

# Village of Westchester, Illinois



## Comprehensive Annual Financial Report

For the Fiscal Year Ended  
April 30, 2012

VILLAGE OF WESTCHESTER, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2012

Prepared by:

Janet Matthys  
Village Manager

Anne Burkholder  
Finance Director

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## **INTRODUCTORY SECTION**

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2012

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LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sam D. Pulia, President

Paul Gattuso, Trustee

Walter Novak, Trustee

Frank Perry, Trustee

Brian Sloan, Trustee

Nick Steker, Trustee

Thomas Yurkovich, Trustee

Catherine Booth, Village Clerk

Barbara Brandt, Village Treasurer

ADMINISTRATIVE

Janet M. Matthys, Village Manager

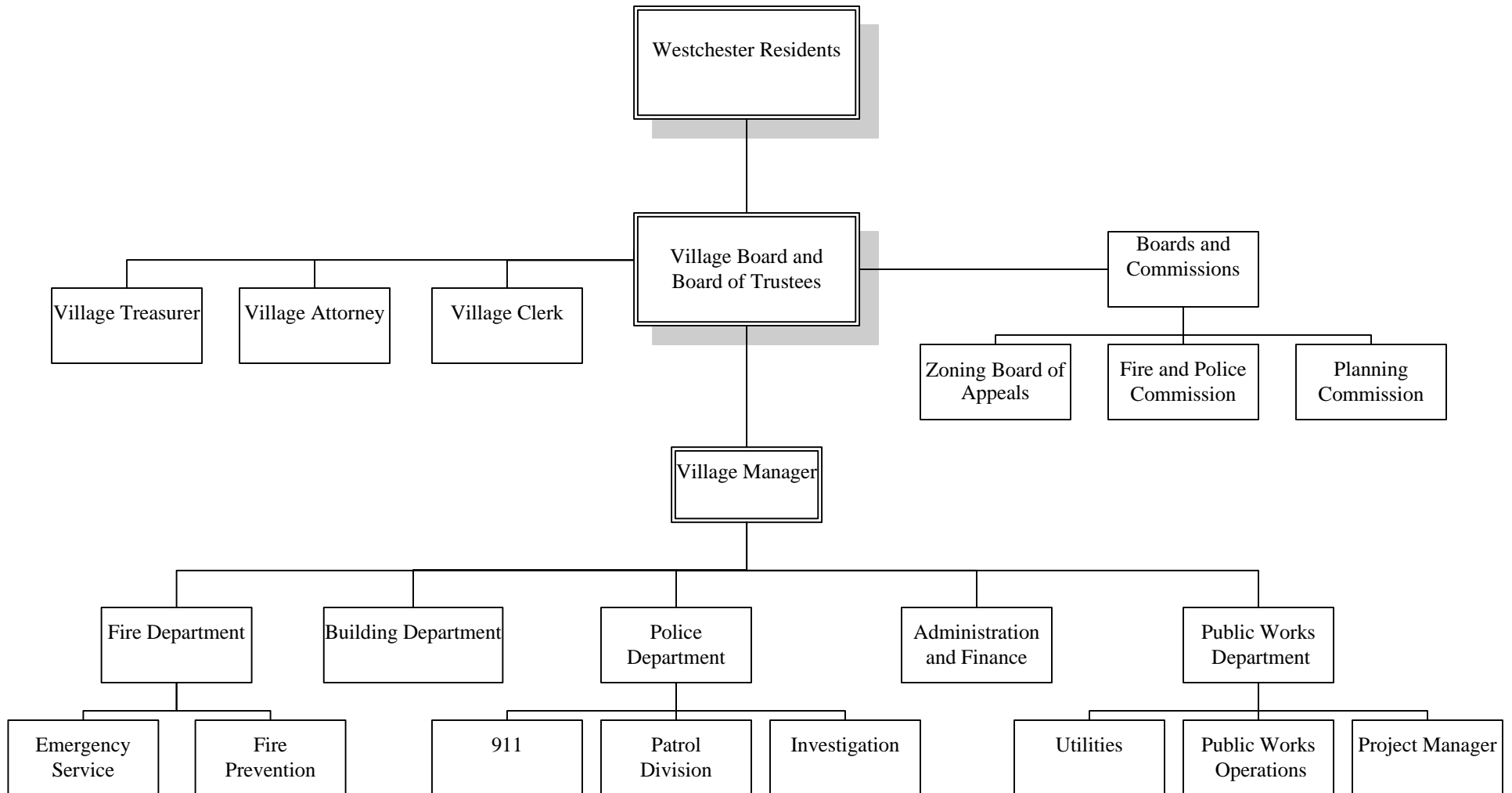
Anne Burkholder, Finance Director





# Village of Westchester

## ORGANIZATIONAL CHART





# 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  
CATHY BOOTH

Trustees  
PAUL GATTUSO  
WALTER J. NOVAK  
FRANK PERRY  
BRIAN A. SLOAN  
NICK STEKER  
TOM YURKOVICH

Village Manager  
JANET M. MATTHYS

Village Attorney  
MICHAEL K. DURKIN

December 18, 2012

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 unqualified opinion on the Village's financial statements for the year ended April 30, 2012. 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 less than \$500,000 of federal funds during the fiscal year ended April 30, 2012 and, therefore, was not 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. Discretely presented component units are reported in a separate column in the entity-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and changes in financial position from those of the primary government. The Westchester Public Library is reported as a discretely presented component unit. The Police Pension and Fire Pension Funds are reported as fiduciary funds of the primary government.

## **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, 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, the 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 slight increase for the last six months, while the state income tax shows a slight decrease.

The Village property tax base is founded primarily in its residential housing stock. The assessed value of Westchester properties has decreased substantially based on the triennial reassessment of property values as of December 31, 2011; the Village's equalized assessed value decreased from \$670,014,859 to \$550,475,869 based on the reassessment. The property tax cap level for the 2012 tax year levy to be collected for the fiscal year beginning May 1, 2012, is expected to be 3.0%. Building activity has been in a steady decline since fiscal year 2008.

The Village's expenditures were impacted in recent years by a devastating flood that occurred in July 2010, 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 flood by the President of the United States. The Village experienced significant tree damage due to wind storms in July and August 2011 resulting in approximately \$125,000 in emergency tree removal expenditures requiring a budgetary amendment. The Village expenditures have also been impacted by numerous water main breaks in Fiscal 2012 due to the aging infrastructure of the Village.

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.

### **Long-Term Financial Planning**

In fiscal year 2009/2010 the Village 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, 2011, budgeted forecasts of revenues and expenses for all funds were made for fiscal 2012 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
- Water and sanitary sewer system repairs, replacements and improvements.
- Village-owned buildings/facilities and fleet vehicles/heavy machinery.

In May 2010, the Village issued \$3,500,000 Taxable General Obligation Bonds, Series 2010A to fund street reconstruction and repair. The debt service will be made from the Motor Fuel Tax Allotments received from the State of Illinois. These bond proceeds were used to reconstruct nine local streets in Fiscal 2011 and eight local streets in Fiscal 2012. The Village also issued \$1,610,000 Taxable General Obligation Bonds, Series 2010B to fund infrastructure improvements to the Village's water and sanitary sewer system, specifically the repainting of the interior of the Village's water tower and water main replacements on Fleet and Preston Streets. The debt service on the Series 2010B Bonds is funded by utility revenue. The Series 2010A and 2010B Bonds were Build America Bonds and, 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. In connection with the Series 2010 bond issues, 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.

On September 30, 2011, the Village was awarded a wastewater treatment works loan obtained through the Illinois Environmental Protection Agency (IEPA) low interest loan program. The funding was used to line the sanitary sewers in the High Ridge subdivision. The project was completed in May 2012.

In the summer of 2011, the Village utilized a \$69,505 grant from the Illinois Department of Economic Opportunity to replace light fixtures within the Village Hall to new high efficiency lighting. In March 2012, we expended \$122,900 on an excavator and a paver box to increase the efficiency of our public works department. We anticipate that these expenditures will be recouped within two fiscal years by bringing certain projects in-house that required outside contractors to complete in the past. In 2012, we also enhanced our police fleet by replacing two squad cars.

In June 2012, the Board passes a resolution authorizing a temporary modification of the fund balance policy to permit an amount not to exceed \$1,500,000 of the general fund reserve to be used for infrastructure improvements, specifically the rebuilding of six local roadways. In conjunction with this resolution, the Board also passed a refunding resolution providing that the project costs, not to exceed \$1,500,000 would be reimbursed from future authorized, but unissued, bonds. The bonds are anticipated to be issued in February 2013.

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 will be assessed beginning January 1, 2013 and are restricted for infrastructure improvements.

### **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 is currently 30% of current annual expenditures as reported in the most recent CAFR and the Utility Fund fund balance policy is 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**

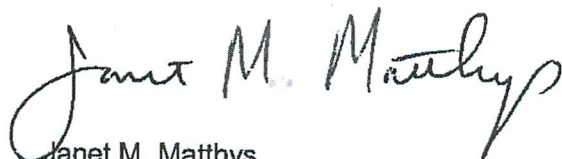
State statutes require an annual audit by independent certified public accountants. The accounting firm of Sikich LLP was selected by the Village Board. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The Village was not subject to the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of Anne Burkholder, 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,



Janet M. Matthys  
Village Manager

## **FINANCIAL SECTION**





1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

Members of American Institute of  
Certified Public Accountants

## 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Westchester, Illinois, as of and for the year ended April 30, 2012, 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 of Westchester, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Westchester, Illinois, as of April 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on the any of the Village's governmental funds' assets or liabilities nor was there any effect to the total amount of any of the Village's governmental fund balances as of and for the year ended April 30, 2012.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, actuarial information and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Westchester, Illinois' basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Westchester, Illinois. 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 basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink, appearing to read "Sibich LLP", is positioned to the right of the date and location text.

Naperville, Illinois

December 18, 2012

(except for the Police and Firefighters' pension  
trust funds, as to which the date is October 9, 2012)



## **GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

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, 2012. 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 Assets exceeded its liabilities at the close of the most recent fiscal year by \$36.03 million (net assets).
- ❑ Approximately 43.88% of the Village's \$20.54 million in expenses as reported in the Statement of Activities were paid for with program revenues, including \$7.94 million of charges for services, \$0.58 million of operating grants and contributions and \$0.48 million of capital grants and contributions. Of the remaining \$11.53 million, \$10.98 million was paid for with taxes, \$0.02 million with investment income and \$0.53 million was paid for with miscellaneous income.
- ❑ The governmental activities net assets were \$26.46 million, while the business-type activities had net assets of \$9.57 million.
- ❑ As of the close of the current fiscal year, the Village of Westchester's governmental funds reported combined ending fund balances of \$5.44 million, a decrease of \$1.05 million in comparison with the prior year's balance of \$6.49 million. Approximately \$3.44 million of this total amount is available for spending at the government's discretion (unreserved fund balance). The remainder of \$1.96 million is comprised of nonspendable assets (prepaid items) of \$.3 million, assets restricted for public safety, street improvements and tourism of \$1.06 million and assets assigned to fund the subsequent year's budget of \$.6 million.
- ❑ The General Fund of the Village recognized \$13.20 million in revenues and other financing sources of \$.10 million. After expenditures of \$13.88 million, the Village's General Fund was left with a fund balance of \$4.38 million, which is approximately 31.5% 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 basic financial statements. This annual report consists of a series of financial statements. The Village of Westchester's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide financial statements**

The government-wide financial statements (see page 3) 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 assets presents information on all of the Village of Westchester's assets and liabilities, with the difference between the two reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the Village of Westchester is improving.

The statement of activities (see Pages 4 and 5) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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.

Component unit - The government-wide financial statements include not only the Village itself, known as the primary government, but also a municipal library. Financial information for this component unit is reported separately from the financial information presented for the primary government.

### **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 five 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 and Motor Fuel Tax Fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 6 through 11 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 12 through 15 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 propriety 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 16 through 17 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 18 through 52 of the report.

### **Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – roads, bridges, etc.) have neither been reported nor depreciated in governmental financial statements. With the implementation of GASB 34 for the year ended April 30, 2004, these assets 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 funds, which can be found on pages 53 through 59 of this report. Supplementary schedules include combining and individual fund schedules of all nonmajor funds, the pension trust funds and the component unit which can be found on pages 60 through 71 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the Condensed Statement of Net Assets:

### Condensed Statement of Net Assets as of April 30, 2012 (in millions)

|                                                 | Governmental Activities |                | Business-Type Activities |               | Total          |                |
|-------------------------------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
|                                                 | 2012                    | 2011           | 2012                     | 2011          | 2012           | 2011           |
| Current and other assets                        | \$ 9.2                  | \$ 10.3        | \$ 3.0                   | \$ 3.5        | \$ 12.2        | \$13.8         |
| Capital Assets                                  | <u>27.5</u>             | <u>27.9</u>    | <u>9.9</u>               | <u>7.8</u>    | <u>37.4</u>    | <u>35.7</u>    |
| <b>Total Assets</b>                             | <u>36.7</u>             | <u>38.2</u>    | <u>12.9</u>              | <u>11.3</u>   | <u>49.6</u>    | <u>49.5</u>    |
| Long-term Liabilities                           | 6.4                     | 6.8            | 2.5                      | 1.7           | 8.9            | 8.5            |
| Other Liabilities                               | <u>3.8</u>              | <u>3.8</u>     | <u>0.8</u>               | <u>0.8</u>    | <u>4.6</u>     | <u>4.6</u>     |
| <b>Total Liabilities</b>                        | <u>10.2</u>             | <u>10.6</u>    | <u>3.3</u>               | <u>2.5</u>    | <u>13.5</u>    | <u>13.1</u>    |
| Net assets:                                     |                         |                |                          |               |                |                |
| Invested in capital assets, net of related debt | 23.6                    | 24.6           | 7.4                      | 6.9           | 31.0           | 31.5           |
| Restricted                                      | 1.1                     | 0.9            | 0.0                      | 0.0           | 1.1            | 0.9            |
| Unrestricted                                    | <u>1.8</u>              | <u>2.1</u>     | <u>2.2</u>               | <u>1.9</u>    | <u>4.0</u>     | <u>4.0</u>     |
| <b>Total Net Assets</b>                         | <u>\$ 26.5</u>          | <u>\$ 27.6</u> | <u>\$ 9.6</u>            | <u>\$ 8.8</u> | <u>\$ 36.1</u> | <u>\$ 36.4</u> |

### Normal Impacts

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

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

**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 assets invested in capital assets, net of related debt.

**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 assets and increase invested in capital assets, net of related debt.

**Principal payment on debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase net assets invested in capital assets, net of related debt.

**Reduction of capital assets through depreciation** – which will reduce capital assets and net assets invested in capital assets, net of related debt.

### Current Year Impacts

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Net assets decreased \$0.4 million in fiscal year 2012. In the case of the Village of Westchester, total net assets at April 30, 2012 were \$36.1 million, as compared to \$36.4 million in total net assets in the prior year. For more detailed information, see the Statement of Net Assets on page 3 of the report.

The following table reflects the Condensed Statement of Activities:

### Condensed Statement of Activities For the Year Ended April 30, 2012 (in millions)

|                                    | Governmental Activities |                | Business-Type Activities |               | Total          |                |
|------------------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
|                                    | 2012                    | 2011           | 2012                     | 2011          | 2012           | 2011           |
| Revenues:                          |                         |                |                          |               |                |                |
| Program revenues:                  |                         |                |                          |               |                |                |
| Charges for services               | \$ 2.4                  | \$ 2.4         | \$ 5.6                   | \$ 5.2        | \$ 8.0         | \$ 7.6         |
| Operating grants and contributions | 0.6                     | 0.6            | -                        | -             | 0.6            | 0.6            |
| Capital grants and contributions   | 0.5                     | 0.4            | -                        | -             | 0.5            | 0.4            |
| General revenues:                  |                         |                |                          |               |                |                |
| Real estate taxes                  | 5.8                     | 5.4            | -                        | -             | 5.8            | 5.4            |
| Other taxes                        | 5.1                     | 4.8            | -                        | -             | 5.1            | 4.8            |
| Other                              | <u>0.2</u>              | <u>0.4</u>     | <u>-</u>                 | <u>-</u>      | <u>0.2</u>     | <u>0.4</u>     |
| <b>Total revenues</b>              | <u>14.6</u>             | <u>14.0</u>    | <u>5.6</u>               | <u>5.2</u>    | <u>20.2</u>    | <u>19.2</u>    |
| Expenses:                          |                         |                |                          |               |                |                |
| General government                 | 2.3                     | 2.2            | -                        | -             | 2.3            | 2.2            |
| Public safety                      | 10.0                    | 10.2           | -                        | -             | 10.0           | 10.2           |
| Public works                       | 3.2                     | 2.8            | -                        | -             | 3.2            | 2.8            |
| Interest on debt                   | 0.2                     | 0.2            | -                        | -             | 0.2            | 0.2            |
| Water                              | <u>-</u>                | <u>-</u>       | <u>4.9</u>               | <u>5.8</u>    | <u>4.8</u>     | <u>5.8</u>     |
| <b>Total expenses</b>              | <u>15.7</u>             | <u>15.4</u>    | <u>4.9</u>               | <u>5.8</u>    | <u>20.5</u>    | <u>21.2</u>    |
| Change in net assets               | <u>(1.1)</u>            | <u>(1.4)</u>   | <u>0.7</u>               | <u>(0.6)</u>  | <u>(0.4)</u>   | <u>(2.0)</u>   |
| Net assets, May 1                  | 27.6                    | 29.0           | 8.8                      | 9.4           | 36.4           | 38.4           |
| Prior period adjustment            | <u>-</u>                | <u>-</u>       | <u>0.1</u>               | <u>-</u>      | <u>0.1</u>     | <u>-</u>       |
| Net assets, May 1, restated        | <u>27.6</u>             | <u>29.0</u>    | <u>8.9</u>               | <u>8.8</u>    | <u>36.5</u>    | <u>38.4</u>    |
| Net assets, April 30               | <u>\$ 26.5</u>          | <u>\$ 27.6</u> | <u>\$ 9.6</u>            | <u>\$ 9.4</u> | <u>\$ 36.1</u> | <u>\$ 36.4</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 net assets were \$27.6 million for governmental activities in fiscal year 2011. Net assets decreased \$1.1 million from 2011. The governmental net assets represent approximately 73 percent of the Village's total net assets, which decreased only slightly (1%) during this fiscal year.

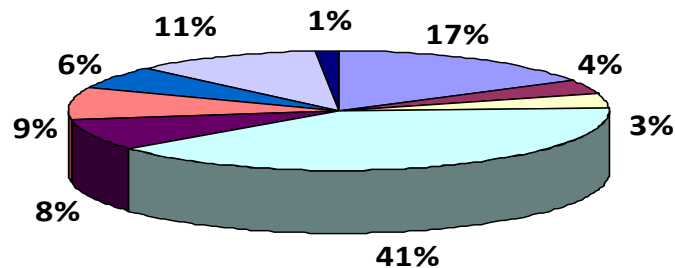
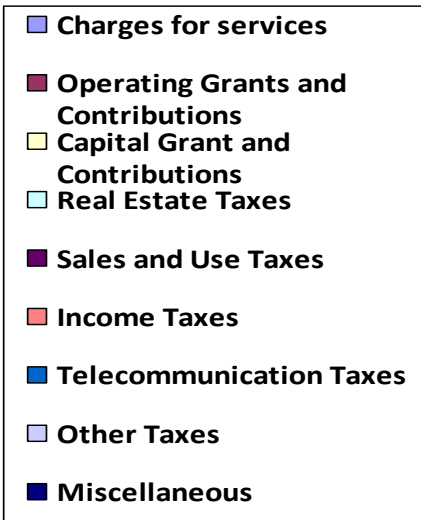
### ***Revenues***

The Village's governmental activities had revenues of \$14.5 million in fiscal year 2012, which represents an increase of \$.5 million from the prior year. Real Estate Taxes collected in 2012 represent the majority of revenues, at 40 percent of governmental activities, and increased in 2012 by \$0.4 million. Other revenues, such as revenues collected in sales and use tax, utility taxes, income taxes, places for eating taxes, and hotel taxes were consistent with 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. Telecommunications 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 2012:

#### **Governmental Activities Revenues by Source (in millions)**

|                                    |                       |
|------------------------------------|-----------------------|
| Charges for Services               | \$ 2.4                |
| Operating Grants and Contributions | 0.6                   |
| Capital Grants and Contributions   | 0.5                   |
| Real Estate Taxes                  | 5.8                   |
| Sales and Use Taxes                | 1.2                   |
| Income Taxes                       | 1.3                   |
| Telecommunications Taxes           | 0.9                   |
| Other Taxes                        | 1.6                   |
| Miscellaneous                      | <u>0.2</u>            |
| <b>TOTAL</b>                       | <b><u>\$ 14.5</u></b> |





## ***Expenses***

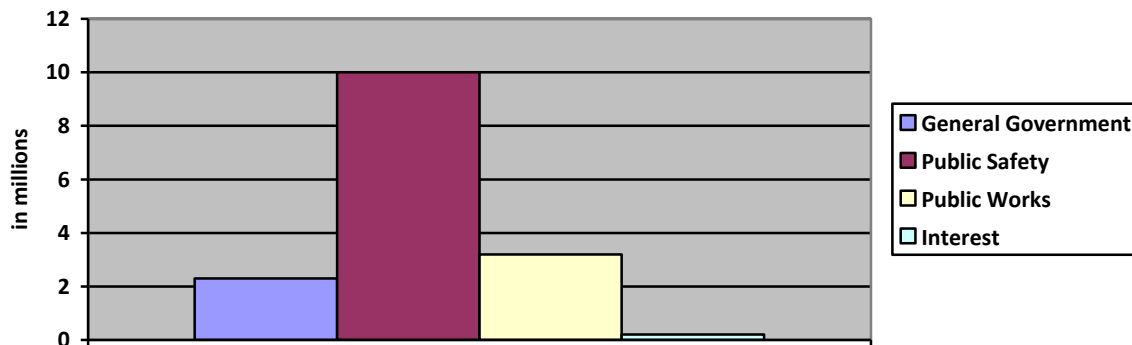
### **General Government**

Expenses incurred for governmental activities were approximately \$15.7 million for fiscal year 2012, which represents only a slight increase over the total of \$15.4 million in 2011.

