,043,185	976,302	868,953	896,838	807,207	817,669	898,340
	201,391	185,366	164,413	180,099	177,494	188,328	205,276
	154,767	124,607	112,206	119,904	143,876	108,924	98,713
	66,722	35,116	53,192	62,040	611,343	718,024	651,454
	255,427	138,719	55,219	42,198	14,388	7,990	6,739
	-	(750,000)	-	-	-	(12,723)	-
	271,689	228,160	296,711	309,605	67,501	63,975	108,408
	11,256,276	10,232,378	10,933,436	10,326,008	11,067,799	11,412,641	12,325,959
	42,703	31,824	15,862	15,873	2,553	1,042	795
	-	750,000	-	-	-	12,723	-
	-	-	9,000	-	-	-	-
	42,703	781,824	24,862	15,873	2,553	13,765	795
\$	11,298,979	\$ 11,014,202	\$ 10,958,298	\$ 10,341,881	\$ 11,070,352	\$ 11,426,406	\$ 12,326,754
\$	1,045,997	\$ 31,553	\$ (1,535,813)	\$ (1,665,998)	\$ (1,147,111)	\$ (1,442,051)	\$ (316,844)
	(247,078)	805,132	(380,983)	(630,100)	688,423	616,558	62,614
\$	798,919	\$ 836,685	\$ (1,916,796)	\$ (2,296,098)	\$ (458,688)	\$ (825,493)	\$ (254,230)

VILLAGE OF WESTCHESTER, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
GENERAL FUND			
Reserved	\$ 42,849	\$ 39,854	\$ 198,115
Unreserved	2,018,720	2,781,506	3,571,766
Nonspendable in Form - Prepaid Items	-	-	-
Unrestricted			
Assigned - Subsequent Budget	-	-	-
Unassigned	-	-	-
TOTAL GENERAL FUND	\$ 2,061,569	\$ 2,821,360	\$ 3,769,881
ALL OTHER GOVERNMENTAL FUNDS			
Reserved	\$ -	\$ -	\$ 863,192
Unreserved, Reported In			
Special Revenue Funds	970,311	1,527,629	967,704
Debt Service Fund	-	-	-
Nonspendable in form - prepaid items	-	-	-
Assigned for Capital Projects	-	-	-
Restricted for Public Safety	-	-	-
Restricted for Tourism	-	-	-
Restricted for Streets and Transportation	-	-	-
Restricted for Capital Projects	-	-	-
Restricted for Debt Service	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 970,311	\$ 1,527,629	\$ 1,830,896

* The Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2012.

Data Source

Audited Financial Statements

2008	2009	2010	2011	2012*	2013	2014
\$ 360,994	\$ 468,986	\$ 746,554	\$ 326,144	\$ -	\$ -	\$ -
5,678,638	5,294,385	5,219,256	4,601,465	-	-	-
-	-	-	-	302,937	313,646	367,165
-	-	-	-	642,838	48,471	813,818
-	-	-	-	3,438,312	4,463,875	4,027,660
<u>\$ 6,039,632</u>	<u>\$ 5,763,371</u>	<u>\$ 5,965,810</u>	<u>\$ 4,927,609</u>	<u>\$ 4,384,087</u>	<u>\$ 4,825,992</u>	<u>\$ 5,208,643</u>
\$ 1,080,659	\$ 445,605	\$ 484,697	\$ 1,562,550	\$ -	\$ -	\$ -
-	-	(104,458)	-	-	-	-
(200)	(200)	-	-	-	-	-
-	-	-	-	-	1,750	5,064
-	-	-	-	-	169,309	867,119
-	-	-	-	417,487	302,081	201,191
-	-	-	-	95,112	76,356	87,936
-	-	-	-	544,886	385,288	72,595
-	-	-	-	-	4,453,051	1,498,833
-	-	-	-	-	119,537	38
<u>\$ 1,080,459</u>	<u>\$ 445,405</u>	<u>\$ 380,239</u>	<u>\$ 1,562,550</u>	<u>\$ 1,057,485</u>	<u>\$ 5,507,372</u>	<u>\$ 2,732,776</u>