The following chart depicts expenses to the Village of Westchester by activity for the fiscal year 2012:

**Governmental Activities Expenses (in millions)**

|                    |                       |
|--------------------|-----------------------|
| General Government | \$ 2.3                |
| Public Safety      | 10.0                  |
| Public Works       | 3.2                   |
| Interest and fees  | <u>.2</u>             |
| <b>TOTAL</b>       | <b><u>\$ 15.7</u></b> |



### **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. During this fiscal year, the Board extended a 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 next five years.

The total assets of the business-type activity are \$12.9 million and the total liabilities are \$3.3 million, leaving net assets at \$9.6 million. Current year activity increased net assets by \$0.8 million. The operating revenues and expenses of the Water Fund were \$5.6 million and \$4.8 million, respectively, for fiscal year 2012.

## 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 spend able 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 and Motor Fuel Tax Fund. The Village's Special Revenue (non-major) Funds include the 911 Fund, Hotel/Motel Tax Fund, and Police Forfeiture Fund.

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 \$5.4 million, a decrease of \$1.1 million from fiscal year 2011. Of that \$5.4 million, \$3.4 million is unreserved and undesignated.

### Revenues

**General Fund:** The General Fund had revenues of \$13,202,943, an increase over \$12,768,023 in the prior year. This represents a 3.4% increase.

| Revenues             | Fiscal 2012 | Fiscal 2011 | Variance  | Percentage |
|----------------------|-------------|-------------|-----------|------------|
| Taxes                | \$7,936,590 | \$7,502,524 | \$434,066 | 5.78       |
| Intergovernmental    | 2,829,941   | 2,819,377   | 10,564    | 0.37       |
| Licenses and Permits | 964,003     | 838,792     | 125,211   | 14.92      |
| Charges for Services | 449,872     | 430,474     | 19,398    | 4.51       |
| Fines and Forfeits   | 533,889     | 701,869     | (167,980) | (23.93)    |
| Miscellaneous        | 488,648     | 474,987     | 13,661    | 2.88       |

Taxes increased 5.8% from the prior year, primarily from an increase in property taxes levied for Police and Fire pension contributions. Intergovernmental revenue remained flat. Licenses and permits increased 14.9% as a result of the increase in building permits of \$47,387, and an increase in compliance permits of \$23,823. 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 \$167,980 or 24.0% less in fiscal 2012 as compared to fiscal 2011. This decrease is attributable to a reduction in red light camera enforcement fees in the amount of \$153,330 or 45% of fines. This decrease is in line with market projections for years subsequent to initiation of the red light cameras as motorists become accustomed to the cameras and adjust their driving patterns. This loss in revenue was partially offset by an increase in police and other traffic fines of \$35,238 or 33.7%.

**Motor Fuel Tax Fund:** The Motor Fuel Tax had revenues of \$886,370, up from \$562,163 in the prior year, or an increase of 57%. This was a result of increased reimbursement from the State for costs incurred in joint State and Village road projects within the Village. The ongoing operating source of revenue for this fund is an allotment from the State. The allotment amount received in 2012 was consistent with the prior year.

### Expenditures

**General Fund:** During fiscal year 2012, expenditures were \$13,880,709, a decrease of \$180,362 from \$14,061,071 in the previous year. This represents a 1.3% increase for the year.

| Expenditures        | Fiscal 2012 | Fiscal 2011 | Variance  | Percentage |
|---------------------|-------------|-------------|-----------|------------|
| General Government  | \$1,661,707 | \$1,617,574 | \$44,133  | (8.75)%    |
| Building Department | 477,844     | 466,905     | 10,939    | 2.34       |
| Fire & Police Comm  | 31,835      | 26,566      | 5,269     | 19.83      |
| Police 911          | 683,060     | 657,470     | 25,590    | 3.89       |
| Police Department   | 4,989,429   | 4,775,711   | 213,718   | 4.48       |
| Civil Defense       | 6,428       | 358,818     | (352,390) | (98.21)    |
| Fire Department     | 3,855,189   | 4,152,250   | (297,061) | (7.15)     |
| Public Works        | 1,858,679   | 1,691,254   | 167,425   | 9.90       |
| Debt Service        | 316,538     | 314,523     | 2,015     | 0.64       |

General Government expenditures remained relatively flat. The increases are attributed to personnel related expenditures, (both wages negotiated by contract and benefit costs determined by insurance rates)

The Police and Fire Commission expenditures increased by \$5,269. These costs are related to testing and hiring practices for the fire and police departments.

The most drastic reduction in expenditures was related to civil defense. The Village was the victim of a two-hundred year flood in July 2010; disaster assistance costs totaled \$355,221 in Fiscal 2011. Fortunately there were no major incidents that required the use of emergency response funds during Fiscal 2012.

Police Department expenditures increased overall by \$25,590. The Department incurred an increase in pension contributions of \$380,350, or 8% of the department's expenditures. This increase was mitigated by cost containment measures resulting in a second consecutive year of reduction in salaries and benefits of and a decrease in gasoline and other operating supplies.

Fire Department expenditures decreased in 2012 in the amount of \$297,061. The previous fiscal year included expenditures of \$385,737 to purchase a new fire engine, funded by a federal grant. The Fire Department expenditures also include an increase in fire pension contributions of \$240,025.

Public Works expenditures increased from \$1,691,254 in fiscal 2011 to \$1,858,679 in fiscal 2012, an increase of \$167,425, or 9.9%.

**Motor Fuel Tax Fund:** During the fiscal year expenditures were \$1,388,427, which was less than the previous year's expenditures of \$2,939,153. The decrease in expenditures was a result of the reconstruction of nine streets funded by the issuance of the General Obligation (Alternate Revenue Source) Bonds, Series 2010A during Fiscal 2011. The reduction in current year's expenditures resulted from a reduced number of street projects completed in Fiscal 2012.

### **Proprietary Funds**

The Proprietary Fund is the Utility Fund. The Utility Fund is pleased to report an increase in net assets during the 2012 fiscal year of \$688,423. This comes on the heels of operating losses of \$595,070 and \$403,770 in 2011 and 2010, respectively. The net assets of the Water Fund at the end of fiscal 2012 equaled \$9.6 million, of which \$2.2 million, or 22%, is unrestricted. The unrestricted net asset balance is in compliance with the Village's net minimum fund balance policy of 15% of current year operating expenses.

### **Revenues**

The Utility Fund had an increase in charges for services from \$5,163,993 in fiscal 2011 to \$5,552,156 in fiscal 2012, an increase of \$388,163 or 7.5%. In the Utility Fund this increase was attributable to increases in the water and refuse rates. Consumption of water remained relatively consistent from fiscal 2011 to fiscal 2012.

### **Expenses**

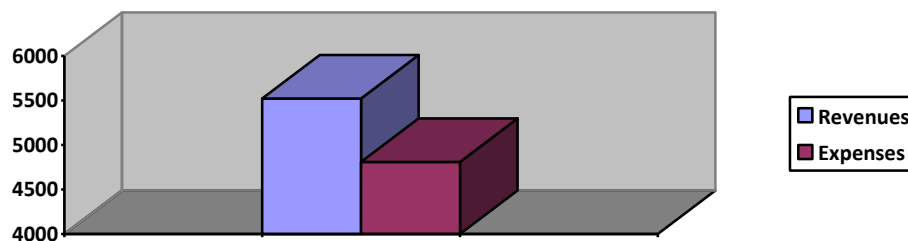
Utility Fund operating expenses for the year decreased from \$5,804,787 in fiscal 2011 to \$4,811,894 in fiscal 2012, a decrease of \$992,893 or 17%.

Personnel Services decreased from \$751,414 in fiscal 2011 to \$679,272, a decrease of \$72,142 or 9.6%. The decrease is a result of both a reduction in full time salaries and overtime expenditures.

The largest portion of contractual services represent fees paid to Waste Management for refuse collection. During the current year, the Village spent \$1.8 million, or 37.6% of utility fund expenditures on refuse collection.

Commodities decreased from \$2,139,388 in fiscal 2011 to \$1,642,782 in fiscal 2012, a savings of \$496,606. This decrease was due primarily to the replacement of water meters Village-wide in 2011 at a cost of \$33,180. The cost of water remained consistent with fiscal 2011. All other commodities were in line with the prior years.

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



### General Fund Budgetary Highlights

The budget for fiscal year 2012 was amended during the year. Over the course of fiscal year 2012, the Village realized actual revenues in excess of budgeted revenues in the amount of \$319,828. The variance is primarily attributable to property taxes recognized that were more than budgeted in the amount of \$127,143. Other local taxes and intergovernmental revenues also came in slightly over budget. Conversely, charges for service revenue and fines and forfeitures revenue both had final receipts less than budgeted.

The total General Fund expenditures of \$13,880,709 were above the amended budget amount by \$86,191. The General Fund budget anticipated a net change in fund balance \$(911,403); the actual change in fund balance was \$(543,522) resulting in a positive financial result of \$367,881.

### General Fund Budget and Actual (in millions)

#### 2012

|                                                                                              | <b>Budget</b>  | <b>Amended Budget</b> | <b>Actual</b> | <b>Difference Over/(Under)</b> |
|----------------------------------------------------------------------------------------------|----------------|-----------------------|---------------|--------------------------------|
| <b>Total Revenues</b>                                                                        | \$12.8         | \$13.0                | \$13.2        | \$ 0.2                         |
| <b>Total Expenditures</b>                                                                    | <u>13.5</u>    | <u>13.9</u>           | <u>13.9</u>   | <u>(0.0)</u>                   |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>                             | (0.7)          | (0.9)                 | (0.7)         | 0.2                            |
| <b>Other Financing Sources (Uses)</b>                                                        | <u>.0</u>      | <u>.0</u>             | <u>.1</u>     | <u>0.1</u>                     |
| <b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b> | <u>\$(0.7)</u> | <u>\$(0.9)</u>        | (0.6)         | <u>\$ 0.3</u>                  |
| <b>Fund Balance, Beginning of Year</b>                                                       |                |                       | <u>5.0</u>    |                                |
| <b>Fund Balance, End of Year</b>                                                             |                |                       | <u>\$4.4</u>  |                                |

### Capital Asset and Debt Administration

#### Capital Assets

As of the end of fiscal year 2012, the Village of Westchester has capital assets, net of depreciation, of \$37.3 million, compared to capital assets, net of depreciation, of \$35.7 million held at the end of 2011. For governmental activities, capital assets were increased by capital additions of \$1.6 million, decreased by disposals of capital assets of \$.5 million and decreased by depreciation of \$1.5 million in the current year. For business-type activities, the capital assets were increased by capital additions of \$2.4 million, decreased by disposals of capital assets of \$.2 million and decreased by depreciation expense of \$.3 million, resulting in an overall increase 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 \$27.5 million or 73.7% of total capital assets. The business-type capital assets, net, represent \$9.8 million or 26.3% of total capital assets.

**Capital Assets (in millions)**  
**April 30, 2012**

|                             | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|-----------------------------|------------------------------------|-------------------------------------|-----------------------|
| Land                        | \$ 5.4                             | \$ 0.1                              | \$ 5.5                |
| Construction in Process     | 0.0                                | 0.9                                 | 0.9                   |
| Land Improvements, Net      | 0.0                                | 0.0                                 | 0.0                   |
| Buildings, Net              | 2.7                                | 0.5                                 | 3.2                   |
| Building Improvements, Net  | 0.1                                | 0.0                                 | 0.1                   |
| Equipment, Net              | 2.3                                | 0.3                                 | 2.6                   |
| Infrastructure, Net         | <u>17.0</u>                        | <u>8.0</u>                          | <u>25.0</u>           |
| <b>Total Capital Assets</b> | <b><u>\$ 27.5</u></b>              | <b><u>\$ 9.8</u></b>                | <b><u>\$ 37.3</u></b> |

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

**Debt Administration**

The debt administration discussion covers three types of debt reported by the Village's financial statements.

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

**Long Term Debt (in millions)**  
**April 30, 2012**

|                             | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|-----------------------------|------------------------------------|-------------------------------------|-----------------------|
| Taxable G.O. Bonds          | 3.39                               | 1.48                                | 4.87                  |
| Capital Lease               | 0.08                               | 0.00                                | 0.08                  |
| Installment Contracts       | 0.55                               | 0.06                                | 0.61                  |
| Compensated Absences        | 0.42                               | 0.03                                | 0.45                  |
| IEPA Loan                   | 0.00                               | 0.95                                | 0.95                  |
| Net Pension Obligation      | 2.03                               | 0.00                                | 2.03                  |
| Unamortized Bond Premium    | <u>0.03</u>                        | <u>0.00</u>                         | <u>0.03</u>           |
| <b>Total Long Term Debt</b> | <b><u>\$ 6.50</u></b>              | <b><u>\$ 2.52</u></b>               | <b><u>\$ 9.02</u></b> |

**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 ASSETS

April 30, 2012

|                                                                       | Primary Government   |                     |                      | Component           |
|-----------------------------------------------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                                                       | Governmental         | Business-Type       | Total                | Unit                |
|                                                                       | Activities           | Activities          |                      | Westchester         |
|                                                                       |                      |                     |                      | Public Library      |
| <b>ASSETS</b>                                                         |                      |                     |                      |                     |
| Cash and Cash Equivalents                                             | \$ 2,481,104         | \$ 1,546,329        | \$ 4,027,433         | \$ 740,828          |
| Investments                                                           | 1,739,705            | 292,325             | 2,032,030            | 746,505             |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) |                      |                     |                      |                     |
| Property Taxes                                                        | 3,178,459            | -                   | 3,178,459            | 585,046             |
| Intergovernmental                                                     | 1,135,742            | -                   | 1,135,742            | 17,144              |
| Accounts                                                              | 60,242               | 877,706             | 937,948              | -                   |
| Other                                                                 | 184,760              | -                   | 184,760              | 5,406               |
| Prepaid Items                                                         | 302,937              | 37,560              | 340,497              | 4,747               |
| Illinois EPA Revolving Loan Receivable                                | -                    | 213,668             | 213,668              | -                   |
| Due from Fiduciary Funds                                              | 2,789                | -                   | 2,789                | -                   |
| Deferred Charges                                                      | 102,808              | 31,169              | 133,977              | -                   |
| Net Other Postemployment Benefit Asset                                | 4,939                | -                   | 4,939                | -                   |
| Capital Assets                                                        |                      |                     |                      |                     |
| Nondepreciable                                                        | 5,373,407            | 1,071,219           | 6,444,626            | -                   |
| Depreciable, Net of Accumulated Depreciation                          | 22,125,475           | 8,804,748           | 30,930,223           | 1,268,360           |
| <b>Total Assets</b>                                                   | <b>36,692,367</b>    | <b>12,874,724</b>   | <b>49,567,091</b>    | <b>3,368,036</b>    |
| <b>LIABILITIES</b>                                                    |                      |                     |                      |                     |
| Accounts Payable                                                      | 312,089              | 504,700             | 816,789              | 3,141               |
| Accrued Payroll                                                       | 1,180                | -                   | 1,180                | 3,555               |
| Deposits Payable                                                      | -                    | 20,455              | 20,455               | -                   |
| Other Liabilities                                                     | 86,433               | 12,648              | 99,081               | -                   |
| Accrued Interest Payable                                              | 84,205               | 20,843              | 105,048              | -                   |
| Due to Fiduciary Funds                                                | 44,852               | -                   | 44,852               | -                   |
| Unearned Revenue                                                      | 3,199,612            | 222,726             | 3,422,338            | 585,046             |
| Noncurrent Liabilities                                                |                      |                     |                      |                     |
| Due Within One Year                                                   | 690,037              | 159,298             | 849,335              | 47,621              |
| Due in More than One Year                                             | 5,807,785            | 2,366,835           | 8,174,620            | 21,959              |
| <b>Total Liabilities</b>                                              | <b>10,226,193</b>    | <b>3,307,505</b>    | <b>13,533,698</b>    | <b>661,322</b>      |
| <b>NET ASSETS</b>                                                     |                      |                     |                      |                     |
| Invested in Capital Assets, Net of Related Debt                       | 23,581,637           | 7,434,766           | 31,016,403           | 1,268,360           |
| Restricted for                                                        |                      |                     |                      |                     |
| Public Safety                                                         | 417,487              | -                   | 417,487              | -                   |
| Street Improvements                                                   | 544,886              | -                   | 544,886              | -                   |
| Tourism                                                               | 95,112               | -                   | 95,112               | -                   |
| Unrestricted                                                          | 1,827,052            | 2,132,453           | 3,959,505            | 1,438,354           |
| <b>TOTAL NET ASSETS</b>                                               | <b>\$ 26,466,174</b> | <b>\$ 9,567,219</b> | <b>\$ 36,033,393</b> | <b>\$ 2,706,714</b> |

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

| FUNCTIONS/PROGRAMS             | Expenses      | Program Revenues        |                                          |                                        |
|--------------------------------|---------------|-------------------------|------------------------------------------|----------------------------------------|
|                                |               | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| PRIMARY GOVERNMENT             |               |                         |                                          |                                        |
| Governmental Activities        |               |                         |                                          |                                        |
| General Government             | \$ 2,321,017  | \$ 1,053,503            | \$ -                                     | \$ 66,003                              |
| Public Safety                  | 10,000,780    | 926,556                 | 120,335                                  | -                                      |
| Public Works                   | 3,170,591     | 412,398                 | 408,157                                  | 420,152                                |
| Interest                       | 186,623       | -                       | 56,997                                   | -                                      |
| Total Governmental Activities  | 15,679,011    | 2,392,457               | 585,489                                  | 486,155                                |
| Business-Type Activities       |               |                         |                                          |                                        |
| Utility                        | 4,866,286     | 5,552,156               | -                                        | -                                      |
| Total Business-Type Activities | 4,866,286     | 5,552,156               | -                                        | -                                      |
| TOTAL PRIMARY GOVERNMENT       | \$ 20,545,297 | \$ 7,944,613            | \$ 585,489                               | \$ 486,155                             |
| COMPONENT UNIT                 |               |                         |                                          |                                        |
| Westchester Public Library     | \$ 1,134,745  | \$ 51,937               | \$ 21,369                                | \$ -                                   |



| Net (Expense) Revenue and Change in Net Assets |                          |                |                            |                |
|------------------------------------------------|--------------------------|----------------|----------------------------|----------------|
| Primary Government                             |                          |                |                            | Component Unit |
| Governmental Activities                        | Business-Type Activities | Total          | Westchester Public Library |                |
| \$ (1,201,511)                                 | \$ -                     | \$ (1,201,511) | \$ -                       | -              |
| (8,953,889)                                    | -                        | (8,953,889)    | -                          | -              |
| (1,929,884)                                    | -                        | (1,929,884)    | -                          | -              |
| (129,626)                                      | -                        | (129,626)      | -                          | -              |
| (12,214,910)                                   | -                        | (12,214,910)   | -                          | -              |
| -                                              | 685,870                  | 685,870        | -                          | -              |
| -                                              | 685,870                  | 685,870        | -                          | -              |
| (12,214,910)                                   | 685,870                  | (11,529,040)   | -                          | -              |
| -                                              | -                        | -              | (1,061,439)                |                |
| General Revenues                               |                          |                |                            |                |
| Taxes                                          |                          |                |                            |                |
| Property and Replacement                       | 5,809,700                | -              | 5,809,700                  | 1,137,712      |
| Sales Tax                                      | 980,109                  | -              | 980,109                    | -              |
| Use Tax                                        | 245,501                  | -              | 245,501                    | -              |
| Utility                                        | 807,207                  | -              | 807,207                    | -              |
| Telecommunications                             | 892,456                  | -              | 892,456                    | -              |
| Places for Eating Tax                          | 177,494                  | -              | 177,494                    | -              |
| Hotel/Motel Tax                                | 143,876                  | -              | 143,876                    | -              |
| Other                                          | 611,343                  | -              | 611,343                    | -              |
| State Shared Income                            | 1,318,224                | -              | 1,318,224                  | -              |
| Investment Income                              | 14,388                   | 2,553          | 16,941                     | 11,184         |
| Miscellaneous                                  | 67,501                   | -              | 67,501                     | 5,231          |
| Total                                          | 11,067,799               | 2,553          | 11,070,352                 | 1,154,127      |
| CHANGE IN NET ASSETS                           | (1,147,111)              | 688,423        | (458,688)                  | 92,688         |
| NET ASSETS, MAY 1                              | 27,613,285               | 8,756,382      | 36,369,667                 | 2,614,026      |
| Prior Period Adjustment                        | -                        | 122,414        | 122,414                    | -              |
| NET ASSETS, MAY 1, RESTATED                    | 27,613,285               | 8,878,796      | 36,492,081                 | 2,614,026      |
| NET ASSETS, APRIL 30                           | \$ 26,466,174            | \$ 9,567,219   | \$ 36,033,393              | \$ 2,706,714   |

See accompanying notes to financial statements.



|                                                | General             | Motor<br>Fuel Tax | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------|---------------------|-------------------|-----------------------------------|--------------------------------|
| <b>LIABILITIES AND FUND BALANCES</b>           |                     |                   |                                   |                                |
| <b>LIABILITIES</b>                             |                     |                   |                                   |                                |
| Accounts Payable                               | \$ 256,562          | \$ 36,528         | \$ 18,999                         | \$ 312,089                     |
| Accrued Payroll                                | -                   | -                 | 1,180                             | 1,180                          |
| Other Liabilities                              | 86,433              | -                 | -                                 | 86,433                         |
| Deferred Revenue                               | 3,199,612           | -                 | -                                 | 3,199,612                      |
| Due to Other Funds                             | -                   | -                 | 8,632                             | 8,632                          |
| Due to Fiduciary Funds                         | 44,852              | -                 | -                                 | 44,852                         |
| Total Liabilities                              | 3,587,459           | 36,528            | 28,811                            | 3,652,798                      |
| <b>FUND BALANCES</b>                           |                     |                   |                                   |                                |
| Nonspendable in form - prepaid items           | 302,937             | -                 | -                                 | 302,937                        |
| Restricted for Public Safety                   | -                   | -                 | 417,487                           | 417,487                        |
| Restricted for Tourism                         | -                   | -                 | 95,112                            | 95,112                         |
| Restricted for Streets and Transportation      | -                   | 544,886           | -                                 | 544,886                        |
| Unrestricted                                   |                     |                   |                                   |                                |
| Assigned - subsequent budget                   | 642,838             | -                 | -                                 | 642,838                        |
| Unassigned                                     | 3,438,312           | -                 | -                                 | 3,438,312                      |
| Total Fund Balances                            | 4,384,087           | 544,886           | 512,599                           | 5,441,572                      |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 7,971,546</b> | <b>\$ 581,414</b> | <b>\$ 541,410</b>                 | <b>\$ 9,094,370</b>            |