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007
REVENUES			
Real Estate Taxes	\$ 4,744,419	\$ 4,833,293	\$ 4,719,577
Other Local Taxes	2,055,229	2,246,343	2,356,995
Licenses and Permits	801,131	1,064,311	994,272
Intergovernmental	3,392,642	3,489,964	3,587,762
Charges for Services	1,578,740	1,552,309	1,673,396
Investment Income	53,474	134,759	237,923
Fines and Forfeits	285,346	321,785	374,221
Miscellaneous	282,532	253,200	362,959
Reimbursements	-	-	-
Rental Income	158,102	160,297	162,601
Grant Revenue	-	-	-
Total Revenues	13,351,615	14,056,261	14,469,706
EXPENDITURES			
General Government	3,211,501	2,965,925	2,965,342
Legal Department	80,561	92,969	116,875
CATS	74,329	73,861	79,340
Community Development Department	152,124	217,365	242,282
Planning and Zoning	-	-	-
Elections Department	-	-	248
Fire and Police Commission	-	-	13,432
Tourism	-	-	68,383
Police 911	431,487	755,646	517,536
Police Department	3,635,708	3,685,200	3,676,652
Civil Defense	4,395	3,585	4,877
Fire Department	2,604,120	2,487,199	2,616,972
Street Lighting	142,174	152,793	11,314
Public Works	696,986	691,305	392,443
Streets	913,790	959,598	1,108,871
Sanitation	1,220,638	1,245,812	1,281,605
Capital Outlay	-	-	-
Debt Service	-	-	-
Principal	-	153,705	214,277
Interest and Fiscal Charges	14,932	27,338	29,605
Bond Issuance Costs	-	-	-
Total Expenditures	13,182,745	13,512,301	13,340,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	168,870	543,960	1,129,652
OTHER FINANCING SOURCES (USES)			
Transfers In	475,000	924,365	500,000
Transfers (Out)	(416,969)	(515,859)	(500,000)
Sale of Capital Assets	-	-	8,170
Bonds Issued	-	305,813	-
Premium on Bonds Issued	-	-	-
Proceeds from Capital Leases	-	58,830	-
Proceeds from Installment Contracts	-	-	-
Total Other Financing Sources (Uses)	58,031	773,149	8,170
NET CHANGE IN FUND BALANCES	\$ 226,901	\$ 1,317,109	\$ 1,137,822
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.12%	1.48%	1.92%

(1) Sanitation services are recorded in an enterprise fund beginning in 2009.