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 ASSETS

April 30, 2012

---

|                                     |              |
|-------------------------------------|--------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 5,441,572 |
|-------------------------------------|--------------|

Amounts reported for governmental activities in the  
statement of net assets are different because:

|                                                                                                                                             |            |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Capital assets used in governmental activities are<br>not financial resources and, therefore, are not<br>reported in the governmental funds | 27,498,882 |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                               |       |
|-------------------------------------------------------------------------------------------------------------------------------|-------|
| Net other postemployment benefit assets are not financial<br>resources and, therefore, are not reported in governmental funds | 4,939 |
|-------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                                                                                                                                            |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Issuance costs and premiums or discounts on long-term liabilities<br>and gains and losses on debt refundings are capitalized<br>and amortized at the government-wide level | 76,510 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                                |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Long-term liabilities, including bonds payable, are<br>not due and payable in the current period and,<br>therefore, are not reported in the governmental funds |             |
| General Obligation Bonds                                                                                                                                       | (3,390,000) |
| Capital lease                                                                                                                                                  | (75,134)    |
| Installment contracts                                                                                                                                          | (554,330)   |
| Compensated absences                                                                                                                                           | (425,813)   |
| Net pension obligation                                                                                                                                         | (2,026,247) |
| Interest payable                                                                                                                                               | (84,205)    |

|                                       |                      |
|---------------------------------------|----------------------|
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 26,466,174</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, 2012

|                                                      | General      | Motor<br>Fuel Tax | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------|--------------|-------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |              |                   |                                   |                                |
| Taxes                                                | \$ 7,936,590 | \$ -              | \$ 283,882                        | \$ 8,220,472                   |
| Licenses and Permits                                 | 964,003      | -                 | -                                 | 964,003                        |
| Intergovernmental                                    | 2,829,941    | 885,306           | 128,111                           | 3,843,358                      |
| Charges for Services                                 | 449,872      | -                 | 20,918                            | 470,790                        |
| Investment Income                                    | 10,648       | 1,064             | 2,676                             | 14,388                         |
| Fines and Forfeits                                   | 533,889      | -                 | -                                 | 533,889                        |
| Reimbursements                                       | -            | -                 | 6,000                             | 6,000                          |
| Miscellaneous                                        | 302,026      | -                 | 1,000                             | 303,026                        |
| Rental Income                                        | 175,974      | -                 | -                                 | 175,974                        |
| Total Revenues                                       | 13,202,943   | 886,370           | 442,587                           | 14,531,900                     |
| <b>EXPENDITURES</b>                                  |              |                   |                                   |                                |
| Current                                              |              |                   |                                   |                                |
| General Government                                   | 1,661,707    | -                 | -                                 | 1,661,707                      |
| Building Department                                  | 477,844      | -                 | -                                 | 477,844                        |
| Fire and Police Commission                           | 31,835       | -                 | -                                 | 31,835                         |
| Tourism                                              | -            | -                 | 145,190                           | 145,190                        |
| Police 911                                           | 683,060      | -                 | 277,815                           | 960,875                        |
| Police Department                                    | 4,989,429    | -                 | 22,590                            | 5,012,019                      |
| Civil Defense                                        | 6,428        | -                 | -                                 | 6,428                          |
| Fire Department                                      | 3,855,189    | -                 | -                                 | 3,855,189                      |
| Public Works                                         | 1,858,679    | 1,115,579         | -                                 | 2,974,258                      |
| Debt Service                                         |              |                   |                                   |                                |
| Principal                                            | 288,318      | 110,000           | -                                 | 398,318                        |
| Interest and Fiscal Charges                          | 28,220       | 162,848           | -                                 | 191,068                        |
| Total Expenditures                                   | 13,880,709   | 1,388,427         | 445,595                           | 15,714,731                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (677,766)    | (502,057)         | (3,008)                           | (1,182,831)                    |

(This statement is continued on the following page.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2012

|                                      | General      | Motor<br>Fuel Tax | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|--------------|-------------------|-----------------------------------|--------------------------------|
| OTHER FINANCING SOURCES (USES)       |              |                   |                                   |                                |
| Installment Contracts Issued         | \$ 117,530   | \$ -              | \$ -                              | \$ 117,530                     |
| Sale of Capital Assets               | 16,714       | -                 | -                                 | 16,714                         |
| Total Other Financing Sources (Uses) | 134,244      | -                 | -                                 | 134,244                        |
| NET CHANGE IN FUND BALANCES          | (543,522)    | (502,057)         | (3,008)                           | (1,048,587)                    |
| FUND BALANCES, MAY 1                 | 4,927,609    | 1,046,943         | 515,607                           | 6,490,159                      |
| FUND BALANCES, APRIL 30              | \$ 4,384,087 | \$ 544,886        | \$ 512,599                        | \$ 5,441,572                   |

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, 2012

---

|                               |                |
|-------------------------------|----------------|
| NET CHANGE IN FUND BALANCES - |                |
| TOTAL GOVERNMENTAL FUNDS      | \$ (1,048,587) |

Amounts reported for governmental activities in the statement of  
activities are different because:

|                                                                                                                                           |           |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Governmental funds report capital outlay as expenditures; however, they are<br>capitalized and depreciated in the statement of activities | 1,133,486 |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                               |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| The issuance of long-term debt is reported as another financing source<br>in governmental funds but as an increase of principal outstanding in<br>the statement of activities | (117,530) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                     |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| The repayment of the principal portion long-term debt is reported as an<br>expenditure when due in governmental funds but as a reduction of principal<br>outstanding in the statement of activities | 406,911 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

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                                          | (1,517,923) |
| Loss on disposal of capital assets                    | 4,728       |
| Change in compensated absences                        | (21,042)    |
| Change in benefits payable                            | 9,255       |
| Change in net pension obligation                      | 6,235       |
| Change in net other postemployment benefit asset      | 1,505       |
| Amortization of premium on long-term debt             | 1,440       |
| Amortization of bond issuance costs on long-term debt | (6,057)     |
| Change in accrued interest payable                    | 468         |

|                                                 |                              |
|-------------------------------------------------|------------------------------|
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$ (1,147,111)</u></u> |
|-------------------------------------------------|------------------------------|

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

April 30, 2012

|                                                       | Enterprise<br>Fund  |
|-------------------------------------------------------|---------------------|
| <b>CURRENT ASSETS</b>                                 |                     |
| Cash and Cash Equivalents                             | \$ 1,546,329        |
| Investments                                           | 292,325             |
| Receivables (Net of Allowances<br>for Uncollectibles) |                     |
| Accounts                                              | 877,706             |
| Prepaid Items                                         | 37,560              |
| Illinois EPA Revolving Loan Receivable                | 213,668             |
| <b>Total Current Assets</b>                           | <b>2,967,588</b>    |
| <b>NONCURRENT ASSETS</b>                              |                     |
| Deferred Charges                                      | 31,169              |
| Capital Assets                                        |                     |
| Nondepreciable                                        | 1,071,219           |
| Depreciable, Net of Accumulated Depreciation          | 8,804,748           |
| <b>Net Capital Assets</b>                             | <b>9,875,967</b>    |
| <b>Total Noncurrent Assets</b>                        | <b>9,907,136</b>    |
| <b>Total Assets</b>                                   | <b>12,874,724</b>   |
| <b>CURRENT LIABILITIES</b>                            |                     |
| Accounts Payable                                      | 504,700             |
| Other Liabilities                                     | 12,648              |
| Accrued Interest Payable                              | 20,843              |
| Unearned Revenue                                      | 222,726             |
| Compensated Absences                                  | 27,898              |
| Deposits                                              | 20,455              |
| Benefits Payable                                      | 992                 |
| Capital Lease Payable                                 | 5,408               |
| General Obligation Bonds Payable                      | 125,000             |
| <b>Total Current Liabilities</b>                      | <b>940,670</b>      |
| <b>LONG-TERM LIABILITIES</b>                          |                     |
| Capital Lease Payable                                 | 56,042              |
| Illinois EPA Revolving Loan Payable                   | 950,793             |
| General Obligation Bonds Payable                      | 1,360,000           |
| <b>Total Long-Term Liabilities</b>                    | <b>2,366,835</b>    |
| <b>Total Liabilities</b>                              | <b>3,307,505</b>    |
| <b>NET ASSETS</b>                                     |                     |
| Invested in Capital Assets, Net of Related Debt       | 7,434,766           |
| Unrestricted                                          | 2,132,453           |
| <b>TOTAL NET ASSETS</b>                               | <b>\$ 9,567,219</b> |

See accompanying notes to financial statements.



VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2012

|                                        | Enterprise<br>Fund         |
|----------------------------------------|----------------------------|
| OPERATING REVENUES                     |                            |
| Charges for Services                   | \$ 5,524,473               |
| Reimbursements and Other Income        | 27,683                     |
| Total Operating Revenues               | <u>5,552,156</u>           |
| OPERATING EXPENSES                     |                            |
| Personal Services                      | 679,272                    |
| Commodities                            | 1,642,782                  |
| Contractual Services                   | 2,208,033                  |
| Depreciation                           | 281,807                    |
| Total Operating Expenses               | <u>4,811,894</u>           |
| OPERATING INCOME (LOSS)                | <u>740,262</u>             |
| NONOPERATING REVENUES (EXPENSES)       |                            |
| Investment Income                      | 2,553                      |
| Interest Expense                       | (50,735)                   |
| Amortization Expense                   | (3,657)                    |
| Miscellaneous Income                   | -                          |
| Total Nonoperating Revenues (Expenses) | <u>(51,839)</u>            |
| CHANGE IN NET ASSETS                   | <u>688,423</u>             |
| NET ASSETS, MAY 1                      | 8,756,382                  |
| Prior Period Adjustment                | <u>122,414</u>             |
| NET ASSETS, MAY 1, RESTATED            | <u>8,878,796</u>           |
| NET ASSETS, APRIL 30                   | <u><u>\$ 9,567,219</u></u> |

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2012

|                                                                     | Enterprise<br>Fund |
|---------------------------------------------------------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                    |
| Receipts from Customers and Users                                   | \$ 5,520,824       |
| Receipts from Miscellaneous Revenues                                | 27,683             |
| Payments to Suppliers                                               | (3,898,345)        |
| Payments to Employees                                               | (709,855)          |
| Net Cash from Operating Activities                                  | 940,307            |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                    |
| Interfund Activity                                                  | (1,971)            |
| Net Cash from Noncapital Financing Activities                       | (1,971)            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                    |
| Capital Assets Purchased                                            | (2,196,471)        |
| Proceeds on Long-Term Debt                                          | 798,575            |
| Principal Payments on Long-Term Debt                                | (150,053)          |
| Interest Payments on Long-Term Debt                                 | (51,247)           |
| Net Cash from Capital and Related<br>Financing Activities           | (1,599,196)        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                    |
| Purchase of Investments                                             | (292,325)          |
| Proceeds from Sale and Maturities of Investments                    | 1,596,778          |
| Interest on Investments                                             | 2,553              |
| Net Cash from Investing Activities                                  | 1,307,006          |
| <b>NET INCREASE IN CASH<br/>AND CASH EQUIVALENTS</b>                | 646,146            |
| <b>CASH AND CASH EQUIVALENTS, MAY 1</b>                             | 900,183            |
| <b>CASH AND CASH EQUIVALENTS, APRIL 30</b>                          | \$ 1,546,329       |
| <b>NONCASH TRANSACTIONS</b>                                         |                    |
| None                                                                | \$ -               |
| <b>Total Noncash Transactions</b>                                   | \$ -               |

(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, 2012

|                                                                                             | Enterprise<br>Fund       |
|---------------------------------------------------------------------------------------------|--------------------------|
| <hr/>                                                                                       |                          |
| RECONCILIATION OF OPERATING INCOME<br>(LOSS) TO NET CASH FLOWS FROM<br>OPERATING ACTIVITIES |                          |
| Operating Income (Loss)                                                                     | \$ 740,262               |
| Adjustments to Reconcile Operating Income<br>(Loss) to Net Cash from Operating Activities   |                          |
| Depreciation                                                                                | 281,807                  |
| Changes in Assets and Liabilities                                                           |                          |
| Accounts Receivable                                                                         | (21,067)                 |
| Prepaid Items                                                                               | 18,536                   |
| Accounts Payable and Other Liabilities                                                      | (67,135)                 |
| Unearned Revenue                                                                            | (1,118)                  |
| Compensated Absences                                                                        | (7,340)                  |
| Termination Benefits                                                                        | (8,910)                  |
| Deposits                                                                                    | 5,272                    |
|                                                                                             | <hr/>                    |
| NET CASH FROM OPERATING ACTIVITIES                                                          | <u><u>\$ 940,307</u></u> |

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

April 30, 2012

|                                                                          | Pension<br>Trust<br>Funds | Agency<br>Fund |
|--------------------------------------------------------------------------|---------------------------|----------------|
| <hr/>                                                                    |                           |                |
| ASSETS                                                                   |                           |                |
| Cash                                                                     | \$ 854,832                | \$ 6,703       |
| Investments                                                              |                           |                |
| Certificates of Deposit                                                  | -                         | 480,071        |
| U.S. Government Obligations                                              | 9,468,254                 | -              |
| U.S. Agency Obligations                                                  | 2,999,568                 | -              |
| State and Local Obligations                                              | 1,138,421                 | -              |
| Corporate Bonds                                                          | 6,892,390                 | -              |
| Equity Securities                                                        | 4,930,596                 | -              |
| Mutual Funds                                                             | 13,252,233                | -              |
| Insurance Company Contracts                                              | 5,979                     | -              |
| Money Market Mutual Funds                                                | 1,153,819                 | -              |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles) |                           |                |
| Accrued Interest                                                         | 152,124                   | 817            |
| Prepaid Items                                                            | 12,640                    | -              |
| Due from Village                                                         | 44,852                    | -              |
|                                                                          | <hr/>                     |                |
| Total Assets                                                             | 40,905,708                | \$ 487,591     |
|                                                                          | <hr/>                     |                |
| LIABILITIES                                                              |                           |                |
| Accounts Payable                                                         | 14,701                    | \$ -           |
| Due to Village                                                           | -                         | 2,789          |
| Due to Others                                                            | -                         | 484,802        |
|                                                                          | <hr/>                     |                |
| Total Liabilities                                                        | 14,701                    | \$ 487,591     |
|                                                                          | <hr/>                     |                |
| NET ASSETS HELD IN TRUST<br>FOR PENSION BENEFITS                         | <u>\$ 40,891,007</u>      |                |

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS

For the Year Ended April 30, 2012

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ADDITIONS

Contributions

|                        |              |
|------------------------|--------------|
| Employer Contributions | \$ 1,769,040 |
|------------------------|--------------|

|                        |                |
|------------------------|----------------|
| Employee Contributions | <u>452,475</u> |
|------------------------|----------------|

|                     |                  |
|---------------------|------------------|
| Total Contributions | <u>2,221,515</u> |
|---------------------|------------------|

Investment Income

|                                                  |          |
|--------------------------------------------------|----------|
| Net Appreciation in Fair Value<br>of Investments | (60,115) |
|--------------------------------------------------|----------|

|          |                |
|----------|----------------|
| Interest | <u>963,336</u> |
|----------|----------------|

|                         |         |
|-------------------------|---------|
| Total Investment Income | 903,221 |
|-------------------------|---------|

|                         |                  |
|-------------------------|------------------|
| Less Investment Expense | <u>(174,134)</u> |
|-------------------------|------------------|

|                       |                |
|-----------------------|----------------|
| Net Investment Income | <u>729,087</u> |
|-----------------------|----------------|

|                 |                  |
|-----------------|------------------|
| Total Additions | <u>2,950,602</u> |
|-----------------|------------------|

DEDUCTIONS

|                      |           |
|----------------------|-----------|
| Benefits and Refunds | 2,574,214 |
|----------------------|-----------|

|                         |               |
|-------------------------|---------------|
| Administrative Expenses | <u>74,721</u> |
|-------------------------|---------------|

|                  |                  |
|------------------|------------------|
| Total Deductions | <u>2,648,935</u> |
|------------------|------------------|

|              |         |
|--------------|---------|
| NET INCREASE | 301,667 |
|--------------|---------|

NET ASSETS HELD IN TRUST  
FOR PENSION BENEFITS

|       |                   |
|-------|-------------------|
| May 1 | <u>40,589,340</u> |
|-------|-------------------|

|          |                             |
|----------|-----------------------------|
| April 30 | <u><u>\$ 40,891,007</u></u> |
|----------|-----------------------------|

See accompanying notes to financial statements.

# VILLAGE OF WESTCHESTER, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2012

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### 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. 14, *The Financial Report 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, 2012, 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, 2012, are reported in the Village's fund financial statements as a pension trust fund.

#### Discretely Presented Component Unit

The Westchester Public Library (the Library) has its own elected board and provides services to residents of the Village. The Library's annual property tax levy request is subject to the Village's board of approval. Due to the nature of the Library's relationship to the Village it is not blended with the Village but presented discretely beside the Village's financial statements. Separate financial statements for the Library are not issued.

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). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise 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 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 nonoperating.

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 deferred/unearned 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 deferred/unearned 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 30<sup>th</sup>. 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.

h. Prepaid Items/Expenses

Certain payments reflect costs to future periods and are recoded as repaid items/expenses in both the government-wide and governmental fund financial statements.

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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<br>Threshold | Estimated<br>Useful Life |
|-----------------------------------|-----------------------------|--------------------------|
| Land                              | \$ 1,000                    | N/A                      |
| Land Improvements                 | 10,000                      | N/A                      |
| Site Improvements                 | 20,000                      | 3-50 years               |
| Building                          | 30,000                      | 10-80 years              |
| Building Improvements             | 25,000                      | 10-20 years              |
| Vehicles, Machinery and Equipment | 5,000                       | 3-30 years               |
| Software                          | 25,000                      | 2-7 years                |
| Infrastructure - Street Network   | 50,000                      | 20-80 years              |
| Infrastructure - Water Network    | 75,000                      | 20-80 years              |
| Infrastructure - Sanitary Sewer   | 75,000                      | 20-80 years              |
| Infrastructure - Storm Sewer      | 50,000                      | 20-80 years              |

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 one-half 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 deferred/unearned revenue. The 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2012, has not been recorded as a receivable as of April 30, 2012 as the tax has not yet been levied by the Village and will not be levied until December 2012 and, therefore, the levy is not measurable at April 30, 2012.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. 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, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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.

o. Fund Balances/Net Assets

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, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and 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 of Trustees. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Balances/Net Assets (Continued)

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt 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.

p. 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.

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.

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 U.S. Government as to principal and interest; (2) certain U.S. 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2012:

| Investment Type | Fair Value   | Investment Maturities (in Years) |              |      |                    |
|-----------------|--------------|----------------------------------|--------------|------|--------------------|
|                 |              | Less than<br>1                   | 1-5          | 6-10 | Greater than<br>10 |
| IMET            | \$ 1,065,133 | \$ -                             | \$ 1,065,133 | \$ - | \$ -               |
| TOTAL           | \$ 1,065,133 | \$ -                             | \$ 1,065,133 | \$ - | \$ -               |

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.

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 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, 2012 are as follows:

| Investment Type | Credit Rating | Percent of<br>Investment<br>Type | Percent of<br>Total<br>Investments |
|-----------------|---------------|----------------------------------|------------------------------------|
| IMET            | AAA           | 100%                             | 67%                                |

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.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

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 33% and 67%, respectively, of the Village's total investments.

b. Library Investments

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral with a fair value of 110% of the aggregate balance of principal and accrued interest on deposits in financial institutions.

The investments which the Library may purchase are limited by Illinois law to the following (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. 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 Library had no investments as of April 30, 2012.

Interest rate risk - the Library 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.

Credit risk - the Library'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 Library's investment policy limits investments in short-term obligations of corporations organized in the United States 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 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.



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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Library Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library'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 Library's agent separate from where the investment was purchased.

Concentration of credit risk - the Library places no limit on the amount the Library may invest in any one issuer.

c. 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 U.S. Government as to principal and interest; (2) certain U.S. 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, 2012:

| Investment Type                           | Fair Value           | Investment Maturities (in Years) |                     |                     |                     |
|-------------------------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------|
|                                           |                      | Less than<br>1                   | 1-5                 | 6-10                | Greater than<br>10  |
| U.S. Treasury Notes                       | \$ 4,397,618         | \$ 1,352,244                     | \$ 249,121          | \$ 2,796,253        | \$ -                |
| U.S. Treasury Bonds                       | 173,670              | -                                | -                   | -                   | 173,670             |
| Governmental National<br>Mortgage         | 3,581                | -                                | 3,581               | -                   | -                   |
| Federal Home Loan<br>Mortgage Corporation | 590,366              | -                                | 481,330             | -                   | 109,036             |
| Federal National Mortgage<br>Association  | 204,138              | -                                | 85,997              | -                   | 118,141             |
| Corporate Bonds                           | 5,034,995            | 238,124                          | 1,346,614           | 2,843,118           | 607,139             |
| State and Local Obligations               | 606,227              | -                                | -                   | 255,319             | 350,908             |
| <b>TOTAL</b>                              | <b>\$ 11,010,595</b> | <b>\$ 1,590,368</b>              | <b>\$ 2,166,643</b> | <b>\$ 5,894,690</b> | <b>\$ 1,358,894</b> |

2. DEPOSITS AND INVESTMENTS (Continued)

c. Police Pension Fund Investments (Continued)

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 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 U.S. government agencies were all rated AAA by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. Unrated investments are listed in the table below.

| Investment Type                 | Par Value | Interest Rate | Maturity Date     |
|---------------------------------|-----------|---------------|-------------------|
| Federal Home Loan Mtg. Corp.    | \$ 63,539 | 3.497%        | May 1, 2036       |
| Federal Home Loan Mtg. Corp.    | 40,352    | 2.518%        | July 1, 2036      |
| Federal National Mortgage Assn. | 21,856    | 4.000%        | October 1, 2013   |
| Federal National Mortgage Assn. | 49,580    | 5.500%        | October 1, 2023   |
| Federal National Mortgage Assn. | 60,408    | 4.000%        | September 1, 2040 |

Certain corporate bonds are guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program and are backed by the full faith and credit of the United States. The details of the FDIC guarantee are provided in the FDIC's regulations, 12 CR Part 370. The expiration date of the FDIC's guarantee is the earlier of the maturity date of the debt or December 31, 2012. The Pension Fund's guaranteed holdings consist of the following:

John Deere Corporate Bond - \$100,343  
Bank of America Corporate Bond - \$50,177

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."