Data Source

Audited Financial Statements

	2008	2009 (1)	2010	2011	2012	2013	2014
\$	5,117,943	\$ 5,265,623	\$ 5,741,031	\$ 5,321,112	\$ 5,711,343	\$ 5,702,949	\$ 5,928,406
	2,546,640	2,365,346	2,423,621	2,447,970	2,509,129	2,425,860	2,527,755
	1,084,121	887,044	912,776	838,792	964,003	1,129,173	1,208,708
	3,981,100	4,094,819	3,190,481	3,470,405	3,843,358	3,673,393	4,998,261
	2,089,529	490,503	467,366	467,185	470,790	600,508	616,737
	255,427	138,719	55,219	42,198	14,388	7,990	6,739
	456,619	444,320	774,464	701,869	533,889	444,882	493,238
	233,710	260,235	183,436	271,126	303,026	358,354	376,134
	-	-	-	-	6,000	46,464	11,743
	165,022	167,563	170,231	173,032	175,974	179,063	190,406
	-	-	-	-	-	-	-
	15,930,111	14,114,172	13,918,625	13,733,689	14,531,900	14,568,636	16,358,127
	1,331,339	1,180,578	1,452,466	1,358,597	1,661,707	1,460,251	1,510,102
	181,870	206,404	334,692	258,977	-	-	-
	14,506	-	-	-	-	-	-
	385,613	396,671	517,469	466,905	477,844	378,933	558,832
	-	-	-	-	-	-	1,063
	-	-	43	-	-	-	-
	25,837	11,307	22,237	26,566	31,835	15,446	23,639
	65,263	154,691	163,295	124,978	145,190	172,394	95,562
	820,672	889,859	870,231	954,713	960,875	1,024,642	1,209,638
	4,509,046	4,751,912	4,839,326	4,775,711	5,012,019	4,737,936	5,047,229
	3,124	977	4,761	358,818	6,428	71,643	6,281
	3,238,011	3,720,002	3,375,500	4,152,250	3,855,189	3,876,174	3,913,548
	132,278	208,981	165,584	151,927	-	-	-
	824,553	827,375	885,195	786,863	2,974,258	2,166,103	5,152,267
	1,183,584	1,962,917	1,371,597	3,497,240	-	-	-
	1,463,002	-	-	-	-	-	-
	-	-	-	-	-	1,224,386	1,430,872
	210,734	207,455	280,734	292,090	398,318	276,931	620,361
	31,041	24,408	23,179	216,810	191,068	185,934	324,676
	-	-	-	-	-	153,062	-
	14,420,473	14,543,537	14,306,309	17,422,445	15,714,731	15,743,835	19,894,070
	1,509,638	(429,365)	(387,684)	(3,688,756)	(1,182,831)	(1,175,199)	(3,535,943)
	978,138	81,193	113	-	-	1,183,512	-
	(978,138)	(831,193)	(113)	-	-	(1,196,235)	-
	9,676	56,025	8,050	22,695	16,714	-	-
	-	-	-	3,500,000	-	5,800,000	-
	-	-	-	28,431	-	157,138	-
	-	212,025	145,907	-	-	-	-
	-	-	220,000	380,000	117,530	122,576	1,143,998
	9,676	(481,950)	373,957	3,931,126	134,244	6,066,991	1,143,998
\$	1,519,314	\$ (911,315)	\$ (13,727)	\$ 242,370	\$ (1,048,587)	\$ 4,891,792	\$ (2,391,945)
	1.78%	1.76%	2.23%	3.63%	4.04%	3.21%	6.11%

VILLAGE OF WESTCHESTER, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2004	\$ 317,816,809	\$ 145,296,711	\$ 13,442,179	\$ 13,705	\$ 476,569,404	1.006	\$ 1,429,708,212	33.333%
2005	375,461,802	160,197,409	13,099,244	13,405	548,771,860	0.903	1,646,315,580	33.333%
2006	381,873,303	161,512,366	13,321,730	19,988	556,727,387	0.922	1,670,182,161	33.333%
2007	407,517,174	170,112,622	14,204,191	28,419	591,862,406	0.894	1,775,587,218	33.333%
2008	N/A	N/A	N/A	37,165	650,189,563	0.848	1,950,568,689	33.333%
2009	N/A	N/A	N/A	45,682	656,599,822	0.843	1,969,799,466	33.333%
2010	N/A	N/A	N/A	47,637	670,014,859	0.849	2,010,044,577	33.333%
2011	N/A	N/A	N/A	43,184	550,475,869	1.052	1,651,427,607	33.333%
2012	N/A	N/A	N/A	52,851	499,925,456	1.194	1,499,776,368	33.333%
2013	N/A	N/A	N/A	56,062	472,727,706	1.285	1,418,183,118	33.333%

N/A - Data not available from County.

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF WESTCHESTER, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 PROVISO TOWNSHIP (SCHOOL DISTRICT #93)
 (Per \$100 of Equalized Assessed Valuation)

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Suburban TB Sanitarium	0.001	0.005	0.005	0.005	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.012	0.011	0.012	0.012	0.012	0.011	0.011	0.014	0.015	0.016
Water Reclamation District	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417
Westchester Park District	0.294	0.266	0.279	0.318	0.219	0.257	0.264	0.315	0.357	0.381
Triton College District #504	0.259	0.233	0.240	0.224	0.212	0.214	0.225	0.267	0.269	0.325
High School District #209	2.046	1.810	1.878	1.839	1.752	1.759	1.813	2.263	2.518	2.722
School District #93	1.561	1.457	1.525	1.486	1.433	1.567	1.643	1.980	2.230	2.401
Westchester Library Fund	0.188	0.172	0.180	0.173	0.164	0.164	0.166	0.206	0.234	0.252
Village of Westchester	1.006	0.903	0.922	0.894	0.848	0.843	0.849	1.052	1.194	1.285
Proviso Mental Health District	0.129	0.114	0.115	0.117	0.113	0.113	0.117	0.145	0.150	0.150
Proviso General Assistance	0.037	0.033	0.036	0.034	0.033	0.033	0.031	0.038	0.045	0.052
Town of Proviso	0.063	0.056	0.062	0.059	0.057	0.057	0.062	0.081	0.095	0.110
Forest Preserve District	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069
Consolidated Elections	-	0.014	-	0.012	-	0.021	-	0.025	-	0.031
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560
TOTAL	6.596	5.982	6.095	5.935	5.561	5.743	5.929	7.226	8.071	8.771

N/A - data not available

Note: The Village is wholly situated in Cook County and in Proviso Township. The Village is situated in two different School Districts, #92.5 and #93. The total rate for a taxpayer is determined by the taxing agencies located in the county and township in which a property is located.

Data Source

Cook County Clerk's Office

VILLAGE OF WESTCHESTER, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 PROVISO TOWNSHIP (SCHOOL DISTRICT #92.5)
 (Per \$100 of Equalized Assessed Valuation)

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Suburban TB Sanitarium	0.001	0.005	0.005	0.005	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.012	0.011	0.012	0.012	0.012	0.011	0.011	0.014	0.015	0.016
Water Reclamation District	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417
Westchester Park District	0.294	0.266	0.279	0.318	0.219	0.257	0.264	0.315	0.357	0.381
Triton College District #504	0.259	0.233	0.240	0.224	0.212	0.214	0.225	0.267	0.269	0.325
High School District #209	2.046	1.810	1.878	1.839	1.752	1.759	1.813	2.263	2.518	2.722
School District #92.5	2.573	2.270	2.317	2.230	2.116	2.044	2.048	2.536	2.844	3.073
Westchester Library Fund	0.188	0.172	0.180	0.173	0.164	0.164	0.166	0.206	0.234	0.252
Village of Westchester	1.006	0.903	0.922	0.894	0.848	0.843	0.849	1.052	1.194	1.285
Proviso Mental Health District	0.129	0.114	0.115	0.117	0.113	0.113	0.117	0.145	0.150	0.150
Proviso General Assistance	0.037	0.033	0.036	0.034	0.033	0.033	0.031	0.038	0.045	0.052
Town of Proviso	0.063	0.056	0.062	0.059	0.057	0.057	0.062	0.081	0.095	0.110
Forest Preserve District	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069
Consolidated Elections	-	0.014	-	0.012	-	0.021	-	0.025	-	0.031
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560
TOTAL	7.608	6.795	6.887	6.679	6.244	6.220	6.334	7.782	8.685	9.443

N/A - data not available

Note: The Village is wholly situated in Cook County and in Proviso Township. The Village is situated in two different School Districts, #92.5 and #93. The total rate for a taxpayer is determined by the taxing agencies located in the county and township in which a property is located.

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Eight Years Ago

Taxpayer	2014			Taxpayer	2005		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Long Ridge Office LP	\$ 58,494,012	1	11.70%	Westbrook Center	\$ 31,344,585	1	5.71%
Regency Centers	6,394,211	2	1.28%	Regency Centers	3,775,003	2	0.69%
Marc Realty	4,976,051	3	1.00%	Marc Realty	2,542,853	3	0.46%
Mariner Health Care	3,267,448	4	0.65%	Prime Group Realty	1,965,178	4	0.36%
Albertsons	3,076,420	5	0.62%	Mariner Health Care	1,504,798	5	0.27%
Vinayakahos Westchester	2,565,474	6	0.51%	Inkeepers Westchester	1,499,999	6	0.27%
GAMA LP Suite 4502	2,505,521	7	0.50%	WiFi 2400 LLC	1,181,895	7	0.22%
Westchester Square	2,159,498	8	0.43%	Westchester Partners	849,539	8	0.15%
Catholic Cemeteries	2,139,761	9	0.43%	Albertsons	831,991	9	0.15%
2450 S Wolf Rd LLC	<u>2,071,247</u>	10	<u>0.41%</u>	Pension Fund Laborers Union	<u>829,033</u>	10	<u>0.15%</u>
TOTAL	<u>\$ 87,649,643</u>		<u>17.53%</u>		<u>\$ 46,324,874</u>		<u>8.43%</u>

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

Data from nine years prior is not available.