2. DEPOSITS AND INVESTMENTS (Continued)

c. Police 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 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.

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.

d. 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 U.S. Government as to principal and interest; (2) certain U.S. 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

d. Firefighters' Pension Fund Investments (Continued)

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, 2012:

| Investment Type                               | Fair Value   | Investment Maturities (in Years) |              |              |                    |
|-----------------------------------------------|--------------|----------------------------------|--------------|--------------|--------------------|
|                                               |              | Less than<br>1                   | 1-5          | 6-10         | Greater than<br>10 |
| State and Local Obligations                   | \$ 532,194   | \$ -                             | \$ -         | \$ 209,343   | \$ 322,851         |
| U.S. Treasury Notes                           | 4,495,204    | 406,677                          | 1,263,087    | 2,775,284    | 50,156             |
| U.S. Treasury Bonds                           | 401,762      | -                                | -            | -            | 401,762            |
| Governmental National<br>Mortgage Association | 148,850      | -                                | -            | 52,122       | 96,728             |
| Federal Farm Credit Bank                      | 785,085      | -                                | 785,085      | -            | -                  |
| Federal Home Loan<br>Mortgage Corporation     | 100,085      | -                                | 100,085      | -            | -                  |
| Federal Home Loan Bank                        | 409,766      | -                                | 409,766      | -            | -                  |
| Federal National Mortgage<br>Association      | 757,697      | -                                | 665,473      | -            | 92,224             |
| Corporate Bonds                               | 1,857,395    | 87,604                           | 612,674      | 907,821      | 249,296            |
| TOTAL                                         | \$ 9,488,038 | \$ 494,281                       | \$ 3,836,170 | \$ 3,944,570 | \$ 1,213,017       |

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 U.S. government agencies were all rated AAA by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. The unrated investments are listed in the table below.

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

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2. DEPOSITS AND INVESTMENTS (Continued)

d. Firefighters' Pension Fund Investments (Continued)

| Investment Type                 | Par Value | Interest Rate | Maturity Date |
|---------------------------------|-----------|---------------|---------------|
| Federal National Mortgage Assn. | \$ 17,594 | 5.000%        | July 1, 2037  |
| Federal National Mortgage Assn. | 67,278    | 5.000%        | June 1, 2038  |

Certain corporate bonds are guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program and are backed by the full faith and credit of the United States. The details of the FDIC guarantee are provided in the FDIC's regulations, 12 CR Part 370. The expiration date of the FDIC's guarantee is the earlier of the maturity date of the debt or December 31, 2012.

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."

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.

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

3. INTERFUND TRANSACTIONS

Due from/to other funds as of April 30, 2012 are summarized below:

|                             | Due From  | Due To    |
|-----------------------------|-----------|-----------|
| Major Governmental Funds    |           |           |
| General                     | \$ 11,421 | \$ 44,852 |
| Nonmajor Governmental Funds |           |           |
| 911                         | -         | 2,191     |
| Police Forfeiture           | -         | 6,441     |
| Fiduciary Funds             | 44,852    | 2,789     |
| TOTAL                       | \$ 56,273 | \$ 56,273 |

4. CAPITAL ASSETS

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

|                                             | Beginning<br>Balance | Increases  | Decreases  | Ending<br>Balance |
|---------------------------------------------|----------------------|------------|------------|-------------------|
| GOVERNMENTAL ACTIVITIES                     |                      |            |            |                   |
| Capital Assets not Being Depreciated        |                      |            |            |                   |
| Land                                        | \$ 5,373,407         | \$ -       | \$ -       | \$ 5,373,407      |
| Construction in Progress                    | 511,569              | -          | 511,569    | -                 |
| Total Capital Assets not Being Depreciated  | 5,884,976            | -          | 511,569    | 5,373,407         |
| 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                     | 5,663,008            | 182,430    | 38,450     | 5,806,988         |
| Software                                    | 34,910               | -          | -          | 34,910            |
| Infrastructure                              | 36,527,591           | 1,472,080  | -          | 37,999,671        |
| Total Capital Assets Being Depreciated      | 46,862,381           | 1,654,510  | 38,450     | 48,478,441        |
| Less Accumulated Depreciation for           |                      |            |            |                   |
| Land Improvements                           | 314,006              | 628        | -          | 314,634           |
| Buildings                                   | 1,340,492            | 64,756     | -          | 1,405,248         |
| Building Improvements                       | 101,570              | 21,733     | -          | 123,303           |
| Machinery and Equipment                     | 3,195,405            | 351,649    | 33,722     | 3,513,332         |
| Software                                    | 3,491                | 6,982      | -          | 10,473            |
| Infrastructure                              | 19,913,801           | 1,072,175  | -          | 20,985,976        |
| Total Accumulated Depreciation              | 24,868,765           | 1,517,923  | 33,722     | 26,352,966        |
| Total Capital Assets Being Depreciated, Net | 21,993,616           | 136,587    | 4,728      | 22,125,475        |
| GOVERNMENTAL ACTIVITIES                     |                      |            |            |                   |
| CAPITAL ASSETS, NET                         | \$ 27,878,592        | \$ 136,587 | \$ 516,297 | \$ 27,498,882     |

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

4. CAPITAL ASSETS (Continued)

|                                             | Beginning<br>Balance,<br>restated | Increases    | Decreases  | Ending<br>Balance |
|---------------------------------------------|-----------------------------------|--------------|------------|-------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                                   |              |            |                   |
| Capital Assets not Being Depreciated        |                                   |              |            |                   |
| Land                                        | \$ 112,825                        | \$ -         | \$ -       | \$ 112,825        |
| Construction in Progress                    | 299,670                           | 933,394      | 274,670    | 958,394           |
| Total Capital Assets not Being Depreciated  | 412,495                           | 933,394      | 274,670    | 1,071,219         |
| Capital Assets Being Depreciated            |                                   |              |            |                   |
| Land Improvements                           | 38,892                            | -            | -          | 38,892            |
| Buildings                                   | 349,264                           | 346,850      | -          | 696,114           |
| Machinery and Equipment                     | 585,019                           | 61,450       | -          | 646,469           |
| Infrastructure                              | 15,412,819                        | 1,129,447    | -          | 16,542,266        |
| Total Capital Assets Being Depreciated      | 16,385,994                        | 1,537,747    | -          | 17,923,741        |
| Less Accumulated Depreciation for           |                                   |              |            |                   |
| Land Improvements                           | 38,892                            | -            | -          | 38,892            |
| Buildings                                   | 200,093                           | 13,172       | -          | 213,265           |
| Machinery and Equipment                     | 261,776                           | 56,179       | -          | 317,955           |
| Infrastructure                              | 8,336,425                         | 212,456      | -          | 8,548,881         |
| Total Accumulated Depreciation              | 8,837,186                         | 281,807      | -          | 9,118,993         |
| Total Capital Assets Being Depreciated, Net | 7,548,809                         | 1,255,940    | -          | 8,804,748         |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                                   |              |            |                   |
| CAPITAL ASSETS, NET                         | \$ 7,961,304                      | \$ 2,189,334 | \$ 274,670 | \$ 9,875,968      |

Component Unit

|                                        | Beginning<br>Balance | Increases   | Decreases | Ending<br>Balance |
|----------------------------------------|----------------------|-------------|-----------|-------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>         |                      |             |           |                   |
| Capital Assets Being Depreciated       |                      |             |           |                   |
| Land Improvements                      | \$ 42,923            | \$ -        | \$ -      | \$ 42,923         |
| Buildings                              | 1,961,654            | -           | -         | 1,961,654         |
| Machinery and Equipment                | 36,000               | -           | -         | 36,000            |
| Total Capital Assets Being Depreciated | 2,040,577            | -           | -         | 2,040,577         |
| Less Accumulated Depreciation for      |                      |             |           |                   |
| Land Improvements                      | 38,273               | 2,147       | -         | 40,420            |
| Buildings                              | 623,982              | 73,297      | -         | 697,279           |
| Machinery and Equipment                | 33,248               | 1,270       | -         | 34,518            |
| Total Accumulated Depreciation         | 695,503              | 76,714      | -         | 772,217           |
| <b>GOVERNMENTAL ACTIVITIES</b>         |                      |             |           |                   |
| CAPITAL ASSETS, NET                    | \$ 1,345,074         | \$ (76,714) | \$ -      | \$ 1,268,360      |

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

|                    |                |
|--------------------|----------------|
| General Government | \$ 1,234,262   |
| Public Safety      | 41,412         |
| Public Works       | <u>242,249</u> |

|                                                      |                     |
|------------------------------------------------------|---------------------|
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | <u>\$ 1,517,923</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, 2012. Any uncollectible amount is not believed to be material.

|                                                | General             | Motor<br>Fuel Tax | Nonmajor<br>Governmental | Total<br>Statement of<br>Net Assets |
|------------------------------------------------|---------------------|-------------------|--------------------------|-------------------------------------|
| <b>ACCOUNTS RECEIVABLE</b>                     |                     |                   |                          |                                     |
| Photo Enforcement                              | \$ 14,919           | \$ -              | \$ -                     | \$ 14,919                           |
| Ambulance                                      | 18,007              | -                 | -                        | 18,007                              |
| 911 Telecommunication                          | -                   | -                 | 12,162                   | 12,162                              |
| Video Rental Taxes                             | 2,031               | -                 | -                        | 2,031                               |
| Hotel and Motel Taxes                          | -                   | -                 | 11,500                   | 11,500                              |
| Other Accounts                                 | -                   | -                 | 1,623                    | 1,623                               |
| <b>TOTAL ACCOUNTS RECEIVABLE</b>               | <u>\$ 34,957</u>    | <u>\$ -</u>       | <u>\$ 25,285</u>         | <u>\$ 60,242</u>                    |
| <b>OTHER RECEIVABLES</b>                       |                     |                   |                          |                                     |
| Cable Fees                                     | \$ 51,050           | \$ -              | \$ -                     | \$ 51,050                           |
| Places for Eating Tax                          | 14,823              | -                 | -                        | 14,823                              |
| Utility Tax                                    |                     |                   |                          |                                     |
| ComEd                                          | 53,313              | -                 | -                        | 53,313                              |
| Other                                          | 65,574              | -                 | -                        | 65,574                              |
| <b>TOTAL OTHER RECEIVABLES</b>                 | <u>\$ 184,760</u>   | <u>\$ -</u>       | <u>\$ -</u>              | <u>\$ 184,760</u>                   |
| <b>INTERGOVERNMENTAL RECEIVABLES</b>           |                     |                   |                          |                                     |
| Taxes                                          |                     |                   |                          |                                     |
| Income                                         | \$ 453,980          | \$ -              | \$ -                     | \$ 453,980                          |
| Sales                                          | 232,902             | -                 | -                        | 232,902                             |
| Local Use                                      | 59,353              | -                 | -                        | 59,353                              |
| Telecommunications                             | 287,856             | -                 | -                        | 287,856                             |
| 911 Telecommunication                          | -                   | -                 | 39,780                   | 39,780                              |
| Circuit Court                                  | 15,150              | -                 | -                        | 15,150                              |
| Motor Fuel Tax Allotments                      | -                   | 32,456            | -                        | 32,456                              |
| Other                                          | 14,265              | -                 | -                        | 14,265                              |
| <b>TOTAL INTERGOVERNMENTAL<br/>RECEIVABLES</b> | <u>\$ 1,063,506</u> | <u>\$ 32,456</u>  | <u>\$ 39,780</u>         | <u>\$ 1,135,742</u>                 |



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

6. LONG-TERM DEBT

The following is a summary of changes to the Village's long-term debt for the year ended April 30, 2012:

Governmental Activities

|                                                     | Balance<br>May 1,<br>2011 | Additions         | Retirement        | Balance<br>April 30,<br>2012 | Due Within<br>One Year |
|-----------------------------------------------------|---------------------------|-------------------|-------------------|------------------------------|------------------------|
| Debt Certificates<br>Series of 2005                 | \$ 125,000                | \$ -              | \$ 125,000        | \$ -                         | \$ -                   |
| Taxable General Obligation Bonds<br>Series of 2010A | 3,500,000                 | -                 | 110,000           | 3,390,000                    | 135,000                |
| Capital Lease Payable                               | 123,847                   | 48,200            | 96,913            | 75,134                       | 48,123                 |
| Installment Contracts Payable                       | 560,000                   | 69,330            | 75,000            | 554,330                      | 81,101                 |
| Compensated Absences Payable                        | 404,772                   | 425,813           | 404,772           | 425,813                      | 425,813                |
| Benefits Payable                                    | 9,255                     | -                 | 9,255             | -                            | -                      |
| Net Pension Obligation                              | 2,032,482                 | -                 | 6,235             | 2,026,247                    | -                      |
| Unamortized Bond Premium                            | 27,738                    | -                 | 1,440             | 26,298                       | -                      |
| <b>TOTAL GOVERNMENTAL<br/>ACTIVITIES</b>            | <b>\$ 6,783,094</b>       | <b>\$ 543,343</b> | <b>\$ 828,615</b> | <b>\$ 6,497,822</b>          | <b>\$ 690,037</b>      |

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.

Business-Type Activities

|                                                     | Balance<br>May 1,<br>2011 | Additions           | Retirement        | Balance<br>April 30,<br>2012 | Due Within<br>One Year |
|-----------------------------------------------------|---------------------------|---------------------|-------------------|------------------------------|------------------------|
| Taxable General Obligation Bonds<br>Series of 2010B | \$ 1,610,000              | \$ -                | \$ 125,000        | \$ 1,485,000                 | \$ 125,000             |
| Capital Lease Payable                               | 25,053                    | -                   | 25,053            | -                            | -                      |
| Installment Contracts Payable                       | -                         | 61,450              | -                 | 61,450                       | 5,408                  |
| IEPA Loan*                                          | -                         | 950,793             | -                 | 950,793                      | -                      |
| Compensated Absences Payable                        | 35,244                    | 27,898              | 35,244            | 27,898                       | 27,898                 |
| Benefits Payable                                    | 9,902                     | -                   | 8,910             | 992                          | 992                    |
| <b>TOTAL BUSINESS-TYPE<br/>ACTIVITIES</b>           | <b>\$ 1,680,199</b>       | <b>\$ 1,040,141</b> | <b>\$ 194,207</b> | <b>\$ 2,526,133</b>          | <b>\$ 159,298</b>      |

\* The Illinois EPA loan has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2012.

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

6. LONG-TERM DEBT (Continued)

Component Unit

|                              | Balance<br>May 1,<br>2011 | Additions        | Retirement       | Balance<br>April 30,<br>2012 | Due Within<br>One Year |
|------------------------------|---------------------------|------------------|------------------|------------------------------|------------------------|
| Compensated Absences Payable | \$ 45,369                 | \$ 47,621        | \$ 45,369        | \$ 47,621                    | \$ 47,621              |
| Net Pension Obligation       | 15,191                    | 6,768            | -                | 21,959                       | -                      |
| <b>TOTAL COMPONENT UNIT</b>  | <b>\$ 60,560</b>          | <b>\$ 54,389</b> | <b>\$ 45,369</b> | <b>\$ 69,580</b>             | <b>\$ 47,621</b>       |

Long-term obligations outstanding at April 30, 2012 and the remaining principal and interest payments to maturity are as follows:

Taxable General Obligation Bonds (Alternate Revenue Source)

|                                                                                                                                                                                                                                                                                                                                                                                                             | Payable<br>From   | Total               | Due Within<br>One Year |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|------------------------|
| \$3,500,000 Series 2010A, dated May 18, 2010, interest payable June 1 and December 1 of each year at rates of 1.10% to 5.80%. 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<br>Tax | \$ 3,390,000        | \$ 135,000             |
| \$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             | 1,485,000           | 125,000                |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                |                   | <b>\$ 4,875,000</b> | <b>\$ 260,000</b>      |

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

6. LONG-TERM DEBT (Continued)

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

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

| <u>Fiscal Year<br/>Ending<br/>April 30,</u> | <u>Principal</u>    | <u>Interest</u>     |
|---------------------------------------------|---------------------|---------------------|
| 2013                                        | \$ 285,000          | \$ 211,330          |
| 2014                                        | 295,000             | 206,687             |
| 2015                                        | 295,000             | 200,190             |
| 2016                                        | 305,000             | 192,395             |
| 2017                                        | 315,000             | 183,027             |
| 2018                                        | 325,000             | 172,093             |
| 2019                                        | 330,000             | 159,835             |
| 2020                                        | 335,000             | 146,060             |
| 2021                                        | 350,000             | 131,000             |
| 2022                                        | 175,000             | 114,755             |
| 2023                                        | 180,000             | 105,568             |
| 2024                                        | 185,000             | 96,117              |
| 2025                                        | 190,000             | 86,405              |
| 2026                                        | 200,000             | 75,575              |
| 2027                                        | 205,000             | 64,175              |
| 2028                                        | 215,000             | 52,490              |
| 2029                                        | 220,000             | 40,020              |
| 2030                                        | 230,000             | 27,260              |
| 2031                                        | 240,000             | 13,920              |
| TOTAL                                       | <u>\$ 4,875,000</u> | <u>\$ 2,278,902</u> |

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

Capital Leases

|                                                                          | <u>Payable<br/>From</u> | <u>Total</u>     | <u>Due Within<br/>One Year</u> |
|--------------------------------------------------------------------------|-------------------------|------------------|--------------------------------|
| Dated June 12, 2008, principal and interest payable monthly at 4.19%     | General                 | \$ 50,971        | \$ 23,960                      |
| Dated July 7, 2011, principal and interest payable semiannually at 3.40% | General                 | 24,163           | 24,163                         |
| TOTAL                                                                    |                         | <u>\$ 75,134</u> | <u>\$ 48,123</u>               |

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

6. LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Related equipment net of accumulated depreciation for the year ended April 30, 2012 was \$621,921.

Future principal and interest requirements applicable to the capital leases are:

| Fiscal Year<br>Ending<br>April 30, | Principal | Interest |
|------------------------------------|-----------|----------|
| 2013                               | \$ 48,123 | \$ 5,004 |
| 2014                               | 27,011    | 1,092    |
| TOTAL                              | \$ 75,134 | \$ 6,096 |

Installment Contract

|                                                                            | Payable<br>From | Total      | Due Within<br>One Year |
|----------------------------------------------------------------------------|-----------------|------------|------------------------|
| Dated April 6, 2010, principal and interest payable annually at 4.35%      | General         | \$ 140,000 | \$ 45,000              |
| Dated July 21, 2010, principal and interest payable semiannually at 4.00%  | General         | 345,000    | 30,000                 |
| Dated March 29, 2012, principal and interest payable semiannually at 2.66% | General         | 69,330     | 6,101                  |
| Dated March 29, 2012, principal and interest payable semiannually at 2.66% | Water           | 61,450     | 5,408                  |
| TOTAL                                                                      |                 | \$ 615,780 | \$ 86,509              |

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

6. LONG-TERM DEBT (Continued)

Installment Contract (Continued)

| Fiscal Year<br>Ending<br>April 30, | Principal  | Interest  | Total      |
|------------------------------------|------------|-----------|------------|
| 2013                               | \$ 86,509  | \$ 22,531 | \$ 109,040 |
| 2014                               | 105,292    | 19,737    | 125,029    |
| 2015                               | 110,970    | 15,703    | 126,673    |
| 2016                               | 61,665     | 11,433    | 73,098     |
| 2017                               | 67,380     | 9,319     | 76,699     |
| 2018                               | 53,964     | 6,985     | 60,949     |
| 2019                               | 40,000     | 5,200     | 45,200     |
| 2020                               | 45,000     | 3,600     | 48,600     |
| 2021                               | 45,000     | 1,800     | 46,800     |
| TOTAL                              | \$ 615,780 | \$ 96,308 | \$ 712,088 |

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

Legal Debt Margin

|                                                 |                       |
|-------------------------------------------------|-----------------------|
| Assessed Value - 2010 (latest available)        | <u>\$ 670,014,859</u> |
| Legal debt limit - 8.625% of assessed valuation | \$ 57,788,782         |
| Amount of debt applicable to debt limit         | <u>-</u>              |
| LEGAL DEBT MARGIN                               | <u>\$ 57,788,782</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."

## 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 and Firefighters' Pension Plans issue separate reports which may be obtained from the Village at 10300 Roosevelt Rd., Westchester, IL 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

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

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

IMRF also provides death and disability benefits. These benefit provisions and all 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 for the previous calendar year ended 2011 was 9.78% of covered payroll.