Data Source

Office of the County Clerk

VILLAGE OF WESTCHESTER, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 4,717,191	\$ 4,557,690	96.62%	96,091	\$ 4,653,781	98.66%
2005	4,794,288	4,671,253	97.43%	72,384	4,743,637	98.94%
2006	4,955,410	4,474,900	90.30%		4,474,900	90.30%
2007	5,133,027	5,036,497	98.12%	52,163	5,088,660	99.14%
2008	5,291,250	5,157,802	97.48%	27,911	5,185,713	98.01%
2009	5,513,607	5,317,418	96.44%	66,250	5,383,668	97.64%
2010	5,535,137	5,381,139	97.22%	35,807	5,416,946	97.86%
2011	5,688,426	2,491,858	43.81%	3,095,130	5,586,988	98.22%
2012	5,791,006	2,964,049	51.18%	2,717,880	5,681,929	98.12%
2013	5,970,491	3,028,389	50.72%	2,803,098	5,831,487	97.67%
	6,074,551	3,099,591	51.03%	-	3,099,591	51.03%

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF WESTCHESTER, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 2,927	\$ 969	\$ 319	\$ 138	\$ -	\$ 152	\$ -	\$ -	\$ -	\$ -
Food	395,786	395,071	369,357	381,063	370,606	344,437	319,334	298,779	291,285	287,509
Drinking and Eating Places	165,157	174,279	200,753	196,087	185,900	174,563	168,451	169,668	172,243	191,567
Apparel	169	1,031	1,567	1,469	-	949	-	-	-	594
Furniture and H.H. and Radio	6,178	8,776	3,929	1,492	2,034	1,562	2,307	1,069	3,057	1,778
Lumber, Building Hardware	474	3,755	4,543	3,945	10,530	16,662	11,366	1,587	333	-
Automobile and Filling Stations	94,662	97,787	90,879	82,662	78,224	65,853	73,577	77,133	79,159	81,082
Drugs and Miscellaneous Retail	195,441	192,735	163,121	185,935	164,082	142,019	307,783	347,371	311,225	362,657
Agriculture and All Others	341,486	178,914	153,810	196,479	272,991	156,587	72,868	70,588	85,720	48,700
Manufacturers	2,036	1,937	1,552	10,887	16,989	8,671	10,163	6,789	8,711	7,299
TOTAL	\$ 1,204,318	\$ 1,055,253	\$ 989,831	\$ 1,060,157	\$ 1,101,356	\$ 911,455	\$ 965,848	\$ 972,984	\$ 951,732	\$ 981,187
VILLAGE DIRECT SALES TAX RATE	7.75%	7.75%	7.75%	8.00%	8.00%	9.00%	8.50%	8.25%	8.25%	8.25%

Note: Data reflects sales in Cook County. Blank categories have less than 4 taxpayers, therefore, no data is shown to protect the confidentiality of individual taxpayers, totals include censored data.

Data Source

Illinois Department of Revenue

VILLAGE OF WESTCHESTER, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Overlapping Rate		
	Regional Transportation Authority Rate	Cook County Rate	State Rate
2005	0.75%	0.75%	6.25%
2006	0.75%	0.75%	6.25%
2007	0.75%	0.75%	6.25%
2008	1.00%	0.75%	6.25%
2009	1.00%	0.75%	6.25%
2010	1.00%	1.75%	6.25%
2011	1.00%	1.25%	6.25%
2012	1.00%	1.00%	6.25%
2013	1.00%	1.00%	6.25%
2014	1.00%	1.75%	6.25%

*Effective October 1, 2006, the Village approved a 1% "Places for Eating Tax" that was defined as a place where prepared food is sold at retail for immediate consumption with indoor seating provided, whether the food is consumed on the premises or not. The tax is not reflected in the above chart.