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, 2011 (date of latest actuarial valuation), the Police Pension Plan membership consisted of:

|                                                                                                                                        |       |
|----------------------------------------------------------------------------------------------------------------------------------------|-------|
| Retirees and Beneficiaries Currently Receiving Benefits<br>and Terminated Employees Entitled to Benefits but not<br>yet Receiving Them | 28    |
| Current Employees                                                                                                                      |       |
| Vested                                                                                                                                 | 22    |
| Nonvested                                                                                                                              | 11    |
|                                                                                                                                        | <hr/> |
| TOTAL                                                                                                                                  | 61    |
|                                                                                                                                        | <hr/> |

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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% 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 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 1<sup>st</sup> 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 3.00% 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, 2012, the Village's contribution was 41.04% 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, 2011 (date of latest actuarial valuation), the Firefighter's Pension Plan membership consisted of:

|                                                                                                                                        |       |
|----------------------------------------------------------------------------------------------------------------------------------------|-------|
| Retirees and Beneficiaries Currently Receiving Benefits<br>and Terminated Employees Entitled to Benefits but not<br>yet Receiving Them | 25    |
| Current Employees                                                                                                                      |       |
| Vested                                                                                                                                 | 19    |
| Nonvested                                                                                                                              | 10    |
|                                                                                                                                        | <hr/> |
| TOTAL                                                                                                                                  | 54    |
|                                                                                                                                        | <hr/> |



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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% 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  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or  $\frac{1}{2}$  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, 2012, the Village's contribution was 38.63% 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 U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for the IMRF is not available.

c. Annual Pension Costs

Employer contributions have been determined as follows:

|                                                                  | Illinois<br>Municipal<br>Retirement | Police<br>Pension               | Firefighters'<br>Pension        |
|------------------------------------------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| Actuarial Valuation Date                                         | December 31,<br>2009                | April 30,<br>2011               | April 30,<br>2011               |
| Actuarial Cost Method                                            | Entry-age<br>Normal                 | Entry-age<br>Normal             | Entry-age<br>Normal             |
| Asset Valuation Method                                           | 5 Year Smoothed<br>Market           | 5 Year Smoothed<br>Market       | 5 Year Smoothed<br>Market       |
| Amortization Method                                              | Level Percentage<br>of Payroll      | Level Percentage<br>of Payroll  | Level Percentage<br>of Payroll  |
| Amortization Period                                              | 30 Years,<br>Open                   | 21 Years,<br>Closed             | 21 Years,<br>Closed             |
| Significant Actuarial Assumptions                                |                                     |                                 |                                 |
| a) Rate of Return on Present<br>and Future Assets                | 7.50%<br>Compounded<br>Annually     | 7.00%<br>Compounded<br>Annually | 7.00%<br>Compounded<br>Annually |
| b) Projected Salary Increase -<br>Attributable to Inflation      | 4.00%<br>Compounded<br>Annually     | 2.50%<br>Compounded<br>Annually | 2.50%<br>Compounded<br>Annually |
| c) Additional Projected<br>Salary Increases -<br>Seniority/Merit | .40% to 10.00%                      | 1.12% to 4.86%                  | 1.12% to 4.86%                  |

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<br>Fiscal<br>Year | Illinois<br>Municipal<br>Retirement* | Police<br>Pension | Firefighters'<br>Pension |
|-------------------------------|-----------------------|--------------------------------------|-------------------|--------------------------|
| Annual Pension Cost (APC)     | 2010                  | \$ 270,159                           | \$ 737,844        | \$ 655,094               |
|                               | 2011                  | 366,200                              | 793,899           | 670,612                  |
|                               | 2012                  | 377,122                              | 986,937           | 738,782                  |
| Actual Contribution           | 2010                  | \$ 250,319                           | \$ 493,351        | \$ 427,938               |
|                               | 2011                  | 293,880                              | 604,014           | 544,348                  |
|                               | 2012                  | 331,059                              | 986,248           | 785,360                  |
| Percentage of APC Contributed | 2010                  | 92.66%                               | 66.86%            | 65.32%                   |
|                               | 2011                  | 80.25%                               | 76.08%            | 81.17%                   |
|                               | 2012                  | 87.79%                               | 99.93%            | 106.30%                  |
| NPO                           | 2010                  | \$ 19,840                            | \$ 947,905        | \$ 691,459               |
|                               | 2011                  | 92,160                               | 1,137,790         | 817,723                  |
|                               | 2012                  | 138,222                              | 1,138,479         | 771,145                  |

The NPO (asset) has been calculated as follows:

|                                             | Illinois<br>Municipal<br>Retirement* | Police<br>Pension | Firefighters'<br>Pension |
|---------------------------------------------|--------------------------------------|-------------------|--------------------------|
| Annual Required Contribution                | \$ 375,149                           | \$ 964,553        | \$ 722,454               |
| Interest on Net Pension Obligation          | 6,912                                | 80,596            | 57,941                   |
| Adjustment to Annual Required Contributions | (4,940)                              | (58,212)          | (41,613)                 |
| Annual Pension Cost                         | 377,121                              | 986,937           | 738,782                  |
| Contributions Made                          | 331,059                              | 986,248           | 785,360                  |
| Increase in Net Pension Obligation          | 46,062                               | 689               | (46,578)                 |
| Net Pension Obligation, Beginning of Year   | 92,160                               | 1,137,790         | 817,723                  |
| NET PENSION OBLIGATION,<br>END OF YEAR      | \$ 138,222                           | \$ 1,138,479      | \$ 771,145               |

\*Includes the Westchester Public Library NPO of \$21,959.

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, 2012 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 7c:

|                                                   | Illinois<br>Municipal<br>Retirement | Police<br>Pension | Firefighters'<br>Pension |
|---------------------------------------------------|-------------------------------------|-------------------|--------------------------|
| Actuarial Valuation Date                          | December 31,<br>2011                | April 30,<br>2011 | April 30,<br>2011        |
| Actuarial Accrued Liability (AAL)                 | \$ 8,177,603                        | \$ 32,563,610     | \$ 24,520,169            |
| Actuarial Value of Plan Assets                    | 5,339,856                           | 23,678,017        | 19,165,515               |
| Unfunded Actuarial Accrued Liability (UAAL)       | 2,837,747                           | 8,885,593         | 5,354,654                |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 65.30%                              | 72.71%            | 78.16%                   |
| Covered Payroll (Active Plan Members)             | \$ 2,924,992                        | \$ 2,403,142      | \$ 2,033,167             |
| UAAL as a Percentage of Covered Payroll           | 97.02%                              | 369.75%           | 263.37%                  |

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

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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

Membership

At April 30, 2012, membership consisted of:

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

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, 2012, retirees contributed \$213,888 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)

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, 2010, 2011 and 2012 was as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Employer<br>Contributions | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------------|------------------------|---------------------------|--------------------------------------------------|------------------------|
| April 30, 2010          | \$ 40,504              | \$ 41,994                 | 103.7%                                           | \$ (1,920)             |
| April 30, 2011          | 40,480                 | 41,994                    | 103.7%                                           | (3,434)                |
| April 30, 2012          | 40,489                 | 41,994                    | 103.7%                                           | (4,939)                |

The net OPEB obligation (NOPEBO) as of April 30, 2012, was calculated as follows:

|                                            |                   |
|--------------------------------------------|-------------------|
| Annual Required Contribution               | \$ 40,512         |
| Interest on Net OPEB Obligation            | (137)             |
| Adjustment to Annual Required Contribution | 114               |
| Annual OPEB Cost                           | 40,489            |
| Contributions Made                         | 41,994            |
| Increase in Net OPEB Obligation            | (1,505)           |
| Net OPEB Obligation, Beginning of Year     | (3,434)           |
| NET OPEB OBLIGATION, END OF YEAR           | <u>\$ (4,939)</u> |

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2012 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%       |

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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

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, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), an initial annual healthcare cost trend rate of 8.00% and an ultimate healthcare cost trend rate of 6.00%. All three rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open, 30 year basis.

11. PRIOR PERIOD ADJUSTMENT

The Village recorded a prior period adjustment in the amount of \$122,414 in the Enterprise Fund to record capital asset acquisitions in the correct period.



## **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, 2012

|                                                      | Original<br>Budget | Final<br>Budget | Actual       | Variance<br>Over<br>(Under) |
|------------------------------------------------------|--------------------|-----------------|--------------|-----------------------------|
| <b>REVENUES</b>                                      |                    |                 |              |                             |
| Property Taxes                                       | \$ 5,584,200       | \$ 5,679,200    | \$ 5,711,343 | \$ 32,143                   |
| Other Local Taxes                                    | 2,168,500          | 2,168,500       | 2,225,247    | 56,747                      |
| Intergovernmental                                    | 2,615,005          | 2,679,055       | 2,829,941    | 150,886                     |
| Licenses and Permits                                 | 811,460            | 843,460         | 964,003      | 120,543                     |
| Charges for Services                                 | 460,600            | 475,600         | 449,872      | (25,728)                    |
| Fines and Forfeitures                                | 663,500            | 663,500         | 533,889      | (129,611)                   |
| Rental Income                                        | 170,000            | 170,000         | 175,974      | 5,974                       |
| Investment Income                                    | 10,000             | 10,000          | 10,648       | 648                         |
| Miscellaneous                                        | 288,800            | 288,800         | 302,026      | 13,226                      |
| Total Revenues                                       | 12,772,065         | 12,978,115      | 13,202,943   | 224,828                     |
| <b>EXPENDITURES</b>                                  |                    |                 |              |                             |
| Current                                              |                    |                 |              |                             |
| General Government                                   | 1,633,134          | 1,650,657       | 1,661,707    | 11,050                      |
| Building Department                                  | 517,510            | 520,510         | 477,844      | (42,666)                    |
| Fire and Police Commission                           | 13,900             | 16,400          | 31,835       | 15,435                      |
| Police 911                                           | 653,215            | 653,703         | 683,060      | 29,357                      |
| Police Department                                    | 5,012,980          | 5,080,843       | 4,989,429    | (91,414)                    |
| Civil Defense                                        | 5,000              | 7,000           | 6,428        | (572)                       |
| Fire Department                                      | 3,859,018          | 3,911,959       | 3,855,189    | (56,770)                    |
| Public Works                                         | 1,515,326          | 1,713,720       | 1,858,679    | 144,959                     |
| Debt Service                                         |                    |                 |              |                             |
| Principal                                            | 257,019            | 305,013         | 288,318      | (16,695)                    |
| Interest and Fiscal Charges                          | 27,722             | 29,713          | 28,220       | (1,493)                     |
| Total Expenditures                                   | 13,494,824         | 13,889,518      | 13,880,709   | (8,809)                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (722,759)          | (911,403)       | (677,766)    | 233,637                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                    |                 |              |                             |
| Installment Contracts Issued                         | 25,000             | 48,200          | 117,530      | 69,330                      |
| Sale of Capital Assets                               | 20,000             | 20,000          | 16,714       | (3,286)                     |
| Total Other Financing Sources (Uses)                 | 45,000             | 68,200          | 134,244      | 66,044                      |
| NET CHANGE IN FUND BALANCE                           | \$ (677,759)       | \$ (843,203)    | (543,522)    | \$ 299,681                  |
| FUND BALANCE, MAY 1                                  |                    |                 | 4,927,609    |                             |
| FUND BALANCE, APRIL 30                               |                    |                 | \$ 4,384,087 |                             |

(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, 2012

|                             | Original<br>Budget    | Final<br>Budget       | Actual            | Variance<br>Over<br>(Under) |
|-----------------------------|-----------------------|-----------------------|-------------------|-----------------------------|
| REVENUES                    |                       |                       |                   |                             |
| Intergovernmental           |                       |                       |                   |                             |
| State Allotments            | \$ 850,979            | \$ 850,979            | \$ 885,306        | \$ 34,327                   |
| Investment Income           | 500                   | 500                   | 1,064             | 564                         |
| Total Revenues              | 851,479               | 851,479               | 886,370           | 34,891                      |
| EXPENDITURES                |                       |                       |                   |                             |
| Current                     |                       |                       |                   |                             |
| Public Works                | 1,636,000             | 1,636,000             | 1,115,579         | (520,421)                   |
| Debt Service                |                       |                       |                   |                             |
| Principal                   | 110,000               | 110,000               | 110,000           | -                           |
| Interest and Fiscal Charges | 162,848               | 162,848               | 162,848           | -                           |
| Total Expenditures          | 1,908,848             | 1,908,848             | 1,388,427         | (520,421)                   |
| NET CHANGE IN FUND BALANCE  | <u>\$ (1,057,369)</u> | <u>\$ (1,057,369)</u> | (502,057)         | <u>\$ 555,312</u>           |
| FUND BALANCE, MAY 1         |                       |                       | <u>1,046,943</u>  |                             |
| FUND BALANCE, APRIL 30      |                       |                       | <u>\$ 544,886</u> |                             |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2012

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date<br>December 31, | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry-Age | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>(Overfunded)<br>AAL<br>(UAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | UAAL<br>(OAAL)<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) / (5) |
|------------------------------------------------|----------------------------------------|----------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------|
| 2006                                           | \$ 6,971,959                           | \$ 7,003,378                                                   | 99.55%                              | \$ 31,419                                                     | \$ 2,886,966              | 1.09%                                                                      |
| 2007                                           | 7,027,123                              | 7,315,061                                                      | 96.06%                              | 287,938                                                       | 2,882,858                 | 9.99%                                                                      |
| 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%                                                                     |

Schedule of Employer Contributions

| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contribution<br>(ARC) | Percentage<br>Contributed |
|----------------|---------------------------|---------------------------------------------|---------------------------|
| 2007           | \$ 268,776                | \$ 268,776                                  | 100.00%                   |
| 2008           | 257,439                   | 257,439                                     | 100.00%                   |
| 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%                    |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
POLICE PENSION FUND

April 30, 2012

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date<br>April 30, | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry-Age | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>AAL<br>(UAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | UAAL<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) / (5) |
|---------------------------------------------|----------------------------------------|----------------------------------------------------------------|-------------------------------------|-----------------------------------------------|---------------------------|------------------------------------------------------------------|
| 2006                                        | \$ 20,336,480                          | \$ 25,819,248                                                  | 78.76%                              | \$ 5,482,768                                  | \$ 2,312,018              | 237.14%                                                          |
| 2007                                        | 21,384,336                             | 26,557,181                                                     | 80.52%                              | 5,172,845                                     | 2,405,522                 | 215.04%                                                          |
| 2008                                        | 21,764,400                             | 27,883,396                                                     | 78.06%                              | 6,118,996                                     | 2,544,599                 | 240.47%                                                          |
| 2009                                        | 22,762,785                             | 29,581,746                                                     | 76.95%                              | 6,818,961                                     | 2,421,004                 | 281.66%                                                          |
| 2010                                        | N/A                                    | N/A                                                            | N/A                                 | N/A                                           | N/A                       | N/A                                                              |
| 2011                                        | 23,678,017                             | 32,563,610                                                     | 72.71%                              | 8,885,593                                     | 2,403,142                 | 369.75%                                                          |

N/A - actuarial valuation not available

Schedule of Employer Contributions

| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contribution<br>(ARC) | Percentage<br>Contributed |
|----------------|---------------------------|---------------------------------------------|---------------------------|
| 2007           | \$ 395,620                | \$ 573,012                                  | 69.04%                    |
| 2008           | 423,379                   | 539,741                                     | 78.44%                    |
| 2009           | 440,058                   | 806,898                                     | 54.54%                    |
| 2010           | 493,351                   | 730,749                                     | 67.51%                    |
| 2011           | 604,014                   | 795,610                                     | 75.92%                    |
| 2012           | 986,248                   | 964,553                                     | 102.25%                   |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
FIREFIGHTERS' PENSION FUND

April 30, 2012

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date<br>April 30, | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry-Age | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>AAL<br>(UAAL)<br>(2) - (1) | (5)<br>Covered<br>Payroll | UAAL<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(4) / (5) |
|---------------------------------------------|----------------------------------------|----------------------------------------------------------------|-------------------------------------|-----------------------------------------------|---------------------------|------------------------------------------------------------------|
| 2006                                        | \$ 16,025,485                          | \$ 19,471,213                                                  | 82.30%                              | \$ 3,445,728                                  | \$ 1,771,066              | 194.56%                                                          |
| 2007                                        | 16,944,937                             | 20,979,416                                                     | 80.77%                              | 4,034,479                                     | 1,770,519                 | 227.87%                                                          |
| 2008                                        | 17,203,916                             | 22,200,041                                                     | 77.49%                              | 4,996,125                                     | 1,898,925                 | 263.10%                                                          |
| 2009                                        | 18,215,123                             | 22,871,035                                                     | 79.64%                              | 4,655,912                                     | 2,047,417                 | 227.40%                                                          |
| 2010                                        | N/A                                    | N/A                                                            | N/A                                 | N/A                                           | N/A                       | N/A                                                              |
| 2011                                        | 19,165,515                             | 24,520,169                                                     | 78.16%                              | 5,354,654                                     | 2,033,167                 | 263.37%                                                          |

N/A - actuarial valuation not available

Schedule of Employer Contributions

| Fiscal<br>Year | Employer<br>Contributions | Annual<br>Required<br>Contribution<br>(ARC) | Percentage<br>Contributed |
|----------------|---------------------------|---------------------------------------------|---------------------------|
| 2007           | \$ 362,823                | \$ 449,735                                  | 80.67%                    |
| 2008           | 372,040                   | 475,679                                     | 78.21%                    |
| 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%                   |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2012

Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date<br>April 30, | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry-Age<br>Normal | (3)<br>Funded<br>Ratio<br>(1) / (2) | (4)<br>Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(UAAL)<br>(2) - (1) | (5)<br>Active<br>Members<br>Covered<br>Payroll | (6)<br>UAAL<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(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%                                                                  |

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

Schedule of Employer Contributions

| Year Ended<br>April 30, | Employer<br>Contributions | Annual<br>Required<br>Contribution<br>(ARC) | Percentage<br>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%                   |

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available.

(See independent auditor's report.)

## VILLAGE OF WESTCHESTER, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

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#### BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles except for the inception of capital leases. Annual appropriated budgets are adopted for the General, Motor Fuel Tax, 911, Hotel/Motel Tax, Public Library, Water, Police Pension and Firefighters' Pension 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 three budget amendments during the year.



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

**NONMAJOR GOVERNMENTAL FUNDS**

VILLAGE OF WESTCHESTER, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2012

|                                                | Special Revenue  |                   |                   | Total             |
|------------------------------------------------|------------------|-------------------|-------------------|-------------------|
|                                                | Police           | 911               | Hotel/            | Nonmajor          |
|                                                | Forfeiture       | Fund              | Motel Tax         | Governmental      |
|                                                | Fund             | Fund              | Fund              | Funds             |
| <b>ASSETS</b>                                  |                  |                   |                   |                   |
| Cash and Cash Equivalents                      | \$ 83,393        | \$ 303,840        | \$ 89,112         | \$ 476,345        |
| Receivables                                    |                  |                   |                   |                   |
| Intergovernmental                              | -                | 39,780            | -                 | 39,780            |
| Accounts                                       | 1,623            | 12,162            | 11,500            | 25,285            |
| <b>TOTAL ASSETS</b>                            | <b>\$ 85,016</b> | <b>\$ 355,782</b> | <b>\$ 100,612</b> | <b>\$ 541,410</b> |
| <b>LIABILITIES AND FUND BALANCES</b>           |                  |                   |                   |                   |
| <b>LIABILITIES</b>                             |                  |                   |                   |                   |
| Accounts Payable                               | \$ -             | \$ 13,499         | \$ 5,500          | \$ 18,999         |
| Accrued Payroll                                | -                | 1,180             | -                 | 1,180             |
| Due to Other Funds                             | 6,441            | 2,191             | -                 | 8,632             |
| <b>Total Liabilities</b>                       | <b>6,441</b>     | <b>16,870</b>     | <b>5,500</b>      | <b>28,811</b>     |
| <b>FUND BALANCES</b>                           |                  |                   |                   |                   |
| Restricted for Public Safety                   | 78,575           | 338,912           | -                 | 417,487           |
| Restricted for Tourism                         | -                | -                 | 95,112            | 95,112            |
| <b>Total Fund Balances</b>                     | <b>78,575</b>    | <b>338,912</b>    | <b>95,112</b>     | <b>512,599</b>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 85,016</b> | <b>\$ 355,782</b> | <b>\$ 100,612</b> | <b>\$ 541,410</b> |

(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, 2012

|                             | Special Revenue              |             |                             | Total                             |
|-----------------------------|------------------------------|-------------|-----------------------------|-----------------------------------|
|                             | Police<br>Forfeiture<br>Fund | 911<br>Fund | Hotel/<br>Motel Tax<br>Fund | Nonmajor<br>Governmental<br>Funds |
| REVENUES                    |                              |             |                             |                                   |
| Other Local Taxes           | \$ -                         | \$ 140,006  | \$ 143,876                  | \$ 283,882                        |
| Charges for Services        | -                            | 20,918      | -                           | 20,918                            |
| Intergovernmental           | 4,862                        | 123,249     | -                           | 128,111                           |
| Investment Income           | 61                           | 2,615       | -                           | 2,676                             |
| Reimbursements              | -                            | -           | 6,000                       | 6,000                             |
| Miscellaneous               | 1,000                        | -           | -                           | 1,000                             |
| Total Revenues              | 5,923                        | 286,788     | 149,876                     | 442,587                           |
| EXPENDITURES                |                              |             |                             |                                   |
| Current                     |                              |             |                             |                                   |
| Police Department           | 22,590                       | -           | -                           | 22,590                            |
| Tourism                     | -                            | -           | 145,190                     | 145,190                           |
| Police 911                  | -                            | 277,815     | -                           | 277,815                           |
| Total Expenditures          | 22,590                       | 277,815     | 145,190                     | 445,595                           |
| NET CHANGE IN FUND BALANCES | (16,667)                     | 8,973       | 4,686                       | (3,008)                           |
| FUND BALANCES, MAY 1        | 95,242                       | 329,939     | 90,426                      | 515,607                           |
| FUND BALANCES, APRIL 30     | \$ 78,575                    | \$ 338,912  | \$ 95,112                   | \$ 512,599                        |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
POLICE FORFEITURE FUND

For the Year Ended April 30, 2012

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|                            |                         |
|----------------------------|-------------------------|
| REVENUES                   |                         |
| Intergovernmental          | \$ 4,862                |
| Investment Income          | 61                      |
| Miscellaneous              | <u>1,000</u>            |
| Total Revenues             | <u>5,923</u>            |
| EXPENDITURES               |                         |
| Police Department          | <u>22,590</u>           |
| Total Expenditures         | <u>22,590</u>           |
| NET CHANGE IN FUND BALANCE | <u>(16,667)</u>         |
| FUND BALANCE, MAY 1        | 95,242                  |
| FUND BALANCE, APRIL 30     | <u><u>\$ 78,575</u></u> |

(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, 2012

|                            | Original<br>Budget | Final<br>Budget     | Actual            | Variance<br>Over<br>(Under) |
|----------------------------|--------------------|---------------------|-------------------|-----------------------------|
| <b>REVENUES</b>            |                    |                     |                   |                             |
| Other Local Taxes          | \$ 140,000         | \$ 140,000          | \$ 140,006        | \$ 6                        |
| Charges for Services       | 32,000             | -                   | 20,918            | 20,918                      |
| Intergovernmental          | 90,000             | 90,000              | 123,249           | 33,249                      |
| Investment Income          | 200                | 200                 | 2,615             | 2,415                       |
| Total Revenues             | 262,200            | 230,200             | 286,788           | 56,588                      |
| <b>EXPENDITURES</b>        |                    |                     |                   |                             |
| Current                    |                    |                     |                   |                             |
| Police 911                 | 335,515            | 335,515             | 277,815           | (57,700)                    |
| Total Expenditures         | 335,515            | 335,515             | 277,815           | (57,700)                    |
| NET CHANGE IN FUND BALANCE | <u>\$ (73,315)</u> | <u>\$ (105,315)</u> | 8,973             | <u>\$ 114,288</u>           |
| FUND BALANCE, MAY 1        |                    |                     | <u>329,939</u>    |                             |
| FUND BALANCE, APRIL 30     |                    |                     | <u>\$ 338,912</u> |                             |

(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, 2012

|                            | Original<br>Budget | Final<br>Budget    | Actual           | Variance<br>Over<br>(Under) |
|----------------------------|--------------------|--------------------|------------------|-----------------------------|
| REVENUES                   |                    |                    |                  |                             |
| Other Local Taxes          | \$ 125,000         | \$ 125,000         | \$ 143,876       | \$ 18,876                   |
| Reimbursements             | 16,000             | 16,000             | 6,000            | (10,000)                    |
| Investment Income          | 50                 | 50                 | -                | (50)                        |
| Total Revenues             | 141,050            | 141,050            | 149,876          | 8,826                       |
| EXPENDITURES               |                    |                    |                  |                             |
| Current                    |                    |                    |                  |                             |
| Tourism                    | 154,210            | 154,210            | 145,190          | (9,020)                     |
| Total Expenditures         | 154,210            | 154,210            | 145,190          | (9,020)                     |
| NET CHANGE IN FUND BALANCE | <u>\$ (13,160)</u> | <u>\$ (13,160)</u> | 4,686            | <u>\$ 17,846</u>            |
| FUND BALANCE, MAY 1        |                    |                    | <u>90,426</u>    |                             |
| FUND BALANCE, APRIL 30     |                    |                    | <u>\$ 95,112</u> |                             |

(See independent auditor's report.)

## **FIDUCIARY FUNDS**



VILLAGE OF WESTCHESTER, ILLINOIS  
COMBINING STATEMENT OF NET ASSETS  
PENSION TRUST FUNDS

April 30, 2012

|                                                                          | Pension Trust     |                          |               |
|--------------------------------------------------------------------------|-------------------|--------------------------|---------------|
|                                                                          | Police<br>Pension | Firefighters'<br>Pension | Total         |
| <b>ASSETS</b>                                                            |                   |                          |               |
| Cash and Cash Equivalents                                                | \$ 530,519        | \$ 324,313               | \$ 854,832    |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles) |                   |                          |               |
| Accrued Interest                                                         | 95,184            | 56,940                   | 152,124       |
| Investments                                                              |                   |                          |               |
| U.S. Government Obligations                                              | 4,571,288         | 4,896,966                | 9,468,254     |
| U.S. Agency Obligations                                                  | 798,085           | 2,201,483                | 2,999,568     |
| State and Local Obligations                                              | 606,227           | 532,194                  | 1,138,421     |
| Corporate Bonds                                                          | 5,034,995         | 1,857,395                | 6,892,390     |
| Equity Securities                                                        | 3,139,322         | 1,791,274                | 4,930,596     |
| Mutual Funds                                                             | 7,497,506         | 5,754,727                | 13,252,233    |
| Insurance Company Contracts                                              | -                 | 5,979                    | 5,979         |
| Money Market Mutual Funds                                                | 506,338           | 647,481                  | 1,153,819     |
| Prepaid Items                                                            | 8,435             | 4,205                    | 12,640        |
| Due from Village                                                         | 29,588            | 15,264                   | 44,852        |
| Total Assets                                                             | 22,817,487        | 18,088,221               | 40,905,708    |
| <b>LIABILITIES</b>                                                       |                   |                          |               |
| Accounts Payable                                                         | 6,584             | 8,117                    | 14,701        |
| Total Liabilities                                                        | 6,584             | 8,117                    | 14,701        |
| <b>NET ASSETS HELD IN TRUST FOR<br/>PENSION BENEFITS</b>                 |                   |                          |               |
|                                                                          | \$ 22,810,903     | \$ 18,080,104            | \$ 40,891,007 |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET ASSETS  
PENSION TRUST FUNDS

For the Year Ended April 30, 2012

|                                                          | Pension Trust     |                          |               |
|----------------------------------------------------------|-------------------|--------------------------|---------------|
|                                                          | Police<br>Pension | Firefighters'<br>Pension | Total         |
| <b>ADDITIONS</b>                                         |                   |                          |               |
| Contributions                                            |                   |                          |               |
| Employer Contributions                                   | \$ 984,563        | \$ 784,477               | \$ 1,769,040  |
| Plan Members                                             | 252,549           | 199,926                  | 452,475       |
| Total Contributions                                      | 1,237,112         | 984,403                  | 2,221,515     |
| Investment Income                                        |                   |                          |               |
| Net Appreciation in Fair Value<br>of Investments         | 226,093           | (286,208)                | (60,115)      |
| Interest                                                 | 593,514           | 369,822                  | 963,336       |
| Total Investment Income                                  | 819,607           | 83,614                   | 903,221       |
| Less Investment Expense                                  | (89,324)          | (84,810)                 | (174,134)     |
| Net Investment Income                                    | 730,283           | (1,196)                  | 729,087       |
| Total Additions                                          | 1,967,395         | 983,207                  | 2,950,602     |
| <b>DEDUCTIONS</b>                                        |                   |                          |               |
| Retirement Benefits and Refunds                          | 1,520,324         | 1,053,890                | 2,574,214     |
| Administrative Expenses                                  | 49,044            | 25,677                   | 74,721        |
| Total Deductions                                         | 1,569,368         | 1,079,567                | 2,648,935     |
| NET INCREASE                                             | 398,027           | (96,360)                 | 301,667       |
| <b>NET ASSETS HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                   |                          |               |
| May 1                                                    | 22,412,876        | 18,176,464               | 40,589,340    |
| April 30                                                 | \$ 22,810,903     | \$ 18,080,104            | \$ 40,891,007 |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the Year Ended April 30, 2012

|                             | Balance<br>May 1  | Additions         | Deletions         | Balance<br>April 30 |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|
| <b>REFUNDABLE DEPOSITS</b>  |                   |                   |                   |                     |
| <b>ASSETS</b>               |                   |                   |                   |                     |
| Cash                        | \$ 32,889         | \$ 189,321        | \$ 215,507        | \$ 6,703            |
| Investments                 | 448,044           | 232,082           | 200,055           | 480,071             |
| Accrued Interest Receivable | 817               | -                 | -                 | 817                 |
| <b>TOTAL ASSETS</b>         | <b>\$ 481,750</b> | <b>\$ 421,403</b> | <b>\$ 415,562</b> | <b>\$ 487,591</b>   |
| <b>LIABILITIES</b>          |                   |                   |                   |                     |
| Due to Other Funds          | \$ 2,705          | \$ 2,789          | \$ 2,705          | \$ 2,789            |
| Due to Others               | 479,045           | 148,440           | 142,683           | 484,802             |
| <b>TOTAL LIABILITIES</b>    | <b>\$ 481,750</b> | <b>\$ 151,229</b> | <b>\$ 145,388</b> | <b>\$ 487,591</b>   |

(See independent auditor's report.)

## **DISCRETELY PRESENTED COMPONENT UNIT**

VILLAGE OF WESTCHESTER, ILLINOIS

BALANCE SHEET

WESTCHESTER PUBLIC LIBRARY

April 30, 2012

|                                        | <u>General<br/>Fund</u>    |
|----------------------------------------|----------------------------|
| ASSETS                                 |                            |
| Cash                                   | \$ 740,828                 |
| Investments                            | 746,505                    |
| Receivables                            |                            |
| Property Taxes                         | 585,046                    |
| Intergovernmental                      | 17,144                     |
| Other                                  | 5,406                      |
| Prepaid Items                          | <u>4,747</u>               |
| TOTAL ASSETS                           | <u><u>\$ 2,099,676</u></u> |
| LIABILITIES AND FUND BALANCE           |                            |
| LIABILITIES                            |                            |
| Accounts Payable                       | \$ 3,141                   |
| Accrued Payroll                        | 3,555                      |
| Deferred Revenue                       | <u>585,046</u>             |
| Total Liabilities                      | <u>591,742</u>             |
| FUND BALANCE                           |                            |
| Nonspendable in form - prepaid items   | 4,747                      |
| Unrestricted                           |                            |
| Assigned for Working Cash              | 126,574                    |
| Assigned for Capital Purposes          | 711,605                    |
| Unassigned                             | <u>665,008</u>             |
| Total Fund Balance                     | <u>1,507,934</u>           |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u><u>\$ 2,099,676</u></u> |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

RECONCILIATION OF COMPONENT UNIT FUND BALANCE TO THE  
COMPONENT UNIT STATEMENT OF NET ASSETS

WESTCHESTER PUBLIC LIBRARY

April 30, 2012

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|                                     |              |
|-------------------------------------|--------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 1,507,934 |
|-------------------------------------|--------------|

Amounts reported for governmental activities in the  
statement of net assets are different because:

|                                                                                                                                             |           |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Capital assets used in governmental activities are<br>not financial resources and, therefore, are not<br>reported in the governmental funds | 1,268,360 |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|

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

|                              |                 |
|------------------------------|-----------------|
| Compensated absences payable | (47,621)        |
| Net pension obligation       | <u>(21,959)</u> |

|                                       |                            |
|---------------------------------------|----------------------------|
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 2,706,714</u></u> |
|---------------------------------------|----------------------------|

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

WESTCHESTER PUBLIC LIBRARY

For the Year Ended April 30, 2012

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|                            | General<br>Fund |
|----------------------------|-----------------|
|                            | <hr/>           |
| REVENUES                   |                 |
| Property Taxes             | \$ 1,137,712    |
| Intergovernmental          | 17,144          |
| Charges for Services       | 39,377          |
| Fines and Forfeits         | 12,560          |
| Investment Income          | 11,184          |
| Contributions              | 4,225           |
| Miscellaneous              | 5,231           |
|                            | <hr/>           |
| Total Revenues             | 1,227,433       |
|                            | <hr/>           |
| EXPENDITURES               |                 |
| Current                    |                 |
| Library                    | 939,885         |
| Capital Outlay             | 109,126         |
|                            | <hr/>           |
| Total Expenditures         | 1,049,011       |
|                            | <hr/>           |
| NET CHANGE IN FUND BALANCE | 178,422         |
|                            |                 |
| FUND BALANCE, MAY 1        | 1,329,512       |
|                            | <hr/>           |
| FUND BALANCE, APRIL 30     | \$ 1,507,934    |
|                            | <hr/> <hr/>     |

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE COMPONENT UNIT TO  
THE STATEMENT OF ACTIVITIES OF THE COMPONENT UNIT

WESTCHESTER PUBLIC LIBRARY

For the Year Ended April 30, 2012

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|                                                                                                                                                                                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| NET CHANGE IN FUND BALANCES -                                                                                                                                                    |                  |
| TOTAL GOVERNMENTAL FUNDS                                                                                                                                                         | \$ 178,422       |
| Amounts reported for governmental activities in the statement of<br>activities are different because:                                                                            |                  |
| Some expenses in the statement of activities do not require the<br>use of current financial resources and, therefore, are not<br>reported as expenditures in governmental funds: |                  |
| Depreciation                                                                                                                                                                     | (76,714)         |
| Change in compensated absences                                                                                                                                                   | (2,252)          |
| Change in net pension obligation                                                                                                                                                 | <u>(6,768)</u>   |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES                                                                                                                                  | <u>\$ 92,688</u> |

(See independent auditor's report.)



## STATISTICAL SECTION

This part of the Village of Westchester's 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> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.                                                                        | 72-80          |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.                                                                                          | 81-87          |
| <b>Debt Capacity</b><br>The 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.                              | 88-91          |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.                                       | 92-93          |
| <b>Operating Information</b><br>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. | 94-97          |

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 ASSETS BY COMPONENT

Last Eight Fiscal Years

| Fiscal Year                           | 2005                 | 2006                 | 2007                 |
|---------------------------------------|----------------------|----------------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>        |                      |                      |                      |
| Invested in Capital Assets            |                      |                      |                      |
| Net of Related Debt                   | \$ 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            |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>  | <b>\$ 29,450,766</b> | <b>\$ 29,654,710</b> | <b>\$ 29,412,891</b> |
| <b>BUSINESS-TYPE ACTIVITIES</b>       |                      |                      |                      |
| Invested in Capital Assets            |                      |                      |                      |
| Net of Related Debt                   | \$ 8,607,351         | \$ 8,379,145         | \$ 8,162,045         |
| Unrestricted                          | 1,289,943            | 1,130,708            | 1,069,386            |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES</b> | <b>\$ 9,897,294</b>  | <b>\$ 9,509,853</b>  | <b>\$ 9,231,431</b>  |
| <b>PRIMARY GOVERNMENT</b>             |                      |                      |                      |
| Invested in Capital Assets            |                      |                      |                      |
| Net of Related Debt                   | \$ 35,699,494        | \$ 34,215,432        | \$ 32,708,709        |
| Restricted                            | 437,602              | 609,633              | 863,192              |
| Unrestricted                          | 3,210,964            | 4,339,498            | 5,072,421            |
| <b>TOTAL PRIMARY GOVERNMENT</b>       | <b>\$ 39,348,060</b> | <b>\$ 39,164,563</b> | <b>\$ 38,644,322</b> |
| <b>COMPONENT UNIT</b>                 |                      |                      |                      |
| Invested in Capital Assets            |                      |                      |                      |
| Net of Related Debt                   | \$ 3,407,617         | \$ 2,787,188         | \$ 2,748,140         |
| Restricted                            | -                    | -                    | -                    |
| Unrestricted                          | 1,161,542            | 1,514,430            | 1,338,204            |
| <b>TOTAL COMPONENT UNIT</b>           | <b>\$ 4,569,159</b>  | <b>\$ 4,301,618</b>  | <b>\$ 4,086,344</b>  |

Data Source

Audited Financial Statements

| 2008          | 2009          | 2010          | 2011          | 2012          |
|---------------|---------------|---------------|---------------|---------------|
| \$ 24,087,301 | \$ 25,720,503 | \$ 24,722,401 | \$ 24,533,889 | \$ 23,581,637 |
| 1,080,659     | 445,605       | 484,697       | 935,253       | 1,057,485     |
| 5,290,928     | 4,324,333     | 3,747,530     | 2,144,143     | 1,827,052     |
| \$ 30,458,888 | \$ 30,490,441 | \$ 28,954,628 | \$ 27,613,285 | \$ 26,466,174 |
| \$ 7,936,598  | \$ 7,751,481  | \$ 7,710,865  | \$ 6,910,269  | \$ 7,434,766  |
| 1,047,755     | 2,038,004     | 1,697,637     | 1,846,113     | 2,132,453     |
| \$ 8,984,353  | \$ 9,789,485  | \$ 9,408,502  | \$ 8,756,382  | \$ 9,567,219  |
| \$ 32,023,899 | \$ 33,471,984 | \$ 32,433,266 | \$ 31,444,158 | \$ 31,016,403 |
| 1,080,659     | 445,605       | 484,697       | 935,253       | 1,057,485     |
| 6,338,683     | 6,362,337     | 5,445,167     | 3,990,256     | 3,959,505     |
| \$ 39,443,241 | \$ 40,279,926 | \$ 38,363,130 | \$ 36,369,667 | \$ 36,033,393 |
| \$ 1,227,483  | \$ 1,415,890  | \$ 1,354,296  | \$ 1,345,074  | \$ 1,268,360  |
| 7,377         | 11,672        | 12,781        | 1,252         | -             |
| 1,454,933     | 1,224,592     | 1,384,462     | 1,267,700     | 1,438,354     |
| \$ 2,689,793  | \$ 2,652,154  | \$ 2,751,539  | \$ 2,614,026  | \$ 2,706,714  |

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET ASSETS

Last Eight Fiscal Years

| Fiscal Year                                             | 2005                   | 2006                   | 2007                   |
|---------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>EXPENSES</b>                                         |                        |                        |                        |
| 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                  | 13,800,969             | 14,304,508             | 14,170,623             |
| Business-Type Activities                                |                        |                        |                        |
| Water and Sewer                                         | 2,710,172              | 3,046,101              | 3,051,684              |
| Total Business-Type Activities Expenses                 | 2,710,172              | 3,046,101              | 3,051,684              |
| <b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>                | <b>\$ 16,511,141</b>   | <b>\$ 17,350,609</b>   | <b>\$ 17,222,307</b>   |
| <b>COMPONENT UNIT</b>                                   |                        |                        |                        |
| Westchester Public Library                              | \$ 1,233,864           | \$ 1,295,330           | \$ 1,304,551           |
| <b>TOTAL COMPONENT UNIT</b>                             | <b>\$ 1,233,864</b>    | <b>\$ 1,295,330</b>    | <b>\$ 1,304,551</b>    |
| <b>PROGRAM REVENUES</b>                                 |                        |                        |                        |
| 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          | 3,449,726              | 3,804,692              | 4,156,964              |
| 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         | 2,603,378              | 3,031,077              | 2,730,501              |
| <b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>        | <b>\$ 6,053,104</b>    | <b>\$ 6,835,769</b>    | <b>\$ 6,887,465</b>    |
| <b>NET REVENUE (EXPENSE)</b>                            |                        |                        |                        |
| Governmental Activities                                 | \$ (10,351,243)        | \$ (10,499,816)        | \$ (10,013,659)        |
| Business-Type Activities                                | (106,794)              | (15,024)               | (321,183)              |
| <b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>   | <b>\$ (10,458,037)</b> | <b>\$ (10,514,840)</b> | <b>\$ (10,334,842)</b> |
| <b>COMPONENT UNIT</b>                                   |                        |                        |                        |
| Library                                                 |                        |                        |                        |
| Charges for Services                                    | \$ 20,950              | \$ 25,813              | \$ 33,592              |
| Operating Grants and Contributions                      | 2,650                  | 1,772                  | 22,734                 |
| <b>TOTAL COMPONENT UNIT ACTIVITIES PROGRAM REVENUES</b> | <b>\$ 23,600</b>       | <b>\$ 27,585</b>       | <b>\$ 56,326</b>       |

| 2008            | 2009            | 2010            | 2011            | 2012            |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 1,969,667    | \$ 2,061,823    | \$ 2,336,063    | \$ 2,243,335    | \$ 2,321,017    |
| 8,532,345       | 9,777,684       | 9,843,048       | 10,225,622      | 10,000,780      |
| 4,380,139       | 3,270,206       | 3,253,548       | 2,818,288       | 3,170,591       |
| 29,963          | 23,186          | 21,779          | 188,772         | 186,623         |
| 14,912,114      | 15,132,899      | 15,454,438      | 15,476,017      | 15,679,011      |
| 3,210,844       | 4,958,778       | 5,411,161       | 5,855,690       | 4,866,286       |
| 3,210,844       | 4,958,778       | 5,411,161       | 5,855,690       | 4,866,286       |
| \$ 18,122,958   | \$ 20,091,677   | \$ 20,865,599   | \$ 21,331,707   | \$ 20,545,297   |
| \$ 1,063,152    | \$ 1,163,848    | \$ 1,143,746    | \$ 1,313,246    | \$ 1,134,745    |
| \$ 1,063,152    | \$ 1,163,848    | \$ 1,143,746    | \$ 1,313,246    | \$ 1,134,745    |
| \$ 1,148,987    | \$ 912,469      | \$ 852,133      | \$ 845,037      | \$ 1,053,503    |
| 855,664         | 927,702         | 1,221,796       | 1,173,519       | 926,556         |
| 1,897,654       | 382,104         | 397,661         | 427,211         | 412,398         |
| 560,159         | 454,932         | 447,755         | 619,870         | 585,489         |
| 239,371         | 2,254,867       | 65,844          | 418,374         | 486,155         |
| 4,701,835       | 4,932,074       | 2,985,189       | 3,484,011       | 3,464,101       |
| 2,921,063       | 4,922,086       | 5,005,316       | 5,200,548       | 5,552,156       |
| -               | -               | -               | 9,169           | -               |
| -               | 60,000          | -               | -               | -               |
| 2,921,063       | 4,982,086       | 5,005,316       | 5,209,717       | 5,552,156       |
| \$ 7,622,898    | \$ 9,914,160    | \$ 7,990,505    | \$ 8,693,728    | \$ 9,016,257    |
| \$ (10,210,279) | \$ (10,200,825) | \$ (12,469,249) | \$ (11,992,006) | \$ (12,214,910) |
| (289,781)       | 23,308          | (405,845)       | (645,973)       | 685,870         |
| \$ (10,500,060) | \$ (10,177,517) | \$ (12,875,094) | \$ (12,637,979) | \$ (11,529,040) |
| \$ 52,544       | \$ 43,478       | \$ 59,644       | \$ 46,781       | \$ 51,937       |
| 20,583          | 21,325          | 17,554          | 17,806          | 21,369          |
| \$ 73,127       | \$ 64,803       | \$ 77,198       | \$ 64,587       | \$ 73,306       |