Data Source

Illinois Department of Revenue

VILLAGE OF WESTCHESTER, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities					Total Primary Government	EAV	Percentage of EAV	Per Capita*
	General Obligation Bonds	General Obligation Alternate Revenue Source Bonds	Capital Leases	Installment Contracts	Debt Certificates	General Obligation Bonds	Capital Leases	IEPA Loan	Installment Contracts					
2005	\$ -	\$ -	\$ -	\$ -	\$ 825,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 825,000	\$ 476,569,404	0.17%	\$ 49.36
2006	-	-	276,183	44,755	715,000	-	-	-	-	-	1,035,938	548,771,860	0.19%	61.98
2007	-	-	203,031	25,356	600,000	-	-	-	-	-	828,387	556,727,387	0.15%	49.56
2008	-	-	126,907	5,736	485,000	-	-	-	-	-	617,643	591,862,406	0.10%	36.95
2009	-	-	252,213	-	370,000	-	-	-	-	-	622,213	650,189,563	0.10%	37.23
2010	-	-	250,937	220,000	250,000	-	98,583	-	-	-	819,520	656,599,822	0.12%	49.03
2011	3,500,000	-	123,847	560,000	125,000	1,610,000	25,053	-	-	-	5,943,900	670,014,859	0.89%	355.62
2012	3,390,000	-	75,134	554,330	-	1,485,000	-	950,793	61,450	-	6,516,707	550,475,869	1.18%	389.90
2013	3,255,000	5,800,000	27,011	583,098	-	1,335,000	-	1,119,179	56,042	-	12,175,330	449,925,456	2.71%	728.28
2014	3,115,000	5,800,000	-	1,273,746	-	1,180,000	-	813,265	196,436	-	12,378,447	472,727,706	2.62%	740.43

N/A - Not Available

* See the Schedule of Demographic and Economic Information on page 88 for population data.

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

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2014

	Gross Bonded Debt (1)	Percentage of Debt Applicable to Government (2)	Government's Share of Debt
DIRECT DEBT			
Village of Westchester	\$ 4,388,746	100.00%	\$ 4,388,746
OVERLAPPING DEBT			
Cook County	3,572,060,000	0.38%	13,410,744
Cook County Forest Preserve District	124,455,000	0.38%	467,247
Metropolitan Water Reclamation District	2,458,515,565	0.42%	10,252,010 (3)
Westchester Park District	3,350,000	93.10%	3,118,733 (4)
School District #92.5	833,453	40.32%	336,011
School District #93	225,428	28.77%	64,864
High School #209	<u>42,437,832</u>	20.47%	<u>8,686,557</u>
Total overlapping debt	<u>6,201,877,278</u>		<u>36,336,166</u>
TOTAL	<u><u>\$ 6,206,266,024</u></u>		<u><u>\$ 40,724,912</u></u>

- Notes: (1) Sources: Office of the Cook County Clerk. Certain Gross Bonded Debt amounts as of April 30, 2014 could not be obtained as of the date of printing. In these instances, April 30, 2013 amounts are shown.
- (2) Overlapping debt percentages based on 2013 EAV, as of 4/30/2014, for Cook County.
- (3) Includes Revolving Loan Fund Bonds Issued with the IEPA.
- (4) Excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

VILLAGE OF WESTCHESTER, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	Legal Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of of Debt Limit
2005	\$ 41,104,111	\$ 825,000	\$ 40,279,111	2.01%
2006	47,331,573	715,000	46,616,573	1.51%
2007	48,017,737	600,000	47,417,737	1.25%
2008	51,048,133	490,736	50,557,397	0.96%
2009	56,078,850	370,000	55,708,850	0.66%
2010	56,631,735	250,000	56,381,735	0.44%
2011	57,788,782	5,235,000	52,553,782	9.06%
2012	47,478,544	4,875,000	42,603,544	10.27%
2013	38,806,071	10,390,000	28,416,071	26.77%
2014	30,677,765	10,095,000	20,582,765	32.91%

Legal Debt Margin Calculation for Fiscal Year 2014:

Assessed Value	\$ 472,727,706
Legal Debt Margin	<u>8.625%</u>
Legal Debt Limit	40,772,765
Debt Applicable to Limit Debt Certificates	<u>10,095,000</u>
LEGAL DEBT MARGIN	<u>\$ 30,677,765</u>

VILLAGE OF WESTCHESTER, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2005	\$ -	\$ -	\$ -	0.00%	\$ -
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	250,000	-	250,000	0.01%	14.96
2011	5,235,000	-	5,235,000	0.26%	313.21
2012	4,875,000	-	4,875,000	0.30%	291.60
2013	10,390,000	-	10,390,000	0.69%	621.49
2014	10,095,000	-	10,095,000	0.71%	600.04

* See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 77 for property value data.

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

VILLAGE OF WESTCHESTER, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Calendar Year	Population	Median Family Income	Family Income Per Capita	Unemployment Rate
2013	16,825	\$ 69,989	4.16	9.2%
2012	16,718	72,966	4.36	8.9%
2011	16,718	69,679	4.17	9.0%
2010	16,718	68,400	4.09	10.1%
2009	16,824	66,450	3.95	10.0%
2008	16,824	67,451	4.01	7.6%
2007	16,824	70,309	4.18	4.1%
2006	16,824	70,309	4.18	3.7%
2005	16,824	70,309	4.18	5.0%
2004	16,824	70,339	4.18	5.2%

Data Source

U.S. Census Bureau

Unemployment Rate:

Illinois Department of Employment Security
Economic Information and Analysis

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Seven Years Prior

Employer	2014		Employer	2007	
	Rank	Employees as a % of Village Population		Rank	Employees as a % of Village Population
Gas Secure Solutions Inc	748	4.47%	Corn Products International	1	3.57%
Ingredion	600	3.59%	Grove, Inc.	2	1.63%
Sogeti USA, LLC	425	1.44%	Nonni's Food Company, Inc.	3	1.49%
Chicago Laborers' Pension and Welfare Fund	150	0.90%	SAP America Inc.	4	1.49%
Commonscope Corp	150	0.90%	Jewel Food Stores, Inc.	5	1.25%
Insurance Auto Auctions	150	0.90%	Fresenius Medical Care	6	1.01%
Yellow Book USA, Inc	150	0.90%	Andrew Corporation	7	0.89%
Per Mar Security Systems	100	0.72%	Revenue Cycle Solutions, Inc.	8	0.86%
Healthcare Financial Management Assn	70	0.60%	Software Architects, Inc.	9	0.83%
Brainlab Inc	60	0.42%	Loyola University Physician Foundation	10	0.83%
TOTAL		14.84%	TOTAL		13.85%
Total Population		16,718	Total Population		16,824

Note: Principal employers is not available for nine years prior.

Data Source

2014 Illinois Services Directory and 2014 Illinois Manufacturers Directory

VILLAGE OF WESTCHESTER, ILLINOIS

FULL-TIME EMPLOYEES

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Village Manager's Office	2	2	2	2	2	3	3	2	2	2
Finance	5	5	5	5	5	3	2	2	4	4
Building/Code Enforcement	3	4	4	4	4	4	4	4	3	3
PUBLIC SAFETY										
Police										
Officers	35	35	35	35	35	36	35	33	31	31
Administration/Civilians	15	15	13	13	13	11	8	10	12	12
Fire										
Firefighters and Officers	27	27	27	27	27	28	29	29	27	27
Administration/Civilians	1	1	1	1	1	-	-	-		
PUBLIC WORKS										
Administration	5	5	4	4	4	4	3	2	4	3
Works and Street Maintenance	10	10	8	8	8	8	6	9	9	9
Water/Sewer Operations	10	9	9	9	9	9	9	8	8	8
TOTAL	113	113	108	108	108	106	99	100	100	99