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Eight Fiscal Years

| Fiscal Year                                      | 2005                  | 2006                  | 2007                  |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|
| NET REVENUE (EXPENSE)                            |                       |                       |                       |
| Component Unit Activities                        | \$ (1,210,264)        | \$ (1,267,745)        | \$ (1,248,225)        |
| TOTAL COMPONENT UNIT NET REVENUE (EXPENSE)       | <u>\$ (1,210,264)</u> | <u>\$ (1,267,745)</u> | <u>\$ (1,248,225)</u> |
| 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                    | <u>9,804,306</u>      | <u>10,703,760</u>     | <u>10,231,345</u>     |
| Business-Type Activities                         |                       |                       |                       |
| Investment Earnings                              | 10,419                | 36,089                | 42,761                |
| Transfers                                        | (58,031)              | (408,506)             | -                     |
| Miscellaneous                                    | -                     | -                     | -                     |
| Total Business-Type Activities                   | <u>(47,612)</u>       | <u>(372,417)</u>      | <u>42,761</u>         |
| TOTAL PRIMARY GOVERNMENT                         | <u>\$ 9,756,694</u>   | <u>\$ 10,331,343</u>  | <u>\$ 10,274,106</u>  |
| COMPONENT UNIT                                   |                       |                       |                       |
| Property Taxes                                   | \$ 872,875            | \$ 913,510            | \$ 941,607            |
| Other Taxes                                      | 12,325                | 17,068                | 14,949                |
| Investment Earnings                              | 25,133                | 48,633                | 63,765                |
| Miscellaneous                                    | 21,428                | 20,993                | 12,630                |
| TOTAL COMPONENT UNIT                             | <u>\$ 931,761</u>     | <u>\$ 1,000,204</u>   | <u>\$ 1,032,951</u>   |
| CHANGE IN NET ASSETS                             |                       |                       |                       |
| Governmental Activities                          | \$ (546,937)          | \$ 203,944            | \$ 217,686            |
| Business-Type Activities                         | (154,406)             | (387,441)             | (278,422)             |
| TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS    | <u>\$ (701,343)</u>   | <u>\$ (183,497)</u>   | <u>\$ (60,736)</u>    |
| CHANGE IN NET ASSETS                             |                       |                       |                       |
| Component Unit                                   | <u>\$ (278,503)</u>   | <u>\$ (267,541)</u>   | <u>\$ (215,274)</u>   |

Data Source

Audited Financial Statements

| 2008         | 2009           | 2010           | 2011           | 2012           |
|--------------|----------------|----------------|----------------|----------------|
| \$ (990,025) | \$ (1,099,045) | \$ (1,066,548) | \$ (1,248,659) | \$ (1,061,439) |
| \$ (990,025) | \$ (1,099,045) | \$ (1,066,548) | \$ (1,248,659) | \$ (1,061,439) |

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| \$ 5,241,736 | \$ 5,374,147 | \$ 5,831,140 | \$ 5,417,410 | \$ 5,809,700 |
| 1,348,330    | 1,298,967    | 1,105,099    | 976,165      | 1,225,610    |
| 1,549,042    | 1,532,916    | 1,336,226    | 1,311,711    | 1,318,224    |
| 1,123,987    | 1,088,078    | 1,110,277    | 1,010,038    | 892,456      |
| 1,043,185    | 976,302      | 868,953      | 896,838      | 807,207      |
| 201,391      | 185,366      | 164,413      | 180,099      | 177,494      |
| 154,767      | 124,607      | 112,206      | 119,904      | 143,876      |
| 66,722       | 35,116       | 53,192       | 62,040       | 611,343      |
| 255,427      | 138,719      | 55,219       | 42,198       | 14,388       |
| -            | (750,000)    | -            | -            | -            |
| 271,689      | 228,160      | 296,711      | 309,605      | 67,501       |

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| 11,256,276 | 10,232,378 | 10,933,436 | 10,326,008 | 11,067,799 |
|------------|------------|------------|------------|------------|

|        |         |        |        |       |
|--------|---------|--------|--------|-------|
| 42,703 | 31,824  | 15,862 | 15,873 | 2,553 |
| -      | 750,000 | -      | -      | -     |
| -      | -       | 9,000  | -      | -     |

|        |         |        |        |       |
|--------|---------|--------|--------|-------|
| 42,703 | 781,824 | 24,862 | 15,873 | 2,553 |
|--------|---------|--------|--------|-------|

|               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| \$ 11,298,979 | \$ 11,014,202 | \$ 10,958,298 | \$ 10,341,881 | \$ 11,070,352 |
|---------------|---------------|---------------|---------------|---------------|

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| \$ 1,030,522 | \$ 1,029,786 | \$ 1,126,004 | \$ 1,053,651 | \$ 1,137,712 |
| -            | -            | -            | -            | -            |
| 50,618       | 31,320       | 37,127       | 47,990       | 11,184       |
| 334          | 300          | 2,802        | 9,505        | 5,231        |

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| \$ 1,081,474 | \$ 1,061,406 | \$ 1,165,933 | \$ 1,111,146 | \$ 1,154,127 |
|--------------|--------------|--------------|--------------|--------------|

|              |           |                |                |                |
|--------------|-----------|----------------|----------------|----------------|
| \$ 1,045,997 | \$ 31,553 | \$ (1,535,813) | \$ (1,665,998) | \$ (1,147,111) |
| (247,078)    | 805,132   | (380,983)      | (630,100)      | 688,423        |

|            |            |                |                |              |
|------------|------------|----------------|----------------|--------------|
| \$ 798,919 | \$ 836,685 | \$ (1,916,796) | \$ (2,296,098) | \$ (458,688) |
|------------|------------|----------------|----------------|--------------|

|           |             |           |              |           |
|-----------|-------------|-----------|--------------|-----------|
| \$ 91,449 | \$ (37,639) | \$ 99,385 | \$ (137,513) | \$ 92,688 |
|-----------|-------------|-----------|--------------|-----------|

VILLAGE OF WESTCHESTER, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

| Fiscal Year                               | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012*               |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>GENERAL FUND</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Reserved                                  | \$ 43,096           | \$ 42,849           | \$ 42,849           | \$ 39,854           | \$ 198,115          | \$ 360,994          | \$ 468,986          | \$ 746,554          | \$ 326,144          | \$ -                |
| Unreserved                                | 1,603,392           | 2,465,095           | 2,018,720           | 2,781,506           | 3,571,766           | 5,678,638           | 5,294,385           | 5,219,256           | 4,601,465           | -                   |
| Nonspendable in form - prepaid items      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 302,937             |
| Unrestricted                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Assigned - subsequent budget              | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 642,838             |
| Unassigned                                | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 3,438,312           |
| <b>TOTAL GENERAL FUND</b>                 | <b>\$ 1,646,488</b> | <b>\$ 2,507,944</b> | <b>\$ 2,061,569</b> | <b>\$ 2,821,360</b> | <b>\$ 3,769,881</b> | <b>\$ 6,039,632</b> | <b>\$ 5,763,371</b> | <b>\$ 5,965,810</b> | <b>\$ 4,927,609</b> | <b>\$ 4,384,087</b> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b>       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Reserved                                  | \$ -                | \$ -                | \$ -                | \$ -                | \$ 863,192          | \$ 1,080,659        | \$ 445,605          | \$ 484,697          | \$ 1,562,550        | \$ -                |
| Unreserved, Reported In                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Special Revenue Funds                     | 984,675             | 297,035             | 970,311             | 1,527,629           | 967,704             | -                   | -                   | (104,458)           | -                   | -                   |
| Debt Service Fund                         | 30,563              | -                   | -                   | -                   | -                   | (200)               | (200)               | -                   | -                   | -                   |
| Capital Project Fund                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Restricted for Public Safety              | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 417,487             |
| Restricted for Tourism                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 95,112              |
| Restricted for Streets and Transportation | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 544,886             |
| <b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b> | <b>\$ 1,015,238</b> | <b>\$ 297,035</b>   | <b>\$ 970,311</b>   | <b>\$ 1,527,629</b> | <b>\$ 1,830,896</b> | <b>\$ 1,080,459</b> | <b>\$ 445,405</b>   | <b>\$ 380,239</b>   | <b>\$ 1,562,550</b> | <b>\$ 1,057,485</b> |

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

Data Source

Audited Financial Statements



VILLAGE OF WESTCHESTER, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year                                                  | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         |
|--------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>REVENUES</b>                                              |              |              |              |              |              |              |              |              |              |              |
| Real Estate Taxes                                            | \$ 4,427,238 | \$ 4,426,141 | \$ 4,744,419 | \$ 4,833,293 | \$ 4,719,577 | \$ 5,117,943 | \$ 5,265,623 | \$ 5,741,031 | \$ 5,321,112 | \$ 5,711,343 |
| Other Local Taxes                                            | 1,944,282    | 2,102,679    | 2,055,229    | 2,246,343    | 2,356,995    | 2,546,640    | 2,365,346    | 2,423,621    | 2,447,970    | 2,509,129    |
| Licenses and Permits                                         | 611,778      | 814,575      | 801,131      | 1,064,311    | 994,272      | 1,084,121    | 887,044      | 912,776      | 838,792      | 964,003      |
| Intergovernmental                                            | 3,038,390    | 3,049,855    | 3,392,642    | 3,489,964    | 3,587,762    | 3,981,100    | 4,094,819    | 3,190,481    | 3,470,405    | 3,843,358    |
| Charges for Services                                         | 1,273,313    | 1,470,011    | 1,578,740    | 1,552,309    | 1,673,396    | 2,089,529    | 490,503      | 467,366      | 467,185      | 470,790      |
| Investment Income                                            | 55,121       | 29,817       | 53,474       | 134,759      | 237,923      | 255,427      | 138,719      | 55,219       | 42,198       | 14,388       |
| Fines and Forfeits                                           | 186,104      | 220,914      | 285,346      | 321,785      | 374,221      | 456,619      | 444,320      | 774,464      | 701,869      | 533,889      |
| Miscellaneous                                                | 266,233      | 209,419      | 282,532      | 253,200      | 362,959      | 233,710      | 260,235      | 183,436      | 271,126      | 303,026      |
| Reimbursements                                               | -            | -            | -            | -            | -            | -            | -            | -            | -            | 6,000        |
| Rental Income                                                | 154,020      | 156,011      | 158,102      | 160,297      | 162,601      | 165,022      | 167,563      | 170,231      | 173,032      | 175,974      |
| Grant Revenue                                                | 151,273      | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total Revenues                                               | 12,107,752   | 12,479,422   | 13,351,615   | 14,056,261   | 14,469,706   | 15,930,111   | 14,114,172   | 13,918,625   | 13,733,689   | 14,531,900   |
| <b>EXPENDITURES</b>                                          |              |              |              |              |              |              |              |              |              |              |
| General Government                                           | 2,791,868    | 2,947,025    | 3,211,501    | 2,965,925    | 2,965,342    | 1,331,339    | 1,180,578    | 1,452,466    | 1,358,597    | 1,661,707    |
| Legal Department                                             | -            | 82,772       | 80,561       | 92,969       | 116,875      | 181,870      | 206,404      | 334,692      | 258,977      | #REF!        |
| CATS                                                         | 67,650       | 69,673       | 74,329       | 73,861       | 79,340       | 14,506       | -            | -            | -            | -            |
| Building Department                                          | 159,362      | 152,844      | 152,124      | 217,365      | 242,282      | 385,613      | 396,671      | 517,469      | 466,905      | 477,844      |
| Elections Department                                         | -            | -            | -            | -            | 248          | -            | -            | 43           | -            | -            |
| Fire and Police Commission                                   | -            | -            | -            | -            | 13,432       | 25,837       | 11,307       | 22,237       | 26,566       | 31,835       |
| Tourism                                                      | -            | -            | -            | -            | 68,383       | 65,263       | 154,691      | 163,295      | 124,978      | 145,190      |
| Police 911                                                   | 323,532      | 397,353      | 431,487      | 755,646      | 517,536      | 820,672      | 889,859      | 870,231      | 954,713      | 960,875      |
| Police Department                                            | 3,571,302    | 3,703,024    | 3,635,708    | 3,685,200    | 3,676,652    | 4,509,046    | 4,751,912    | 4,839,326    | 4,775,711    | 5,012,019    |
| Civil Defense                                                | 13,739       | 7,412        | 4,395        | 3,585        | 4,877        | 3,124        | 977          | 4,761        | 358,818      | 6,428        |
| Fire Department                                              | 2,501,200    | 2,471,748    | 2,604,120    | 2,487,199    | 2,616,972    | 3,238,011    | 3,720,002    | 3,375,500    | 4,152,250    | 3,855,189    |
| Street Lighting                                              | -            | 165,863      | 142,174      | 152,793      | 11,314       | 132,278      | 208,981      | 165,584      | 151,927      | -            |
| Public Works                                                 | 667,424      | 558,710      | 696,986      | 691,305      | 392,443      | 824,553      | 827,375      | 885,195      | 786,863      | 2,974,258    |
| Streets                                                      | 1,527,590    | 1,689,723    | 913,790      | 959,598      | 1,108,871    | 1,183,584    | 1,962,917    | 1,371,597    | 3,497,240    | #REF!        |
| Sanitation                                                   | 1,201,859    | 1,208,118    | 1,220,638    | 1,245,812    | 1,281,605    | 1,463,002    | -            | -            | -            | -            |
| Capital Outlay                                               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Debt Service                                                 | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Principal                                                    | -            | -            | -            | 153,705      | 214,277      | 210,734      | 207,455      | 280,734      | 292,090      | 398,318      |
| Interest and Fiscal Charges                                  | -            | 5,235        | 14,932       | 27,338       | 29,605       | 31,041       | 24,408       | 23,179       | 216,810      | 191,068      |
| Total Expenditures                                           | 12,825,526   | 13,459,500   | 13,182,745   | 13,512,301   | 13,340,054   | 14,420,473   | 14,543,537   | 14,306,309   | 17,422,445   | #REF!        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> |              |              |              |              |              |              |              |              |              |              |
|                                                              | (717,774)    | (980,078)    | 168,870      | 543,960      | 1,129,652    | 1,509,638    | (429,365)    | (387,684)    | (3,688,756)  | #REF!        |

| Fiscal Year                                                | 2003         | 2004         | 2005       | 2006         | 2007         | 2008         | 2009         | 2010        | 2011       | 2012    |
|------------------------------------------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|-------------|------------|---------|
| OTHER FINANCING SOURCES (USES)                             |              |              |            |              |              |              |              |             |            |         |
| Transfers In                                               | \$ 1,243,828 | \$ 1,153,323 | \$ 475,000 | \$ 924,365   | \$ 500,000   | \$ 978,138   | \$ 81,193    | \$ 113      | \$ -       | \$ -    |
| Transfers (Out)                                            | (1,230,003)  | (1,003,323)  | (416,969)  | (515,859)    | (500,000)    | (978,138)    | (831,193)    | (113)       | -          | -       |
| Sale of Capital Assets                                     | -            | 14,465       | -          | -            | 8,170        | 9,676        | 56,025       | 8,050       | 22,695     | 16,714  |
| Bonds Issued                                               | -            | 825,000      | -          | 305,813      | -            | -            | -            | -           | 3,500,000  | -       |
| Premium on Bonds Issued                                    | -            | -            | -          | -            | -            | -            | -            | -           | 28,431     | -       |
| Proceeds from Capital Leases                               | -            | -            | -          | 58,830       | -            | -            | 212,025      | 145,907     | -          | -       |
| Proceeds from Installment Contracts                        | -            | -            | -          | -            | -            | -            | -            | 220,000     | 380,000    | 117,530 |
| Total Other Financing Sources (Uses)                       | 13,825       | 989,465      | 58,031     | 773,149      | 8,170        | 9,676        | (481,950)    | 373,957     | 3,931,126  | 134,244 |
| NET CHANGE IN FUND BALANCES                                | \$ (703,949) | \$ 9,387     | \$ 226,901 | \$ 1,317,109 | \$ 1,137,822 | \$ 1,519,314 | \$ (911,315) | \$ (13,727) | \$ 242,370 | #REF!   |
| DEBT SERVICE AS A PERCENTAGE OF<br>NONCAPITAL EXPENDITURES |              |              |            |              |              |              |              |             |            |         |
|                                                            | 0.00%        | 0.04%        | 0.12%      | 1.48%        | 1.92%        | 1.78%        | 1.76%        | 2.23%       | 3.63%      | #REF!   |

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

Data Source

Audited Financial Statements

VILLAGE OF WESTCHESTER, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

| Levy<br>Year | Residential<br>Property | Commercial<br>Property | Industrial<br>Property | Railroad<br>Property | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax<br>Rate | Estimated<br>Actual<br>Taxable<br>Value | Estimated<br>Actual<br>Taxable<br>Value |
|--------------|-------------------------|------------------------|------------------------|----------------------|------------------------------------|--------------------------------|-----------------------------------------|-----------------------------------------|
| 2002         | \$ 310,381,385          | \$ 143,469,992         | \$ 13,577,978          | \$ 18,024            | \$ 467,447,379                     | 0.984                          | \$ 1,402,342,137                        | 33.333%                                 |
| 2003         | 307,618,430             | 140,883,209            | 13,048,935             | 14,059               | 461,564,633                        | 1.022                          | 1,384,693,899                           | 33.333%                                 |
| 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%                                 |

Data Source

Office of the County Clerk

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

N/A = Data not available from County.

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                        | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Suburban TB Sanitarium               | 0.006 | 0.004 | 0.001 | 0.005 | 0.005 | 0.005 | N/A   | N/A   | N/A   | N/A   |
| Des Plaines Valley Mosquito District | 0.011 | 0.012 | 0.012 | 0.011 | 0.012 | 0.012 | 0.012 | 0.011 | 0.011 | 0.014 |
| Water Reclamation District           | 0.371 | 0.361 | 0.347 | 0.315 | 0.284 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 |
| Westchester Park District            | 0.270 | 0.305 | 0.294 | 0.266 | 0.279 | 0.318 | 0.219 | 0.257 | 0.264 | 0.315 |
| Triton College District #504         | 0.257 | 0.269 | 0.259 | 0.233 | 0.240 | 0.224 | 0.212 | 0.214 | 0.225 | 0.267 |
| High School District #209            | 1.971 | 2.061 | 2.046 | 1.810 | 1.878 | 1.839 | 1.752 | 1.759 | 1.813 | 2.263 |
| School District #93                  | 1.496 | 1.570 | 1.561 | 1.457 | 1.525 | 1.486 | 1.433 | 1.567 | 1.643 | 1.980 |
| Westchester Library Fund             | 0.178 | 0.187 | 0.188 | 0.172 | 0.180 | 0.173 | 0.164 | 0.164 | 0.166 | 0.206 |
| Village of Westchester               | 0.984 | 1.022 | 1.006 | 0.903 | 0.922 | 0.894 | 0.848 | 0.843 | 0.849 | 1.052 |
| Proviso Mental Health District       | 0.123 | 0.129 | 0.129 | 0.114 | 0.115 | 0.117 | 0.113 | 0.113 | 0.117 | 0.145 |
| Proviso General Assistance           | 0.035 | 0.037 | 0.037 | 0.033 | 0.036 | 0.034 | 0.033 | 0.033 | 0.031 | 0.038 |
| Town of Proviso                      | 0.060 | 0.063 | 0.063 | 0.056 | 0.062 | 0.059 | 0.057 | 0.057 | 0.062 | 0.081 |
| Forest Preserve District             | 0.061 | 0.059 | 0.060 | 0.060 | 0.057 | 0.053 | 0.051 | 0.049 | 0.051 | 0.058 |
| Consolidated Elections               | -     | 0.029 | -     | 0.014 | -     | 0.012 | -     | 0.021 | -     | 0.025 |
| County of Cook                       | 0.690 | 0.630 | 0.593 | 0.533 | 0.500 | 0.446 | 0.415 | 0.394 | 0.423 | 0.462 |
| TOTAL                                | 6.513 | 6.738 | 6.596 | 5.982 | 6.095 | 5.935 | 5.561 | 5.743 | 5.929 | 7.226 |

N/A = data not available

Data Source

Cook County Clerk's Office

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

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                        | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Suburban TB Sanitarium               | 0.006 | 0.004 | 0.001 | 0.005 | 0.005 | 0.005 | N/A   | N/A   | N/A   | N/A   |
| Des Plaines Valley Mosquito District | 0.011 | 0.012 | 0.012 | 0.011 | 0.012 | 0.012 | 0.012 | 0.011 | 0.011 | 0.014 |
| Water Reclamation District           | 0.371 | 0.361 | 0.347 | 0.315 | 0.284 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 |
| Westchester Park District            | 0.270 | 0.305 | 0.294 | 0.266 | 0.279 | 0.318 | 0.219 | 0.257 | 0.264 | 0.315 |
| Triton College District #504         | 0.257 | 0.269 | 0.259 | 0.233 | 0.240 | 0.224 | 0.212 | 0.214 | 0.225 | 0.267 |
| High School District #209            | 1.971 | 2.061 | 2.046 | 1.810 | 1.878 | 1.839 | 1.752 | 1.759 | 1.813 | 2.263 |
| School District #92.5                | 2.537 | 2.614 | 2.573 | 2.270 | 2.317 | 2.230 | 2.116 | 2.044 | 2.048 | 2.536 |
| Westchester Library Fund             | 0.178 | 0.187 | 0.188 | 0.172 | 0.180 | 0.173 | 0.164 | 0.164 | 0.166 | 0.206 |
| Village of Westchester               | 0.984 | 1.022 | 1.006 | 0.903 | 0.922 | 0.894 | 0.848 | 0.843 | 0.849 | 1.052 |
| Proviso Mental Health District       | 0.123 | 0.129 | 0.129 | 0.114 | 0.115 | 0.117 | 0.113 | 0.113 | 0.117 | 0.145 |
| Proviso General Assistance           | 0.035 | 0.037 | 0.037 | 0.033 | 0.036 | 0.034 | 0.033 | 0.033 | 0.031 | 0.038 |
| Town of Proviso                      | 0.060 | 0.063 | 0.063 | 0.056 | 0.062 | 0.059 | 0.057 | 0.057 | 0.062 | 0.081 |
| Forest Preserve District             | 0.061 | 0.059 | 0.060 | 0.060 | 0.057 | 0.053 | 0.051 | 0.049 | 0.051 | 0.058 |
| Consolidated Elections               | -     | 0.029 | -     | 0.014 | -     | 0.012 | -     | 0.021 | -     | 0.025 |
| County of Cook                       | 0.690 | 0.630 | 0.593 | 0.533 | 0.500 | 0.446 | 0.415 | 0.394 | 0.423 | 0.462 |
| TOTAL                                | 7.554 | 7.782 | 7.608 | 6.795 | 6.887 | 6.679 | 6.244 | 6.220 | 6.334 | 7.782 |

N/A = data not available

Data Source

Cook County Clerk's Office

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

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Six Years Ago

| Taxpayer             | 2011                   |      |                                                        | 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 | \$ 70,451,988          | 1    | 12.80%                                                 | Westbrook Center            | \$ 31,344,585          | 1    | 5.71%                                                  |
| Regency Centers      | 8,446,574              | 2    | 1.53%                                                  | Regency Centers             | 3,775,003              | 2    | 0.69%                                                  |
| Marc Realty          | 5,620,108              | 3    | 1.02%                                                  | Marc Realty                 | 2,542,853              | 3    | 0.46%                                                  |
| Mariner Health Care  | 3,646,100              | 4    | 0.66%                                                  | Prime Group Realty          | 1,965,178              | 4    | 0.36%                                                  |
| Grand Prix LLC       | 3,530,234              | 5    | 0.64%                                                  | Mariner Health Care         | 1,504,798              | 5    | 0.27%                                                  |
| Albertons            | 3,420,980              | 6    | 0.62%                                                  | Inkeepers Westchester       | 1,499,999              | 6    | 0.27%                                                  |
| Westchester Square   | 2,980,567              | 7    | 0.54%                                                  | WiFi 2400 LLC               | 1,181,895              | 7    | 0.22%                                                  |
| J Cacciatore Co      | 2,528,976              | 8    | 0.46%                                                  | Westchester Partners        | 849,539                | 8    | 0.15%                                                  |
| WiFi2400 LLC         | 2,487,771              | 9    | 0.45%                                                  | Albertsons                  | 831,991                | 9    | 0.15%                                                  |
| 2450 S Wolf Rd LLC   | 2,311,275              | 10   | 0.42%                                                  | Pension Fund Laborers Union | 829,033                | 10   | 0.15%                                                  |
|                      | <u>\$ 105,424,573</u>  |      | <u>19.15%</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<br>Year | Tax Levied   | Collected within the<br>Fiscal Year of the Levy |                       | Collected in<br>Subsequent<br>Years | Total Collections |                       |
|--------------|--------------|-------------------------------------------------|-----------------------|-------------------------------------|-------------------|-----------------------|
|              |              | Amount                                          | Percentage<br>of Levy |                                     | Amount            | Percentage<br>of Levy |
| 2002         | \$ 4,599,682 | \$ 4,522,678                                    | 98.33%                | \$ -                                | \$ 4,522,678      | 98.33%                |
| 2003         | 4,717,191    | 4,557,690                                       | 96.62%                | -                                   | 4,557,690         | 96.62%                |
| 2004         | 4,794,288    | 4,816,021                                       | 100.45%               | -                                   | 4,816,021         | 100.45%               |
| 2005         | 4,955,410    | 4,890,241                                       | 98.68%                | -                                   | 4,890,241         | 98.68%                |
| 2006         | 5,133,027    | 5,036,497                                       | 98.12%                | 52,163                              | 5,088,660         | 99.14%                |
| 2007         | 5,291,250    | 5,219,963                                       | 98.65%                | 27,911                              | 5,247,874         | 99.18%                |
| 2008         | 5,513,607    | 5,366,474                                       | 97.33%                | 66,250                              | 5,432,724         | 98.53%                |
| 2009         | 5,534,475    | 5,295,456                                       | 95.68%                | 35,807                              | 5,331,263         | 96.33%                |
| 2010         | 5,806,234    | 2,491,858                                       | 42.92%                | 1,754,485                           | 4,246,343         | 73.13%                |
| 2011         | 5,791,006    | 2,166,572                                       | 37.41%                | -                                   | 2,166,572         | 37.41%                |

Data Source

Office of the County Clerk

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

VILLAGE OF WESTCHESTER, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

| Calendar Year                    | 2002                | 2003                | 2004                | 2005                | 2006              | 2007                | 2008                | 2009              | 2010              | 2011              |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|
| General Merchandise              | \$ 178              | \$ 2,688            | \$ 2,927            | \$ 969              | \$ 319            | \$ 138              | \$ -                | \$ 152            | \$ -              | \$ -              |
| Food                             | 445,450             | 412,071             | 395,786             | 395,071             | 369,357           | 381,063             | 370,606             | 344,437           | 319,334           | 298,779           |
| Drinking and Eating Places       | 172,172             | 161,276             | 165,157             | 174,279             | 200,753           | 196,087             | 185,900             | 174,563           | 168,451           | 169,668           |
| Apparel                          | -                   | -                   | 169                 | 1,031               | 1,567             | 1,469               | -                   | 949               | -                 | -                 |
| Furniture & H.H. & Radio         | 4,859               | 5,995               | 6,178               | 8,776               | 3,929             | 1,492               | 2,034               | 1,562             | 2,307             | 1,069             |
| Lumber, Building Hardware        | 258                 | 839                 | 474                 | 3,755               | 4,543             | 3,945               | 10,530              | 16,662            | 11,366            | 1,587             |
| Automobile and Filling Stations  | 155,302             | 95,737              | 94,662              | 97,787              | 90,879            | 82,662              | 78,224              | 65,853            | 73,577            | 77,133            |
| Drugs and Miscellaneous Retail   | 195,895             | 196,108             | 195,441             | 192,735             | 163,121           | 185,935             | 164,082             | 142,019           | 307,783           | 347,371           |
| Agriculture and All Others       | 283,786             | 207,947             | 341,486             | 178,914             | 153,810           | 196,479             | 272,991             | 156,587           | 72,868            | 70,588            |
| Manufacturers                    | 5,244               | 2,632               | 2,036               | 1,937               | 1,552             | 10,887              | 16,989              | 8,671             | 10,163            | 6,789             |
| TOTAL                            | <u>\$ 1,263,143</u> | <u>\$ 1,085,293</u> | <u>\$ 1,204,318</u> | <u>\$ 1,055,253</u> | <u>\$ 989,831</u> | <u>\$ 1,060,157</u> | <u>\$ 1,101,356</u> | <u>\$ 911,455</u> | <u>\$ 965,848</u> | <u>\$ 972,984</u> |
| VILLAGE DIRECT SALES<br>TAX RATE | 7.75%               | 7.75%               | 7.75%               | 7.75%               | 7.75%             | 8.00%               | 8.00%               | 9.00%             | 8.50%             | 8.25%             |

Data Source

Illinois Department of Revenue

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



VILLAGE OF WESTCHESTER, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

| Fiscal<br>Year | Overlapping Rate                             |                        |               |
|----------------|----------------------------------------------|------------------------|---------------|
|                | Regional<br>Transportation<br>Authority Rate | Cook<br>County<br>Rate | State<br>Rate |
| 2003           | 0.75%                                        | 0.75%                  | 6.25%         |
| 2004           | 0.75%                                        | 0.75%                  | 6.25%         |
| 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%         |

Data Source

Illinois Department of Revenue

\*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.

VILLAGE OF WESTCHESTER, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

| Fiscal<br>Year<br>Ended | Governmental<br>Activities     |                   |                          |                      | Business-Type<br>Activities    |                   | Total<br>Primary<br>Government | EAV            | Percentage<br>of<br>EAV | Per<br>Capita* |
|-------------------------|--------------------------------|-------------------|--------------------------|----------------------|--------------------------------|-------------------|--------------------------------|----------------|-------------------------|----------------|
|                         | General<br>Obligation<br>Bonds | Capital<br>Leases | Installment<br>Contracts | Debt<br>Certificates | General<br>Obligation<br>Bonds | Capital<br>Leases |                                |                |                         |                |
| 2003                    | \$ -                           | \$ -              | \$ -                     | \$ -                 | \$ -                           | \$ -              | \$ -                           | \$ 467,447,379 | 0.00%                   | \$ -           |
| 2004                    | -                              | -                 | -                        | 825,000              | -                              | -                 | 825,000                        | 461,564,633    | 0.18%                   | 49.36          |
| 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    | N/A                     | 355.62         |
| 2012                    | 3,390,000                      | 75,134            | 554,330                  | -                    | 1,485,000                      | -                 | 5,504,464                      | 550,475,869    | N/A                     | 329.33         |

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

\* See the Schedule of Demographic and Economic Information on page 92 for population data.

N/A = Not Available

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2012

|                                         | Gross<br>Bonded Debt (1) | Percentage<br>of Debt<br>Applicable to<br>Government (2) | Government's<br>Share of Debt |
|-----------------------------------------|--------------------------|----------------------------------------------------------|-------------------------------|
| <b>DIRECT DEBT</b>                      |                          |                                                          |                               |
| Village of Westchester                  | \$ 4,875,000             | 100.00%                                                  | \$ 4,875,000                  |
| <b>OVERLAPPING DEBT</b>                 |                          |                                                          |                               |
| Cook County                             | 3,499,615,000            | 0.36%                                                    | 12,668,282                    |
| Cook County Forest Preserve District    | 101,935,000              | 0.36%                                                    | 368,995                       |
| Metropolitan Water Reclamation District | 1,945,659,620            | 0.37%                                                    | 7,234,377 (3)                 |
| Westchester Park District               | 476,275                  | 98.17%                                                   | 467,556 (4)                   |
| School District 92.5                    | 10,055,000               | 42.97%                                                   | 4,320,621                     |
| School District 93                      | 2,850,000                | 30.70%                                                   | 874,921                       |
| High School Number 209                  | 54,386,629               | 22.04%                                                   | 11,989,128                    |
| Total overlapping debt                  | 5,614,977,524            |                                                          | 37,923,880                    |
| <b>TOTAL</b>                            | <u>\$ 5,619,852,524</u>  |                                                          | <u>\$ 42,798,880</u>          |

- Notes: (1) Sources: Office of the Cook County Clerk. Certain Gross Bonded Debt amounts as of April 30, 2012 could not be obtained as of the date of printing. In these instances, April 30, 2011 amounts are shown.
- (2) Overlapping debt percentages based on 2010 EAV, as of 4/30/2012, 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<br>Debt Limit | Total Net<br>Debt Applicable<br>to Limit | Legal<br>Debt Margin | Total Net Debt<br>Applicable to the<br>Limit as a<br>Percentage of<br>of Debt Limit |
|-------------|---------------------|------------------------------------------|----------------------|-------------------------------------------------------------------------------------|
| 2003        | \$ 40,317,336       | \$ -                                     | \$ 40,317,336        | 0.00%                                                                               |
| 2004        | 39,809,950          | -                                        | 39,809,950           | 0.00%                                                                               |
| 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%                                                                              |

Legal Debt Margin Calculation for Fiscal Year 2012:

|                                               |                             |
|-----------------------------------------------|-----------------------------|
| Assessed Value                                | \$ 550,475,869              |
| Legal Debt Margin                             | <u>8.625%</u>               |
| Legal Debt Limit                              | 47,478,544                  |
| Debt Applicable to Limit<br>Debt Certificates | <u>4,875,000</u>            |
| Legal Debt Margin                             | <u><u>\$ 42,603,544</u></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 |
|-------------|--------------------------|---------------------------------------------|-----------|-----------------------------------------------------------|------------|
| 2003        | \$ -                     | \$ 30,563                                   | \$ -      | 0.00%                                                     | -          |
| 2004        | -                        | -                                           | -         | 0.00%                                                     | -          |
| 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     |

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

\* See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 81 for property value data.

VILLAGE OF WESTCHESTER, ILLINOIS  
DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

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| Calendar<br>Year | Population | Median<br>Family<br>Income | Family<br>Income<br>Per<br>Capita | Unemployment<br>Rate |
|------------------|------------|----------------------------|-----------------------------------|----------------------|
| 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%                 |
| 2003             | 16,824     | 70,339                     | 4.18                              | 5.7%                 |
| 2002             | 16,824     | 70,339                     | 4.18                              | 5.6%                 |

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 Five Years Prior

| Employer                                 | 2012 |                                                 | Employer                               | 2007 |                                                 |
|------------------------------------------|------|-------------------------------------------------|----------------------------------------|------|-------------------------------------------------|
|                                          | Rank | Employees<br>as a %<br>of Village<br>Population |                                        | Rank | Employees<br>as a %<br>of Village<br>Population |
| Gas Secure Solutions Inc                 | 1    | 4.47%                                           | Corn Products International            | 1    | 3.57%                                           |
| Corn Products International              | 2    | 3.59%                                           | Grove, Inc.                            | 2    | 1.63%                                           |
| Sogeti USA, LLC                          | 3    | 1.44%                                           | Nonni's Food Company, Inc.             | 3    | 1.49%                                           |
| Chicago Laborers' Pension & Welfare Fund | 7    | 0.90%                                           | SAP America Inc.                       | 4    | 1.49%                                           |
| Commonscope Corp                         | 7    | 0.90%                                           | Jewel Food Stores, Inc.                | 5    | 1.25%                                           |
| Insurance Auto Auctions                  | 7    | 0.90%                                           | Fresenius Medical Care                 | 6    | 1.01%                                           |
| Yellow Book USA, Inc                     | 7    | 0.90%                                           | Andrew Corporation                     | 7    | 0.89%                                           |
| Revenue Cycle Solutions                  | 8    | 0.72%                                           | Revenue Cycle Solutions, Inc.          | 8    | 0.86%                                           |
| Per Mar Security Systems                 | 9    | 0.60%                                           | Software Architects, Inc.              | 9    | 0.83%                                           |
| Healthcare Financial Management Assn     | 10   | 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 not available for nine years prior.

### Data Source

2012 Illinois Services Directory and 2012 Illinois Manufacturers Directory

VILLAGE OF WESTCHESTER, ILLINOIS

FULL-TIME EMPLOYEES

Last Ten Fiscal Years

| Function/Program             | 2003       | 2004       | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011      | 2012       |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|
| <b>GENERAL GOVERNMENT</b>    |            |            |            |            |            |            |            |            |           |            |
| Village Manager's Office     | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 3          | 3         | 2          |
| Finance                      | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 3          | 2         | 2          |
| Building/Code Enforcement    | 3          | 3          | 3          | 4          | 4          | 4          | 4          | 4          | 4         | 4          |
| <b>PUBLIC SAFETY</b>         |            |            |            |            |            |            |            |            |           |            |
| Police                       |            |            |            |            |            |            |            |            |           |            |
| Officers                     | 37         | 38         | 35         | 35         | 35         | 35         | 35         | 36         | 35        | 33         |
| Administration/Civilians     | 11         | 15         | 15         | 15         | 13         | 13         | 13         | 11         | 8         | 10         |
| Fire                         |            |            |            |            |            |            |            |            |           |            |
| Firefighters and Officers    | 30         | 28         | 27         | 27         | 27         | 27         | 27         | 28         | 29        | 29         |
| Administration/Civilians     | 1          | 1          | 1          | 1          | 1          | 1          | 1          | -          | -         | -          |
| <b>PUBLIC WORKS</b>          |            |            |            |            |            |            |            |            |           |            |
| Administration               | 5          | 5          | 5          | 5          | 4          | 4          | 4          | 4          | 3         | 2          |
| Works and Street Maintenance | 12         | 12         | 10         | 10         | 8          | 8          | 8          | 8          | 6         | 9          |
| Water/Sewer Operations       | 9          | 10         | 10         | 9          | 9          | 9          | 9          | 9          | 9         | 8          |
| <b>TOTAL</b>                 | <b>115</b> | <b>119</b> | <b>113</b> | <b>113</b> | <b>108</b> | <b>108</b> | <b>108</b> | <b>106</b> | <b>99</b> | <b>100</b> |

Data Source

Village records



VILLAGE OF WESTCHESTER, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

| Function/Program                        | 2003   | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010   | 2011   | 2012   |
|-----------------------------------------|--------|---------|---------|---------|---------|---------|---------|--------|--------|--------|
| <b>PUBLIC SAFETY</b>                    |        |         |         |         |         |         |         |        |        |        |
| Police                                  |        |         |         |         |         |         |         |        |        |        |
| Total Accidents                         | 612    | 580     | 524     | 546     | 510     | 578     | 572     | 376    | 443    | 361    |
| Total Burglaries                        | 119    | 68      | 129     | 113     | 116     | 129     | 116     | 139    | 83     | 104    |
| Total Thefts                            | 255    | 190     | 198     | 154     | 133     | 174     | 218     | 144    | 160    | 192    |
| Total Criminal Damage                   | 167    | 144     | 161     | 145     | 154     | 212     | 142     | 111    | 115    | 63     |
| Total Arrests and Citations             | 8,963  | 10,427  | 10,335  | 9,433   | 10,654  | 10,089  | 8,190   | 8,313  | 7,553  | 9,555  |
| Total Juvenile Cases                    | 252    | 194     | 217     | 167     | 162     | 217     | 210     | 183    | 200    | 169    |
| Fire                                    |        |         |         |         |         |         |         |        |        |        |
| Ambulance calls                         | 1,386  | 1,540   | 1,835   | 1,608   | 1,707   | 1,491   | 1,777   | 1,554  | 1,716  | 1,720  |
| Fire Alarms                             | 102    | 80      | 53      | 61      | 62      | 73      | 40      | 87     | 46     | 51     |
| Non-Fire Alarms                         | 654    | 690     | 610     | 766     | 672     | 721     | 833     | 710    | 855    | 631    |
| Fire Prevention Inspections             | 1,145  | 1,222   | 481     | 92      | 212     | 875     | 587     | 621    | 312    | 502    |
| <b>PUBLIC WORKS</b>                     |        |         |         |         |         |         |         |        |        |        |
| Parkway Maintenance (Hours)             | 1,398  | 1,135   | 1,151   | 566     | 1,119   | 1,084   | 683     | 1,126  | 1,217  | 1,152  |
| Branch Pick-Up (Hours)                  | 2,628  | 2,997   | 3,147   | 2,524   | 3,642   | 979     | 1,188   | 948    | 1,277  | 1,780  |
| Tree Maintenance (Hours)                | 2,078  | 2,737   | 2,661   | 1,987   | 2,609   | 887     | 875     | 1,296  | 1,152  | 2,424  |
| Street and Alley Maintenance (Hours)    | 4,142  | 4,824   | 3,040   | 2,880   | 2,241   | 3,503   | 3,313   | 5,127  | 5,362  | 5,672  |
| Snow Removal and Salt Spreading (Hours) | 764    | 765     | 739     | 558     | 950     | 2,384   | 1,432   | 912    | 1,521  | 431    |
| <b>WATER/SEWER</b>                      |        |         |         |         |         |         |         |        |        |        |
| Sanitary Sewers                         |        |         |         |         |         |         |         |        |        |        |
| Manholes Inspected                      | 417    | 748     | 442     | 734     | 897     | 664     | 901     | 46     | 482    | 144    |
| Manholes Cleaned & Repaired-Vacuumed    | 26     | 19      | 22      | 1       | 23      | 11      | 79      | 7      | 23     | 15     |
| Total Feet Replaced                     | 6      | 15      | -       | -       | -       | 6       | 20      | -      | -      | 2,500  |
| Storm Sewers                            |        |         |         |         |         |         |         |        |        |        |
| Manholes Repaired                       | 3      | 1       | 1       | -       | 3       | 10      | -       | 6      | -      | 10     |
| Total Rodded (Feet)                     | 38,950 | 34,200  | 47,500  | 25,600  | 104,000 | 21,200  | 47,500  | 39,300 | 10,875 | 12,650 |
| Total Replaced/Installed (Feet)         | -      | 63      | -       | -       | 44      | 115     | -       | 680    | -      | 15     |
| Catch Basins Cleaned & Repaired         | 4      | 1       | 26      | 10      | 34      | 17      | 48      | 47     | 285    | 239    |
| Inlets Cleaned & Repaired               | 321    | 382     | 52      | 303     | 725     | 296     | 1,603   | 155    | 549    | 427    |
| Jetting Sewer System (Feet)             | 78,450 | 111,850 | 123,300 | 127,300 | 271,300 | 117,400 | 196,200 | 51,800 | 19,275 | 15,150 |
| Water Main Breaks                       | 74     | 39      | 36      | 65      | 72      | 45      | 29      | 30     | 39     | 25     |
| Fire Hydrants Replaced                  | 5      | -       | 1       | -       | 7       | 9       | 2       | -      | 3      | 1      |
| Water Meters Replaced                   | 588    | 823     | 426     | 578     | 342     | 147     | 23      |        | N/A    |        |

| Function/Program                        | 2003 | 2004 | 2005 | 2006  | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------------------|------|------|------|-------|------|------|------|------|------|------|
| BUILDING DEPARTMENT                     |      |      |      |       |      |      |      |      |      |      |
| Residential Alteration Permits Issued   | 71   | 125  | 138  | 198   | 249  | 266  | 174  | 131  | 102  | 109  |
| Commercial Alteration Permits Issued    | 201  | 157  | 189  | 137   | 139  | 193  | 152  | 186  | 161  | 167  |
| Electrical Permits Issued - Residential | 56   | 76   | 109  | 223   | 182  | 179  | 163  | 128  | 112  | 83   |
| Plumbing Permits Issued - Residential   | 23   | 45   | 52   | 176   | 153  | 154  | 202  | 131  | 132  | 46   |
| Compliance for Sale                     |      |      |      |       |      |      |      |      |      |      |
| Residential                             | 449  | 741  | 807  | 1,139 | 687  | 521  | 353  | 425  | 364  | 587  |
| Commercial                              | -    | -    | -    | -     | 3    | 7    | 2    | 3    | 2    | 3    |
| Industry                                | -    | -    | -    | -     | 1    | 1    | -    | -    | -    | -    |
| Code Enforcement                        |      |      |      |       |      |      |      |      |      |      |
| Warning Notices Issued                  | 147  | 230  | 329  | 306   | 424  | 444  | 428  | 367  | 182  | 232  |
| Citations Issued                        | 29   | 132  | 111  | 161   | 139  | 113  | 62   | 111  | 63   | 31   |

Data Source

Various Village departments

VILLAGE OF WESTCHESTER, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

| Function/Program             | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>PUBLIC SAFETY</b>         |       |       |       |       |       |       |       |       |       |       |
| 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     | 1     | 1     | 2     | 2     | 2     |
| <b>HIGHWAY &amp; STREETS</b> |       |       |       |       |       |       |       |       |       |       |
| Streets (Miles)              | N/A   | 49    | 49    | 49    | 49    | 49    | 49    | 49    | 49    | 49    |
| <b>WATERWORKS</b>            |       |       |       |       |       |       |       |       |       |       |
| Water Mains (Miles)          | 65    | 65    | 65    | 65    | 65    | 65    | 65    | 65    | 65    | 65    |
| Fire Hydrants                | 767   | 767   | 770   | 782   | 783   | 783   | 783   | 783   | 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)         | N/A   | 51    | 51    | 51    | 51    | 51    | 51    | 51    | 51    | 51    |
| <b>SEWERAGE</b>              |       |       |       |       |       |       |       |       |       |       |
| Sanitary Sewers (Miles)      | 54    | 54    | 54    | 54    | 54    | 54    | 54    | 54    | 54    | 54    |

N/A - not available

Data Source

Various Village departments

Note: Most recent data available