Data Source

Village records

VILLAGE OF WESTCHESTER, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PUBLIC SAFETY										
Police										
Total Accidents	524	546	510	578	572	376	443	361	399	577
Total Burglaries	129	113	116	129	116	139	83	104	95	50
Total Thefts	198	154	133	174	218	144	160	192	144	149
Total Criminal Damage	161	145	154	212	142	111	115	63	87	62
Total Arrests and Citations	10,335	9,433	10,654	10,089	8,190	8,313	7,553	9,555	5,762	5,209
Total Juvenile Cases	217	167	162	217	210	183	200	169	145	85
Fire										
Ambulance calls	1,835	1,608	1,707	1,491	1,777	1,554	1,716	1,720	1,709	1,823
Fire Alarms	53	61	62	73	40	87	46	51	49	46
Nonfire Alarms	610	766	672	721	833	710	855	631	709	842
Fire Prevention Inspections	481	92	212	875	587	621	312	502	829	414
PUBLIC WORKS										
Parkway Maintenance (Hours)	1,151	566	1,119	1,084	683	1,126	1,217	1,152	1,096	1,448
Branch Pick-Up (Hours)	3,147	2,524	3,642	979	1,188	948	1,277	1,780	1,610	1,168
Tree Maintenance (Hours)	2,661	1,987	2,609	887	875	1,296	1,152	2,424	2,696	2,340
Street and Alley Maintenance (Hours)	3,040	2,880	2,241	3,503	3,313	5,127	5,362	5,672	7,420	7,624
Snow Removal and Salt Spreading (Hours)	739	558	950	2,384	1,432	912	1,521	431	834	3,196
WATER/SEWER										
Sanitary Sewers										
Manholes Inspected	442	734	897	664	901	46	482	144	121	42
Manholes Cleaned and Repaired - Vacuumec	22	1	23	11	79	7	23	15	1	6
Total Feet Replaced	-	-	-	6	20	-	-	2,500	1,500	5,355
Storm Sewers										
Manholes Repaired	1	-	3	10	-	6	-	10	1	3
Total Rodded (Feet)	47,500	25,600	104,000	21,200	47,500	39,300	10,875	12,650	3,645	1,890
Total Replaced/Installed (Feet)	-	-	44	115	-	680	-	15	20	151
Catch Basins Cleaned and Repaired	26	10	34	17	48	47	285	239	72	157
Inlets Cleaned and Repaired	52	303	725	296	1,603	155	549	427	229	1,496
Jetting Sewer System (Feet)	123,300	127,300	271,300	117,400	196,200	51,800	19,275	15,150	4,770	7,245
Water Main Breaks	36	65	72	45	29	30	39	25	40	41
Fire Hydrants Replaced	1	-	7	9	2	-	3	1	4	3
Water Meters Replaced	426	578	342	147	23	N/A	N/A	N/A	N/A	N/A

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BUILDING DEPARTMENT										
Residential Alteration Permits Issued	138	198	249	266	174	131	102	109	81	139
Commercial Alteration Permits Issued	189	137	139	193	152	186	161	167	163	52
Electrical Permits Issued - Residential	109	223	182	179	163	128	112	83	79	82
Plumbing Permits Issued - Residential	52	176	153	154	202	131	132	46	98	155
Compliance for Sale										
Residential	807	1,139	687	521	353	425	364	587	721	412
Commercial	-	-	3	7	2	3	2	3	4	2
Industry	-	-	1	1	-	-	-	-	2	2
Code Enforcement										
Warning Notices Issued	329	306	424	444	428	367	182	232	154	193
Citations Issued	111	161	139	113	62	111	63	31	41	89

Data Source

Various Village departments

VILLAGE OF WESTCHESTER, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	5	5	5	5	5	5	5	5	5	5
Patrol Units	9	9	9	9	9	9	9	9	9	9
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Engines	4	4	4	4	4	4	4	4	4	4
Ambulance	1	1	1	1	1	2	2	2	2	2
HIGHWAY AND STREETS										
Streets (Miles)	49	49	49	49	49	49	49	49	49	49
WATERWORKS										
Water Mains (Miles)	65	65	65	65	65	65	65	65	65	68
Fire Hydrants	770	782	783	783	783	783	870	870	870	870
Storage Capacity (Gallons)	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Storm Drains (Miles)	51	51	51	51	51	51	51	51	51	51
SEWERAGE										
Sanitary Sewers (Miles)	54	54	54	54	54	54	54	54	54	54

Note: Most recent data available.

Data Source

Various Village departments